

Humana Agrees to Continue Many of the Settlement Terms after Settlement Agreement Officially Terminates

The Settlement Agreement with Humana officially terminated on October 19, 2009. Nonetheless, in the interest of continuing to enhance its relationships with physicians, Humana has voluntarily agreed to maintain in effect many of the most important terms of the Settlement Agreement. In reaching this decision, Humana sought input from the Physicians Advocacy Institute, Inc. (PAI) and Humana executives met with attorneys for several of the medical societies represented on PAI's Board prior to finalizing its business plans.

Humana has agreed to maintain the following Settlement provisions in effect:

- 90 days' advance written notice prior to implementing material adverse changes, including fee schedule reductions
- Application of the clinical definition of medical necessity as spelled out *verbatim* in the Settlement Agreement
- Application of the coding rules required by the Settlement Agreement
- 18 month limitation on seeking overpayment recovery
- Posting significant coding edits and the list of code combinations not appropriately reported with modifiers 25 and 59 on its Provider Website

The following Settlement Agreement terms will no longer remain in effect:

- Although Humana will continue to pay interest as on late-paid claims as required by state law, it will no longer pay interest on late-paid self-funded claims.
- Except as required by state law, Humana will no longer be bound to recognize assignment of benefits.
- Although Humana has no current plans to revise its fee schedules more than once a year, it will not agree to be bound by this limit.
- Although Humana will create a new Physicians' Advisory Committee, the Committee established by the Settlement Agreement will be disbanded.