

**1995 HEALTH OPTIONS, INC.
PHYSICIANS AND OFFICE MANAGERS
ANNUAL REPORT**

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BACKGROUND AND OBJECTIVES

Blue Cross and Blue Shield of Florida/Health Options, Inc. (BCBSF/HOI) has instituted a program to measure and monitor its managed care programs in order to gain full accreditation from the National Committee on Quality Assurance (NCQA). The NCQA is responsible for establishing quality standards, assessing compliance with these standards and granting accreditation. In order to satisfy the NCQA Utilization Management (UM) standard, HOI currently measures member satisfaction through two annual surveys: the Gallup Member Survey and the Primary Care Physician (PCP) Member Survey.

HOI also addresses various issues among physicians on an ad hoc basis. The most recent corporate-wide physician survey was conducted in 1990 and resulted in achieving partial compliance with the UM standard during the NCQA's 1992 assessment of BCBSF.

Following its 1993 evaluation, the NCQA recommended that BCBSF begin a monitoring study to determine the impact of HOI's Utilization Management (UM) programs and procedures on its members and physicians. Specifically, the survey is intended to evaluate the effects of these programs, to measure member and provider satisfaction and to gather other pertinent information.

This annual survey, conducted among HOI's physicians and their office managers, intends to satisfy the NCQA recommendation related to NCQA Accreditation Review Section: Utilization Management (UM) Standard 8.0. The results of the first wave (conducted in 1994) serve as the baseline for BCBSF to assess its UM policies and satisfaction issues. In 1995, Elrick & Lavidge was retained to conduct the second wave of this survey, the results of which are presented in the following report.

METHODOLOGY

A mail survey was conducted among physicians and office managers who are members of the BCBSF/HOI program. Due to the difficulty of getting physicians' cooperation in marketing research, the physicians' and office managers' questionnaires were mailed to the office managers who were asked to complete their questionnaire and to have the physician complete his/her questionnaire.

Elrick & Lavidge executed the following three-stage methodology:

1. A pre-alert postcard was mailed to physicians' offices on November 3, 1995. The postcard explained that a package containing two questionnaires would arrive within one week.
2. A survey packet was mailed to physicians' offices on November 9 and 10, 1995. The packets contained:
 - A cover letter to the office manager which explained the purpose of the research, the role to be played by the office manager, and asked for their cooperation;
 - A cover letter to the physician which explained the purpose of the research and asked for their cooperation;
 - An office manager questionnaire;
 - A physician questionnaire;
 - A pre-addressed, postage-paid business reply envelope to return the questionnaires to Elrick & Lavidge by December 8, 1995.
3. A follow-up postcard was mailed to all physicians' offices on November 16th, which reminded respondents to return their completed questionnaires to Elrick & Lavidge at their earliest convenience.

A copy of each item listed above is included in the Appendix of this report.

QUESTIONNAIRE

The questionnaires were developed by the BCBSF Marketing Research Department staff with input from the Director of Quality Utilization Management at BCBSF, and were used in the 1994 benchmark wave. Several changes were made to the questionnaires in 1995. Specifically, the physician survey deleted the following questions which are no longer applicable due to changes in the industry.

- Do you currently accept Medicaid patients?
- Do you currently or have you ever participated in a Medicaid HMO program?
- In general, which of the following best describes your experience as a participating physician in a Medicaid HMO? (Favorable vs. Unfavorable)
- How much do you agree or disagree with the following?
 - a) A Medicaid HMO program makes it easier to manage and deliver care to Medicaid patients than a traditional Medicaid program does.
 - b) A Medicaid HMO program manages Medicaid costs better than a traditional Medicaid program.
 - c) A physician has the opportunity to attain better financial results through a Medicaid HMO program than through a traditional Medicaid program.

The questions added to the physician survey are about alliances with managed care plans in the future and closing of physicians' practices to new patients. Specifically, the questions added are:

- How likely are you to align with a smaller number of managed care companies in the next year?
- How likely are you to align with one managed care company in the future?
- How many total patients do you see personally in your office per week?
- Have you closed your office to new patients over the past year?
- If yes, how long did you close your practice?

The office manager questionnaire also experienced some updating from the 1994 survey. A few questions were added that relate to the submission of claims. The questions are as follows:

- For HMO business, what is your preference for submitting data?
- Do you submit claims electronically to BCBSF/HOI?
- If yes, please specify what lines of business you submit electronically.
- Do you use practice management software in your office?
- If yes, please specify your practice management system vendor.

SAMPLING

BCBSF provided Elrick & Lavidge with a diskette containing the entire population of HOI-contracted physicians. From that, a sampling plan was developed that mimics the population while ensuring the cells remained large enough to perform statistical testing. Each cell is defined by the type of physician (primary care physician or specialist) and the region in Florida where the physician practices.

The population appears as follows:

HOI Physician Population (Including Incomplete Records)

	Northeast Region	Northwest Region	Central Florida Region	West Coast Region	South Florida Region	TOTAL
PCP's	220	128	312	619	906	2185
Specialists	1493	337	1190	2073	2728	7821
TOTAL	1713	465	1502	2692	3634	10,006
	17%	5%	15%	27%	36%	100%

BCBSF desired a total of 1,200 completed questionnaires from physicians (n=600) and office managers (n=600). In total, 4,200 records were randomly selected from the population and used in the mailings. The breakdown of the sampling plan is shown below.

Sampling Plan

	Northeast Region	Northwest Region	Central Florida Region	West Coast Region	South Florida Region	TOTAL
PCP's	220	128	312	619	797	2076
Specialists	452	337	318	431	586	2124
TOTAL	672	465	630	1050	1383	4200
	16%	11%	15%	25%	33%	100%

A total of 1,066 completed questionnaires were returned to Elrick & Lavidge. The proportion of questionnaires received is representative of the sampling plan, with the exception of a lower than expected return rate from the Northeast region.

Completed Questionnaires

	Northeast Region	Northwest Region	Central Florida Region	West Coast Region	South Florida Region	TOTAL
Physicians	76	42	95	136	206	555
Office Managers	63	47	78	136	187	511
TOTAL	139	89	173	272	393	1066
	13%	8%	16%	26%	37%	100%

The overall response rate in 1995 was 25%, substantially lower than the 35% response rate achieved in 1994.

DATA ANALYSIS

The 1,066 completed surveys which were returned included 555 physician surveys and 511 office manager surveys. As the surveys were returned to Elrick & Lavidge, the open-ended questions were coded and the data were keypunched. One banner of cross-tabulations was generated and used to analyze the data. Percentages were based to total respondents answering each question. Significance testing was conducted between groups of interest at the 95% confidence. It should be noted that the 1994 report showed differences which were statistically significant at the 99% confidence level.

The total sample size of 555 completed physician surveys yields an error range of approximately +/- 4.04% at the 95% confidence level. The total sample size of 511 office manager surveys yields an error range of approximately +/- 4.34% at the 95% confidence level.

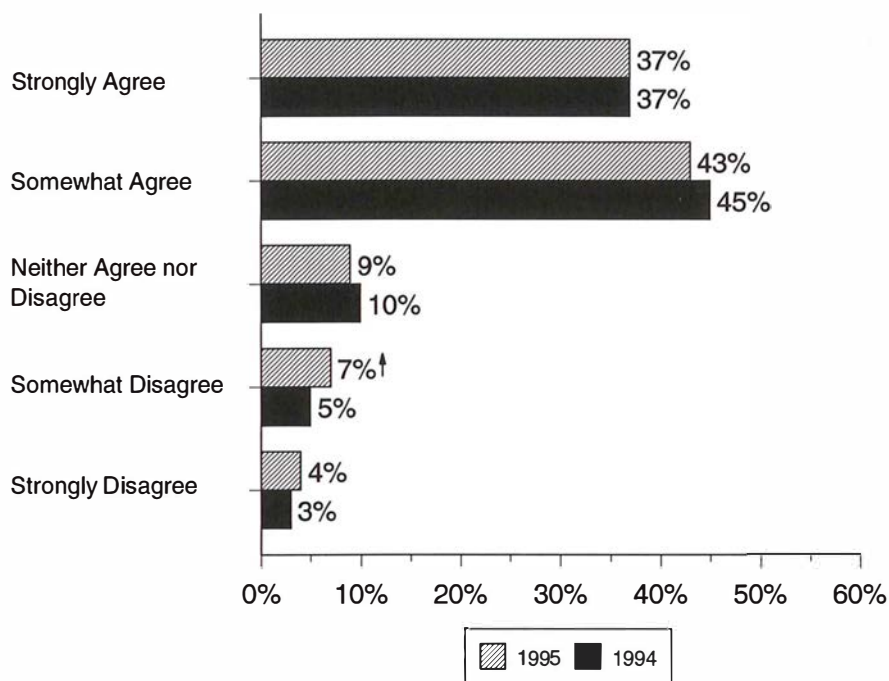
Several advance statistical techniques were conducted on the data. First, a Spearman Correlation Analysis was performed to determine if there are relationships between respondents' overall satisfaction with HOI and their opinions of the four HOI departments: Utilization Management, Provider Relations, Customer Service, and Claims.

Second, the department ratings were subjected to a Factor Analysis to determine if underlying patterns or relationships exist among the data. This type of analysis groups together similar variables according to their correlation with one another. Multiple Regression was then performed to determine which Factors have the greatest effect on overall satisfaction.

ANALYSIS OF OVERALL SATISFACTION

Overall, physicians and office managers are generally satisfied with their relationship with HOI. About four in ten each say they “strongly agree” (37%) or “somewhat agree” (43%) they are satisfied, for a **total satisfaction level** of eight in ten physicians and office managers (80%). About one in ten respondents (9%) are neutral about their relationship with HOI. However, significantly more physicians and office managers “somewhat disagree” or “strongly disagree” they are satisfied with their HOI relationship in 1995 (11%) compared to 1994 (8%).

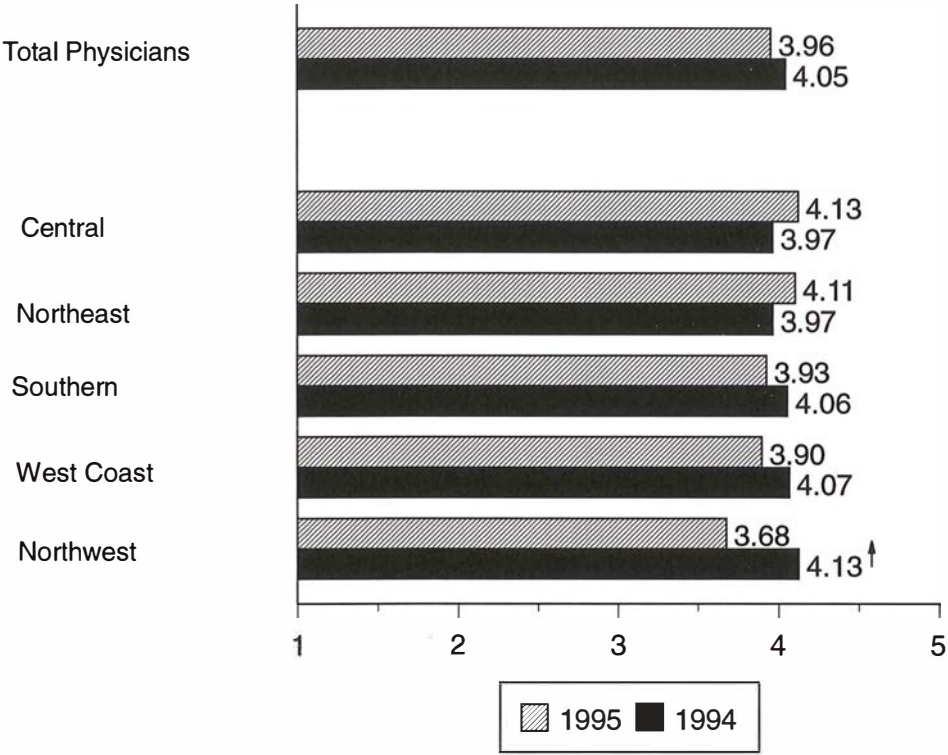
“Overall, I Am Satisfied With My Relationship With Health Options.”



↑ Statistically Significant
1995 - N = 1,066
1994 - N = 1,099

Overall satisfaction with the HOI relationship is similar within each region in 1995. The regional satisfaction ratings are consistent with those of last year, with the exception of the Northwest region. In 1995, the Northwest region has a significantly lower overall satisfaction rating (3.68) than in 1994 (4.13), which happened to be the highest satisfaction rating of all the regions in 1994.

**Overall Satisfaction With HOI Relationship
by Region**



↑ Statistically Significant
 1995 - N = 86/74/528/198/132/38
 1994 - N = 100/87/531/128/115/79

In order to understand the key drivers of overall satisfaction, a Spearman Correlation Analysis was performed between the overall satisfaction ratings and the levels of agreement with various statements related to the four HOI departments (Utilization Management, Provider Relations, Customer Service, and Claims). The departments were rated by both physicians and office managers. The ratings of the departments are used as the independent variables to determine their influence on overall satisfaction, which is the dependent variable.

Major Factors Influencing Overall Satisfaction

The following table lists each statement rated and its corresponding level of influence on overall satisfaction. The attributes with the highest correlation for each group are shaded.

The correlation scores are similar for all attributes, indicating that each statement has a similar level of influence on both physicians' and office managers' overall satisfaction with their HOI relationship.

By looking at the shaded attributes under the physician column, two attributes surface as the most important drivers of overall satisfaction: *getting clear, concise answers to all of their questions*, and *claims are accurately processed*. Each of the three remaining shaded statements (relating to *clear, accurate* information) also have a relatively high degree of influence on physicians' overall satisfaction with HOI. Thus, HOI must stress to its employees the importance of presenting clear and concise responses to physicians' questions.

The attribute which is the most important driver of overall satisfaction to office managers is that *the customer service staff care about my patients with HOI coverage*. This is not surprising as office managers want their patients to be treated like each one is important and not "a number." Similar to physicians, *communication surfaces as being important to office managers as they also want to be kept informed about policy and procedure changes* and *get clear, concise answers to their questions*. Lack of communication would obviously impede the office managers' ability to do their jobs. In addition, *timely claim payments* are important. Therefore, HOI staff should make additional efforts to assist the office manager by *being cooperative, knowledgeable, and timely about requests*.

Drivers of Overall Satisfaction Ranked by Physician

	Physicians	Office Managers
Claims are accurately processed.	.62	.58
The PR Department gives clear and concise answers to my questions.	.62	.55
HOI keeps physicians/staffs informed about policy and procedure changes.	.61	.60
The (Customer Service) staff gives clear and concise answers to my questions.	.61	.59
The (Utilization Management) staff gives clear, concise answers to my questions.	.61	.57
The (Customer Service) staff cares about my patients with HOI coverage.	.60	.64
The PR Department responds in an acceptable time frame to my inquires.	.60	.58
Responses to requests for services requiring Medical Director review are received in an acceptable time.	.60	.55
Claims are paid in an acceptable time frame.	.59	.59
The HOI customer service staff is courteous and helpful.	.59	.58
The pre-certification staff is courteous and helpful.	.59	.52
The Explanation of Benefits and Statement of Remittance forms are clear and concise.	.56	.54
I receive personal attention from Provider Relations Department personnel.	.55	.53
Calls (to Customer Service) are answered in an acceptable time frame.	.53	.57
Calls (to Utilization Management) are answered in an acceptable manner.	.53	.57

Shading indicates highest correlation with overall satisfaction

Major Factors Influencing Overall Opinion of HOI in Relation to Other Plans

In order to get a different perspective on satisfaction, a Correlation Analysis was also performed using “*What is your overall opinion of HOI, in comparison to other managed care plans?*” as the dependent variable and the various questions in the Business Practice sections of the respective surveys as the independent variables. Similar to the previous analysis, many attributes are highly correlated to respondents’ overall opinion. However, only the most important attributes from the Business Practice section (which have a correlation greater than .25) are included in the table below.

Among physicians, *a good relationship with HOI* is the strongest “driver” of a high overall opinion of HOI compared to other plans. The *timeliness and accuracy of claims payments* are also important to physicians, followed by the *ability to have their questions answered by HOI representatives* and *ease of telephone access*.

Among office managers, similar claim issues (i.e., accuracy and timeliness) surface as the most important drivers in their opinion of HOI in relation to other plans. The *accuracy of claims payments* is the most influential driver of overall satisfaction. Office managers also place a high importance on the *ability to contact a company representative, ease of telephone access, and the current referral system*.

Consistent with the first analysis, this second Correlation Analysis illustrates that if HOI performs well on the accuracy and timeliness of claims, having knowledgeable HOI representatives and easy telephone access, it will positively influence the overall opinion of HOI compared to other plans among both physicians and office managers.

Drivers of Opinion of HOI vs. Other Plans

	<u>Physicians</u>	<u>Office Manager</u>
HOI has a good relationship with physicians.	.68	N/A
Timeliness of claims payments.	.60	.55
Accuracy of claims payments.	.56	.57
Ability of company representative to answer questions.	.54	.52
Easy of telephone access.	.52	.52
The current HOI referral systems (phone & fax) meet my needs.	.51	.51
Amount of reimbursement is fair and reasonable.	.51	--
HOI adequately communicates its medical coverage guidelines to physicians.	.49	--
In the past 12 months, has your overall opinion of HOI improved, worsened, or remained the same?	.47	.49
HOI’s health policies frequently interfere with ability to provide quality care.	-.41	--
Capitation is a better way to pay physicians.	.26	--

DRIVING FACTORS

The department ratings were subjected to a Factor Analysis to determine if underlying patterns or relationships exist among the data. This type of analysis groups together similar variables according to their correlation with one another and allows a large number of individual variables (attributes) to be represented by several overall “Factors.”. Multiple Regression was then performed to determine which Factors have the greatest effect on overall satisfaction.

The Factor Analysis resulted in three Factors. Each Factor is subjectively named by looking at the subset of attributes of which it is comprised. The subset of attributes which make up each Factor are listed in descending order based on a measure of the correlation between the attribute and the Factor.

After determining the appropriate number of Factors and naming them, the next step is to examine the relationship of the Factors to physicians’ and office managers’ overall satisfaction. A Multiple Regression Analysis was performed using overall satisfaction as the dependent variable and the Factors as independent variables. The R-squared value gives the percentage of variance in overall satisfaction that is explained by each Factor. Thus, the R-squared percentage may be viewed as a measure of the relative importance of that Factor in driving overall satisfaction.

The following pages list each Factor and the attributes that comprise each particular Factor as well as the R-squared values resulting from the regression analysis. The physicians’ and office managers’ analyses result in very similar Factors. However, there are differences in the *order* of the Factors in explaining the variance in overall satisfaction.

Physician Analysis

The three Factors that were derived from the physician analysis are subjectively named “*Provider Relations*”, “*Handling of Claims*”, and “*Utilization Management/Customer Service*” as defined by the subset of attributes comprising the Factors. The Multiple Regression results indicate that the three Factors together account for 56% of the variance in overall satisfaction. In other words, on the basis of these three Factors, one should be able to predict physicians’ level of overall satisfaction within a statistically significant margin of error, 56% of the time using these three Factors.

The Factors are ranked according to the degree they drive overall satisfaction. The incremental R-squared value for each Factor represents the contribution of that Factor toward explaining the variance of overall satisfaction. In order, the key driver is “*Provider Relations*” (by itself explaining 21% of the variance in the overall rating) followed by “*Handling of Claims*” (explaining an additional 19% of the variance) and “*Utilization Management/Customer Service*” (explaining an additional 16%). Thus “*Provider Relations*” is the key driver to overall satisfaction for the physicians, followed closely by “*Handling of Claims*.” Given that the total variance explained by these three Factors is only 56%, it appears that there are other areas or issues that may be driving customers’ satisfaction levels which are not being measured through this survey.

It is logical that “*Provider Relations*” surfaces as the most important driver of overall satisfaction for physicians as this department is, most likely, the one in which physicians most frequently interact on a regular basis. In addition, “*Handling of Claims*” is important to physicians as timely cash flow is critical to their business and personal success. “*Utilization Management/Customer Service*” is important, but is the least important of the three Factors. Physicians may have less experience in this area, or rely upon their office managers to deal with this area.

**FACTOR ANALYSIS AND REGRESSION ON FACTORS
Physician**

	<u>Highest Loading</u>
<u>FACTOR 1: "UTILIZATION MANAGEMENT/CUSTOMER SERVICE"</u>	
The pre-certification staff is courteous and helpful.	.82
The (Utilization Management) staff gives clear, concise answers to my questions.	.80
(Utilization Management) Calls are answered in an acceptable manner.	.80
The HOI customer service staff is courteous and helpful.	.72
The (Customer Service) staff gives clear and concise answers to my questions..	.71
(Customer Service) Calls are answered in an acceptable time frame.	.65
The (Customer Service) staff cares about my patients with HOI coverage.	.63
Responses to requests for services requiring Medical Director review are received in an acceptable time.	.56
<u>FACTOR 2: "PROVIDER RELATIONS"</u>	
I receive personal attention from Provider Relations Department personnel.	.82
The PR Department responds in an acceptable time frame to my inquires.	.80
HOI keeps physicians/staffs informed about policy and procedure changes.	.75
The PR Department gives clear and concise answers to my answers.	.71
<u>FACTOR 3: "HANDLING OF CLAIMS"</u>	
Claims are paid in an acceptable time frame.	.86
Claims are accurately processed.	.85
The Explanation of Benefits and Statement of Remittance forms are clear and concise.	.77

<u>Factor Entered</u>	<u>Incremental R-squared</u>	<u>Cumulative R-squared</u>
FACTOR 2 -- "PROVIDER RELATIONS"	21%	21%
FACTOR 3 -- "CLAIMS"	19%	40%
FACTOR 1 -- "UTILIZATION MGMT/CUSTOMER SERVICE"	16%	56%

Office Manager Analysis

Similar to the physician analysis, the three Factors that emerge from the office manager analysis are subjectively named “*Customer Service/Utilization Management*,” “*Provider Relations*,” and “*Handling Of Claims*.” However, “*Provider Relations*” is not the most significant driver of overall satisfaction as uncovered in the physician analysis.

Office managers give the most weight to “*Customer Service/Utilization Management*” in driving their overall satisfaction ratings. This is not unexpected, as office managers are probably the ones most frequently dealing with HOI in this area. The “*Customer Service/Utilization Management*” Factor itself explains 21% of the variance of overall satisfaction, followed by “*Provider Relations*” (18%) and “*Handling of Claims*” (15%). Together, these three Factors account for 54% of the variance, thereby enabling one to predict the level of overall satisfaction within a statistically significant margin of error, 54% of the time using these three Factors.

FACTOR ANALYSIS AND REGRESSION ON FACTORS
Office Manager

	<u>Highest Loading</u>
<u>FACTOR 1: "CUSTOMER SERVICE/UTILIZATION MANAGEMENT"</u>	
The HOI customer service staff is courteous and helpful.	.82
The (Customer Service) staff gives clear and concise answers to my questions.	.79
The (Customer Service) staff cares about my patients with HOI coverage.	.74
(Customer Service) Calls are answered in an acceptable time frame.	.73
(Utilization Management)The staff gives clear, concise answers to my questions.	.67
(Utilization Management) Calls are answered in an acceptable manner.	.65
The pre-certification staff is courteous and helpful.	.61
<u>FACTOR 2: "PROVIDER RELATIONS"</u>	
The PR Department responds in an acceptable time frame to my inquires.	.79
I receive personal attention from Provider Relations Department personnel.	.79
The PR Department gives clear and concise answers to my questions.	.72
HOI keeps physicians/staffs informed about policy and procedure changes.	.72
Responses to requests for services requiring Medical Director review are received in an acceptable time.	.54
<u>FACTOR 3: "CLAIMS"</u>	
Claims are paid in an acceptable time frame.	.85
Claims are accurately processed.	.83
The Explanation of Benefits and Statement of Remittance forms are clear and concise.	.80

<u>Factor Entered</u>	<u>Incremental R-squared</u>	<u>Cumulative R-squared</u>
FACTOR 1 -- "CUST SERV/UTIL MGMT"	21%	21%
FACTOR 2 -- "PROVIDER RELATIONS"	18%	39%
FACTOR 3 -- "CLAIMS"	15%	54%

DETAILED FINDINGS

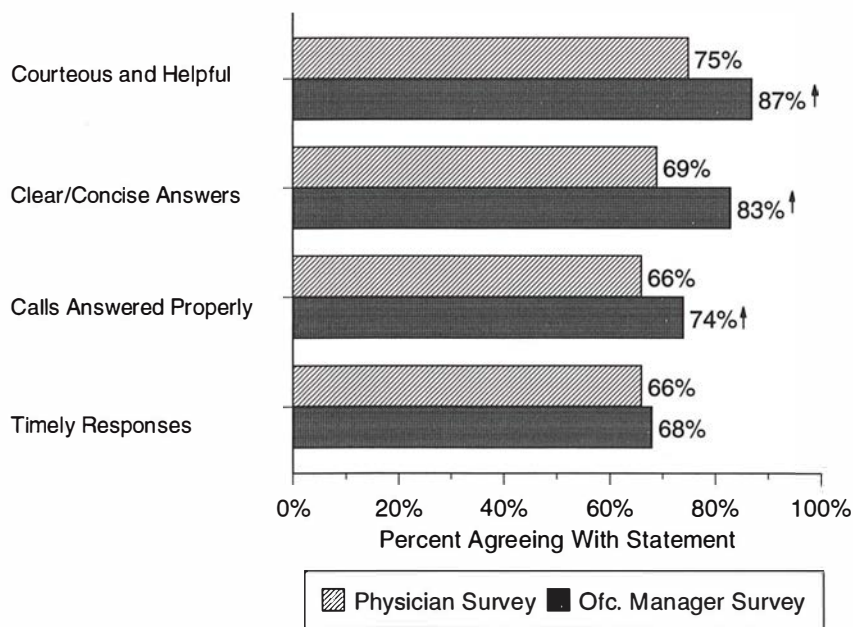
OPERATIONAL AREA RESULTS

Physicians and office managers were asked to evaluate their impressions of HOF's Utilization Management Department, Provider Relations Department, Customer Service Department and Claims Department by indicating their degree of agreement with various statements relating to the departments.

Utilization Management Department

The Utilization Management Department performs relatively well on each of the four statements. Ratings of this department are generally higher than those of the other three departments, with two-thirds or more physicians and office managers agreeing with each statement. There is room for improvement, however, especially from the physicians' perspective. Office managers are significantly more likely than physicians to agree that *"The pre-certification staff is courteous and helpful"* (87% OM, 75% P), *"Calls are answered in an acceptable manner"* (74% OM, 66% P), and *"The staff gives clear, concise answers to my questions"* (83% OM, 66% P). Both office managers and physicians would probably agree that improvement could be made regarding timely responses since fewer than seven in ten (68% OM, 66% P) agree that *"Responses to requests for services requiring Medical Director review are received in an acceptable time."* There are no significant differences in the level of agreement with these statements between 1994 and 1995.

**Utilization Management Department
(% Strongly Agree or Somewhat Agree)**



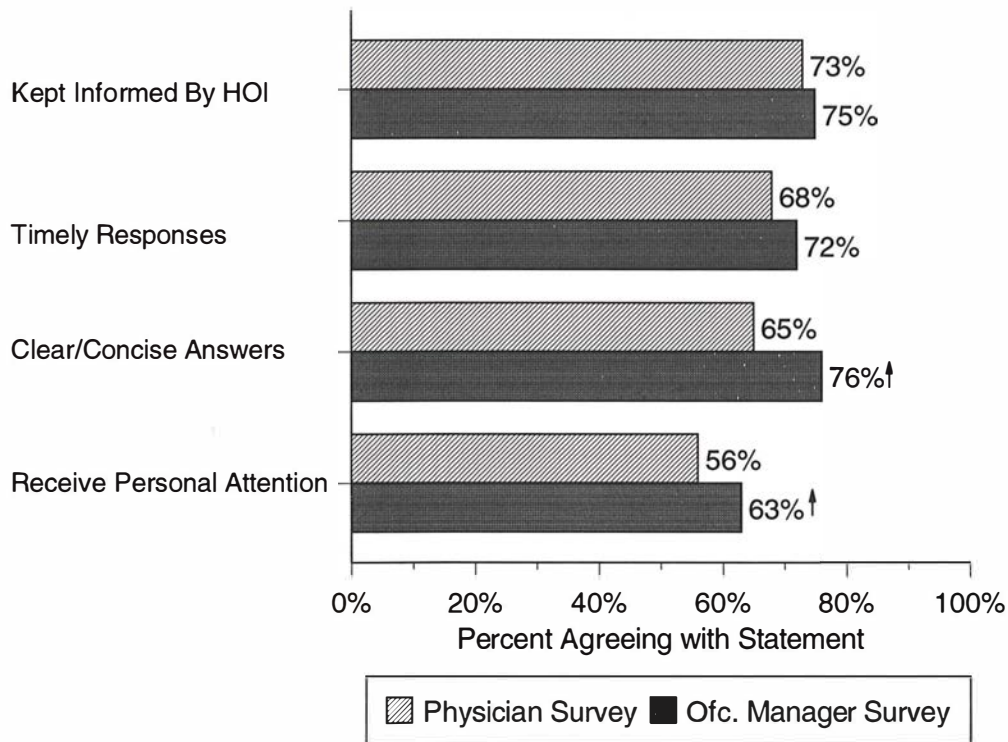
↑ Statistically Significant
 Physicians - N = 502/500/501/494
 Office Manager - N = 486/482/483/468

Provider Relations Department

Ratings of the Provider Relations Department are good but could be improved. The highest scores are achieved on “*HOI keeps physicians/staffs informed about policy and procedure changes*” (73% P, 75% OM), “*Timely responses*” (68% P, 72% OM) and “*Clear and concise answers to questions*” (65% P, 76% OM). Although there is room for improvement across all four areas, HOI needs the most improvement in providing personal attention from the Provider Relations department personnel.

Special attention should be devoted toward interactions between physicians and the Provider Relations department because of the lower ratings given by physicians. Office managers rate their agreement significantly higher than physicians on “*The PR department gives clear and concise answers to my questions*” (76% OM, 65% P) and “*I receive personal attention from the Provider Relations Department personnel*” (63% OM, 56% P). Again, there are no significant differences in the level of agreement with each of the statements between 1994 and 1995.

**Provider Relations Department
(% Strongly Agree or Somewhat Agree)**

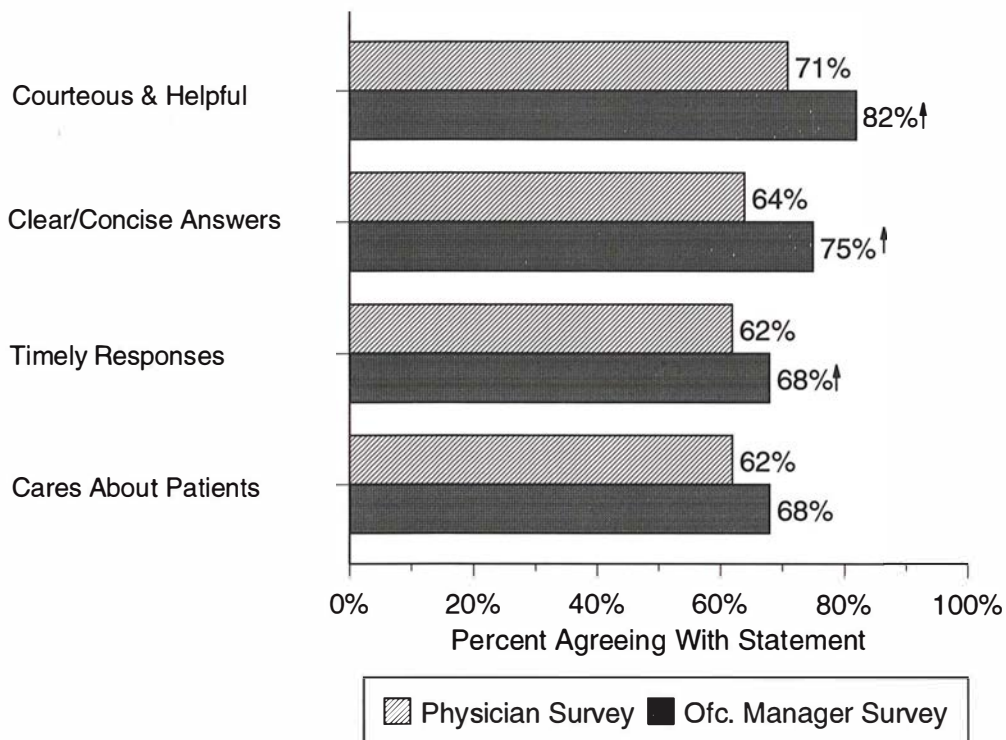


↑ Statistically Significant
 Physicians - N = 514/500/506/509
 Office Manager - N = 495/492/493/492

Customer Service Department

In line with the other departments, ratings of the Customer Service department is relatively good. HOI should provide additional training for Customer Service staff to improve interactions between physicians and the Customer Service department. Office managers are significantly more likely than physicians to agree that “The staff gives clear, concise answers to my questions” (75% OM, 64% P), “Calls are answered in an acceptable time frame” (68% OM, 62% P), and “The HOI customer service staff is courteous and helpful” (82% OM, 71% P).

Customer Service Department
 (% Strongly Agree or Somewhat Agree)

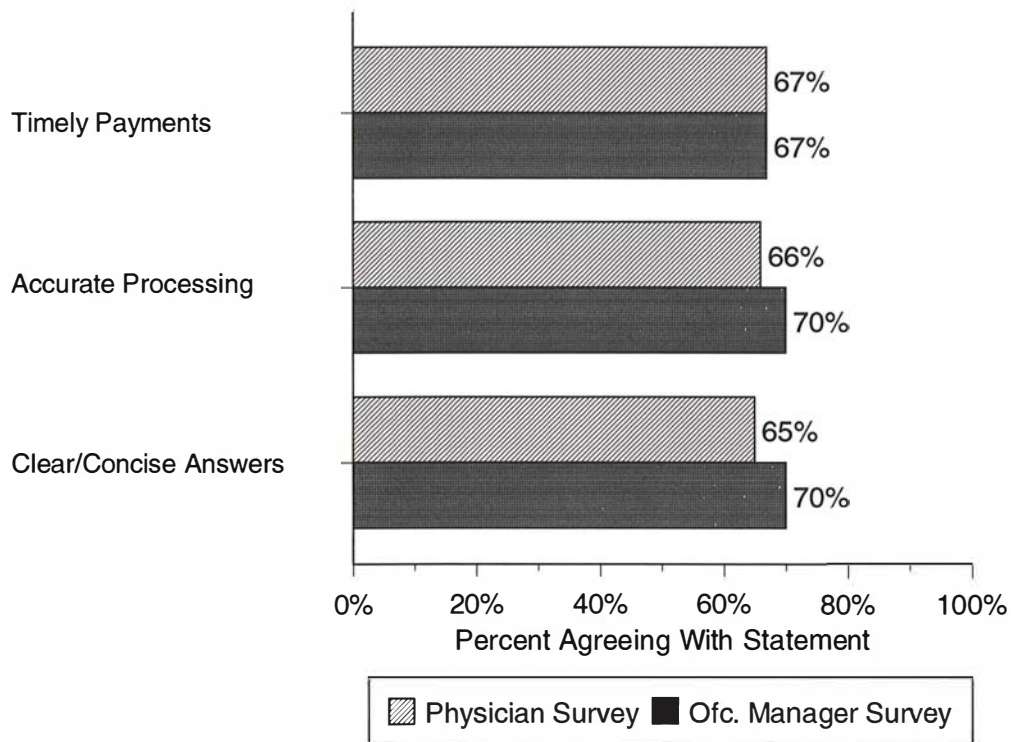


↑ Statistically Significant
 Physicians - N = 494/491/490/491
 Office Manager - N = 490/487/490/483

Claims Department

Overall, ratings of the Claims Department are somewhat lower than those of the other departments. Improvements could be made in the areas of how accurately claims are processed, how clear the forms for filing claims are and how quickly claims are paid. Levels of agreement on statements about the Claims Department are similar between physicians and office managers, with about seven in ten of each group saying they “strongly agree” or “somewhat agree” with each statement. Although not displayed, office managers’ ratings of each of the statements decreased significantly from 1994 to 1995.

Claims Department
(% Strongly Agree or Somewhat Agree)



Physician - N = 495/496/487
Office Manager - N = 480/483/474

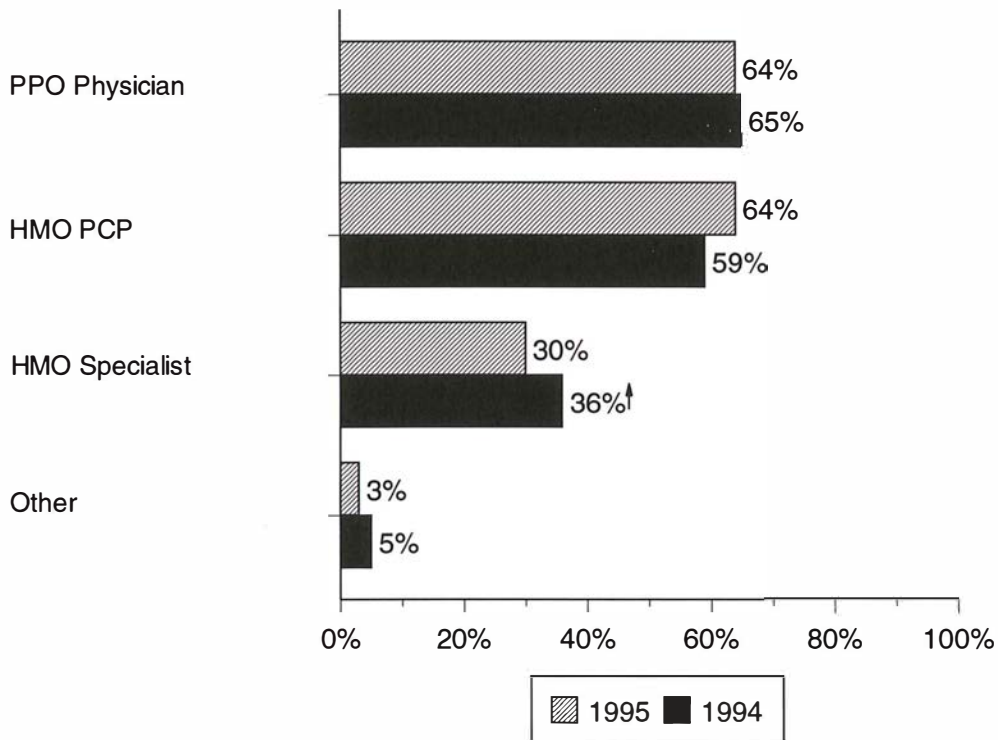
Business Practice

Profile of Affiliation with HOI

Physicians were asked to indicate their contractual affiliation with Blue Cross and Blue Shield of Florida and/or Health Options, Inc. Respondents were to specify whether they are affiliated as a PPO Physician, HMO Primary Care Physician, HMO Specialist, or other.

The composition of physicians surveyed in 1995 is similar to that seen in 1994. An equal proportion of physicians indicate they are PPO Physicians (64%) as say they are HMO Primary Care Physicians (64%). Significantly fewer physicians state they are HMO Specialists in 1995 (30%) than in 1994 (36%).

Physicians' Contractual Affiliation With HOI

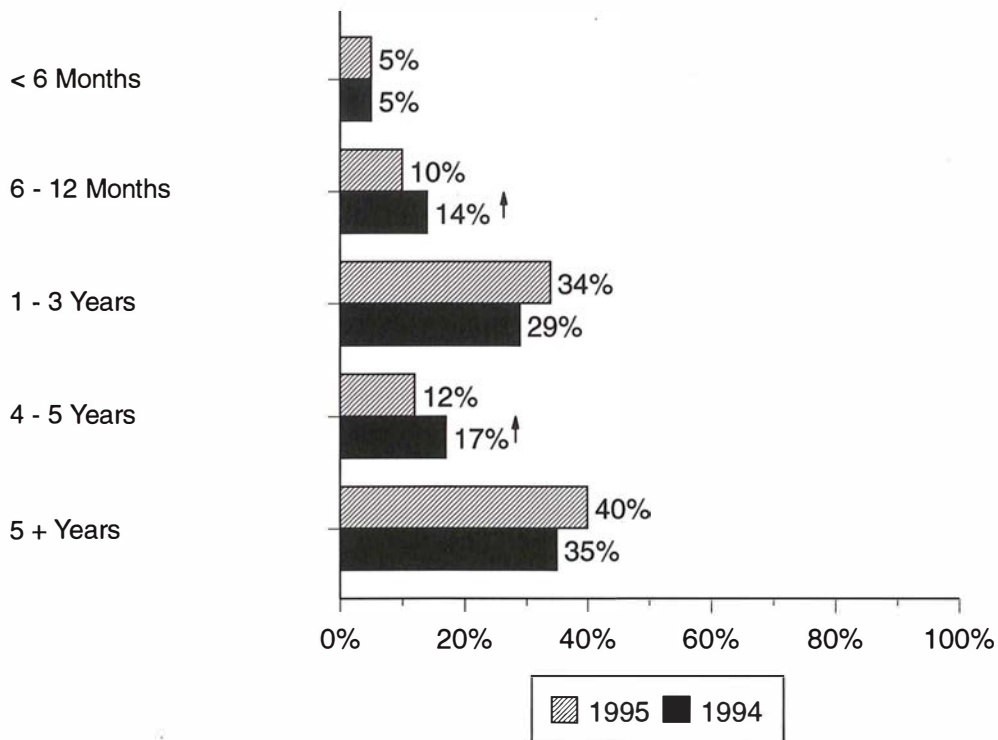


Note: Multiple responses allowed
↑ Statistically Significant
1995 - N = 555
1994 - N = 555

All physicians were asked to indicate how long they have been affiliated with HOI.

About half of physicians surveyed (52%) have been affiliated with HOI for four or more years, while about one-third (34%) have been affiliated for one to three years. Fewer than two in ten (15%) have been in the program for one year or less. Compared to 1994, there are significant decreases in the percent of physicians who have been affiliated with HOI from six to twelve months (14% 1994, 10% 1995) and from four to five years (17% 1994, 12% 1995).

**Length of Affiliation With HOI
1994 vs. 1995**



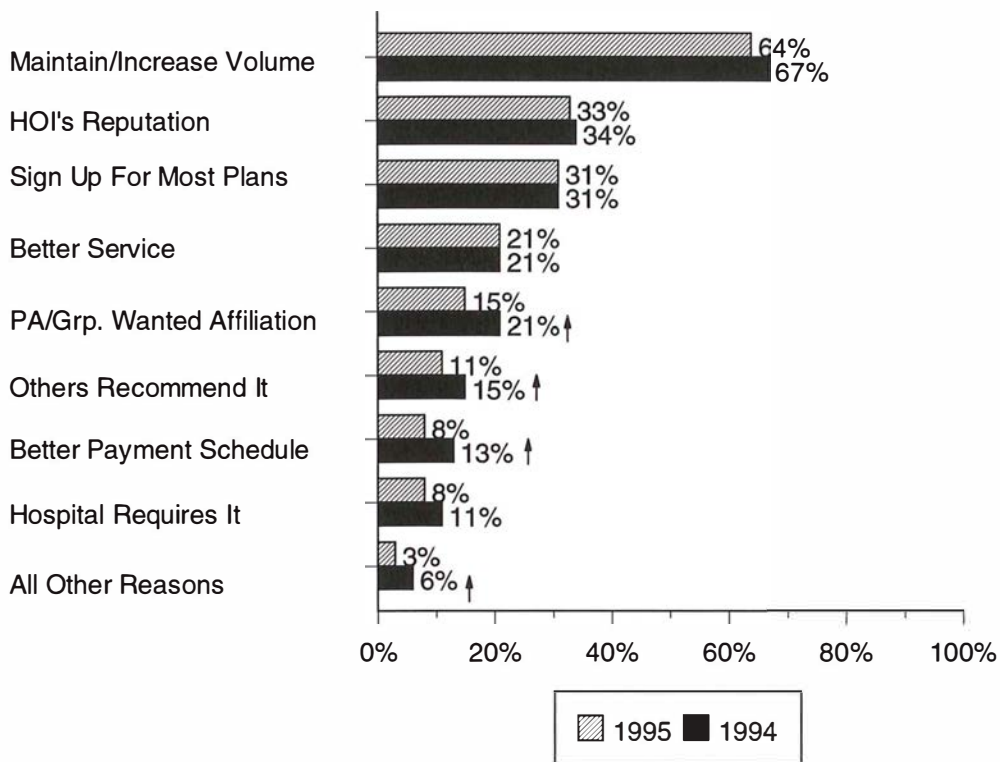
↑ Statistically Significant
1995 - N = 546
1994 - N = 535

Physicians were asked to specify their main reasons for their affiliation with HOI.

Consistent with last year, the reason most frequently mentioned by physicians for being affiliated with HOI is so **“Patient volume is maintained and/or increased”** (64%). Other reasons include: because of **“HOI’s reputation”** (33%) and because physicians **“Sign up for most plans”** (31%).

Significantly fewer physicians in 1995 compared to 1994 affiliate with HOI because their **“Group wanted to be affiliated”** (15%), **“Others recommended it”** (11%), or they wanted a **“Better payment schedule”** (8%).

**Main Reasons for Affiliation With HOI
1994 vs. 1995**

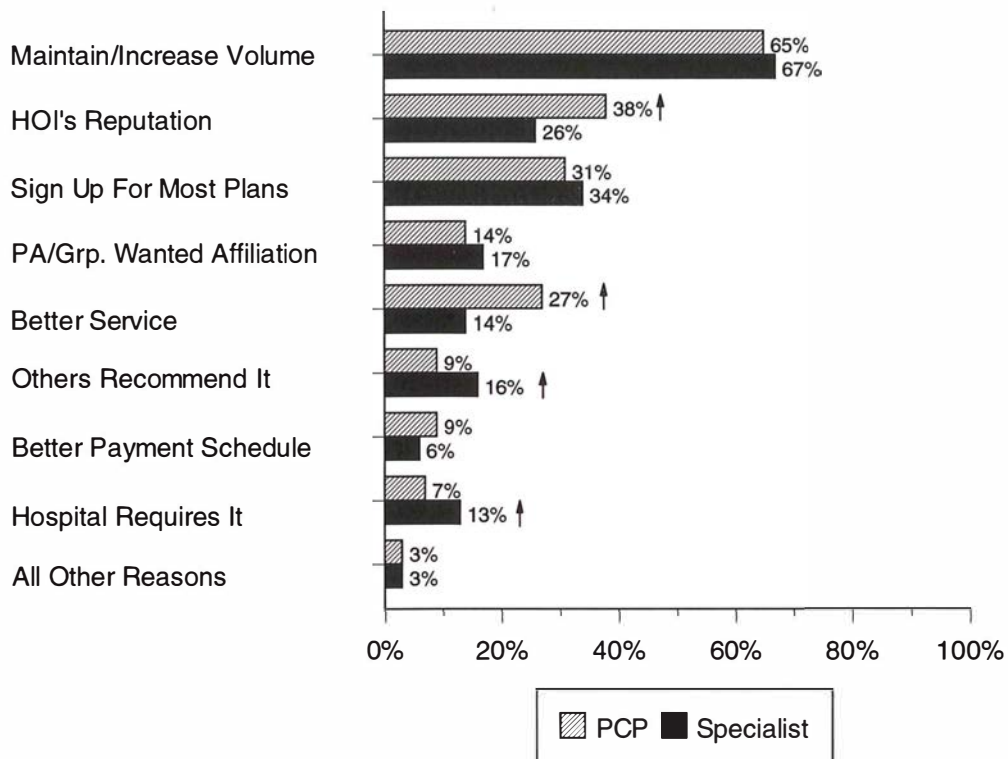


↑ Statistically Significant
 Note: Multiple response allowed
 1995 - N = 555, 1994 - N = 555

PCPs are significantly more likely than Specialists to be affiliated with HOI because of “*HOI’s reputation*” (37% PCP, 25% Specialist) or because HOI offers “*Better service*” than other plans (26% PCP, 13% Specialist).

Specialists are more likely to be affiliated with HOI, compared to PCPs, due to “*Other physicians recommending it*” (15% Specialist, 9% PCP) or because their “*Hospital requires it*” (13% Specialist, 7% PCP).

Main Reasons for Affiliation With HOI PCP vs. Specialists

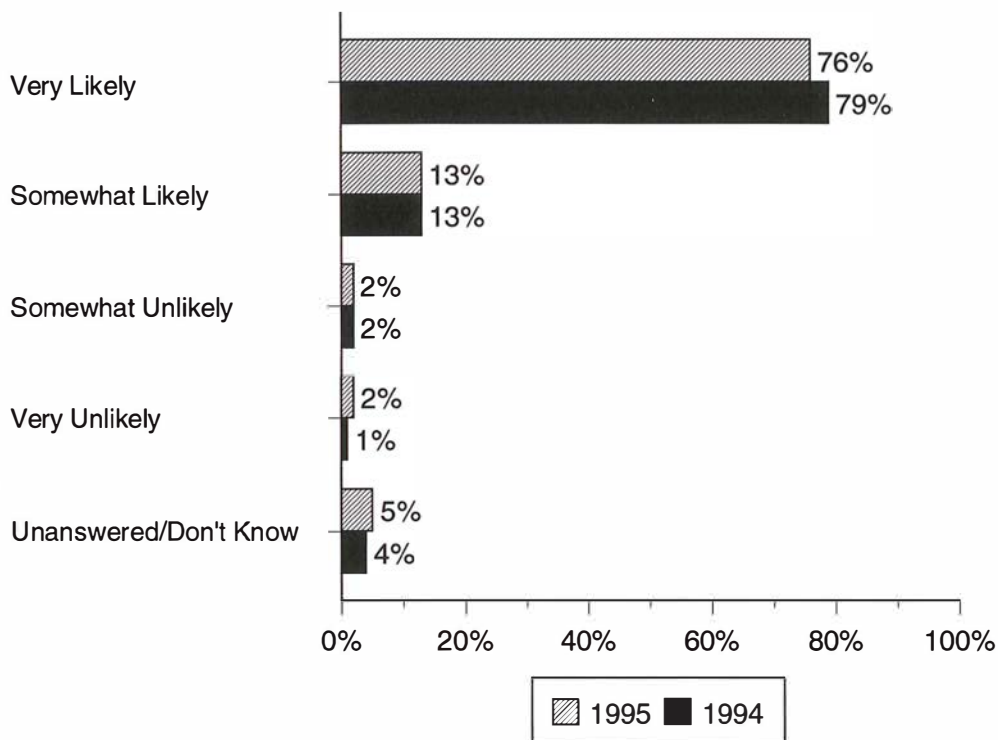


↑ Statistically Significant
 Note: Multiple response allowed
 PCP - N = 357
 Specialist - N = 198

All physicians were asked to state how likely they are to remain affiliated with HOI for the next contract period.

Few physicians (4%) say they are unlikely to remain affiliated with HOI for the next contract period. In fact, over three-quarters of physicians (76%) are “very likely” to remain affiliated with HOI for the next contract period. This is similar to the level seen in 1994 (79%). Although not displayed, an area of concern is that significantly fewer specialists say they are “very likely” or “somewhat likely” to remain affiliated with HOI (85%) compared to PCPs (92%). HOI may want to target marketing efforts towards Specialists in an attempt to retain their affiliations.

**Likelihood of Remaining Affiliated with HOI
1994 vs. 1995**

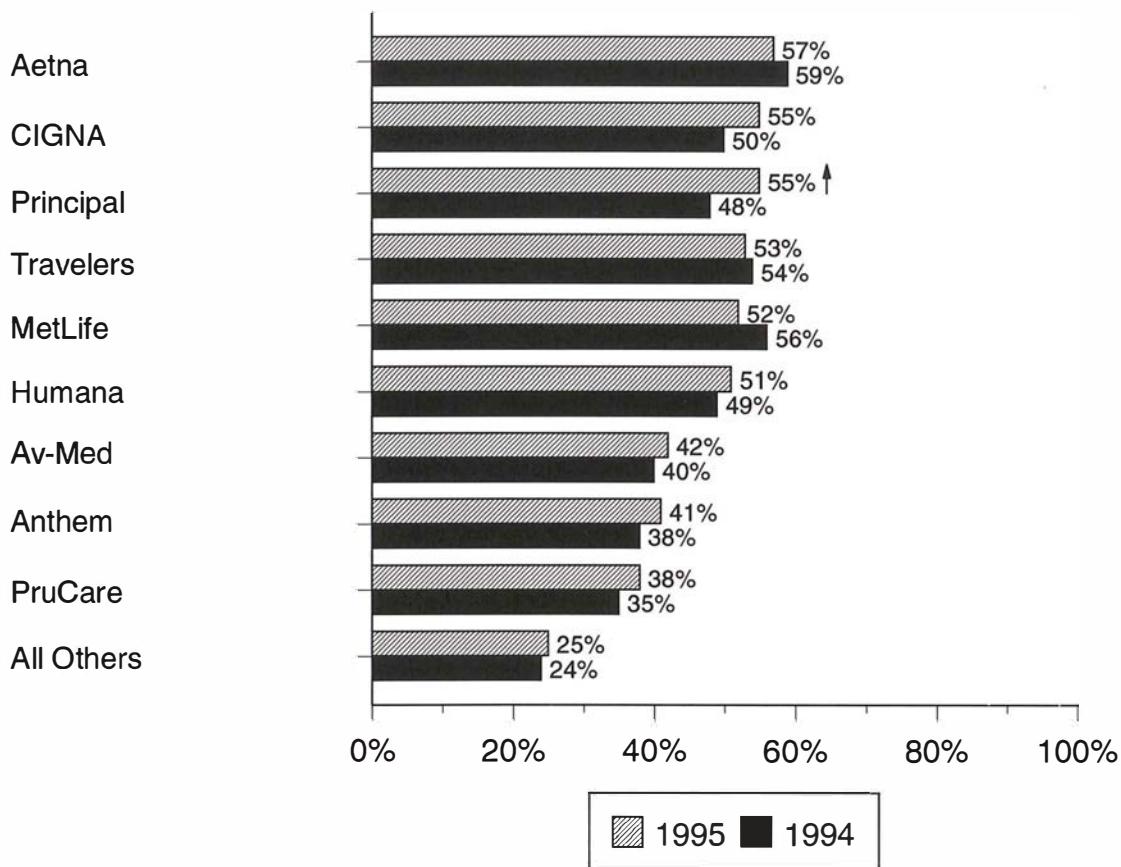


1995 - N = 555
1994 - N = 555

Physicians were asked to indicate with which other plans and/or insurance companies they are affiliated.

Many physicians are affiliated with other plans as shown in the following graph. In 1995, Aetna (57%), CIGNA (55%), and Principal (55%) are among the most popular plans HOI physician are affiliated, followed closely by Travelers (53%), MetLife (52%), and Humana (51%). The Principal plan was the only plan which experienced significant growth in affiliation from 1994 (48%) to 1995 (55%).

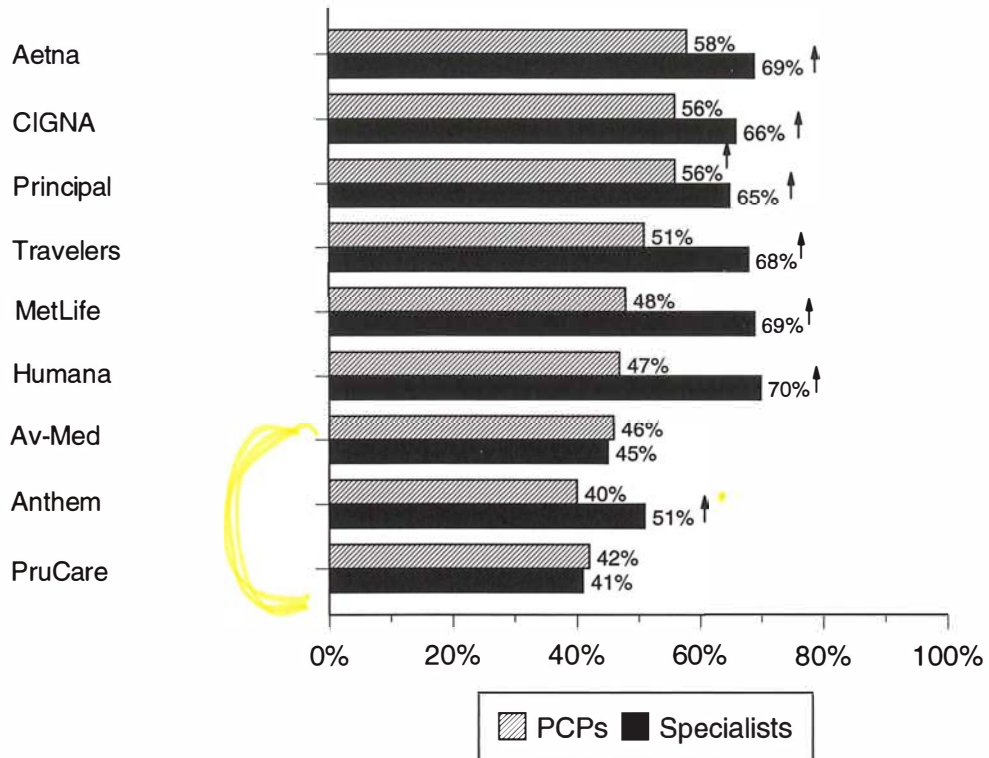
**Other Plans Physicians Affiliate With
1994 vs. 1995**



Note: Multiple responses allowed
 ↑ Statistically Significant
 1995 - N = 555
 1994 - N = 555

Specialists are significantly more likely than PCPs to be affiliated with each of the plans listed below, with the exception of AvMed and PruCare. In 1994, specialists were more likely than PCPs to be affiliated with only two of these plans: Humana (54% vs. 41%) and MetLife (61% vs. 49%).

Other Plans Physicians Affiliate with PCPs vs. Specialists

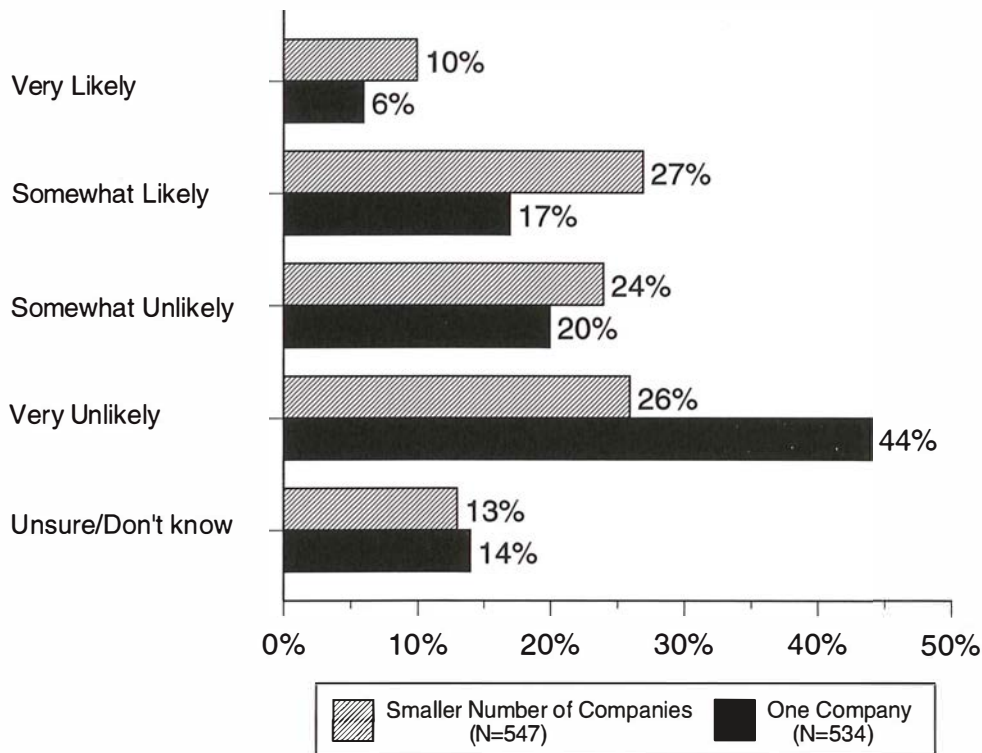


↑ Statistically Significant
 PCP N = 330
 Specialist N = 182

In 1995, physicians were asked to specify their likelihood of aligning with a smaller number of managed care companies in the next year, and their likelihood of aligning with one managed care company in the future. Respondents were asked if they would be very likely, somewhat likely, somewhat unlikely, very unlikely, or whether they were unsure/don't know.

It appears that physicians are interested in reducing the number of managed care companies in the next year. Nearly four in ten physicians (37%) indicate they are somewhat or very likely to align with a smaller number of companies. In addition, over two in ten (23%) say they are likely to align with only one managed care company in the future. However, almost two-thirds are unlikely to align with only one company (64%). It appears physicians do not plan to limit the number of managed care plans with which they affiliate.

Likelihood of Future Alignments



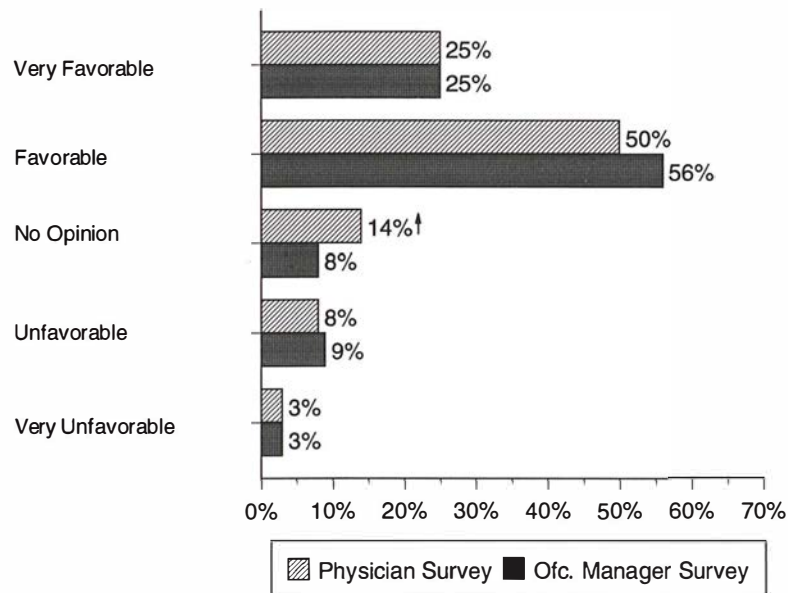
Overall Opinions Regarding HOI

Respondents were asked a series of questions relating to their overall opinions of HOI. First, physicians and office managers were asked to indicate if their overall opinion of HOI in relation to other plans is very favorable, favorable, unfavorable, very unfavorable, or whether they had no opinion.

HOI fares well in comparison to other managed care plans. The majority of physicians (75%) and office managers (81%) indicate their opinion of HOI is “very favorable” or “favorable.” Surprisingly enough, the 81% of office managers in the top two box is significantly higher than the physicians top two box score of 75%.

About one in ten physicians (11%) and office managers (12%) say their opinion of HOI is unfavorable or very unfavorable.

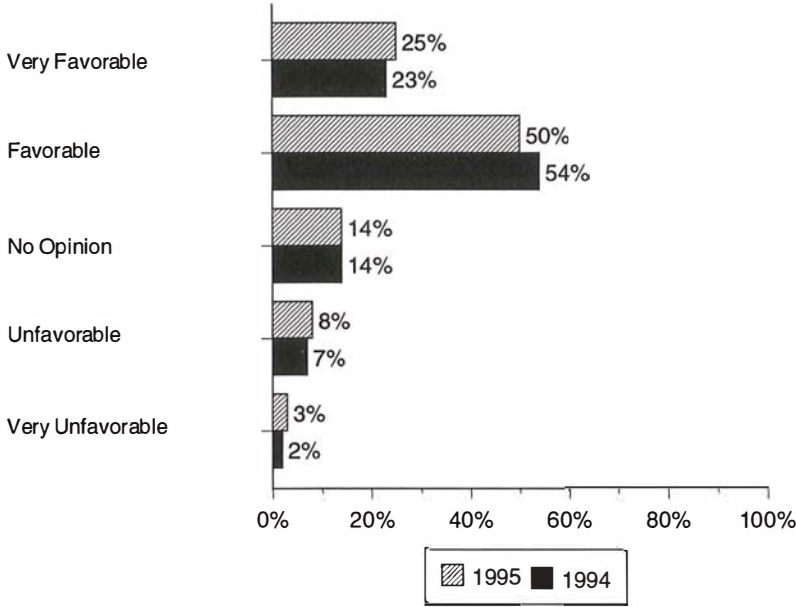
**Overall Opinion of HOI Compared to Other Plans
Physicians vs. Office Managers**



↑ Statistically Significant
Physicians N = 551
Office Managers N = 506

Compared to last year, physicians' opinions of HOI compared to other managed care plans have remained consistent. There are no significant differences from 1994 to 1995 on this measure.

**Overall Opinion of HOI Compared to Other Plans
Physicians
1994 vs. 1995**



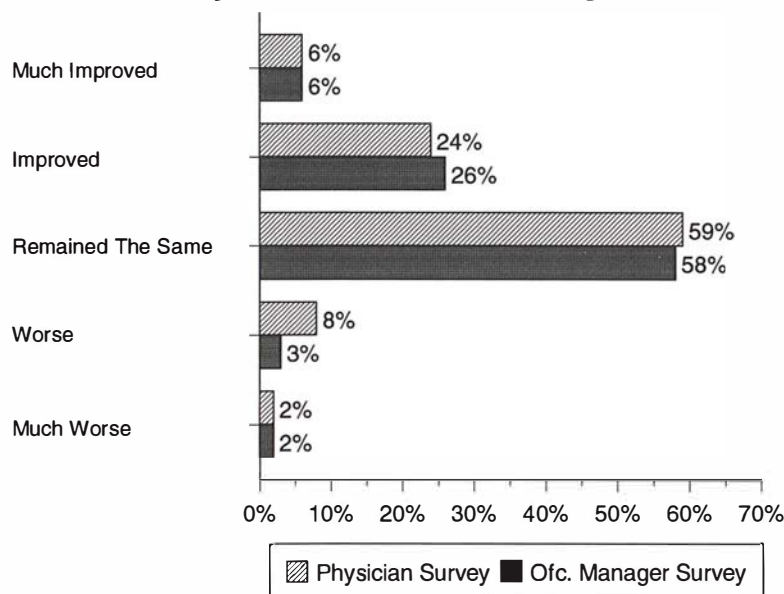
1995 - N = 551
1994 - N = 551

All respondents were asked whether their overall opinion of HOI improved, worsened or remained the same in the past twelve months.

While the majority of respondents' say their overall opinion of HOI remained the same, about three in ten physicians (30%) and office managers (32%) indicate their overall opinion of HOI has "improved" or "much improved" within the past twelve months. Nevertheless, the majority of physicians' (59%) and office managers' (58%) opinions have "remained the same". More physicians (10%) than office managers (5%) indicate their opinion is "worse" or "much worse."

Although not displayed in a graph, PCPs are significantly more likely to say their opinion of HOI has improved (34%) compared to Specialists (23%).

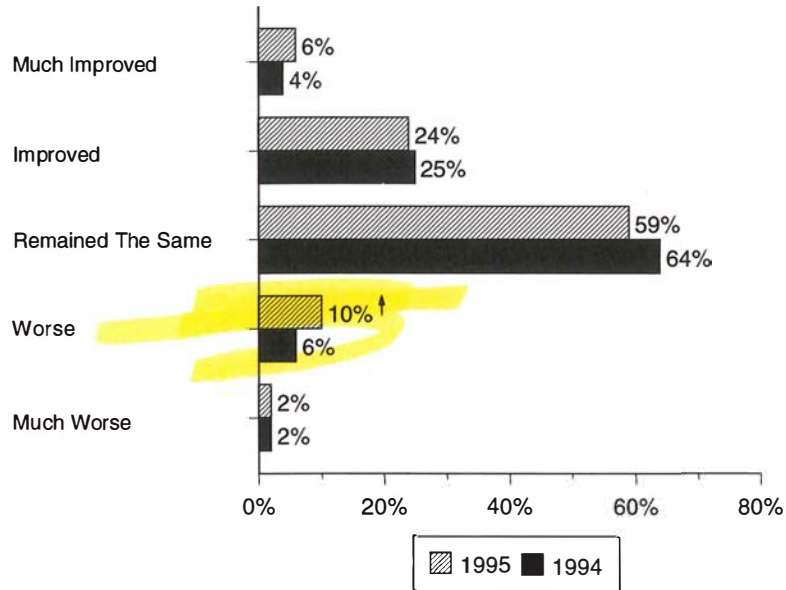
**Changes In Overall Opinion Of HOI
Physicians vs. Office Managers**



Physicians N = 548
Office Managers N = 500

From 1994 to 1995, the proportion of physicians who indicate their opinion of HOI has remained the same did not change (from 64% to 59%). However, there was an increase in those who say their opinion is “worse” (from 6% to 10%).

Changes In Overall Opinion Of HOI -- Physicians 1994 vs. 1995



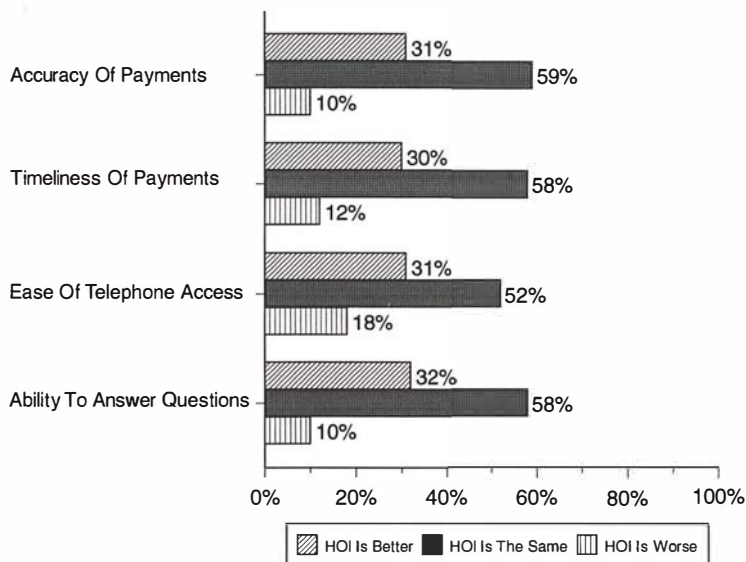
↑ Statistically Significant
1995 - N = 548
1994 - N = 548

All respondents were asked to rate if HOI is better, worse, or about the same as other managed care companies on four attributes: accuracy of claims payments, timeliness of claims payments, ease of telephone access and the ability to answer questions.

The majority of physicians indicate that HOI is about the same as other companies on each of the four attributes, while about three in ten think that HOI is better than other companies on each attribute.

HOI needs to put the most emphasis on improving their telephone access. About one in ten physicians say HOI is worse than other companies on all of the attributes except “Ease of telephone access,” where nearly two in ten (18%) physicians have the opinion that HOI is worse than other companies.

HOI Compared to Other Companies By Physicians

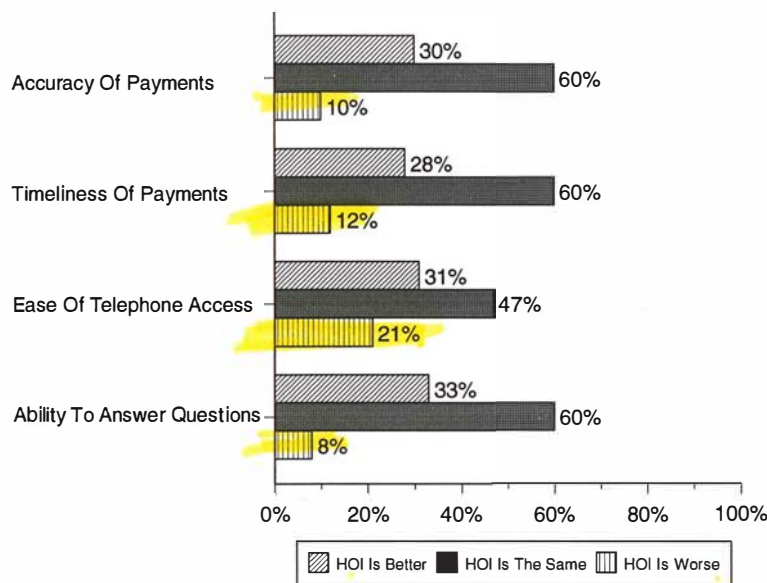


1995 - N = 486/485/494/490
1994 - N = 479/467/481/484

Office managers' perception of HOI's performance in relation to other companies is similar to that of physicians. The largest proportion of office managers feel that HOI is about the same as other companies on each of the attributes describing HOI, while about three in ten say HOI is better.

Again, as seen with physicians, about one in ten office managers indicate HOI is worse on "Accuracy of payments" (10%), "Timeliness of payments" (12%), and "Ability to answer questions" (8%). Again, "Ease of telephone access" is most in need of improvement with about two in ten office managers (21%) saying HOI is worse than other companies.

HOI Compared To Other Companies By Office Managers



1995 - N = 467/464/481/485
1994 - N = 550/549/575/572

In 1995, the opinion of HOI in relation to other companies remains similar to that seen in 1994. One exception occurs with *“Timeliness of claims payments”* where there was a significant increase in the proportion of physicians who say HOI is worse than other companies in 1995 (12%) compared to 1994 (6%). This is also the case among office managers (12% 1995 vs. 7% 1994).

Another area that HOI may want to monitor closely is the *“Accuracy of claims payments.”* In 1995, significantly more office managers indicate HOI is worse than other companies (with regard to *“Accuracy of claims payments”* 10%) than in 1994.

**HOI Compared To Other Companies
Physicians and Office Managers
1994 vs. 1995**

Area of Comparison	Physicians		Office Managers	
	1995	1994	1995	1994
Accuracy of Claims Payments				
HOI is Better.....	31%	31%	30%	30%
HOI is the Same.....	59%	64%	60%	65%
HOI is Worse.....	10%	5%	10% ↑	6%
Timeliness of Claims Payments				
HOI is Better.....	30%	27%	28%	29%
HOI is the Same.....	58%	68% ↑	60%	64%
HOI is Worse.....	12% ↑	6%	12% ↑	7%
Ease of Telephone Access				
HOI is Better.....	31%	27%	31%	28%
HOI is the Same.....	52%	56%	47%	49%
HOI is Worse.....	18%	18%	21%	24%
Ability to Answer Questions				
HOI is Better.....	32%	32%	33%	31%
HOI is the Same.....	58%	61%	60%	61%
HOI is Worse.....	10%	7%	8%	8%

1995 - N = 486/485/494/490
1994 - N = 479/467/481/484

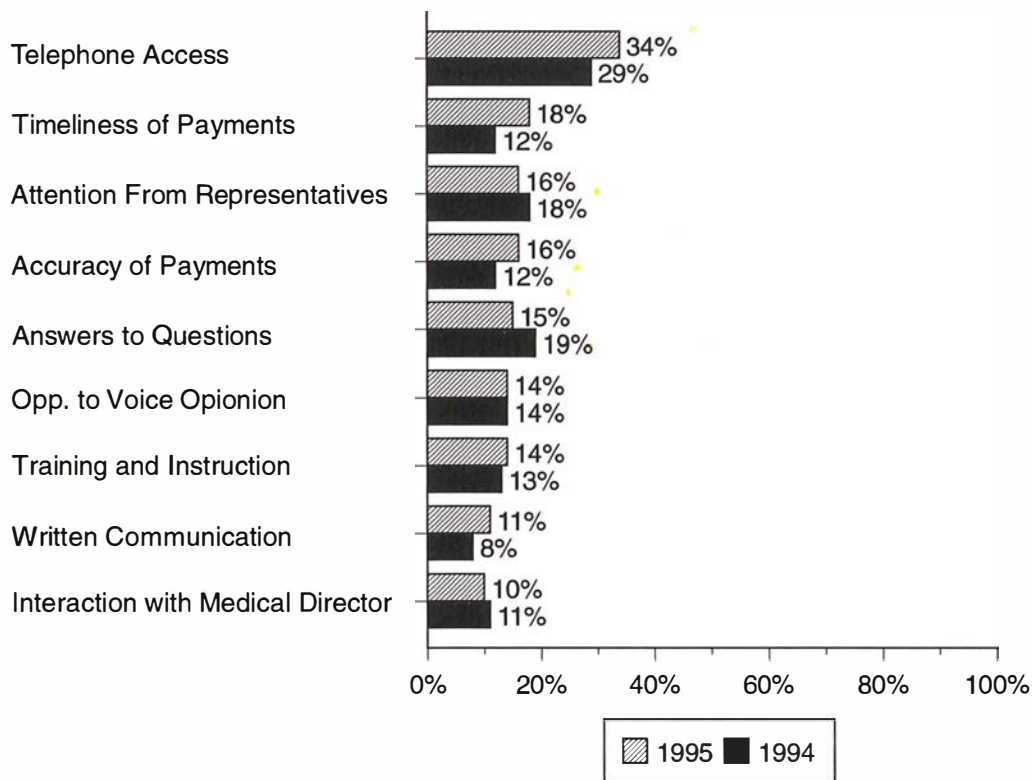
Areas in Need of Improvement

Physicians were asked to rank the top three areas in which they think HOI needs to make the most improvement. The following graph shows the proportion of physicians who mentioned each attribute as one of their top three.

Consistent with last year, physicians indicate that “*Telephone access*” is the area most in need of improvement (34%). Other areas in need of improvement include “*Timeliness of payments*” (18%), “*Attention from representatives*” (16%), and “*Accuracy of payments*” (16%). These findings are consistent with those found throughout this report.

There are no significant differences in physicians’ 1995 rankings compared to 1994.

Areas HOI Needs To Make The Most Improvement



1995 - N = 555
 1994 - N = 555

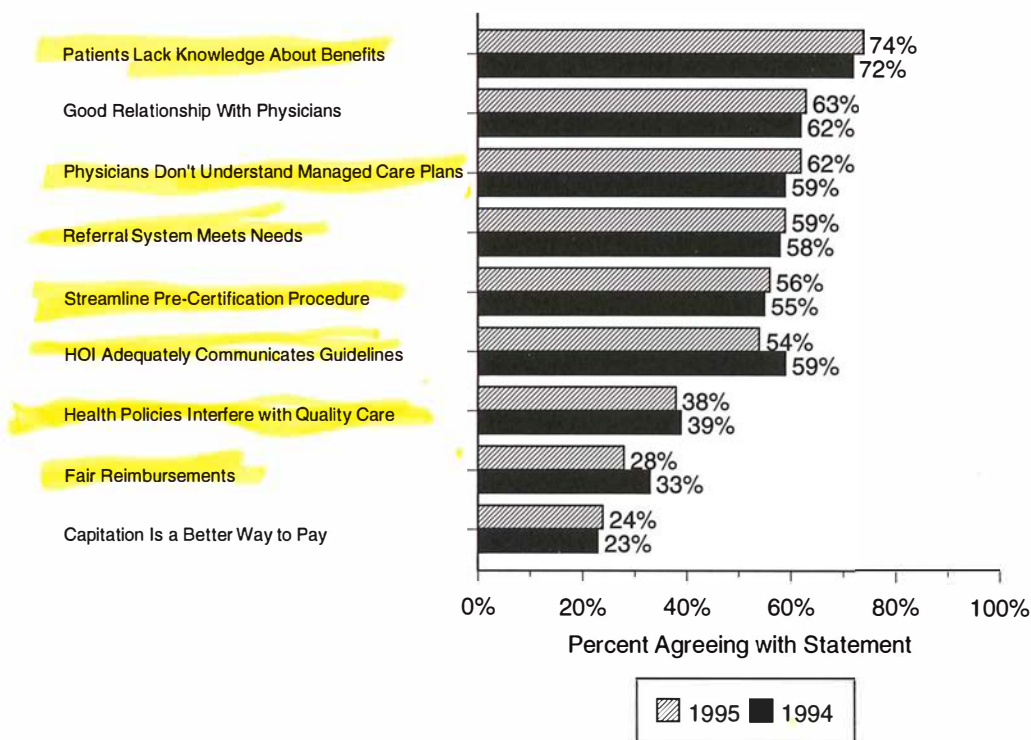
HOI Policies, Procedures, and Other Issues

Physicians were asked to rate their level of agreement with a series of statements on a variety of issues. They were asked to indicate whether they strongly agree, somewhat agree, neither agree or disagree, somewhat disagree, or strongly disagree.

Consistent with last year, the largest proportion of physicians (74%) agree with the statement, "Patients' lack of knowledge about their benefits is the one of the biggest problem areas" and the smallest proportion (24%) agree that "Capitation is a better way to pay physicians." Specialists lead the low level of agreement about capitation, with only 11% agreeing compared to 32% of PCPs. Agreement is also low for the statement "The amount of reimbursement is fair and reasonable" (28%). There are no significant differences from 1994 to 1995 in the level of agreement with these statements.

In terms of the level of agreement reached by PCPs and Specialists, it may be that additional efforts should be made towards communicating and developing relationships with Specialists. Compared to PCPs, significantly fewer Specialists agree with the statements: "HOI adequately communicates its medical coverage guidelines to physicians" (top two box - 45% vs. 59%), "HOI has a good relationship with physicians" (top two box - 54% vs. 69%), and "Participating physicians don't always understand how managed care programs work" (top box - 14% vs. 22%).

Experience With HOI Policies and Issues (% Strongly Agree or Somewhat Agree)

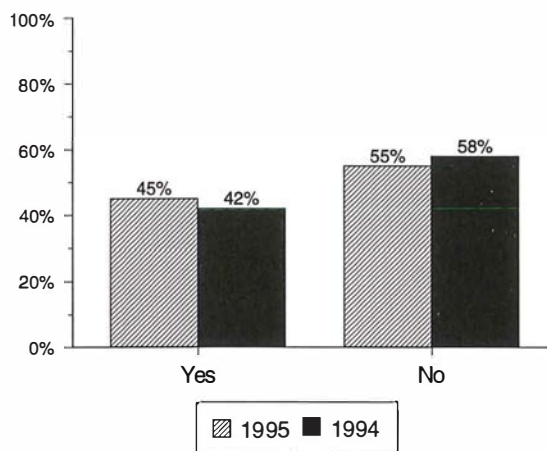


1995 - N = 538/545/540/528/526/536/536/534/534
 1994 - N = 534/530/535/520/516/525/529/517/532

All physicians were asked if they had referred a HOI member to a mental health provider in the past twelve months. If they had, they were asked to state if they have been adequately kept informed as to the progress of the patient(s).

On par with last year, just over four in ten physicians in total (1994 42%, 1995 45%) have referred a patient to a mental health provider in the past 12 months. The majority of these patients are referred by their PCP, as evidenced by 65% of PCPs referring patients compared to only 10% of Specialists.

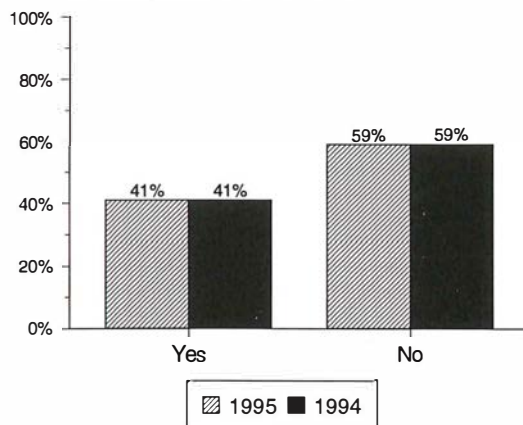
Physicians Referring HOI Members To Mental Health Providers



1995 N = 519
1994 N = 535

Of the physicians who have referred a patient to a mental health care provider in the past twelve months, only 41% of physicians indicate they are adequately kept informed of the progress of the patient. Specialists are slightly more likely (50%) than PCPs (40%) to say they are being kept adequately informed.

Physicians Kept Adequately Informed About Mental Health Patients?



1995 N = 217
1994 N = 216

Practice Profile

In order to learn more about physicians' view of HOI, the reader should understand the composition of the physicians surveyed. Thus, physicians were asked to answer several questions relating to themselves and their practice.

While the specialties of the physicians include a broad mix, only three specialties compose more than five percent of those surveyed: Family Practice (30%), Internal Medicine/Gastroenterology (20%), and Pediatrics (14%). These levels were similar in 1994.

Physician Specialty/Practice

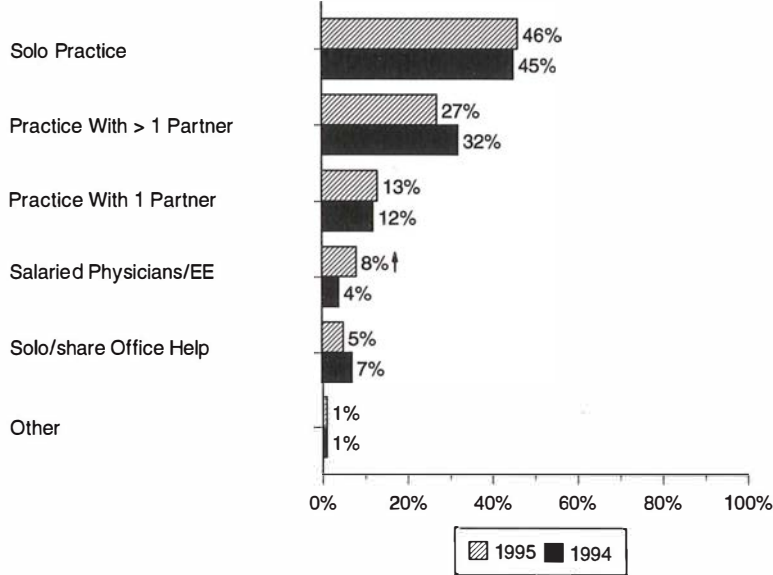
Specialty	1995	1994
Family Practice	30%	27%
Internal Medicine/Gastroenterology	20%	20%
Pediatrics.....	14%	15%
OB/GYN	4%	5%
All Other	4%	3%
General Practice.....	3%	5%
Ophthalmology	3%	3%
General Surgery	3%	2%
Anesthesiology	2%	3%
Cardiovascular Disease	2%	3%
Orthopedic Surgery	2%	3%
Neurological Surgery	2%	2%
Urology	1%	3%
Radiology	1%	3%
Dermatology	1%	3%
Oncology/Radiation Oncology	1%	0%
Allergy	1%	0%
Podiatry	1%	0%
Optometry.....	1%	0%
Hematology	1%	0%
Nephrology	1%	0%
Plastic Surgery	1%	1%
Pulmonary Disease.....	1%	1%
Psychology	1%	1%
ENT	1%	1%
Pathology	0%	1%
Radiation Therapy	0%	1%
Thoracic Surgery	0%	1%
Geriatrics	0%	1%

1995 - N = 542

1994 - N = 514

Consistent with 1994, the largest proportion of physicians surveyed in 1995 are in solo practices (46%), followed by practicing with more than one partner (27%). Significantly more physicians surveyed are salaried in 1995 (8%) than in 1994 (4%).

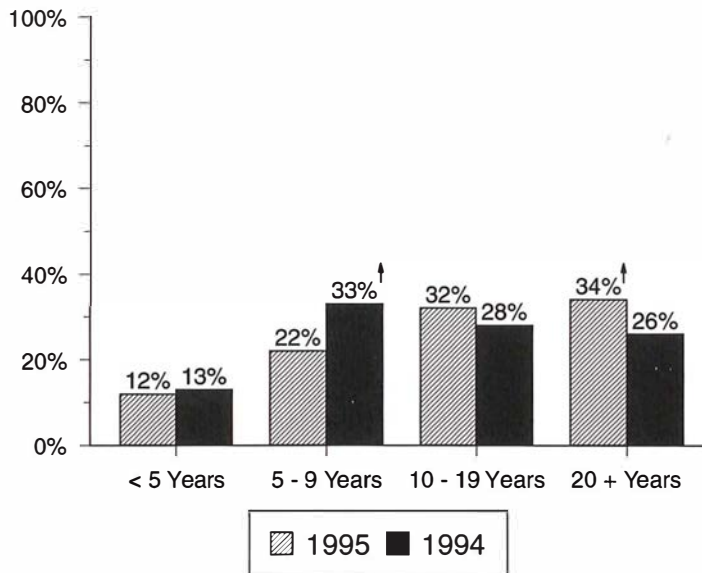
Description Of Practice



1995 - N = 546
1994 - N = 540

Physicians surveyed in 1995 have been in-practice within their communities longer than physicians surveyed in 1994. About two-thirds (66%) of physicians in 1995 have been in practice for ten years or longer compared to just over half (54%) in 1994.

Number of Years In Practice

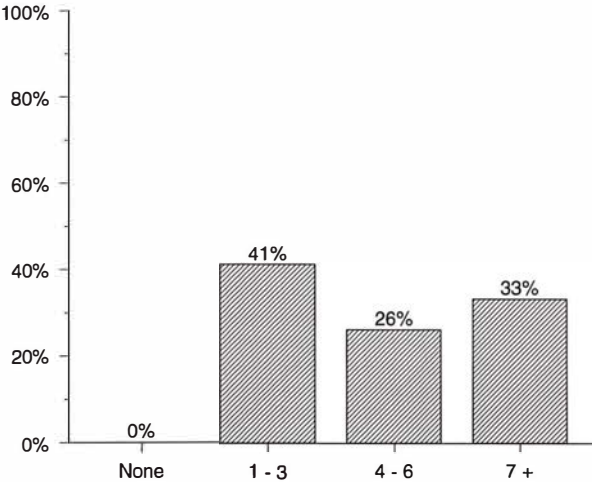


↑ Statistically Significant
1995 - N = 539
1994 - N = 529

All offices employ at least one full-time employee. The largest proportion of offices (41%) employ one to three full-time workers, but a fair percentage (33%) employ more than seven full-time workers.

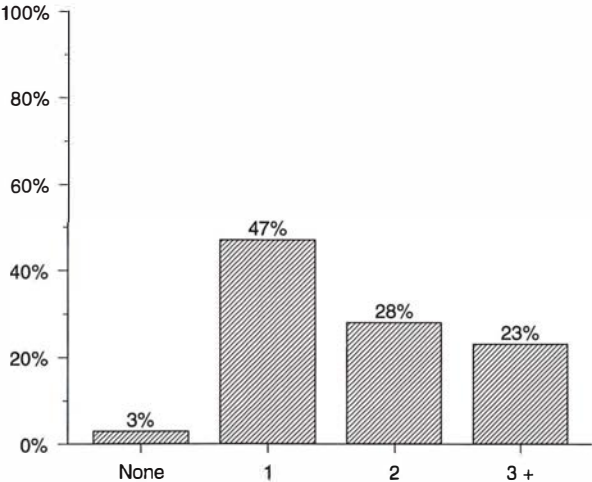
Only a few offices (3%) do not have any part-time workers. In addition, the number of part-time workers employed is low. In fact, almost half of the offices (47%) employ only one part-time worker.

Number of Full-Time Workers



N = 980

Number of Part-Time Workers

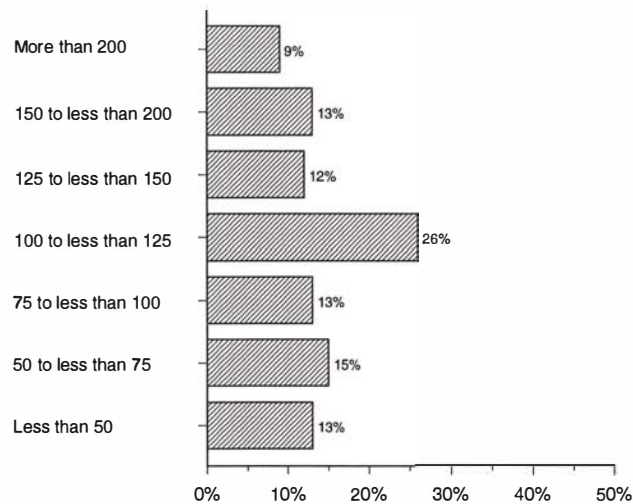


N = 573

As mentioned in the methodology, physicians were asked about their patient load and their office capacity for the first time in the 1995 survey.

The largest proportion of physicians (26%) see 100 to 125 patients; on average, physicians see 107 patients a week. Specialists tend to see significantly fewer patients on average (91) than PCPs who see an average of 118.

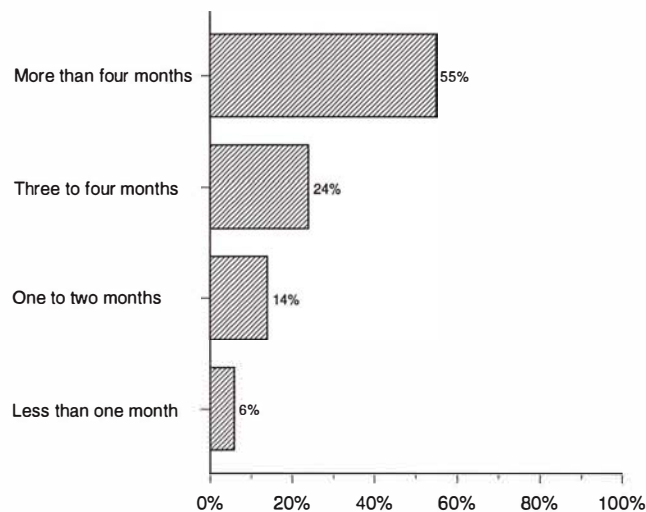
Per Week Patient Load



N = 555

In the past year, office capacity has not been a problem for most physicians. In total only 10% have had to close their doors to new patients. PCPs are more likely to turn away new patients (16%) compared to Specialists (1%). Among physicians who have had to close their doors (PCP and Specialist), most had to close it for over 4 months (54% of PCPs and 100% of Specialists).

Length of Time Practices are Closed



N = 56

Several new questions were added to the office manger survey for 1995. These new questions were added to capture information about data submission and practice management software. The results indicate that over six in ten office managers (63%) prefer to submit encounter data using the HCFA 1500 Form. However, about a quarter (24%) prefer using the Encounter Log. While only 8% of office managers *prefer* to submit claims electronically, 31% *do* submit electronically.

Over six in ten office managers use practice management software in their offices. Office managers most frequently mention using Medical Manager by Personalized Programming, Inc. (18%); all other vendors are mentioned by fewer than 8% of the office managers.

OVERALL REGIONAL RESULTS

This section of the report presents the overall results of the data by region. The chart on the next page depicts overall and regional agreement with the statements relating to overall satisfaction with the HOI relationship, and statements describing Utilization Management, Provider Relations, Customer Service, and Claims departments.

Overall Satisfaction

Overall satisfaction with HOI is relatively high in each of the five regions. There is, however, room for improvement. In total, about eight in ten physicians (79%) strongly or somewhat agree that they are satisfied with their relationship with HOI. While there are no significant differences in the level of overall satisfaction among the five regions, the Northeast and Central regions' satisfaction is slightly higher than average (84% in each region) while the Northwest region's satisfaction (71%) is slightly lower than average (62%).

HOI Department Ratings

In general, physicians in the Northeast region rate the HOI departments better than average. These physicians are especially happy with the Customer Service department, where ratings of *"The staff is courteous and helpful"* (81%) and *"Calls are answered in an acceptable time frame"* (72%) receive ratings significantly higher than the average.

Overall, Northwest region physicians are the least satisfied with HOI of all the regions. These physicians rate eight of the statements significantly lower than average, while the ratings of the remaining attributes are directionally lower than average. Dissatisfaction within this region appears to be tied to the lack of clear, concise answers to questions, inadequate communication from HOI, and a deficiency of helpful, personal attention from HOI staff. Obviously, improvement is necessary in each of the four departments. In addition, HOI should investigate other possible underlying causes of dissatisfaction within the Northwest Florida region.

The Central region, like the Northeast region, generally receives higher than average scores. Specifically, Central physicians are significantly more likely than average (66%, 65%, and 56% respectively) to agree that Utilization Management *"Calls are answered in an acceptable manner"* (75%), that Provider Relations *"Gives clear and concise answers to questions"* (77%), and that they *"Receive personal attention from the PR department staff"* (69%). Success in clear, timely communication and personal attention seem to be driving high satisfaction in the Central region.

West Coast physicians' ratings of HOI are about on par with the average ratings of all regions combined. Two areas, however, receive lower than average ratings: Utilization Management scores lower for *"Answers calls in an acceptable manner"* (58%) and *"HOI keeps physicians/staff informed about policy and procedural changes"* (65%).

Similar to the West Coast, ratings from physicians in the South are about average in almost all cases with the exception of the Utilization Management *"Staff on giving clear, concise answers to questions"* which is rated significantly higher than average (76%).

Physician Experience With Selected Departments of HOI By Region

<u>Statement</u>	Percent Agreeing With Statement ("Somewhat Agree" or "Strongly Agree")					
	Overall	N'East	N'West	Central	West Coast	South
	a	b	c	d	e	f
Overall I am satisfied with my relationship with HOI	79%	84%	71%	84%	77%	78%
Utilization Management Department						
The pre-certification staff is courteous and helpful	75%	73%	58% ↓	82%	69%	80%
The staff gives clear, concise answers to my questions	69%	68%	40% ↓	76%	65%	76% ↑
Calls are answered in an acceptable manner	66%	69%	49% ↓	75% ↑	58% ↓	69%
Responses required Medical Director review are received in an acceptable time	66%	74%	55%	71%	60%	67%
Provider Relations Department						
HOI keeps physicians/staff informed about policy and procedure changes...	73%	81%	57% ↓	78%	65% ↓	76%
The PR Department responds in an acceptable time frame to my inquires	68%	75%	55%	75%	65%	66%
The PR Department gives clear and concise answers to my questions	65%	67%	43% ↓	77% ↑	58%	68%
I receive personal attention from the PR Department personnel	56%	56%	41% ↓	69% ↑	51%	56%
Customer Service Department						
The HOI customer service staff is courteous and helpful	71%	81% ↑	53% ↓	75%	68%	73%
The staff gives clear and concise answers to my questions	64%	71%	43% ↓	68%	61%	65%
Calls are answered in an acceptable time frame	62%	72% ↑	50%	70%	53%	63%
The staff cares about my patients with HOI coverage	62%	68%	40%	66%	57%	65%
Claims Department						
Claims are paid in an acceptable time frame.	67%	73%	56%	71%	64%	68%
Claims are accurately processed	66%	69%	56%	69%	67%	65%
The EOB and SOR forms are clear and concise.	65%	71%	53%	70%	66%	62%

Base: Total Answering

↑ Significantly higher than overall

↓ Significantly lower than overall

HOI Policies, Procedures and Other Issues

Physicians and office managers were asked to rate their level of agreement with a series of statements related to HOI policies and procedures. The charts on the next pages again depict overall and regional agreements with the statement relating to their overall satisfaction with their HOI relationship and the statements related to various HOI policies, procedures, and issues.

Physicians

While there was a great deal of variation in the regional perceptions of HOI's four departments, there are few regional differences in perceptions of HOI's policies, procedures, and other issues.

In the Northeast region, physicians level of agreement with each of the statements is about the same as the average with the exception that their level of agreement with "*Capitation is a better way to pay physicians*" (36%) is significantly higher than average (24%).

While there are no significant differences in the Northwest physicians' ratings of the policies and procedures compared to that of physicians in total, their ratings are directionally lower than the average ratings. This reinforces the conclusion drawn from the departmental ratings which state that there are problems within the Northwest region which need to be identified and addressed.

Central physicians' ratings of HOI policies and procedures are generally in line with the average ratings. These physicians are more likely than average (59%) to agree that "*The current HOI referral system (phone and fax) meets my needs*" (70%). However, significantly fewer Central physicians believe "*Capitation is a better way to pay*" (14%) compared to the average (24%).

Physicians from the West Coast are not as likely as total physicians to agree that "*The current HOI referral system (phone and fax) meets my needs*" (48% vs. 59%) and that "*HOI adequately communicates its medical coverage guidelines*" (41% vs. 54%). Obviously, these ratings indicate there is room to improve HOI's referral system and open communication lines. The West Coast physicians have an average level of agreement with the remaining attributes.

Looking at ratings from physicians in the Southern region, most are in alignment with overall ratings. Southern physicians are more likely to agree that "*HOI adequately communicates its medical coverage guidelines*" (65%) compared to the average (54%). However, special attention should be given to perceptions about the amount of reimbursement since significantly fewer Southern physicians indicate that "*Reimbursements are fair and reasonable*" compared to the average (22% vs. 28%).

Physician Experience With HOI Policies, Procedures and Other Issues By Region

<u>Statement</u>	Percent Agreeing With Statement ("Somewhat Agree" or "Strongly Agree")					
	Overall	N'East	N'West	Central	West Coast	South
	a	b	c	d	e	f
Overall I am satisfied with my relationship with HOI	79%	84%	71%	84%	77%	78%
Patients' lack of knowledge about their benefits is one of the biggest problems.....	74%	79%	79%	72%	71%	74%
HOI has a good relationship with physicians.....	63%	63%	51%	70%	59%	65%
Participating physicians don't always understand how managed care plans work	62%	64%	63%	56%	64%	63%
The current HOI referral system (phone & fax) meets my needs	59%	59%	51%	70% ↑	48% ↓	62%
HOI's pre-certification procedure needs to be streamlined	56%	51%	51%	53%	63%	56%
HOI adequately communicates its medical coverage guidelines	54%	51%	45%	56%	41% ↓	65% ↑
HOI's health policies frequently interfere with ability to provide quality care.....	38%	43%	51%	44%	32%	34%
Amount of reimbursement is fair and reasonable.....	28%	35%	33%	28%	34%	22% ↓
Capitation is a better way to pay physicians.....	24%	36% ↑	17%	14% ↓	22%	28%

Base: Total Answering

↑ Significantly higher than total

↓ Significantly lower than total

Office Managers

Office managers rated three of the statements related to HOI policies and procedures.

As previously stated, there are no significant differences by region in office managers' overall satisfaction with their HOI relationship. In addition, there are no significant differences by region in the proportion of office managers who say that "*Patients lack of knowledge about their benefits is one of the biggest problems,*" with the level of agreement ranging from 77% to 87% of office managers.

Compared to the average (65%), office managers in the Northwest are less likely (48%) to agree that "*HOI's pre-certification needs to be streamlined*" while those in the South are more likely to agree (71%).

In terms of agreement with (the statement) "*The current referral system (phone and fax) meets my needs,*" agreement by Northeast office managers is higher (74%) than average (63%), while the West Coast is lower (48%).

Office Manager Experience With HOI Policies, Procedures, and Other Issues By Region

<u>Statement</u>	Percent Agreeing With Statement ("Somewhat Agree" or "Strongly Agree")					
	Total	N'East	N'West	Central	West Coast	South
	a	b	c	d	e	f
Overall I am satisfied with my relationship with HOI	82%	84%	84%	88%	76%	82%
Patients' lack of knowledge about their benefits is one of the biggest problems.....	81%	87%	77%	85%	77%	82%
HOI's pre-certification procedure needs to be streamlined	65%	61%	48% ↓	56%	68%	71% ↑
The current HOI referral system (phone & fax) meets my needs	63%	74% ↑	72%	68%	48% ↓	66%

Base: Total Answering

↑ Significantly higher than total

↓ Significantly lower than total

Regional Results

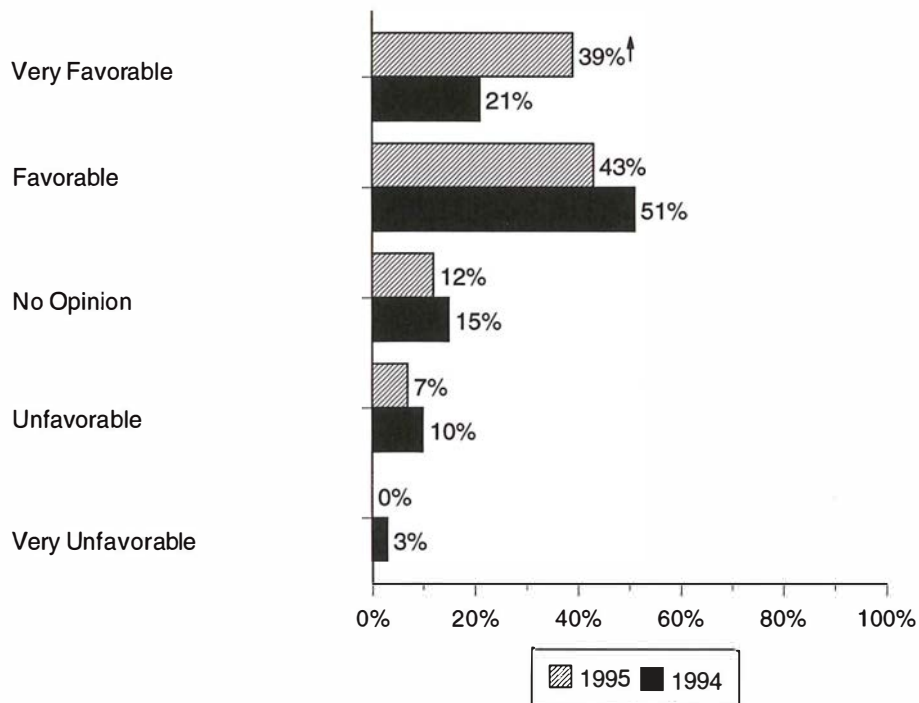
To provide a profile of each HOI region, each of the following sections depicts physicians' overall opinions of HOI compared to other plans, changes in opinion of HOI over the past twelve months, and how HOI compares to other companies on "Ease of telephone access," "Ability to answer questions," "Timeliness of claims payments," and "Accuracy of claims payments." Miscellaneous issues found to be of interest within a particular region are also discussed.

Northeast Region

As previously stated, physicians in the Northeast region tend to think favorably of HOI. Within this region, physicians' overall opinion of HOI compared to other managed care plans has improved over the past year. The proportion of physicians who say their opinion of HOI is "very favorable" increased significantly from 1994 (21%) to 1995 (39%). In 1995, fewer than one in ten Northeast physicians (7%) indicate their opinion of HOI is unfavorable compared to other plans, down from 13% in 1994.

Physicians in the Northeast are significantly more likely to be affiliated with Anthem, Principal, Travelers, and Aetna plans compared to physicians in other regions. They are also significantly more likely than other regions (except the Southern region) to be in Family Practice.

**Overall Opinion Of HOI Compared to Other Managed Care Plans
1994 vs. 1995 -- Northeast Region**

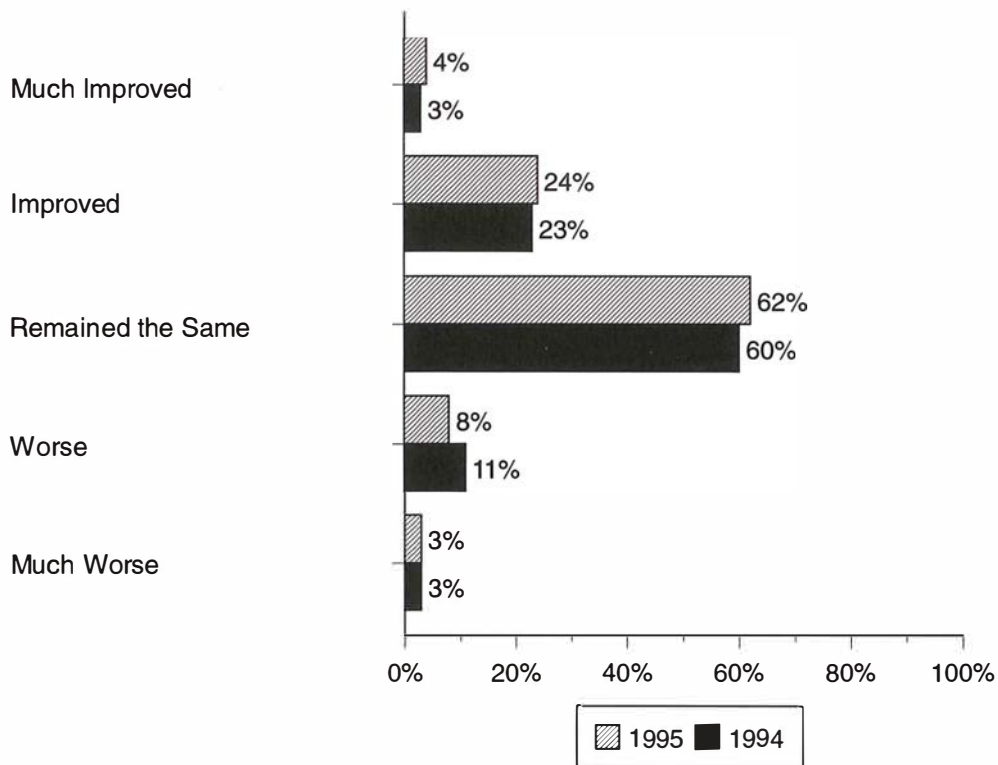


↑ Statistically Significant
1995 - N = 75
1994 - N = 94

When asked about changes in their overall opinion of HOI over the past twelve months, most Northeast physicians' opinions have remained the same (62%). Overall, however, about three in ten say their opinion has improved (24%) or much approved (4%). These levels are consistent with those seen in the 1994 survey.

Unfortunately, about one in ten Northeast region physicians (11%) state their opinion of HOI has worsened in the past twelve months, while 3% say their opinion is much worse. Again, these results mimic those seen in 1994.

Changes In Overall Opinion Of HOI 1994 vs. 1995 -- Northeast Region



1995 - N = 76
1994 - N = 94

When comparing HOI to other companies, the largest proportion of Northeast region physicians indicate that HOI is better on “*Ease of telephone access*” (41%) followed by “*Ability to answer questions*” (38%). Fewer physicians, however, agree that HOI is superior to other plans regarding claims issues. Only about three in ten physicians think HOI is better than other plans on “*Timeliness of claims payments*” (32%) and “*Accuracy of claims payments*” (28%).

The area most in need of improvement in the Northeast region is “*Ease of telephone access*,” where one in ten physicians (10%) indicate HOI is worse than other companies. Few physicians indicate HOI is worse than other companies on “*Accuracy of claims*,” (4%) “*Timeliness of claims*,” (4%) and “*Ability to answer questions*” (4%).

There are no significant differences between 1994 and 1995 in physicians’ perception of HOI versus other companies.

**HOI Compared To Other Companies
1994 vs. 1995 - Northeast Region**

Area of Comparison	1995	1994
Accuracy of Claims Payments		
Better	28%	28%
Same	68%	68%
Worse	4%	5%
Timeliness of Claims Payments		
Better	32%	27%
Same	64%	67%
Worse	4%	6%
Ease of Telephone Access		
Better	41%	32%
Same	49%	56%
Worse	10%	12%
Ability to Answer Questions		
Better	38%	35%
Same	58%	56%
Worse	4%	10%

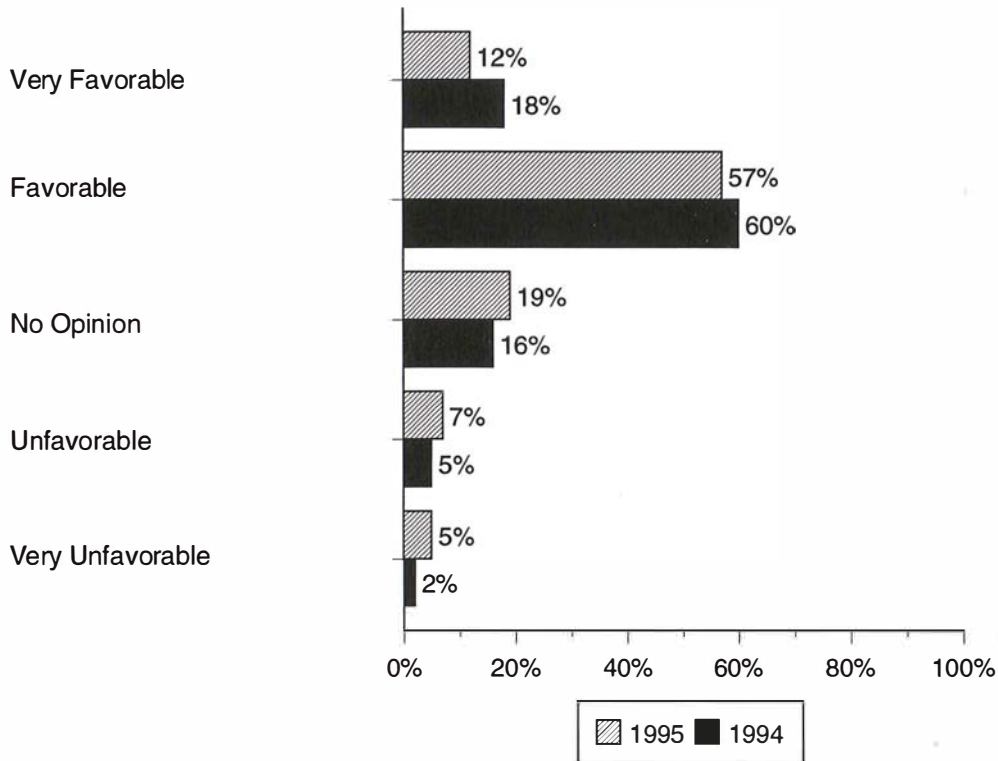
1995 - N = 69/69/71/69
1994 - N = 80/79/82/81

Northwest Region

As previously mentioned, ratings from physicians within the Northwest region are generally lower than average. This is again evidenced by the relatively low percentage of Northwest physicians (12%) rating HOI “very favorable” compared to physicians in other regions (23% to 39%). Nevertheless, just under six in ten Northwest physicians (57%) say their opinion of HOI is favorable.

Just over one in ten Northwest physicians (12%) have an “unfavorable” or “very unfavorable” opinion of HOI, which is slightly higher than the level seen in 1994 (7%). There are, however, no statistically significant changes from 1994 to 1995 in Northwest physicians’ opinions of HOI compared to other companies.

Overall Opinion of HOI Company Compared to Other Managed Care Plans 1994 vs. 1995 -- Northwest Region

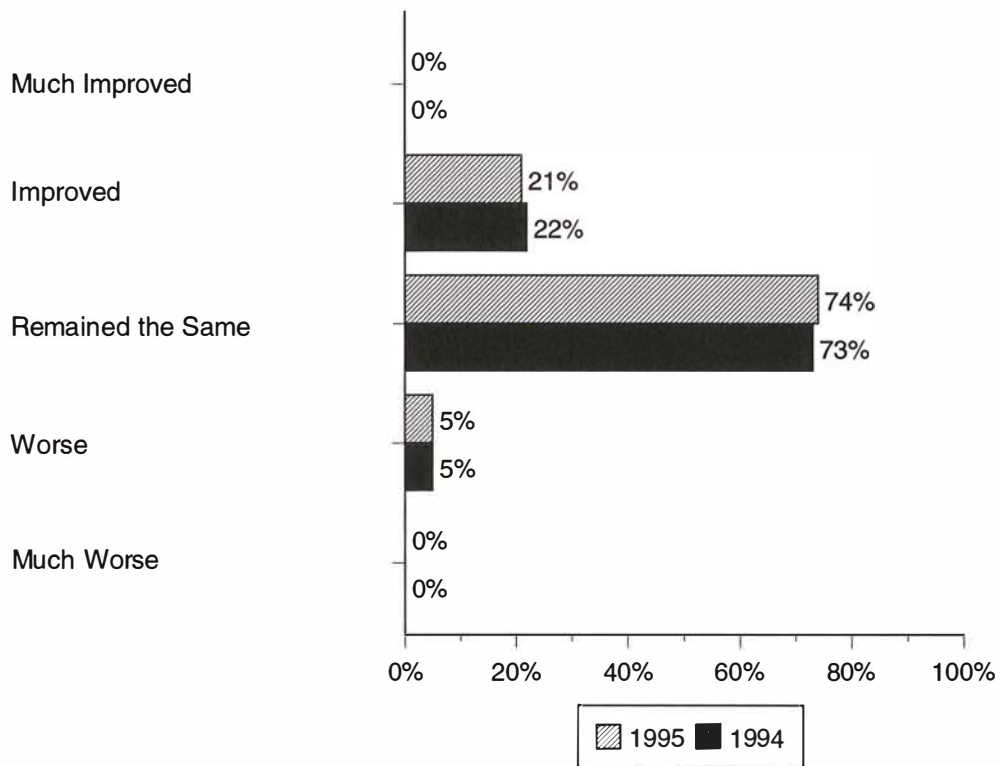


1995 N = 42
1994 N = 84

Interestingly, in both 1994 and 1995 no physicians in the Northwest region indicate their overall opinion of HOI over the past twelve months is “much improved” or is “much worse.” In 1995 alone, about two in ten physicians (21%) say their opinion has improved, while about three-quarters of Northwest physicians (74%) indicate their overall opinion of HOI remained the same. Few (5%) state their opinion has worsened over the past twelve months.

The 1994 and 1995 percentages are nearly identical from year to year.

**Changes In Overall Opinion Of HOI
1994 vs. 1995 -- Northwest Region**



1995 N = 42
1994 N = 82

About four in ten Northwest physicians each indicate HOI is better than other companies on the “Ease of telephone access” (42%) followed closely by “Ability to answer questions” (38%).

In 1995, significantly fewer physicians (25%) indicate HOI is better with the “Accuracy of claims payments” compared to 1994 (42%). This dramatic decrease could indeed be a driver of the lower level of satisfaction within this region in 1995. The evaluation of “Timeliness of claims payments,” however, remained consistent from 1994 (26%) to 1995 (28%).

About one in ten Northwest physicians each say HOI is worse than other companies on “Ease of telephone access” (11%) and “Timeliness of claims payments” (8%).

**HOI Compared to Other Companies
1994 vs. 1994 -- Northwest Region**

Area of Comparison	1995	1994
Accuracy of Claims Payments		
Better	25%	42% ↑
Same	72%	57%
Worse	3%	1%
Timeliness of Claims Payments		
Better	28%	26%
Same	64%	66%
Worse	8%	8%
Ease of Telephone Access		
Better	42%	56%
Same	47%	41%
Worse	11%	3%
Ability to Answer Questions		
Better	38%	57%
Same	58%	39%
Worse	4%	4%

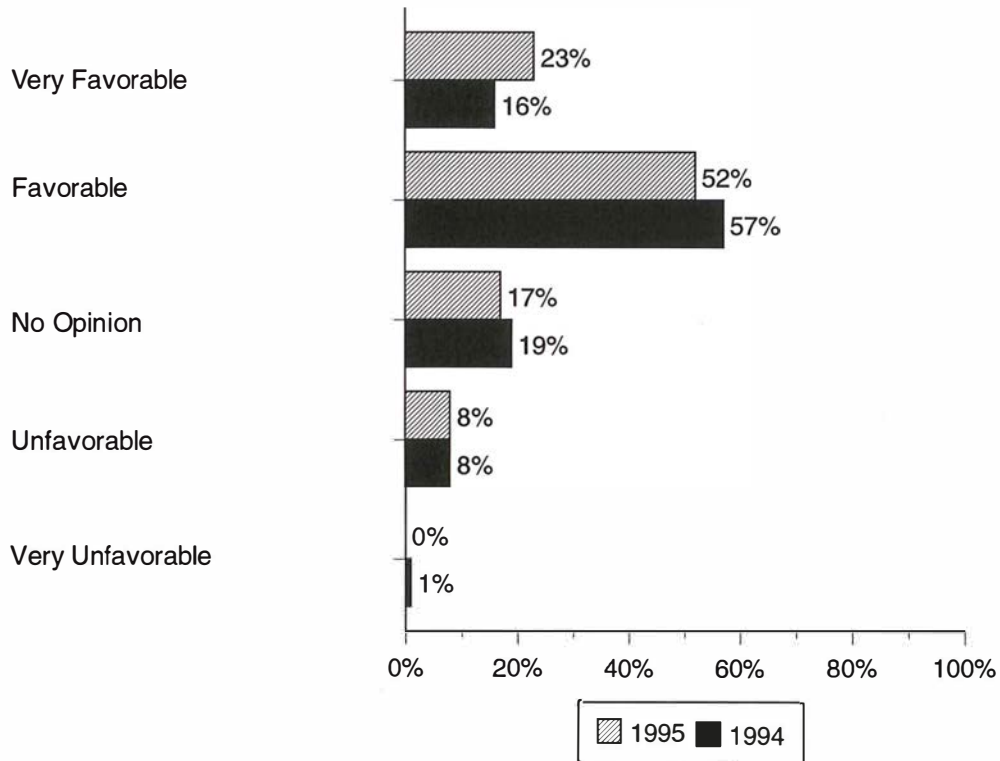
↑ Statistically Significant
1995 N = 36/36/36/36
1994 N = 72/62/64/72

Central Region

Central region physicians' overall opinion of HOI compared to other managed care programs is similar to that seen in other regions. The proportion of physicians who indicate their opinion of HOI is "very favorable" compared to other plans is slightly higher in 1995 (23%) compared to 1994 (16%), while the proportion who say their opinion is "favorable" is slightly lower in 1995 (52%) compared to 1994 (57%). These differences, however, are not statistically significant.

Fewer than one in ten physicians in 1995 (8%) and 1994 (9%) indicate their opinion of HOI is "unfavorable" or "very unfavorable" compared to other managed care plans.

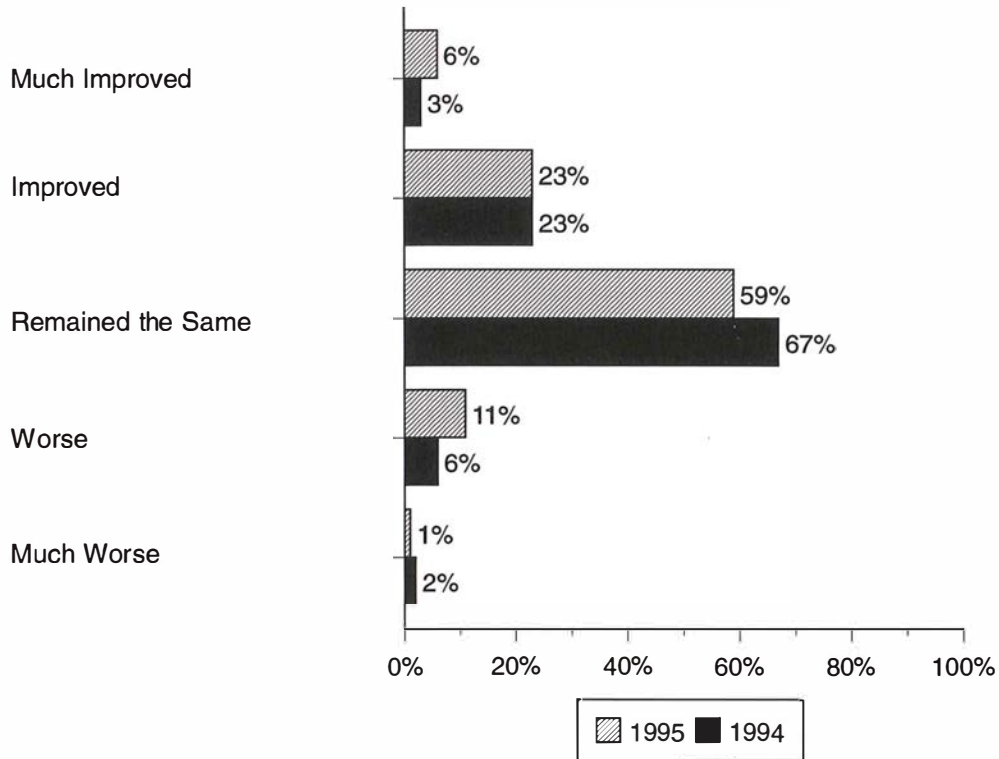
**Overall Opinion of HOI Compared To Other Managed Care Plans
1994 vs. 1995 -- Central Region**



1995 N = 92
1994 N = 102

About three in ten (29%) Central physicians indicate their overall opinion of HOI has “improved” or “much improved” over the past twelve months. Slightly fewer say their opinion of HOI remained the same in 1995 (59%) compared to 1994 (67%), while slightly more in 1995 (12%) state their opinion worsened compared to 1994 (8%). None of these changes are statistically significant.

**Changes In Overall Opinion Of HOI
1994 vs. 1995 -- Central Region**



1995 N = 90
1994 N = 102

About three in ten Central region physicians each say HOI is better than other managed care companies on “*Ability to answer questions*” (33%) and “*Ease of telephone access*” (30%).

As seen in the other regions, the largest proportion of Central physicians (18%) indicate HOI is worse than other companies on “*Ease of telephone access.*” This is significantly higher than that seen in 1994 (8%). In addition, each of the three other areas experienced directional increases in the proportion of Central physicians who say HOI is worse than other companies.

HOI Compared To Other Companies 1994 vs. 1995 -- Central Region

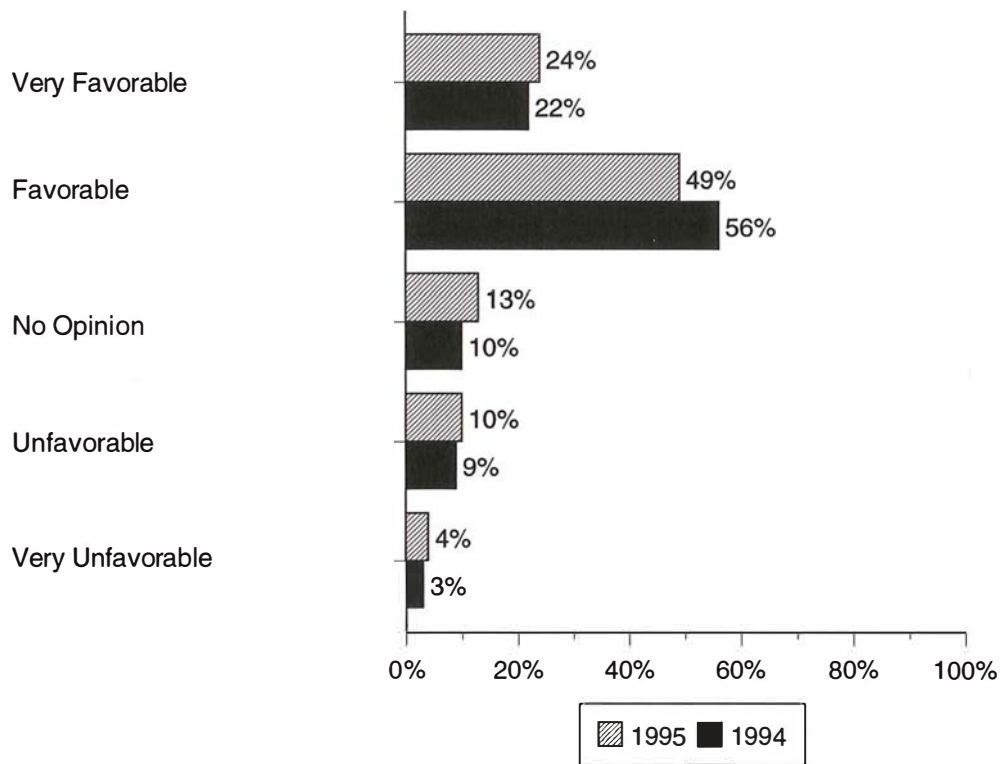
Area of Comparison	1995	1994
Accuracy of Claims Payments		
Better	24%	32%
Same	66%	64%
Worse	11%	4%
Timeliness of Claims Payments		
Better	20%	21%
Same	71%	76%
Worse	9%	3%
Ease of Telephone Access		
Better	30%	23%
Same	52%	70% ↑
Worse	18% ↑	8%
Ability to Answer Questions		
Better	33%	30%
Same	51%	64%
Worse	15%	7%

↑ Statistically Significant
1995 - N = 85/85/84/84
1994 - N = 91/90/93/91

West Coast Region

There are no significant differences between 1994 and 1995 in West Coast physicians' ratings of HOI in relation to other managed care plans. In 1995, about one-quarter (24%) are "very favorable" and about half (49%) are "favorable" toward HOI. A total of 14% of physicians say their opinion of HOI is either "unfavorable" or "very unfavorable."

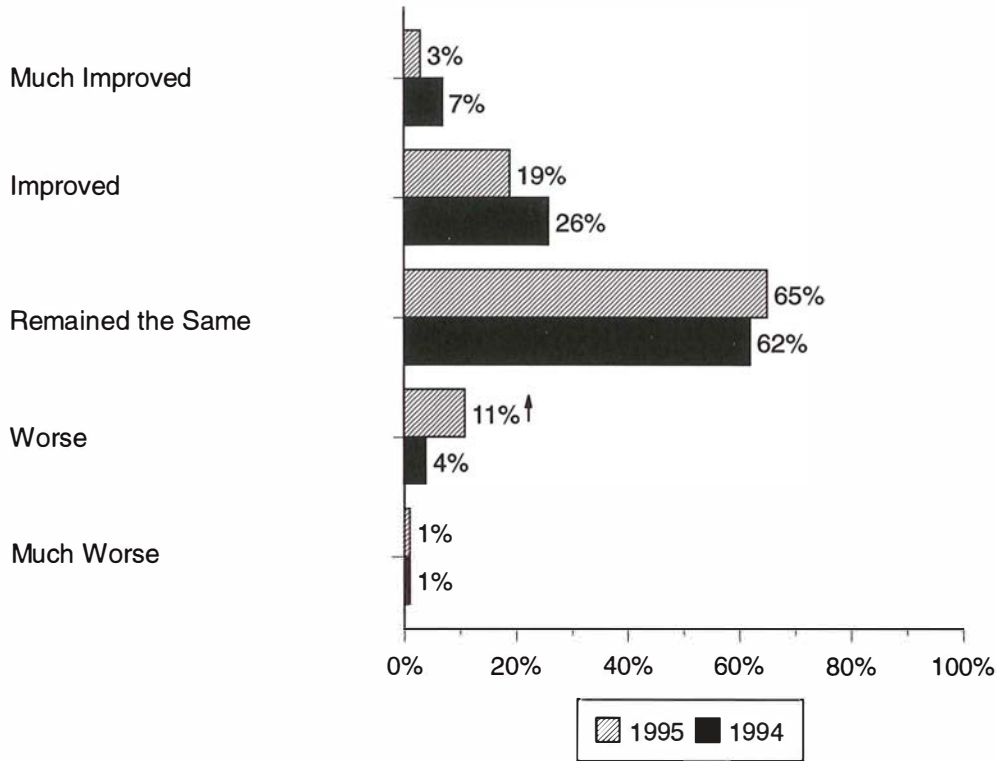
**Overall Opinion Of HOI Compared to Other Managed Care Plans
1994 vs. 1995 -- West Coast Region**



1995 - N = 136
1994 - N = 119

Over the past twelve months, opinions of HOI among physicians in the West Coast has declined. The proportion of physicians whose opinion “improved” or “much improved” in 1995 (22%) is significantly lower than that seen in 1994 (33%). In addition, significantly more West Coast physicians indicate their overall opinion of HOI is “worse” in 1995 (11%) compared to 1994 (4%).

Changes In Overall Opinion Of HOI 1994 vs. 1995 -- West Coast Region



↑ Statistically Significant
1995 - N = 135
1994 - N = 119

About one-quarter of physicians within the West Coast region each say HOI is better than other companies on each of the four areas. Opinions of HOI's performance on claims payments, however, declined somewhat in 1995 with significantly more physicians saying that HOI is "worse" on timeliness of claims in 1995 (14%) than in 1994 (5%).

As in other regions, ease of telephone access is the area most in need of improvement, with over two in ten (22%) indicating HOI is "worse" than other companies.

**HOI Compared To Other Companies
1994 vs. 1995 -- West Coast Region**

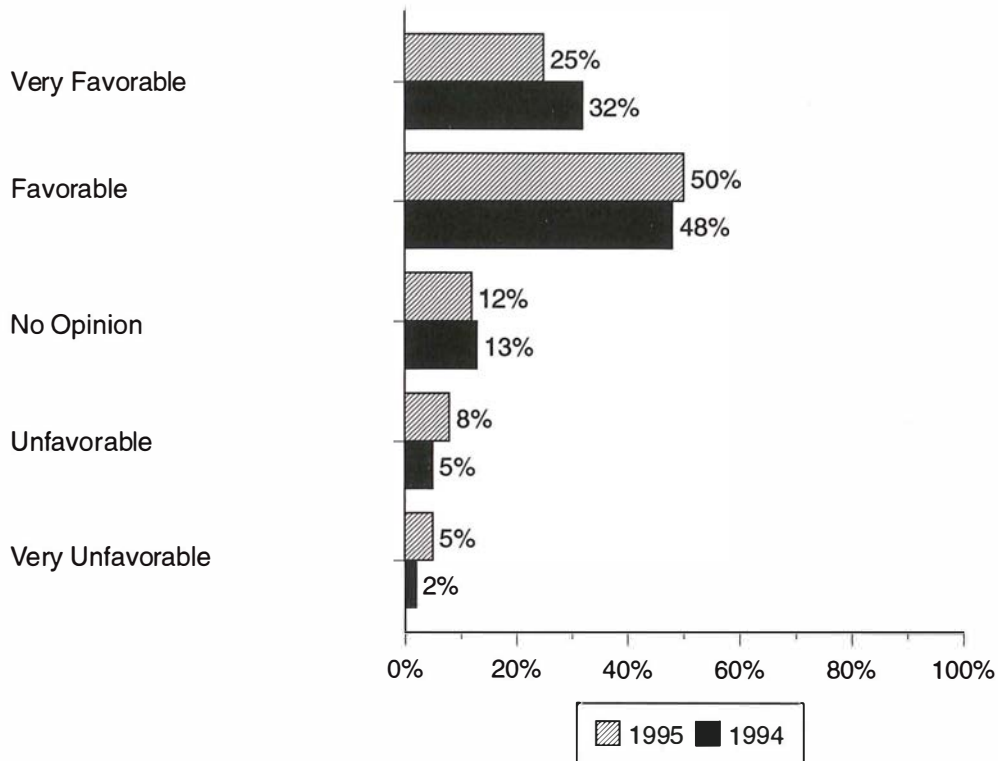
Area of Comparison	1995	1994
Accuracy of Claims Payments		
Better	25%	25%
Same	62%	70%
Worse	12%	5%
Timeliness of Claims Payments		
Better	25%	26%
Same	61%	69%
Worse	14% ↑	5%
Ease of Telephone Access		
Better	19%	17%
Same	59%	53%
Worse	22%	30%
Ability to Answer Questions		
Better	23%	21%
Same	66%	71%
Worse	11%	8%

↑ Statistically Significant
 1995 - N = 114/113/117/116
 1994 - N = 100/100/102/103

South Region

South region physicians' opinions of HOI in relation to other plans is unchanged from last year. The largest proportion indicate their opinion of HOI is "favorable" (50% 1995, 48% 1994). In 1995, slightly fewer South region physicians say their opinion of HOI is "very favorable" compared to other plans (25%) than in 1994 (32%). In addition, slightly more physicians say their opinion of HOI is "unfavorable" or "very unfavorable" in 1995 (13%) than in 1994 (7%).

**Overall Opinion Of HOI Compared to Other Managed Care Plans
1994 vs. 1995 -- South Region**



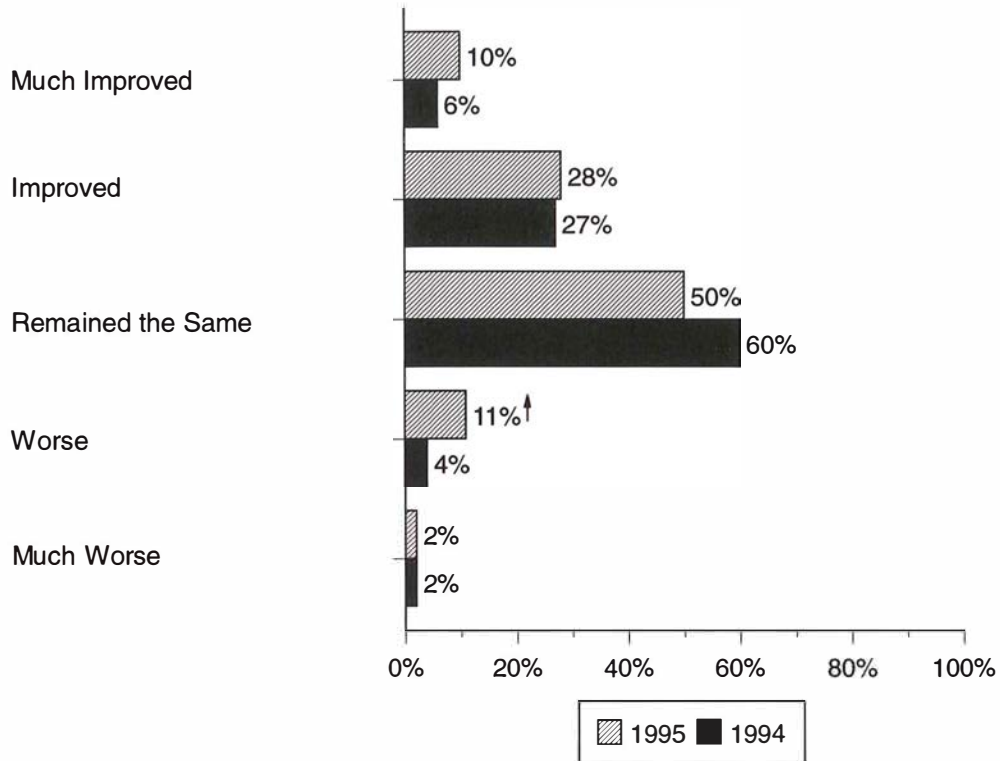
1995 - N = 206

1994 - N = 128

As seen last year, the largest proportion of physicians in the South region say their overall opinion of HOI has “remained the same” over the past twelve months (50%). Nearly four in ten (38%) indicate their opinion has “improved” or “much improved.”

Unfortunately, significantly more South region physicians in 1995 say their overall opinion of HOI has “worsened” over the past twelve months (11%) than in 1994 (4%).

**Changes In Overall Opinion Of HOI
1994 vs. 1995 -- South Region**



↑ Statistically Significant
1995 - N = 205
1994 - N = 128

In 1995, a directionally higher proportion of physicians in the South region rate HOI better on each of the four attributes compared to 1994. There is, however, a significant increase in the proportion of physicians who say HOI is worse than other companies on “*Timeliness of claims payments*” in 1995 (16%) compared to 1994 (6%).

As seen in other regions, about two in ten physicians in the South region say HOI is worse than other companies on ease of telephone access.

**HOI Compared To Other Companies
1994 vs. 1995 -- South Region**

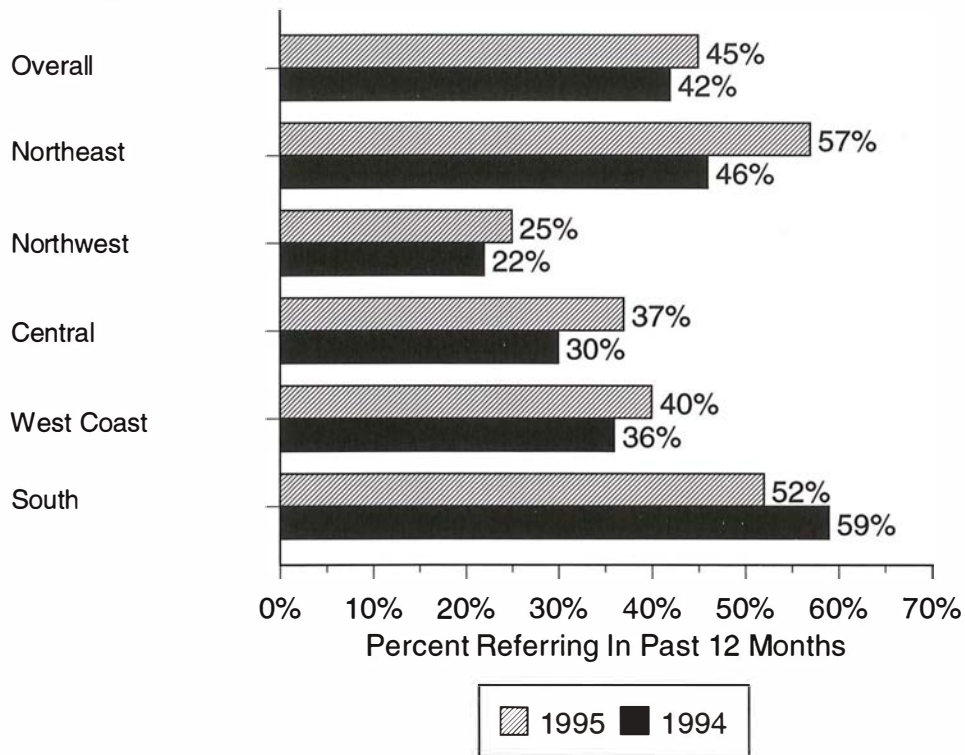
<u>Area of Comparison</u>	<u>1995</u>	<u>1994</u>
Accuracy of Claims Payments		
Better	40%	30%
Same	48%	64% ↑
Worse	12%	6%
Timeliness of Claims Payments		
Better	38%	28%
Same	46%	66% ↑
Worse	16% ↑	6%
Ease of Telephone Access		
Better	32%	22%
Same	48%	53%
Worse	19%	25%
Ability to Answer Questions		
Better	35%	25%
Same	56%	68% ↑
Worse	9%	7%

↑ Statistically Significant
1995 - N = 182/182/186/185
1994 - N = 116/116/118/115

Referrals to Mental Health by Region

The overall proportion of physicians referring HOI members to mental health providers is similar in 1995 (45%) and 1994 (42%). In 1995, over half of physicians in the Northeast (57%) and South regions (52%) indicate they have made referrals, while only one-quarter (25%) of physicians in the Northwest have made referrals to mental health providers.

**Physicians Referring HOI Members
To Mental Health Providers**



1995 - N = 519/72/40/86/129/192
1994 - N = 535/91/81/100/113/126