



**CONFIDENTIAL DRAFT**  
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## **Physicians and Regence BlueShield Settle Lawsuit**

Regence BlueShield (“Regence”) and the Washington State Medical Association (“WSMA”), the American Medical Association (“AMA”), and six physician plaintiffs are pleased to announce resolution of their dispute and lawsuit over Regence’s creation of the Select Network program. Regence previously announced that it had voluntarily withdrawn the Select Network program and has apologized to the physicians and members for any misunderstanding that may have been caused by its initial communications about the Select Network program.

In an effort to better understand physician concerns, Regence has met with the WSMA to discuss performance measurement. WSMA appreciates Regence’s efforts to collaborate on these issues and acknowledges that Regence has agreed to make a financial contribution to the WSMA Education and Research Foundation to support the Foundation’s work to educate providers on performance measurement issues and to promote quality improvement programs in the physicians’ offices. In addition, the WSMA and Regence have agreed:

1. Prior to implementation of any new or revised performance measurement program, Regence will provide WSMA with the opportunity to provide meaningful input into the performance measurement program before it is implemented. Regence will explain the proposed performance program and the intended methodology and will seek input from WSMA on the following topics: (i) timeliness of data; (ii) comparability of physician practices and patient populations; (iii) patient noncompliance; (iv) physician attribution issues; and (v) the method of communicating scores and ratings to physicians.
2. At least ten (10) days prior to the release of new physician performance scores to physicians, Regence will advise WSMA that scores will be forthcoming. Regence will make reasonable efforts to provide actual notice to advise physicians that new performance scores are forthcoming.
3. Physician reports and scores will be posted on Regence’s provider website in a readable electronic format and will include: (i) an explanation of methodology, (ii) an explanation of the data relied on to calculate the score, and (iii) a means to identify the physician’s individual patients included in the data.

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4. Physicians will have an opportunity to appeal their scores. If the physician appeals in a timely manner, then Regence will not release to members, patients or the public the physician's performance scores until after the appeal is completed. Physicians who seek an internal or external review outside of specified time limits will have their performance reports published with a notation to clearly indicate that the report or certain scores in the report are under appeal.
  
5. Regence will first provide an opportunity for physicians to appeal their scores to Regence as part of an internal review. This internal review will be based on a written explanation by the physician that sets forth why the physician disagrees with his or her score along with any supporting materials such as patient chart information. Physicians who disagree with Regence's internal review decision will be provided an opportunity to have the disputed score reviewed by an independent external reviewer based upon the same materials used in the internal review. The external reviewer's decision will be binding on the physician. If a physician prevails on external review, Regence will reimburse the physician's portion of the external reviewer's fee. (Note: The option for independent external review is subject to approval by the Office of the Insurance Commissioner.) Physicians who do not elect external review will not be prohibited from seeking judicial review of performance measurement disputes.

While the parties have agreed to this process for a period of two years, the WSMA and Regence look forward to working together collaboratively whenever possible on future performance measurement programs brought forward as part of Regence's efforts to further consumer transparency and assist members in making informed healthcare choices.

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