

**STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL**

In the Matter of

AETNA INC.

Investigation No. 09-007

**ASSURANCE OF DISCONTINUANCE
UNDER EXECUTIVE LAW § 63(15)**

As authorized by Article 22-A of the General Business Law and Section 63(12) of the Executive Law, Andrew M. Cuomo, Attorney General of the State of New York, initiated an industry-wide investigation into certain business practices of health insurers, including Aetna Inc. (“Aetna”).¹ The industry-wide investigation concerns how health insurers reimburse² members³ who have received bills from out-of-network doctors.⁴ As a part of the investigation, the Attorney General analyzed how a subsidiary of Aetna reimbursed students⁵ enrolled in health plans sponsored by colleges⁶ and insured or administered by Aetna.

WHEREAS the Attorney General finds that Aetna promised to reimburse students for out-of-network charges based on the prevailing charge⁷ for the health care service provided;

¹ The full meaning of Aetna is set forth in paragraph 2 on page 3.

² In this document, “reimburse” or “reimbursements” refers to payments insurers make to members or doctors for bills from out-of-network doctors.

³ In this document, “members” refers to participants and beneficiaries in the insurer’s health care benefit plans unless the context indicates otherwise.

⁴ In this document, “doctors” refers to all healthcare providers unless the context indicates otherwise.

⁵ In this document, “students” refers to current and former participants and beneficiaries in student health plans sponsored by a college and insured or administered by Aetna at any time during the period January 1, 1998 to April 1, 2008, unless the context indicates otherwise.

⁶ In this document, “colleges” refers to colleges, universities, post-graduate and other schools, and organizations that serve foreign students, that sponsored student health plans insured or administered by Aetna, unless the context indicates otherwise.

⁷ In this document, “prevailing” rate or charge refers to the standard by which Aetna promised to reimburse students for out-of-network charges described by Aetna as the “prevailing,” “reasonable and customary,” “usual, customary

WHEREAS the Attorney General finds that a subsidiary of Aetna promised colleges that sponsored health plans that Aetna would use current data to set reimbursement rates⁸ for students, with the understanding that the dollar values of current data would be more than that of old data.

WHEREAS the Attorney General finds that in determining reimbursement rates for students, a subsidiary of Aetna relied upon schedules from a database (the "Ingenix Database") owned and operated by Ingenix, Inc. ("Ingenix"), a subsidiary of UnitedHealth Group Inc.;

WHEREAS the Attorney General finds that the Aetna subsidiary intentionally used years-old Ingenix schedules to determine reimbursement rates for students;

WHEREAS the Attorney General finds that due to the Aetna subsidiary's use of years-old data students were reimbursed less than they would have been under then current schedules.

WHEREAS the Attorney General finds that from January 1, 1998 to April 1, 2008, the Aetna subsidiary underpaid on claims of over 73,000 students from every state in the country who attended more than 200 colleges in 32 states;

WHEREAS the Attorney General finds that due to this conduct Aetna owes these students or their doctors in excess of \$5.1 million in additional reimbursements, plus applicable interest and penalties, on more than 206,000 claims;⁹

and reasonable," or "average, prevailing," rate or charge, or "maximum allowable fee," or similar language, unless the context indicates otherwise.

⁸ In this document, "reimbursement rates" refers to reimbursement rates defined by Aetna as the as the "prevailing," "reasonable and customary," "usual, customary and reasonable," or "average, prevailing," rate or charge, or "maximum allowable fee," or similar language, unless the context indicates otherwise.

⁹ Figures concerning underpayments set forth in this Assurance are estimates and do not include interest and penalties that the Company will be required to pay on underpayments pursuant to applicable law and this Assurance. Actual figures will not be known until Aetna reprocesses all claims. Also, according to Aetna, the underpayments include a small percentage of claims underpaid by the Aetna subsidiary during the period September 19, 2007 to April 1, 2008 due to the subsidiary's claim processing system misapplying Ingenix schedules to claims of students, and the subsidiary not loading the anesthesia module of the Ingenix data on its claims processing system.

WHEREAS the Attorney General finds that almost 21,000 of the underpaid students attended 20 colleges located in New York State, and Aetna owes them or their doctors in excess of \$2 million in additional reimbursements, plus applicable interest and penalties, for more than 64,000 claims, and that Aetna also owes payments on underpaid claims of students from New York who attended colleges out of state;¹⁰ and

WHEREAS the Company has agreed to comply with the provisions of this Assurance of Discontinuance (the “Assurance”) in accordance with New York Executive Law Section 63(15).

AETNA INC.

1. Aetna Inc. is a Pennsylvania corporation with executive offices located in Hartford, Connecticut.
2. “Company” or “Aetna” means Aetna Inc. and each and every one of its divisions, subsidiaries, and affiliates, including but not limited to: Aetna Life Insurance Company; Aetna Student Health; The Chickering Group; Chickering Claims Administrators, Inc.; and Chickering Benefit Planning Insurance Agency, Inc. An “affiliate” of the Company encompasses any entity that controls, is controlled by, or is under common control with the Company. For purposes of all terms and conditions of this Assurance that are to be performed or satisfied in the future, “Company” shall include future divisions, subsidiaries, and affiliates of the Company, including, but not limited to, any entities or operations that the Company may hereafter acquire, or merge with, or otherwise become affiliated.

THE CHICKERING GROUP/AETNA STUDENT HEALTH

3. Chickering Claims Administrators, Inc. (“CCA”) is a Massachusetts corporation

¹⁰ More than 16,000 students used New York State addresses when they enrolled in the health plans insured or administered by Aetna. Some of those students attended colleges located in New York State, and are included in the almost 21,000 students referred to in this paragraph, and others attended colleges out of state.

with executive offices located in Cambridge, Massachusetts, and a wholly owned subsidiary of Aetna.

4. Chickering Benefit Planning Insurance Agency, Inc. (“CBPIA”) is a Massachusetts corporation with executive offices located in Cambridge, Massachusetts, and a wholly owned subsidiary of Aetna.

5. The Chickering Group was the brand name for CCA and CBPIA (collectively “Chickering” or “Aetna’s subsidiary”) until March 31, 2008, when Aetna changed the trade name to Aetna Student Health.¹¹

STATUTORY BASES

6. The OAG investigated whether certain of the Company’s alleged acts, practices, and omissions violated: (a) Section 349 of the New York General Business Law, which prohibits deceptive acts or practices in the conduct of any business, trade, or commerce in the State of New York; or (b) Section 2601(a) of the New York Insurance Law, which prohibits insurers from engaging in unfair claims settlement practices; or (c) Section 3224-a of the New York Insurance Law, which requires insurers to pay claims within 45 days of their receipt.

7. In addition, the OAG investigated whether certain of the Company’s alleged acts and practices constituted repeated or persistent fraudulent and illegal conduct in violation of New York Executive Law Section 63(12).

FINDINGS OF THE ATTORNEY GENERAL

A. Background

8. Health insurance is a valuable consumer purchase for students in higher

¹¹ CCA and CBPIA are also collectively referred to herein as Aetna Student Health. In this document, references to Chickering, Aetna’s subsidiary and Aetna Student Health are synonymous unless the context indicates otherwise.

education. Transparency and accuracy of information are critical to students, their parents, and other consumers making health care decisions, including the choice of physician.

9. Students in particular need clear information because they are less likely than many other consumers to have experience with contracts in general and with the purchase of health insurance specifically. Students are also likely to trust health care plans sponsored by their colleges on the reasonable belief that the colleges have performed due diligence concerning the plans offered and are satisfied with them.

10. Health insurers frequently offer lower premiums in connection with health plans where members agree to confine themselves to preferred “networks” or lists of physicians or other healthcare providers. These providers, in turn, agree to provide services for negotiated lower rates. Certain insurers charge higher premiums in connection with health plans that afford members the right to select providers from outside these preferred networks. These “out-of-network” providers have not contracted with the health insurers to provide services to members. For members who wish to see these out-of-network providers, insurers frequently promise to reimburse a percentage of either the actual amount of the charge or of the prevailing rate, whichever is less.

11. As part of an industry-wide investigation, the OAG has examined numerous issues concerning the Ingenix Database, including, but not limited to: (a) whether UnitedHealth’s ownership of Ingenix creates a potential conflict of interest in determining reimbursement rates; (b) whether Ingenix manipulates the Ingenix Database by deleting valid “high” charges and deleting proportionately more “high” charges than “low” charges; (c) whether some data contributors themselves delete valid “high” charges from the data they submit; (d) whether the Ingenix Database contains information about the out-of-network

provider's training and qualifications, the type of facility where the comparative service was provided, and the patient's condition; (e) whether Ingenix pools data from dissimilar providers (such as nurses, physician assistants, and physicians) for use in the Ingenix Database; and (f) whether Ingenix audits data from data contributors to ensure that they have not included, among other things, negotiated or discounted rates.

12. "Prevailing" charge or rate is a form of market rate designed to reflect how much doctors typically charge for the health care service in question.

B. The Company Used Outdated Ingenix Schedules to Reimburse Students

13. In 1998, Aetna started contracting with Chickering in connection with Aetna's provision of health insurance to students enrolled in colleges through school-sponsored student health plans.

14. Aetna Life Insurance Company ("ALIC") underwrote insurance policies, and CCA administered them as a third-party administrator. CCA also administered plans for a small number of self-insured colleges.

15. CBPIA performed marketing and customer relations services for Aetna with the colleges.

16. This arrangement continued after Aetna acquired CCA and CBPIA (collectively "Chickering" or "Aetna's subsidiary") in December of 2003.

17. Aetna promised to reimburse students a percentage of the prevailing charge for out-of-network care.

18. Chickering promised colleges that sponsored student health plans that it would regularly update data used to determine the prevailing charge for reimbursements for bills from out-of-network doctors.

19. However, in administering ALIC's student health plans, Chickering used data releases from Ingenix' Medical Data Research ("MDR") database that at times were five years old - - despite current MDR data releases being available - - to determine what were supposed to be current market rates for purposes of reimbursements. This resulted in students, or their doctors, being paid less than owed under the student health plans for bills from out-of-network doctors.

20. For example, Chickering was using February 2000 MDR data in the beginning of June of 2003, and August 2002 MDR data in August of 2007.

21. From January 1, 1998 to April 1, 2008, the Company underpaid on claims of over 73,000 students from every state in the country, who attended more than 200 colleges in 32 states, and owes the students or their doctors in excess of \$5.1 million, plus applicable penalties and interest, for over 206,000 claims (see **Attachment A** for list of colleges).¹² Almost 21,000 of those students attended 20 colleges in New York State (see **Attachment B** for list of colleges in New York), and Aetna owes them or their doctors in excess of \$2 million for more than 64,000 claims, and Aetna also owes payments for underpaid claims of students from New York who attended colleges out of state.¹³

C. Chickering Intentionally Under-Reimbursed Students

22. Chickering intentionally used outdated MDR data in determining reimbursements for students.

¹² According to Aetna, the underpayments referenced in this paragraph also include a small percentage of claims that were underpaid by Chickering during the period September 19, 2007 to April 1, 2008 due to Chickering's claim processing system misapplying Ingenix schedules to claims of students, and the subsidiary not loading the anesthesia module of the Ingenix data on its claims processing system.

¹³ More than 16,000 students used New York State addresses when they enrolled in the health plans insured or administered by Aetna. Some of those students attended colleges located in New York State, and are included in the almost 21,000 students referred to in this paragraph, and others attended colleges out of state.

23. Memoranda from Chickering's actuarial analyst to Chickering's Chief Operating Officer ("COO"), dated September 16, 2002, June 5, 2003 and October 17, 2006, acknowledge that the Company was not using current market data to reimburse students for bills from out-of-network doctors. Those documents also analyze the financial impact on the Company if it were to use then current data to reimburse students.

24. For example, the actuarial analyst's September 16, 2002 memorandum to Chickering's COO stated that the Company should update the market data used for out-of-network reimbursements to be consistent with its obligations. The analyst also acknowledged that the Company's 2002/2003 premiums were set using projected costs for the use of current market data in determining reimbursements to students for bills from out-of-network doctors. Accordingly, students were not only promised reimbursements based on prevailing rates, they paid for that promise. The memorandum stated:

To be consistent with our obligations to be current and to address needs raised by RFPs, we should implement either the 2001 or the 2002 MDR tape. Although the 2001 tape has less financial impact than the 2002 MDR tape, the 2002 tape is more current at only a marginal increase in cost. The 2002 tape is the preferable choice. By adopting the 2002 MDR tape, costs would increase \$1.2 million on a baseline of \$140 million in claim costs (80% of \$175 million of projected 2002/2003 premium). This would appear to be financially feasible because 2002/2003 pricing was determined basically by adjusting the 2000/2001 experience with two years of trend. Each year of trend included a price inflation component of 5-6% or a composite price inflation increase of 10-12%. As the attached exhibit indicates, by implementing the 2002 MDR tape, R&C costs would increase just under 10% in that two-year period. Thus, our trend factor has already accounted for the increase we will incur by implementing the February 2002 MDR tape.

25. Despite this, the analyst determined that "any increase to the current 2000 MDR table would be considered excessive relative to negotiated fees."

26. Fees the Company negotiated with doctors in its network to provide services to the Company's members at a discount are not relevant to the prevailing rates charged by doctors in the market, which by definition are not negotiated rates. Therefore, the fact that negotiated fees were less than fees based on the Ingenix Database was not a basis to use old Ingenix schedules.

27. The analyst's September 16, 2002 memorandum further stated:

Also, a survey of customer service indicates there have been no complaints in regards to the charges in our current R&C table [R & C meaning reasonable and customary, which is another description for prevailing or market rate]. Hence, a second option is to forgo any changes to our book-of-business costs and leave the 2000 tape in place.¹⁴

28. Chickering's COO acknowledged the use of outdated Ingenix data to Aetna's Head of Health Plan Alliances in a October 17, 2006 e-mail, stating:

We are currently using MDR dated August 2002 for R&C purposes. I have been somewhat reluctant to use updated data because we receive very few complaint [sic] off of the existing tables

29. Chickering's Function Head, who oversees Chickering's claims examiners, warned Chickering's COO of the risks of not using current data and urged that Chickering change its practices. Chickering's Function Head sent the following e-mail to Chickering's COO on February 8, 2007, outlining various risks:

As I mentioned to you the other day, I am concerned that we have not updated our Usual and Customary (U&C) Fees in the Genelco claim system for quite some time. Currently we are using the August 2002 MDR tape for U&C which was loaded to Genelco in September of 2003. I have noticed over time that the appeals we receive on this subject are changing in their tone. More and more providers challenge our U&C determinations with statements that their fees are typically accepted by other major insurers.

¹⁴ The analyst's June 5, 2003 and October 17, 2006 memoranda to Chickering's COO contain statements similar to those in the September 16, 2002 memorandum, or other acknowledgements that the Company was not using current market data to reimburse students for bills from out-of-network doctors.

I am concerned that we are at risk by not routinely updating our U&C tables on a number of different fronts.

- We are at risk with Member and Providers due to the transparency program of Aetna that advertises the availability of the company's U&C allowances to the public via Navigator.
- We are at risk with Providers as our Chickering EOBs are mailed together with Aetna's EOBs. This should easily allow providers to compare our U&C allowances with Aetna's and conclude that Chickering's U&C administration is not consistent with Aetna's.
- We are at risk with Clients and brokers who have been assured via the RPF process that we do update our U&C tables routinely. The following is taken directly from our RPF database and contains a part of our standard response with respect to Usual and Customary Charge administration.

“Usual and Customary Charges: Chickering currently uses a system through Medical Data Research (MDR) for determining reasonable and customary charges. The charge levels are updated on a semi-annual basis by MDR....”

- The reputation of Chickering as a premier student health insurer is at risk should a Medical Director at one of our client University Health Centers or a broker learn that our system is not regularly updated.
- We are at risk with our parent company, Aetna, as it is my sense that they would view the lack of regular updates to be a serious compliance issue.
- We are at risk with state insurance regulators who also expect health insurers to administer the U&C plan provision with charge data this is accumulated regularly and with systems that are updated on a regular schedule. It is likely that we risk financial penalties in this regard.

It is therefore my suggestion that we pick a date as our annual “update date” and begin the practice of updating our U&C tables on a regular annual basis.

30. Aetna directed Chickering to update its claims processing system, and Chickering has certified that it installed the Ingenix February 2007 MDR data release on its system on

September 18, 2007 and began processing claims with that data release on September 19, 2007.¹⁵

31. Thereafter, Aetna began to undertake the process of determining how to address the student claims that were underpaid. Chickering's COO was concerned that re-adjudicating the students claims might put all of Aetna's out-of-network reimbursements at risk of re-adjudication. Chickering's COO sent Aetna's Head of Government Segment / Business Alliances the following e-mail on April 23, 2008:

As the Company continues to consider whether re-adjudication is appropriate, I am concerned that doing so would open up all of Aetna's out-of-network claims for possible re-adjudication because the rates that Student Health we will be adjusting to will be generally higher than the rates used by Aetna for the same periods of time. Once providers receive a higher reimbursement from Student Health for these old claims, they will then seek a higher reimbursement for all out-of-network claims paid by Aetna. The Company could not reasonably explain that the R&C rates used over time on the corporate business were appropriate while at the same time agreeing that higher reimbursement rates are appropriate on the identical codes for Student Health.

D. Statutory Violations

32. Based on these findings, the Attorney General has determined that the Company's prior practices of using outdated schedules to determine what were supposed to be prevailing rates for reimbursements to students or their doctors for bills from out-of-network doctors, and its misapplication of Ingenix data, constitute: (1) deceptive acts or practices in violation of

¹⁵ According to Aetna, from September 19, 2007 to April 1, 2008, Chickering misapplied the Ingenix schedules to student claims for services provided in approximately 75 zip codes due to an error by Chickering in loading Ingenix data on its claims processing system. Also, Aetna states that on September 18, 2007 Chickering failed to load the anesthesia module of the Ingenix MDR data on its claims processing system. These errors resulted in Aetna underpaying students. Chickering has certified that these errors in its claims processing system were corrected as of April 1, 2008.

Section 349 of the New York General Business Law; (2) unfair claims settlement practices in violation of New York Insurance Law Section 2601(a); (3) a failure to promptly pay claims in violation of New York Insurance Law Section 3224-a; and (4) persistent fraudulent and illegal conduct in violation of New York Executive Law Section 63(12).

THEREFORE, in lieu of commencing a statutory or other proceeding against the Company pursuant to Executive Law Section 43(12) and Article 22-A of the General Business Law, the Attorney General is willing to accept this Assurance pursuant to Executive Law Section 63(15).

THEREFORE, the OAG and the Company hereby enter into this Assurance as follows:

RESTITUTION TO STUDENTS

33. Chickering has certified that it installed the Ingenix February 2007 MDR data release on its claims processing system on September 18, 2007, and began processing claims with that release on September 19, 2007.

34. Chickering has certified that its misapplication of Ingenix schedules to claims of students that started on September 19, 2007 and its failure to load the anesthesia module of the Ingenix MDR data on its claims processing system on September 18, 2007, as referred to in footnotes 9, 12 and 15, were corrected as of April 1, 2008.

35. The Company shall identify all student claims (the "Underpaid Claims"), with dates of service on or between January 1, 1998 and April 1, 2008, for which Ingenix data was compared to the doctor's billed charge or otherwise used in determining the prevailing rate for reimbursement purposes.

36. The Company shall re-determine the reimbursements for each of the Underpaid Claims using the Ingenix MDR data release that was most current when each Underpaid Claim was last adjudicated, and use those rates to recalculate reimbursements for students subject to their benefit plans in force at the time of service (“New Reimbursement Amounts”).

37. For each Underpaid Claim, the Company shall calculate the difference (“Payment Difference”) between the New Reimbursement Amount and what the Company previously paid on the claim.

38. Within six months from the Effective Date, the Company shall pay the Payment Difference, together with interest and penalties as required under applicable state law (the total sum being the “Additional Payment”), to students or doctors who were underpaid.

39. Interest on claims subject to New York law shall be 12 percent per annum computed in accordance with Insurance Law Section 3224-a(c).

40. The Company shall make consumer restitution described in paragraphs 35 through 39 above pursuant to the Plan of Distribution annexed hereto as **Attachment C**.

INFORMATION ON WEBSITE

41. Within 5 days from the Effective Date, and before the Company mails Student Letters pursuant to the Plan of Distribution annexed hereto as **Attachment C**, the Company shall post information on the Aetna Student Health website (“Web Posting”) regarding how students or doctors can determine if they are owed Additional Payments and how to obtain Additional Payments. The Web Posting shall be in a place and manner designed to best attract the attention of students and doctors, and subject to OAG approval.

COSTS AND COOPERATION FOR OAG NOTICES

42. The Company shall pay the OAG costs incurred by the OAG in mailing notices to students (“OAG Notices”) encouraging them to respond to the Student Letters and New Student Letters sent to them by the Company pursuant to the Plan of Distribution annexed hereto as **Attachment C**. The Company shall pay the OAG within ten days of the OAG notifying it of costs. The OAG may notify the Company of costs by total amount or in parts, and the Company shall make payment(s) accordingly.

43. The Company shall cooperate with the OAG for the OAG Notices. This shall include, but not be limited to, the Company providing the OAG all names and addresses the Company will use for the Student Letters and New Student Letters. The Company shall provide that information, and other information the OAG requests in connection with the OAG Notices, in a format agreeable to the OAG. The Company shall provide such information to the OAG prior to the Company mailing Student Letters or New Student Letters, unless otherwise agreed to in writing by the OAG.

COMPANY REFORMS

A. The Company Shall Ensure that Aetna Student Health Uses Current Data

44. To the extent the Aetna Student Health uses Ingenix’ MDR database or other data from a third party to determine prevailing rates for reimbursement of any individuals, it shall update its claims processing system with new data releases from the third party within 30 days from a new data release being available.

B. Certification of Data Updates by the Senior Executive of Aetna Student Health

45. The senior level executive of Aetna Student Health shall certify on an annual

basis what data were used by Aetna Student Health to determine prevailing rates in setting reimbursements for any individuals, and the dates on which such data were updated.

Certifications shall be completed within 15 days following the end of a calendar year.

46. The Company shall provide the OAG with copies of the certifications for calendar year 2008 no later than January 16, 2009. The Company shall provide the OAG copies of all subsequent certifications on the day following the compliance deadline for a period of five years.

C. Review of Aetna Student Health's Compliance and Training Procedures

47. Within 30 days from the Effective Date, the Company shall nominate a third-party examiner (the "Examiner"), subject to the approval of the OAG, to examine and evaluate the compliance and training procedures of Aetna Student Health.

48. Within 60 days from the OAG's approval of the Examiner, the Examiner shall examine and evaluate the compliance and training procedures of Aetna Student Health and issue a report of its findings and recommendations to the Company and to the OAG.

49. Within 30 days of the Examiner's issuance of the report, the Company shall provide the OAG, for its approval, a plan to implement improvements ("Improvement Plan") to Aetna Student Health's compliance and training procedures based on the Examiner's report.

D. Enhanced Staff Training

50. Within 30 days from the Effective Date, the Company shall provide all employees of Aetna Student Health written contact information for the reporting of compliance issues, including the telephone number for the Aetna Alertline (888-891-8910).

51. Within six months from the Effective Date, the Company shall provide enhanced training to all employees of the Company on reporting compliance issues.

52. Within six months from the Effective Date, the Company shall provide enhanced training to all employees of the Company whose job responsibilities include communicating with or supplying information to government regulators. The training shall be on issues of accuracy, responsiveness and candidness in communications with regulators.

53. The enhanced training required by this subsection shall be in addition to the Company's current compliance and training procedures.

E. Reporting to the OAG

54. Within 35 days from the Effective Date, the Company shall submit to the OAG a copy of the written contact information for the reporting of compliance issues that it provided all employees of Aetna Student Health pursuant to paragraph 50 of this Assurance.

55. Within 190 days from the Effective Date, the Company shall submit to the OAG a report: detailing the best efforts it made to determine the current addresses of students and doctors as required by the Plan of Distribution annexed hereto as **Attachment C**; a list of all Additional Payments made to students, or their doctors, pursuant to the Plan of Distribution, including the name, address and other identifying information of each student and doctor, the amount paid to each, the date the payment was mailed, a breakdown of each payment (Payment Difference, interest and penalties), and the dates, rates and other means used to calculate interest and/or penalties, as applicable; a list of all Additional Payments the Company was unable to distribute due to its inability to locate students and their doctors, including the name, last know address and other identifying information of each student and doctor, the amount each Additional Payment would have been if made on the six month anniversary of the Effective Date, a breakdown of each amount (Payment Difference, interest and penalties), and the dates, rates and

other means used to calculate interest and/or penalties, as applicable; a description of all reforms implemented by the Company pursuant to the Improvement Plan; and copies of training materials used for the enhanced training required by paragraphs 51 and 52 of this Assurance.

NON-DISTRIBUTED ADDITIONAL PAYMENTS

56. In the event the Company is unable to distribute a total of \$10,000 or more in Additional Payments, as defined in paragraph 38, pursuant to the Plan of Distribution annexed hereto as **Attachment C**, due to its inability to locate students and their doctors, the Company shall reach an agreement with the OAG to pay or contribute a sum equal to the total Additional Payments that would have been paid pursuant to the Plan of Distribution for those claims had the students or their doctors been located. The terms of such agreement shall be consistent with the intent of this Assurance.

MONITORING BY THE OAG

57. The OAG may request documents and information from the Company to confirm that the Company is in compliance with the terms of this Assurance, and the Company shall cooperate in responding to the OAG's requests.

58. This Assurance does not in any way limit the OAG's right to obtain, by subpoena or by any other means permitted by law, documents, testimony, or other information to determine whether the Company has complied fully with this Assurance.

MEMBERS' RIGHTS; LEGAL CONFLICTS

59. To the extent any provisions of this Assurance provide greater benefits to any members than those required under the laws or regulations of the State of New York, any other State or Territory of the United States, or the United States as of the Effective Date or later,

then the terms of this Assurance shall prevail.

60. Nothing in this Assurance is to be construed as narrowing or limiting any member's rights or any of the Company's obligations under the laws of the State of New York or the United States, or any applicable regulations thereunder.

OAG'S AUTHORITY

61. Nothing in this Assurance in any way limits the OAG's ability to investigate or take other action with respect to any non-compliance at any time by the Company with respect to this Assurance, or the Company's noncompliance with any applicable law with respect to any matters.

62. To the extent New Reimbursement Amounts calculated using Ingenix MDR data pursuant to paragraph 36 of this Assurance do not result in reimbursements based on prevailing rates, the OAG expressly reserves the right to pursue additional remedies against the Company.

63. This Assurance resolves the issue of Chickering's use of outdated schedules for reimbursing students for out-of-network care. It also resolves issues of Chickering's misapplication of Ingenix data from September 19, 2007 to April 1, 2008 and its failure to load the anesthesia module of the Ingenix MDR data in its claims processing system on September 18, 2007, as referred to in footnotes 9, 12 and 15. The Attorney General's investigation of other Ingenix-related issues, including but not limited to those set forth in paragraph 11, is continuing and the OAG expressly reserves all rights in that regard.

VALID GROUNDS AND WAIVER

64. The Company hereby accepts the terms and conditions of this Assurance and waives any right to challenge it in a proceeding under Article 78 of the Civil Practice Law and

Rules or in any other action or proceeding.

CORRESPONDENCE

65. All correspondence that the Company submits to the OAG concerning this Assurance or any related issues shall reference “Investigation No. 09-007 ” and be sent to the attention of the person identified below or his successor:

James E. Dering, Esq.
Deputy Chief, Health Care Bureau
Office of the New York Attorney General
The Capitol
Albany, NY 12224-0341

MISCELLANEOUS

66. Acceptance of this Assurance by the OAG is not to be deemed or construed as an approval by the OAG of any of the Company’s actions, and the Company may not make any representation to the contrary. This Assurance is not to be deemed or construed as an approval of the Company’s use of MDR or other Ingenix data in determining reimbursements that are supposed to be based on a prevailing rate.

67. The Company shall not take any action to make or permit to be made any public statement denying, directly or indirectly, any findings of the Assurance or creating the impression that this Assurance is without factual basis. Notwithstanding the above, nothing in this Assurance shall affect or limit the Company’s rights or legal or factual defenses in any litigation not brought by the New York State Attorney General, including but not limited to the Company’s right to take any legal or factual positions in defense of litigation related to Chickering’s historic practice in updating data used to make reimbursements.

EFFECT OF VIOLATION OF THIS ASSURANCE

68. In accordance with Executive Law Section 63(15), in the event this Assurance is violated, evidence of such violation is *prima facie* proof of a violation of Executive Law Section 63(12) and General Business Law Sections 349 and 350.

SUCCESSORS

69. This Assurance and all obligations imposed on or undertaken by the Company are binding upon and enforceable against any subsequent owner or operator (whether by merger, transfer of control, contractual arrangements, or other means) of the Company.

EFFECTIVE DATE

70. This Assurance is effective upon the date of its last signature (the “Effective Date”), and the document may be executed in counterparts, which shall all be deemed an original for all purposes.

GOVERNING LAW

71. This Assurance and all agreements, exhibits, appendices, and documents relating to this Assurance shall be construed under the laws of the State of New York, excluding its choice of law rules.

DIVISIONS AND HEADINGS

72. The division of this Assurance into sections and subsections and the use of captions and headings in connection herewith are solely for convenience and shall have no legal effect in construing the provisions of this Assurance.

ENTIRE AGREEMENT; AMENDMENT

73. This Assurance, including its exhibits and appendices, contains an entire, complete, and integrated statement of each and every term and provision agreed to by and among

the parties, and the Assurance is not subject to any condition not provided for herein. This Assurance supersedes any prior agreements or understandings, whether written or oral, between and among the OAG and the Company regarding the subject matter of this Assurance. This Assurance may be amended or modified only as provided in a written instrument signed by or on behalf of all signatories to this Assurance (or their successors in interest).

AUTHORITY

74. Each Person signing this Assurance on behalf of a party represents and warrants that he or she has all requisite power and authority to enter into this Assurance and to implement the transactions contemplated herein, and is duly authorized to execute this Assurance on behalf of that party.

AGREED TO BY THE PARTIES:

Dated: January 16, 2009

AETNA INC.

By: 
Signature

J. Edward Neugebauer
Name

Deputy Chief Litigation Officer
Title

1/2

Dated: ~~January~~ February 2, 2009

ANDREW M. CUOMO
Attorney General of the State of New York

By: Linda A. Lacewell
LINDA A. LACEWELL
Counsel for Economic and Social Justice
Head of the Healthcare Industry Taskforce

By: James E. Dering
JAMES E. DERING
Deputy Chief, Health Care Bureau

Attachment A

GroupName	State
HUNTINGDON COLLEGE	AL
STILLMAN COLLEGE	AL
TUSKEGEE UNIVERSITY	AL
UNIVERSITY OF NORTH ALABAMA	AL
ARIZONA STATE UNIVERSITY	AZ
GRAND CANYON UNIVERSITY	AZ
MIDWESTERN UNIVERSITY ARIZONA	AZ
NORTHERN ARIZONA UNIVERSITY	AZ
PRESCOTT COLLEGE	AZ
UNIVERSITY OF ARIZONA	AZ
UNIVERSITY OF ARIZONA CESL	AZ
CABRILLO COLLEGE	CA
CALIFORNIA INSTITUTE OF TECHNOLOGY	CA
CALIFORNIA STATE UNIVERSITY LONGBEACH	CA
CALIFORNIA WESTERN SCHOOL OF LAW	CA
CONCORDIA UNIVERSITY	CA
CONTRA COSTA COMMUNITY COLLEGE DISTRICT	CA
LOS RIOS COMMUNITY COLLEGE	CA
MENLO COLLEGE	CA
MONTEREY PENINSULA COLLEGE	CA
NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT	CA
NORTHWESTERN POLYTECHNIC UNIVERSITY	CA
PALOMAR COLLEGE	CA
PEPPERDINE UNIVERSITY	CA
SAINT MARY'S COLLEGE OF CALIFORNIA	CA
SAN FRANCISCO CONSERVATORY OF MUSIC	CA
SANTA CLARA UNIVERSITY	CA
STANFORD UNIVERSITY	CA
UNIVERSITY OF CALIFORNIA IRVINE	CA
UNIVERSITY OF THE PACIFIC	CA
VANGUARD UNIVERSITY	CA
COLORADO COLLEGE	CO
NAROPA UNIVERSITY	CO
REGIS UNIVERSITY (DENVER)	CO
UNIVERSITY OF COLORADO BOULDER	CO
UNIVERSITY OF DENVER	CO
ALBERTUS MAGNUS COLLEGE	CT
CENTRAL CONNECTICUT STATE UNIVERSITY	CT
CONNECTICUT COLLEGE	CT
EASTERN CONNECTICUT STATE UNIVERSITY	CT
QUINNIPIAC UNIVERSITY	CT
SOUTHERN CONNECTICUT STATE UNIVERSITY	CT
UNIVERSITY OF CONNECTICUT	CT
WESTERN CONNECTICUT STATE UNIVERSITY	CT
AMERICAN UNIVERSITY	DC
GALLAUDET UNIVERSITY	DC
GEORGE MASON UNIVERSITY	DC
GEORGE WASHINGTON UNIVERSITY	DC
THE CATHOLIC UNIVERSITY OF AMERICA	DC

FLORIDA STATE UNIVERSITY	FL
NOVA SOUTHEASTERN UNIVERSITY	FL
RINGLING SCHOOL OF ART AND DESIGN	FL
UNIVERSITY OF CENTRAL FLORIDA	FL
EMORY UNIVERSITY	GA
MEDICAL COLLEGE OF GEORGIA	GA
DES MOINES UNIVERSITY MEDICAL SCHOOL	IA
DRAKE UNIVERSITY	IA
IOWA STATE UNIVERSITY	IA
UNIVERSITY OF NORTHERN IOWA	IA
CHICAGO STATE UNIVERSITY	IL
DEPAUL UNIVERSITY	IL
ILLINOIS INSTITUTE OF TECHNOLOGY	IL
ILLINOIS STATE UNIVERSITY	IL
LINCOLN LAND COMMUNITY COLLEGE	IL
MIDWESTERN UNIVERSITY CHICAGO	IL
NORTHEASTERN ILLINOIS UNIVERSITY	IL
NORTHERN ILLINOIS UNIVERSITY	IL
NORTHWESTERN UNIVERSITY	IL
OAKTON COMMUNITY COLLEGE	IL
ROOSEVELT UNIVERSITY	IL
RUSH UNIVERSITY	IL
UNIVERSITY OF CHICAGO	IL
UNIVERSITY OF ILLINOIS AT SPRINGFIELD	IL
UNIVERSITY OF SAINT FRANCIS	IL
INDIANA UNIVERSITY SAA & INTERNATIONAL	IN
INDIANA UNIVERSITY SCHOOL OF MEDICINE	IN
INDIANA UNIVERSITY UNDERGRAD	IN
UNIVERSITY OF KENTUCKY	KY
UNIVERSITY OF LOUISVILLE	KY
WESTERN KENTUCKY UNIVERSITY	KY
TULANE UNIVERSITY	LA
ASSUMPTION COLLEGE	MA
BABSON COLLEGE	MA
BAPTIST BIBLE COLLEGE EAST	MA
BENTLEY COLLEGE	MA
BENTLEY COLLEGE	MA
BOSTON UNIVERSITY	MA
BRANDEIS UNIVERSITY	MA
BRIDGEWATER STATE COLLEGE	MA
CLARK UNIVERSITY	MA
COLLEGE OF THE HOLY CROSS	MA
COUNCIL ON INTERNATIONAL EDUCATIONAL EXCHANGE	MA
CURRY COLLEGE	MA
EF INTERNATIONAL GROUP INSURANCE	MA
EF INTERNATIONAL USA	MA
EMERSON COLLEGE	MA
FITCHBURG STATE COLLEGE	MA
FRAMINGHAM STATE COLLEGE	MA
HULT INTERNATIONAL BUSINESS SCHOOL	MA
MASS COLLEGE OF ART AND DESIGN	MA
MASS COLLEGE OF LIBERAL ARTS	MA
MASSACHUSETTS COLLEGE OF PHARMACY	MA

MASSACHUSETTS COMMUNICATIONS COLLEGE	MA
MASSACHUSETTS MARITIME ACADEMY	MA
MASSACHUSETTS STATE COLLEGE SYSTEM	MA
MONTserrat COLLEGE OF ART	MA
NEW ENGLAND CONSERVATORY OF MUSIC	MA
NEW ENGLAND SCHOOL OF LAW	MA
NEWBURY COLLEGE	MA
NORTHEASTERN UNIVERSITY	MA
OLIN COLLEGE OF ENGINEERING	MA
PINE MANOR COLLEGE	MA
REGIS COLLEGE	MA
SALEM STATE COLLEGE	MA
SPRINGFIELD COLLEGE	MA
SUFFOLK UNIVERSITY	MA
TUFTS UNIVERSITY	MA
TUFTS UNIVERSITY	MA
UMASS AMHERST	MA
UNIVERSITY OF MASS LOWELL	MA
UNIVERSITY OF MASSACHUSETTS BOSTON	MA
UNIVERSITY OF MASSACHUSETTS DARTMOUTH	MA
UNIVERSITY OF MASSACHUSETTS WORCESTER	MA
WESTON JESUIT SCHOOL OF THEOLOGY	MA
WORCESTER ACADEMY	MA
WORCESTER POLYTECHNIC INSTITUTE	MA
COLLEGE OF NOTRE DAME MARYLAND	MD
JOHNS HOPKINS UNIVERSITY	MD
LOYOLA COLLEGE IN MARYLAND	MD
TOWSON UNIVERSITY	MD
UNIVERSITY OF MARYLAND BALTIMORE COUNTY	MD
UNIVERSITY OF MARYLAND BALTIMORE COUNTY GRAD ASSIT	MD
BATES COLLEGE	ME
BOWDOIN COLLEGE	ME
BOWDOIN COLLEGE	ME
UNIVERSITY OF MAINE	ME
UNIVERSITY OF NEW ENGLAND	ME
UNIVERSITY OF SOUTHERN MAINE	ME
CALVIN COLLEGE	MI
MICHIGAN STATE UNIVERSITY	MI
UNIVERSITY OF MICHIGAN	MI
WESTERN MICHIGAN	MI
MACALESTER COLLEGE	MN
THE COLLEGE OF ST. CATHERINE'S	MN
MISSOURI UNIVERSITY OF SCIENCE AND TECHNOLOGY	MO
SOUTHWEST MISSOURI STATE UNIVERSITY	MO
ST LOUIS COLLEGE OF PHARMACY	MO
UNIVERSITY OF MISSOURI COLUMBIA CAMPUS	MO
UNIVERSITY OF MISSOURI KANSAS CITY	MO
UNIVERSITY OF MISSOURI ST LOUIS	MO
WASHINGTON UNIVERSITY IN ST LOUIS	MO
UNIVERSITY OF MISSISSIPPI	MS
UNIVERSITY OF SOUTHERN MISSISSIPPI	MS
QUEENS UNIVERSITY OF CHARLOTTE	NC
SHAW UNIVERSITY	NC

CREIGHTON UNIVERSITY	NE
UNIVERSITY OF NEBRASKA	NE
ROSS UNIVERSITY	NJ
RUTGERS UNIVERSITY	NJ
SETON HALL UNIVERSITY LAW SCHOOL	NJ
UNIV OF MEDICINE & DENTISTRY NEW JERSEY POST DOC	NJ
UNIVERSITY OF MEDICINE & DENTISTRY OF NEW JERSEY	NJ
COLLEGE OF SOUTHERN NEVADA	NV
UNIVERSITY OF NEVADA-RENO	NV
ALBANY LAW SCHOOL	NY
BUFFALO STATE COLLEGE	NY
COLUMBIA UNIVERSITY	NY
CORNELL UNIVERSITY	NY
MARYMOUNT MANHATTAN COLLEGE	NY
MEDICAL CENTER AT COLUMBIA UNIVERSITY	NY
NASSAU COMMUNITY COLLEGE IN GARDEN CITY	NY
NEW YORK INSTITUTE OF TECHNOLOGY DOMESTIC	NY
NEW YORK INSTITUTE OF TECHNOLOGY INTERNATIONAL	NY
NEW YORK UNIVERSITY	NY
RENSSELAER POLYTECHNIC INSTITUTE	NY
ROCHESTER INSTITUTE OF TECHNOLOGY	NY
SARAH LAWRENCE COLLEGE	NY
SCHOOL OF VISUAL ARTS	NY
SKIDMORE COLLEGE	NY
STONY BROOK UNIVERSITY	NY
SUNY CORTLAND	NY
THE COLLEGE AT BROCKPORT, SUNY	NY
THE NEW SCHOOL	NY
UNIVERSITY AT ALBANY	NY
UNIVERSITY AT BUFFALO	NY
BOWLING GREEN STATE UNIVERSITY	OH
CLEVELAND STATE UNIVERSITY	OH
KENT STATE UNIVERSITY	OH
THE UNIVERSITY OF TOLEDO	OH
XAVIER UNIVERSITY	OH
GEORGE FOX UNIVERSITY	OR
LEWIS & CLARK	OR
LINFIELD COLLEGE	OR
NATIONAL COLLEGE OF NATURAL MEDICINE	OR
NATIONAL COLLEGE OF NATUROPATHIC MEDICINE	OR
OREGON COLLEGE OF ART & CRAFT	OR
OREGON STATE UNIVERSITY	OR
PACIFIC NORTHWEST COLLEGE OF ART	OR
REED COLLEGE	OR
UNIVERSITY OF OREGON	OR
UNIVERSITY OF PORTLAND	OR
WESTERN STATES CHIROPRACTIC COLLEGE	OR
ALLEGHENY UNIVERSITY	PA
DREXEL UNIVERSITY	PA
JEFFERSON MEDICAL COLLEGE	PA
THOMAS JEFFERSON UNIVERSITY	PA
UNIVERSITY OF PENNSYLVANIA	PA
THE UNIVERSITY OF TENNESSEE HEALTH SCIENCE CENTER	TN

VANDERBILT UNIVERSITY	TN
BAYLOR COLLEGE OF MEDICINE	TX
RICE UNIVERSITY	TX
TEXAS CHRISTIAN UNIVERSITY	TX
UNIVERSITY OF DALLAS	TX
EASTERN VIRGINIA MEDICAL SCHOOL	VA
MARYMOUNT UNIVERSITY	VA
REGENT UNIVERSITY	VA
UNIVERSITY OF VIRGINIA	VA
GREEN MOUNTAIN COLLEGE	VT
UNIVERSITY OF VERMONT	VT
VERMONT STATE COLLEGES	VT
SEATTLE UNIVERSITY	WA

ATTACHMENT B

Albany Law School

Buffalo State College

Columbia University

Columbia University Medical Center

Cornell University

Marymount Manhattan College

Nassau Community College

New York Institute of Technology

New York University

Rensselaer Polytechnic Institute

Rochester Institute of Technology

Sarah Lawrence College

School of Visual Arts

Skidmore College

Stony Brook University (SUNY)

SUNY Cortland

The College at Brockport (SUNY)

The New School

University at Albany (SUNY)

University at Buffalo (SUNY)

Attachment C

**PLAN OF DISTRIBUTION
FOR
ASSURANCE OF DISCONTINUANCE IN THE MATTER OF AETNA INC.
INVESTIGATION 09 - 007**

1. This is the Plan of Distribution (the “Plan”) identified in the Assurance of Discontinuance for In the Matter of Aetna Inc., Investigation 09 - 007. Definitions and meanings contained in the Assurance are incorporated herein by reference.

2. The Company shall use its best efforts to determine the current addresses of all students on whose claims Additional Payments are owed to them or their doctors. The Company shall also use its best efforts to determine the current addresses of doctors owed Additional Payments. Such efforts shall include, but not be limited to, hiring a third-party contractor (“Third-party Contractor”) that specializes in locating the current addresses of individuals and businesses, and seeking the cooperation and assistance of colleges.

3. The Company shall mail letters (“Student Letters”) approved by the OAG to students on whose claims Additional Payments are owed, stating: (1) that the Company’s records indicate that the student is currently or has been a member of a student health insurance plan insured by Aetna and/or administered by Chickering Claims Administrators, Inc., an Aetna-owned company also previously known as The Chickering Group and now also known as Aetna Student Health; (2) that the student’s claim was not calculated correctly and that the student, or the student’s doctor, is owed an additional reimbursement (identified in the Assurance as the Payment Difference); information on

the claim including: the date the student received the care, the doctor, the student's deductible and co-insurance on the claim, and the Payment Difference; (3) that in addition to the Payment Difference the Company will pay interest and penalties as required by law (the sum of the Payment Difference, interest and penalties being identified in the Assurance as the Additional Payment); (4) the telephone number the student can use to contact the Company with any questions; and (5) a link to the Aetna Student Health website where the student can get more information.

4. The Student Letters shall also request information ("Payment Information") from students to determine whether the Additional Payment is owed to the student or to the doctor, and include a form ("Payment Information Form"), subject to approval of the OAG, on which the student can provide Payment Information to the Company. The Company shall provide students a postage-paid envelope for the return of the Payment Information.

5. The Payment Information Form shall contain information on the claim including: the date the student received the care, the health care provider, the student's deductible and co-insurance on the claim and the Payment Difference. The Payment Information Form shall also contain an area for the student to indicate "yes" or "no" as to whether the student paid the doctor more than the student's deductible and coinsurance for the care.

6. Payment Information Forms shall state that the Additional Payment will be paid to the student if the student marks "yes" to having paid the doctor more than the

student's deductible and co-insurance, and that the Additional Payment will be paid to the doctor if the student marks "no."

7. Each student shall be given a minimum of 45 days from the Company's mailing of the Student Letter to mail Payment Information to the Company. Student Letters shall state the date by which the student must mail Payment Information to the Company. Student Letters shall state that if the student does not mail Payment Information to the Company by the date stated in the letter, the Company will make the Additional Payment to the student's doctor.

8. For all Student Letters the Postal Service returns to Aetna ("Returned Student Letters") because the student no longer lives at the address on the Student Letter or the Student Letter was not deliverable, was marked return to sender, or was returned for other reasons which indicate that the address is not current, the Company shall continue to use its best efforts to obtain current addresses, and shall mail to those students new Student Letters ("New Student Letters") using the current addresses obtained through those efforts. Each student who is sent a New Student Letter shall be given a minimum of 45 days from the Company's mailing of the New Student Letter to mail Payment Information to the Company.

9. The Company shall wait a minimum of 70 days from the Company's mailing of a Student Letter that is not returned to the Company by the Postal Service, and 70 days from the mailing of a New Student Letter, prior to making an Additional Payment to a doctor on the basis that the student did not provide Payment Information to the Company. If the Company receives Payment Information from a student on or prior

to the end of the 70-day period, it shall use the Payment Information to determine whether Additional Payment should be paid to the student or the student's doctor.

10. The Company shall provide all doctors to whom Additional Payments are paid a letter, subject to the approval of the OAG, explaining the reason for the Additional Payment and stating that if the doctor has already been paid in full for the services, or if the Additional Payment would otherwise result in the doctor getting excess payment, to post the payment and issue an appropriate refund to the student. Such letters shall also include the telephone number the doctor can use to contact the Company with any questions, and a link to the Aetna Student Health website where the doctor can get more information.

11. For all Additional Payments, whether made to a student or a doctor, the Company shall provide the student an explanation of benefits ("EOB") explaining the reprocessing of the claim and the Additional Payment and otherwise meeting statutory and regulatory requirements. Additional Payments made to doctors shall be accompanied by an EOB that meets the same requirements of this Assurance. All EOB remarks used by the Company shall be subject to approval of the OAG.

12. The Company shall obtain OAG approval of letters it sends to insurance brokers or to colleges notifying them of the reprocessing of student claims. The Company shall also obtain OAG approval of scripts it uses to notify brokers or colleges, as well as any Q & As or talking points the Company uses for calls from such persons or entities or others inquiring about the reprocessing of claims.