FEDERAL TRADE COMMISSION
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SECRETARY

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

In the Matter of

North Texas Specialty Physicians,
Respondent

Docket No. 9312

MOTION TO QUASH AND/OR LIMIT SUBPOENA DUCES TECUM

Pursuant to 16 C.F.R. § 3.34 and Rule 3.34(c) of the Rules of Practice for Adjudicative Proceedings before the United States Federal Trade Commission, Blue Cross Blue Shield of Texas ("BCBSTX" or "Movant"), a non-party to this proceeding, files the following Motion to Quash and/or Limit Subpoena.

I.
INTRODUCTION

On December 23, 2003, Movant was served with a Subpoena Duces Tecum issued at the behest of Respondent North Texas Specialty Physicians ("NTSP"). (A copy of the Subpoena is attached as Exhibit A.) BCBSTX moves to quash or limit the Subpoena on three main grounds. First, the Subpoena is overly broad and unduly burdensome. Second, some of the documents to be produced are confidential and proprietary and/or are considered trade secrets, and therefore should be protected from discovery. Third, assuming even that the scope of the Subpoena was manageable, and the responsive documents not privileged, the timing of the Subpoena and the short time frame for response make compliance impossible.

II.
ARGUMENT

A. Overview

First, and importantly, BCBSTX is not a party to this proceeding, and has no interest in its outcome. The Subpoena would be burdensome even if issued against a party. Because it is issued against a non-party, it is unreasonably burdensome, and should be either quashed in its entirety or dramatically limited.

Like a federal court, an Administrative Law Judge in an FTC proceeding should quash or limit any subpoena that is unduly burdensome or requires the disclosure of privileged or confidential and proprietary information. 16 C.F.R. §3.31(c)(1)(iii) (use of subpoena and other discovery methods "shall be limited by the Administrative Law Judge" where the "burden and expense of the proposed discovery outweigh its likely benefit"); 16 C.F.R. §3.31(c)(2) (authorizing Administrative Law Judge to "enter a protective order denying or limiting discovery to preserve" a privilege); Fed. R. Civ. P. 45(c)(3) (a court "shall quash or modify the subpoena if it ... requires disclosure of privileged or other protected matter ... [or] subjects a person to undue burden"). Moreover, an Administrative Law Judge has the power to modify the subpoena and limit the scope of permissible discovery. 16 C.F.R. §3.31(d)(1) (authorizing Administrative Law Judge to "deny discovery or make any order which justice requires to protect a party or other person from annoyance, embarrassment, oppression, or undue burden or expense"); *see also* Fed. R. Civ. P. 26(c) (court may grant a protective order to protect a party from annoyance, embarrassment, oppression, or undue burden or expense).

Information is not discoverable if it is not relevant. Fed. R. Civ. P. 26(b)(1). Moreover, discovery requests are overbroad, even if some responsive information is

conceivably relevant, when only a fraction of the millions of documents requested are relevant. *Nugget Hydroelectric, L.P. v. Pacific Gas & Elec. Co*, 981 F.2d 429, 438-39 (9th Cir. 1992). The Subpoena in this case calls for the production of probably millions of pages of documents, which NTSP has not shown to be relevant, *by a non-party*. The Subpoena should be quashed, or at least should be limited in several significant respects.

B. General Objections to Scope of Subpoena

BCBSTX first objects to the scope of the Subpoena. It demands production of documents from January 1, 1998 to the present, a period of six years. Subpoena at p. 1, ¶E. Moreover, while the Subpoena is addressed to BCBSTX, BCBSTX is defined in the Subpoena as "Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, its parents, subsidiaries, affiliates, employees, agents and representatives." Subpoena at p. 1, ¶C. Such definition further expands the scope of the subpoena. Indeed, as its name implies, BCBSTX is a division of Health Care Service Corporation ("HCSC"). The Subpoena conceivably applies to HCSC itself and all its divisions, none of which are parties.

Further, as explained below, some of the document requests themselves are unreasonably broad to the point of being incomprehensible. In addition, and again as set forth more fully below, the Subpoena also requests production of documents containing privileged or confidential and commercially sensitive information, including

competitively sensitive pricing information and BCBSTX trade secrets, disclosure of which should not be required.[1]

C. Specific Objections to Document Requests

BCBSTX asserts the following specific objections to the categories of documents the Subpoena requires be produced:

1. All documents previously produced or otherwise sent to the Federal Trade Commission concerning your business relationships with healthcare providers in the State of Texas.

Assuming NTSP is referring to documents provided by BCBSTX in connection with this proceeding, these documents may be retrieved from the Commission itself as easily as from Movant. Because the FTC is a party, NTSP should be required to seek the documents first from the FTC. If for some reason the documents are not available from the FTC, then BCBSTX is able to re-produce them, but all expenses should be absorbed by NTSP. (See Section F below.) If NTSP is referring to documents provided to the FTC by BCBSTX in other settings, then it is difficult to conceive how such documents could be relevant to this proceeding. BCBSTX's business relationships with other health care providers are immaterial.

2. All documents previously produced or otherwise sent to the Office of the Attorney General of the State of Texas concerning business relationships with healthcare providers in the State of Texas, including specifically but without limitation the documents provided in response to the Written Notice of Intent to Inspect, Examine and Copy Corporate Documents served in or about March 2002 (a sample of such Written Notice is attached hereto as Appendix A). [At your option, check registers as described in Class 6 of Exhibit C need not be produced]. Such documents should be provided in electronic form only.

[1] Contemporaneously with the preparation of this Motion, BCBSTX prepared a supporting affidavit to be signed by a BCBSTX employee with personal knowledge regarding the factual statements in the Motion. Unfortunately, that employee was unexpectedly out of the office on the day the affidavit was expected to be signed. BCBSTX anticipates being able to supplement this motion with a supporting affidavit by Friday, January 9, 2004. See Exhibit B.

3. Documents for the time period January 1, 2000 to June 30, 2002 described in Exhibits A through C of the above-referenced Written Notice of Intent to Inspect, Examine and Copy Corporate Documents to the extent such documents are not produced in response to Request No. 2 above. [At your option, check registers as described in Class 6 of Exhibit C need not be produced]. Such documents should be provided in electronic form only.

The Appendix A contemplated by Requests Nos. 2 and 3 is included within Exhibit A, the copy of the Subpoena. It consists of a letter with attachments dated March 29, 3002, addressed to United Healthcare of Texas, Inc. (which has no affiliation with BCBSTX) from the Texas Attorney General, requesting documents for an investigation being conducted by the Consumer Protection Division.

First, and most obviously, Appendix A is not addressed to BCBSTX, and United Healthcare, no matter how broadly BCBSTX is defined (See Subpoena, p. 2, ¶C) is not covered by the Subpoena. BCBSTX did receive a similar letter, and in response provided an extraordinary amount of data, via six computer hard drives, 21 CD-Roms, e-mail and paper documents. While BCBSTX can reproduce the information provided the Attorney General, it is not as simple as simply photocopying a few sheets of paper. Re-producing the information will take substantial time and effort, and expense.

Moreover, the Attorney General's investigation, and the information provided the Attorney General in the course of that investigation, is privileged and confidential. The statute under which the investigation was conducted specifically forbids the Attorney General from making public information gathered during the course of the investigation, or using that information except in judicial proceedings to which the State of Texas is a party. *Tex. Rev. Civ. Stat. Ann.* art. 1302-5.04 (Vernon 2003). The Attorney General acknowledged this in the March 29, 2002 letter: "CPD [Consumer Protection Division] shall return all documents, and all copies of documents, produced by BCBS[TX] pursuant

to this inspection and examination prior to closing this investigation. In the meantime, it is CPD's position that such documents are not subject to production pursuant to an open records request as provided by Art. 1302-5.04 of the Texas Miscellaneous Corporation Laws Act." The Attorney General further acknowledged, apparently in recognition of the statute, that he did not intend to use the documents in any pending litigation between the State of Texas and BCBSTX. (Id.) Therefore, BCBSTX, when it provided the information contemplated in Appendix A, had the legitimate expectation that the information would be maintained as confidential, and would not be used at any other time, by any other person, for any other purpose. NTSP seeks to circumvent the express wording of the statute. Disclosure to NTSP of the information provided to the Attorney General, despite a statute maintaining the confidentiality of the information and the Attorney General's pledge to maintain that confidentiality, would have a chilling effect on a person's willingness to comply with the Attorney General's demands.

Moreover, quite apart from the statutory confidentiality of the information provided the Attorney General, BCBSTX itself considered the information confidential and proprietary. A great deal of the information provided consisted of sensitive financial information guarded by BCBSTX as confidential in the ordinary course of business. Disclosure of this confidential information would likely place BCBSTX at a significant competitive advantage and cause irreparable harm.

4. All internal and external correspondence, memoranda, and messages concerning or relating to NTSP.

This request is not reasonably limited by time or subject matter. Literal compliance would require Movant to sort through more than six years of correspondence, memoranda and messages to determine whether something "concerned or related to"

NTSP. Moreover, BCBSTX and NTSP are in active negotiations regarding NTSP becoming an "at-risk" provider within the BCBSTX HMO network. BCBSTX's internal communications during that negotiation obviously have not been disclosed to NTSP, as disclosure would compromise BCBSTX's position during negotiations. To the extent Request No. 4 seeks internal communications about those negotiations, NTSP is attempting to use the legal process to unfairly give it an advantage in negotiations. NTSP should be required to narrow the scope of this request to detail the specific non-negotiation information it seeks.

5. All documents comparing the cost or quality of medical service provided by any physician provider listed on Appendix B and any other physician providers.

The Appendix B identified in Request No. 5 lists 11 pages of physicians, and an unidentified group of "other physician providers." The request is overly broad, unduly burdensome, and not reasonably limited by time or scope. BCBSTX understands that NTSP physicians practice mainly in the Dallas-Fort Worth Metroplex in North Texas. Yet this request apparently seeks information pertaining to all the 40,000 or more providers throughout Texas, and perhaps beyond. Further the request does not seek particular information – it seeks "all documents", which is hopelessly overbroad.

6. Documents sufficient to show the rate (as expressed in terms of a % of RBRVS or otherwise) paid to each physician provider by you, the period for which that rate was paid, whether the rate was for a risk or non-risk contract, whether the rate was for a HMO or PPO or other contract, who the contracting parties were for the contract setting the rate, and which physicians were covered by such contract.

This request appears essentially to call for the production of every contract between BCBSTX and healthcare providers in Texas. Movant has contracts with all types of physicians all over the State of Texas. Again, compliance would require the disclosure of

thousands of documents. Moreover, BCBSTX considers all contracts with medical care providers to be confidential and proprietary. Indeed, the contracts themselves provide that they are confidential and proprietary, and both BCBSTX and the contracting providers are bound to maintain the confidentiality of the contracts. The reimbursement rates paid to physicians are an integral part of the contracts and are specifically included within the confidentiality provisions. Thus, medical care providers have the justified expectation that their contracts with BCBSTX will not be produced to the world at large, and certainly not to their competitors such as NTSP. This request is nothing more that an attempt by NTSP to ascertain the rates paid to its competitors, which is information to which it is absolutely not entitled. This represents another attempt to gain an unfair advantage in negotiations with BCBSTX.

If confidential financial information were to be disclosed in response to the Subpoena, it could cause harm to other providers as well as BCBSTX. If healthcare providers, health maintenance organizations, managed care plans, ERISA plans and the like were to determine the financial reimbursement paid by BCBSTX to its contracting providers, BCBSTX would be placed at a significant competitive disadvantage. In other words, even if the request were narrowed appropriately, BCBSTX could not disclose the information requested.

7. All documents concerning or relating to comparisons of the cost of physician services, hospital care, pharmacy cost, or cost of health insurance in the State of Texas.

This request is impossible to comprehend. First, it requests "all documents," which is overbroad on its face. Second, BCBSTX is unable to determine even the types of documents being requested, as the categories of information within the request are so

broad. NTSP does not specify the type of physician services or hospital care: "cost" could be internally to the physicians or hospitals or externally to patients and insurers; pharmacy costs are not specifically defined or narrowed; and health insurance cost is not clearly defined either. Further, to the extent the request is comprehensible, documents that appear to be responsive to these categories include formulas, patterns and compilations of information used in BCBSTX's business, which present BCBSTX an opportunity to obtain an advantage over its competitors. Indeed, some of the documents responsive to these categories go to the core of BCBSTX's business and business model. Again, if such documents were to be produced, then BCBSTX would be placed at a significant competitive disadvantage.

8. Documents sufficient to show your policies, rules, and access standards establishing the geographic areas to be serviced by physician providers in the State of Texas.

This request is vague and ambiguous, and it is not clear to BCBSTX exactly what documents are being sought. It has agreed, however, to produce copies of maps it uses in determining geographic areas within Texas for business purposes.

9. A sample contract used for each contracting entity involving more than 75 physicians in the Counties of Dallas and/or Tarrant and any amendments, revisions, or replacements thereof.

To the extent this category calls for the production of financial information, BCBSTX refers to the argument regarding categories nos. 4 and 6 above. Otherwise, BCBSTX does not object to providing sample contracts, and is awaiting clarification from NTSP of the types of contracts sought and the time period covered.

D. Unreasonable Time Periods.

As noted above, the Subpoena seeks documents generated or received over a six-year period. The amount of effort, time and expense necessary to respond to the Subpoena grows in proportion to the length of time covered by the subpoena. Older records, if they still exist, are stored off-site, thus further increasing the effort, time and expense necessary to respond. BCBSTX requests that if it is required to respond to it, the Subpoena be expressly limited to the last two years.

Moreover, while the time period covered by the Subpoena is too long, the time within which to respond is too short. Although the Subpoena purports to have been issued on November 24, 2003, it was not sent by NTSP to Movant until December 18, and not received until December 23. Compliance was required by January 2, 2004[2], a span of just 10 days, which includes Christmas Day, a weekend, and New Year's Day. Because the requests for documents are so broad, and the time for compliance so short, during the holiday season, it is unreasonable to require BCBSTX to respond to the Subpoena. If compliance is required, BCBSTX should be granted significantly more time to provide responsive information.

E. The Existing Protective Order Does Not Adequately Protect BCBSTX.

As set forth above, many of the documents requested by the Subpoena contain sensitive and confidential financial information. BCBSTX would be competitively disadvantaged if such information were disclosed to BCBSTX's competitors or its

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[2] The Subpoena states that a motion to limit or quash the subpoena must be filed within the earlier of 10 days after service or the time of compliance. The date of compliance was January 2, 2004. NTSP agreed to extend BCBSTX's deadline to respond to the Subpoena Duces Tecum or object and serve an appropriate motion to January 6, 2004. (See Exhibit C.) Accordingly, this motion is timely.

payors. If that information is to be disclosed, it should be subject to a protective order more narrow than the one already in effect.

A protective order was issued in this proceeding on October 16, 2003. BCBSTX was not invited to participate in the drafting of that order. The protective order allows the producing party to designate certain documents as either confidential or "For Attorney Eyes Only." While the protective order places some restrictions on certain categories of documents, the order does not adequately protect BCBSTX. For example, there is no category for designating documents that contain patient identification and other patient data, which may not be disclosed by law with limited exceptions not applicable here. As another example, certain documents can be designated as "For Attorney Eyes Only", yet such documents can be shown to competitor or payor witnesses with little or no warning to BCBSTX, thus effectively preventing judicial review before disclosure. Moreover, the protective order does not adequately prevent attorneys in the case from discussing the data in the documents with their respective clients. BCBSTX respectfully submits that it should not be required to produce any documents unless and until the entry of a more restrictive protective order that adequately protects BCBSTX and its patients while reducing the administrative cost and burden on BCBSTX to comply with the order.

F. NTSP Should Reimburse Non-Party BCBSTX For Its Expenses.

In the event BCBSTX is required to produce information responsive to the Subpoena, even if its scope is narrowed considerably, the cost of production will be substantial, requiring the work of numerous employees reviewing, organizing, and copying thousands and thousands of documents. Further, BCBSTX has incurred and will continue to incur legal expenses contesting the scope of Subpoena. Under Fed. R. Civ. P.

45, the issue is whether a subpoena imposes expenses on a non-party, and if so, whether those expenses are significant. If they are, the court must protect the non-party by requiring the party seeking discovery to bear at least enough of the expense to render the remainder "non-significant." *Linder. v. Calero-Portocarrero*, 251 F.3d 178, 182 (D.C. Cir. 2001). At a minimum, NTSP must be required to bear some of the expense of production.

III.
CONCLUSION

For the foregoing reasons, non-party BCBSTX respectfully requests the Administrative Law Judge quash, modify or limit the Subpoena. If the Subpoena is not quashed in its entirety, then first of all, BCBSTX should not be required to produce documents over a six year period. Second, the overly broad document requests should be narrowed considerably. Third, BCBSTX should not be required to produce confidential information, and if required to do so, only under a narrowly-drawn protective order. Finally, NTSP should reimburse BCBSTX's expenses related to responding to the Subpoena.

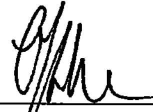
IV.
CERTIFICATE OF CONFERENCE

Andrew MacRae, counsel for non-party Movant BCBSTX, spoke with Gregory Binns, counsel for NTSP, on December 30, 2003 and again on January 5, 2004, in an attempt to resolve any disputes concerning the Subpoena that is the subject of the foregoing motion. As of the time this motion is filed, the issues in dispute have not been fully resolved. However, the parties are continuing to attempt to resolve them.

WHEREFORE, PREMISES CONSIDERED, BCBSTX respectfully requests the Subpoena Duces Tecum be quashed and/or limited, and that it be awarded its reasonable attorney's fees and costs, as well as such other relief, both legal and equitable, to which it may show itself justly entitled.

Respectfully submitted,

HULL HENRICKS & MacRAE LLP
Bank One Tower
221 West 6th Street, Suite 2000
Austin, Texas 78701
(512) 472-4554
(512) 494-0022 (Facsimile)

By: 
MICHAEL S. HULL
State Bar No. 10253400
ANDREW F. MacRAE
State Bar No. 00784510

ATTORNEYS FOR BLUE CROSS
BLUE SHIELD OF TEXAS

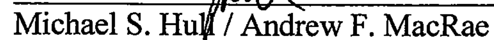
CERTIFICATE OF SERVICE

I hereby certify that the foregoing document has been sent to the following counsel of record via overnight delivery on this 6th day of January 2004.

Honorable D. Michael Chappell
Administrative Law Judge
Federal Trade Commission
Room H-104
600 Pennsylvania Avenue, NW
Washington, DC 20580

Michael Bloom
Senior Counsel to the Northeast Region
Federal Trade Commission
One Bowling Green, Suite 318
New York, NY 10004

Gregory D. Binns
Thompson & Knight LLP
1700 Pacific Ave., Suite 3300
Dallas, TX 75201



Michael S. Hull / Andrew F. MacRae

THOMPSON & KNIGHT LLP

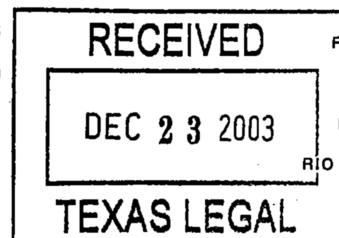
ATTORNEYS AND COUNSELORS

1700 PACIFIC AVENUE • SUITE 3300
DALLAS, TEXAS 75201-4693
(214) 969-1700
FAX (214) 969-1751
www.tklaw.com

AUSTIN
DALLAS
FORT WORTH
HOUSTON

ALGIERS
MONTERREY
PARIS
RIO DE JANEIRO

DIRECT DIAL: 214.969.1372
DIRECT FAX: 214.999.1662
E-MAIL: Gregory.Binns@tklaw.com



December 18, 2003

VIA CERTIFIED MAIL NO. 7003 1680 2583 8984

Blue Cross and Blue Shield of Texas
c/o Ronald Taylor, Registered Agent
901 S. Central Expressway
Dallas, TX 75080-7399

Re: North Texas Specialty Physicians, Docket No. 9312

To Whom it May Concern:

Enclosed please find a subpoena *duces tecum* for the above-captioned case, requiring you to submit documents responsive to the attached specifications, on or before January 2, 2004. These documents should be sent to:

Gregory S. C. Huffman
Thompson & Knight, LLP
1700 Pacific Avenue, Suite 3300
Dallas, TX 75201

Also enclosed is a copy of the Protective Order Governing Discovery Material ("Protective Order"). The Protective Order governs the documents submitted by parties and third parties to the litigation and lays out the submitters' rights and protections. Your submission should conform to the procedures specified in the Protective Order.

I am happy to answer any questions you have regarding the specifications of the subpoena *duces tecum* or the Protective Order. I can be reached at the telephone number above.

Yours very truly,

Gregory D. Binns

GDB/dep

Enclosure

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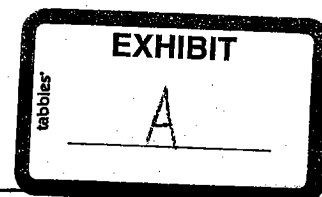

SUBPOENA DUCES TECUM

Issued Pursuant to Rule 3.34(b), 16 C.F.R. § 3.34(b)(1997)

1. TO

Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company
c/o Ronald Taylor, Registered Agent
901 S. Central Expressway
Dallas, TX 75080-7399

2. FROM

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

This subpoena requires you to produce and permit inspection and copying of designated books, documents (as defined in Rule 3.34(b)), or tangible things - or to permit inspection of premises - at the date and time specified in Item 5, at the request of Counsel listed in Item 9, in the proceeding described in Item 6.

3. PLACE OF PRODUCTION OR INSPECTION

Gregory S. C. Huffman
Thompson & Knight LLP
1700 Pacific Ave., Suite 3300
Dallas, TX 75201

4. MATERIAL WILL BE PRODUCED TO

Gregory S. C. Huffman

5. DATE AND TIME OF PRODUCTION OR INSPECTION

January 2, 2004

6. SUBJECT OF PROCEEDING

In the Matter of North Texas Specialty Physicians, Docket No. 9312

7. MATERIAL TO BE PRODUCED

See Attached

8. ADMINISTRATIVE LAW JUDGE

The Honorable D. Michael Chappell

Federal Trade Commission
Washington, D.C. 20580

9. COUNSEL REQUESTING SUBPOENA

Gregory S. C. Huffman
Thompson & Knight LLP
1700 Pacific Ave., Suite 3300
Dallas, TX 75201

DATE ISSUED

NOV 24 2003

SECRETARY'S SIGNATURE

Donald S. Clark

GENERAL INSTRUCTIONS

APPEARANCE

The delivery of this subpoena to you by any method prescribed by the Commission's Rules of Practice is legal service and may subject you to a penalty imposed by law for failure to comply.

MOTION TO LIMIT OR QUASH

The Commission's Rules of Practice require that any motion to limit or quash this subpoena be filed within the earlier of 10 days after service or the time for compliance. The original and ten copies of the petition must be filed with the Secretary of the Federal Trade Commission, accompanied by an affidavit of service of the document upon counsel listed in Item 9, and upon all other parties prescribed by the Rules of Practice.

TRAVEL EXPENSES

The Commission's Rules of Practice require that fees and mileage be paid by the party that requested your appearance. You should present your claim to counsel listed in Item 9 for payment. If you are permanently or temporarily living somewhere other than the address on this subpoena and it would require excessive travel for you to appear, you must get prior approval from counsel listed in Item 9.

This subpoena does not require approval by OMB under the Paperwork Reduction Act of 1980.

DEFINITIONS AND INSTRUCTIONS

A. The terms "document" and "documents" are used in their customary broad sense and include, without being limited to, writings, drawing, graphs, charts, handwritten notes, film, photographs, audio and video recordings and any such representations stored on a computer, a computer disk, CD-ROM, magnetic or electronic tape, or any other means of electronic storage, and other data compilations from which information can be obtained in machine-readable form (translated, if necessary, into reasonably usable form). *See* 16 C.F.R. § 3.34(b).

B. "NTSP" refers to Respondent North Texas Specialty Physicians, its employees, representatives, attorneys, agents, participating physicians, directors, officers, and consultants.

C. "Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company," "you," or "your" refers to Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, its parents, subsidiaries, affiliates, employees, agents, and representatives.

D. "Physician provider" shall mean a physician, entity comprised of physicians, or entity contracting on behalf of physicians and/or entities comprised of physicians.

E. Unless otherwise indicated, the time period for which documents should be produced is January 1, 1998 through the present.

F. The singular includes the plural and vice versa; the terms "and" and "or" shall be both conjunctive and disjunctive; and the past tense includes the present tense and vice versa.

G. Documents should be produced both in hard copy and electronic form where available.

H. Each document and thing produced pursuant to this subpoena *duces tecum* shall be produced as it is kept in the usual course of business (for example, in the file folder or binder in which such documents were located when the subpoena *duces tecum* was served) or shall be organized and labeled to correspond to the categories in this subpoena *duces tecum*.

I. If you withhold material responsive to this subpoena *duces tecum* pursuant to a claim of privilege, or another similar claim, you shall submit, together with such claim, a schedule of the items withheld which states individually as to each such item the type, title, specific subject matter, and date of the item; the names, addresses, positions, and organizations of all authors and recipients of the item; and the specific grounds for claiming that the item is privileged. *See* 16 C.F.R. § 3.38A(a).

J. Responsive documents shall be sent to: Gregory S. C. Huffman, Thompson & Knight L.L.P., 1700 Pacific Ave., Suite 3300, Dallas, Texas 75201.

K. You are encouraged to confer with counsel for NTSP to work out any potential problems so as to avoid unnecessary delay and burden.

DUCES TECUM

1. All documents previously produced or otherwise sent to the Federal Trade Commission concerning your business relationships with healthcare providers in the State of Texas.

2. All documents previously produced or otherwise sent to the Office of the Attorney General of the State of Texas concerning business relationships with healthcare providers in the State of Texas, including specifically but without limitation the documents provided in response to the Written Notice of Intent to Inspect, Examine and Copy Corporate Documents served in or about March 2002 (a sample of such Written Notice is attached hereto as Appendix A). [At your option, check registers as described in Class 6 of Exhibit C need not be produced]. Such documents should be provided in electronic form only.

3. Documents for the time period January 1, 2000 to June 30, 2002 described in Exhibits A through C of the above-referenced Written Notice of Intent to Inspect, Examine and Copy Corporate Documents to the extent such documents are not produced in response to Request No. 2 above. [At your option, check registers as described in Class 6 of Exhibit C need not be produced]. Such documents should be provided in electronic form only.

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6. Documents sufficient to show the rate (as expressed in terms of a % of RBRVS or otherwise) paid to each physician provider by you, the period for which that rate was paid, whether the rate was for a risk or non-risk contract, whether the rate was for a HMO or PPO or other contract, who the contracting parties were for the contract setting the rate, and which physicians were covered by such contract.

7. All documents concerning or relating to comparisons of the cost of physician services, hospital care, pharmacy cost, or cost of health insurance in the State of Texas.

8. Documents sufficient to show your policies, rules, and access standards establishing the geographic areas to be serviced by physician providers in the State of Texas.

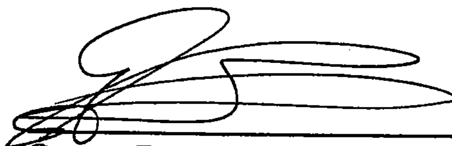
9. A sample contract used for each contracting entity involving more than 75 physicians in the Counties of Dallas and/or Tarrant and any amendments, revisions, or replacements thereof.

CERTIFICATE OF SERVICE

I, Gregory D. Binns, hereby certify on December 18th, 2003, I caused a copy of the attached subpoena *duces tecum* to be served upon the following by certified mail:

Mr. Michael Bloom
Senior Counsel to the Northeast Region
Federal Trade Commission
One Bowling Green, Suite 318
New York NY 10004

Blue Cross and Blue Shield of Texas
c/o Ronald Taylor (Registered Agent)
901 S. Central Expressway
Dallas, TX 75080-7399



Gregory D. Binns

007155 000034 DALLAS 1680690.1

APPENDIX A

OFFICE OF THE ATTORNEY GENERAL · STATE OF TEXAS
JOHN CORNYN

March 29, 2002

Attention Corporate Officers and Agents
United Healthcare of Texas, Inc.
CT Corporation System
350 North St. Paul Street
Dallas, TX 75201 VIA Certified Mail #7001 2510 0007 0331 9113

Re: Written Notice of Intent to Inspect, Examine and Copy Corporate Documents pursuant to Art. 1302-5.02 of the Texas Miscellaneous Corporation Laws Act. Health Maintenance Organization Documents

Attention Corporate Officers and Agents of United Healthcare of Texas, Inc.:

Please be advised that the Texas Attorney General has authorized and directed that the Consumer Protection Division (hereafter, "CPD") inspect, examine and review certain books, records and other documents related to United Healthcare of Texas, Inc.'s (hereafter, "United")Texas Health Maintenance Organization (hereafter, "HMO") business pursuant to the Texas Miscellaneous Corporation Laws Act, TEX. REV. CIV. STAT. ANN. Art. 1302-5.01 - Art. 1302-5.06. Therefore, CPD requests that United produce the books, records and other documents as specified in the attached Exhibits A, B and C within the next thirty days. If United chooses to cooperate with this request, these documents should be produced to Assistant Attorney General Robert C. Robinson, III, Consumer Protection Division, 300 West 15th Street, Suite 900, Austin, Texas 78701.

As an alternative to producing the electronic file copies of the requested documents according to the terms specified in the attached Exhibits A, B and C, please notify CPD of the dates United will make its electronic databases and systems that contain the requested electronic data accessible to CPD for inspection, examination and copying at United's offices. If United chooses this option, such electronic databases and systems shall be made available for inspection, examination and copying beginning no later than April 29, 2002, and continuing until such inspection, examination and copying is complete. Upon arrival at United's offices, the Attorney General's assistants and representatives shall present United with a letter confirming that each is authorized to conduct the inspection, examination and copying of United's books, records and other documents.

The documents specified in the attached Exhibits A, B and C are requested as part of the Attorney General's investigation of possible violations of Section 17.46(a) of the Deceptive Trade Practices Act and Section 3 of the Unfair Competition and Unfair Practices Act, Texas Insurance Code, Article 21.21. The documents as specified in the attached Exhibits A, B and C may show or tend to show that United has been or is engaged in acts or conduct in violation of its charter rights and privileges, or in violation of the laws of this State.

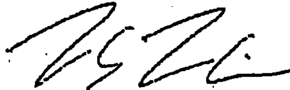
CPD shall return all documents, and all copies of documents, produced by United pursuant to this inspection and examination prior to closing this investigation. In the meantime, it is CPD's position that such documents are not subject to production pursuant to an open records request as provided by Art. 1302-5.04 of the Texas Miscellaneous Corporation Laws Act. CPD is not requesting confidential patient information.

If it is easier to do so, the documents responsive to this request to inspect, examine, and copy documents may be produced in coordination with the documents to be produced in response to the separate request issued today for records related to United's PPO business in Texas.

Please be advised that any corporation that fails or refuses to permit the Attorney General or his authorized assistants or representatives to examine or to take copies of any of its said books, records or other documents pursuant to the Texas Miscellaneous Corporation Laws Act, "shall thereby forfeit its right to do business in this State; and its permit or charter shall be canceled or forfeited." Art. 1302-5.05.A. Additionally, any officer or agent of a corporation who fails or refuses to permit the Attorney General or his authorized assistants or representatives to examine or to take copies of any of its books, records or other documents pursuant to the Texas Miscellaneous Corporation Laws Act, "shall be fined not less than one hundred dollars nor more than one thousand dollars, and be imprisoned in jail not less than thirty nor more than one hundred days. Each day of such failure or refusal is a separate offense." Art. 1302-5.05.B.

Should you have any questions regarding production of the requested documents according to the terms specified in the attached Exhibits A, B and C, or any interest in discussing this matter further, please contact me at (512) 475-4360, or by fax at (512) 322-0578. CPD is confident that United shares the Attorney General's interest and desire to resolve these allegations of improper payment practices, and we look forward to United's cooperation in this endeavor.

Yours truly,



Robert C. Robinson, III
Assistant Attorney General
Consumer Protection Division

c: Ms. Deb Goldstein and Mr. Greg Coleman
WEIL, GOTSHAL & MANGES L.L.P.
Via Facsimile: (214) 746-7777 and (512) 391-6879

HMO DOCUMENT EXAMINATION, EXHIBIT A
DEFINITIONS

1. "Company," "you," "your," "your company," and "United" mean each entity to which this Examination is addressed; its parent; and its merged, consolidated, or acquired predecessors, divisions, subsidiaries, and/or affiliates. These terms include any and all directors, officers, equity owners, representatives, employees, agents, attorneys, successors, and assigns of United. The terms also include all natural persons and entities acting or purporting to act for the above, and any predecessor, successor, affiliate, subsidiary or wholly owned or controlled entity. The phrase will be construed to include present and former officers, agents, employees, directors, representatives, consultants, attorneys, associates and all other persons acting or purporting to act for you, and any predecessor, successor, affiliate, or subsidiary entity or person(s), including all present and former officers, agents, employees and all other persons exercising or purporting to exercise discretion, to make policy, or to make decisions.

2. Without limiting the term, a document is deemed to be within your "control" if you have ownership, possession, or custody of the document, or superior right to secure the document or copy of it from any person or public or private entity having physical possession of it.

3. "Any" means all.

4. "Claim" means any health care provider's request for payment for emergency, medical or other health care services, supplies or equipment furnished to an individual patient recipient. For the purposes of the six classes of electronic document claim records requested by Exhibit C, a single claim may have multiple suffixes and claim lines, and each claim line will have multiple fields.

5. "CMS" means Centers for Medicare and Medicaid Services.

6. "Code" means any code, edit and/or modifier used to specify, to sequence or otherwise to describe the services for which the provider is submitting a claim..

7. "Correct Coding Initiative," "CCI" and "NCCI" mean the CMS National Correct Coding Initiative system for codes, edits and modifiers that is utilized nationally by all Medicare carriers in the claims processing systems those Medicare carriers use to determine payments to providers. CMS developed CCI to promote national correct coding methodologies and to control improper coding leading to inappropriate payment in Medicare Part B claims. CMS developed its CCI coding policies based on coding conventions such as those defined in the American Medical Association's (hereafter, "AMA") Current Procedural Terminology ("CPT") manual, national and local policies and edits, coding guidelines developed by national societies, analysis of standard medical and surgical practices and a review of current coding practices.

8. "CPT" code or "CPT code" means any Current Procedural Technology code as defined and licensed by the AMA.

9. "Database" - In addition to its common meaning, the term "database" shall include the terms "data bank" and shall mean and refer to any structured collection of electronic information organized into records or rows, together with all other electronic data whose presence is needed to analyze and view the information in a full and meaningful way. This Examination requests electronic data documentation from your databases and/or data banks that contain information about any and all claims by any health care provider that provides services to your members with all codes and/or programming instructions and other materials necessary to understand and use such electronic data documentation.

10. "Document" means and includes all written, printed, recorded and graphic matter, regardless of authorship, both originals and nonidentical copies, in your possession, custody or control, or known by you to exist, despite whether the writing was intended for or transmitted internally by you, or intended for or transmitted to any other person or entity. It includes communications in words, symbols, pictures, photographs, sounds, films and tapes, and information stored in or accessible through computer or other information storage and retrieval systems, with all codes and/or programming instructions and other materials necessary to understand and use such systems.

11. "Examination" means this Written Notice of Intent (and Request) to Inspect, Examine and Copy Corporate Documents as issued at the direction of the Attorney General pursuant to Art. 1302-5.02 of the Texas Miscellaneous Corporation Laws Act.

12. "HCPCS" means the Health Care Finance Administration (CMS) Common Procedure Coding System for all providers and medical suppliers to code professional services, procedures and supplies for Medicare.

13. "Health Care Provider" includes any "physician" as that term is defined by TEX. INS. CODE Art. 20A.02(r) and also includes any "provider" as that term is defined by TEX. INS. CODE Art. 20A.02(t) as amended by *Act of 1997, 75th Leg., ch. 1026, Sec. 3.*

14. "ICD-9-CM" and "ICD9" code(s) means any International Classification of Diseases-9th revision-Clinical Modification codes used to classify morbidity and mortality information as such codes are approved by the American Hospital Association ("AHA"), CMS and the National Center for Health Care Statistics.

15. "Industry Standard Code(s)" include any and all codes, code edits, modifiers or coding methods as such codes and coding methods are specifically defined, required and/or used for claim submission compliance with the NCCI. Terms and definitions applicable to the NCCI standards may be found at www.hcfa/medlearn/ncci.html. For coding methods not required by CCI or HCPCS, the term "industry standard code(s)" includes, but is not limited to, any and all CPT codes as licensed by the AMA, any and all ICD-9-CM codes as revised and approved by the AHA, CMS, and the National Center for Health Care Statistics.

16. "Member" includes any patient as the term patient is defined at TEX. INS. CODE Art. 21.58A, Section 2(16) (West 2002).

17. "PC Compatible" means an American Standard Code for Information Interchange (hereafter, "ASCII") text file that can be read by a personal computer. Data in each PC compatible file should be fixed width.

18. "Provider" for purposes of this Examination shall have the same meaning as "Health Care Provider" unless otherwise specified.

19. "Relates to," "relating to," "regarding," and "connected to" mean and include any and all information that in any manner or form is relevant in any way to the subject matter in question, including without limitation all information that, directly or indirectly, contains, records, reflects, summarizes, evaluates, refers to, indicates, comments on, or discusses the subject matter, or that in any manner states the background of, or was the basis or were the bases for, or that record, evaluate, comment on, relate to or were referred to, relied on, utilized, generated, transmitted or received in arriving at your conclusion(s), opinion(s), estimate(s), position(s), decision(s), belief(s) or assertion(s) concerning the subject matter in question.

20. "Service(s)" means any emergency, medical or other health care services, procedures, supplies or equipment for which United receives a claim for payment from a health care provider.

HMO DOCUMENT EXAMINATION, EXHIBIT B
INSTRUCTIONS

A. Unless otherwise stated, the scope of this Examination relates to all specified books, data documents and records existing or created at any time during the period from January 1, 2000, to March 28, 2002, related to United's Texas HMO business.

B. The electronic data document files requested in Exhibit C should be produced in PC Compatible format. Each file should be an ASCII text file that can be read by a personal computer. Data in each file should be fixed width. A sample demonstrating how the requested electronic files shall appear when printed in table format is attached as Exhibit D.

C. Any failure to provide document(s) is not acceptable if you can obtain the document(s) from persons reasonably available to you or under your control.

D. In any situation in which it is not clear in which capacity you are responding, you are to designate all relevant capacities.

E. It is your responsibility to clearly designate which, if any, of the documents contain trade secrets according to § 17.61(f) of the TEX. BUS. & COM. CODE.

F. Documents produced shall be complete and not redacted, submitted as originally prepared or as found in your files. You may submit legible copies instead of original documents.

G. Documents should be numbered consecutively and marked with a United or personal identification and a unique consecutive control number.

H. All documents and/or other data compilations that relate to the subject matter of this Examination shall be preserved and any ongoing process of document destruction involving such documents and/or data compilations should cease.

I. Documents responsive to this Examination shall be produced according to the instructions and definitions outlined in Exhibit A, Exhibit B and Exhibit C.

J. This Examination does not request data for Medicare plans. However, the meaning of each term used within Exhibits A, B, and C is to be defined and interpreted consistent with that term's definition as used by CMS, HCPCS and the NCCI. If you believe there is a direct contradiction between the meaning specifically given to a term within Exhibit A, B or C and the meaning given to that term as the term is used by CMS and the NCCI, please notify CPD of such belief and proceed with the understanding that the definition within Exhibit A, B, and C shall control.

K. If United uses a broader definition of any term(s) defined or used within this Examination, please provide a written copy of the broader definition of such term(s).

L. If United does not have the requested information for a specific field of any partiĉular individual record stored within any database, and/or United does not otherwise have access to the requested information for any specific field of the given record, please leave the field blank to indicate that United does not have access to the requested information for the specific field of the particular record produced.

M. As used herein, the words "and" and "or" should be construed either conjunctively or disjunctively as required by the context to bring within the scope of the request any answer, response or document that might be deemed outside its scope by another construction.

N. All currency amounts requested for electronic data document data elements (fields) should be represented as dollars and cents with a plus or minus sign to indicate positive or negative amounts. The plus or minus sign should be the first character in the currency field. Currency amounts should be presented with the next eight digits for dollars and the last two for cents (without a decimal point).

O. All dates for electronic data document data elements (fields) should be mmddyyyy format without spaces, "_", or "/".

P. All text for electronic data document data elements (fields) should be left justified without leading spaces.

Q. Place of service, type of service, CPT codes, and ICD9 codes should be industry standard codes. If industry standard codes are not used (e.g., if there is no applicable industry standard code as the term industry code is defined in Exhibit A), or if the codes used include any variations from industry standard codes, an electronic file containing any and all applicable lookup tables and/or data dictionaries should be provided. The electronic file containing the lookup table(s) and/or data dictionary(ies) shall include each non-industry standard code, each variation from an industry standard code and a description of each. The layout of the lookup table(s) and/or data dictionary(ies) should also be provided in the electronic data file. As with all electronic file copies requested by this Examination, this electronic file should be PC Compatible. Each file should be an ASCII text file that can be read by a personal computer. Data in the electronic data file should be fixed width delimited. The electronic data file produced in response to this Instruction Q should be labeled as responsive to Instruction Q.

HMO DOCUMENT EXAMINATION, EXHIBIT C

Electronic Data Documents

CPD requests the six classes of electronic data documents as follows:

Class 1 Eligibility
Class 2 Authorizations/Referrals
Class 3 Claims/Encounters
Class 4 Capitation
Class 5 Adjudication Rules
Class 6 Check Register

HMO DOCUMENT EXAMINATION, EXHIBIT C

Specific Electronic Data Document Class 1
Eligibility

To assure that United understands the data elements requested regarding Document Class 1, specific instructions and definitions for production of Class 1 documents are detailed below.

Two electronic data document files are requested for each of the 26 (twenty-six) months specified within Class 1 below. For each of the 26 (twenty-six) months, please provide one electronic data file showing eligibility information for each person who was a United member during that month as such information was available to the provider, from United, during that month the service was provided, and one electronic data file showing eligibility for each person who was a United member during that month as eligibility for that month exists with all retroactive additions, deletions and other adjustments incorporated as of March 28, 2002.

Please provide the two separate files for each month showing all members eligible during that month. Please label the 52 separate eligibility files as shown below.

1) Eligibility information as it was available to the provider, from United, during that month. Example: jan2000.txt will contain eligibility information, as it was available to the provider in January of 2000 for members to whom the provider furnished services in January 2000.

Jan2000.txt	Jan2001.txt	Jan2002.txt
Feb2000.txt	Feb2001.txt	Feb2002.txt
Mar2000.txt	Mar2001.txt	
Apr2000.txt	Apr2001.txt	
May2000.txt	May2001.txt	
Jun2000.txt	Jun2001.txt	
Jul2000.txt	Jul2001.txt	
Aug2000.txt	Aug2001.txt	
Sep2000.txt	Sep2001.txt	
Oct2000.txt	Oct2001.txt	
Nov2000.txt	Nov2001.txt	
Dec2000.txt	Dec2001.txt	

2) Eligibility with all retroactive additions, deletions and other adjustments as of March 28, 2002.

Jan2000a.txt	Jan2001a.txt	Jan2002a.txt
Feb2000a.txt	Feb2001a.txt	Feb2002a.txt
Mar2000a.txt	Mar2001a.txt	
Apr2000a.txt	Apr2001a.txt	
May2000a.txt	May2001a.txt	
Jun2000a.txt	Jun2001a.txt	
Jul2000a.txt	Jul2001a.txt	
Aug2000a.txt	Aug2001a.txt	
Sep2000a.txt	Sep2001a.txt	
Oct2000a.txt	Oct2001a.txt	
Nov2000a.txt	Nov2001a.txt	
Dec2000a.txt	Dec2001a.txt	

The following Electronic Data Elements (Fields) are requested for each of the 52 Class 1 Electronic Data Document Files described above:

Name	Description	Data Type	Length
Month	Month eligibility is for	Text	8 (mmddyyyy)
Mbr_id	Member ID	Text	25
Mbr_Age	Member Age on first day of month	Text	4
Mbr_Sex	Member Sex (M, F, U)	Text	2
Mbr_DOB	Member Date of Birth	Text	8 (mmddyyyy)
PCP_last	Primary Care Physician Last Name	Text	25
PCP_first	Primary Care Physician First Name	Text	25
PCP_ID	Primary Care Physician ID	Text	25
CapIPA_ID	ID for IPA/GROUP paid by capitation	Text	25
IPAName	IPA OR GROUP Name	Text	25
Tot_premium	Total Premium	Text	11
PCP_Percent	PCP Percent of Premium	Text	11
Specialist_Percent	Specialist Percent of Premium	Text	11
Facility_percent	Facility percent of Premium	Text	11
Pharmacy_percent	Pharmacy Percent of Premium	Text	11
PCP_adjmbr	PCP adjusted member count	Text	11
Specialist_adjmbr	Specialist adjusted member count	Text	11
Facility_adjmbr	Facility adjusted member count	Text	11
Pharm_adjmbr	Pharmacy adjusted member count	Text	11
Product		Text	25
Plan		Text	25
LOB	Line of Business	Text	25
Benefit	Benefit Set	Text	25
Employer_ID	Employer ID	Text	25
Employer_name	Employer Name	Text	25

HMO DOCUMENT EXAMINATION, EXHIBIT C

Specific Electronic Data Document Class 2
Authorizations/Referrals

To assure that United understands the data elements requested regarding Class 2 Electronic Data Documents, below are specific additional instructions and definitions for production of Class 2 documents.

Authorization Number is the number assigned to any authorization.
Referral Number is the number assigned to any referral.
Provider ID is the United identification number for the provider approved to perform service.
Member ID is the United identification number for the member.
Requested by is the name of the physician requesting the authorization number.
Number of visits authorized is the number of visits approved of as part of the authorization.
Authorization for describes the type of service authorized.
Authorized from date is the first date for which the authorization is valid.
Authorized to date is the last date for which the authorization is valid.
Comments documented comments associated with an authorization.

Please provide one file for each month showing authorizations created during that month.
Please provide 26 separate authorization files labeled as shown below.

Jan00auth.txt	Jan01auth.txt	Jan02auth.txt
Feb00auth.txt	Feb01auth.txt	Feb02auth.txt
Mar00auth.txt	Mar01auth.txt	
Apr00auth.txt	Apr01auth.txt	
May00auth.txt	May01auth.txt	
Jun00auth.txt	Jun01auth.txt	
Jul00auth.txt	Jul01auth.txt	
Aug00auth.txt	Aug01auth.txt	
Sep00auth.txt	Sep01auth.txt	
Oct00auth.txt	Oct01auth.txt	
Nov00auth.txt	Nov01auth.txt	
Dec00auth.txt	Dec01auth.txt	

Each field provided in each Class 2 record should correspond to the authorization number for that record.

The following Electronic Data Elements (Fields) are requested for each record of the 26 Class 2 Electronic Data Document Files described above:

Name	Description	Data Type	Length
Authorization_Nbr	Authorization Number	Text	25
Referral_Nbr	Referral Number	Text	25
Provider_id	Provider Identification Number	Text	25
Member_id	Member Identification Number	Text	25
Requested_by	Requested by	Text	25
Authorization_for	Services approved	Text	255
Visits	Number of visits	Text	3
From_date	First date authorization valid	Text	8 (mmddyyyy)
To_date	Last date authorization valid	Text	8 (mmddyyyy)
Comments	Comments	Text	1024

HMO DOCUMENT EXAMINATION, EXHIBIT C

Specific Electronic Data Document Class 3
Claims/Encounters

To assure that United understands the data elements requested in Electronic Data Document Class 3, below are specific instructions and definitions for production of Class 3 documents.

For purposes of this Electronic Data Document Class 3, the term ***claim*** means ***submitted claims*** and ***encounters***.

It is CPD's understanding that disposition of submitted claims or encounters is dependent upon a number of factors including member eligibility, authorization, covered benefits, co-pay, deductible, co-insurance, applicable fee schedule and provider contracts. A single claim or encounter may have to be re-processed multiple times if errors are made during processing. Each time a claim or encounter is re-processed a new suffix number is assigned to the claim.

Document Class 3 includes both paid and denied claims. There should be one document file for each month showing each claim and each encounter entered during that month. Each of the Class 3 electronic document files should include all encounter information entered that month on each claim and each encounter paid via a capitation contract or delegated claims payment.

Example: Jan00claim.txt should include all claims entered in January 2000 regardless of the date of service or the date paid.

There should be 26 separate Class 3 claims/encounters document files labeled as follows:

Jan00claim.txt	Jan01claim.txt	Jan02claim.txt
Feb00claim.txt	Feb01claim.txt	Feb02claim.txt
Mar00claim.txt	Mar01claim.txt	
Apr00claim.txt	Apr01claim.txt	
May00claim.txt	May01claim.txt	
Jun00claim.txt	Jun01claim.txt	
Jul00claim.txt	Jul01claim.txt	
Aug00claim.txt	Aug01claim.txt	
Sep00claim.txt	Sep01claim.txt	
Oct00claim.txt	Oct01claim.txt	
Nov00claim.txt	Nov01claim.txt	
Dec00claim.txt	Dec01claim.txt	

Each field provided in each Class 3 record should correlate to the claim number, line number and claim suffix for that record.

Below are definitions of data elements (fields) to be included in Class 3 Electronic Data Document Files.

The *claim number* is used like an invoice number to track a provider's request for payment.

If a provider performs multiple services for the same patient on the same day, each service is given a separate *claim line number*. Each time a claim or encounter is re-processed a new *claim suffix number* is assigned to the claim. The Class 3 electronic data files should include each *claim suffix number* assigned to the claim.

The health plan assigns a unique number to each member (covered life), the *Member ID*. This number is usually comprised of a subscriber number for the primary insured and a two-digit extension for the family member.

Member Date of Birth is the date when the covered life was born.
Member Age is the age of the member on the date of service.
Employer ID is a unique number assigned by United to identify each United employer contract.
Employer Name is assigned by United to identify the United employer contract.
PCP ID is the unique identification number assigned by United for the Primary Care Physician. A single physician may have multiple ID numbers corresponding to locations, contracts and tax IDs.
PCP Name is the full name of the Primary Care Physician.
PCP Specialty is the Specialty of the Primary Care Physician (General Practice, Family Practice, Internal Medicine, OBGYN).
Place of Service is the industry standard CMS code noting the place where service was performed.
Type of Service is the industry standard CMS code indicating the type of service performed.
Date Admitted is the first day of service for procedures performed over multiple days. (e.g., inpatient stays, observation and rehabilitation).
Date Discharged is the last day of service for procedures performed over multiple days. (e.g., inpatient stays, observation and rehabilitation).
Discharge Status is the patient condition at the point of discharge from an inpatient stay.
ICD91 is the first level code assigned by the physician indicating the patient's diagnosis and/or co-morbid conditions.
ICD92 is the second level code assigned by the physician indicating the patient's diagnosis and/or co-morbid conditions.
ICD93 is the third level code assigned by the physician indicating the patient's diagnosis and/or co-morbid conditions.
ICD94 is the fourth level code assigned by the physician indicating the patient's diagnosis and/or co-morbid conditions.
ICD9 Procedure1 is a code used by some facilities to describe the first multiple procedure performed in conjunction with an inpatient stay.
ICD9 Procedure2 is a code used by some facilities to describe multiple procedures performed in conjunction with an inpatient stay.
ICD9 Procedure3 is a code used by some facilities to describe multiple procedures performed in conjunction with an inpatient stay.
ICD9 Procedure4 is a code used by some facilities to describe multiple procedures performed in conjunction with an inpatient stay.
Modifier 1 is a two-digit code used to describe variations impacting the payment of a CPT or HCPCS code. The modifier is used to indicate that a service or procedure that has been performed has been altered by some specific circumstance, but has not changed in its definition or CPT/HCPCS code.
Modifier 2 is a two-digit code used to describe variations impacting the payment of a CPT/HCPCS code. The modifier is used to indicate that a service or procedure that has been performed has been altered by some specific circumstance, but has not changed in its definition or CPT/HCPCS code.

DRG is a code used to describe procedures performed in conjunction with inpatient care. (Inpatient claims)
RevCode is a code used to describe the revenue codes (e.g., semi-private room) used for inpatient stays. (Inpatient claims)
Quantity is used to indicate multiple prescriptions, tests, injections or procedures.
Unit measure is the unit of measurement applicable to health care services provided in units (e.g., milligrams)
Date Paid is the date claim adjudication was completed.
Date Received is the date the claim was received by United.
Date Entered is the date the claim was entered into the United system.
Check Number is the financial institution issued number on the check supplied to the provider as payment.
Amount Submitted is the amount submitted by the provider as their standard charge for the services provided.
Amount Paid is the amount paid by United to the provider.
Amount Co-pay is the amount paid for the claim by the member(patient) to the provider.
Amount Withhold is the amount that United withholds for possible future payment to the provider if the provider meets given criteria. For contracted providers, this amount should be determined according to the payment terms of United's contract with the provider.
Amount Allowed is the total amount, including co-pays, determined by United as the amount due the provider. For contracted providers, this amount should be determined according to the payment terms of United's contract with the provider.
Capitation Allowed is the total amount, including co-pays, determined by United as the amount United would have paid the provider if the furnished service was paid as a Fee for Service claim. For contracted providers, this amount should be determined according to the payment terms of United's contract with the provider.
Amount Co-insurance is an amount received by a secondary HMO/insurer that reduces the amount due to the provider from the primary HMO/insurer.
Denial Code is a code assigned by United to indicate why a claim was denied.
Denial Message is a description of why the claim was denied.
Cap or FFS indication of whether a claim was paid asa fee for service claim or capitation encounter.
Fee Schedule Amount is the total amount, including co-pays, corresponding to the fee schedule used by United to pay the claim. For contracted providers, this amount should be determined according to the fee schedule and other payment terms of United contract with the provider. This amount should be determined consistent with member benefits and procedures performed on the date of service.
Provider ID is a unique identification number assigned by United to identify a specific provider, provider contract, tax ID number and location.
Provider First Name is the provider's first name.
Provider Last Name is the provider's last name.
Provider UPIN Number is the number assigned to the provider by CMS.
Provider Federal Tax ID is the provider's federal tax identifier number assigned by the IRS.
Provider State License Number is the number assigned to the provider by the state board of medical examiners.
Provider Specialty is the medical specialty of the provider.
Authorization Number is the number assigned to the authorization.
Entity Processing Claim is the name of the company processing the claim, whether United or a company delegated to pay claims on behalf of United.
Per Diem indication as to whether claim payment is either procedure based (e.g., DRG) or per day (per diem) based.
Code Change indication that the code submitted by the provider has been changed and/or the code paid was different than the code submitted.

Re-Bundled Claim indication that a code(s) submitted on the claim has/have been consolidated and paid as a single procedure, or single set of procedures, instead of paid as separate codes as submitted.

The following Data Elements (Fields) are requested for each record of the 26 Class 3 Electronic Data Document Files described above:

Name	Description	Data Type	Length
Claim_number	Claim Number	Text	25
Line	Claim Line Number	Text	25
Suffix	Claim Suffix	Text	25
Member_ID	Member Identification	Text	25
Member_DOB	Member Date of Birth	Text	8(mmddyyyy)
Member_AGE	Member Age on date of claim	Text	3
Member_sex	Member Sex(M,F,U)	Text	2
Provider_ID	Provider ID	Text	25
Provider_First_Name	Provider first name	Text	25
Provider_Last_Name	Provider last name or company name	Text	25
Provider_specialty	Provider Specialty (AMA Code)	Text	25
Place_of_service	Place of Service	Text	25
Type_of_service	Type of Service	Text	25
Date_of_service	Date of Service	Text	8 (mmddyyyy)
Date_admitted	Date Admitted	Text	8 (mmddyyyy)
Date_discharged	Date Discharged	Text	8 (mmddyyyy)
Discharge_status	Discharge Status	Text	25
ICD91	First ICD9 diagnosis	Text	8
ICD92	Second ICD9 diagnosis	Text	8
ICD93	Third ICD9 diagnosis	Text	8
ICD94	Fourth ICD9 diagnosis	Text	8
ICD9_Procedure1	First ICD9 procedure	Text	8
ICD9_Procedure2	Second ICD9 procedure	Text	8
ICD9_Procedure3	Third ICD9 procedure	Text	8
ICD9_Procedure4	Fourth ICD9 procedure	Text	8
CPT	CPT code (submitted)	Text	10
CPT_paid	CPT code (paid)	Text	10
Modifier1	First modifier	Text	2
Modifier2	Second modifier	Text	2
DRG	DRG	Text	25
Revcode	Revenue Code	Text	5
Quantity	Number of units	Text	5
Unit_measure	Basis unit of measure	Text	25
Authorization_Nbr	Authorization number	Text	25
Date_Paid	Date paid	Text	8 (mmddyyyy)
Amount_Submitted	Amount of claim submitted by provider	Text	11
Date_Received	Date claim received by United	Text	8 (mmddyyyy)

Date_Entered	Date claim entered by United	Text	8 (mmddyyyy)
Check Number	Financial institution issued number of the check that included payment for the claim	Text	25
Amount_ClaimPaid	Amount paid for the claim	Text	11
Amount_Co-pay	Amount co-pay by employee	Text	11
Amount_Withhold	Amount withheld	Text	11
Amount_Deductible	Amount of deductible	Text	11
Amount_Allowed	Amount allowed	Text	11
Amount_Co-ins	Amount paid by secondary carrier	Text	11
Fee_Amount	Fee Schedule amount	Text	11
Denial_code	Code for why claim was denied	Text	25
Denial_message	Description of why claim was denied	Text	255
Product		Text	25
Plan		Text	25
LOB	Line of business	Text	25
Employer_ID	Employer ID	Text	25
Employer	Employer Name	Text	25
PCP_ID	PCP ID	Text	25
PCP_Name	PCP Name	Text	25
PCP_Specialty	PCP Specialty (AMA Code)	Text	25
Provider_UPIN	Provider UPIN number	Text	10
Provider_Tax_ID	Provider federal tax identification	Text	15
Provider_License	Provider Texas license number	Text	25
Entity_processing	Name of Entity that processed claim (e.g. United, name of TPA or delegated entity)	Text	25
Cap_FFS	Is claim paid via capitation or FFS?	Text	4
Code_change	Was/Were code(s) changed between the time of submission and time of claim payment?	Text	2 (Y/N)
Re-Bundled_claim	Was/Were submitted code(s) re-bundled with other claim lines?	Text	2 (Y/N)
Per_Diem	Was claim paid on per diem basis?	Text	2 (Y/N)

HMO DOCUMENT EXAMINATION, EXHIBIT C

Specific Electronic Data Document Class 4

Capitation

To assure that United understands the data elements requested in Document Class 4, below are specific instructions and descriptions for production of Class 4 documents.

It is CPD's understanding that the detail data and documentation used to calculate the monthly capitation payment to the provider for capitated services should include a record for each member (covered life) covered by the capitation payment; the member age/sex/benefits data; any and all other data used to determine the member count, capitation rate (Per Member Per Month); and the actual amount paid. Although capitation and eligibility are related files, eligibility data seldom matches the capitation data or the capitation check amount because they are run at different times.

Two electronic data document capitation files are required for each of the months specified in Class 4 below; one file showing information as it was available to the provider, from United, during that month, and one file showing information as it exists with all retroactive additions, deletions and adjustments incorporated as of March 28, 2002. Each of the two files for a particular month should contain the same data elements for each record.

There should be two separate files for each month showing each member (covered life) for whom the provider(s) was/were paid capitation for that month. The 52 separate files should be labeled as follows:

1) Capitation as it was available to the provider, from United, during that month.
Example: jan2000cap.txt will contain requested capitation information as it was available to the provider, from United, in January of 2000.

Jan2000cap.txt
Feb2000cap.txt
Mar2000cap.txt
Apr2000cap.txt
May2000cap.txt
Jun2000cap.txt
Jul2000cap.txt
Aug2000cap.txt
Sep2000cap.txt
Oct2000cap.txt
Nov2000cap.txt
Dec2000cap.txt

Jan2001cap.txt
Feb2001cap.txt
Mar2001cap.txt
Apr2001cap.txt
May2001cap.txt
Jun2001cap.txt
Jul2001cap.txt
Aug2001cap.txt
Sep2001cap.txt
Oct2001cap.txt
Nov2001cap.txt
Dec2001cap.txt

Jan2002cap.txt
Feb2002cap.txt

2) Capitation as it exists with all retroactive adjustments as of March 28, 2002.

Jan2000acap.txt
Feb2000acap.txt
Mar2000acap.txt
Apr2000acap.txt
May2000acap.txt
Jun2000acap.txt
Jul2000acap.txt
Aug2000acap.txt
Sep2000acap.txt
Oct2000acap.txt
Nov2000acap.txt
Dec2000acap.txt

Jan2001acap.txt
Feb2001acap.txt
Mar2001acap.txt
Apr2001acap.txt
May2001acap.txt
Jun2001acap.txt
Jul2001acap.txt
Aug2001acap.txt
Sep2001acap.txt
Oct2001acap.txt
Nov2001acap.txt
Dec2001acap.txt

Jan2002acap.txt
Feb2002acap.txt

Adjusted count – if the capitation amount is adjusted for age/sex/benefit (hereafter, "ASB"), severity, morbidity, or other factors, please include documentation describing how the adjusted count is determined. Also include an electronic file with any look up tables and/or data dictionaries, or similar information, necessary to calculate adjustment to the count and/or the percent of premium payment. The layout of the look up table(s) and/or data dictionary(ies) should also be provided in the electronic file. As with all electronic files requested, this electronic file should be PC Compatible.

The following Data Elements (Fields) are requested for each record of the 52 Class 4 Electronic Data Document Files described above:

Name	Description	Data Type	Length
Month	Month capitation payment is for	Text	8 (mmddyyyy)
Mbr__ID	Member ID	Text	25
Mbr_Age	Member Age on first day of month	Text	3
Mbr_Sex	Member Sex (M, F, U)	Text	2
Mbr_DOB	Member Date of Birth	Text	8 (mmddyyyy)
PCP_ID	Primary Care Physician ID	Text	25
CapIPA_ID	ID for IPA/GROUP paid by capitation	Text	25
IPAName	IPA OR GROUP Name	Text	25
Adjusted_count	see definition and instructions above	Text	8
Retro_add	Record of member added as retro adjustment	Text	2 (Y/N)
Retro_delete	Record of member deleted as retro adjustment	Text	2 (Y/N)
Cap_CheckNbr	Financial institution issued number of check used to pay capitation to each provider	Text	20
Cap_CheckAmt	Amount of Capitation check for month	Text	11
Cap_Date_Paid	Date Capitation check was issued	Text	8 (mmddyyyy)
Product		Text	25
Plan		Text	25
LOB	Line of Business	Text	25
Benefit	Benefit Set	Text	25
Withhold_amt	Amount withheld	Text	11

HMO DOCUMENT EXAMINATION, EXHIBIT C

Specific Electronic Data Document Class 5
Adjudication Logic

For Electronic Data Document Class 5, produce an electronically formatted, PC compatible electronic file copy of any logic or rules used to value or pay claims in any manner other than a direct lookup of the fee schedule amount corresponding to the procedure on: 1) the submitted claim; 2) the provider contract; and 3) the member plan.

This request includes any and all logic and/or other rules:

1. used to process or pay claims submitted for/with multiple procedures, or assistant surgeon(s), or modifiers; or

2. used to upcode, downcode, bundle, or re-bundle claims; or

3. used to process out of area claims; or

4. used to process out of network claims; or

5. used to process and/or calculate rates and/or discounts applied to payment of any particular claim(s).

HMO DOCUMENT EXAMINATION, EXHIBIT C

Specific Computer Based Document Class 6
Check Register

To assure that United understands the data elements requested in document Class 6, below are specific additional instructions and definitions for production of Class 6 documents.

Class 6 requests the Register record of each check issued to an IPA/Group, or other provider, to pay any and all claim(s) for services. This information includes a list of each claim, covered by each check. If a prior claim is reversed or overpaid, and that reversed or overpaid amount is deducted from a check issued to pay another claim(s), the file should include the number(s) of the "Recoup_ClaimNmbr" for the claim being recouped and the "Recoup_ClaimAmt" deducted as recoupment for that particular prior claim(s).

There should be one file for each month with information for each check issued that month to pay any claim(s) or capitation. **Example:** Jan00check.txt should include all checks issued in January 2000 regardless of the date of service.

There should be 26 separate check register files labeled as follows:

Jan00check.txt
Feb00check.txt
Mar00check.txt
Apr00check.txt
May00check .txt
Jun00check.txt
Jul00check.txt
Aug00check.txt
Sep00check.txt
Oct00check.txt
Nov00check.txt
Dec00check.txt

Jan01check.txt
Feb01check.txt
Mar01check.txt
Apr01check.txt
May01check.txt
Jun01check.txt
Jul01check.txt
Aug01check.txt
Sep01check.txt
Oct01check.txt
Nov01check.txt
Dec01check.txt

Jan02check.txt
Feb02check.txt

Each field provided for each Class 6 record should correlate to the check number for that record.

The following Data Elements (Fields) are requested for each record of the 26 Class 6 Electronic Data Document Files described above:

Name	Description	Data Type	Length
Check Number	Financial institution issued number on check	Text	25
Claim_Number	Claim Number	Text	25
Claim_Suffix	Claim Suffix	Text	25
Provider_ID	Provider ID	Text	25
CapIPA_ID	ID for IPA/Group paid by capitation	Text	25
Check_amount	Total amount of check	Text	11
Amount_ClaimPaid	Amount of check applied to the claim number	Text	11
Date Issued	Date check issued	Text	8 (mmddyyyy)
Date Cleared	Date check cleared bank	Text	8 (mmddyyyy)
Cap_Month	Month capitation amount applies to	Text	8 (mmddyyyy)
Recoup_ClaimNbr		Text	25
Recoup_ClaimAmt		Text	11

HMO DOCUMENT EXAMINATION, EXHIBIT D

This sample format indicates how the electronic data files produced for

Exhibit C
Class 6
Check Register

should appear if printed out (in table format) from the electronic data file.

APPENDIX B

ABBOTT	LISA	A	MD
ABDUL-RAHIM	SAM		MD
ADAMS	LARRY	E	MD
AGGARWAL	VED	V	MD
AGORO	ADESUBOMI	B	MD
ALBRACHT	JAMISON		DO
ALDERETE	WESLEY	A	MD
ALI	TAHIR	S	MD
ALLEN	GARY	R	MD
ALLEN	VICTOR	L	MD
ALLEN	JAMES	Y	MD
ANAGNOSTIS	GEORGE		MD
ANAGNOSTIS	JIM		MD
ANDERSON	LEE	S	MD
ANDERSON	LEE	E	MD
ANDERSON	ROBERT	G	MD
ANDERSON	THOMAS	C	MD
ANDING	GLORIA	K	MD
ANDING	BRIAN	S	MD
ANDREWS	CHERI	L	DO
ANDREWS	CHARLES	E	MD
ANDREWS, III	CHARLEY	J	MD
ANGLIN	BETH	V	MD
ANTHONY	PHILIP	F	MD
APPLEWHITE	JEFFREY	C	MD
ARMSTRONG	JULIAN	E	MD
ARMSTRONG, JR.	GEORGE	N	MD
ARONSON	STUART	A	MD
ARTIM	RICHARD	A	MD
ATKINS	BARON	C	MD
ATTEBERRY	JAMES	L	MD
AUGUSTAT	EDWIN	C	MD
AXTHELM	DAN	A	MD
BAKER	DONNA	B	MD
BAKER	GEORGE	C	MD
BARBARO	DANIEL	J	MD
BARKER	THOMAS	E	MD
BARRERA	DAVID	N	DO
BARRETT	ROBERT	L	MD
BARRY	JAMES	M	MD
BATES	EDWARD	E	MD
BAYOUTH	JOHN	M	MD
BEALKA, JR.	NEIL	M	MD
BEASLEY, JR.	CLIFTON	H	MD
BECERRA	OSCAR	D	MD
BECHTEL	PHILIP	C	MD
BERENZWEIG	HAROLD	K	MD
BERNHARD	MARK	H	MD
BINDNER	STEPHEN	R	MD
BINZER	THOMAS	C	MD
BIRDWELL	BARBARA	A	MD
BLASI	RALPH	W	MD

BLOEMENDAL	LEE	C	MD
BLUE	SUSAN	K	MD
BOHNSACK	JAMES	R	MD
BONACQUISTI	GARY	A	MD
BORDELON	JAMES	H	MD
BOTHWELL	JAMES	M.	MD
BOX	JAMES	J	MD
BOYD	W.	D	DPM
BRADFORD	LAURA	A	MD
BRADLEY	WILLIAM	T	MD
BRANDENBERG	KARL	B	MD
BREDENBERG	AMY	E	MD
BRENNAN	J.	P	MD
BRIAN	MARY	B	MD
BRISCOE	JOHN	G	MD
BROCK	STEVEN	D	MD
BROOKS	JENNIFER	C	MD
BROOKS	KATHLEEN	L	MD
BROOKS	MICHAEL	E	MD
BROTHERTON	STEPHEN	L	MD
BROWN, JR.	FRANK	E	MD
BRUHL	DAN	E	MD
BRYAN	MICHAEL	D	MD
BUCHANAN	MARTY	J	MD
BUELL	LISA	M	MD
BUKSH	STEPHEN	R	MD
BURCHARD	JEFFREY	L	MD
BURGE	WALWORTH	E	MD
BURK	JOHN	R	MD
BURKETT	ROBERT	J	MD
BURTON	CARY	L	MD
BUSCHOW	ROBERT	A	MD
BUSSELL	MARK	H	MD
BUSSEY	HELEN	J	MD
BYRD	WILLIAM	B	MD
CADAMBI	AJAI		MD
CANE	MICHAEL	T	MD
CARLTON	CHARLES	A	MD
CARR	CHRISTIAN	L.	MD
CASTANEDA	ANTONIO	A.	MD
CASTRO	JAIME	H	MD
CHANDLER	GARY	W	DPM
CHAPMAN	MARC	E	MD
CHENG	JUNG	T	MD
CHILCOAT	R.	G	MD
CHILCOAT	JILL	C	MD
CHILDS, III	TILDEN	L	MD
CHIN	LINCOLN		MD
CHOUDHRY	KARAMAT	U	MD
CHUNDURI	KRISHNABABU		MD
CLIFFORD	SUSAN	G	MD
CLOTHIER	NORMAN	F	MD

COFFEE	CHARLES	C	MD
COLE	JAMES	S	MD
COLEMAN	WILLIAM	G	MD
COLLINS	MARK	F	MD
CONNELLY	KEVIN	G	MD
CONWAY	JOHN	E	MD
CORBETT	DESMOND	B	MD
COWAN	GARY	M	MD
COWAN	TODD	K	MD
COX	CLIFTON	L	MD
CRAWFORD	JOHN	L	MD
CROFFORD	THEODORE	W	MD
CROOK	IRINA	R	MD
CULVER	JENNIFER	L	MD
CUNNINGHAM	HENRY	S	MD
CWIKLA	MARK	J	MD
DAILY	H.	B	MD
DALAL	VINAY		MD
DALTON	MARK	D	MD
DANIEL	PAXTON	H	MD
DAVDA	RAJESH	K	MD
DAVE	KIRAN	J	MD
DAVENPORT	NORMAN	A	MD
DAVID	JAMES	K.	MD
DAVIS	PATRICK	L	MD
DAVIS	RANDALL	T	MD
DEARDEN	CRAIG	L	MD
DEAS	THOMAS	M	MD
DEASON	KRISTINA	J	MD
DELA TORRE	FRANK	J	MD
DEMARIE	BRYAN	K.	MD
DESAI	MANISH	D	MD
DEWAR	THOMAS	N	MD
DIAS	KERYN	M	MD
DIAZ-ROHENA	ROBERTO		MD
DICKEY	RUSSELL	A	MD
DICKINSON	JOHN	A	MD
DIFFLEY	DAVID	M	MD
DONAHUE	DAVID	J	MD
DONEGAN	KERRY	M	MD
DONOVAN	PATRICK	W	MD
DOORES	STEVEN	A	MD
DUONG	HUY	X	DO
DUSEK	DAVID	A	MD
EATON	JEROME	P	MD
EDEN	BILLY	M	MD
EKADI	KOFOWOROLA		MD
ELBERT	ANNETTE	M	MD
ELDRIDGE	JAMES	K	MD
ELLIS	THOMAS	S	MD
ENGER	MICHAEL	G	MD
EPPSTEIN	ROGER	S	MD

ERWIN	RONNIE	L	MD
EVANS	PHILLIP	T	DO
EVANS	JOHN	P	MD
EVANS	CURTIS	R	MD
EZUKANMA	NOBLE	U	MD
FAIRES	RAYMOND	A	MD
FARLESS	BLAINE	L	MD
FAWCETT	HENRI	D	MD
FAWCETT	MARIA	A	MD
FEWINS	JOHN	L	MD
FIERKE	JAY	L	MD
FIKKERT	CHIMENE	D	DO
FINKE	MARY	A	MD
FISHER	KEITH	D	MD
FITZGERALD	STEPHEN	D	MD
FLOWERS	BRIAN	E	MD
FORD	RICK	J	MD
FORSHAY	R.	L	MD
FRANKEL	MARK	A	MD
FREEMAN	JOHN	W	MD
FROBERG	P. KEVIN		MD
FUSSELMAN	ROBERT	E	MD
GAINES	JOSEPH	H	MD
GALUSHA	NEWTON	C	MD
GARCIA	WILSON	J	MD
GARCIA	CHRIS	L	MD
GARCIA-THOMAS	GABRIELA	I	MD
GARMER	DANNY	J	MD
GATES	T.	G.	MD
GAYDOS	MARIA	A	MD
GHAZALI	BASITH		MD
GIBSON-HULL	STACEY	L	MD
GILES	PHILIP	W	MD
GLEASON	R.	R	MD
GLOYNA	ROBERT	E	MD
GLUCK	FRANKLIN		MD
GODBEY	TERESA	E	MD
GONZALES	JAMES	D	MD
GONZALEZ	P. DANIEL		MD
GORDON	JACK	C	MD
GRAHAM	ROBERT	L	MD
GRALINO, JR.	B.	J	MD
GRANAGHAN	RICHARD	T	MD
GRANT	PAUL	A	MD
GRANT	KAREN	M	MD
GRAYS	PETER	E	MD
GUINAN	ROBERT	B	MD
GUINN	JOSEPH	E	MD
GULLEDGE,JR.	WILLIAM	R	MD
GUROVA	YELENA	V.	MD
GUTHRIE	WILLIAM	S	MD
GUTTA	KUMAR		MD

HAFEEZ	ABDUL		MD
HALL	SCOTT		MD
HAMES	ROBERT	B	DO
HAMILTON	KENNETH	W	MD
HAMMONDS	MARK	K	MD
HAMMONS	DOUGLAS	E	MD
HARDEE	STEVE	H	MD
HAROONA	LADI	M	MD
HARRIS	HOWARD	W.	MD
HARVEY	JAMES	M	MD
HAYDEN, JR.	C.	K	MD
HAYS	LOWELL	B.	MD
HEALEY, II	JOHN	J	MD
HELDRIDGE	TOD	C	MD
HENDRICKS	G. DAVID		MD
HIGGS	VETTA	B	MD
HIRT	DARRELL	L	MD
HOFFMAN	ERIC	J	MD
HOLLANDER	IRA	N	MD
HOOKER	GLEN	D	MD
HOOT	WILLIAM	R	MD
HORSTMAN	WILLIAM	G	MD
HOWELL-STAMPLEY	TEMPLE	S	MD
HUBBARD	RICHARD	O	MD
HUDGENS	H. STEPHEN		MD
HUGHENS	H. KENNON		MD
HUNNICUTT	ROBERT	W	MD
HUNTER	DAVID	S	MD
HUTCHESON	RICHARD	M	MD
IGLESIA	KIM	A	MD
INGLE	DONALD	C	MD
ISAACS	EMILY	M	MD
JACKSON	JOHN	S	MD
JAMESON	MICHAEL	D	MD
JANICKI	PETER	T	MD
JARYGA	GREGORY	A	DPM
JEFFERS	JOHN	R	MD
JENNINGS	JERRY	D	MD
JENSEN	RICHARD	A	MD
JOHN	BERCHMANS		MD
JOHNSON	STEVEN	E	MD
JOHNSON	JOHN	W	MD
JOHNSON	FREDERIC	D	MD
JOHNSON	J.	D	MD
JOHNSTON	RICHARD	C.	MD
JOHNSTON	ROBIN	L	MD
JOHNSTON	MARK	A	MD
JOHNSTON	DON	F	MD
JORDAN	DAVID	C	MD
JOYNER	KEVIN	T.	MD
JUTRAS	MICHAEL	A	MD
KALLAM	G.	B	MD

KANE	JEROME		MD
KARING	MICHAEL	V	MD
KELLUM	MICHAEL	W	MD
KENNEDY	MEGAN	J.	MD
KENNEDY	SHANE	W.	MD
KHAN	RUBINA	A	MD
KHAN	SHUJATT	A	MD
KIM	WON	S	MD
KLEUSER	THOMAS	M	MD
KOBETT	PATRICK	T	MD
KORENMAN	MICHAEL	D	MD
KOSTOHRYZ, JR.	GEORGE		MD
KUENSTLER	KEVIN	A	MD
KUENSTLER	KRISTI	M	MD
KUNKEL	KELLY	R	MD
KUO	D.	K	MD
KURUP	SAVITA	R	MD
KUTZLER	DANIEL	E	MD
LABOR	PHILLIPS	K	MD
LABOR	PENNY	M	MD
LAGON	ROBERT	M	MD
LAM	VAN		MD
LAM	JONATHAN	G	MD
LAND	MELISSA	M	MD
LANE	MONA LISA	B	DO
LASTIMOSA	AUGUSTO	C	MD
LAWSON	DAVID	S	MD
LE	LINH	T	MD
LEACH	CHARLES	R	MD
LEAVENS	THOMAS	A	MD
LEDBETTER	JASON	S	MD
LEHMANN	CLAUDIO	S	MD
LESTER	LYNN	A	MD
LEUNG	STEVEN	J	MD
LILLI	ROBERT	H	MD
LIN	JEFFREY	C	MD
LINDSAY	ROBERT		MD
LIU	J.	P	MD
LIVINGSTONE	KEITH	S	MD
LONERGAN	FRANCIS	R	MD
LOPEZ	ANGEL	L	DPM
LORIMER	DOUGLAS	D	MD
LORIMER, III	WISHARD	S	MD
LOVETT	ROBERT	J	MD
LOWRY	WILLIAM	B	MD
LUBRANO	PHILIP	J	MD
LUGGER	JERRY	L	MD
MABERRY	STEPHEN		MD
MACHOS	ROBERT	J	MD
MACIAS	CARLOS	L	MD
MACKEY	STEVEN	J	MD
MADDOX	BARNEY	T	MD

MAIR	KENNETH	A	MD
MALIK	M.	A	MD
MALOFSKY	HAROLD		DPM
MANNING	A. BRYANT		MD
MANSEN	JOSEPH	R	MD
MARGO	THEODORE	E	MD
MARLING	CARL	K	MD
MARTIN	JOHN	R	MD
MASTROGIOVANNI	SARAH	K	MD
MATHESON	DONALD	N	MD
MATTHEWS	EDWIN	C.	MD
MATTHEWS	JACQUIN	P	MD
MAUK	RICHARD	H	MD
MAUST	JOEL	R	MD
MAXWELL	MICHAEL	C	MD
MCADAMS	CHARLES	G.	MD
MCAULEY, JR.	MICHAEL	F	MD
MCCALLUM	JACK	E	MD
MCCRARY	MICHAEL	W	MD
MCDONALD	CHERYL		MD
MCDONALD	STUART	D	MD
MCDOUGALL	PETER	G	MD
MCNEELY	CYNTHIA	R	MD
MCNEFF	JOHN	E	MD
MELTZER	ROBERT	G	MD
MELTZER	VICTOR	N	MD
MERRILL	BERKELEY	S	MD
MEWIS	BETH	A	MD
MEYER	YVES	J	MD
MEYER	BEAU	B	MD
MEYERS	STEVEN	J	MD
MILLER	D. SCOTT		MD
MILLER	JOHN	D	MD
MILNE	JOSEPH	C	MD
MITCHELL	WILLIAM	H	MD
MOFFETT	JEFFREY	D	MD
MOORE	PHILIP	A	MD
MOORE	THOMAS	E	MD
MOORE, III	FRANK	H	MD
MORRILL	AUDREY	C	MD
MORRIS	LAURA	F	MD
MORRISON	MARSHALL	C	MD
MORRISSETTE	DORRIS	A	MD
MORTON	DAN	A	MD
MOSTER	SUSAN	G	MD
MRNUSTIK	BENNY	R	MD
MURCHISON	ROBERT	J	MD
MURUGAN	TSR		MD
MUTYALA	SIREESHA		MD
MYERS	KRISS	E	MD
NAMIREDDY	VASANTH	R	MD
NANCE	HENRY	H	DO

NAZARIAN	MANUCHER		MD
NEGRON	ANGEL		MD
NELSON	EDWARD	R	MD
NEMETH	ANDRAS	Z.	MD
NETHERY	DAVID	A	MD
NGUYEN	TRUNG	D	MD
NGUYEN	THUTHUY	T	MD
NGUYEN	HUY	L.	MD
NIELSON	KAREN	L	MD
NOELL	COURTNEY	A	MD
NORMAN	JAMES	L	MD
NORVILLE	SCOTT	V.	MD
NUGENT	BARBARA	A.	MD
NUGENT	JOHN	L	MD
NUNEZ	IGNACIO	T	MD
OBBINK, JR.	JOHN	W	MD
O'DEA	PATRICK	T	MD
OEI	KWAN	K	MD
OHMAN, JR.	ALLAN	B	MD
OLFSON	JAMES	R	MD
OSHMAN	DANIEL	G	MD
PAFFORD	DICK	A	MD
PALMER	J.	M	MD
PARCHUE	JOHN	A	MD
PARKER	JAMES	F	MD
PARKER	LEIGHTON	B	MD
PARKER	SEAN	G	MD
PARMER	DAVID	E	DDS
PARRILL	ELLEN	M	MD
PAVEY	SCOTT	A	MD
PENDER, JR.	JOHN	T	MD
PENNY	RICHARD	E	MD
PERSONS	CHARLES	M	MD
PETERS	THEODORE	T	MD
PETERS	PAT	A	MD
PETTEY	WILLIAM	R	MD
PETTWAY	JOHN	B	MD
PHELPS	DAVID	R	MD
PHILIP	ANNIE	J	MD
PHIPPS	LOWELL	F	MD
PICKELL	STUART	C	MD
PICKERING	RICHARD	S	MD
PICKETT	CREIGHTON	A	MD
PODOLSKY	MICHAEL		DO
POETTCKER	JAMES	D	MD
POLLARD	ROBERT	S	MD
PONDER	JOHN	C	MD
POSNOCK	EUGENE	R	MD
PRESLEY	MARK	B	MD
PROTZMAN	ROBERT	R	MD
PULLIAM	SCOTT	R	MD
PUMPHREY	JOHN	A	MD

PUMPHREY	JOHN	D	MD
PURGASON	JAMES	G	MD
PURGETT	THOMAS	J	MD
PUTEGNAT	BARRY	B	MD
QUERALT	JOHN	A	MD
QUIST	CAROLYN	W.	DO
RAILSBACK	CHARLES	H	MD
RAJAN	BETTY		MD
RAJU	KOSURI	B	MD
RAMAMURTHY	GEETHANJALI		MD
RATHKAMP	QUYNH	K	MD
RAY	JULIE	C	MD
RAZACK	KERIM	F	MD
RAZACK	ABDOOL		MD
RAZI	SALMON	S.	MD
READINGER	JAMES	C	MD
REAM	GENE	P	MD
REAVES	LARRY	E	MD
REDDY	SUCHITA	D	MD
REDFERN	STEPHEN	A	MD
REDROW	MARK	W	MD
REEB, JR.	ROBERT	J	MD
REESE	WILLIAM	G	MD
REICHELT	EDWARD	G	MD
RICHARDS	JOHN	A	MD
RICHARDS	CHERYL	A	DO
RISK	WILLIAM		MD
RIVERA	FRANK	J.	MD
ROBBINS	CYNTHIA	J	MD
ROBERGE	NATALIE	A	MD
ROBINSON	DAVID	J	MD
ROGERS	MICHAEL	L	MD
ROGERS	JAMES	E	MD
ROGERS	ROBERT	J	MD
ROSENTHAL, JR.	HARRY		MD
RUKAB	TRACY	M	MD
RUSH	CHARLES	A	MD
RUSSELL	DAVID	D	MD
RUTHERFORD	STEPHANIE	M.	MD
RUTLEDGE	PETER	L	MD
RUTLEDGE	DAVID	M	MD
RUXER	ROBERT	L	MD
SADIQ	SYED	A.	MD
SAMLOWSKI	EBERHARD	R	MD
SAMUELSON	TODD	E	MD
SANDERS	J.	P	MD
SANDHU	FAHEEM	A.	MD
SANKAR	PONNIAH	S	MD
SARGENT	JAMES	S	MD
SCHMID, JR.	WILLIAM	A	MD
SCHMIDT	ROBERT	H	MD
SCHULTZ	STEVEN	M	MD

SCHUSTER	DENNIS	I	MD
SCHUSTER	RICHARD	D	MD
SCHWARTZ	GREGORY	G	MD
SEGER	WILLIAM		MD
SENTER	PAUL	R	MD
SEWELL	ROBERT	W	MD
SHAFFER	HOWARD		MD
SHAH	KAVITA	S	MD
SHANK	REBECCA	S	MD
SHARP	REBECA	M	MD
SHASHIKUMAR	KAVITHA		MD
SHEPHERD	RICHARD	L	MD
SHOLDRA	EUGENE	P	MD
SHORE	KENNETH	A	MD
SHORI	SANDEEP	K.	DO
SHROPSHIRE	CAMERON	E	MD
SHYN	PAUL	B	MD
SIMMONS	NELSON	X	MD
SINGLETON	STEVEN	B	MD
SKINNER	PHILLIP	H	MD
SKLAR	JOHN	A	MD
SMITH	SPENCER	M	MD
SMITH	WADE	H	MD
SORGEN	STEPHEN	D	MD
SOTMAN	STEVEN	B	MD
SPEAKER	JENNIFER	L	MD
SPRADLEY	LARRY	W	DDS
STANILAND	JOHN		MD
STEWART	CARLYLE	A	MD
STOLTZ	MICHAEL	L	MD
STRANGE, III	LESLIE	C	MD
STRITTMATTER	MARLA	A	MD
STROCK	LOUIS	L	MD
STUNTZ	RICHARD	A	MD
TAFEL	ROBERT	M	MD
TAN	DOMINGO	K	MD
TANNA	RAJENDRA	K	MD
TAUNTON	O. DAVID		MD
TAYLOR	MARK	W	MD
TENG	LI	R	MD
TENG	JAY		MD
TERRY	JAMES	R	MD
THESING	JAMES	E	DO
THOMPSON	GERALD	G	MD
THURMAN	ADDISON	E	MD
THURMOND	JOHN	I	MD
TILKIN	LYNNE	R	DO
TODD	JOE	M	MD
TOLEDO	LUIZ	C	MD
TOMBERLIN	JANICE	K	MD
TONKIN	ALISON	E.	MD
TORRES	MICHELLE		MD

TORRES	LOUIS	A	MD
TRAN	KHANG		MD
TREMBLAY	NORMAND	F	MD
TRIMBLE	MONTY		MD
TRIVEDI	BEENA	M.	MD
TUCKER	CHRISTOPHER	J	MD
TURNER	JAMES	M	MD
USELTON	MICHAEL	T	MD
VAN WYK	WILLIAM	J	MD
VARGAS	LUIS	A	MD
VERMETTE	KENNETH	N	MD
VIA	E. RICK		MD
VIGNESS	RICHARD	M	MD
VIKTORIN	GINA	M	MD
VU	H. JAMES	T	MD
WAGNER	RUSSELL	A	MD
WALKER	JOEL	W	MD
WALLACE	R. PERRY		DO
WALSH	PATRICK		MD
WALTER	MICHAEL	C	MD
WARD	ROBERT	L	MD
WARREN	ROBERT	E	MD
WASSON	BRADLEY	D	DO
WATSON	KEITH	C	MD
WATTS	DAVID	C	MD
WATTS	BARRY	K	MD
WEEDEN	STEVEN	H	MD
WELP	MARY		MD
WEST	BRITTON	R	MD
WIGGINTON	STEPHEN	A	MD
WIGHTMAN, JR.	ERNEST	T	MD
WILDER	JAMES	F	MD
WILKINSON	TERRY	L	MD
WILLIAMS	TIMOTHY	E	MD
WILLIAMS	CELESTE	Y	MD
WILLIS	DAN	A	MD
WILSON	DAVID	B	MD
WILSON	RICHARD	D	MD
WILSON	WARREN	D	MD
WINKLER	THOMAS	P	MD
WITTENBERG	JOHN	F	MD
WOLDESENBET	ELLENI		MD
WOLFF	WILLIAM	S	MD
WOOD	JOHN	P	MD
WORSHAM	SIDNEY	A	MD
WRIGHT	BARBARA	A	MD
WROTEN	BOBBY	J	MD
WYNN	SUSAN	R	MD
YAQUINTO	JAMES	J	MD
YOUNG	DAVID	L	M[illegible]
ZIMMERMANN	G.	J	M[illegible]

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

In the Matter of North Texas Specialty Physicians, Respondent	))))))	Docket No. 9312

AFFIDAVIT OF ANDREW MacRAE

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

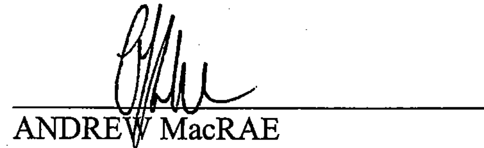
BEFORE ME, the undersigned authority, personally appeared Andrew MacRae, who, being by me duly sworn on oath, deposed and stated as follows:

"My name is Andrew MacRae. I am over the age of twenty-one (21) years and am fully competent in all respects to make this Affidavit. I am outside counsel for non-party Blue Cross Blue Shield of Texas ("BCBSTX"), a division of Health Care Service Corporation, a Mutual Legal Reserve Company. All the facts recited here in are within my personal knowledge and are true and correct.

"I drafted the Motion to Quash and/or Limit Subpoena Duces Tecum to which this Affidavit is attached as Exhibit B. Contemporaneously with the preparation of the Motion, and working in concert with in-house counsel at BCBSTX, I prepared a supporting affidavit to be signed by an employee of BCBSTX with personal knowledge regarding the factual allegations in the Motion. However, late in the afternoon of Tuesday, January 06, 2004, in-house counsel and I learned that the employee for whom the affidavit had been drafted was in the hospital and unable to review and execute the affidavit in order for it to be attached as an exhibit to the Motion. I understand the employee is expected back in the office on Wednesday, January 7, 2004 or

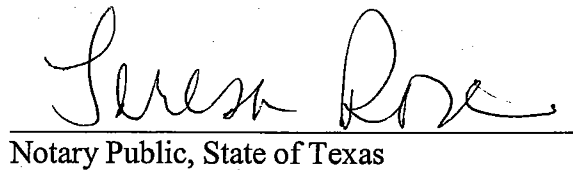
EXHIBIT
B

Thursday, January 8, 2004. Accordingly, I anticipate being able to supplement the Motion with a supporting affidavit by Friday, January 9, 2004."



ANDREW MacRAE

SUBSCRIBED AND SWORN to before me by the said Andrew MacRae this 6th day of January, 2004.



Notary Public, State of Texas

09/20/05

My Commission Expires:

Teresa Rose

Printed Name

HULL HENRICKS & MACRAE LLP

Attorneys at Law

Bank One Tower
221 W. 6th St., Suite 2000
Austin, Texas 78701-3407

(512) 472-4554
fax (512) 494-0022

December 31, 2003

Via Facsimile: 214/999-1662
Gregory D. Binns
Thompson & Knight LLP
1700 Pacific Ave., Suite 3300
Dallas, Texas 75201-4693

Re: FTC Docket No. 9312; In the Matter of North Texas Specialty Physicians

Dear Greg:

I am writing to confirm our telephone conversation yesterday, in which you agreed to grant my client, Blue Cross Blue Shield of Texas, an extension of time within which to respond to the Subpoena Duces Tecum caused to be issued by your client, North Texas Specialty Physicians, in the above-referenced matter.

You agreed to allow my client until noon on Friday, January 9, 2004, to begin providing documents responsive to the Subpoena Duces Tecum. If my client elects to object to your Subpoena Duces Tecum and not provide documents subject to those objections, you have agreed to allow until Tuesday, January 6, 2004 for my client to serve objections and/or a Motion to Quash or similar motion.

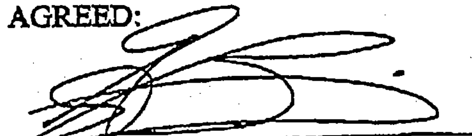
If this letter accurately reflects our agreement, please sign in the space provided below and return a copy of the letter to me by fax as soon as possible. If this letter does not accurately reflect our agreement, please contact me immediately.

Thank you for your cooperation.

Sincerely,

Andrew F. MacRae

AGREED:



Gregory D. Binns
Counsel for North Texas Specialty Physicians