

Linkia/Hanger Contract with CIGNA and Others May Cost Everyone

CIGNA, Great-West Healthcare and others are obviously motivated to enter exclusive contracts with Linkia because of both administrative ease and cost savings. The payment for these two benefits is made by the patients who lose options for care ... and, as a result, in some cases quality of care.

In the long run, it appears obvious to me that their will be costs paid in the future by the insurance providers that are not adequately being considered.

Linkia/Hanger has indicated that they are in discussions with all of the large regional and national healthcare insurance companies. This should be a source of concern for all independent providers. If other companies follow the lead of CIGNA and Great-West, independents will find it increasingly difficult to maintain their businesses.

The end result, contrary to the goal of the insurers, may be Linkia/Hangers ability to create a monopoly of O/P services, subsequently allowing them to control (increasing?) costs. The end goal seems to be for Linkia/Hanger to become a monopoly ... but at what point are they one?

It appears that significant players in the industry, such as ACA, may be fearful of dealing with this topic because of Hanger's advertising dollars. However, if they achieve the market share that they appear to desire, advertising will no longer be of significance to them as they will, for the most part, be the only game in town. If there is little or no competition, there is little or no need to advertise.

In my case, the issue is becoming increasingly confusing. The listing shown is the provider list, prior to sending contract termination letters such as the one shown below. Other than Hanger, there are five other providers shown as available options. It was interesting to find that, in CIGNA's letter in response to my questions as to providers available, they included one of these, in addition to Hanger ... that being McCleve Orthotics & Prosthetics. (Letter shown below.)

I contacted McCleve to determine if they were either a Hanger facility (which they quickly responded "no") or were a LINKIA contracted agency (to which they responded "who").

My question is why one of the providers is still included as a CIGNA provider while all others have been eliminated?

I have posed this question to both CIGNA and Linkia and have not yet received a response.

As you can see in the termination letter, my provider was encouraged to contact Linkia to learn more about opportunities to become a part of that network, which we all know is a long road leading nowhere.

This issue is one that impacts patients and hundreds of qualified, independent providers. I encourage both to be a part of bringing this situation to those who could make a difference. Patients who feel they are being negatively impacted (including those who now have to drive 50-70 miles to see a prosthetist) should contact CIGNA or Great-West and express their concerns and frustrations.

Providers are encouraged to contact their state's insurance board, their attorney general, and send communications about their concerns to the department of justice (AskDOJ@usdoj.gov).

EXTERNAL PROSTHETICS

Arizona Desert Orthopedic Center
525 N 18th St #306
Phoenix, AZ 85006
(602) 508-1783

Arizona Facial Restoration
333 E Virginia Ave #15
Phoenix, AZ 85004
(602) 258-3620

Hanger Prosthetics & Orthotics

West, Inc
14021 N 51st Ave
Glendale, AZ 85306
(602) 843-0688

and
932 W Southern Ave
Mesa, AZ 85210
(480) 962-6976

and
6704 E Broadway
Mesa, AZ 85206
(877) 670-6784

and
4010 N 19th Ave #85
Phoenix, AZ 85015
(602) 274-3625
(602) 230-2304

and
4445 N 7th St
Phoenix, AZ 85014
(602) 274-3625

and
9023 E Desert Cove Dr
Scottsdale, AZ 85260
(602) 274-4310

McCleve Orthotics & Prosthetics
5432 E Southern Ave #106
Mesa, AZ 85206
(480) 981-6767

Orthologic Corporation
1275 W Washington St
Tempe, AZ 85281
(800) 263-0004

Pongratz Orthotics & Prosthetics, Inc

641 W Southern Ave
Mesa, AZ 85210
(602) 222-3032

and
2530 E Thomas Rd
Phoenix, AZ 85016
(602) 222-3032

Alexander J Glatter
Director
National Contracting



CIGNA HealthCare

Via Certified Mail
Receipt # 7006 0100 0005 6331 1461

3500 Piedmont Road
Suite 200
Atlanta, GA 30305
Telephone (404) 443-8847
Facsimile (866) 213-3850
alexander.glatter@CIGNA.com

July 21, 2006

PONGRATZ ORTHOTICS & PROSTHETICS INC
2530 E THOMAS ROAD
PHOENIX, AZ 85016
ATTN: PRESIDENT / MANAGED CARE ADMINISTRATOR

RE: Termination of Existing Agreement

Dear Sir or Madam:

As you may be aware, CIGNA HealthCare recently entered into a national agreement with Linkia, a national company dedicated to serving the orthotic and prosthetic (O&P) needs of the community. As a result, and consistent with the terms of your Agreement with CIGNA HealthCare, this letter serves as notice of termination of your provider agreement with CIGNA HealthCare effective midnight, September 30, 2006.

To learn more about opportunities to participate in the Linkia network, contact Linkia's Network Department at 1.877.754.6542 or visit its website at www.linkia.com.

If you have any questions regarding this notice, please contact me at 1.404.443.8847.

Sincerely,

Alexander J. Glatter
Director
National Contracting

Jeannine Doherty
Senior Client Manager
Sales



CIGNA HealthCare

September 12, 2006

Dan Gottry

Routing 397
11001 N. Black Canyon Highway
Suite 300
Phoenix, AZ 85029
Telephone 602.861.8143
Facsimile 602.861.8187
jeannine.doherty@cigna.com

Re: Your Correspondence to CIGNA

Dear Mr. Gottry:

It was a pleasure talking with you last Friday. I have had the opportunity to review both your August 4 and August 30, 2006 letters to CIGNA. I wanted to reach out to you to assure that you have all of the information that you need to receive the services to which you are entitled under your Open Access Plus (OAP) coverage through UMOM.

As you are aware, your plan design offers both an in and an out-of-network coverage option for external prosthetic appliances (EPA) and short-term rehabilitative therapy.

Under your EPA benefit, you pay 20% of CIGNA participating provider contract rates for services received in-network. For services received out-of-network, you pay 40% of the reasonable and customary charge of non-participating providers, plus the difference (if any) between the provider's billed charge and the reasonable and customary charge. A \$200 deductible applies to the in and out of network EPA benefits, collectively.

Under your short-term rehabilitative therapy benefit, you typically pay a \$20 co-payment per office visit for services received in-network. For services received out-of-network, you pay 40% of the reasonable and customary charge of non-participating providers, plus the difference (if any) between the provider's billed charge and the reasonable and customary charge. A 20 day maximum for all therapies combined applies to the in and out of network benefits, collectively.

I first want to be sure that you understand that you are free to continue care through Pongratz for EPA and short-term rehabilitative therapy using your out of network benefit. (Pongratz Orthotics & Prosthetics, Inc. will, after October 1, 2006, not be participating in CIGNA's OAP provider network. Pongratz Physical Therapy, LLC is not a CIGNA-participating provider.)

Proud National Sponsor of the March of Dimes WalkAmerica®... the Walk that Saves Babies

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Dan Gottry
September 12, 2006
Page 2

In the event you elect to receive your services in-network, you may wish to contact McCleve Orthotics & Prosthetics, located at 5432 E. Southern Avenue, Suite 106 in Mesa. They can be reached at 480/981-6767.

I have also attached for your review a current listing of the participating Hanger facilities in the Phoenix metropolitan area. Please note that there are three Hanger facilities in the East Valley offering prosthetic services, including one located at 2175 N. Alma School Road, which is about four miles from your home in Chandler. I would encourage you to contact Charlie LaDoux, who is the prosthetist at that location and has over 18 years of experience.

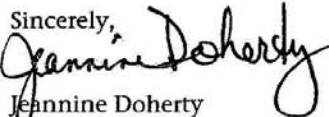
You may also find it convenient from your office to contact either Randy West, CP or Lori Pipinich, CP in the Hanger office located at 4445 North 7th Street. It is my understanding that Lori works closely with therapist Sharon Hayden, and together they have done extensive research on amputee therapy, including co-authoring books on acute prosthetics and gait symmetry. Sharon can be reached at 602/246-5766.

I would also like to offer you the option of working closely with one of our CIGNA Case Managers if you need assistance with or in addition to the above. Case Managers at CIGNA are able to assist with locating contracted providers as well as community resources and CIGNA available programs to assist you in managing your health.

Finally, I would like to respond to your questions regarding provider qualifications contained in your August 30, 2006 letter. Linkia applies the same credentialing standards to its participating Hanger facilities as it does to non-Hanger facilities in locations where there is a network need. Those standards are based upon the American Board for Certification in Orthotics and Prosthetics.

I hope you find the above information responsive to your questions and helpful in making your provider selection.

Please do not hesitate to give me a call if you have any questions at all.

Sincerely,

Jeannine Doherty
Senior Client Manager

Prosthetics Available? (Y/N)

Name	Address	Suite	City	St	Zip	Phone	Prosthetics Available? (Y/N)
Hanger Prosthetics & Orthotics West, Inc.	2175 N. Alma School Road	A-101	Chandler	AZ	85224	(480) 814-7800	Y
Hanger Prosthetics & Orthotics West, Inc.	2905 W. Warner Road	Suite 11	Chandler	AZ	85224	(480) 831-9279	N
Hanger Prosthetics & Orthotics West, Inc.	932 West Southern Avenue		Mesa	AZ	85210	(480) 962-6976	Y
Hanger Prosthetics & Orthotics West, Inc.	6704 East Broadway	Suite D-1	East Mesa	AZ	85206	(480) 396-3500	Y
Hanger Prosthetics & Orthotics West, Inc.	4114 E Wood Street	Suite 106	Phoenix	AZ	85040	(602) 426-8896	N
Hanger Prosthetics & Orthotics West, Inc.	3501 North Scottsdale Road	Suite 100	Scottsdale	AZ	85251	(480) 945-1929	Y
Hanger Prosthetics & Orthotics West, Inc.	690 North Cofo Center Court	Suite 180	Phoenix	AZ	85008	(602) 685-0820	Y
Hanger Prosthetics & Orthotics West, Inc.	9023 East Desert Cove Drive	Suite 102	Scottsdale	AZ	85260	(480) 614-8820	Y
Hanger Prosthetics & Orthotics West, Inc.	1641 East Osborn Road	Suite 4	Phoenix	AZ	85016	(602) 264-0097	Y
Hanger Prosthetics & Orthotics West, Inc.	2222 E Highland		Phoenix	AZ	85016	(602) 840-3833	Y
Hanger Prosthetics & Orthotics West, Inc.	4445 North 7th Street		Phoenix	AZ	85014	(602) 274-3625	Y
Hanger Prosthetics & Orthotics West, Inc.	16620 North 40th		Phoenix	AZ	85260	(602) 765-0207	Y
Hanger Prosthetics & Orthotics West, Inc.	1515 East Florence Boulevard		Casa Grande	AZ	85222	(520) 316-9677	Y
Hanger Prosthetics & Orthotics West, Inc.	13065 West McDowell Road	Suite 111	Avondale	AZ	85323	(623) 535-1919	Y
Hanger Prosthetics & Orthotics West, Inc.	14021 North 51st Street	Suite 125	Glendale	AZ	85306	(602) 843-0688	Y
Hanger Prosthetics & Orthotics West, Inc.	13203 North 103rd Avenue	Suite 8	Sun City	AZ	85351	(623) 977-2221	Y
Hanger Prosthetics & Orthotics West, Inc.	13923 West Meeker Boulevard	Suite 5	Sun City West	AZ	85375	(623) 474-3099	Y
Hanger Prosthetics & Orthotics West, Inc.	5669 North Oracle Road	Suite 2102	Tucson	AZ	85704	(520) 888-4757	Y
Hanger Prosthetics & Orthotics West, Inc.	4951 East Grant Road	Suite 127	Tucson	AZ	85712	(520) 795-8900	N
Hanger Prosthetics & Orthotics West, Inc.	4920 East Speedway Boulevard		Tucson	AZ	85712	(520) 322-0099	Y
Hanger Prosthetics & Orthotics West, Inc.	4928 E Speedway		Tucson	AZ	85712	(520) 881-4346	Y
Hanger Prosthetics & Orthotics West, Inc.	808 Ainsworth Drive	Suite 101	Prescott	AZ	86301	(928) 776-0823	Y
Hanger Prosthetics & Orthotics West, Inc.	115 South Candy Lane	Suite C-3	Cottonwood	AZ	86326	(928) 639-1211	Y
Hanger Prosthetics & Orthotics West, Inc.	77 West Forest Avenue	Suite 208	Flagstaff	AZ	86001	(928) 773-2544	Y
Hanger Prosthetics & Orthotics West, Inc.	1973 South Frontage Road		Sierra Vista	AZ	85635	(520) 515-9210	Y
Hanger Prosthetics & Orthotics West, Inc.	2451 South Avenue A	Suite 25	Yuma	AZ	85364	(928) 341-1965	Y
Hanger Prosthetics & Orthotics West, Inc.	2704 Stockton Hill Road		Kingman	AZ	86401	(928) 763-2900	Y
Hanger Prosthetics & Orthotics West, Inc.	1976 Mesquite Avenue	Suite B	Lake Havasu City	AZ	86403	(800) 647-4673	Y
Hanger Prosthetics & Orthotics West, Inc.	1355 Ramar Road	Suite 4-B	Bullhead City	AZ	86442	(928) 763-2900	Y