

Keeping Health Care Affordable For Workers And Their Families

AETNA IS COMMITTED TO QUALITY AND SERVICE

Since March of 2014, twelve HCCMCA member health plans, representing nearly 65,000 covered lives, have enrolled with the Aetna PPO. As the total number of health plans continues to increase and covered lives reach the next tiered level, additional benefits and cost savings will accrue to the benefit of all participating plans.

Aetna has worked closely with four third-party administrators on correcting any issues that occurred during the implementation process. "We are exceptionally grateful for the time and energy that the TPAs have put into our partnership to help us improve our implementation process from end to end," said Matt Sherrill, Aetna's regional vice president for Public and Labor.

AETNA'S COMMITTED TO BECOMING A MORE EFFICIENT PARTNER. HOW?

- Aetna added staff to its operations team who will work directly with the Coalition's TPAs to increase speed of claims payments. Rapid improvement is expected over the next three months.
- Aetna rolled out two claim system enhancements in November 2014. The result will be higher rates of "auto adjudication" which will reduce the potential for human error.
- By providing better communication with providers, especially around claim coding. The aim is to minimize

confusion and streamline payments to providers.

Other efforts are underway to expand their provider networks both in Alaska and the Pacific Northwest (see sidebar).

Finally, with continued growth, HCCMCA members will benefit from lower fees to Aetna, and improved market share for Aetna to negotiate better discounts.

GOAL: NETWORKS WITH THE BEST VALUE IN ALASKA AND THE PACIFIC NORTHWEST

| | Anchorage | Fairbanks | Juneau | Palmer/Wasilla | All Other | Total |
|--|-----------|-----------|--------|----------------|-----------|-------|
| Primary Care Physicians | 10 | 4 | 12 | 7 | 6 | 39 |
| Medical Specialists | 19 | 36 | 16 | 3 | 5 | 79 |
| Nurse Practitioners & Physician Assistants | 23 | 10 | 11 | 12 | 6 | 62 |
| Behavioral Health | 4 | 1 | 5 | 1 | 1 | 12 |
| All other specialists | 15 | 6 | 0 | 7 | 3 | 31 |
| Total | 71 | 57 | 44 | 30 | 21 | 223 |

Expanding the number of contracted providers is a top priority in Alaska. In the first 10 months of 2014, Aetna has added 223 providers to its network.

In Washington, efforts in the Tri-Cities area are focused on collaborating with the local hospitals and trust funds on a new network solution that may further improve affordability for the members. Aetna has commitments from both of the large hospital systems to improve the current discounts under the broad network and narrow network options. In the Puget Sound region, Aetna will launch its first accountable health product that is built around distinct networks provided by four highly respected provider organizations. ■

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WHY IT'S IMPORTANT FOR YOUR MEMBERS TO TAKE THEIR MEDS

Wayne Salverda, R.Ph.



Former Surgeon General C. Everett Koop had it right when he said, “Drugs don’t work in patients who don’t take them.”

He was talking about medication adherence—taking medication as directed by a health care professional. The opposite, not taking medication as prescribed, is called nonadherence. Medication adherence is essential for effective treatment, safety and lower health care costs. Nonadherence may result in the medication having a reduced effect, or worse, no effect at all.

Nearly half of Americans are diagnosed with at least one long-term health condition like asthma, diabetes, high blood pressure or heart disease. Yet people with these common conditions take their medicine as directed only 50-60% of the time.

Why should health plans care? Because when your participants don’t take their medication, it increases health care costs and reduces productivity. It can make people sicker and even lead to death. Nonadherence:

- Costs \$2,000 per patient in physician visits annually
- Costs \$50 billion a year in lost productivity and \$100 billion annually in direct health care costs
- Causes 125,000 deaths a year
- Is responsible for 10% of hospital admissions
- Is linked to more than 33% of medication-related hospital admissions

What can you do to encourage adherence among your participants?

First, it’s important to make sure you’re partnering with an

organization that will help you by taking a close look at your pharmacy benefits plan. For example, National CooperativeRx works with many HCCMCA member health plans as their pharmacy benefits management (PBM) provider. National CooperativeRx applies our industry experience and knowledge to plan designs. One plan design method we encourage is to keep co-pays low for generic medication; this removes cost barriers and guides people to use generics rather than more expensive

brand-name drugs.

Next, make sure your PBM understands the role of communication in promoting adherence. For example, many of the HCCMCA member health plans we work with allow their PBM vendor (CVS/Caremark) to collect participants’ phone numbers. This way, CVS/Caremark can reach them directly when necessary and share information on why adherence is important.

Working together, we want to help your participants make educated decisions and take control of their health.

Wayne Salverda is a senior clinical advisor at National CooperativeRx.

Watch our webinar on promoting adherence in the workplace at nationalcooperativerx.com/calendar/webinars. ■

FEDERAL “CADILLAC” TAX MAY SPUR

GROWTH OF COALITION *Charles Dunnagan, Esq.*

In 2018, the IRS will levy a tax on ‘excessive’ health benefits. For health plans, such as those represented in the Coalition, health insurance contributions made on behalf of an employee that exceed



certain dollar thresholds will be taxed at a whopping 40%. If the combined employer and employee contributions exceed the limit, the 40% tax is imposed on the excess. It's being called the Cadillac tax.

There are a couple of reasons for the Cadillac tax. First, the government wants the money. Because employer contributions for employee health coverage are not counted as income to the employee, they are not subject to income tax. Plus, employers can deduct that expense from their taxes. The deduction for employer-sponsored health coverage is the largest single tax deduction in the US economy, about \$250 billion annually. The IRS wants to limit this deduction.

Second, regulators want to lower the cost of health insurance. Instead of imposing price controls on health care providers, they have decided to limit the ability of health plans to absorb price increases. Will this approach work? We don't know.

But one take away is pretty obvious: The future of health care will include top-down financial pressure from the federal government. Starting in 2018, there will be defined limits to future increases. That means that, starting now, health plans must find ways to economize.

WHAT DOES THIS MEAN FOR THE HCCMCA?

I believe this financial pressure on health care plans will spur the growth of HCCMCA's membership. More members means more bargaining power with health care providers. More bargaining power will produce more and better discounts and attention to quality outcomes. Better discounts and improved performance will spur still more membership growth. We could be entering a new cycle of expansion.

But behind every silver lining, there's a dark cloud. Regulators haven't yet paid much attention to organizations like HCCMCA. If we become as successful as I think we might, that will probably change. The political forces that don't want real competition in the health care field will work against us. We should prepare for that. But for now, let's make the most of this growth opportunity.

Charles Dunnagan is the HCCMCA's general counsel and a member of the law firm Jermain, Dunnagan & Owens, PC. ■

CALENDAR



HCCMCA QUARTERLY MEMBERSHIP MEETINGS

2015 dates will be set at the November board meeting. Check the [HCCMCA website](http://www.hccmca.org) for more information. ■

ALASKA HEALTH COMMISSION

December 9, 2014, Anchorage ■

NATIONAL COOPERATIVERX AND HCCMCA ANNUAL MEETING

March 24 & 25, 2015

Hotel Captain Cook
Anchorage, Alaska ■

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~ Charles Dunnagan
Jermain, Dunnagan &
Owens, PC

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READ ABOUT

AETNA'S PPO EXPANSION PLANS AND
SUCCESSIONS IN ALASKA AND THE
PACIFIC NORTHWEST ON PG. 1.

Since 1994, the Health Care Cost Management Corporation of Alaska, Inc. (HCCMCA) has been helping member health plans control health care costs by negotiating better pricing on health benefits and services than these same plans could achieve on their own. Current member health plans include 24 headquartered in Alaska and 16 headquartered in the Pacific Northwest.

COALITION HEALTH CENTER NEWS!

The Coalition Health Center (CHC) opened in November, 2013, as a convenient and cost-effective alternative to doctor office and emergency room visits. HCCMCA continues to develop opportunities for growth and success of this great program.

- Member health plans continue to join the Coalition Health Center to offer their participants a great option for basic primary and preventive care and chronic condition management. In October the Center welcomed Alaska Teamster-Employer Welfare Trust and Alaska Electrical Health & Welfare Fund. Alaska HERE Health & Welfare Trust is joining 1/1/15.
- HCCMCA is covering the copays for all visits through the end of 2015, offering participants free visits at the Center to encourage them to try it out.

- The \$135 per-visit cost of care, guaranteed by HCCMCA, will continue. This is well below the local average of \$150 to \$300 for primary care visits.

ARRAY OF SERVICES DELIVERED WITH A PERSONAL TOUCH

Participants can be seen at the CHC for the following:

- Sore throats, earaches and headaches
- Coughs and sinus infections
- Care for strains, sprains, pains and minor injuries
- Rashes and allergies
- Physicals for adults and school/sports physicals for kids
- Labs performed on site
- FREE generic prescriptions dispensed on site
- Wart removal

- Acute urinary infections
- Well-woman and well-man exams
- Flu shots
- Screening, treatment and management of cholesterol, hypertension, and diabetes
- Wellness programs
- And more!

Health plans that sign up for the CHC will receive help marketing the Center to members, including:

- Informative email messages about specific health topics to distribute to members
- Material about the Center to include in new hire orientations
- Articles to include in member newsletters
- Magnets with CHC info to hand out to members

For more information about how your health plan would benefit from the Coalition Health Center, go to the [program page on hccmca.org](http://hccmca.org) or visit the Center's website at coalitionhealthcenter.com. ■