

HCCMCA

HEALTH CARE COST MANAGEMENT

C O R P O R A T I O N

Keeping Health Care Affordable For Workers And Their Families

HCCMCA: EMPOWERING BETTER HEALTH CARE SINCE 1994

The HCCMCA was born in 1994, the same year as Justin Bieber. And, just like the pop idol's career, the Coalition is thriving.

HCCMCA's participating member plans now cover over 70,000 lives in Alaska and more than 50,000 outside Alaska. The plans range in size from 100 to more than 8,000 employees, and include a variety of plan types, including Taft-Hartley Trust funds, government employee health plans, public sector employee health trusts and single employer plans.

"We formed the Coalition because there is strength in numbers," said Fred Brown, HCCMCA's executive director. "By joining together, our member health plans gain the power to negotiate better coverage and better prices from service providers. They can pass these lower health care costs—as much as \$1,200 per employee per year—on to their own plan participants."

The savings don't come at the cost of quality. HCCMCA works with reputable service providers, such as National Cooperative Rx (pharmacy benefits management), Alere (disease management), EPIC (hearing) and VSP (vision). Member plans also have access to preferred provider networks (see story, p. 2) and annual health fairs.

A Value-Driven Mission

Our mission is to ensure that workers and their families have access to health care benefits and services that deliver value and quality. We do this by serving

the needs of our member plans and their plan participants and by providing information to help individuals make better health care decisions.



More broadly, HCCMCA is a statewide and regional voice, speaking out on behalf of our members on health care issues. And in everything we do, we adhere to the highest principles of ethics, integrity and equity.

A Member-Driven Philosophy

The Coalition is run by and for its member health plans. Two representatives of each member plan sit on the HCCMCA Board of Directors, which meets quarterly to review current programs and consider future offerings.

HCCMCA also serves as a forum where members can share information about the programs they use and learn about the best practices employed by other organizations.

For more information about HCCMCA and how to join, please visit www.hccmca.org.

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Contact HCCMCA at:
(907) 474-4226 or
(888) 474-4226 (toll-free)
information@hccmca.org

PPOS DELIVER SERVICE AND SAVINGS



ASEA/AFSCME Local 52 Health Benefits Trust saved \$115 million over 6 years by members using PPO services.

The early 1980s saw the development of the first preferred provider organizations. By 1988, more people were enrolled in PPOs than in health maintenance organizations. In 2006, PPO enrollment topped 108 million and the number continues to climb. That makes sense when you consider the cost benefits, quality standards and services that PPOs deliver.

The Coalition has negotiated PPO agreements with several outstanding health care providers, giving HCCMCA's member health plans access to high quality medical care at discounted pricing, as well as extensive and convenient provider networks and negotiated contracts.

The savings can be significant. For the 2010 plan year (7/1/10 to 6/30/11), one Coalition member health plan, the ASEA/AFSCME Local 52 Health Benefits Trust, saved \$18 million when members used Alaska Regional Hospital and more than \$9 million through the Beech Street PPO.

"One of the best things to come out of our relationship with HCCMCA has been their association with Beech Street. It has done a tremendous job in keeping our costs down through negotiations with doctors, hospitals, labs and others."

**Pat Giles,
UNITE HERE
Local 878**

Quality Providers in PPO Networks

- Alaska Regional Hospital in Anchorage recently was rated "high performing" for neuroradiology, neurosurgery and orthopedics by *U.S. News & World Report*, which also gave it high marks for patient safety.
- Mat-Su Regional Medical Center in Palmer received higher than national average patient

satisfaction scores in a recent *U.S. News & World Report* survey; 71% of patients would "definitely" recommend the hospital to friends and family.

Both hospitals are accredited by the Joint Commission, a national non-profit organization that accredits and certifies more than 19,000 health care organizations and programs in the U.S.

- Beech Street is one of the largest PPO networks in the nation. It provides negotiated discounts for your plan participants whether they are at home, out of town on vacation or on a business trip.

Quality services and cost savings are equally important when it comes to physical therapy, often a critical part of recovery from injury and illness. HCCMCA has PPO agreements with three physical therapy practices in Anchorage:

- Chugach Physical Therapy
- Alaska Hand Rehabilitation
- Ascension Physical Therapy

For more information about HCCMCA's PPO program, go to <http://hccmca.org/hccmca-programs/ppo.html>.



Trey Bland was raised in a union household.

He followed his father, a refrigeration mechanic, into the trade. Today he is the operations manager at Apollo Mechanical Contractors in Kennewick, Washington. He also is a trustee of UA Local 598 Plumbing and Pipefitting Industry Health & Welfare Trust. In addition, Bland sits on HCCMCA's executive board.

The UA 598 Health & Welfare Trust joined HCCMCA in 2009 because, as Bland tells it, "with 763 eligible employees and retirees and about 1,150 eligible dependents, our voice just wasn't loud enough to be heard by insurers and services providers. Being part of the 120,000 people under the HCCMCA umbrella gives us a much louder voice."

When Bland started considering HCCMCA membership, the pharmacy benefit management program (PBM) was all it took to get his attention. "A consultant compared what we were offering to the National CooperativeRx program and National CooperativeRx just wiped our coverage out," he said. Bland built a case for adopting the National CooperativeRx PBM and this year, it became the first HCCMCA program the UA 598 Health & Welfare Trust signed on for. Now, Bland has his sights on the VSP vision and EPIC hearing care programs.

He also is looking forward to the first HCCMCA health fair in the Tri-Cities area, scheduled for 2012. The Tri-Cities (Kennewick, Pasco and Richland) is the state's fourth largest metropolitan area. He expects the health fair to attract a lot of attention and deliver much-needed services.

PIPEFITTERS FIND POWER IN NUMBERS WITH HCCMCA



"it's all about getting people's attention. As a Coalition member you can get better programs, lower costs and better response when you have a complaint. There really is power in numbers."

**Trey Bland,
Operations Manager and
Trustee of UA Local 598
Plumbing and Pipefitting
Industry Health &
Welfare Trust**

When he talks with prospective HCCMCA members Bland tells them "it's all about getting people's attention. As a Coalition member you can get better programs, lower costs and better response when you have a complaint. There really is power in numbers."

Planned Growth Suits the Coalition

Bland is impressed with HCCMCA's growth outside of Alaska. "After all," he said, "they had a good thing going; they didn't have to open up membership here in the lower 48. But I'm thankful that they did. Without the Coalition's support and negotiating power, we would be struggling with increased costs and limited benefits. The Coalition is taking the time to manage its growth, to do it right. It's a very strategic approach. I admire that."

CALENDAR

December 9
Alaska Health Care Commission Meeting

December 12
HCCMCA Membership Meeting

January 9, 2012
Washington Legislative Session starts

January 17, 2012
Alaska Legislative Session starts

WORKERS' COMP REFORM DISCUSSED



A panel discussion at the 2011 Alaska State Chamber Conference considered whether there is a case for workers' compensation reform in Alaska. The universal conclusion seemed to be "yes."

The panelists included insurance firm representatives and Alaska Insurance Division Director Linda Hall, who identified medical costs as the primary driver of rising workers' comp costs and the need for reform.

HCCMCA Executive Director Fred Brown spoke with Hall about SB 116, which would allow collective bargaining agreements to include provisions for alternative dispute

A similar law passed in Minnesota, reduced medical costs for participants using the ADR process by 37%

resolution (ADR) of workers' comp claims, as well as negotiations for reductions in associated medical costs. "Director Hall prefers to see reform that is available to all parties, not just those that use the collective bargaining process," Brown said. "The Coalition agrees that broader-based reform is a fine goal. Therefore, we are open to supporting additional steps that can be added to SB 116, provided they do not delay

passage during the 2012 legislative session." Further reforms can be studied and addressed in future legislative sessions.

Between now and the January 17, 2012 start of the legislative session, SB 116 supporters will continue to educate and build support for the bill. Cost savings will be a particularly persuasive argument. Currently, 75% of Alaska's workers' comp costs are associated with medical evaluations and treatments. When a similar law passed in Minnesota, medical costs for participants using the ADR process fell 37%.

Contact HCCMCA for additional information and to learn how you can help pass SB 116. ■



1469 Holy Cross Drive
Fairbanks, AK 99709

ASEA/AFSCME LOCAL 52 HEALTH BENEFITS TRUST SAVED \$115 MILLION OVER 6 YEARS.

LOOK INSIDE TO LEARN MORE ABOUT
THIS VALUABLE PROGRAM.

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 20 headquartered in Alaska and 11 headquartered in the Pacific Northwest.