

**PHARMACY BENEFITS MANAGEMENT
 DELIVERS SAVINGS AND VALUE**

Prescription drug costs are one of the fastest growing components of health care spending. But that's just one of the reasons HCCMCA offers member plans a Pharmacy Benefits Management (PBM) program through National CooperativeRx.

Serving as an innovative and trusted solution for public and private employers and coalitions looking to increase the value of their pharmacy benefits, National CooperativeRx is a not-for-profit cooperative. Owned by plan sponsors, it helps control costs through volume purchasing, expert negotiations, better data and best-in-class clinical programs.

National CooperativeRx's collaboration with HCCMCA began in January 2007. Since then, the two organizations have built a strong partnership based on a mutual mission to improve value for members. National CooperativeRx gives HCCMCA member plans access to large group discounts negotiated on behalf of their 240,000 members through CVS Caremark, an industry leader chosen through competitive bid.

Negotiating power helps National CooperativeRx deliver deep discounts and a unique rebate arrangement for HCCMCA member plans. In addition, all National CooperativeRx members receive a dividend when the cooperative's income exceeds expenses. This dividend has been paid each of the past four years.

Because of its consistent growth,



National CooperativeRx's contract renegotiations have resulted in dramatic pricing improvements. The latest renegotiation is expected to net a 12% average price reduction for HCCMCA member plans in 2011. In fact, they have achieved a negative trend over the past five years.

Besides ensuring that financial terms negotiated for members are met, they also independently audit 100% of claims for pricing guarantees, rebate and financial accuracy and claims adjudication

"Customer service is a cornerstone of our value proposition," said Greg Horstman, Executive Director and CEO of National CooperativeRx. "We are proud to offer the price benefits of working with one of the nation's largest PBMs and pleased to provide the attention to service that our member-owners and their enrollees deserve."

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DON'T GET LOST IN THE WEEDS WITH HEALTH CARE REFORM

It's hard to get through the day without hearing about health care reform. But while the media is filled with information, the obvious question remains.

What Does Health Care Reform mean to HCCMCA Member Plans?

"Health care reform will mean different things to different entities," said Pat Nault, Trustee for the ASEA/AFSCME Local 52 Health Benefits Trust, an HCCMCA member plan. "There are a number of broad mandates with similar impacts for all of us. Other changes will be more easily achieved for some than others. Most of us are still sorting it out."

HCCMCA-Sponsored Seminar Provides Perspective

To help her sort things out for the ASEA Health Benefits Trust, Nault attended a seminar, *Health Care Reform: What Plans Need to Do Now*, which was co-sponsored by HCCMCA and the International Foundation of Employee Benefit Plans (IFEBCP). The meeting, held August 30 in Seattle, was attended by more than 80 people.

Presenters covered key issues of the Patient Protection and Affordable Care Act (PPACA), including mandates and options for grandfathering, eliminating lifetime and annual limits, child coverage to age 26, preventive care coverage and others.

Positive Changes... But at What Cost?

While Nault says she can't speak for every Coalition member, she thinks there are positive changes in Health Care Reform. But she is quick to point out that these changes come with a cost. "One challenge comes from the fact that we don't know what that additional cost will be. For example, ASEA doesn't know how many dependents will be added because of the change to age 26.

"Another concern is how we can make decisions that balance what we want to do and need to do with what we're required to do," Nault said. "We need to do that without creating a cost burden for our members."

A Moving Target

Nault is quick to add that legislation will likely continue to change. "ASEA has an advantage because our plan year runs July 1 through June 30, so we don't have to implement any of

these changes now. As things roll out and as people gain understanding of the impacts, we expect to see some fine tuning."

She emphasizes the importance of communications during this period. "We think it's so important to let our members know what to expect. HCCMCA's seminar was helpful to us in that regard also."

Personal Perspective

During her time as trustee for ASEA, Nault says she's learned that people view their health coverage from a very personal perspective. "These changes will impact everyone in different ways. Our goal as trustees is to try to make decisions that do not disadvantage anyone, to keep a balanced benefit plan for the diverse group of people we cover. It's not easy to do."

She added that it would be easy to get lost in the weeds on this, though. "Every plan has to pick their own weeds, but you need to understand which are yours," said Nault. "If HCCMCA member plans get to the point where they can sort out what's important to them, they will be ahead. As one topic, Health Care Reform is enormous and overwhelming. It is the biggest change our Trust has ever had to accommodate." ■

"Health care reform will mean different things to different entities"

HEALTH CARE REFORM



Joining HCCMCA was a ‘No Brainer’

GETTING TO KNOW THE PUGET SOUND ELECTRICAL WORKERS



When Virgil Hamilton became business manager for IBEW Local 46 and trustee for the Puget Sound Electrical Workers (PSEW) Health & Welfare Trust Fund two years ago, he had never heard of a coalition. “I came from completely out of that world,” he admits. “But I learned fast, particularly because it all made perfect sense. For us, joining HCCMCA was a no brainer.”

It all came down to one thing. “We can do things a whole lot better as a big group,” said Hamilton. “Our initial reason for joining the Coalition early this year was because we were looking to gain bargaining strength in our PPO network. But now, we can see endless possibilities for savings. Since we joined, I’ve been trying to get other labor organizations to jump on this bandwagon.”

Bigger Bargaining Strength

PSEW has about 4,100 active members in the Puget Sound area, with more than 10,000 covered lives.

They had a PPO, but knew they could do better with bigger purchasing strength.

“Our possibilities are almost endless in terms of health care savings,” said Hamilton. “HCCMCA offers many attractive programs, but with the tough construction economy, we’re focusing on the basics. So for now, we pay the one-time fee per member, knowing we can pay additional fees when we move to take advantage of the other services offered.”

Simple Message = Big Benefits

Hamilton says that when people first started explaining the purpose of the Coalition to him, it “took awhile to get my brain wrapped around it. Now, when I explain it to people, I focus on getting the simple message out without getting lost in complicated details. And the simple message is this – when we stand together, we get bargaining strength with vendors.”

Hamilton admits that it’s become very apparent that he was not alone in being unaware of the fact that HCCMCA provides so many savings possibilities.

“I would venture to say that every Health Care Trustee needs to investigate this fully,” he added. “When they do, they’ll see we’re just a bunch of people in the same boat, rowing in the same direction for mutual strength.” ■

HCCMCA continues to expand, and is pleased to welcome a number of new members. Meet one of these new member trusts in our next issue.

Calendar



- HCCMCA’s Fred Brown will be a workshop panel member at the 56th U.S. Annual Employee Benefits Conference, sponsored by IFEBP. The conference will be held **November 14 – 17** at the Hawaii Convention Center in Honolulu. Fred will present an update on Coalitions, addressing issues such as emerging strategies, the role of the coalition in auditing claims and cost sharing and other relevant topics. (www.ifebp.org/Education/UsAnnual/default3.htm)
- Washington HCCMCA Health Fair: **December 11** in Seattle at the Aerospace Machinists 751 Union Hall
9125 15th Place South
Seattle, Washington
- Washington Legislative session: scheduled to begin **January 10, 2011**
(www.leg.wa.gov/pages)
- Alaska Legislative session: scheduled to begin **January 18, 2011**
(<http://w3.legis.state.ak.us>)
- Alaska AFL-CIO Legislative Conference: **January 25 – 26, 2011**
(<http://akafclcio.org/>)

Do you have an upcoming event that you want people to know about? Send the details to information@hccmca.org. ■

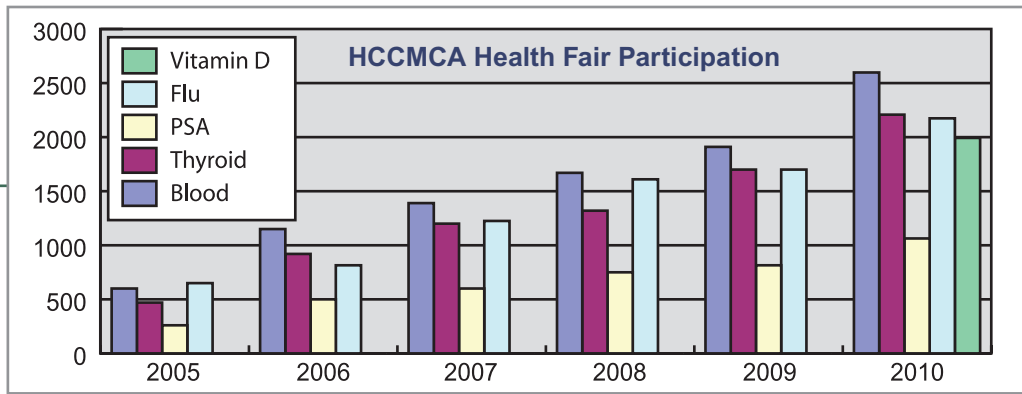
Health Fairs Bring High Value

Healthy employees result in healthy organizations. Unfortunately, many people assume they're healthier than they really are, which is why it is so important to help them discover how they actually measure up.

Every year, HCCMCA sponsors Health Fairs to give plan participants easy, cost-effective access to preventive care services and low-cost health screening tests, including blood screening, prostate-specific antigen testing (PSA), thyroid testing and flu shots. This year we added vitamin D testing. Each year, more people take advantage of this HCCMCA benefit.

Positive Payback

Successful health fairs lead to reduced medical costs, reduced absenteeism, increased productivity and lower disability expense. In fact, the Partnership for Prevention



recently studied worksite health promotion programs and found an average of:

- \$5.93 to \$1.00 savings-to-cost ratio
- 28% reduction in sick leave absenteeism
- 26% reduction in health costs
- 30% reduction in workers' compensation and disability management claims costs

Giving Health Care a Shot in the Arm

If last year's flu season taught us anything, it was the importance of getting a flu shot. According to

the Centers for Disease Control, it is likely that H1N1 will continue to spread along with seasonal viruses this flu season. The CDC recommends that people get a flu vaccine each year.

In an article from *Smart Business*, insurance agent Sandra Corcia said, "Offering workplace health fairs generates goodwill, improves morale and gives employees a sense of well-being, knowing that their employer cares about them and their families."



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JOINING HCCMCA WAS A 'NO BRAINER!'

Look inside to find out why the Puget Sound Electrical Workers (PSEW) Health & Welfare Trust fund joined HCCMCA.

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 17 headquartered in Alaska and 10 headquartered in Washington State.