



**ANNUAL MEETING EXAMINES  
 DRUG BENEFITS**

Pharmacy benefits based on strategy and value framed the discussions at the 4th Annual National CooperativeRx meeting held in Anchorage in March. National CooperativeRx CEO Greg Horstman and HCCMCA Executive Director Fred Brown welcomed the 75 participants to the two-day event, which culminated with the 2012 HCCMCA Annual Meeting. The theme was “Strategic Design for Your Drug Benefit Plan.”

Kim D. Slocum, president, KDS Consulting, led off with a sobering look at U.S. health care spending. Despite using fewer health care services, Americans spend, on average, 84.5% more than residents of other developed countries. Along with tighter integration of pharmacy and medical benefits, he cited value-based insurance design as one promising solution.

Value-based insurance design reduces co-pays to encourage the use of health care services that deliver high clinical value. An example would be eliminating co-pays for statin medications to treat high cholesterol.

**Coalition Saves with Generic Statins**

Wayne Salverda, National CooperativeRx, delved into the results of the Coalition’s initiative to encourage health plan participants to switch to generic statins. As a result of messages sent to 3,601 plan participants and 1,816 physicians, the generic dispensing rate increased an estimated 1%. Given that generics



cost \$3.57 less than name-brand statins, this could result in savings of up to \$115,000 annually for these member health plans and their employees.

**Why Pharmaceutical Patents Matter**

Bill Oemichen, CEO, Cooperative Network, addressed the impact federal patent law has on the development and cost of medications. In general, patents effectively keep medication prices high until the patent expires and the drug can be produced generically.

Patent reform in 1984 aimed to balance the need to incent pharmaceutical research and development (R&D), make medicines affordable and promote generic drug development. By 2005:

- Generic prescriptions totaled 60%, up from 18% in 1984
- Drug companies invested \$2.57 billion in R&D, up from \$1.8 billion in 1980

While more reform has happened, Oemichen expects price pressure and new technologies to keep patents at the top of the pharmaceutical agenda.

**Save the date!** The next Annual National CooperativeRx Member Reception and Meeting will be held on March 19 and 20, 2013.

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## AN ALLIANCE OF COALITIONS PROVIDES EVEN MORE STRENGTH IN NUMBERS

If the HCCMCA is a coalition of its members' health plans, what do you call an association of similar coalitions? The National Labor Alliance of Health Care Coalitions, or NLA.

Representing 23 member coalitions in the U.S. and Canada, and more than 10 million covered lives, the NLA was formed in 1994 to advance the health care coalition concept. HCCMCA has been an NLA member since 1996, and Executive Director Fred Brown sits on its Board of Directors.

"Like our Coalition, the NLA is committed to ensuring that workers and their families have access to value and quality-based benefits and services," said Brown. "Committed to labor-management cooperation, it encourages organizations to work together to maximize opportunities."

### HCCMCA Gains National Visibility

The NLA employs the same "strength in numbers" approach as HCCMCA, using its extensive buying power to negotiate better rates from service providers. In addition, the NLA helps drive national health care policy.

The Coalition takes advantage of both. For example, HCCMCA selected EPIC Hearing Healthcare for services through the NLA in order to take advantage of lower fees and deeper discounts by being part of a larger group.

NLA membership also raises HCCMCA's profile on the regional and national scenes. Thanks to the NLA, Brown will be working at NLA's booth at the 58th U.S. Annual Employee Benefits Conference

### June NLA Meeting Open to HCCMCA Members

HCCMCA member plans can benefit from NLA participation at events like its June 20 meeting in Tukwila, Wash. The "Power of Collective Purchasing and Collaboration," is co-hosted by HCCMCA and National CooperativeRx.

Brown will be joined by speakers from the Labor/Management Health Care Coalition of the Upper Midwest, the Connecticut Coalition

of Taft-Hartley Funds and the Midwest Employee Benefit Funds Coalition, all of whom serve on the NLA Board. They will provide a view of health care purchasing coalitions from 10,000 feet. Other presentations will look at the same topic from ground level, providing real-life examples of collective purchasing power. Discussions of stop-loss insurance and how to negotiate with vendors to stage robust health fairs for members round out the agenda.

To learn more about the NLA, go to [www.nlahcc.org](http://www.nlahcc.org). For more information or to attend the June 20 meeting, call Fred Brown (907) 474-4226 or Randy Scott (253) 474-7462 before June 8. The meeting will be at the Teamster Union Building, 14675 Interurban Ave., Tukwila, Wash., 98168. ■

in San Diego, sponsored by the International Foundation of Employee Benefit Plans. Opportunities like this raise the Coalition's visibility to prospective members.



## LEGISLATURE DOES NOT ADDRESS ALASKA WORKERS' COMP REFORM



### Other Legislative Action

*Washington State is one of 10 states to create a Health Insurance Exchange*

The HCCMCA and other backers of SB 116, which died in the Senate Labor and Commerce Committee, vow to fight on for reform. "Alaska has the nation's highest workers' comp costs. Seventy-six percent of these costs are associated with medical treatment. We need to make sure both employee and employer groups stand together against the medical lobby," said Fred Brown, HCCMCA executive director. Among other features, the bill would have allowed employee and employer groups to jointly negotiate rates with preferred provider organizations.

### In other legislative action

- In Alaska, attempts (HB 259 and SB 217) to change how pharmacy benefit management (PBM) firms audit prescription writing, failed.

HCCMCA expressed concerns about both bills and agrees with the House Labor and Commerce Committee that more study is needed on the potential impact on health benefit plans. Both bills would have limited the ability to

audit how prescriptions are dispensed and paid for, to catch inappropriate or fraudulent prescriptions and to enforce PBM contracts.

- Washington State is one of 10 states to create a Health Insurance Exchange, an integral part of federal health care reform legislation. The state's Health Care Authority is leading efforts to build the exchange, which is governed by a nine-member Exchange Board. For more information, go to <http://www.hca.wa.gov/hcr/exchange>. ■

## CALENDAR

### 2012 HEALTH FAIRS

If your member health plan would like to participate, please call Lauren Pace at Parker, Smith & Feek, 907-865-6812, no later than July 20.

Sept. 22 Juneau  
Centennial Hall, 101 Egan Dr.

Sept. 29 & 30 Fairbanks  
Carlson Center,  
2010 Second Ave.

Sept. 29 Tri-Cities  
Local 598 Hall, 1328 Rd. 28, Pasco

Oct. 6 Soldotna  
Central Peninsula Hospital,  
250 Hospital Place

Oct. 6 Anchorage  
Alaska Regional Hospital,  
2801 DeBarr Road

Oct. 6 Spokane  
Red Lion, W. 303 North River Dr.

Oct. 10 & 13 Mat-Su  
Mat-Su Regional Medical Center,  
2500 S. Woodworth Loop, Palmer

Oct. 20 & 21 Anchorage  
Alaska Regional Hospital,  
2801 DeBarr Rd.

Oct. 27 Seattle  
IBEW Local 46,  
19802 62nd Ave S., Kent ■

### NATIONAL LABOR ALLIANCE OF HEALTH CARE COALITIONS MEETING

June 20, Tukwila WA ■

### HCCMCA BOARD MEETINGS

May 24, Aug. 16, Nov. 27 ■

# NEW HCCMCA BOARD LEADERSHIP

Ron McPheters took over as president of HCCMCA's Board of Directors after former president Larry Bell stepped down from the board. Steve Litton, moved into the vice president role at the March 2012 meeting.

McPheters is a trustee with the Alaska Laborers-Construction Industry Health & Security Trust Fund and serves as president of Laborers Local 341 in Anchorage. Litton works for the Anchorage School District and is a Trustee of the Public Employees Local 71 Trust Fund.

Noting that he wants to focus on expanding HCCMCA's membership,



McPheters said, "I believe the greatest advantage HCCMCA offers its members is the discounts we have negotiated through our preferred providers, using the sheer number of participants in the coalition. There is solidarity in knowing that we can achieve so much more when we work together.

"The most important thing the HCCMCA can experience during my tenure is growth. That will help ensure future discounts for members and their families.

"You need a strong sense of teamwork to achieve your objective. It doesn't matter if you're a construction laborer working toward completing a concrete pour, or serving on a board working to expand our collective benefits, working together as a team leads to success." ■



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**COMING SOON!**  
WWW.HCCMCA.ORG WILL HAVE A NEW LOOK, DESIGNED TO BETTER DELIVER THE INFORMATION YOU NEED AND VALUE MOST. STAY TUNED.

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 21 headquartered in Alaska and 13 headquartered in the Pacific Northwest.