

Keeping Health Care Affordable For Workers And Their Families

ATTENDANCE AND APPRECIATION UP AT HEALTH FAIRS

In baseball terms, the 2011 HCCMCA Health Fairs were a grand slam: more people attended and participation in all of the services offered—blood, thyroid, prostate and vitamin D testing, and flu shots—increased. Some of the biggest increases happened in Kenai-Soldotna, where overall participation more than doubled over 2010.

Thyroid testing logged the biggest usage increase, up 40%. That was followed by a 38% increase in the number of vitamin D tests performed. This comment on one participant's feedback form offered an explanation for that increase: "Because of the lack of sunshine in the Northwest, I've known vitamin D could be an issue. I asked my doctor about this test before, but because of the cost, I hadn't done it."

Nearly 1,400 men got prostate-specific antigen tests. And, despite a slow start to the flu season, Health Fair participants took advantage of the opportunity to get flu shots; 2,672 of them bared their arms.

In response to feedback from attendees, the pre-registration process was improved for 2011 and the number of people taking advantage of that convenience increased significantly to a record 65%.

Health Fairs Reduce Costs

Participating member health plans can measure the benefits delivered by the annual Health Fairs in several ways, according to HCCMCA Board Member Randy Scott, labor trustee, Seattle Area

Plumbers and Pipefitters Health and Welfare Trust. "Most immediately, the individual participants covered by each member health plan save the cost of getting these services in their doctors' offices, which reduces the amount the health plans have to pay out in claims costs.



"Taking a longer view, this kind of preventive care saves even more in downstream medical costs. After all, a free or low-cost lab test that tells you that you have high cholesterol is a lot more cost-effective than emergency room treatment for a heart attack. And, most important of all," he continued, "is being able to avoid the worry and pain of a serious or chronic illness."

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REPORT FINDS HIGH WORKERS' COMP COSTS IN ALASKA

Alaska's physicians are reimbursed at a rate approximately 59% higher than the average in nearby states, with the biggest discrepancy found in the rate of reimbursement for workers' compensation claims. In that category, Alaska physicians are reimbursed at a rate 190% higher than their colleagues elsewhere.

These are some of the results revealed in three reports prepared for the Alaska Health Care Commission by Milliman, Inc., examining health care payment rates and cost drivers, using data from Washington, Oregon, Idaho, Wyoming and North Dakota for comparison purposes.

"These findings highlight the need for workers' comp reform in Alaska," said HCCMCA Executive Director Fred Brown. "Our high costs are due, in part, to the fact that current Alaska workers' comp laws prohibit enforcement of any medical discount pricing arrangements."

Costs a Driver for SB 116

Reimbursement rates are not the only way Alaska outpaces other states in the workers' comp arena. The state also has the highest workers' comp premium rates in the U.S. Medical expenses now constitute more than 75% of Alaska's total overall workers' comp costs.

A bill that constitutes a pilot project to reform Alaska's workers' comp system, SB 116, includes a provision that would allow collective bargaining agreements to permit alternative

PHYSICIAN REIMBURSEMENT LEVELS BY STATE AND PAYER

Reimbursement Type	AK	ID	ND	OR*	WA*	WY
	Percent (%)					
Medicare*	127	96	98	100	105	101
Tricare*	182	97	97	101	104	101
VA	215	96	98	100	105	101
Medicaid	174	99	134	87	68	113
Workers' Comp	190	108	98	107	86	n/a
Commercial Allowed (mean)	123	119	113	127	123	119
Billed (mean)	142	90	96	113	107	95
All payers**	160	97	105	102	91	103

* Summary uses Portland, OR and Seattle, WA Medicare and Tricare fee schedules.
** All Payers values are weighted by payer, using national health expenditure data.

dispute resolution of workers' comp claims. In hearings and lobbying efforts, that provision is proving controversial among groups that do not use the collective bargaining process.

Nevertheless, nearly all employer groups approve of the feature that would allow provider organizations to institute preferred provider pricing for workers' comp medical services. "Although some doubt this would drive cost reductions in Alaska's workers' comp cases, we have already proven this could be

accomplished in other areas of health care," Brown said.

Other Reports Analyze Facility Costs and Drivers

The report on facility payment rates in Alaska found, among other things, that Alaska's metropolitan hospitals enjoy profit margins averaging four times the regional average.

The third report, on underlying drivers of health care costs, concluded that, while some of the higher reimbursement is the result of higher costs to deliver care, some component of the higher reimbursements does result in higher profit for private sector facilities.

The complete set of reports can be seen at <http://www.hss.state.ak.us/healthcommission/2011commissionreport.htm>.

ATTENDANCE AND APPRECIATION UP AT HEALTH FAIRS

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Health Fairs Lead to Healthy Habits

Jeffery Owen, business manager for Local 32, Seattle Area Plumbers and Pipefitters and a trustee of its Health and Welfare Trust, attended to show his support for the fairs and to get his blood tested. He was "pleasantly surprised" by the results and even more impressed with the "extremely detailed report" he received. "It not only gives you your numbers, it tells you the kind of changes—what to eat more or less of, how much exercise you need—to get in better shape."

Another member of Local 32 and his spouse are taking the advice they received to heart. "Since receiving the results of our blood work and the comprehensive feedback it provided, my husband and I have made some lifestyle adjustments," said Jacquie Mahoney, wife of member Jerry Mahoney. "We have increased our exercise and

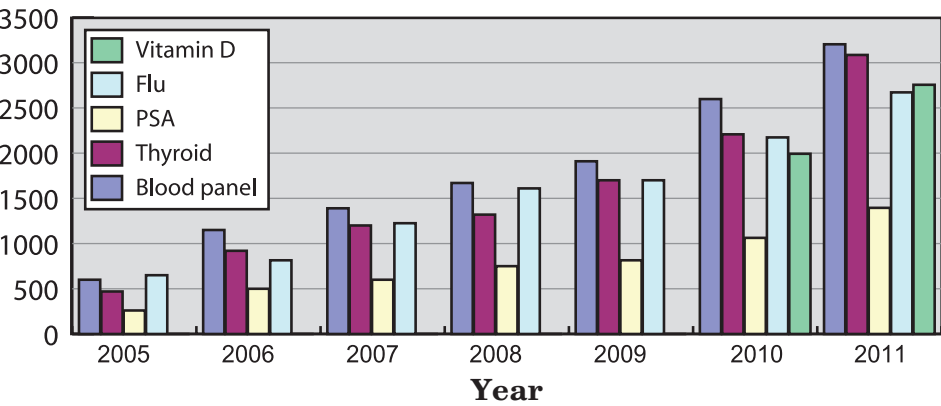


"...this kind of preventive care saves even more in downstream medical costs ..."

modified our diet and are taking an additional vitamin D3 supplement. We are confident that we will benefit from these changes over time by increased energy, well being and be at a reduced risk for certain health conditions in the future."

Seven fairs were held in five locations in September, October and November 2011. This year, a Health Fair is also planned for the Tri-Cities area (Kennewick, Pasco and Richland) in Washington state. Look for the dates of the 2012 Health Fairs on the Coalition's website, www.hccmca.org, this spring.

HCCMCA HEALTH FAIR ATTENDANCE



CALENDAR

National CooperativeRx, Strategic Planning for Your Drug Design and HCCMCA Annual Meeting

March 21 & 22
Hotel Captain Cook, Anchorage

Agenda:
March 21
6:00 - 8:00 PM > Reception in the Quarter Deck Room

March 22
8:00 - 8:30 AM > Registration/ Breakfast in the Mid Deck Room
8:30 - 8:50 AM > Welcome and Opening Remarks presented by Greg Horstman, CEO of National CooperativeRx and Fred Brown, Executive Director of HCCMCA

8:50 - 9:50 AM > Strategic Design for Your Drug Benefit Plan presented by Kim Slocum, President of KDS Consulting, LLC

9:50 - 10:10 AM > Break
10:10 - 11:00 AM > Preferred Specialty Drug Strategies presented by Wayne Salverda, R.Ph., National CooperativeRx and Sonia Gates, R.Ph., MBA, CVS Caremark

11:00 AM - Noon > Pharmaceutical Patents: Why They Matter presented by Bill Oemichen, CEO of Cooperative Network

Noon - 1:00 PM > Lunch
1:30 - 2:30 PM > Board Meeting in the Aft Deck Room for Board Members Only

3:00 - 5:00 PM > Vendor Presentations and Exhibits

National Labor Alliance of Health Care Coalitions (NLA)

June 20
Reception in Seattle

ADDED SAVINGS EARNED AT ALASKA REGIONAL HOSPITAL

HCCMCA participating member health plans in Alaska will now earn 3% more in savings when their participants receive services at Alaska Regional Hospital in Anchorage.

The lower cost is the result of more covered participants in Coalition member health plans using Alaska Regional Hospital. This moved HCCMCA into a higher discount rate category under our contract with the hospital. Our group contract extends our members' buying power across the entire Coalition membership.



"This is a perfect example of the advantage of group contracts," said HCCMCA Board Member Chris Gregg, trustee with the Employee Painters' Trust and business manager of the International Union of Painters and Allied Trades Local 1140. "All of the Coalition's participating member

health plans benefit from one another. When more of the people covered by my health plan go to Alaska Regional, they not only get lower rates for themselves, they help ensure lower rates for everyone else."



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PLEASE NOTE NEW HCCMCA MAILING ADDRESS!

3000 A STREET, SUITE 300
ANCHORAGE, AK 99503

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 13 headquartered in the Pacific Northwest.