

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

ANNUAL HEALTH FAIR DATES SET



It's time to get ready for the 2013 Health Fairs, sponsored by HCCMCA.

Once again, HCCMCA will cover the cost of flu shots at all Health Fair locations. Blood work, vitamin D and thyroid tests will be available, along with PSA tests for men. In addition, vendors and community partners will pitch in to deliver useful health education and advice on topics from tobacco cessation to vision screening. Pre-registration is not necessary in Alaska, but it does allow people to avoid waiting in line. Pre-registration will be required for all Washington Health Fairs this year.

Attendance at the Health Fairs has steadily increased since 2008, and survey results indicate high satisfaction levels. Don't miss out on the opportunity to offer this valuable benefit to members of your health plan.

To participate, you must contact Lauren Pace at Parker Smith & Feek no later than July 19:

lppace@psfinc.com, 800-457-0220 (toll-free) or 907-865-6812 (direct).

Sept. 14 & 15 **Fairbanks**
Carlson Center
2010 2nd Avenue

Sept. 21 **Mat-Su**
Mat-Su Regional Medical Center
2500 S. Woodward Loop

Sept. 28 **Soldotna**
Central Peninsula Hospital
250 Hospital Place

Sept. 28 **Anchorage**
Alaska Regional Hospital
2801 DeBarr Road

Sept. 28 **Tri-Cities**
UA Plumbers and Pipefitters
Local 598 Union Hall
1328 Road 28, Pasco

Oct. 5 **Spokane**
The Red Lion
303 West North River Drive

Oct. 5 **Juneau**
Centennial Hall
101 Egan Drive

Oct. 12 & 13 **Anchorage**
Alaska Regional Hospital
2801 DeBarr Road

Nov. 2 **Seattle**
IBEW Local 46 Electrician's Hall
19802 62nd Ave S, Kent ■

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

CONSUMER CHOICE AT THE HELM OF HEALTH CARE REFORM

Consumers and benefits providers have been heading into uncharted waters lately as health care reform advances under the federal Affordable Care Act (ACA). “Navigating Health Care Consumerism” was the theme of the 2013 meeting sponsored by HCCMCA and National CooperativeRx, with a focus on what reform means for health care consumers.

Wendy Lynch, PhD, addressed “Harnessing the Power of Consumer Choice.” Her big take-away message was that simple policy changes can have a much greater impact on health care costs than health improvement programs. To that point, she noted that 30% of health care services are unnecessary, and possibly harmful.

Lynch also put the cost of benefits into the context of total compensation, noting that the ratio of wages to benefits is now 2:1, with take-home pay (as a percentage of compensation) at its lowest level in history. Lynch is a consultant and co-director of the Center for Consumer Choice in Health Care at the Altarum Institute.

“The Mega-Trend of Consumer Choice” was Ronald Bachman’s topic. The “unstoppable” mega-trend of health care consumerism—putting economic power and decision-making in the hands of individuals—will require five generations of transformation before reaching an era of “personalized health and healthcare.” The moral imperative for

consumerism, he said, “is saving lives through better care and better health. The economic imperative is saving money through lower product prices and more jobs.” Bachman is CEO and president of Healthcare Visions, Inc.

Both speakers challenged the audience of 75 representatives of HCCMCA member health plans to think differently about health care. Their presentations earned ratings of “excellent-very good” on the event surveys.

National CooperativeRx 2012 Performance

Greg Horstman, CEO of National CooperativeRx shared highlights of the group’s 2012 performance:

- Members filled 2,284,984 prescriptions
- The cooperative spent \$800,000 educating members and physicians on topics such as the benefits of generic medications

Specific to HCCMCA, the cooperative:

- Distributed \$2,617,653 in rebates to HCCMCA member health plans

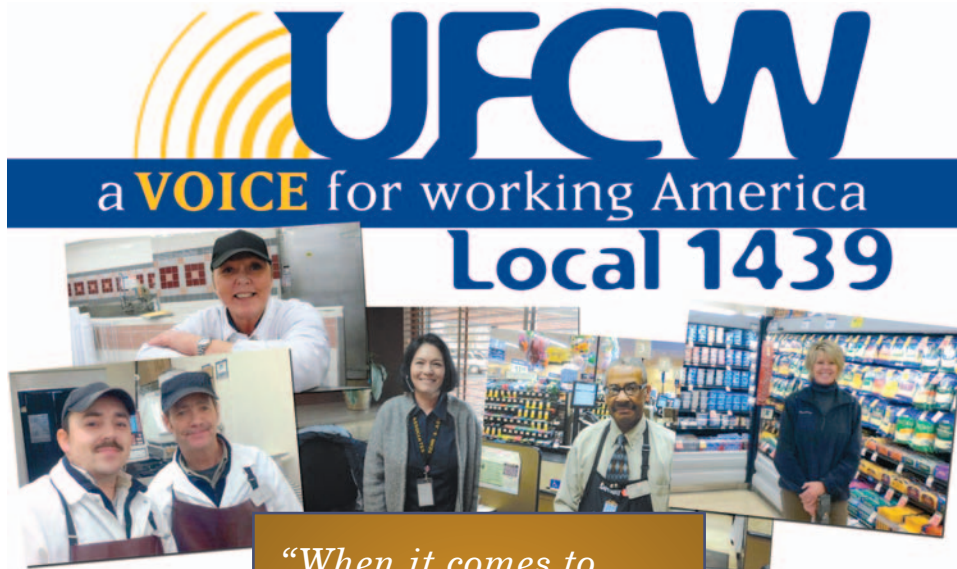


- Issued a 95% rebate true-up of \$398,871 (paid in 2013)
- Spent \$440,000 on clinical programs

Horstman’s participation in this meeting is one example of why National CooperativeRX is such a valuable partner for the Coalition. “Beyond the cost-savings, National CooperativeRx is helping us become better, more informed providers--and consumers--of health care services,” said Fred Brown, HCCMCA’s executive director. “It conducted our recent search for a new pharmacy benefit management provider (see story p. 4) and it makes many invaluable contributions to our annual Health Fairs (see p. 1). Working with National CooperativeRX is one excellent example of the success HCCMCA achieves through its careful selection of partners.” ■



UFCW LOCAL 1439 ADDS NEW TERRITORY TO HCCMCA'S RANKS



The 6,500 members of Local 1439 of the United Food and Commercial Workers International union stock grocery shelves, ring up

purchases at the local pharmacy and some of them even style hair. And now, all of them are part of the Health Care Cost Management Association (HCCMCA).

"When it comes to negotiating with employers, I like to say, 'the more members involved, the better the contract.' That is the thinking behind our decision to join the HCCMCA," said Local 1439 President Larry Hall. "The Coalition offers us the strength in numbers we would never be able to muster on our own."

Local 1439's territory covers Eastern Washington, Northern Idaho and Northeastern Oregon. Members work at large chain

"When it comes to negotiating with employers, I like to say, 'the more members involved, the better the contract.'"

stores such as Fred Meyer and Safeway, but also for smaller concerns, like Ray's Wholesale Meats in Yakima. Nationwide, the UFCW represents more than 1

million workers, making it one of the largest unions in the country.

Affordable, accessible health care is a primary concern for Local 1439 members. "We believe that joining HCCMCA will help us keep costs down without cutting benefits. Plus, our Union members will benefit greatly from HCCMCA sponsored Health Fairs," said Hall.

"We are very happy to extend our reach deeper into Eastern Washington and nearby communities," said HCCMCA's Executive Director Fred Brown. "Becoming a true regional player can only strengthen our ability to accomplish our goal of keeping health care affordable for workers and their families." ■

CALENDAR

HCCMCA 2013 QUARTERLY BOARD MEETINGS

May 14, 1:30 ADT, 2:30 PDT

August 15, 1:30 ADT, 2:30 PDT

November 19, 1:30 AST, 2:30 PST

SAVE THE DATE: NATIONAL COOPERATIVERX AND HCCMCA ANNUAL MEETING

March 25 & 26, 2014

Hotel Captain Cook,
Anchorage, Alaska



WORKERS' COMP REFORM UPDATE

"We are Number One!" is a claim we want Alaska to make on behalf of the state's business climate. Unfortunately, as long as the state can claim the nation's highest workers' compensation premium rates, businesses and organized labor will suffer. Rising medical costs are the main culprit behind the increases.

Alaska's premiums have been overwhelmed by medical costs. According to the Alaska Division of Workers' Compensation 2011 annual report, 62% of the state's workers' comp benefits are associated with medical treatment for injured workers. Moreover, Alaska's workers' comp medical costs far exceed the average costs

Health Care Commission, Alaska's workers' compensation physician reimbursement rate is 190% of the regional average.

Currently, the only existing substantive measure to control Alaska's rising workers' comp medical costs is the "usual, customary and reasonable (UCR) standard." Recently, the Alaska Workers' Compensation Medical Services Review Board recommended moving away from UCR-based fees. We also can learn from neighboring states that have implemented cost-saving measures such as medical fee schedules, preferred-provider organizations and treatment guidelines.

HCCMCA continues to work with legislators, employer groups, the Alaska State Chamber of Commerce

in other states. For example, according to a 2011 Milliman report prepared for the Alaska

and others to push Alaska out of the number-one-ranking and into a better position to attract business to the state. ■

CAREMARK REMAINS PBM PROVIDER

National CooperativeRX awarded a new contract for pharmacy benefits management services (PBM) to Caremark, the current vendor. The three-year contract was awarded after a thorough search, including written proposals, site visits and negotiations.

The new contract provides ongoing benefits for Coalition members, including:

- \$36 million in savings over three years, thanks to improved pricing
- Significant measures to ensure better service
- No exclusions or mandatory clinical programs
- Early pricing (October 1) for existing members ■



3000 A Street, Suite 300
Anchorage, AK 99503

CONSUMER CHOICE AT HELM OF HEALTH CARE REFORM

NAVIGATING HEALTH CARE
CONSUMERISM MEETING RECAP.
SEE PAGE 2

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