

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

MORE SERVICES = MORE VALUE GET THE MOST FROM YOUR HCCMCA MEMBERSHIP

The Coalition believes in getting value for every dollar you spend on health care programs for your members and for every dollar you spend on your membership in HCCMCA. That is why we offer such a comprehensive range of programs.

“Many of our members know HCCMCA only for one or two services,” said Executive Director Fred Brown. “I want to encourage everyone to look at the additional options you may be missing in terms of value for your investment in HCCMCA. I’m more than willing to meet with any member health plan to explore how we can help you help your employees receive better health care at better prices.”

COULD YOUR MEMBERS BENEFIT FROM:

Coalition Health Center on the Alaska Regional Hospital campus, offers extended hours, convenience, a range of care options and office visit costs below the local average—guaranteed by the Coalition.

Credit balance resolution services to improve payment accuracy in claims submitted by hospitals, insurance companies and commercial payers of health care benefits. Our provider, Optum, bases its fees on a percentage of the savings realized.

NEW!

Dialysis cost containment uses a customized U&R approach to re-price claims and save health plans money when members need this life-saving, yet costly, service. (See story, p. 2)

“HCCMCA has provided the Fairbanks North Star Borough School District with a multitude of enhanced health plan options that help save money not only for the school district’s plan, but for participants as well.”

Dawn Maranville
Human Resource Department
Fairbanks North Star Borough
School District

Disease management program, delivered by Alere, provides information, one-on-one guidance and support for individuals with chronic health issues.

Health fairs held in Washington and Alaska, where your members can get flu shots and low-cost health tests, including blood screening, prostate-specific antigen testing, thyroid testing and other preventive care services.

Hearing care through EPIC gives your members a complete range of hearing aids and hearing-related services at discounted prices.

Discount **PPO agreements** with Alaska Regional Hospital in Anchorage, Mat-Su Regional Medical Center in Palmer and Aetna for providers nationwide, give member health plans access to high-quality medical care and extensive provider networks at discounted pricing. This includes a physical therapy PPO in Anchorage

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NEW DIALYSIS COST CONTAINMENT PROGRAM SAVES LIVES AND DOLLARS

Dialysis is a lifesaver for people with end-stage renal disease (ESRD). It also can be a severe drain on a health plan’s resources, limiting the availability of other benefits and even leading to insolvency. To prevent our member health plans from facing that dilemma, the Coalition’s newest program is Dialysis Cost Containment, offered by DCC, Inc.

A DIALYSIS MARKET DOMINATED BY TWO PROVIDERS

Developed in the 1940s, dialysis entered the mainstream in the early 1970s. Because it is relatively simple to provide—the drugs and dosing are not complex, the devices easy to run—dialysis soon moved out of hospital settings and into clinics and stand-alone dialysis centers. Today, the market is dominated by two publicly traded, for-profit companies: Davita and Fresenius. They control 66% of the national market, and Fresenius is the only outpatient dialysis provider in Alaska.

800% AND \$80,000

In addition to being dominant players, Davita and Fresenius benefit from how Medicare treats ESRD. It is one of only two exceptions (the other being ALS) to the Medicare age-based eligibility rules. A person diagnosed with ESRD may immediately enroll in Medicare Parts A, B and D. Under the Medicare secondary payer rules, if a person with ESRD is covered by a group health plan, that plan is considered primary for the first 30 months after the diagnosis. However, under the

Medicare rules, starting with month four of dialysis treatment, a person who has elected Medicare cannot be balanced billed for the cost of care that exceeds the plan’s reimbursement.

This means that Fresenius and Davita must accept the Medicare rate for outpatient dialysis treatments provided to Medicare-covered individuals. Because they claim the Medicare reimbursement rates are not profitable for them, both firms have raised their billed charges for dialysis.

Example:	
Explanation of Payment SAMPLE Re-pricing with DCC	
Patient A	
Facility Dialysis Clinic B	
Payor Group C	
DOS: 12/16/2013 - 01/24/2014	
Total Billed Charge	\$ 85,573.42
Recommended Payment	\$ 9,605.51
Savings	\$ 75,967.91

Since Fresenius bought out all of the competition in Alaska four years ago, it has raised the cost of dialysis treatment by approximately 800% of the Medicare reimbursement level. Claims of \$80,000 a month are not uncommon. Obviously it won’t take long for a participant on dialysis to reach the stop-loss deductible for most plans. As a result, many stop-loss carriers encourage the use of

cost containment for outpatient dialysis claims administration.

DEVELOPING A U&R FOR DIALYSIS

At the heart of dialysis cost containment is the calculation of a U&R fee (usual and reasonable) for outpatient dialysis. “We researched several providers who establish U&Rs for dialysis treatment and determined that DCC’s methodology was superior,” said Fred Brown, HCCMCA executive director.

DCC uses Fresenius’ or Davita’s own corporate K-1 filings to establish a blended rate per service between private payer rates and the Medicare established reimbursement per service. “Because the U&R is based upon the companies’ own data, it is difficult for them to argue that the methodology is not scientific and supportable. Other vendors use 125% or 150% of the Medicare reimbursement as U&R, which is somewhat arbitrary,” Brown continued.

The example shows how applying DCC’s U&R saves plans money. DCC’s fees are based on the savings it achieves by re-pricing claims. For HCCMCA members, DCC will charge 12% of the savings realized by using its methodology, with a cap so DCC’s fees will not exceed the recommended provider payment.

Learn more about the new Dialysis Cost Containment program on the [HCCMCA website](#), under the Programs tab. ■

NEW MEMBER SPOTLIGHT:

BLOOD BANK OF ALASKA

The mission of the Blood Bank of Alaska is to serve “the Alaskan community by providing high quality blood products and related laboratory services while meeting changing health care needs.”

Meeting the changing health care needs of its 90 staff members is why the Blood Bank of Alaska joined the Coalition. “We want to help our employees focus more on wellness,” said Director of Human Resources Tracy Kingsland. “Coalition benefits like the Health Fairs will go a long way toward achieving that goal.”

The BBA, which will move into a new and bigger building this year, is also eager to direct people to the Coalition Health Center and the urgent care clinics that are part of the HCCMCA’s scope of services.

“The more options we can offer to the emergency room, the better it is for our employees and for our bottom line,” Kingsland said.

When it opened in Anchorage in 1962 with a single bed and one technician, the Blood Bank of Alaska collected 682 pints of blood. Today, it collects 20,000 pints a year from its three collection facilities in the Mat-Su Valley, on the Kenai Peninsula and Anchorage, as well as two mobile blood collection coaches. ■



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with Chugach Physical Therapy, Alaska Hand Rehabilitation and Ascension Physical Therapy.

Cost-saving **prescription benefit management** (PBM) gives HCCMCA member health plans volume discounts and significant savings on prescription drugs from CVS Caremark. National CooperativeRx provides independent program oversight including regular audits, contract negotiation and objective clinical and pharmacy benefit expertise.

Wellness and Minor Care Clinic arrangements (currently with Primary Care Associates, Fairbanks Urgent Care Center, Alaska Urgent Care and Wasilla Medical Clinic) offer a low-cost way to obtain care for minor accidents or illnesses.

Vision care through VSP features providers located throughout Alaska, the Pacific Northwest and the US, who provide vision services, including exams, lenses, frames and contacts at discounted prices

To learn more, go to hccmca.org, and click on Programs. ■

CALENDAR

HCCMCA QUARTERLY MEMBERSHIP MEETINGS

March 25

May 20

August 19

November 18

NATIONAL COOPERATIVERX AND HCCMCA ANNUAL MEETING

March 24 & 25, 2015

Hotel Captain Cook
Anchorage, Alaska

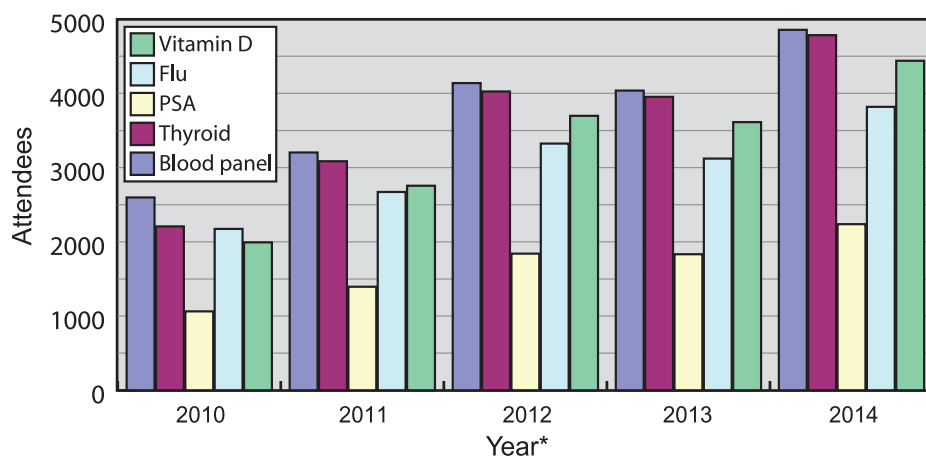
3000 A Street, Suite 300
Anchorage, AK 99503

READ ABOUT

HOW HCCMCA'S NEWEST SERVICES—DIALYSIS COST CONTAINMENT—CAN BENEFIT YOUR PLAN AND YOUR MEMBERS ON PG. 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 24 headquartered in Alaska and 16 headquartered in the Pacific Northwest.

HEALTH FAIR PARTICIPATION AND SATISFACTION UP IN 2014



*Data shown for last five years. Coalition Health Fairs began in 2006.
For additional data please contact us.

Turnout was excellent as well. Attendance over the course of 13 Health Fairs was up 12% over 2013. More people are getting the message about pre-registration as well; 17% more people pre-registered in 2014 than in 2013. Pre-registering is crucial for minimizing wait times and getting people in and out efficiently.

Across the board, more people got blood tests (up 15%), thyroid (up 15%) and Vitamin D tests (up 16%). Nearly 2,300 men received PSA antigen tests for prostate cancer, 15% more than in 2013. Flu shots also proved popular, with more than 3,800 people getting poked, a 15% increase over last year. ■



"Great service, good snacks!" summed up the 2014 Health Fair up for one Alaska participant. She had plenty of company: more than half of the attendees rated the fairs excellent or very good.