

Coalitions Achieve Best
Price, Value, p. 2.

New Location for
Fairbanks Clinic, p. 4.

Proven Health Care Cost Reduction Through Strength in Numbers



HISTORIC “BLUES” SETTLEMENT OPENS UP THE COMPETITIVE LANDSCAPE

After eight years of litigation, a settlement in the class-action lawsuit *In re Blue Shield Antitrust Litigation* changes the health care marketplace. The plaintiffs, a nationwide group of subscribers, alleged that the Blue Cross/Blue Shield insurers (the Blues) drove up costs by allocating geographic territories and limiting competition among their member plans. “This could provide a substantial benefit for many of our member plans that contract with Premera, Anthem and the other Blues,” said Coalition Executive Director Fred Brown.

The settlement orders the Blues—which provide health care insurance to roughly one-third of Americans—to pay \$2.67 billion to qualifying plans and participants. In addition to monetary damages, the settlement includes injunctive relief that upends how the Blues operate in the marketplace. For example, all 36

Blues will be allowed to compete with at least one other Blue plan across territorial boundaries. Certain “national accounts” (employers whose employees live and work across the country) will be able to solicit bids from Blue providers other than their “home” Blue. Importantly, it also bars the Blues from giving preferential treatment to other Blue-branded businesses.

“Do the math. If 100 million individuals were covered by the Blues, the \$2.67 billion settlement would pencil out to approximately \$18 per participant, after attorney fees and other costs are deducted,” Brown explained. “Assume that 85% of the premium costs were paid by the employer or plan and 15% were paid by the participants. That means, depending on the formula, a plan covering 10,000 employees could recover over \$150,000.”

While that is a lot of money, David Boies, a lead attorney for the

plaintiffs, emphasized the injunctive relief included in the settlement. In a webinar organized by Brown for the National Labor Alliance of Health Care Coalitions (see story, p. 2), he said “this will substantially increase consumer choice and competition.”

“This settlement has significant implications for Coalition member plans using a Blue product. They stand to recoup money they should not have had to spend, and more importantly, they will benefit from more competition in the marketplace,” said Brown. “And speaking of competition, I encourage member plans to look at the Aetna PPO product offered by the Coalition. This might be another way to let the Blues know consumers appreciate having high-quality, cost-effective and ethical providers in the marketplace.”

Read more about NLAHCC and the webinar on p. 2. □

ACHIEVING THE BEST PRICE AND VALUE FOR LABOR



Coalition Executive Director Fred Brown believes so strongly in the power of coalitions to “achieve the best price and value for labor” that he serves as the pro bono president of the National Labor Alliance of Health Care Coalitions (NLA). In this Q&A, Brown talks about how the NLA and the PHC work together.

Q: Let’s start with the big news that came out of the January 2021 webinar about the BCBS settlement. What happened there?

A: What happened was a big win for labor and proof of the power of coalitions. In the course of our discussion, it became clear that Taft-Hartley plans were not specifically named among the entities entitled to damages and injunctive relief. David Boies, the lead plaintiff’s attorney and a webinar speaker, will see to it that the settlement agreement is amended to clarify any ambiguity in the intent that Taft-Hartley plans are to be included.

Q: Is that webinar typical of the kind of effort the NLA supports?

A: Education opportunities like this webinar are just one benefit for our membership in the NLA.

Big numbers are important in health care. On the provider side, consolidation helps the big fish get bigger. By engaging in coalitions, the user community can form bigger groups and gain leverage to achieve the best price and value for labor in the health care marketplace.

Today, a total of 20 coalitions and unions belong to the NLA, representing 6 million covered lives. That’s a big number, but I would like to see the NLA grow, just as the PHC has grown in recent years.

But it is not just numbers; each member of a Coalition preserves a significant level of autonomy, retaining their own consultants, and the trustees decide which Coalition products or discounts make sense for their own represented members. It is much more powerful than simple aggregation.

Q: The Coalition and NLA work with many of the same providers. How is that useful to the Coalition?

A: When the NLA adopts a contract negotiated by the Coalition—as it did with BridgeHealth—it validates our ability to achieve the best price and value for labor.

NLA also expands coverage options for Coalition member plans. For example, PHC member plans that don’t use our Aetna PPO service can use the NLA contract to offer Aetna’s Teladoc service to their participants. And, as our geographic reach grows, NLA service providers may be a better regional fit for some of our member plans.

Q: What services is the NLA looking at adding now?

A: We are in the process of choosing an audiology care provider and we have a couple of strong candidates. We’re also excited about expanding BridgeHealth programs for both the Coalition and NLA. To the extent that we aggregate covered lives, this benefits everybody.

Q: How did the PHC become part of NLA?

A: The two have been linked from the beginning. In the 1990s, one of the co-founders of our coalition (the PHC) was also a co-founder of the NLA. It was obvious that the two groups shared the same goals and mission: to achieve the best price and service for labor in the health care arena. It has been an excellent partnership benefitting both groups. □

Service Spotlight: AETNA PPO



In the first half of 2020, Coalition member plans enrolled in the Aetna PPO (preferred provider organization) saved \$226 million. But Aetna delivers far more than cost savings. Plans that choose Aetna have access to:

- A broad, nationwide network of providers, hospitals and clinics
- Claim edit and utilization programs
- Teladoc (virtual care for medical, dermatology and behavioral health)
- Aetna Navigator

In partnership with the Coalition, Aetna also has stepped up to promote the health of the larger community by offering the Anchorage Mat-Su Community Plan for quality, cost-effective health care. Started in 2019, the Community Plan extends the Coalition's Aetna PPO agreement to small employers who often struggle to provide quality health care at affordable prices to their employees.

Today, that plan currently covers 3 businesses with 546 total enrolled participants, at an approximate 9% savings off the typical cost of medical services in Anchorage and Mat-Su. The plan covers services at Alaska Regional Hospital and Mat-Su Regional Medical Center, as well as stand-alone surgery centers in that part of the state.

“The folks covered by the Community Plan are members of our larger community. Those of us in the organized labor sector feel a strong sense of solidarity with all workers and their families.

We believe that the coalition movement is a way to leverage better health care for everyone. Aetna's Community Plan is just one example of how that can work and we look forward to continuing to grow this valuable service,” said Pat Shier, the Coalition's Alaska member representative.

Learn more about the Aetna PPO program through the Coalition at [Pacific Health Coalition \(phcoalition.org\)](https://www.phcoalition.org). □

CALENDAR

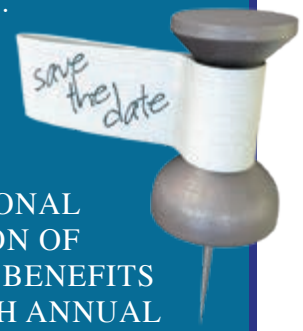
NATIONAL COOPERATIVERX AND THE PHC ANNUAL MEETING

- May 4, 2021, 10:00AM CST - Virtual (details to be announced) □

THE PACIFIC HEALTH COALITION QUARTERLY MEMBERSHIP MEETINGS

- March 17 – PHC Annual Meeting, including election of officers – Virtual Teams Meeting
- June 9 – Virtual Teams Meeting
- September 23 TBA
- November 18 TBA □

All virtual meetings will be held by videoconference through Microsoft Teams. Invitations and meeting materials will be distributed via email in advance of the meeting date, including instructions about how to attend. If you have more questions about how to attend by videoconference, please contact Fred Brown or Pat Shier at info@phcoalition.org or 888-474-4226.



INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFITS (IFEBP) 67TH ANNUAL EMPLOYEE BENEFITS CONFERENCE

- October 17 – 20, 2021
- Denver, Colorado □

3000 A Street, Suite 300
Anchorage, AK 99503

READ ABOUT COALITION PARTNERSHIP WITH AETNA, P. 3.

Since 1994, the Pacific Health Coalition (aka 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. Currently, there are 50 health plans participating throughout the United States.

NEW Location For The Fairbanks Coalition Health Clinic!

The Coalition Health Clinic in Fairbanks has a new home, thanks to the nimbleness of the Pacific Health Coalition and the efforts of clinic operator, Beacon Occupational Health and Safety Services Inc. (Beacon). The opportunity to move came about when a neighboring medical office decided to end its lease. The Coalition was able to take over a larger space, without incurring expensive relocation and remodeling expenses.

“It happened that our Board Chair Joey Merrick was in Fairbanks at the time the offer came to light and was able to tour the proposed site the very same day,” Alaska Member Representative Pat Shier explained. “After talking with our attorney and consultants, and further discussions with

Beacon, we were able to wrap up a very beneficial agreement in record time! We are grateful to our partners and the Board for taking appropriate and swift action that results in a better space to accommodate our growing Fairbanks family.”

New Address:
Ridgeview Business Park
570 Riverview Way, Unit #3
Fairbanks, AK 99709

Phone: (907) 450-3300

Website:
<https://coalitionhealthcenter.com>

Hours:
Monday – Friday:
7:30 a.m. - 6:30 p.m.

Saturday
8:00 a.m. - 2:00 p.m.
(By appointment only;
same day appointments
based on availability.) □

