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## Proven Health Care Cost Reduction Through Strength in Numbers

# SAVINGS AND VALUE THROUGH THE PHC

## Contracts with Aetna and National CooperativeRx Provide Two Examples

**F**red Brown, executive director of the Pacific Health Care Coalition, describes the group’s purpose as “achieving the best price and value for labor.” Representatives of Aetna and National Cooperative Rx (NCRx) demonstrated that point at the March 2022 Annual Meeting. Their presentations detailed the cost savings and quality metrics achieved by the PHC member plans that use their services through the Coalition’s contracts.

### Aetna Expands Services and Savings

In 2021, member plans saved nearly half-a-billion dollars (\$493,472,834) by using providers in Aetna’s network. The average discount was 44.9% over out-of-network providers. And that rate of savings was not a flash in the pan. Since 2015, member plans have accumulated \$2.5 billion in network savings on total billed charges of \$5.7 billion.

As the chart shows, Aetna continues to grow its network of providers and hospitals in Washington, Oregon, and Alaska.

In the last couple of years, Aetna has expanded its offerings. In 2021, Aetna implemented a care management model. This team-based, patient-centered approach is designed to assist patients and their support systems to manage medical conditions more effectively. Last year, Aetna added behavioral health for adolescents to its virtual care service through Teladoc.

| Number of Aetna         | Washington | Oregon | Alaska |
|-------------------------|------------|--------|--------|
| Primary Care Physicians | 8407       | 5516   | 760    |
| Providers               | 49538      | 29478  | 4833   |
| Hospitals               | 108        | 81     | 18     |

On the financial side, Aetna now offers immediate reimbursement for stop-loss customers and flexible payment options for approved business partners.

### NCRx Manages Pharmacy Costs

Aggregated net prescription drug costs for the PHC groups enrolled with NCRx rose only 1.8% between 2018 and 2020, from \$970 per person per year to \$987 per person per year—this outperforms industry benchmarks by 14%.

In 2021, the 17 PHC member plans using NCRx received \$18.6 million in rebates and \$151,000 in member dividends and equity payback. NCRx will also provide nearly \$97,000 in prior authorization and appeal fee offsets which will apply to the claims invoice.

“Although prescription drug costs at an aggregate level are not rising as fast as they once were, many new medications are coming to market at extremely high price tags,” said NCRx CEO Josh Bindl. “Plan sponsors have many options to manage prescription drug spend and get the highest value for their individual members. Driving patients to high-value therapies is typically in the best interest of the patient and the plan.”

This year, in search of savings opportunities for 2023, NCRx will conduct a market check for additional savings in its pharmacy benefit management contract with CVS. They will also be taking over prior authorizations of specialty medications to allow for greater oversight. Look for updates on these efforts in future newsletters.

The savings and value achieved through the PHC contracts with Aetna and NCRx are just two examples of how member plans can maximize their membership. “While the savings we achieve are significant, the PHC can only realize its full collective impact for cost reduction when member plans fully participate in the programs that are offered,” said Fred Brown, the PHC executive director.

### Learn More

To find out how your plan would benefit from these services:

Read about the Aetna and NCRx programs through the PHC on the [Coalition website](#).

Contact the PHC at [info@phcoalition.org](mailto:info@phcoalition.org) or call Pat Shier at (888) 474-4226. □



# IN-PERSON HEALTH FAIRS RETURN!

Like remote schooling and work-from-home, vouchers and drive-through flu shots are a thing of the past as the Coalition Health Fairs return to cities and towns throughout Alaska and the Pacific Northwest this autumn.

In Alaska, in-person events for lab tests and flu shots will be held over eight weekends in five different locations throughout the state. In the Pacific Northwest, there will be four in-person events for lab tests and flu shots; participants from member plans outside of Alaska who do not live near one of those events will be offered the opportunity to sign up for vouchers that they can redeem for these services.

**To participate, member plans must RSVP by no later than July 1st.**

The following dates and locations have been confirmed:

## Alaska

### September 17th & 18th - Fairbanks

Carlson Center  
2010 2nd Avenue  
Fairbanks, AK 99701

### September 24th & 25th - Fairbanks

Carlson Center  
2010 2nd Avenue  
Fairbanks, AK 99701

### September 24th - Mat-Su

Mat-Su Regional Medical Center  
2500 S. Woodworth Loop  
Palmer, Alaska 99645

### October 2nd - Anchorage

Romig Middle School  
2500 Minnesota Drive  
Anchorage, 99503

### October 8th - Soldotna

Central Peninsula Hospital  
250 Hospital Place  
Soldotna, AK 99669

### October 9th - Anchorage

Romig Middle School  
2500 Minnesota Drive  
Anchorage, AK 99503

### October 15th & 16th- Juneau

Centennial Hall  
101 Egan Drive  
Juneau, AK 99801

### October 23rd- Anchorage

Romig Middle School  
2500 Minnesota Drive  
Anchorage, AK 99503

## Washington

### September 24th - Pasco

Plumbers and Steamfitters  
Local 598  
1328 N Road 28  
Pasco, WA 99301

### October 1st - Bothell

IUOE Local 302 Union Hall  
18701 120th Ave NE  
Bothell, WA 98011

### October 8th - Spokane

Centennial Hotel Spokane  
303 West North River Drive  
Spokane, WA 99201

### October 15th - Kent

IBEW Local 46 Electrician's Hall  
19802 62nd Ave S.  
Kent, WA 98032



## Member Survey Confirms Value Delivered by PHC

On a five-point scale, member plans rated the Coalition 4.5 for providing “unique value.” And there was near unanimity supporting the importance of using the PHC contracted providers to leverage member discounts and negotiating power.

“It is gratifying to see that respondents understand the value of collective buying power and influence and understand the strength in numbers that

the Coalition represents,” said Fred Brown, the PHC executive director.

The member survey is helping shape the Coalition’s strategic planning. For example, respondents listed stop-loss, dental, cardiology, preventive care, and infertility as services the Coalition might consider offering. Another suggestion: develop a strategy to address chronic disease prevention.

The quality of service and experience level of the PHC staff and contractors rated 4.1 and 4.3, respectively.

“We also learned that our communications through the newsletter and our website are valued. We will continue to provide timely and relevant communications,” said Brown. “We appreciate the thought and honesty that respondents put into their survey responses and comments.”



## APPRECIATING HEALTH CARE HEROES

“We can do it” read the bright red T-shirt featuring a bicep-flexing “Rosie the Health Care Worker” at a lunch sponsored by the Pacific Health Coalition. The lunches showed just how much the PHC appreciates the efforts of Alaska Regional Hospital staff during the Covid-19 pandemic.

“The employees really enjoyed the delicious food and felt your appreciation. We feel the same about you,” said the hospital’s CEO Jennifer Osput. “Thank you for the confidence you have placed in us to care for you and

your families like one of our own. We will always do everything possible to continue to earn your trust and goodwill.”

Catered by Smokehouse BBQ, the spread offered combinations of barbecued brisket, chicken, and pork, along with side salads, cornbread, and dessert.

“The last two years have been rough all around and the folks at ARH have always been there for us,” said the PHC Board President Joey Merrick. “We’re pleased to show our appreciation.”



## Coalition Health Center to Open in Wasilla

The PHC and Beacon Health have signed an agreement to open a third Coalition Health Center (CHC) to provide care to patients in the Mat-Su Valley. Existing CHCs are in Anchorage and Fairbanks.

The new CHC will offer high-quality primary and preventive care, chronic and acute illness prevention and management and urgent care to participating member plan participants.

**Opening Date:** July 1, 2022

**Located at:** 1700 East Bogard Road, North Fork Professional Building A, Suite 103, Wasilla, Alaska

Access to the new Mat-Su Valley CHC is included for member plans which are currently enrolled in the CHC program. If your health plan would like to enroll in the CHC program, please contact the Coalition at [info@phcoalition.org](mailto:info@phcoalition.org).

## CALENDAR

### NATIONAL COOPERATIVERX AND THE PHC ANNUAL EDUCATION SESSION:

**September 22, 2022**

Seattle

Time and location to be announced

### 2022 QUARTERLY BUSINESS MEETINGS:

**September 22**

Seattle

After the Annual Education Session

**November 16**

Anchorage

Meetings will be held in person following applicable Covid-19 protocols and 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 virtually. If you have more questions about how to attend by videoconference, please contact Fred Brown or Pat Shier at [info@phcoalition.org](mailto:info@phcoalition.org) or (888) 474-4226.

### INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFITS PLANS (IFEBP)

#### 68TH ANNUAL EMPLOYEE BENEFITS CONFERENCE

**October 23-26, 2022**

The PHC/National CooperativeRx Reception – Evening of Monday October 24

Mandalay Bay, Las Vegas, NV



3000 A Street, Suite 300  
Anchorage, AK 99503

## READ ABOUT MEMBER SURVEY CONFIRMS VALUE DELIVERED, P. 2.

*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 more than 50 health plans participating throughout the United States.*

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## Annual Meeting Recap

*By Pat Shier*

The Coalition's 2022 Annual Meeting sponsored by National Cooperative Rx, Aetna, Alaska Regional Hospital, Renalogic and VSP occurred March 15, 2022, at the Captain Cook Hotel in Anchorage Alaska. The morning education sessions and afternoon business meeting were preceded by the traditional reception the previous evening. It was universally acclaimed a real boost in attitude and outlook to see so many familiar smiling faces gathered in person once again!

During the introductory comments, Executive Director Fred Brown welcomed attendees and celebrated what we all hope is a durable "thaw" in the long

winter of Covid-19. Introductions revealed a broad collection of trustees, consultants, vendors, and providers in attendance—new faces as well as old friends.

I shared a slide showing savings of more than \$700 million accruing to the PHC member health plans from the PHC contracts in just over one year, and another estimating a potential \$2 billion in savings if all the PHC member plans were to take advantage of all available PHC contracts.

At noon, each vendor took three minutes to share three important take-aways about their products and services. Common themes were the unique nature of the PHC

discounts, the valued partnership, and encouragement to ensure each member plan is making the most of the available contracts.

During the meeting, both NCRx and the PHC circulated surveys to learn about and improve their services and future meetings. The PHC used the survey results in a strategic planning meeting and, along with discussions among the PHC Executive Board, the PHC staff and selected vendors and partners, are developing a refreshed strategic plan for the Coalition. The last strategic planning meeting took place in 2017 and shaped the focus of the PHC activities in the following years. □