

### Paying for Value

Bree Collaborative priorities for value based health care supported by Coalition programs and services, p. 2.

### Dialysis Cost Containment

Renalogic's reimbursement methodology holds up in federal court, p. 4.

## Proven Health Care Cost Reduction Through Strength in Numbers



## ANNUAL MEETING DELIVERS ONLINE CONNECTION IN THE TIME OF COVID-19

An online membership meeting in September gave one more example of how the Coalition and its member plans are adapting to the ongoing efforts to rein in the COVID-19 virus. Representatives of about 50 plans logged in for the half-day session.

“We wanted to maintain our high standards of quality for the material we share at these annual meetings, and our speakers more than delivered,” said Fred Brown, executive director. “The online format also made it possible for multiple persons from a member plan to sit in and benefit directly from the sessions, something less likely to happen when people have to travel.”

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Speakers from National CooperativeRx and CVS Caremark provided insights into best practices in pharmacy benefit management, focusing on how best-in-class plan design encompasses features that drive value. These include fraud prevention, adherence promotion, and specialty drug management. Read more on page 2.

Keynote speaker Ginny Weir, MPH, of the Bree Collaborative, focused her presentation on “paying for value” including what it means and how we can get there. She described how, since 2011, the clinicians, experts and community members of the Bree Collaborative have been formulating evidence-based health care recommendations to improve health care quality, outcomes and affordability. Read more on page 2.

The session wrapped up with Brown's announcement of the retirement of Randy Scott, the Coalition's Pacific Northwest member representative. Read more on page 3. □

# KEYNOTE SPEAKER ADDRESSES PAYING FOR VALUE

“Paying for value” means limiting the use of health care services that are widely used but do not produce reliably better outcomes. Identifying and developing evidence-based recommendations to achieve the goal of paying for value is the mandate of the Bree Collaborative, a public-private organization formed by the state of Washington.

“We take a bottom-up approach, being sure to include primary care, clinician, patient and community voices,” said Bree Collaborative Director Ginny Weir, MPH, in her keynote presentation at the Coalition’s 2020 education session. Its working groups include health plans, public and private purchasers, delivery systems and hospitals, and quality assurance organizations.

“More and more, the health care sector is looking outside its own ‘swim lane’— meaning

the health delivery system and individuals’ health behaviors. We are integrating other issues, like the physical environment, social support and community safety,” Weir said.

The Coalition has programs and services to help member plans address several of the priorities Weir cited in her presentation:

- COVID-19: Coalition service providers are providing ways for member plans to access care safely. Read more at <https://phcoalition.org/index.html>
- Telehealth: Teladoc is available to member plans through Aetna or the Coalition’s membership in the National Labor Alliance.
- Flu shot access: Free flu shots are a mainstay of the Coalition’s Annual Health Fairs and were delivered through vouchers and drive-through clinics in 2020.

• Gaps and delays in routine care: Member plans participating in one of the Coalition’s preferred provider organizations make it easier for individuals and families to get the care they need. In addition, the [Coalition Health Centers](#) offer convenient, cost-effective alternatives to doctor office visits.

• Mental health: Member plans that enroll in Teladoc can offer their members convenient, confidential mental health services.

Two other priorities Weir cited— health inequity and the loss of health care coverage—also resonate with Coalition members. “Health and welfare benefits are fundamental to the American labor movement, and our member plans of all types work hard to ensure that the members of their diverse communities retain quality coverage that addresses their physical and mental well-being,” said Fred Brown, executive director. □

## Elements of a Strong Pharmacy Benefit Management Plan

Strong pharmacy benefit management plans have several elements in common, according to Josh Bindl, CEO, National CooperativeRx (NCRx) and moderator of a panel discussion on the topic at the 2020 Education Session in September. He was joined on the panel by Doug Finney, strategic account executive, NCRx, Wayne Salverda, senior director of clinical services, NCRx, and Greg Guziar, account executive, CVS Caremark.

**Controlling fraud, waste and abuse:** NCRx uses exclusions, quantity limits on abused medications and targeting pharmacies suspected of fraud, among other protections, to ensure

that member plans aren’t wasting money on things that don’t benefit their members.

**Adherence:** When members comply with their medication regime, they are less likely to visit the ER or hospital for issues related to their medication. Ninety-day supplies of maintenance medications are just one way NCRx promotes adherence.

**Formulary:** Maintaining a list of approved medications ensures clinical integrity, competitive pricing, and patient access to clinically appropriate medications.

**Specialty drugs:** In 2020, just over 1% of claims across NCRx involved specialty drugs, but

they accounted for half of all pharmacy spend. Supply limits alleviate waste, allow clinicians to try a variety of dosages and can increase conversations between patient and CVS Specialty.

**Home delivery:** The pandemic points to the need for reliable delivery strategies, especially in Alaska, where temperatures and longer delivery windows pose challenges.

**Rebates:** The formulary can devolve into a cycle of higher prices and higher rebates. NCRx’s exclusion strategy mitigates this. Patients with high deductibles remain vulnerable to higher prices. □

## New Member Spotlight: Alaska Regional Hospital



The Coalition's newest member plan has a familiar name: Alaska Regional Hospital (ARH).

"The hospital's relationship with labor organizations goes back a long way. In fact, we once were known locally as the Teamsters Hospital, because the Teamsters union owned and built the current hospital," said Holly Zachman, the hospital's business development director. "We value our relationship with the Coalition and are proud to serve as their preferred provider hospital in Anchorage. They are

thoughtful in their approach and go to great lengths to ensure members' needs are well represented for high quality, cost-effective care."

The ARH's self-funded plan covers

more than 1,000 employees and their families. They are registered nurses, certified nurse assistants, physical therapists, surgery technicians and operating room staff, among others.

Of all the membership benefits, the Coalition Health Centers mean the most to ARH staff.

"Navigating the demands of health care workers is no easy task – especially during a pandemic," said Zachman. "The onsite clinic makes it easier for employees to get important health needs met at a high-quality facility." □

## CALENDAR

### NATIONAL COOPERATIVERX AND THE PHC ANNUAL MEETING

- March 16 and 17, 2021 □

### THE PACIFIC HEALTH COALITION QUARTERLY MEMBERSHIP MEETINGS

- June 9
- September 23
- November 17 □



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

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

## Randy Scott Retires

### *Pacific Northwest Member Representative Since 2016*

The end of 2020 will mark Randy Scott's retirement as the Coalition's Pacific Northwest member representative, a position he has held since 2016.

"I'm so proud of what the Coalition has accomplished and appreciate the opportunity to have played a role in its success," Scott said. "But all good things come to an end, and I'm looking forward to enjoying some of the other good things in life, like traveling with my lovely wife."

Scott has been active in the Coalition since 2009 when, as a trustee of the Seattle Area Plumbers & Pipefitters Health & Welfare Trust, he helped to introduce what was then HCCMCA to groups from Washington State who were trying to put together a purchasing coalition. Ultimately, Randy has assisted in growing the Coalition's member plans in the Pacific Northwest to include

19 groups and 150,000 covered lives. He also served as executive secretary of the Washington State Pipetrades.

"Randy has played an essential role in extending the Coalition's reach and building our membership," said Fred Brown executive director. "Like all of us, I will miss his dedication and enthusiasm. We all wish him the best." □

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## READ ABOUT NEW MEMBER SPOTLIGHT: ALASKA REGIONAL HOSPITAL, 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.*

## Renalogic's Approach to Reimbursement Upheld in Federal Court

[DaVita v. Amy's Kitchen](#) is one of several recent lawsuits brought by dialysis providers against health plans that use cost containment services to reduce the risk of dialysis claims costs. The plaintiffs in the lawsuits allege that the cost-containment methodologies relied on by the plans discriminate against patients with end-stage renal disease (ESRD) when they use dialysis cost-containment services, like [Renalogic](#), a Coalition service provider.

In November, the [9th U.S. Circuit Court of Appeals ruled decisively that Renalogic's](#) reimbursement methodology does not discriminate against ESRD patients or treat them differently from other patients requiring dialysis, and that it complies

with applicable Medicare secondary payor provisions.

The Renalogic methodology uses public and private data to calculate market-based "Usual and Reasonable" reimbursement rates that apply from the first day a patient starts receiving dialysis services. A similar case, [DaVita v. Virginia Mason](#) ruled against another dialysis cost containment methodology that relied solely on a multiple of Medicare payments.

"Multiple of Medicare reimbursement strategies may work well against specific providers in a competitive geographical market; however, it is not the answer when repricing dialysis claims, said Lisa Moody, Renalogic chief executive officer. "Our clients benefit from carefully executed plan language, which

reduces risks and is best practice to protect against challenges and appeals."

Coalition attorney Mary Stoll of the Stoll Law Group added, "This is a decisive win for the PHC member plans that adopted the Renalogic methodology and the decision will protect the significant savings that these plans enjoy going forward."

As an important reminder, the PHC suggests that member plans consult with their own general counsel about adding a "non-assignment provision" to their plan documents which may prevent claims by out-of-network providers.

Learn more about Renalogic's services through the Coalition: <https://phcoalition.org/phc-programs/dialysis-cost-containment.html>. □