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## Proven Health Care Cost Reduction Through Strength in Numbers

# LEGAL DEVELOPMENTS LEAD AT ANNUAL EDUCATION SESSION

**T**wo presentations at the Coalition's September 22, 2022, annual education session emphasized how laws and judicial decisions impact the delivery of health care services.

### Legislation Proposed Regarding Dialysis Cost Containment Services

The recent victory at the U.S. Supreme Court in *DaVita v Marietta Memorial Hospital* (see the PHC newsletter, Issue 3, 2022) is not the last word in protecting the ability of health plans to contain the cost of dialysis services incurred by their individual members.

"DaVita was prepared for this decision and acted quickly to influence lawmakers to introduce legislation, H.R. 8594 and SB 4750, the Restore Protections for Dialysis Patients Act, which would curtail the ability of plans to apply Usual and Reasonable cutbacks to outpatient dialysis billed charges," explained Mary Stoll, attorney with the Stoll Law Group. "The legislation would increase dialysis costs and remove the flexibility for private-sector health plans to pay for these life-saving treatments, while keeping health care costs low for both dialysis patients and non-dialysis patients covered under the plan."

At the meeting, the Coalition Board decided to provide participating plans with materials to engage with their legislators on this topic. "This is a complicated issue," said Pat Shier, Alaska membership representative. "Look for a longer article in the first 2023 issue of this newsletter that lays out what is at stake and how member plans can help influence the fate of this proposed law."

### PBM Plans at Risk?

Tonia Sorrell-Neal, senior director, State Affairs, for the [Pharmaceutical Care Management Association \(PCMA\)](#) spoke about the PCMA's lobbying efforts to prevent the pharma industry from undermining pharmacy benefit management (PBM) plans based on a 2020 U.S. Supreme Court decision. In *Rutledge v. PCMA*, the court ruled that ERISA (Employee Retirement Income Security Act) does not preempt an Arkansas law regulating PBM reimbursement to pharmacies. The decision offers a potential avenue for states to increase regulation of PBMs and other service providers that help administer ERISA-regulated group health plans.

Sorrell-Neal, who has more than 15 years of experience as a Taft-

Hartley plan trustee, emphasized the importance of lobbying efforts, in particular among Taft-Hartley plans, noting that legislators and regulators need to hear a broad range of voices. Recently, PCMA President and CEO JC Scott participated at a "listening forum" at the Federal Trade Commission on competition in the health care industry, where he urged broadening "the scope of a study to look at the entire prescription drug supply-and-payment chain holistically." (Read his opinion piece on The Hill blog (<https://thehill.com/blogs/congress-blog/3272225-ftcs-inquiry-of-pbms-wont-lower-prescription-drug-costs/>) and go to the [PCMA website](#) to learn more.

### In Other News

- The Coalition is close to reaching an agreement with a dental plan PPO provider. Look for an announcement of that new service early in 2023.
- In yet another example of "health care cost reduction through strength in numbers", an increase in the number of member plans using the PHC's vision care program through VSP has allowed the Coalition to pass into a lower administrative tier, reducing charges by a further 0.5%. □

# HONORING FRED BROWN'S OUTSTANDING SERVICE TO THE PHC

When it comes to the number 13, nothing could be luckier for the Pacific Health Coalition (the PHC) than Fred Brown's 13 years as its executive director.

"Fred has successfully guided the PHC through significant growth and expansion across the region. Without Fred, the PHC would not be what it is today," said Joey Merrick, president, the PHC Board of Trustees, "From negotiating contracts to building new partnerships, Fred has gone the distance and we honor his dedicated service."

For his part, Fred said that "when I joined the Coalition as the first executive director, the Board and I took a leap into uncharted territory. I appreciate the faith the Board placed in me. Together we have proven our Coalition can improve pricing in the marketplace and influence the quality of health care outcomes. Thank you for your support. I wish the organization every success!"

The timeline on these pages highlights the Coalition's growth during Fred's tenure, both in terms of membership and in the services offered to member plans. "Fred's ability to grow the Coalition to cover hundreds of thousands of lives from just four funds is a tremendous accomplishment and lasting legacy," said Sarah Brown, regional vice president of Transcarent. "The Pacific Health Coalition is one of the most impressive organizations I've worked with; it is a force to be reckoned with!"



According to Josh Bindl, CEO, National CooperativeRx, "The growth and expansion of the Coalition under Fred's leadership provides the fuel to drive value for patients and plans for years to come."

Randy Scott, the Coalition's former Washington member representative noted that, in all his years working with Fred, "I never saw him give a darn about taking credit for the accomplishments of the Coalition, even though he has been responsible for many of them. Moving the Coalition forward has been his only concern."

Several Coalition partners and colleagues shared their memories and impressions of Fred.

## ***What do you consider Fred's most lasting accomplishment with the Coalition?***

- "Thinking outside the box and expanding the Coalition's reach beyond Alaska." Pat Shier, the PHC Alaska membership representative
- "Fred expanded the horizons of the PHC. He fostered expanding our membership into the Pacific Northwest and strengthened

relationships nationally with organizations such as the National Labor Alliance of Healthcare Coalitions and National CooperativeRx." Colleen Savoie, account executive and VP, Parker, Smith & Feek

- "The trust that the Coalition member plans have in the organization's goals and direction, which Fred has worked for years to foster and grow, has probably been under appreciated. Fred has worked on this element every day he has been the director." Randy Scott

## ***How have Fred and the Coalition advanced the objective of gaining the "best price and value for labor" in the health care arena?***

- "Fred's passion to change health care motivates him to investigate every opportunity, no matter how small, to lower costs and add value for patients and plans." Josh Bindl
- "With Fred at the helm, the PHC has expanded its membership by 333%, significantly enhancing the member plans' ability to negotiate savings on the PHC programs." Mary Stoll
- "Fred is a relentless advocate, bringing a strategic and friendly approach to partnerships that ensure members always get the best." Jennifer Opsut, CEO, Alaska Regional Hospital
- "Fred has been instrumental in bringing health plans into the PHC, thus increasing our bargaining strength. He's also been very active legislatively, both protecting and advancing the Coalition's interest." Colleen Savoie □

# FRED BROWN'S MAJOR CONTRIBUTIONS:

- Fred Brown hired as Executive Director
- 15 member plans in Alaska
- 5 new member plans join from Washington state

2009

- Coalition awards PPO contract to Aetna
- 1st Coalition Health Center Opens in Anchorage, Alaska
- United Food & Commercial Workers Local 1439 joins, expanding into Eastern Washington, Northern Idaho, Northwestern Oregon

2013

- 2nd Coalition Health Center opens in Fairbanks, Alaska
- Teladoc service added to Aetna contract
- Cement Masons & Plasterers Local 528 in Washington joins

2016

- Anchorage Fracture Orthopedic Clinic/Alaska Medical Alliance join as service providers
- 6,000 people attend 13 Health Fairs held in 11 locations

2019

- 50 member plans; 30 in Alaska, 20 in the Pacific Northwest and Colorado
- Over 250,000 covered lives
- 3rd Coalition Health Center opens in Wasilla, Alaska
- Fred retires as executive director

2022



2011

- Mat-Su Regional Hospital joins PPO network
- EPIC Hearing Healthcare added to service partners

2015

- Coalition adds Renalogic dialysis cost management service
- Randy Scott becomes Northwest membership representative
- Health fairs debut in Ketchikan, Alaska and Tacoma, Washington

2018

- HCCMCA re-brands as the Pacific Health Coalition
- Pat Shier joins the PHC as Alaska membership representative

2020

- Fred elected president, National Labor Alliance of Healthcare Coalitions
- Colorado Sheet Metal Workers Local 9 Health Fund becomes first member plan in Colorado



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## READ ABOUT FRED BROWN TO RETIRE, P. 2 & 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 more than 50 health plans participating throughout the United States.*

## Fred Answers a Few *UNEXPECTED* Questions

### What do you consider your greatest achievement?

My mom passed away this fall at age 97. When I was young, she told me I was special, and I believed her, after I lost my arm in a farming accident at age seven. She also said I could do anything in life that I wanted, and I found she was mostly right, although I never played professional baseball! I've succeeded as a lawyer and am proud of my work with the PHC. Hopefully, my greatest achievement is providing quality guidance for upcoming generations of friends, colleagues, and family members.

### What is your favorite word?

Today, it is committed.

### What is your least favorite word?

I think the use of profanity of any kind is unnecessary and unproductive.

### What is your idea of perfect happiness?

The contentment that comes from having a sense of purpose and knowing that I have accomplished that purpose.

### What is your favorite occupation?

Being in a position to use my advocacy skills and training to achieve a worthwhile result.

### What is your most treasured possession?

The Brown family homestead, a farm in Oregon settled by my grandfather and his brothers.

### What is your current state of mind?

Hopeful. I am optimistic by nature.

### What sound or noise do you love?

Falling water.

### What sound or noise do you hate?

Fingernails on a blackboard if that is even still a thing.

### What other profession would you like to attempt?

Permitting and construction of a hydroelectric project.

### What profession or job would you not like to do?

Driving a combine with no cab. I've been there, done that, don't need to do it again.