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Proven Health Care Cost Reduction Through Strength in Numbers



THE PHC PROGRAMS AND SERVICES SAVE MEMBER PLANS MONEY

In 2021, the programs and services offered by the Pacific Health Coalition provided member plans with the opportunity to realize an estimated combined total savings of over \$1.9 billion.

How? The PHC maximizes its buying power by negotiating contracts with reputable providers. These contracts deliver discounts, reduce administrative expenses, and provide value-added services to ensure lower costs, high quality care and better access for member plans and their participants.

Here are the currently available PHC programs and services that can help your plan save money and deliver quality care to your plan participants:

Annual health fairs: flu shots (provided by the PHC) and health screening tests at no cost to individual plan participants.

Birthing Center agreement with Geneva Woods Birth Center in Anchorage for a safe alternative for low-risk women and their families to give birth outside of the hospital environment.

The Coalition Health Centers in Anchorage, Fairbanks and the Mat-Su Valley (Wasilla) for guaranteed lower per-visit cost than the local average for doctor office visits and available exclusively to individuals covered by participating PHC member plans.

Dialysis cost containment agreement with Renalogic (nearly \$20 million saved in 2021 for services relating to just 18 individuals). (See related story, p. 2.)

Disease management through Optum for individuals with chronic diseases to manage their conditions more effectively.

Hospital services agreements with Alaska Regional Hospital (\$97.6 million in savings in 2021), Mat-Su Regional Medical Center for discounts in Alaska, and Aetna for discounts (\$505 million in savings in 2021) with providers nationwide.

The Aetna Joint Claim AdministrationSM contract allows member plans who participate in the Aetna PPO agreement to save even more by self-managing key services, such as benefits determination, member eligibility, member explanation of benefits (EOBs) and member services while Aetna handles provider services and care management (\$2.5 billion saved from 2015-2021 with typical discounts of 44%).

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COALITION AND OTHER STAKEHOLDERS LOBBY CONGRESS TO PROTECT DIALYSIS COST CONTAINMENT



By Mary Stoll, attorney with the Stoll Law Group and advisor to the Coalition.

Efforts to limit the use of dialysis cost containment services have moved from the courts to the halls of Congress. This update summarizes the current state of affairs and the Coalition's involvement.

In December 2021, the PHC and several PHC-member plans filed a friend-of-the-court brief in the U.S. Supreme Court case *Marietta Memorial Hospital v. DaVita, Inc.* The brief was instrumental in overturning the 6th Circuit U.S. Court of Appeals decision that misinterpreted the Medicare Secondary Payer Act. The circuit court had held that dialysis cost-containment plan provisions were prohibited, and dialysis providers billed charges cannot be cut back to a usual-and-customary reimbursement level. The Supreme Court win secured the tens of millions in annual savings that the PHC member plans achieve through the [Renalogic dialysis cost-containment](#) product. Unfortunately, the battle to contain dialysis costs did not end there.

Following the Supreme Court decision, DaVita wrote, and convinced lawmakers to sponsor,

proposed legislation that would effectively overturn the *Marietta* decision. The Restore Protections for Dialysis Patients Act (RPDPA, Senate Bill 4750 and House Bill 8594) wrongly attempts to paint dialysis cost-containment measures as a means for group health plans to shift costs to Medicare and taxpayers. In fact, Medicare already has rules that make it illegal to shift costs to Medicare during the first 33 months of treatment. The Supreme Court decision in *Marietta* did not change this law; rather, it validated group health plans' ability to design coverage to assign usual-and-customary reimbursement rates for services delivered by DaVita and Fresenius, a duopoly of for-profit providers.

The RPDPA is a blatant attempt by DaVita and Fresenius to create policy that would enable them to increase dialysis costs and deprive group health plans the flexibility to manage dialysis coverage. Passage of the RPDPA would enable DaVita and Fresenius to charge whatever they choose for dialysis services and require plans to reimburse those charges as billed.

The PHC has joined with stakeholders nationwide to

educate lawmakers about the true motives behind these bills and deter any change to existing Medicare rules. This coalition of stakeholders, through their lobbyists, have met with more than 80 congressional leaders and committee staffers seeking to keep dialysis legislation out of any 2022 year-end bill. The arguments against these bills were well received.

The Congressional Budget Office is currently evaluating the claims of taxpayer savings alleged by the bills' authors. A CBO score that supports existing Medicare coordination-of-benefits rules as adequate would be persuasive in quashing future proposals to alter Medicare Secondary Payer Act rules.

In late December 2022, the RPDPA was not part of the final, omnibus bill presented to Congress. This means that, for now, neither Senate Bill 4750 nor House Bill 8594 will become law.

The Coalition can be proud of its role in that victory. And while we expect DaVita and Fresenius to continue their efforts to find ways around the Supreme Court's decision, we are confident that the Coalition and others will continue to advocate for plans' rights. □

The Value of Partnerships: The Pacific Health Coalition and National CooperativeRx

Partnerships present a unique opportunity to expand services and drive greater value. The concept of working separately but together is advantageous in the way that several needs can be met and satisfied with greater attention to detail. Health care coalitions are some of the most common beneficial partnerships. Coalitions work as experts in their field, personalizing plans and determining the lowest pricing. When united, like-minded organizations can provide a full range of health care services at lower costs for plan sponsors and participants.

For 15 years, the Pacific Health Coalition and National CooperativeRx have had a partnership derived from our collective passion for negotiating better health care prices for plan sponsors and participants while promoting the highest quality of care.

Through partnerships with various health care vendors, the PHC offers additional savings programs for care such as vision, hearing, disease management, and prescription drug services. Since 2007, NCRx has been the Coalition's vendor for prescription drug management.

As the prescription drug management vendor, NCRx controls members' prescription drug costs through volume purchasing, expert contract negotiations, and innovative clinical offerings. NCRx continues to help the PHC member plans contain pharmacy spend, ensure the appropriateness of prescriptions, and inform their plan participants of pharmacy



benefit best practices. Each year, NCRx returns millions of dollars to the Coalition membership from pricing guarantees and claims and rebate audits.

In 2022, the PHC and NCRx shared 17 member groups totaling more than 57,000 lives. Together, we are committed to presenting cost-effective health and pharmacy benefits management solutions to plan sponsors across the Pacific Northwest. "Working with Pacific Health Coalition is a natural fit for National CooperativeRx. Both organizations are focused on providing the greatest value to patients and plan sponsors. Together, we can accomplish more than we could separately," said Josh Bindl, CEO of NCRx.

Pat Shier, the PHC's Alaska Membership representative has served on the NCRx member-appointed Board of Directors since 2019 and was elected secretary/treasurer in 2021. Mr. Shier shared, "Serving on the NCRx Board of Directors has been a rewarding and enlightening experience. This ground-floor look at the great need for plan sponsors and patients to be represented by a trusted partner furthers my belief in the value of the organization."

As part of our partnership, NCRx helps support various Pacific Health Coalition educational events:

- Spring Annual Meeting: updates on each organization and presentations by keynote speakers
- Fall Annual Meeting: educational session, quarterly business meeting, and presentations by keynote speakers
- IFEBP Conference Reception: networking with industry experts

Partnerships like the PHC and NCRx have proven their value to plan sponsors and participants. Together, we are proud to provide benefit solutions across the various health care industries to Pacific Northwest plans.

The complete version of this article appeared in August 2022 on the [NCRx blog](#). It was written by Jasmine Johnson, a marketing specialist at NCRx, and has been edited for this newsletter. □



CALENDAR

NATIONAL COOPERATIVERX AND PHC ANNUAL MEETING:

February 27 & 28, 2023
Hotel Captain Cook
Anchorage, Alaska

Reception: February 27,
starts at 6:00 p.m.

Annual Meeting: February 28,
starts at 8:00 a.m. □

3000 A Street, Suite 300
Anchorage, AK 99503

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THE PHC PROGRAMS AND SERVICES
SAVE MEMBER PLANS MONEY, P. 1.**

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.

The PHC Programs and Services Save Member Plans Money (cont'd from page 1)



Outpatient surgery services agreements with Surgery Center of Anchorage, Alaska Surgery Center, and Alpine Surgery Center.

Oncology care services agreement through Transcarent for an integrated care that supports patients, their families and loved ones, from a cancer diagnosis and treatment to remission and recovery.

Orthopedic PPO agreement with Anchorage Fracture and Orthopedic Clinic/Alaska Medical Alliance, LLC (AFOC/AMA).

Pharmacy benefits management contract with CVS/Caremark through National CooperativeRx (\$91.4 million saved in 2021). (See related story, p. 3.)

Physical therapy PPO agreements with Chugach Physical Therapy, Alaska Hand Rehabilitation and Ascension

Physical Therapy and virtual physical therapy through Transcarent.

Surgery Benefit Program through Transcarent (formerly Bridge Health) for bundled costs and negotiated fixed case rates for non-urgent surgical care (\$3 million in savings in 2021).

Vision care agreement through the VSP nationwide network of providers (\$5 million saved in 2021). □