

fchp expands affordable direct care network

FCHP Direct Care, a popular choice for many employer groups in Central Massachusetts who want a high-quality, cost-effective plan option, **is now available in the Merrimack Valley and North Shore regions.**

Employers in the region can benefit from this unique, concentrated network at a **significantly lower premium cost—13% to 15% less** than FCHP Select Care. And, with Direct Care, employers get the same great benefits and features as Select Care, such as It Fits!, Oh Baby! and more.

We've expanded the Direct Care network to include the following providers who already participate in FCHP Select Care:

- Lawrence General IPA (and Lawrence General Hospital)
- Lowell General Physician Hospital Organization (and Lowell General Hospital)
- Northeast PHO Physician Hospital Organization (and Beverly Hospital, Addison Gilbert Hospital)
- Direct Care also includes Acton Medical Associates, Charles River Medical Associates, Fallon Clinic and Southboro Medical Group.

In most cases, employers in this expanded region may offer Direct Care and Select Care alongside each other and any of FCHP's product offerings, including Fallon Preferred Care (our national network), to meet the diverse needs of employees.

If you would like more information on FCHP Direct Care, please call your account manager at 1-800-333-2535.

And remember, the deadline for Massachusetts residents to obtain health insurance is December 31. If you know of someone in need of coverage, please have them call us at 1-888-PWR-FCHP. We have multiple network and plan design options to meet every need. ■

fchp achieves quality plus distinction



Fallon Community Health Plan has achieved Quality Plus Distinction for Physician and

Hospital Quality from the National Committee for Quality Assurance—an independent, not-for-profit organization dedicated to measuring the quality of America's health care.

NCOA-accredited health plans can opt to achieve distinction in "Quality Plus" content areas in addition to their accreditation. FCHP maintains an "Excellent" accreditation status from NCOA for its HMO/POS, Medicaid and Medicare Advantage products.

One way that FCHP provides quality information is the Compare Hospitals Tool we've added to our Web site. This tool allows members to do a side-by-side comparison of hospital quality and cost for more than 150 procedures at 100+ hospitals. Members may go to our Web site, www.fchp.org/members, to check out these tools and links in order to make informed choices about their health care. ■

health care reform in action

reminder: proof of insurance

As you know, Massachusetts residents who can't show proof of health insurance coverage by December 31, 2007, will lose their personal exemption when filing their 2007 state income taxes.

How will an individual show proof of coverage? In early 2008, health plans will send their members a 1099 form confirming their insurance coverage. FCHP also will provide the 1099 for self-insured business. Otherwise, there is no employer involvement. ■

"free" care pool replaced

A new entity, called the Health Safety Net Trust Fund, replaced the state's Uncompensated Care Pool as required by the health care reform law on October 1.

A major goal of the health care reform law has been to shift the revenues that paid the bills for the uninsured through the "free care" pool to instead support subsidized insurance plans.

The state Division of Health Care Finance and Policy proposed that low-income patients seeking free care at hospitals pay deductibles and copayments. It also proposed that the state not reimburse hospitals for care they provide if the patients are eligible for insurance through Medicaid, Commonwealth Care or affordable coverage through work. ■

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FAQs: Section 125 offering and reporting requirements

(Also see the Health Connector's FAQ piece, called Health Care Reform Answers for Massachusetts Businesses (www.mass.gov/Qhlc/docs/Business_Requirements_pr.doc). The questions cover fair share contribution, Section 125 plans, HIRD forms and more.)

Q: Are employers required to offer a Section 125 plan to part-time/benefit-eligible employees?

Health care legislation requires that a Section 125 plan, in compliance with the provisions set forth by the Health Connector, be offered to employees of businesses with 11 or more full-time-equivalent employees. An employer may exclude part-time employees working, on average, fewer than 64 hours per month and still be in compliance with the law.

For employees who are not excluded but are not eligible for the employer's group plan, an employer must offer access to one or more medical coverage options through a Section 125 plan for pre-tax contributions. Modifications to an employer's Section 125 plan documents may be necessary.

Q: What are the HIRD form filing requirements for employers and employees?

Each Massachusetts employer with 11 or more full-time equivalent employees is required to file HIRD information to report compliance with the Section 125 plan requirement.

"Eleven or more full-time equivalent employees" is determined by taking the sum of total payroll hours for all employees during the period from October 1 to September 30 and dividing it by 2,000. Seasonal employees are included in the calculation, but independent contractors are not.

The **employer HIRD** is to be completed by the employer and submitted as an electronic filing, which will go to the Division of Unemployment Assistance as part of the employer's fair share contribution worksheet, and won't be due until November 15.

The **employee HIRD** is to be completed by each employee that declines an employer's offer of health insurance or declines the employer's Section 125 plan to purchase other health insurance. The employee acknowledges that he/she has declined the offer by completing and signing the HIRD form, which the employer must hold on to for at least three years. If the employer is unable to obtain a signed copy of the form, the employer must document his/her diligent efforts to do so.

The Employee HIRD form is also available in Spanish and Portuguese, as well as English. If you would like a copy of the form in these languages, please contact your account manager at 1-800-333-2535. ■

fchp welcomes new service coordinator



We are pleased to introduce **Melissa LaFleur**, who stepped into the role of FCHP's Client Service Coordinator in

August. Melissa is well suited to the role, bringing her expertise as a former FCHP Member Relations Coordinator to help you and your employees navigate the health care system.

Melissa is available to:

- Aid benefit administrators with issues that may require high-level attention or that may have privacy implications—issues best addressed with FCHP directly.

- Conduct new-member orientations and provide information kits, applications, handbooks and other materials.
- Lead informational question-and-answer sessions.
- Provide guidance related to service or medical care issues.
- Respond to any specific concerns that might arise regarding a benefit.

Melissa is looking forward to providing the personal customer services that will help employees to fully use their benefits and resolve any issues quickly. "As a Client Service Coordinator, I'm looking forward to developing relationships with our employer groups that will continue to set FCHP apart for its service excellence," Melissa says.

You may contact Melissa at 1-800-333-2535 (ext. 69203) or via e-mail at melissa.lafleur@fchp.org. ■

tips for hosting a successful health fair

The busiest open enrollment season is upon us. How can you maximize your time and be most effective helping your employees? The first step is to give us a call at Fallon Community Health Plan. We're here to help you in any way we can. Need a presence at health fairs? Member information? Problem-solving help? Just ask—call your FCHP account manager at 1-800-333-2535.

Here are a few tips to prepare for the fair:

- Provide accurate and detailed directions to the representatives.
- Prepare comparison charts for benefits and rates (and make sure your clients approve them).
- Make arrangements to have a health educator present.
- Give everyone plenty of notice with flyers and payroll stuffers.

- Post information on the intranet site.

And a few tips to follow during the fair:

- Offer healthy snacks and drinks.
- Present each employee with a prepackaged folder with their name on it that includes a list of current benefits and forms.
- The president of the company or an executive should attend.
- Make it fun. Have a theme and enter employees in a drawing for going to a certain number of tables and getting their cards validated.

As a follow-up, survey the employees and representatives to see if they thought the health fair was a success and if they have any suggestions for future improvements. ■

business buzz

designing your wellness program to be effective and compliant

If you offer your employees a wellness program, good for you! It's a positive benefit for them and can help you to control health care costs.

A word of caution, however: You'll want to be sure your worksite wellness program is compatible with new regulations that went into effect in July under the federal Health Insurance Portability and Accountability Act.

If your program offers health-plan-related rewards (e.g., reduced premiums, copayments or deductibles) to employees based on the status of their health, you now must comply with five HIPAA requirements:

1. Discount rewards can't exceed 20% of the total cost of single-employee coverage, which includes both employer and employee portions.
2. Programs must be reasonably designed to promote good health, which means that they must have a reasonably good chance of improving the health of the participant.
3. Qualifying individuals must be allowed to participate in the same incentives program each year that it's offered.
4. Alternative methods for obtaining the reward must be available for employees unable to satisfy the standard because of medical reasons.
5. The alternative method for similarly situated individuals must be disclosed in all materials describing the terms of the program.

we can help

Fallon Community Health Plan's Health Promotions staff will work with you to develop your worksite wellness program, including the design of your incentive program. We encourage programs that reward people for adopting better health choices, rather than to reward them for actual health outcomes. **Contact your account manager at 1-800-333-2535 to arrange an appointment with our experts.**

For more information about HIPAA regulations as they pertain to wellness programs, please visit www.dol.gov/ebsa/regs/fedreg/final/2006009557.pdf. ■

clinical corner

fchp educating providers about medication costs

FCHP has begun to educate our providers about drug costs with quarterly updates in our Connection provider newsletter. We'll be letting providers know which medications have had cost increases and what the average costs per prescription are.

A major driver of health care costs (and premium dollars) is retail prescription prices, which have increased an average of 7.5% a year from 1994 to 2006—almost triple the average annual inflation rate of 2.6%. In monetary terms, that means an average prescription price (brand and generic drug prices combined) went from \$28.67 in 1994 to \$68.26 in 2006.

The average brand-name drug price **was more than three times the price** of its generic equivalent in 2006 (\$111.02 vs. \$32.23).

Here are a few examples of medication price increases for the third quarter of 2007:

drug	increase	average cost/claim
Humulin N[®] (insulin/diabetes)	5.0%	\$82.15
Boniva[®] (osteoporosis)	5.5%	\$90.27
Zetia[®] (cholesterol-lowering)	5.5%	\$103.45
Nasarel[®] (cortisone-like nasal spray)	8.0%	\$54.54
Ambien[®] (sleep aid)	9.0%	\$68.53

We hope this information will help our providers to better understand the financial impact of treatment options and encourage their use of generic alternatives when available. ■

in our corner

fchp is major supporter of chamber expo

FCHP will be a presenting sponsor of the **New England Business Expo** hosted by the Worcester Regional Chamber of Commerce on October 18 at the DCU Center in Worcester. We invite you to stop by our exhibitor's booth during the day. This is the main event of the season, with thousands of businesses participating. FCHP also will sponsor the breakfast kickoff event. We hope to see you there. ■

fchp inaugurates canal race

Fallon Community Health Plan was the presenting sponsor of the **Canal Diggers 5 km**, a new road race held on **September 16** that brought hundreds of athletes and supporters to Worcester's up-and-coming Canal District. The 5 km run, as well as a companion 5 km walk and a one-mile walk, followed the path of the Blackstone Canal as it once flowed through Worcester. Thank you to all who participated in this event. ■

spread the word

Fallon Senior Plan™ invites seniors and caregivers to attend the **Senior Spectacular expo** on Tuesday, October 23, at the DCU Center in Worcester. Fallon Senior Plan, in partnership with the Telegram & Gazette, is the presenting sponsor of this free event that includes workshops, exhibits, health screenings, seminars, exhibits and entertainment. ■

out to the ballgame



We thank all of you who joined us as invited guests for a special evening of baseball on August 22, when the **Worcester Tornadoes** faced the Atlantic City Surf in Worcester. We hope you

enjoyed our VIP picnic with ballpark cuisine and free giveaways—as well as seeing colleagues and an exciting game! Hats off to Todd Marrone (above, with his children Joey and Bella), General Manager of Northworks Bar & Grille/Marrone Enterprises (and an FCHP member!), who threw out the first pitch of the game. ■

answer to win \$50!

What did you learn about health care reform in this issue? See if you can answer the following three questions—without peeking! Send your answers to us, and if all three are correct you'll be entered into a drawing to win a **\$50 American Express® Gift Cheque**.

1. For the most part, employers are not involved in providing proof of insurance. In early 2008, health plans will send their members a 1099 form that confirms their insurance coverage. FCHP also will provide the 1099 for what type of business?
2. Am I, as an employer with 10 FTEs, required to offer a Section 125 plan to my part-time employees?
3. How long must an employer keep any employee HIRD forms?

E-mail your answers to Employer.Edge@fchp.org or mail through the Postal Service to Lisa Saucier, Sales and Account Management/Quiz, Fallon Community Health Plan, 10 Chestnut St., Worcester, MA 01608. **Please be sure to include your name, affiliation and a contact phone number or e-mail address so we can notify you if you win.** Deadline to respond is November 15, 2007. ■



www.fchp.org

Employer Edge is published quarterly to provide employers with the latest news, trends and marketplace information in health care. Please share this issue with your coworkers. E-mail your comments on *Employer Edge* to Employer.Edge@fchp.org. For information about products or programs, ask for your account manager at **1-800-333-2535**.