

A message from Patrick Hughes President and CEO

Moving onward and upward

As I reflect on all that's happened in 2010, I am first and foremost grateful for your support of and loyalty to Fallon Community Health Plan during a time of much uncertainty. On behalf of our employees, I thank you for your business and reassure you that we remain dedicated to delivering top-notch customer service and satisfaction.



In Massachusetts, our industry activities this year were driven in large part by turmoil in the merged markets. It's a relief that the market feels different now, with a sense of stability and permanence in pricing taking hold. Local and national health care reform directives will continue to challenge us on most fronts. At FCHP, our response in 2011 will be to focus even more on delivering cost-competitive solutions to our customers. Our priority is to work diligently with our provider community to make low-cost, quality care an even broader reality.

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wheelchairs, breast pumps and blood glucose monitors for diabetes.

FCHP has removed the \$1,500 DME limit previously in place on all of our standard commercial offerings, *effective on enrollment anniversary dates on or after September 23, 2010*. This benefit now is unlimited. However, a coinsurance will apply on all policies, *beginning on enrollment anniversary dates on or after January 1, 2011*.

The coinsurance amounts have changed from our previous notice to you.

For HMO plans, the DME coinsurance generally will be 30%, with a 20% coinsurance for prosthetic limbs. However, when a plan has other coinsurance, the DME and the prosthetic coinsurances *will match the coinsurance amount* on other

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Benefit changes for 2011

As a result of the following benefit changes, Fallon Community Health Plan's fully insured plans will not be grandfathered under national health care reform.

■ Dental coverage no longer offered

As previously communicated, Fallon Community Health Plan will no longer offer dental benefits and discounts for the entire family as part of our commercial products, *effective upon anniversary dates beginning January 1, 2011*.

This was a difficult business decision

for us. However, by eliminating this coverage, we'll be able to shift our efforts and resources to other services that are more sought after by our customers. If you have any questions about these benefit changes, please contact your FCHP account manager at 1-800-333-2535.

■ DME and prosthetic/orthotic benefit changes

Our coverage for durable medical equipment (DME) and prosthetic/orthotic devices has changed for our commercial plans—and is slightly different than what we communicated to you earlier. Durable medical equipment and prosthetic/orthotic devices includes, for example, oxygen, walkers,

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"Well done is better than well said."

— Benjamin Franklin

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benefits. For example, if a plan has a coinsurance of 35%, the DME coinsurance would be 35% vs. 30% and the prosthetic coinsurance would be 35% vs. 20%.

For PPO plans, the DME coinsurance generally will be 30% for the in-network and out-of-network benefit. The prosthetic limbs coinsurance will be 20% in-network and 40% out-of-network. In both cases, however, when a plan has other, higher coinsurance, the DME and prosthetic coinsurances will be the higher amount.

Coinsurance applies after the deductible on all deductible plans. Large employer groups should contact their account manager if they have questions concerning benefit offerings. ■

Coverage ended for prescription non-sedating antihistamines

As of January 1, 2011, Fallon Community Health Plan will no longer include non-sedating antihistamines on its three-tier commercial plan formulary (list of covered medications). A non-sedating antihistamine is a medication that relieves allergy symptoms without causing drowsiness.

Many of the non-sedating antihistamines are now available as over-the-counter (OTC) products in the same strength as the more-expensive prescription alternatives—and are as safe and effective. Most were Tier-3 prescription drugs with the highest copayments.

The non-sedating antihistamines to be removed from the formulary are: Allegra® and Allegra-D®; cetirizine (brand name Zyrtec®); Clarinex® and Clarinex-D®; fexofenadine and fexofenadine PSE; and Xyzal®. ■

Brilliant at the basics

At Fallon Community Health Plan, we have a dedicated team of physicians, nurses, clinical pharmacists, medical social workers and behavioral health clinicians working together with providers in a variety of programs we've developed to support our members at every stage of health—from being well or at-risk, to experiencing acute, chronic or complex conditions.

More support for living well with a chronic condition

We recently revitalized our Disease Management program, designing it to better support our members in managing chronic conditions such as asthma, diabetes and certain types of heart disease.

Members who have these conditions and meet certain criteria may enroll in this program. By participating, they receive quarterly educational materials focusing on important screenings,

relevant information about the disease, and the latest information on living well with the disease. Some members receive periodic telephone calls from our nurses or health educators to evaluate their health status and discuss the best ways they can take care of themselves.

Participating in the program is **like having a personal health coach** who guides and motivates the member to take the steps for wellness that can help avoid emergency room visits and hospital stays. Of course, participation in this program is always voluntary. Interpreter services are available if needed.

If you'd like more details about these services, please contact your account manager at 1-800-333-2535. ■

Extras add up to more FCHP value

With FCHP, your employees get extras aimed at keeping them healthy and active—at no additional charge. Now *that's* more you. Here are just a few of our added-value features.

- **It Fits!** This program reimburses families \$400 (and individuals \$200) each year for all kinds of healthy activities, like memberships at the gym of your choice with no limitations, sports programs for kids and adults, yoga classes, and even ski lessons and ski passes.
- **\$0 copayments.** FCHP waives the office visit copayment for routine physicals or gynecological exams, and well-child care.
- **Oh Baby!** We deliver some of the "little things" for parents-to-be, such as prenatal vitamins, a child care book, a home safety kit and even a free car seat!
- **CVS ExtraCare Card.** Members can use their FCHP CVS Caremark ExtraCare Health Card at over 6,900 CVS stores nationwide! With this card, they get a 20% discount on over 1,500 CVS/pharmacy brand health-related products.
- **Nurse Connect.** Free 24/7 member access to registered nurses and other health care professionals who can respond to medical questions.

National health care reform update

■ FCHP fully insured groups not grandfathered

The national reform law exempts (grandfathers) health plans from some new coverage requirements—if they do not make certain “significant changes” compared to their policies in effect on March 23, 2010.

As a result of benefit changes for 2011, Fallon Community Health Plan’s fully insured plans will not be grandfathered under national health care reform. Self-funded groups must evaluate whether any desired benefit changes affect their grandfather status.

It is difficult to remain a grandfathered plan given the list of prohibited changes in the law—and most benefits of being grandfathered have been trumped by Massachusetts health care reform.

Under national reform, grandfathered plans still have to comply with many key provisions, such as no lifetime limits on coverage and no restricted annual limits, no rescission of coverage when people get sick, no coverage exclusions for children with pre-existing conditions and extension of parent’s coverage for young adults up to age 26 in certain circumstances.

For more information, go to fchp.org/news/health-care-reform/grandfathered-plans. ■

■ Reimbursement for early retirees

The Early Retiree Reinsurance Program (ERRP), created under the Patient Protection and Affordable Care Act, provides reimbursement to participating employment-based plans for a portion of the costs of health benefits for early retirees and their spouses and dependents. Applications are being accepted to the program, which will end on January 1, 2014, or when the \$5 billion appropriation runs out. For more details, see our fact sheet at fchp.org/news/health-care-reform. ■

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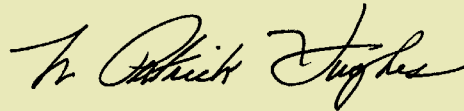
FCHP has always been a forward-looking health plan, and this year is no exception. We are in a stronger position today than we were a year ago, and were having a positive fourth quarter—a trend we expect to continue in 2011. We have a three-year strategic plan in place and look forward to partnering with you to meet your employees’ health care needs.

We also will continue to be a major player in the area of senior care services. In addition to nurturing Summit ElderCare®, the largest PACE program in New England, we launched this year a Medicare Advantage special needs plan (NaviCare® HMO SNP) and Medicare Supplement plans that complement our existing Medicare Advantage products.

FCHP was rewarded for its hard work with the distinction of having our commercial, Medicare Advantage and Medicaid plans all ranking in the top 10 nationally for the second consecutive year.* No other health plan can say that.

As we focus on the business of health care, we remain steadfast in our mission of *making our communities healthy*. FCHP sustained its charitable giving and support throughout the year. I’m particularly proud of our Gather FORE a Goal event, in which many of you participated, that raised more than \$173,000 for much-needed hunger relief throughout the Commonwealth. Once again, thank you!

I’m a big believer in what teamwork and discipline can achieve. I look forward to the road we’ll travel together in 2011. ■



* NCQA’s Health Insurance Plan Rankings 2010-11 – Medicaid; NCQA’s Health Insurance Plan Rankings 2010-11 – Medicare; and NCQA’s Health Insurance Plan Rankings 2010-11 – Private. NCQA is an independent, not-for-profit organization dedicated to measuring the quality of America’s health care.

Massachusetts health care update

Go to fchp.org/news/health-care-reform for an overview of the “small business” health care law (Chapter 288 of the Acts of 2010) signed by Gov. Patrick last summer. You’ll also find information on other topics, including the new autism mandate and the expansion of the infertility coverage mandate. ■

New employee wellness “library”

More employers than ever are seeking relevant wellness information to engage and support their employees in managing their health. Many of you have turned to Wellness Works, FCHP’s customized program for employers, including on-site classes, seminars and other tools targeting common health concerns.

Now, getting your wellness information is easier than ever! On our redesigned

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Web site, we added a new resource section that is like a library for your wellness initiatives at the workplace. And, everything is easily downloadable in PDF format, which is more convenient than our previous CD kits.

Visit fchp.org/employers/resources/wellness-flyers.aspx to see what information will be of interest to you and your employees. All of our wellness flyers are there by topic categories, such as benefits, exercise, nutrition, depression and stress management. Be sure to check out the "For Employers" list for ideas and how-to information. Our other CD kits also are here: Quit to Win, Walk Across America and our Personal Wellness Profile.

For more information, call our Manger of Health Promotions Emily Eaton at 1-508-368-9786. ■

New chief financial officer on board

There was a smooth transition in FCHP's top financial position in mid October when R. Scott Walker replaced Charley



Goheen as Executive Vice President and Chief Financial Officer. Goheen was named Chief Financial Officer at Neighborhood Health Plan.

Scott Walker comes to FCHP from ComplexCare Solutions, Inc., a specialized, community-based care management organization, where he served as Chief Financial Officer. He previously was a CFO of National Accounts and also of Business Alliances at Aetna, and

the Controller and Chief Accounting Officer for Uniprise (a UnitedHealth Group Company). He is a member of the American Institute of Certified Public Accountants and the Connecticut Society of Certified Public Accountants. ■

FCHP Team Leader updates

Jack Hyland, who directed our Retention Sales team, left FCHP in November to make a major career move, joining Kaiser Permanente in Atlanta, Georgia. He made important contributions to our growth, innovation and customer service over 9 years, and we wish him the very best.

Jack left his job responsibilities in the very capable and experienced hands of **Jen Lavigne**, who we promoted to **Director of Retention Sales**. She recently has been overseeing FCHP's small business and Western Mass. team. Jen has handled a diverse book of business with headquarters throughout the country and has been a manager overseeing our large group and our government business. Jen is fully knowledgeable in FCHP products, procedures and rating methodologies.



At the same time, we promoted **Andre Gabryjelski** to **Director of Medicare and Consumer Sales**. He is responsible for several lines of business at FCHP, encompassing the small business market of 1 to 4 employees, intermediaries, and our Medicare retiree market for both individuals and employer groups. Andre is an experienced and creative manager who is dedicated to



helping businesses successfully manage their health care benefits.

You may call Jennifer and Andre at 1-800-333-2535. ■

On our team: Welcome new account managers

In our Retention and Consumer Sales area, we were pleased to recently welcome **Kristen Pietrewicz** and **Karrie Loiselle** to our account management team.

Kristen joined FCHP with responsibility for managing our national accounts. Most recently, Kristen has worked as senior manger of product development at BC/BS of Massachusetts. Previously, she was Manager of MA Market Performance at Harvard Pilgrim Health Plan and a manager in Strategy and Product Development at Tufts Health Plan. Kristen works directly with Vice President of Retention and Consumer Sales Beth Helenius.



Karrie joined our team to serve as Account Manager for our Western Massachusetts territory. Karrie previously worked as a Senior Sales Executive in our Consumer Sales Department, working primarily with intermediary and small groups, as well as supporting our Medicare Advantage product. She reports into our Director of Retention Sales Jennifer Lavigne. ■



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For information about products or programs, ask for your account manager at 1-800-333-2535.

