

## A message from Patrick Hughes

President, FCHP Health Plan Operations

I want to begin 2009 by thanking you for your business. All of us at Fallon Community Health Plan understand that choosing a health insurer is a major decision for you. We value your trust and loyalty—and will do all we can to stand by you in meeting your employees' health care needs.



In this tough economy, business owners are looking every which way to reduce expenses. That's where Fallon Community Health Plan comes in—with real health care solutions for employers throughout Massachusetts.

We know that, as tough as times are, you don't want to reduce or eliminate the health care benefits you offer employees. You care about them—while also needing to stay competitive in the marketplace.

With FCHP's tiered network and extensive product portfolio, you can have many possibilities for matching benefits with still-affordable pricing. No matter where your business is, FCHP can deliver quality care and service close to home. We promise to work with you to produce attractive, cost-competitive alternatives.

We'll even go one step further. If your business is having trouble making premium payments, your account manager will work with you to choose a plan design option with more affordable premiums—*off anniversary date*. Call us today for details.

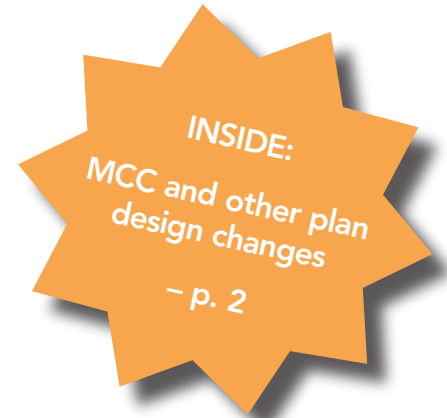
We know it's easier to weather the current economic ups and downs with people you can rely on. At FCHP, we'll work hard to meet your changing needs and earn your continued confidence. We're in this together. I encourage you to talk with your FCHP account manager to find out more. We look forward to working with you throughout the challenging year ahead. ■

“ Ability is what you're capable of doing. Motivation determines what you do. Attitude determines how well you do it. ”

— Lou Holtz

## FCHP boosts fitness reimbursement

Great news for the new year! We have increased our annual It Fits! reimbursement amount to **\$400** (up from \$300) for families and to **\$200** (up from \$150) for individuals for 2009. Fallon Community Health



INSIDE:  
MCC and other plan design changes  
— p. 2

Plan has one of the highest fitness reimbursements of any health plan in Massachusetts.

Also, we'll now reimburse for **race entry fees and hiking club fees** in 2009—great additions to our long list of eligible fitness activities. And, remember—FCHP members now can “**ski free**” with our recently added It Fits! reimbursement for ski lift tickets and season passes.

FCHP is continuing its strong and unique commitment to promoting healthy lifestyles among our members by helping them to afford their favorite fitness activities in this tough economy. This feature is part of our standard benefits package\* for members of FCHP Direct Care, FCHP Select Care and Fallon Preferred Care. Details are available on our Web site, [fchp.org](http://fchp.org).

Please remind your FCHP member employees that they have until March 31, 2009, to submit their It Fits! reimbursement form for eligible 2008 activities.

\* Reimbursement amount may vary by plan design and employer. ■

## Business Buzz

### New disability law effective January 1

Last September, President Bush signed the "ADA Amendments Act of 2008 (P.L. 110-325), which clarifies and broadens the definition of disability and expands the population eligible for protections under the Americans with Disabilities Act of 1990. The bottom line is that more employees now fit within the definition of disabled under the ADA.

The new law retains the basic definition of "disability" as a physical or mental impairment that substantially limits one or more major life activities. However, it expands the meaning of major life activities to include, for example, reading, bending and communicating, as well as a new list for major bodily functions (digestive, neurological, respiratory, circulatory, etc.).

Other key changes include:

- In assessing whether an individual has a disability, mitigating measures such as medications or lifestyle interventions for managing a condition must be ignored.
- An impairment that is episodic or in remission (epilepsy, lupus) is a disability under the new law if it would substantially limit a major life activity when active.
- An individual who is subjected to an ADA-prohibited action (e.g., not hired) because of an actual or perceived impairment will meet the "regarded as" definition of disability, unless the impairment is transitory and minor.

The EEOC likely will issue regulations and interpretive guidance this year to further flesh out the law. Employers will need to modify company policies and practices to adhere to these new regulations and protect themselves from increased legal action. ■

### Our MCC and other plan design changes for January 1

#### Minimum creditable coverage

Fallon Community Health Plan has taken steps to ensure that all of our FCHP Direct Care, FCHP Select Care and Fallon Preferred Care group plans meet minimum creditable coverage. As of January 1, 2009, we have discontinued for all small groups any existing plans that don't have prescription drug coverage. Large groups may request them on a non-standard basis.

To replace these plans, FCHP introduced new plan design options with a prescription drug coverage benefit of \$25/\$100/\$100. These plans mirror the non-prescription drug coverage plans in every other way. The higher Tier 2 and Tier 3 prescription drug copayment amounts allow members to meet required coverage at no additional premium cost. Existing small group FCHP members who currently don't have prescription drug coverage were switched automatically to one of these corresponding new plans with drug coverage for January 1.

#### High-deductible plan changes

There are other changes for the new year as well. Effective January 1, the out-of-pocket maximums for several of our Fallon Preferred Care high-deductible plans will increase upon anniversary date. Embedded deductibles and embedded out-of-pocket maximums (what any single family member is responsible for) on FCHP's qualified high-deductible plan design options also changed on January 1 due to 2009 IRS guidelines.

***See chart summaries of our 2009 plan design changes at the end of our online version of Employer Edge, at [fchp.org/Employers/EmployerEdge.htm](http://fchp.org/Employers/EmployerEdge.htm).***

#### List billing approach no longer available

Due to minimal interest and the operational costs and complexities of list billing, FCHP has decided to discontinue this billing option, effective January 1, 2009. Groups currently using list billing will be converted to traditional (composite billing) at their anniversary renewal date in 2009.

If you'd like more information on any of these 2009 changes, please call your account manager at 1-800-333-2535. ■

## FCHP offers integrated HRA solution

Fallon Community Health Plan is partnering with UltraBenefits to create a streamlined, easy-to-use Health Reimbursement Arrangement option designed to meet the needs of our large and mid-sized employer groups.

An HRA is an employer-owned account that is used to reimburse participating employees for qualified medical expenses paid out of pocket. Once set up, HRAs reimburse only those items (copayments, coinsurance, deductibles and services) identified and agreed to by the employer.

Unlike Health Savings Accounts (HSA), which are tied to qualified high-deductible plans, **an HRA can be created with any FCHP plan design option.**

### Integrated claims solution

FCHP has developed a unique HRA agreement with UltraBenefits, our wholly owned subsidiary, that offers a variety of third-party administration services. Once an employee participant receives health care services, the provider submits a claim to FCHP. We then send UltraBenefits a weekly claims extract file of their HRA participants. If the service is covered under the HRA plan, UltraBenefits will automatically send payment to the provider or to the participant, depending on the HRA plan setup.

### Very competitive fees

Working together with UltraBenefits, we're able to provide our employers a very competitive fee schedule: \$4 per employee per month, \$750 setup fee and no annual renewal fee. Employer groups can choose, as always, their

own HRA vendor instead of going with UltraBenefits. However, they will not benefit from the claims integration and these discounted prices.

Groups who elect UltraBenefits will contract directly with them and will receive separate bills from UltraBenefits and FCHP. An employer's FCHP account manager will help them through the HRA setup process. Questions? Call your account manager at 1-800-333-2535. ■

## FCHP network continues to broaden

Fallon Community Health Plan has an expansive provider network throughout the state and also offers access to 600,000 providers nationwide through the PHCS network. Still, we continue to negotiate and contract with new providers who complete or expand our service area. We're excited about new inroads we're making in the Brockton/Bridgewater area and the south coast (Plymouth, Fall River, New Bedford, etc.)—and will continue to update you as decisions are finalized.

**In the western part of the state,** we now have approximately 76% of providers credentialed in the Berkshire region and continue to add small-group and solo practitioners. Among the providers already accepting FCHP members are Berkshire Health Systems (including Berkshire Medical Center, Fairview Hospital and Berkshire Faculty Practice), East Mountain Medical, Lee Family Practice, Macony Pediatrics, Suburban Internal Medicine, Berkshire Medical Group, Pittsfield Medical Associates, Adams Internists, Williamstown Medical Associates, North Adams Regional Hospital, and several other primary care and specialty groups.

**For our Medicare Advantage plan in 2009,** we expanded our Fallon

## 2009 Group Medicare product update

We're pleased to announce that there are only minor changes to premiums and benefits for our 2009 Group Medicare options with Fallon Senior Plan™. Our Group Medicare plans continue with our "Healthy Extras" programs, such as purchase benefits for eyewear (glasses or contact lenses) and hearing aids, health and wellness education, disease care services, dental care and chiropractic services, SilverSneakers® Fitness Program and Weight Watchers®.

Importantly, we've made a **sizeable increase to the service area for Fallon Senior Plan Premier, our group Medicare HMO** that is available to employer and union group customers. As of January 1, 2009, we are available in more Massachusetts communities than ever, including all of Hampden County and additional communities in Middlesex, Essex and Hampshire counties. For the first time, Fallon Senior Plan Premier also will be available for retirees from border towns in Rhode Island, Connecticut and New Hampshire.

We've also added a **new U.S. travel benefit** this year. There is unlimited coverage, and no referrals or authorizations required, for certain medical services received from a provider that accepts Medicare when the member is traveling outside of the northeastern states.

To learn more, call Robert Cannon, FCHP Manager, Medicare Group Sales, at 1-508-368-9532. ■

*continued, page 4*

## FCHP network

continued from page 3

Senior Plan™ HMO network to include all of Hampden County. This county, located in Massachusetts' Pioneer Valley, includes Springfield, Chicopee, Holyoke, Westfield and Agawam, among other cities and towns.

FCHP is committed to providing quality, affordable health care products to a broad population, and our ongoing service area expansion is one way in which we are achieving that goal. ■

## January mailing reminders

■ **Proof of insurance.** FCHP will mail its commercial plan subscribers who are Massachusetts residents a 1099-HC form (proof of coverage) in January, in time for tax filings. (This does not apply to Fallon Senior Plan™ members.) The form shows coverage by each month in the year. Then, in turn, the subscriber (and dependents over the age of 18) will use the information on this form to complete state form Schedule HC when filing the 2008 state income taxes.

■ **Dependent age verification.** At the end of January, FCHP will send members a letter and form to verify their child's dependent status to ensure continued coverage.\* The Massachusetts health care reform law increased the dependent age eligibility to age 26 or two years past the loss of dependent status, whichever comes first. Eligibility details will be included with our mailing. Please encourage your employees to respond.

\* For ASO groups and those employers that choose not to implement the reform guidelines, the annual student certification took place in August.

If your employees have questions related to either of these mailing, they may call our Customer Service Department at 1-800-868-5200 (TDD/TTY: 1-877-608-7677), Monday through Friday from 8 a.m. to 6 p.m. ■

## In our corner

■ **We have introduced a new and improved "Find a doctor" tool** on our Web site that is providing FCHP customers with a more effective and efficient process to search for providers. Users of the "Find a doctor" tool are able to search by provider's name, network, state, distance from a ZIP code, specialty, provider's gender and provider's language. You can check it out at [fchp.org/FindPhysician/Search.aspx](http://fchp.org/FindPhysician/Search.aspx).

■ FCHP has written and published **HMO 101**, a helpful brochure that explains the basics of HMOs and helps our members to better understand the key concepts they should know. An idea generated by the FCHP Benefits Administrators Advisory Group, the brochure is being distributed primarily to our groups' Human Resources staff to help explain the HMO world to new employees. You'll find the brochure in the employer section of our Web site, [fchp.org](http://fchp.org).

■ **Summit ElderCare® opens second location in Worcester.** This Program of All-Inclusive Care for the Elderly, sponsored by Fallon Community Health Plan, has opened a newly-constructed, 11,700-square-foot facility at 1369 Grafton St. that accommodates up to 100 program participants daily. The program, an attractive alternative to nursing home placement, also has locations in Charlton and Leominster. This expands our service to those in Central Massachusetts who would benefit from the personalized medical attention, coordinated geriatric care, in-home support services and insurance coverage offered by Summit ElderCare.

■ **FCHP's Commit to Be Fit program**, which targets childhood obesity, has been welcomed at several schools throughout Massachusetts. Students (and their teachers!) have all agreed to commit to a more active and healthier lifestyle, and are enthusiastically using the many educational and support materials that FCHP has provided. Commit to Be Fit was featured during a Channel 5 evening news broadcast in November.

■ **FCHP's 2008 Community Benefits Grants total more than \$128,000** to seven organizations for the support of innovative, community-based programs that provide preventive health and social services for young children or at-risk youth. We awarded grants to: Baby's Breath, Inc. (Leicester); Boys & Girls Club of Worcester (Worcester); Home for Little Wanderers (Walpole); Massachusetts Citizens for Children (Boston); Mohegan Council, Inc., Boy Scouts of America (Worcester); Wayside Youth & Family Support Network (Framingham) and Western Massachusetts Labor Action (Pittsfield).

■ Our third annual **Golf FORE a Goal** tournament at Worcester Country Club back in September raised well over \$130,000! We have been traveling throughout the state to donate this money to more than 50 food pantries and hunger relief programs. Thank you to all who supported us!

■ Fallon Community Health Plan was honored in November by the *Worcester Business Journal* as one of its **2008 top-growth companies** in Central Massachusetts. FCHP was chosen as one of the not-for-profit companies in the region who is on the rise, based on a variety of 2007 data. ■

Plan design changes for January 1, 2009

Benefit	Premier		Premium Saver Inpatient Copayment Options							
	Premier I	Premier II	Premier Value*	Premium Saver I	Premium Saver II	Premium Saver Value I	Premium Saver Value II	Premium Saver Basic I	Premium Saver Basic II	
Comm Choice designation	N/A	N/A	Gold	N/A	N/A	N/A	N/A	N/A	N/A	
Comm Choice network	N/A	N/A	Select Care	N/A	N/A	N/A	N/A	N/A	N/A	
Office visit - wellness	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Office visit - PCP	\$10	\$10	\$15	\$15	\$15	\$20	\$20	\$25	\$25	
Office visit - specialist	\$10	\$10	\$25	\$15	\$15	\$35	\$35	\$40	\$40	
Prescriptions	\$10/\$25/\$45	\$25/\$100/\$100	\$10/\$25/\$45	\$10/\$25/\$50	\$25/\$100/\$100	\$10/\$25/\$50	\$10/\$50/\$100	\$10/\$25/\$50	\$10/\$50/\$100	
Emergency room	\$50	\$50	\$75	\$50	\$50	\$75	\$75	\$100	\$100	
Inpatient hospital	Covered in full	Covered in full	\$100	\$250	\$250	\$500	\$500	\$1,000	\$1,000	
Same-day surgery	Covered in full	Covered in full	\$100	\$125	\$125	\$250	\$250	\$500	\$500	
Preventive services	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	
Diagnostic services	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	
Imaging (CAT, PET, MRI)	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	\$50	\$50	\$100	\$100	
Routine dental	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	
Chiropractic	\$10	\$10	\$15	\$15	\$15	\$20	\$20	\$25	\$25	
HMO deductible	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
PPO deductible	\$300/\$600 (OON)	PPO option not available	\$300/\$600 (OON)	\$300/\$600 (OON)	PPO option not available	\$400/\$800 (OON)	\$400/\$800 (OON)	\$500/\$1,000 (OON)	\$500/\$1,000 (OON)	
HMO OOPM	\$1,000/\$2,000	\$1,000/\$2,000	\$1,000/\$2,000	\$1,000/\$2,000	\$1,000/\$2,000	\$2,000/\$4,000	\$2,000/\$4,000	\$2,500/\$5,000	\$2,500/\$5,000	
PPO OOPM	\$2,500/\$5,000	PPO option not available	\$2,500/\$5,000	\$2,500/\$5,000	PPO option not available	\$2,500/\$5,000	\$2,500/\$5,000	\$2,500/\$5,000	\$2,500/\$5,000	

Benefit	Premium Saver Deductible Options						Care Choice High-Deductible Options	
	Premium Saver 500	Premium Saver 1000	Premium Saver 2000	Premium Saver 2000/500 I	Premium Saver 2000/500 II	Care Choice 1250	Care Choice 2000	
Comm Choice designation	Silver	N/A	N/A	Bronze	N/A	N/A	N/A	
Comm Choice network	Direct Care Select Care	N/A	N/A	Direct Care Select Care	N/A	N/A	N/A	
Office visit - wellness	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Office visit - PCP	\$20	\$20	\$20	\$25	\$25	\$20 after ded.	\$20 after ded.	
Office visit - specialist	\$20	\$20	\$20	\$40	\$40	\$20 after ded.	\$20 after ded.	
Prescriptions	\$10/\$25/\$50	\$10/\$25/\$50	\$10/\$25/\$50	\$10/\$50/\$100	\$25/\$100/\$100	\$10/\$25/\$50 after ded.	\$10/\$25/\$50 after ded.	
Emergency room	\$100	\$100	\$100	\$100	\$100	\$100 after ded.	\$100 after ded.	
Inpatient hospital	Deductible	Deductible	Deductible	\$500 after ded.	\$500 after ded.	Deductible	Deductible	
Same-day surgery	Deductible	Deductible	Deductible	\$250 after ded.	\$250 after ded.	Deductible	Deductible	
Preventive services	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	Covered in full	
Diagnostic services	Deductible	Deductible	Deductible	Deductible	Deductible	Deductible	Deductible	
Imaging (CAT, PET, MRI)	Deductible	Deductible	Deductible	Deductible	Deductible	Deductible	Deductible	
Routine dental	\$10	\$10	\$10	\$10	\$10	\$10	\$10	
Chiropractic	\$20	\$20	\$20	\$25	\$25	\$20 after ded.	\$20 after ded.	
Deductible	\$500/\$1,000	\$1,000/\$2000	\$2,000/\$4,000	\$2,000/\$4,000	\$2,000/\$4,000	\$1,250/\$2,500	\$2,000/\$4,000	
Embedded deductible	\$500	\$1,000	\$2,000	\$2,000	\$2,000	\$2,300	\$2,300	
HMO OOPM	\$2,000 / \$4,000	\$2,500/\$5,000	\$4,000/\$8,000	\$4,000/\$8,000	\$4,000/\$8,000	\$2,500/\$5,000	\$4,000/\$8,000	
HMO embedded OOPM	\$2,000	\$2,500	\$4,000	\$4,000	\$4,000	\$4,600	\$4,600	
PPO OOPM	\$4,000/\$8,000	\$4,000/\$8,000	\$5,000/\$10,000	\$5,000/\$10,000	PPO option not available	\$5,000/\$10,000	\$5,000/\$10,000	
PPO embedded OOPM	\$4,000	\$4,000	\$5,000	\$5,000	PPO option not available	\$5,000	\$5,000	

Benefits	Alternative PPO Options	
	Premium Saver 500 (90/70)	Premium Saver 1000 (80/60)
Comm Choice network	N/A	N/A
Office visit – wellness	\$0	\$0
Office visit – PCP	\$20	\$20
Office visit – specialist	\$20	\$20
Prescriptions	\$10/25/50	\$10/50/100
Emergency room	\$100	\$100
Inpatient hospital	10% coinsurance (after ded.)	20% coinsurance (after ded.)
Same-day surgery	10% coinsurance (after ded.)	20% coinsurance (after ded.)
Preventive services	Covered in full	Covered in full
Diagnostic services	10% coinsurance (after ded.)	20% coinsurance (after ded.)
Imaging (CAT, PET, MRI)	10% coinsurance (after ded.)	20% coinsurance (after ded.)
Routine dental	N/A	N/A
Chiropractic	\$20	\$20
Deductible	\$500/1,000	\$1,000/2,000
Embedded deductible	\$500	\$1,000
Out-of-pocket maximum	\$4,000/\$8,000	\$4,000/\$8,000
Embedded out-of-pocket maximum	\$4,000	\$4,000
Coinsurance	10%/30%	20%/40%