

industry expert leading fchp's expansion

W. Patrick Hughes joined Fallon Community Health Plan in February as Senior Vice President/Chief Marketing and Sales Officer. He is responsible for implementing and executing FCHP's marketing and sales strategy in New England.

Before running his own consulting and brokerage firm, Hughes was an executive at Blue Cross Blue Shield of Massachusetts. He is credited with building a brokerage distribution channel that enabled Blue Cross Blue Shield to achieve its unprecedented growth and profitability.



As President of Employee Benefit Plan Administration in the early '90s, Hughes guided New England's largest third-party administrator of self-insured employee health care programs.

He is a 10-year veteran of the National Football League.

In a recent interview, Pat Hughes shared his views on FCHP's partnership with brokers and how we can work together for success in a dynamic health care environment.

What's your view of the broker connection?

I learned the inherent value of broker relationships in my previous positions. Now at Fallon Community Health Plan, I'll continue to be a strong advocate for close alliances with the broker community. The brokers we work with will be a huge part of our future and our success.

What do you expect from brokers?

FCHP is the David among the Goliaths. We're innovative and flexible, but I think we also need to

look to brokers to help us understand what's working and what isn't. Obviously, our brokers live and earn a living in the marketplace. We can rely on their expertise to interpret what people want and need—what resonates among their clients.

Who takes the sales lead at FCHP?

I believe it's important that we listen to brokers and take their lead. The most successful among them are very knowledgeable about the products they sell and are resources to their customers. FCHP is a bit of a jewel in terms of what it brings to the marketplace. I want our salespeople to become experts on our portfolio and, in turn, be excellent resources for our existing broker partners as well as up and coming professionals in the field. We can help each other.

Is there room for improvement?

FCHP has good interactions with brokers now. As partners, we can benefit from each other. I recognize, though, that we need to improve our methods of communications and access. For example, online quoting is a hot button. We're working on a solution and will keep you posted. I know that ease of doing business can make or break a sale. I want to be sure FCHP can take advantage of every opportunity brokers send our way. And, I want us to respond in a timely, cost-competitive fashion with an FCHP solution brokers can bring to their clients.

What key message do you have for brokers?

I can assure our brokers that FCHP is focused on membership growth. We've got the will to win and be successful. We'll do whatever we can to support brokers and their clients because through them we can achieve our ambitious growth objectives. ■

fchp product diversity supports every need

Fallon Community Health Plan has earned a reputation among employers as being as responsive and invested in their organization's health care as they are. One way we do this is to offer a variety of product and network choices that appeal to the diverse needs of their business and their employees.

- **Fallon Preferred Care** is our PPO option, with access to a national network that offers the greatest flexibility when choosing a health care provider.
- **FCHP Select Care**, an HMO option, offers a choice of providers from an expansive network that includes physician practices, community hospitals and medical facilities throughout the Commonwealth, from Brockton to the Berkshires.
- **FCHP Direct Care**, another HMO option, delivers up to 13% premium savings compared to FCHP Select Care products because it offers a concentrated network of some of the Commonwealth's highest-quality physician groups and hospitals. FCHP Direct Care includes more than 330 providers through Acton Medical Associates, Charles River Medical Associates, Fallon Clinic and Southboro Medical Group.

Within each of these products are unique plan designs with more choices that can help balance the benefits with the bottom line:

- **Premier options** are designed for those looking for the greatest level of coverage. These options have a higher monthly premium, but lower copayments when services are received.

continued

"product diversity" from page 1

- **Premium Saver options** are more affordable than the Premier options, as they strike a balance between lower monthly premiums and slightly higher out-of-pocket expenses.
 - **Deductible options** reduce the monthly premiums even further through the use of an annual deductible for certain services. The deductible must be met before the plan begins to provide benefits.
 - **Inpatient copayment options** have no deductibles, but there is a copayment on hospital admissions.

- **Care Choice high-deductible options** are some of our lowest-cost plans, which can be partnered with a health savings account to help pay for out-of-pocket costs—giving even more flexibility when it comes to cost savings.

In most cases, Select Care and Direct Care can be offered alongside each other and any of FCHP's product offerings, including FCHP's Fallon Preferred Care.

For more details about our product portfolio, please contact your FCHP sales executive at 1-800-333-2535. ■

seasonal employment and fair share

What is considered seasonal employment under health care reform? For small employers, the definition may impact how they are affected by the fair share provision of the law.

For purposes of fair share, an employee is not "seasonal" just because the employer considers him or her to be so. A "seasonal" employer and employee are legally defined under Section 151A of the General Laws of Massachusetts*—which are referenced in the Division of Health Care Finance and Policy regulation 114.5 CMR 16.00 for "determination of employer fair share contribution." An employer must meet the Sec. 151A definition, must file as a seasonal employer with the Division of Unemployment Assistance and make certain disclosures to the employee.

An individual's employment **must not exceed 16 weeks** to be considered seasonal. If an individual exceeds this time frame, he or she could be considered a full-time employee (35 or more hours/week) under the fair share provision. (Note: the employee would be considered full time for *all of the time worked*, not just the time that is greater than 16 weeks.)

defining "fte": seasonal in (maybe)

Under fair share, employers with **11 or more full-time equivalents** will be required to pay an assessment of up to \$295 per employee, per year if they don't make a "fair and reasonable" contribution to employee health insurance. The DHCFP regulations don't define "full-time equivalents."

Regulations proposed by other agencies, however—most notably regulations *proposed* (but not yet final) by the Division of Unemployment Assistance concerning calculation and collection of the fair share assessment amount—contain

new ad campaign in all media

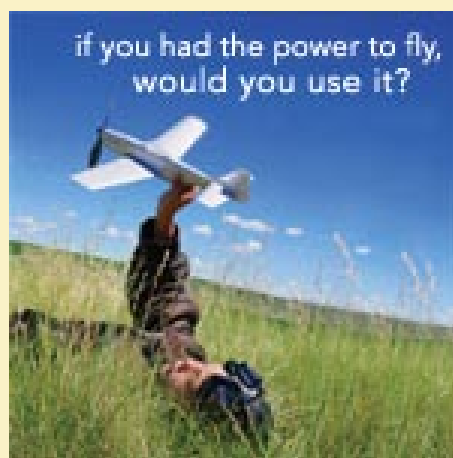
Our 2006 advertising effectively increased the awareness and image of Fallon Community Health Plan—and we plan to raise the bar with our new campaign now underway.

"**The power of FCHP**" is the theme we're proclaiming in our print and radio ads, on billboards and in the TV commercials that all appear in targeted areas throughout Massachusetts. We show, somewhat whimsically, how our members have the power to take better care of themselves—a power that comes from unique benefits, like \$0 wellness copayments, *It Fits!*, and Nurse Connect, that are each featured in the advertising.

Our TV commercials aired heavily throughout May and will continue this month. They have some fun with "the power of FCHP" message. In addition to our themed radio spots, we have special commercials airing during the Red Sox games, and we are sponsoring "The Injury Report."

Our billboards, in more than a dozen locations, have a simple message: The power of FCHP. Look for them along I-290 in Worcester, along Route 9 in Westboro, and in Springfield, Lowell, Peabody and Boston.

We hope you like what you see and hear—and that it will support your efforts on behalf of FCHP. ■



continued

“seasonal employment” from page 2

a formula that an employer can use to determine the number of full-time equivalents.

Under these regulations, an employer would add the total number of hours worked by *all employees*—full-time, part-time and **seasonal**—then divide by 2,000. (An employee who works more than 2,000 hours/year should be counted as working a maximum of 2,000 for this calculation.) Thus, even employees who do meet the legal definition of “seasonal” outlined above are included in the calculation of the number of full-time equivalents.

“fair and reasonable” contribution: seasonal out

The Division of Health Care Finance and Policy’s final regulations state that an employer with 11 or more full-time equivalents would use only full-time employees to calculate whether he/she is meeting the “fair and reasonable” contribution—25% enrollment or 33% toward the plan premium. Employees who meet the legal definition of “seasonal” outlined above do *not* need to be included in these calculations.

assessment: seasonal in

If the employer is required to pay an assessment, however, the proposed regulations indicate that its amount will be calculated using all, **including seasonal**, employees.

With health care reform progressing at a fast and furious pace at many levels of the state government, inconsistencies in definitions and guidelines seem inevitable. How to define “full-time equivalent” for fair share purposes is one example. Many concerned organizations, including the Massachusetts Association of Health Plans, are working with government agencies to clarify and resolve discrepancies as they arise. ■

* See www.mass.gov/legis/laws/mgl/151a-1.htm; specifically Section 1, subsections (z), (aa), (bb) and (cc).
Note: These subsections are at the very end of Section 1; scroll down towards the bottom of the page.

commonwealth care adjustments

Income thresholds will be expanded for Commonwealth Care, effective July 1, in order to align the program’s guidelines with its pending affordability standards. This is the state’s premium-assistance health insurance program for individuals with incomes at or below 300% of the federal poverty level.

- The income threshold for an individual who receives a full subsidy and does not have to pay monthly premiums for Commonwealth Care insurance would **increase from a limit of 100% of the federal poverty level (\$10,210) to 150% (\$15,315)**. This will cover an estimated 29,000 more people. (The change in income threshold will not alter which of the four plan types people join.)
- For those earning **between 150.1% and 200%** of the federal poverty level (\$20,420), the monthly premium for Commonwealth Care will be reduced by \$5 and **between 250.1 and 300%** it will be reduced by \$1. There’ll be no premium change between 200.1 and 250%.

As a result of the changes, premiums will be eliminated or reduced for 52,000 residents. ■

why choose fchp?

Our current advertising promotes “the power of FCHP,” a power that our members have to take better care of themselves with unique benefits like \$0 wellness copayments, *It Fits!* and Nurse Connect.

- We offer **\$0 copayments for annual checkups** with a primary care physician or gynecologist. Well-child visits for dependent children also are covered in full.
- ***It Fits!*** reimburses families up to \$300 for membership at a fitness center or in Weight Watchers®, or for aerobics, Pilates and yoga classes taught by certified instructors. Sports programs and lessons for all ages are reimbursable, too!
- **Nurse Connect** gives FCHP members free, around-the-clock access to health coaches by phone and online. By calling 1-800-609-6175, members can talk with a registered nurse or other health care professional who can respond to medical questions, provide education and support, guide them with questions to ask the doctor, and more. Members also can log in to Nurse Connect’s Dialog CenterSM through the “My FCHP” section of our Web site. ■

Benefits and features may vary by employer and plan.

fchp here for you and your customers

Fallon Community Health Plan has a high level of involvement in all aspects of health care reform. In addition to participating in the Commonwealth Care and Commonwealth Choice programs, we’re directly offering a variety of affordable health plan options to meet every need. We’re doing extensive outreach to individuals to inform them of our comprehensive plan choices, which vary by premium price and the costs members share.

FCHP would like to work with our brokers to support accounts who may have a high number of part-time employees needing to purchase individual products, or who may benefit from the Commonwealth Care program. For more information, please contact your sales executive today at 1-800-333-2535! ■

new incentives for medicare group sales

If you do business in Medicare group sales, you'll want to do business with us.

FCHP has introduced a new financial incentive program for brokers who sell enrollments for new Medicare groups and/or sell enrollments for additional coverage options under existing Medicare groups.

Applicable for each new enrollment, incentive payouts are available for up to 90 days following the start-up of new groups or new options. The program was effective for April 1, 2007.

For more information, call Bob Cannon, FCHP Manager, Medicare Group Sales, at 1-508-368-9532. ■

we've got your out-of-state retirees covered

Fallon Companion Care is your health care coverage solution for Medicare-eligible retirees who live outside of Massachusetts.

Fallon Companion Care, our new group product that fills the "gaps" in Original Medicare Plan coverage, offers comprehensive medical and outpatient prescription drug coverage. It also includes our popular fitness reimbursement benefit, *It Fits!*.

And, since Fallon Companion Care doesn't have a provider network, retirees can choose any doctor that's most convenient to them.

Fallon Companion Care, offered by Fallon Health & Life Assurance Company, acts as a secondary payor for Medicare-approved services.

Members must have Medicare Part A and Part B. Companion Care is available to employer groups with FCHP commercial accounts.

Since 1980, we've offered health care coverage to people with Medicare. In fact, we were one of the first health plans in the nation to offer a Medicare HMO plan. Today, we continue to draw on our experience to provide employers with great options for

mail-order pharmacy change

Did you hear? Now FCHP members* get a discount on Tier-3 medications through our mail-order program. As with our Tier-1 and Tier-2 prescription drugs, a three-month supply can be ordered for the cost of only two, rather than three, copayments. *This is available for new business and upon account renewals.*

Our prescription mail-order service offers our members a convenient alternative that also saves them money. We particularly encourage its use for "maintenance" medications (e.g., for chronic conditions like diabetes and high blood pressure) that are ordered in larger quantities and taken on an ongoing basis. ■

**Does not apply to Fallon Senior Plan™, which offers a different discount rate.*

their retiree coverage. Our staff will work with customers one-on-one to customize a benefit design that best fits their needs.

Find out more about Companion Care today. Call Bob Cannon, FCHP Manager, Medicare Group Sales, at 1-508-368-9532. ■

fchp news

30th fchp anniversary—spreading the goodwill

We've chosen a unique way to celebrate our 30th anniversary this year. We're calling it Pay It Forward.

"We wanted to recognize our 30th anniversary in a very special way," explains FCHP President and CEO Eric Schultz. "So we're making a donation of \$30,000, but are doing so through our employees, who will get the chance to be the kind of everyday hero that exemplifies the FCHP brand."

Based on an idea popularized in the novel and movie, *Pay It Forward*, 30 FCHP employees were randomly chosen to receive \$1,000 that they, in turn, recently donated to favorite charitable causes. "I'm thrilled and honored to be chosen to take part in this exciting program," says FCHP Account Manager Brian Guagnini. "Pay It Forward provided the opportunity for employees to do

something that most of us wouldn't be able to do on our own."

summer in the city

Once again, FCHP is the presenting sponsor of Worcester's **Independence Day Celebration** on Tuesday, July 3 (rain date July 5) at Cristoforo Colombo Park (also known as East Park). In addition to many kids' activities and a concert by the Massachusetts Symphony Orchestra, residents will be treated to a spectacular fireworks display.

FCHP will hold its annual **Movies in the Park** series in Worcester during August. We'll be featuring: *Over the Hedge* on August 9, *Harry Potter and the Goblet of Fire* on August 16 and *The Goonies* on August 23.

save the date

On September 24, FCHP will host its second annual **Golf FORE a Goal** tournament at Worcester Country Club. Last year we raised \$115,000 to benefit Boys & Girls Clubs throughout Massachusetts. This year's event will **benefit food pantries and hunger relief programs** in the state. If you or your business would like to be a sponsor, please call Cheryl Schmaltz at 1-508-368-9834 or send an e-mail to golf@fchp.org.

continued

"fchp news" continued

fchp introduces new community mini-grants

We recently announced a new philanthropic initiative, the FCHP Mini-Grants Program. Unlike our annual Community Benefits grants, we'll award two mini-grants of up to \$1,000 each every month. For information about applying for a mini-grant, organizations can download an application from the FCHP Web site at www.fchp.org.

new online tool checks drug interactions

Healthwise® Knowledgebase is a free online health resource available free by clicking the link on FCHP's home

page, www.fchp.org. Now we've added to this resource a new feature called the Drug Interaction Checker that lets visitors create a personal drug list and check for drug-to-drug and other interactions. Prescribed drugs may be affected by over-the-counter drugs, foods, vitamins, herbal supplements or other medicines. Some of these interactions can even be dangerous—and this new tool is a great way to help prevent them.

walking for a cause

Team FCHP, a total of 70 individuals, raised more than \$6,000 in the annual **Central Massachusetts Heart Walk** on April 28. This walk is the American

Heart Association's premier fundraiser to benefit heart and stroke research.

Several members of FCHP Account Management team raised \$1,600 in **WalkAmerica®**, the annual March of Dimes walk, which locally was held in Worcester on April 22. The team was pleased with its first-year effort and vows to do even better next year. FCHP also donated \$1,500 in sponsorship. The March of Dimes' mission is to improve the health of babies by preventing birth defects, premature birth and infant mortality. ■



Broker Edge is published quarterly to provide the broker community with the latest Fallon Community Health Plan news and product facts, health care trends and marketplace information. E-mail your comments on *Broker Edge* to broker.services@fchp.org, or call Tina Aubin at 1-508-368-9986.