

special health care reform feature

This issue of Broker Edge features an overview of the historic health care reform legislation in Massachusetts. In addition to presenting you with the big picture and an implementation timeline, we summarize state Senator Richard Moore's remarks at our recent Broker Breakfast. You'll also learn how FCHP is responding to the new law with product solutions, as explained at the breakfast by our President and CEO Eric Schultz. Be sure to turn to this special feature at the end of this publication. ■

broker sales kit revamped

After getting ideas and suggestions from the broker community, we have created a more user-friendly sales kit that will help you make a convincing case for Fallon Community Health Plan with your clients and prospects.

We know that when you are selling FCHP to potential clients, you need to make your point quickly and compellingly. Your FCHP sales kit, totally new in content and design, makes it easy to do just that with a clear statement of our value proposition.



We've centralized the information in one easy-to-use folder, with tiered, topical sheets for quick reference. You'll have at your fingertips information about FCHP's flexible products, expanding networks, strong cost management, popular wellness programs and more.

We hope the new kit reinforces for you and your customers the value FCHP brings to the marketplace. For details or kit requests, please call your sales executive today at 800-333-2535. ■

new earning potential with fchp

On April 1, 2006, we introduced a new broker compensation program that, we hope, is proving to you how much we appreciate your business.

Our revised compensation schedule rewards you for both persistency and growth in your FCHP business. And we've added a bonus program, too.

Our sales executives have been contacting brokers about these exciting compensation changes. If you haven't heard from us, please call your sales executive today for details at 800-333-2535. ■

getting the word out about fchp

Advertising contributed significantly to the successful launch of FCHP's new brand image last summer. It will continue to play an important role in reinforcing our brand and supporting FCHP's product and network growth in 2006. This year, our campaign started earlier to better support sales for the July 1 enrollment date of many employer groups. The campaign is taking a three-prong approach to be most effective.

tv: image

Our TV commercials are intended to broadly reinforce FCHP's image and brand. They hit the airwaves in mid May. The three commercials depict feel-good story lines, including a marriage proposal, parents with their newborn and a grandfather and granddaughter playing hide-and-seek. The TV spots have been getting major play, including showing during the season finales of *West Wing*, *American Idol*, *Desperate Housewives* and *Lost*.

radio and print: business

Our radio and print advertising this year is devoted to business-to-business outreach. The radio spots, continuing with Buddy Holly theme music, are airing on several stations—WTAG, WBZ, WRKO, WCRN and others. (You'll also hear different FCHP spots during Red Sox baseball on WEEI radio.) Like radio, our print ads clearly describe both the employer and employee advantages of FCHP. They are appearing in many newspapers in our service area, such as the *Lowell Sun*, *Salem Evening News*, *MetroWest Daily News*, *Boston Business Journal*, *Worcester Telegram & Gazette* and others. We also have new Fallon Senior Plan™ radio and print advertising.



billboard: network

FCHP also will continue to do strategically-placed billboard advertising that reinforces our growing network. The billboards emphasize our presence in a particular region or city. We're also working on new billboards for the I-290 and I-190 interchange.

So far, we've had very positive feedback on this year's campaign and believe it continues to raise awareness about FCHP. We hope you like what you see and hear! ■

fchp direct care: the convenient choice

Fallon Community Health Plan Direct Care is one of the best health care choices an employer can make today. In fact, nearly 2,000 of our employer groups now offer this plan.

FCHP Direct Care is a unique option built around several high-quality provider groups. First developed with the **Fallon Clinic** group practice, we expanded the Direct Care network more than a year ago to include **Acton Medical Associates, Charles River Medical Associates** and **Southboro Medical Group**.

By offering a tailored network of four high-performing group practices, FCHP Direct Care provides more coordinated and efficient care at a lower premium than comparable products. In fact, our expanded Direct Care product can **save employers at least an additional 10%** over FCHP Select Care.

FCHP Direct Care has the same rich core of comprehensive benefits as FCHP Select Care, supported by additional features, health and wellness programs, and a commitment to delivering exceptional customer service.

We hope you'll continue to inform prospective employers that they now have more flexibility to choose this affordable health care plan option. ■

ledoux assumes director post

FCHP is pleased to welcome **Keith Ledoux** in the position of Channel Marketing Services Director within its Sales and Marketing Division. Keith has worked in the health care industry for more than 11 years, most recently as the Eastern Mass.



Regional Sales Manager for Tufts Health Plan. He'll focus on establishing and enhancing key partnerships, particularly with the broker community, which is instrumental to FCHP's membership growth across product lines.

"It's a very exciting time for FCHP and our brokers," Keith notes. "FCHP's expanding networks, new branding and wellness initiatives are a few examples of how we continue to be one of the nation's top health plans.

"I'm very much looking forward to working in collaboration with our Sales and Marketing teams to keep our brokers informed of the many exciting changes occurring at FCHP," Keith adds. "Most recently, we introduced a new broker bonus plan, which went into effect April 1, 2006. And we'll continue to aggressively expand our networks. I believe we'll have a very successful partnership in the months ahead."

If you would like to share your ideas with Keith, you may reach him at 508-368-9059 (toll-free at 800-333-2535, ext. 69059) or via e-mail at keith.ledoux@fchp.org. ■

meet our new sales executives

Patricia ("Tricia") Connors joined Fallon Community Health Plan in February as a sales executive for the Merrimack Valley region. A graduate of Regis College, Tricia has more than 20 years experience as a sales executive in both financial services and group employee benefits. Tricia's



clinical corner

Have you heard about FCHP's Every Day Health program? We've put the tools and resources our members need at their fingertips, whether they want to reinforce their healthy lifestyle or just need extra support. These types of programs help to improve quality of life while, at the same time, reducing overall health care costs. In this new column, we look forward to sharing more information with you about our cost-effective clinical programs.

You've all heard the statistics. Lung cancer, predominantly caused by smoking, is the leading cause of cancer death in the United States for both men and women. And according to all estimates, smoking-related medical costs are in the billions—in fact, \$75.5 billion according to the American Cancer Society's latest figures (for 1998).

Even nonsmokers have a sense of how addictive smoking is and how difficult it is to quit. That's why Fallon Community Health Plan offers our tobacco treatment program, called **Quit to Win**, to help our members develop a stop-smoking plan that's right for them and give them the tools they need to succeed.

We are thrilled to report, based on our recent assessment, that participants in **Quit to Win** have achieved a **one-year abstinence rate of 32%**, which is more than twice the quit rate the National Cancer Institute considers to be successful. In addition, we have increased our new participation by 45%, and ongoing attendance in the program is very high. We can see the value of this program in action and are proud to be a part of its success.

Group sessions are free (you don't have to be an FCHP member to join us), and members can buy nicotine patches at a greatly discounted rate. Phone counseling is an option for those who cannot attend our group sessions. We are pleased to be **adding the Milford Regional Medical Center** as another meeting site beginning June 1. To find out more, call our *Quit to Win* program at 508-368-9540 or 888-807-2908, option 2, or talk to your sales executive at 800-333-2535. ■

territory extends from Lowell northeast along the Massachusetts border to Newbury. She is also working closely with several key brokers and consultants in the Boston area.

"FCHP already has strong relationships in the Merrimack region and continues to expand its network, as seen with the recent addition of Merrimack Valley Hospital," Tricia says. "This is a dynamic region, and I'm eager to work with our brokers to bring all that FCHP has to offer to a broader customer base. As I've met the employees at FCHP, I've been very impressed by the strong focus on quality and the years of experience that they bring to our customers."

You can reach Tricia at 508-368-9829 (toll-free at 800-333-2535, ext. 69829) or via e-mail at patricia.connors@fchp.org.

Peter Hess recently came on board as a sales executive at Fallon Community Health Plan to cover the North Shore. Peter offers 10 years of experience in the health care industry, most recently as a sales representative at Tufts Health Plan. In this role, he worked with some of the largest brokers in Boston and the Northeast. Within a five-year period, he sold approximately 23,000 new members and won numerous awards. Peter, a graduate of the University of New Hampshire, holds an insurance license in both New Hampshire and Massachusetts.



"I'm excited to be working for FCHP," said Peter. "The company is very dynamic and truly interested in working with brokers to expand its territory. My region is newer to FCHP, and my goal is to work with you to provide the best information and solutions for your clients. We are already a great company to work with, and it's only going to get better."

You can reach Peter at 508-368-9994 (toll-free at 800-333-2535, ext. 69994) or via e-mail at Peter.Hess@fchp.org. ■

supporting health and wellness

At Fallon Community Health Plan, we do more than provide our members with health care coverage. We also give them tools and support to live a healthier lifestyle—at home and at work.

Our newest tool is our quarterly publication, **Wellness Works Today**. This publication provides helpful information for a variety of illnesses, tips on healthy eating, fun fitness facts and much more. *Wellness Works Today* is available to employers at cost, and can be used as a paycheck stuffer or mail piece.

We also are promoting healthier living in the workplace with access to our **Personal Wellness Profile™** through My FCHP at www.fchp.org. This profile is a confidential questionnaire that provides a wellness-based health assessment to employees. If 30 or more employees complete a profile, we'll provide an aggregate report to the employer. The report gives them a look at general health concerns and lifestyle indicators for their employee population, and can give them insight into lowering their company's health care costs.

If you'd like more information, please call your sales executive at 800-333-2535. ■

fchp support for high-risk pregnancies

Fallon Community Health Plan has introduced a new obstetrical program, *Special Deliveries*, that offers support to pregnant women at risk for complications—including premature delivery. The practical and emotional costs of premature delivery are immense. Our goal is to help these mothers and their babies have the healthiest pregnancy possible and to help mothers deliver closer to full term. We're encouraging our providers to refer appropriate FCHP members to the program.

Special Deliveries provides case management support throughout the pregnancy. We also offer education, home health services and identification of community resources to support or supplement care.

Between 1993 and 2003, the rate of infants born prematurely in Massachusetts increased more than 37%. These infants are at risk for lifelong problems, such as cerebral palsy, mental retardation, chronic lung disease, hearing loss and blindness. An infant born at 35 weeks incurs expenses that are greater than 10 times that of an infant born at 38 weeks. The estimated cost to employers' health plans is \$4.7 billion.



Special Deliveries is provided at no additional cost to our members. With this program, we believe that we can help mothers and their obstetricians address special health care needs and make a difference through healthier pregnancy outcomes. ■

in the community

- FCHP was a major sponsor of the **Better Business Bureau's 2006 Awards Banquet** held May 18, 2006, at the Crowne Plaza Hotel in Worcester. A highlight of the evening was the presentation of the Torch Awards for Marketplace Ethics—the BBB's highest honor. We congratulate award recipients Fletcher, Tilton & Whipple, Sunnyside Motor Co. and Checkerboard Ltd., and honorable mention recipients Paul Davis Restoration and Massachusetts Healthcare Services, Inc.
- On Monday, September 25, Fallon Community Health Plan will host its first **Golf FORE a Goal** tournament at Worcester Country Club. In keeping with our mission—*making our communities healthy*—all net proceeds from this event will

benefit the Boys & Girls Clubs throughout Massachusetts. We invite you to join us in supporting this worthy cause while you enjoy a fabulous day of golf on the legendary Worcester Country Club fairways. **A variety of sponsorship types and levels are still available.** If you or your business would like to be a sponsor, please call Sandy Wreschinsky, Community Relations, at 508-368-9591.

- Once again, FCHP is the presenting sponsor of Worcester's

Independence Day Celebration on Monday, July 3 (rain date July 5) at Cristoforo Colombo Park. In addition to many kids' activities and the rousing music of the Worcester Symphony Orchestra, attendees will be treated to a spectacular fireworks display. It'll be another memorable party.

- All of Central Mass is talking about the Can-Am League's 2005 champion **Worcester Tornadoes!** The team is a great community "event" and, as a community health

plan, FCHP is proud to be a major sponsor again this season. If you go to a game, look for the prominent FCHP banner along the field and our ad on the back page of the team's program book.

- FCHP is presenting our annual **Movies in the Park** series at Institute Park in Worcester during August. ■



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 508-368-9986.

health care reform in massachusetts

"your role won't change," sen. moore tells brokers

We had an impressive turnout for our Broker Breakfast on Thursday, April 27, 2006, at the Wellesley Country Club. Thank you for your participation!

Our keynote speaker, state Senator Richard Moore (D-Uxbridge), gave his perspective on the new health care legislation package. Sen. Moore is chairman of the committee that developed the comprehensive health care reform bill and served as a lead negotiator on the conference committee.

The goal of the law is to provide health care insurance to most of the half-million Massachusetts residents who now have no coverage. Sen. Moore touched on some key mandates and time frames for implementation.

One controversial aspect of the law requires small employers to pay a "fair share" assessment of up to \$295 per employee if they don't contribute towards their workers' health care insurance.

When asked if it's likely that companies with more than 11 employees might choose to drop insurance coverage and instead pay the \$295 assessment, Sen. Moore noted that businesses could drop insurance today without regulatory ramifications. There are enough provisions in this legislation, he reassured the audience, to make it unlikely this will happen. Incentives are in place for part-time and seasonal employees. Plus, a newly created agency, known as the Commonwealth Health Insurance Connector, will have oversight of the small group (and individual) market(s).

During the Q&A, Sen. Moore also noted that the Connector will not change brokers' role. Brokers will be the small business community's main contact to the Connector. Brokers will continue to work directly with clients and receive commissions. Intermediaries will work as "sub-connectors" and still have a critical role in reaching out to and advising their customers.

Sen. Moore also touched on the legislation's merger of the small group and individual markets. He said a study was commissioned on May 1, 2006, to evaluate the impact of this merger. He emphasized that the law strongly supports

the creation of affordable, quality products with features such as limited or tiered networks and rate adjustments up or down for tobacco use and utilization of wellness programs.

Our Broker Breakfast was a unique opportunity to hear from one of the architects of this groundbreaking legislation, which is being closely watched across the state and the country.

Watch for information about our next broker event—coming soon! ■

health care reform timeline

2006

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| Now | Dependent coverage age has increased to 26 (or two years past loss of dependent status). |
| July 1 | Expect a more detailed timeline and implementation plan through the Connector. |
| October 1 | Enrollment for Commonwealth Care Health Insurance Program becomes effective. |

2007

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| April 1 | Enrollment becomes effective for products designed for 19- to 26-year-olds. Enrollment becomes effective for small groups. |
| July 1 | Individual market enrollment and mandates become effective. All Massachusetts residents are required to have health insurance. ■ |

fchp developing solutions based on reform

At the April 27 Broker Breakfast, FCHP President and CEO Eric Schultz outlined how Fallon Community Health Plan is strengthening its position as a regional player in the health care field.

FCHP has transformed itself from a Central Mass insurer into both an insurer and provider of care (through the Summit ElderCare program) that will soon cover all of the state, Schultz noted. The health plan's network of providers is growing as we expand west, east and southeast.

At the same time, FCHP continues to be a strong niche player, offering a tiered network and flexible plan designs with affordable solutions for employers, Schultz explained. "FCHP has been active in presenting ideas and benefit plan designs to the state regulators as part of the health care reform activity. Our product development team is now conducting a 'listening tour' to better understand what our clients and prospects are seeking from this new legislation."

The health reform initiative is driving affordability and access, as well as clinical and financial soundness, Schultz concluded. "It's a dynamic time to be in health care." ■

health care reform: the big picture

Gov. Mitt Romney signed landmark health care reform legislation into law on April 12. It requires all Massachusetts residents to have health insurance by **July 1, 2007**.

Here are some key components of the law:

- Creates the **Commonwealth Health Insurance Connector**, a centralized agency that certifies, sells and enrolls individuals and groups into insurance products
 - Certifies products as good value
 - Enrolls membership into various health plans
 - Allows small businesses and their employees to buy health insurance with pre-tax dollars by requiring establishment of Section 125 plans.
 - Allows businesses to contribute monies on behalf of employees for their health insurance
 - Allows establishment of sub-connectors to outsource administrative responsibilities of the Connector
- **Plan design guidance**, including:
 - Limited and tiered networks
 - Promotion of cost and quality information
 - Tobacco use rate adjustment and wellness program discount adjustments
 - No changes to existing mandated benefits
 - Cannot have a deductible for Commonwealth Care Health Insurance Program (subsidized plans)
- Makes **changes to MassHealth** (Medicaid)
 - Increases eligibility to children in families earning up to 300% of the federal poverty level
 - Restores dental, vision, chiropractic and prosthetic benefits
- Creates the **Commonwealth Care Health Insurance Program** for low-income residents.
- Additional **product designs**—available through the Connector—**specifically for 19- to 26-year-olds** who don't have access to a group product.
- The **dependent age for health care coverage was increased to age 26**, or two years past the loss of dependent status, whichever comes first—effective immediately.
- Effective July 1, 2007, the **small group and individual markets will merge** under the Connector. Multiple employers may pay into one person's premium, and coverage will be portable for employees.
- **Employers** who don't contribute towards insurance will be subject to a "**fair share employer contribution**" of \$295 per employee and may be assessed a "**free rider surcharge**" if their employees access free care.
- **Massachusetts residents who do not have insurance by July 2007** will lose their personal income tax exemption for 2007 and, beginning the next year, be penalized 50% of what an individual would have paid toward an affordable premium. ■