

FCHP plan design changes for April 1

As you know, we are making substantial changes to the FCHP product portfolio that will affect our FCHP Direct Care, FCHP Select Care and Fallon Preferred Care products. We hope you'll work closely with us to find the plans that best fit your clients' needs and budgets as we continue to offer a variety of provider networks and plan designs. (These changes may not apply to groups of 50+ employees.)

In brief, we are making the following changes that apply for new business on April 1, 2010, and for existing business at anniversary renewal dates. (New FCHP sell sheets will be available at fchp.org on April 1.)

- Nuclear cardiology now mirrors imaging copayment.
- ER services accumulate towards deductible for all deductible plans.
- ER, same-day surgery and inpatient hospital copayments increase for most plans.
- Office visits, chiropractic and vision copayments increase for some plans.
- Rx copayment increases for some plans.
- We are introducing Premium Saver 3000 with and without Rx. This plan can be sold only if the employer will fund \$1,000 of the deductible through an HRA or HSA. Ask us for details.
- We are merging Premium Saver 2000 with the Premium Saver 2000/500 I plan design.

Please know that we have worked very hard to maintain competitive pricing on our products. However, over the last year, we've seen an increase in the number, severity and cost of member claims. Like all businesses, our products must be priced appropriately to cover our costs. We continue to pay out at least 90 cents of every premium dollar for our members' medical expenses, while keeping administrative cost very low with little-to-no profit margin.

continued on page 2

FCHP's new core business system goes live

Fallon Community Health Plan over the past two years has been in the process of modernizing its core business system, and we are now in the final launch phase of the project. FCHP selected TriZetto, a leader in health care payor technology, as the vendor for this new system, which is called "QNXT."

The new system will have minimal (yet positive!) impact on our interaction with our business partners. It will allow us to be more efficient and flexible in providing services to you, our members and other customers.

For example, the QNXT system will generate your broker compensation statements in a new format. We'll be sure to update you in the coming weeks with a sample and explanation of the revised statement.

For employers, QNXT allows us to accommodate requests to combine premiums for all group plans in a single invoice, with a summary at the bottom. For members in deductible plans, we've redesigned the explanation of benefits into an easier-to-read "Health Benefits Statement" that we'll issue monthly. We've carefully approached this system conversion to ensure

continued on page 2

Inside this issue

- Wells Fargo assumes Sovereign's HSA business
- FCHP offers integrated HRA solution
- Managing the cost of care
- Benefit spotlight: diabetes
- Introducing Lynn Curran – Director of Enrollment Billing
- FCHP collections and cancellation policies
- Sold case calendar – 2nd quarter 2010
- And more!

" Difficulties mastered are opportunities won. "

– Winston Churchill

plan design changes *continued from cover*

Plans designs closing

Also effective April 1, 2010, or on an employer's policy anniversary date following April 1, we will no longer offer the following plan benefit designs:

HMO and PPO:	PPO only:
(FCHP Direct and Select Care, Fallon Preferred Care)	
- Premier	- Premium Saver 500
- Premier II	(90/70)
- Premier Value	- Premium Saver 1000
- Premium Saver Value II	(80/60)

If you have any questions about these product changes, please call your sales executive at FCHP's dedicated broker line, 1-888-746-4823. ■

Wells Fargo assumes Sovereign's HSA business

As you may know, Fallon Community Health Plan previously partnered with Sovereign Bank to offer employers Health Savings Accounts (HSAs). However, effective February 1, Sovereign transitioned its HSA business to Wells Fargo Health Benefit Services. All existing Sovereign HSA account holders should have received welcome kits from Wells Fargo, who was contacting consumers affected by the change.

FCHP has been in the process of seeking a new preferred vendor for its HSA business. We hope to make a decision in the coming weeks, and we will be sure to update you when we do. If you have any questions, please contact your sales executive through our dedicated broker line, 1-888-746-4823, press 1. ■

Managing the cost of care

Insurance premiums are largely driven by the cost of medical care and services—which keep going up and up. Fallon Community Health Plan is continually looking for ways to control those costs so that we can offer affordable premiums for our health plans. Here are a few examples of what we've been doing.

Radiology management: Diagnostic imaging is the fastest growing part of health care spending, costing billions each year, while most experts agree that up to 50% of these procedures are unnecessary, don't improve health outcomes and are even harmful because of over exposure to radiation. Thus, FCHP as of January 1 requires many members* to obtain prior authorization for most advanced outpatient radiology imaging services (MRI, CT, PET and nuclear cardiology imaging studies). Decisions are based on a nationally accepted set of radiology criteria.

**The program applies to our commercial plan and Fallon Senior Plan™ members (excluding Fallon Preferred Care and Fallon Senior Plan Preferred).*

Sleep diagnostic and therapy management: FCHP has implemented sleep diagnostic and therapy management services for selected FCHP product lines,* effective January 1. This change to prior authorization is designed to improve the overall quality of sleep services and ensure appropriate use of these services, which are very costly. Based on American Academy of Sleep Medicine and CMS guidelines, requests for sleep studies will be reviewed and recommendations made for those studies that can be performed in a patient's home or, if not appropriate, in an FCHP-contracted sleep facility.

**Products not included in this program are Fallon Preferred Care, Fallon Senior Plan Preferred, Companion Care, FCHP MassHealth, NaviCareSM HMO and Summit ElderCare.*

Coverage for OTC heartburn meds: Now our commercial plan members who are on Tier-3 medications for heartburn and acid relief can save an average of \$480 a year! Both medical and consumer studies agree that the over-the-counter options for these medications are just as safe and effective as the prescription medication. Therefore, FCHP now covers prescriptions for Prilosec OTC, Prevacid®24HR and generic omeprazole (over-the-counter version) for just a \$5 copayment per 42 tablets. (State employees with the Group Insurance Commission have a \$10 copayment.) Members need a prescription from their doctor for the OTC medication, which they'll get filled at their local pharmacy.

More prescription drug costs: As prescription drug spending escalates, FCHP continues to encourage use of equally effective and less-expensive generic and over-the-counter medications. One example is our requiring prior authorization for some of the Tier-3 dermatology medications in our formulary. Many so-called "new" drugs in this category are simply a change in the delivery vehicle, such as gel to ointment, and cost considerably more than their tried-and-true generic counterparts. For most mild or moderate skin conditions, over-the-counter benzoyl peroxide and generic topical antibiotics are equally effective for the majority of members needing treatment. ■

new core business system *continued from cover*

a seamless transition for all our customers. We are prepared to work through any service-related disruptions to make certain you, and all of our customers, continue to receive the quality service you're accustomed to.

If you have any questions about your statements or other QNXT changes, please call your sales executive at FCHP's dedicated broker line, 1-888-746-4823. ■

Benefit spotlight: Diabetes

We're often asked what Fallon Community Health Plan covers for diabetic services and supplies. The broad answer is that we cover these services and supplies when the items are medically necessary for the diagnosis or treatment of diabetes and have been prescribed by a health care professional.

FCHP is in compliance with the diabetes-related services and supplies mandate in Massachusetts. Coverage includes durable medical equipment (e.g., blood glucose monitors), prosthetics and prescription drugs such as blood glucose monitoring strips, insulin (as well as syringes, pumps and pens) and oral medications. For

those employer groups that carve out prescription drug coverage, certain diabetes-related items may be covered through a benefit rider.

There are exclusions to coverage. For example, FCHP doesn't cover disposable blood glucose monitors, hemoglobin A1c (HbA1c) or other glycosylated serum protein kits for use in the home setting and chronic intermittent intravenous insulin therapy.

If you have any questions about this benefit, please call your sales executive at FCHP's dedicated broker line, 1-888-746-4823. ■



FCHP offers integrated HRA solution

Fallon Community Health Plan is partnering with UltraBenefits to create a streamlined, easy-to-use Health Reimbursement Arrangement (HRA) 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 administrative 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, as always, choose 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. ■

Worcester Art Museum offers HRA solution

When our broker talked with us about introducing an HRA with our FCHP health coverage, we were immediately interested. The HRA allows us to offer a more affordable and flexible plan for our employees, and FCHP's unique arrangement with UltraBenefits made the setup easy. We're excited about the potential of this approach and look forward to developing our new relationship.

Tracy L. Caforio, C.P.A., P.H.R., Director of Human Resources, Worcester Art Museum, seen in photo (center) with H.R. Generalist Kelli Blank (right) and Russ Swallow, (left) President of BenefitsLab Insurance Agency, Inc.



Lynn Curran assumes key customer service role at FCHP

Lynn Curran recently joined Fallon Community Health Plan as Director of Enrollment Billing, a position in which she will focus on enhancing services to our customers.



Lynn most recently was Director of Membership Operations at Tufts Health Plan, where she gained significant project management and change management experience, building on the expertise she previously developed at Marriott International.

She has a bachelor's of science degree in business administration from State University of New York.

"I want my department to measure success in terms of customer satisfaction," Lynn says. "I'll be working closely with our talented staff in Enrollment and Billing Operations to identify business-critical areas of opportunity to enhance our support for brokers and employer groups."

Lynn will lead the Enrollment and Billing Operations teams through the many process changes involved in implementing FCHP's new core business system, called QNXT. In addition, she hopes to develop more cross-departmental collaboration to support improvements in processes and issue resolution that will ultimately equate to better service. Lynn concludes, "I totally support the vision and values of FCHP, which foster a 'More You' approach with its employees, business partners, customers and community." ■



Home health care discount for FCHP members

Fallon Community Health Plan members and their eligible family members can save \$150 on home health care services through a special discount offer from Home Staff, a home health agency with offices in Worcester, Springfield and on Cape Cod. Please pass along the coupon below to any FCHP clients or members you know who could use the discount.

Home Staff's experienced certified home health aides offer a variety of non-medical support services, including post-operative care, respite care, personal care, Alzheimer's assistance, companionship, errands, laundry and ironing.

Learn more about Home Staff online at homestaff.com or by calling one of its these locations:

Greater Worcester: 1-800-779-3312

Western Massachusetts: 1-800-380-0066

Cape Cod: 1-800-773-5431 ■

Home Staff is a partnership of Fallon Community Health Plan and VNA Care Network & Hospice.

FCHP exclusive!

A special offer only to Fallon Community Health Plan members and their eligible family members.

One-time \$150 discount
(per Home Staff participant)

To get the discount, present this coupon when you sign up for a minimum of 15 hours of home care with Home Staff.

This discount is good until 12/31/2010.
Call Home Staff today for more details!

FCHP collections and cancellation policies

As a prepaid plan, Fallon Community Health Plan requires premium payments by the due date indicated on the bill. If payment is received after this date, we take the following actions*:

If payment is:

- 15 days past due, group coverage will be suspended as of the “paid-to-date” and the employer will receive a “Notice of Past Due Balance.” FCHP will suspend payment of claims until the payment is received or until the group coverage is canceled.
- 30 days past due, coverage will be canceled, a group cancellation letter will be sent to the employer and “Notice of Coverage” cancellation letters with options to purchase conversion coverage will be sent to the home addresses of all subscribers in the group. (February cancellations will occur after month’s end.)

If group coverage is canceled for nonpayment, the employer may apply for reinstatement within 30 days. Otherwise, there will be a 12-month waiting period before the contract can be rewritten.

- 60 days past due, the account will be referred for collection of outstanding amounts. ■

* Please note: FCHP’s collection schedule and policies for claims suspension and cancellation for nonpayment are in compliance with Massachusetts regulation 940 CMS 9.00, which became effective on March 1, 1996.

Introducing a new FCHP senior program

NaviCareSM HMO is a new Senior Care Options Program now available from Fallon Community Health Plan at a \$0 premium with \$0 copayments for those who qualify.

This is a voluntary program in association with MassHealth, the Centers for Medicare & Medicaid Services and the Mass. Executive Office of Health and Human Services. The plan is available to Worcester County residents age 65 and older who have MassHealth Standard benefits. By offering NaviCare, FCHP is able to broaden the accessibility of coordinated care for the most vulnerable population.

NaviCare uses a model of care that promotes independence and quality of life. Members have their own Navigator, a personal guide who serves as a single point of contact to work with members and their caregivers to get the most out of the plan. All health care is coordinated by a team of doctors, specialists, nurses, and social workers who develop a plan of care specific to each member. With this coordinated care, NaviCare members will get the right care at the right time.

For more information about NaviCare HMO, please visit navicare.org, or call us at 1-877-255-7108 (TDD/TTY: 1-877-795-6526), seven days a week from 8 a.m. to 8 p.m. ■

NaviCare is a Medicare Advantage plan and Senior Care Options program from Fallon Community Health Plan.

Sold case calendar – 2nd quarter 2010

In order for new members to receive ID cards by their effective date, a complete Sold Case Package must be received by Fallon Community Health Plan at least five business days prior to the effective date.

- Package must be complete prior to submission for log in. This includes all necessary paperwork (i.e., completed and signed employee applications; signed RSA form and Group Service agreement; and check for one month's advance premium payable to Fallon Community Health Plan.)
- Complete package must be received to log in by 4:30 p.m. on the cutoff date.
- Any groups not received by cutoff date (or not complete by cutoff date) will not be processed without sales manager signoff.

April 2010	
For eligibility, FCHP must receive enrollment paperwork by:	Effective date:
March 24	April 1
March 26	April 5
April 2	April 10
April 7	April 15
April 12	April 20
April 16	April 25
April 22	April 30
May 2010	
For eligibility, FCHP must receive enrollment paperwork by:	Effective date:
April 23	May 1
April 27	May 5
April 30	May 10
May 7	May 15
May 12	May 20
May 17	May 25
May 21	May 31*
June 2010	
For eligibility, FCHP must receive enrollment paperwork by:	Effective date:
May 24	June 1
June 2	June 10
June 7	June 15
June 11	June 20
June 17	June 25
June 22	June 30
June 23	July 1

*Memorial Day holiday

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.