

Broker breakfast draws a crowd

More than 70 brokers enjoyed breakfast and conversation at the Fallon Community Health Plan (FCHP) broker breakfast held on April 3, 2003, at the Wyndham Westborough, Massachusetts.

The meeting gave those in attendance an opportunity to hear the latest news about FCHP, the first results of our alliance with Health New England, product updates and additional income opportunities. The top-10 brokers for 2002 were also honored.

Eric H. Schultz, President and CEO, began the meeting with a review of FCHP's strong financial position and the changes that have been made in the past year, including expanded provider and pharmacy networks and a new broker commission schedule. Following a presentation by Bruce Ruder of Health New England, FCHP Assistant Vice President



continued on page 2

New product and options

To help meet the diverse needs of businesses customers, Fallon Community Health Plan has developed new options that offer greater choice. A new high deductible rider—known as Premium Saver 1000—became available April 1, 2003. The Premium Saver 1000 product will help employers to lower premiums by as much as 20% through the addition of a \$1,000 annual deductible that applies to many services. And we will soon launch a preferred provider product (or PPO), Fallon Preferred Care.

The Fallon Preferred Care PPO will include a sizeable network of doctors, hospitals and other health care providers both in-state and across the country. It presents a perfect solution for Massachusetts employers who want to use FCHP, but have

a number of employees who live outside the FCHP service area or out of state, or for those employees who simply want a plan with more choices. This new product will be written through FCHP's subsidiary known as Fallon Health & Life Assurance Co.

A PPO is only as good as its provider network, so we have chosen to work with Private Healthcare Systems, Inc. (PHCS), one of the largest proprietary PPO networks in the country. They also are the first and only national PPO to earn four endorsements of quality: NCQA certification for credentialing and utilization management, and URAC (Utilization Review Accreditation Commission) accreditation for health network with credentialing and health utilization management. This is a perfect complement for FCHP, with our focus on quality health care.

The Fallon Preferred Care network will include the PHCS nationwide network, plus the providers affiliated with Fallon Clinic. When members use participating providers, they will receive a higher level of benefit than they would get if nonparticipating providers are used.

The new Fallon Preferred Care PPO product is targeted for an effective date of July 1, 2003, pending approval from the Massachusetts Division of Insurance. More details will be provided on this exciting new addition to our product portfolio in a future edition of *Broker Edge*. ■

FCHP/HNE: a winning combination

As you are aware from our previous communications, Fallon Community Health Plan (FCHP) and Health New England (HNE) embarked on a marketing alliance that became effective January 1, 2003. Matching two of the country's top-ranking health plans offering each other's products, this alliance makes it easier to sell to employers who have employees living in other parts of the state. Our alliance covers western, central and eastern Massachusetts and even a part of Connecticut.

We are happy to announce that since January, this alliance has resulted in the sale of 10 accounts and a membership gain of more than 400 members for FCHP and HNE. Employer groups and the brokers involved have expressed that the FCHP/HNE partnership was crucial to winning the business and that the process was seamless.

continued on page 3



Broker breakfast

continued from page 1

for Corporate Customer Care Karen Longo introduced Fallon Preferred Care, our new PPO product. The new product presents a perfect solution for Massachusetts employers who want to use FCHP, but have a number of employees who live out of our service area or out of state. The plan utilizes Fallon Clinic medical group and the Private Healthcare Systems, Inc. provider network.

Bridget Cyr, Retiree Group Sales Manager, then reviewed Fallon Senior Plan's™ broker incentives. Fallon Clinic's new strategic plan was explained by Director of Operations Laurie Butrym.

The top-10 brokers of 2002 were honored by Michael Orr, Assistant Director, Sales. Each person received a plaque in recognition of his/her achievement. Top broker for the year was Derek Schultz of Insurance Marketing Agencies, Inc. ■



1. Eric H. Schultz, FCHP President and CEO, speaks to brokers.
2. Derek Schultz, Insurance Marketing Agencies, Inc., (from left) Nancy Pierangeli, McGrath/Burnham Group Insurance & Risk Management; Eric Schultz; Liisa Holm, The Protector Group® Insurance Agency, Inc.; and Jack Nicolas, KD Benefits, Inc.



3. Brad MacLeod, Sales, (l), with Neal Doherty, Employee Benefit Administrators, Inc.

With a lot of help from our friends

This past year marks a three-year high in new business at Fallon Community Health Plan (FCHP). Sales to new groups increased 217% from January of 2002 to January 2003. And our new membership increased 265% in the same time period. You helped make it happen!

Our quote volume from January 2002 to January 2003 nearly doubled. It's clear that the broker partnership has made an enormous difference for FCHP.

Total replacement business also has been a success. The latest statistics show that 60% of new accounts were total replacements since last July.

FCHP is committed to working creatively with the broker community to improve our products and your sales capabilities. ■

FCHP is HIPAA-ready

Fallon Community Health Plan (FCHP) is in compliance with the privacy portion of the Health Insurance Portability and Accountability Act (HIPAA), which took effect on April 14, 2003. These regulations change the ways that health plans deal with their members' health information.

The new regulations will not change the way in which we interact with brokers. Unlike some of our competitors, we will not

require our brokers to complete a Business Associate Agreement. Instead, we will continue to view brokers as an extension of the companies they represent by virtue of the Broker of Record letter. As such, they will be required to adhere to the same rules that all employer groups are subject to. Specifically, we will not share a member's protected health information with any broker unless we have a signed authorization form from the member.

If you have any specific questions about HIPAA or our compliance efforts, please contact your sales executive. ■

Third quarter cash bonus

Here's a great opportunity to earn extra money this summer. Producers who sell Fallon Community Health Plan to any account larger than 10 subscribers during the third quarter will receive a cash bonus. The amount of the bonus is based on the numbers of subscribers enrolled as follows:

10 to 25 subscribers	\$ 100
26 to 50 subscribers	\$ 250
51 to 100 subscribers	\$ 500
101 to 250 subscribers	\$ 750
251+ subscribers	\$1,000

In your opinion...

Kevin O'Keefe of Baystate Benefit:

"My account executive was expecting her baby any day. In the event the baby came early, she introduced me and the client to the team that would assist during the implementation of the FCHP Direct and FCHP Select Care products. The client and I were extremely satisfied that the enrollment went smoothly. It was a true team approach that pleased both me and the client."

Kevin O'Connor of Strategic Employee Benefit Services:

"We were extremely impressed with Fallon Community Health Plan's (FCHP) flexibility in meeting the needs of a recent large account. From the sales team to the underwriting department, FCHP responded with a winning proposal. Their support ensured a spectacular enrollment process in which all questions were addressed up front." ■

Did you know?

- United States' spending on health care reached \$1.37 trillion in 2002. This figure is expected to more than double by 2011.

(*Modern Healthcare*: January 6, 2003, pg. 26)

- The Centers for Disease Control (CDC) estimates that the medical costs of the 25 million people nationwide with chronic diseases account for more than 70% of the nation's total medical care costs. Disease management programs, like Fallon Community Health Plan's Congestive Heart Failure (CHF) program, help contain these costs while improving quality of life. (*HealthCare Buyer*: 2003, pg. 94)

FCHP/HNE

continued from page 1

"FCHP's partnership with HNE was the winning combination for my client, The Leo P. LaChance Center, in Gardner. HNE was a nice complement to Fallon Community Health Plan (FCHP) in dealing with my client's western Mass. employees who fell outside of FCHP's network," says Steve LeBlanc of The Protector Group.®

For accounts with employees residing statewide, look to FCHP and HNE to provide a seamless offering for your client. ■

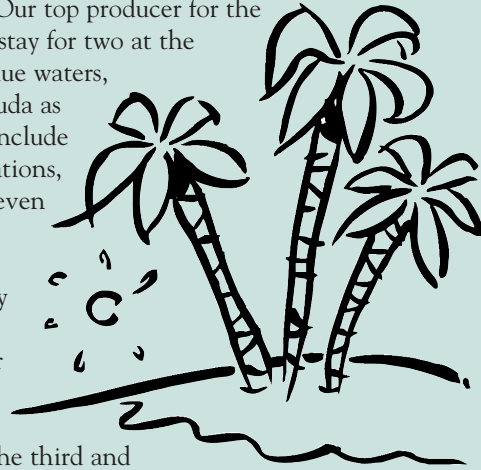


Get out of town!

We could be sending you to **Bermuda!** That's right. Our top producer for the third and fourth quarter of 2003 will earn a three-night stay for two at the Elbow Beach Hotel in Bermuda. Pink sands, beautiful blue waters, rainbow-colored sunsets. It's all waiting for you in Bermuda as our top producer in the third and fourth quarter. We'll include round trip tickets from Boston, three-nights accommodations, airport and hotel transfers, airport and hotel taxes, and even a \$500 American Express® gift certificate for spending money.

With our new products, including Fallon Community Health Plan (FCHP) Premium Saver 1000 and Fallon Preferred Care, it's easier than ever to sell FCHP to your clients. So, start now and you could be the lucky one who gets away from the cold next winter.

And there's more! The second-ranked producer for the third and fourth quarter of 2003 will receive \$1,000 cash. ■



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.

Fallon Community Health Plan
10 Chestnut St.
Worcester, MA 01608