

B R O K E R E D G E

Summer 2003

Volume 2 ■ Number 3

**First quarter results**

For the first quarter of 2003, Fallon Community Health Plan (FCHP) reported a net income of \$1.8 million on revenue of \$165 million. It was FCHP's 11<sup>th</sup> straight quarterly profit. And, although the margin of profit was slightly less than in previous quarters, FCHP's Leadership Team is optimistic that our new products, including our PPO, Fallon Preferred Care, will help grow our membership.

In a recent *Telegram & Gazette* article, Chief Financial Officer Charley Goheen said FCHP is targeting between 1% and 2% net income for 2003. He cited some of the financial challenges all health plans are facing, such as the increasing price of drugs and the sluggish economy. Charley also said FCHP is investing in technology and care management tools to help control costs. ■

**PPO is a GO!**

Fallon Community Health Plan's new preferred provider organization (PPO) product, Fallon Preferred Care, is up and running, and the first sales are already coming in. This exciting new addition gives brokers the option of offering FCHP to Massachusetts-based businesses with employees outside our service area. Thousands of providers are part of the Fallon Preferred Care network, through Private Healthcare Systems, Inc., one of the largest PPO networks in the country.



Fallon Preferred Care's standard benefits include an in-network \$15 office visit copayment, \$250 copayment for nonemergency hospital care, and a three-tier \$10/\$20/\$45 (for a 30-day supply) prescription drug benefit. Most out-of-network benefits have a calendar-year deductible of \$300 per member/\$600 per family, then 20% coinsurance after the deductible is met.

For more information about Fallon Preferred Care, visit the broker section of our Web site, [www.fchp.org](http://www.fchp.org), or contact your sales executive. ■

**Combination of plans helps land account**

Fallon Community Health Plan's (FCHP) new products and partnerships were instrumental in recently signing Worcester Envelope Company.

With more than 275 employees residing throughout Massachusetts and out-of-state, coverage was offered to employees in the Springfield area through our partnership with Health New England (HNE) and to employees in Rhode Island, Connecticut, Virginia and Pennsylvania with Fallon Preferred Care, our new PPO through Private Healthcare Systems, Inc.

The group was pleased with the provider networks offered by HNE and Private Healthcare Systems, and the ability to match these plan designs to the FCHP Select Care and FCHP Direct Care products we offer. The group chose to offer multiple product options to provide a choice of doctors and costs for the employees.

A key factor of Worcester Envelope choosing FCHP, according to the broker, was employees' access to UMass Memorial Health Care, thousands of pharmacies nationwide, including CVS, and Fallon Preferred Care. ■



## We've added more doctors

Our Provider Relations Department has recently completed a contract with the Lower Merrimac Valley Physician Hospital Organization (PHO).

The group is affiliated with Anna Jaques Hospital in Newburyport.

To date, Fallon Community Health Plan has credentialed 135 providers. Once credentialing is complete, we will have a total of 160 providers through that PHO. ■

## A team of professional communicators!

Fallon Community Health Plan's Sales and Corporate Communications won the *Communicator of the Year Award* for our broker campaign.

Chosen from a very competitive field, the campaign rose above the other entries to snag the coveted prize. The campaign components included the new broker welcome kit, the *Broker Edge* newsletter and promotional materials for "It's a whole new ball game!" as well as the exclusive broker wine tasting event.

The award is based on exceptional creativity, professional excellence and overall success of the piece, as measured by return on investment. The Society of Professional Communicators, an

association of central Massachusetts-area communications professionals, presents the honor each year. ■

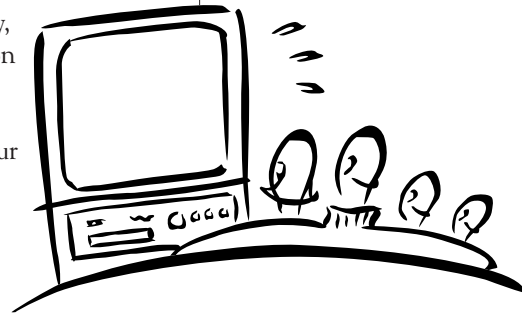


## Fall ads in the making

We are preparing our fall advertising campaign with the help of a new ad agency, Connelly Partners.

Boston-based Connelly Partners was selected from several prospective ad agencies to work with a Fallon Community Health Plan (FCHP) team on a new marketing and advertising campaign. Scheduled for launch in September, the campaign is expected to include TV, radio and print advertising.

The goal of the campaign is to continue to emphasize our commitment to community, wellness, quality, innovation and cost efficiency, and to increase awareness of our major initiatives, such as our expanded network and the introduction of new products and features.



Connelly Partners and the FCHP team also will work together to redefine our image and help us build a unique identity in the marketplace.

Connelly Partners' "Lifted from Life" creative approach relies on using genuine situations that are easy to relate to. Their work has resulted in outstanding results for their clients, including Garelick Farms, Eastern Bank, Shaw's, the Massachusetts Office of Travel and Tourism, Stonyfield Farm and Polaroid. ■

## Put on your running shoes

Brokers are welcome to join us as we celebrate the 20<sup>th</sup> annual running of one of Worcester's oldest races.

The Fallon Five Road Race, a five-mile course along the shores of Lake Quinsigamond, will begin at 11 a.m. on September 28, 2003. A Fun Run/Walk is scheduled for 9:45 a.m.

Prizes will be awarded to the top three male and female finishers. Additional prizes will be awarded to the top male and female finishers in each division.

For more information or an entry form please call 1-508-799-2100 or 1-800-333-2535 and ask for Tina Gillaspie or Cheryl Wilson. ■

F A L L O N F O U N D A T I O N



S E P T E M B E R 2 8 , 2 0 0 3

## Fallon Foundation Lifetime Center moves to new location

Area residents now have access to an extensive health resource center in downtown Worcester.

Fallon Foundation Lifetime Center, which is open to the public, has moved its quarters to the atrium of Worcester Medical Center.

In its commitment to improve the health of individuals, families and communities, Fallon Foundation Lifetime Center provides public access to a range of health resources, including an extensive health research and lending library, specialized health databases, and computer terminals with Internet access. Health care



educators are readily available to help people obtain information on a range of health-related topics, such as child safety, breast care, osteoporosis, senior wellness and nutrition.

Additionally, the Lifetime Center offers general health and wellness classes, including first aid and yoga, school-based educational programs, support groups and community health services.

"The Lifetime Center has been an excellent resource to many people since it first opened," says Baltej Maini, M.D., president of Fallon Foundation and Fallon Clinic. "This state-of-the-art, patient-focused facility will help to foster the Lifetime Center's mission—to connect, educate and empower communities to improve health."

For information about specific programs and services, contact Fallon Foundation Lifetime Center at 1-800-891-2300 or 1-508-368-3192.

*Baltej S. Maini, M.D., President of Fallon Foundation and Fallon Clinic, and Val W. Slayton, M.D., M.P.P., former Vice President and Chief Medical Officer of Fallon Community Health Plan, presided over the public opening of Fallon Foundation Lifetime Center. ■*

## In your opinion...

### Ken Lombardi of John P. Foran Insurance Agency, Inc.

"Fallon Community Health Plan's new PPO, their partnership with HNE, and their innovative products meet the needs of large and small accounts alike. Their efficient management of health care costs, coupled with their competitive rates, makes FCHP an extremely attractive option. Their attention to the broker community makes it a pleasure to work with them. With all FCHP has to offer, and in light of their minimal rate increases, we feel confident in offering FCHP as a total replacement solution."

### Sia Clark of Fred C. Church, Inc.

"Fallon Community Health Plan (FCHP) provided prompt answers to our client's questions and resolved concerns regarding making a change in medical carriers. Your support to Fred C. Church was instrumental in our decision to recommend FCHP. This effort and support continues to keep FCHP as a recommended health care provider." ■

## Did you know?

- On July 1, 2003, Fallon Community Health Plan's Disease Management Department launched an innovative new diabetes program, which will target more than 13,000 members who have diabetes.

- Drug and medical expenses continue to be major factors for increased HMO costs. Other leading factors include the price of hospital services, increased demand for expensive diagnostic tests and higher utilization of certain specialists, primarily cardiology, gastroenterology and dermatology. (Towers Perrin Web site article "2003 Health Care Costs Register Biggest Increase in More than a Decade")

- The percentage of consumers searching for information on health plans and hospitals nearly doubled between 1999 and 2001, while demand for information on physicians, prescription drugs and medical conditions declined significantly. (*Managed Healthcare Executive*: May 2003, pg 8)

■



## Earn cash plus!

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' accommodation, airport and hotel transfers, airport and hotel taxes, and even a \$500 American Express® gift certificate for spending money.

The second-ranked producer for the third and fourth quarter of 2003 will receive \$1,000 cash.

And, there's an opportunity to earn even more cash. Producers who sell Fallon Community Health Plan to any account larger than 10 subscribers during the third and fourth 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 ■



*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](mailto:broker.services@fchp.org), or call Tina Aubin at 1-508-368-9986.

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