

FCHP adds plan designs for more choice

We hope you're becoming familiar with Fallon Community Health Plan's triple-product solution that gives employers more choices in provider networks—with different premium tiers. Our FCHP Direct Care and FCHP Select Care HMO products can be offered alongside each other and with FCHP's Fallon Preferred Care, our PPO, which uses the PHCS nationwide network.

Within each of these products are unique plan designs with even more choices that can help balance benefits with the bottom line. In addition to our Care Choice high-deductible options, we have:

- **Premium Saver options**—more affordable than the Premier options, because they strike a balance between lower monthly premiums and slightly higher out-of-pocket expenses. They include deductible options as well as inpatient copayment options.
- Introducing Premium Saver 65/35, effective July 1, 2008**—This option is an alternative to deductible plans, with an economical price point. A 35% coinsurance applies to such benefits as inpatient hospital stays, same-day surgery, diagnostic services and imaging services. (This option is not available with our Fallon Preferred Care product.)
- **Premier options**—designed for those looking for the greatest level of coverage. These options have a higher monthly premium, but lower copayments when services are received.

Introducing Premier Value, effective July 1, 2008—This option gives you another price tier. Copayment levels fall between our Premier and Premium Saver plan designs.

These health plans meet minimum credible coverage standards and satisfy the individual mandate for having health insurance.

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

Faulkner Hospital, Quincy Medical Center join FCHP network

Fallon Community Health Plan has welcomed community teaching hospitals Faulkner Hospital and Quincy Medical Center into its provider network. Members with FCHP Select Care, FCHP Direct Care and Fallon Preferred Care can receive care at Faulkner Hospital, while members with FCHP Select Care and Fallon Preferred Care can receive care at Quincy Medical Center.

Faulkner Hospital targets residents of Jamaica Plain, southwest Boston and surrounding suburbs, and Quincy Medical Center serves the City of Quincy and other South Shore communities. ■

FCHP adds PCPs for Webster-area members

You probably heard that Fallon Clinic will be reducing services/hours of operation at its Webster site as of August 1, 2008, because three primary care physicians will be leaving the organization. Fallon Clinic sent a letter to all affected FCHP members on May 7.

Fallon Community Health Plan promptly responded to this situation. We quickly added six new PCPs in the Webster area who are accepting new patients. We conducted an outbound call and letter campaign to our affected members and set up a dedicated hotline to handle inbound calls from members seeking to change their primary care physicians. This phone number is 1-866-757-2061.



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If you have any questions about this situation and its effect on members, please call your account manager at 1-800-333-2535. ■

FCHP and VNA acquire home care services company

Fallon Community Health Plan and VNA Care Network & Hospice entered into a joint venture to acquire Worcester-based Home Staff, a health care agency that provides individuals a variety of in-home services in Massachusetts.

These services include personal care, cleaning, errands, escorts to medical appointments, respite/companionship and other care-related services—up to 24 hours a day, seven days a week. To learn more about Home Staff, visit www.homestaffma.com.

Under its Senior Care Services division, FCHP also operates Summit ElderCare®, a Program of All-Inclusive Care for the Elderly. ■

“Progress always involves risk; you can't steal second base and keep your feet on first.”

— Frederick Wilcox

Business Buzz

FMLA changes in progress

Last January, President Bush signed into law the first changes to the Family & Medical Leave Act since its enactment in 1993. The changes were included in the National Defense Authorization Act for FY 2008.

FMLA applies to employers with 50 or more employees (including part-time and those on leave) and to all public agencies.

The FMLA had been limited to giving workers *up to 12 weeks off each year* for the birth or adoption of a child or to deal with their own serious health condition or serious illness of a child, spouse or parent. **The law created another qualifying event for this category of leave**, that is, “any qualifying exigency” when a spouse, son, daughter or parent of the employee is on active duty (or has been notified of an impending call to active duty status). This amendment won’t go into effect until the U.S. Department of Labor adopts new regulations defining “any qualifying exigency”.

The law also created a new FMLA entitlement: Eligible employees who are a spouse, son, daughter, parent or next of kin of service members who are recovering from a serious illness or injury sustained in the line of duty on active duty are entitled to up to 26 weeks of leave in a 12-month period to provide care for the service member. This amendment took effect immediately when signed into law on January 28.

In response, the Department of Labor proposed updates to its FMLA regulations and sought public comment through April 11. They are still under review. In addition to implementing the new law, the regulations propose increasing the notice obligations for employers and revising employee notice rules, plus technical changes to reflect court decisions.

What covered employers should do now:

- Post the Department of Labor’s new temporary and mandatory “poster insert” along with the current FMLA poster. You’ll find it at: www.dol.gov/esa/whd/fmla/NDAAAmndmnts.pdf
- Revise company’s FMLA policies and procedures to reflect the new reasons for taking leave.
- Act in good faith in providing leave under the new law.

For more details about the law and proposed regulations, see a Department of Labor Q&A at www.dol.gov/esa/whd/fmla/NPRMfaq.htm. ■

Customized solutions for Medicare group sales

Fallon Community Health Plan continues to draw on its 28+ years of experience in the Medicare field to provide employers with great options for their retiree coverage. Our staff works with you one-on-one to customize a benefit design that best fits your needs.

FCHP has products with multiple levels of coverage that can be offered individually or together to everyone’s advantage:

- **Fallon Senior Plan (HMO)**—our lower-premium option with a defined network. This option includes great benefits like unlimited prescription drug coverage and healthy living extras such as eyewear and hearing aid purchase allowances.
- **Fallon Senior Plan Premier Preferred (PPO)**—offers access to a larger selection of defined-network providers and includes an out-of-network (national) provider option. The PPO offers many benefits similar to the HMO product.
- **Fallon Companion Care (a Medigap plan)**—a solution for Medicare-eligible retirees living in any state. There’s no provider network, so retirees can choose any Medicare-participating doctor. The plan includes unlimited outpatient prescription drug coverage and our popular fitness reimbursement benefit, It Fits! Companion Care is available to employer groups with FCHP plans for active employees.

To learn more, call Robert Cannon, FCHP Manager, Medicare Group Sales, at 1-508-368-9532. ■

Save these dates

Mark your calendar and plan to participate in these upcoming events. Turn to www.fchp.org for more information this summer.

September 14

FCHP Canal Diggers 5km race and walk in Worcester’s Canal District

September 29

FCHP’s 3rd annual Golf FORE a Goal tournament. Help us raise money again for food pantries throughout Massachusetts by reserving your sponsorship—call Cheryl Schmaltz at 1-508-368-9834 or e-mail golf@fchp.org. ■

Pharmacy face-off: Cost and safety in a demanding market

Part one: Cost

There are probably no health care costs more out of control today than the dollars spent on prescription drugs.

The global pharmaceutical market is predicted to reach \$967 billion by 2011. Prescription drug costs consume at least 15 cents of every premium dollar, forcing employers to adopt more and more restrictions in their benefit plans to offset annual increases.

Fallon Community Health Plan stands out from its competitors in aggressively managing pharmacy for both costs and member safety. In the first of our two-part series, we'll explore the cost issues and FCHP's response.

First, here's a look at where we are today.

In the early days of managed care, prescription drugs were cheap by today's standards—a \$5 prescription was considered expensive! Health plan members had little or no copayments and, over time, they and their physicians became blind to the true, and rising, costs.

Today, it's common for individuals to pay \$15 to \$45 copayments for medicines that really cost \$200 to \$2,000 a month. As a result, many consumers don't value their prescriptions in financial terms the way they do other products. For example, a health plan member will carelessly leave a \$2,000 specialty drug on their car's back seat to spoil in the

heat—and expect to get a refill without even a copayment. Would they risk leaving a \$2,000 laptop in their car?

Drug manufacturers see the profits

The pharmaceutical industry took advantage of these developments. They became great drug marketers and, eventually, full-scale advertisers. Last year, drug makers spent \$5.4 billion in direct-to-consumer advertising and millions more in courting doctors and plying them with free samples that increase use of prescriptions for their most expensive brand-name drugs.

At the same time, the industry is actually creating fewer new products. Pharmaceutical companies are instead producing "me-too" drugs (how many cholesterol-fighting drugs do we need?) and extending patents for more expensive brands by beginning new studies or making minor drug modifications and label changes (e.g., Ambien® vs. Ambien CR™).

At the same time, companies are dreaming up new syndromes and disorders (e.g., "excessive sleepiness syndrome," "oppositional defiance disorder") and marketing their existing products for these afflictions, regardless of proven negative side effects. Their focus is on keeping generic drugs, which are much cheaper (and proven safe), from entering or expanding in the marketplace.

With our pill-for-every-problem culture, pharmaceutical companies are now

pricing drugs according to what the market will bear, not by what the drug actually costs. And, they increase the price tag at will. One dramatic example from last September is a special drug for a rare form of epilepsy that overnight went from \$1,600 to \$23,000 a vial. Meanwhile, drug makers are posting quarterly net profits in the billions.

These developments over the years have created a perfect storm in pharmacy management.

FCHP taking action

Fallon Community Health Plan has aggressively pursued solutions to minimize the storm damage. Some ways we are managing pharmacy costs behind the scenes are:

- We monitor usage of inappropriate and non-cost-effective medications.
- We contract with pharmaceutical companies to get the best price.
- We encourage use of safe, cost-effective generics—our generics vs. brand-usage ratio is significantly better than other local and national health plans.
- We promote use of our mail-order pharmacy, which saves our members money.

In our next issue of *Employer Edge*, we'll explore the many significant safety issues that surround the current pharmaceutical whirlwind and the many steps Fallon Community Health Plan is taking to protect our members. ■

Top 8 brand drugs by retail dollars in 2007

Drug	Treatment for	Total (in billions)	% change from 2006
1. Lipitor	cholesterol	\$6.2	-6.3
2. Nexium	heartburn/ulcers	4.4	7.3
3. Advair Diskus	asthma/lung disease	3.4	8.8
4. Prevacid	heartburn/ulcers	3.3	0.3
5. Plavix	heart disease	3.1	38.1
6. Singulair	asthma	3.0	16.4
7. Seroquel	bipolar disorder	2.5	21.4
8. Effexor XR	depression	2.5	9.7

Source: Verispan VONA, full year 2007, at www.drugtopics.com.

Clinical Corner

FCHP introduces program to support depression treatment

Beacon Health Strategies, our behavioral health partner, joined with Fallon Community Health Plan to launch a Depression Health Management program in early June. This new program is available to FCHP's adult commercial plan members.*

Health management programs seek to improve the health of people with chronic health conditions by providing them with access to information and support that encourages appropriate care and treatment in a timely manner.

According to Mental Health America (formerly known as the National Mental Health Association), "clinical depression has become one of America's most costly illnesses ... totaling over \$43.7 billion in absenteeism from work (over 200 million days lost from work each year), lost productivity and direct treatment costs." The NMH notes that depression tends to affect people in their prime working years, but more than 80% of people with clinical depression can be successfully treated.

How we can help

The goal of our Beacon/FCHP program is to assist eligible members in managing depression and preventing health complications so they can function well and enjoy a better quality of life. Our approach is to involve physicians and mental health experts and empower members in ways that will support them to stay on their medications and treatment plans.

Because depression and its symptoms vary widely, we offer a range of services to address the unique needs of each member. These services focus on:

- Education about depression
- Help with identifying and accessing resources for depression treatment
- Support and assistance in setting goals and making decisions regarding depression treatment
- Access to online tools for self-management

Any FCHP commercial plan member who has been diagnosed with, and/or is being treated for, depression and could benefit from these services should call Beacon Health Strategies at 1-888-421-8861, Monday through Friday from 8:30 a.m. to 5:00 p.m. ■

* Not available for ASO accounts.

FCHP has your doctor

At Fallon Community Health Plan, we understand that people value the relationships they have with their doctors. We've greatly expanded our networks in recent years—and we'd like to prove it. Upon renewal, if you have another insurance carrier covering certain employees, let us do a "disruption" report to clearly show you how well we match up.

Our three different networks with matching products can be offered alone or in combination for maximum savings.

- **FCHP Direct Care** is a tailored network of providers that give high-quality care at significant premium savings. The network includes more than **11,400** providers with Acton Medical Associates, Charles River Medical Associates, Fallon Clinic, Highland Healthcare Associates IPA, Lahey Clinic, Lawrence General IPA, Lowell General PHO, Mount Auburn Cambridge IPA, Northeast PHO and Southboro Medical Group.
- **FCHP Select Care** gives our members access to an extensive network of nearly **18,000** providers across Massachusetts.
- **Fallon Preferred Care**, our PPO, has a network that includes more than **500,000** providers both regionally and nationally, giving your employees maximum flexibility.

The bottom line is—when it comes to doctors, we've got you covered. ■



www.fchp.org

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