



Labor Digest

Winter 2005-06

Blues Hard at Work with FMCS Initiatives

The Federal Mediation and Conciliation Services (FMCS) is a government agency whose job is to assist in mediation of labor disputes and to help prevent work stoppages. FMCS and the Blue Cross and Blue Shield Association's National Labor Office (NLO) have worked together to educate each other's constituents. Through our relationship with FMCS, the agency is now better prepared to assist with healthcare-related issues; and the NLO is continuing to better understand the healthcare needs of organized labor.

In a recent interview with FMCS's acting director, Scot Beckenbaugh, the NLO received a "glimpse of the world in labor mediations" from the experts. Our office obtained first-hand information about "best practices" and what knowledge best equips FMCS in negotiations—from the most congenial to the toughest negotiations—and much more.

Beckenbaugh stated that the top five reasons for success at FMCS are mediator expertise, early intervention, continuing education, outreach efforts and relationships.

1. The mediators prepare, understand and negotiate with labor and management and are the most visible reason for FMCS's success. The expertise, dedication and support these FMCS staff members provide in building relationships are invaluable.

2. Focused resources help FMCS to place the emphasis on the high-impact groups. FMCS focuses their efforts on bargaining units of larger than 1,000 members as well as "first-contract" negotiations.

3. Early intervention encourages a proactive approach that involves working with a mediator before the contract expiration date. Research has shown this approach helps reduce the duration of any resulting work stoppage by as much as 46 percent.



Scot Beckenbaugh
Acting Director,
The Federal Mediation and Conciliation Services

4. Continuing education for the mediation staff provides staff with the most up-to-date information on economic trends, business environments and negotiation tactics.

5. Outreach efforts for both employers and organized labor help the parties to understand the benefits of mediation—a crucial factor in successful negotiations and FMCS's mediation activities. A constant emphasis on relationships—on how the union and the employer interact with each other—certainly is a major factor in determining how well disputes are managed. FMCS focuses a great deal of effort on building relationships with both management and workers.

Beckenbaugh recalled the toughest negotiating situation that the Agency has encountered in recent years was the West Coast Port situation, which resulted in a 10-day shut down of all 29 ports on the West Coast of the United States and led to the invocation of the Taft-Hartley Act for the first time in 25 years by President Bush. Other recent, challenging negotiations include the West Coast and Denver grocery negotiations. These labor disputes also received a great deal of media coverage. Although negotiations can

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Executive Director's Corner

A Message from the National Labor Office Executive Director, Bonnie Summers

Aesop said, *"United we stand, divided we fall."* And, as I think back on 2005, I realize how poignant this statement is.

United we stand, divided we fall... This year, unions and employers dealt head-on with compliance reporting and continued to conduct important business affecting workers. The environment has changed, but not the work we do. In a year of triumphs and challenges, the Blue Cross and Blue Shield Association's National Labor Office continues to stand with our customers as we collectively witness the changes at the international and local levels of union leadership throughout the United States.

Our goal – to ensure that the NLO provides knowledge and industry expertise to labor and BCBS Plans – remains firm. We continue to work with you to enable you to provide quality healthcare benefit plans at affordable prices. We take great pride in our partnership with unions and the leadership and direction we offer to BCBS Plans. We have a distinguished record of providing the knowledge that customers need in order to make informed choices about their healthcare.

We understand the issues you face as you sit at the bargaining table. We collaborate with you to make available important health information resources that simplify the challenge of making the right decision. In 2006, providing healthcare benefits that have long-term viability will continue to be a crucial concern; and the NLO will continue to be here to support you with the tools and resources that enable effective bargaining with "win-win" results.

United we stand, divided we fall... As we move into 2006, the NLO stands with you – our customers – as your partner, educator and information source. On behalf of the National Labor Office, I wish you and yours a happy and healthy holiday season. We look forward to standing with you in the years to come.

In Unity,



Bonnie Summers



Bonnie Summers
Executive Director,
National Labor Office

A publication created specifically for labor leaders featuring the latest news from the Blue Cross and Blue Shield Association's National Labor Office.

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become more difficult when subject to increased media scrutiny, Beckenbaugh believes that it is the media's duty to inform the public.

Many things help to make negotiations smoother and simpler. The earlier FMCS is contacted to assist in mediation -- even if only in its capacity as a facilitator -- the greater the opportunity for the negotiation process to develop smoothly and achieve success. Although the issues are not always simple, having more time to establish mutual understanding helps to make sure negotiations are well managed.

Like most government agencies, FMCS is feeling budgetary constraints, which stretch resources and pose new challenges. Tighter resources make it even more important for FMCS to maximize focus through the efficient use of information. The agency's cooperative efforts with the NLO help FMCS to provide information and services to labor and management that help the parties better manage healthcare disputes and related situations.

FMCS, in conjunction with the Employment Policy Foundation (EPF), has released some preliminary statistics that shed light on just how strong an impact mediation has on labor-management negotiations. The study shows that mediation results in substantial savings to both sides by averting or helping to mitigate economically damaging work stoppages. According to these projections, the absence of FMCS and their mediation efforts in an average year would result in the following consequences:

Loss of company profits	\$80.7 million per year
Loss of wages for union-represented workers	\$640.5 million per year
Loss of wages at supply companies if stoppages had occurred	\$781.8 million per year

The EPF analyzed six years of data from FMCS; final outcomes of the analysis are due to be completed by year's end.

Even with the "best intentions" in negotiation and mediation, work stoppages still may occur. Historically, work stoppages have taken place most frequently in the manufacturing, retail and wholesale, healthcare, service and coal mining and petrochemical sectors, in that order.

FMCS does not anticipate that the recent disaffiliation of several unions from the AFL-CIO will change the agency's mode of operation. FMCS mediates both internal and external labor/management disputes in unionized workplaces. Wherever FMCS is needed, its mediators will do their best to assist in resolving the dispute. Their job is to help the parties reach a mutually acceptable agreement and to make decisions that are right for them. Supporting mediators with the latest healthcare information and related education and training services, the NLO has proven to be an important resource to FMCS. ■

Best of Blue Medical and Pharmacy Awards 2005

Every year, the Blue Cross and Blue Shield Association recognizes Blue Plans that excel in areas of partnership, innovation and commitment to members and communities. This year, at the Best of Blue Medical and Pharmacy Management Awards Presentation, many Plans that are a part of National Labor Office were in the spotlight.

Special Jurors' Award for Methodical Design:

Blue Cross and Blue Shield of Michigan
for their Smoking Cessation Program called
"Quit the Nic."

Best Practices in Quality Improvement Award:

Blue Shield of California
for their "Patient Highlights: Effective Clinical
Reminders for Physicians" program.

Innovations in Partnerships Award:

Arkansas Blue Cross and Blue Shield
for their "Arkansas Fitness Challenge" program. and
Blue Cross of California (a Wellpoint company)
for "Community Health: A Health Plan's
Contribution."

Innovations in Quality Improvement Award:

Blue Cross and Blue Shield of Massachusetts
for their "Blue Health Coach" program. and
Blue Cross of California (a Wellpoint company)
for their "Out of the ER: The Tulare Project."



Best of
Blue

BCBSA Announces Quality Initiative to Support Hospital Performance Improvement

BCBSA recently sponsored a U.S. News & World Report national issues briefing – “The Future of Healthcare Quality: Better Knowledge Driving Better Care” – at the University of Chicago. During the briefing, BCBSA president and CEO Scott Serota announced a new national Network Hospital Measurement pilot program that will provide quarterly performance reports to hospitals and employers. This information represents an important first step toward helping consumers receive more consistent, effective care.

Following the announcement of the new program, BCBS of Illinois president Ray McCaskey led a panel discussion featuring industry experts commenting on the pilot program and other industry efforts to establish provider measurements for high-quality, evidence-based care. Panelists include representatives of the Joint Commission on Accreditation of Healthcare Organizations, the American College of Cardiology and SYSCO Corp.

The BCBS national performance pilot adopts 18 established evidence-based measurements. Some of the measures are surprisingly simple, such as making sure that a heart attack patient receives aspirin upon arrival at the hospital or that a pneumonia patient receives advice on quitting smoking.

The reports are based on publicly available clinical measures from the Centers for Medicare and Medicaid Services and the Joint Commission on Accreditation of Healthcare Organizations. They also include publicly available patient safety indicator measures from the Agency for Healthcare Research and Quality. The reports provide a framework for

continued collaboration with BCBS Plans’ network hospitals to help establish additional national benchmarks for high-quality care.

“Our healthcare system has vast amounts of information about quality and clinical evidence that if organized correctly and efficiently will result in better, more affordable care,” said Serota. “Making this knowledge work to benefit providers, employers and consumers is the founding principle of the Blues’ vision for a better future healthcare system.”

The Network Hospital Measurement pilot creates no new reporting burden on healthcare providers. The program reorganizes the data into a more efficient information resource to support localized hospital efforts to improve care quality in collaboration with BCBS companies.

“Our mission is to improve the consistency of these proven, evidence-based treatments at hospitals across the nation,” Serota said. “This program is designed to collaboratively elevate the quality of care delivered by hospitals in the Blue Cross and Blue Shield Plans’ networks.”

Eighteen BCBS companies, representing more than 80 percent of the collective 95 million Blue subscribers, are participating in the Network Hospital Measurement pilot program, drawing on the experience and strength gained from decades-long partnerships between healthcare professionals and Blue Plans.

The U.S. News briefing was Web cast on BlueTV, the multimedia channel of BCBSHealthIssues.com. The Web cast can be viewed at <http://bcbshealthissues.com/events/healthcarequality>. ■

NLO Staff Update

Please join the National Labor Office as we welcome Leslie Sias to our team.

With more than 14 years experience in the healthcare industry, Leslie joined the NLO as the project manager in October 2005. In her new role, Leslie is responsible for planning, coordinating, and facilitating NLO activities including meeting and conference planning. She is the NLO liaison to Plans and our labor customers.

Prior to joining the NLO, Leslie was with the Blue Cross and Blue Shield Association as an operations consultant for the Federal Employee Program (FEP). In that role, Leslie established and maintained strong relationships with Blue Plans by providing detailed

information for Plans administering the FEP benefits. She is well-versed in the development of practical policies and procedures, the Blue’s core system issues and Plan Performance Improvement Strategies. Additionally, she was instrumental in the coordination and planning of annual FEP Conferences and Operational Regional Meetings. ■



Strategic Alliance Showcase

American Specialty Health

San Diego-based American Specialty Health, Inc. (ASH) and its affiliates are the nation's largest organization for complementary health care benefit, affinity discount, and wellness programs and health-related products, as measured in terms of annual revenues, members/insureds, employees and contracted health plans. ASH has over 600 employees and administers benefit programs for 12.5 million members and discount programs for over 80 million members.

CorCell Inc.

CorCell is a leader in umbilical cord blood banking. Offering Blue Cross and Blue Shield plans value-added services, CorCell enables members to benefit from access to reliable information and one of the purest processing systems in the industry. CorCell's focus on quality ensures that, if and when needed, your member's specimen will be ready for today's or tomorrow's scientific breakthroughs.

For more information go to www.corcell.com or contact Marion Malone, Vice President of Business Development by phone at (215) 599-8411 or e-mail at mmalone@corcell.com

Davis Vision

Headquartered in Plainview, NY, Davis Vision has been providing fully integrated, comprehensive vision care services for more than 40 years. In 1964, Davis Vision was awarded its first client group contract, a Trust Fund that they still serve today. Davis Vision serves millions of union members and their families from coast to coast with a range of vision care plans tailored to meet the needs of each client group. One hundred percent of associates in their proprietary retail outlets, laboratories, Customer Relationship Center and shipping departments are proud union members. Davis Vision is the first and only Vision Care Preferred Provider Organization (PPO) in the entire country to receive accreditation from the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). Davis Vision is a proud strategic partner of the Blue Cross and Blue Shield Association's National Labor Office. For more information, please contact Donna Denby, Vice President of Marketing by telephone at (877) 663-2847 or e-mail at ddenby@davisvision.com.

DenteMax

DenteMax is a national, leasable dental PPO network with more than 60,000 credentialed dentist access points, offering fees averaging 25-40 percent less than typical dentist charges. In addition to a dental PPO network, DenteMax has discount dental membership card, the Dental Solutions Value card program. This program can be offered on a voluntary or group basis.

DenteMax can either work directly with the Plan or partner with an administrator to provide a comprehensive dental network solution.

Health Integrated, Inc.

Founded in 1996, Health Integrated, Inc. is a privately held health-management company based in Tampa, Fla. Health Integrated delivers integrated care solutions that provide patient-specific, evidence-based programs for preventative, medical and behavioral health. These programs help people navigate the healthcare process and make more informed healthcare decisions. As a result, healthcare economics, quality of life and clinical outcomes are all improved. Health Integrated is URAC-accredited for Case Management, Disease Management and Health Utilization Management programs and has received NCQA Patient and Practitioner Oriented Accreditation for our award-winning Depression Management Program. For more information, contact Don Lewis by phone at (877)267-7577 or e-mail at dlewis@healthintegrated.com or visit www.healthintegrated.com.

Medco Health Solutions, Inc.

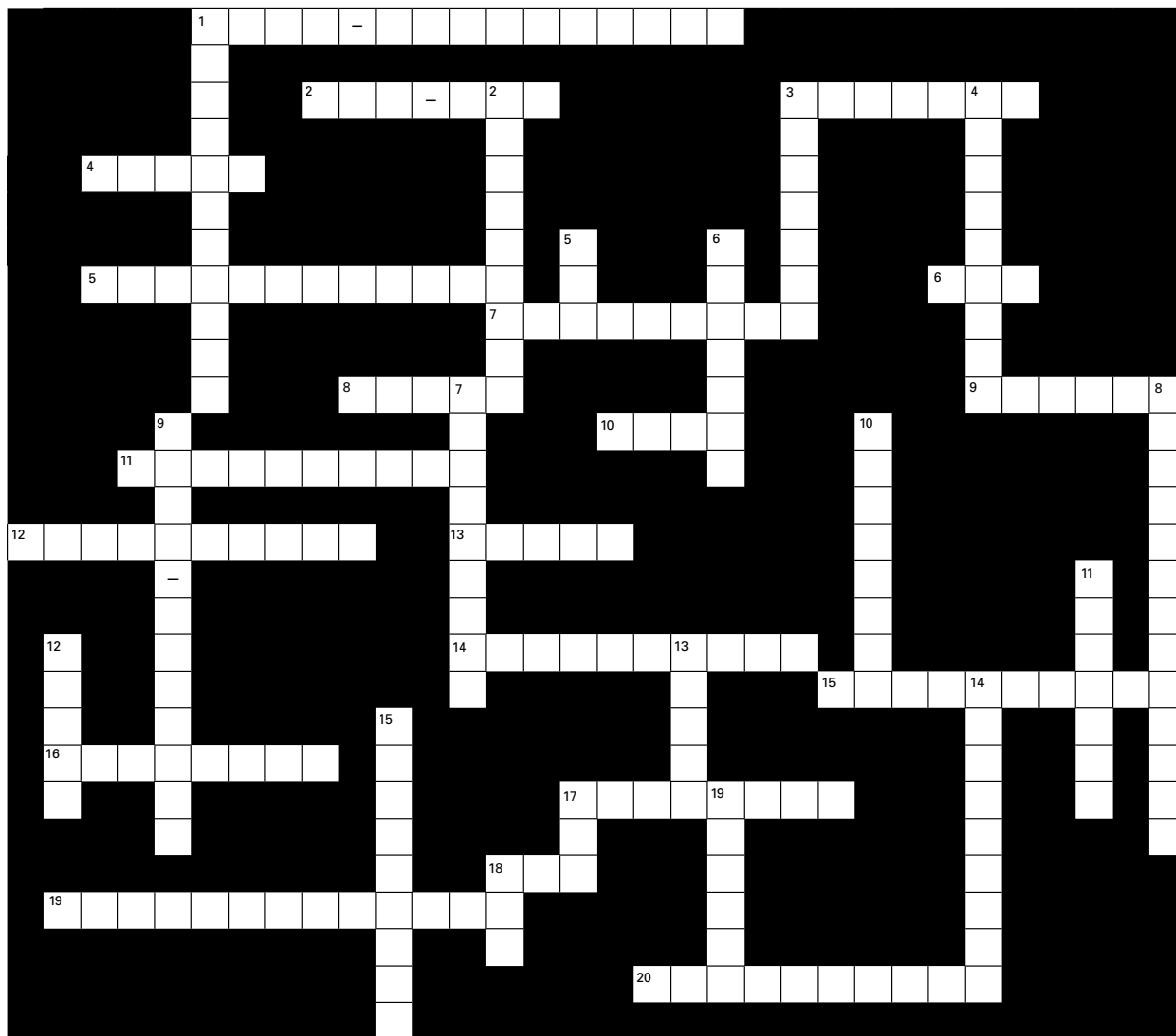
Medco Health Solutions, Inc. (NYSE:MHS) is a leader in managing prescription drug benefit programs that are designed to drive down the cost of pharmacy healthcare for employers, health plans, labor unions and government agencies of all sizes. With its technologically advanced mail-order pharmacies and its award-winning Internet pharmacy, Medco has been recognized for setting new industry benchmarks for pharmacy-dispensing quality. <http://www.medco.com>.

NASCO

NASCO's jointly-administered healthcare processing solution for customer Blue Cross and Blue Shield Plans and the national labor health and welfare trust funds is FlexLink. FlexLink can be customized to individual Plan needs, as it supports proprietary file interfaces and provides multiple linkages to TPA/Funds. With FlexLink, Plans are able to offer their national provider networks while allowing trust funds to administer their members' benefits and services. Because of the collective development that goes into enhancing FlexLink, customer Plans realize cost savings and can also rely on NASCO-facilitated work groups and user forums for sharing experiences and best practices. FlexLink gives NASCO Control Plans a new opportunity for winning and retaining business in the national labor healthcare marketplace. For more information on FlexLink, please contact Marlene Larkin, Systems Development Manager, by phone at (678) 441-6008 or e-mail at marlene.larkin@nasco.com. ■

Healthcare/Labor Learning Crossword Puzzle

Please see the NLO website for the answer key at: www.bcbs.com/nlo/PUZZLE_ANSWERS.pdf



Across

- 1 How long you live
- 2 Abbrev. for the American Federation of Labor - Congress of Industrial Organizations
- 3 The cost of healthcare insurance to the employer
- 4 Labor's choice as partner!
- 5 The employee's "portion" of the premium
- 6 The Union mark on printed documents
- 7 What you buy to help pay for healthcare expenses
- 8 George _____ was the first AFL-CIO President
- 9 Prescription drugs are a major healthcare _____ expenditure
- 10 Managed _____
- 11 Process by which unions/employers negotiate on healthcare benefits
- 12 What every American needs – but may not have access to
- 13 Plots in an orderly fashion what happens over a period of time
- 14 _____ costs include X-ray, medical devices, etc.
- 15 Part of your responsibility for care
- 16 The company you work for is your _____
- 17 Where you purchase your Rx prescriptions
- 18 Type of managed care
- 19 Rx represents _____
- 20 Not inpatient – medical care received outside of a hospital

Down

- 1 The method used to "ensure" rights/responsibilities in healthcare
- 2 First form of health insurance – primarily fee-for-service
- 3 There are three markets for unions – _____, public, and Taft-Hartley
- 4 Person with no health insurance – 18-22 year olds are a large group of the _____ population
- 5 Type of managed care (not PPO or HMO)
- 6 PPO, HMO, POS are a form of _____ care
- 7 Unions _____ healthcare benefits – another word for "bargain"
- 8 Another form of payment – a refund
- 9 The Act that allows for group bargaining of healthcare benefits – there are 5 characteristics
- 10 When you work, you are an _____ of the company (not a contractor)
- 11 People who belong to unions are _____
- 12 Slang for BCBS
- 13 _____ workforce – includes unions
- 14 The fixed amount you owe for an office visit
- 15 Not outpatient – medical care received in a hospital
- 17 Type of managed care
- 18 New form of health "coverage" – Health Savings Account
- 19 A Labor _____

BCBS Plan Labor Representatives

Feel free to contact your local Blue Cross and Blue Shield Plan representative with any questions on how they can help your union members. Please see our online directory of Plan labor representatives for the most current contact information.

www.bcbs.com/nlo/directory.html

2006 Highlights

NEW LOOK! Watch for the completely new look of the National Labor Office. All communication venues will have a fresh and new feel for 2006, including the newsletter, website and much more.

2006 Labor Digest will have a new name along with the new look.

2006 Directory of Plan Labor Representatives is due to be mailed out by the end of January 2006. As always, the directory is available online at www.bcbs.com/nlo

Upcoming Events

February

12-15

Made in America Conference (Las Vegas, NV)

16-21

National Labor Management Conference (Hollywood, FL)

21-23

NLO Board of Directors Meeting (Hollywood, FL)

March

30-April 1

IBEW Construction Department (Washington, DC)

April

2-5

Building and Construction Trades Annual Legislative Conference

For the most current list of upcoming events please see our website www.BCBS.com/nlo/calendar.html

Happy Holidays



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

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