



Labor Digest

Summer 2005

2005 Labor Healthcare Forum: Healthcare Bargaining in the 21st Century

For the 8th consecutive year, the National Labor Office hosted the Labor Healthcare Forum. This year's theme: Healthcare Bargaining in the 21st Century was a great success – with very timely information and discussions regarding the current labor environment. The Forum included speakers from healthcare and labor who provided vivid and detailed accounts of the diverse and fluid market challenges each faces in today's labor environment.

The Forum was well attended and provided meaningful opportunities for customers, accounts and Plan staff to interact in an atmosphere conducive to sharing valuable information and learning about the industry from a variety of perspectives.

Bonnie Summers, executive director of the NLO and Robert (Bob) Mill, chair of the board, made opening remarks and welcomed Forum participants to the conference. Each commented on the recent changes and challenges we, collectively, face in a fast-paced and quick-to-change labor/healthcare environment.

Ken Goulet, senior vice president for national accounts, Wellpoint, Inc. provided opening remarks and a review of the current healthcare system and how the Blue market is responding to the labor market with introduction of new Blue products.



Robert Mill (Chairman, NLO Board of Directors)

Guest speakers presented their perspectives on unions' grassroots, legislative and retiree initiatives. The Forum also featured panel discussions regarding collective bargaining strategies and tactics. The panel included a diverse group of industry thought leaders from the private sector, unions, and health insurance plans.

Afternoon sessions included workshops on consumer engagement – how to get the most bang for the buck in your communications; retiree coverage – a discussion of the new Medicare Part D drug program; and healthcare quality and accreditation – why it's so important to Plans, unions and customers/accounts. ■

additional photos on page 4



Diane Kolak (Director of IRIS and Medical Management Programs, Anthem Blue Cross and Blue Shield), Stephanie Sloggett-O'Dell (Vice President and Chief Negotiator, Tenet HealthSystem), Louise Milone (Director of Strategic Campaigns, SEIU) and Chris Bailey (Vice President of National and Labor Accounts, Premera Blue Cross)



Roy Holmes (Account Executive, NASCO) and Suzanne Young (Director of Sales, NASCO)

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Executive Director's Corner

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

As I reflect on the first half of 2005, I am reminded of two significant quotes that tie into the history and future of the National Labor Office and our significant work with the labor movement.

The first quote is: *May you live in interesting times.*

Certainly, 2005 has been a dynamic and very interesting year for our internal and external labor/union customers.

Recent changes at the AFL-CIO and re-alignment of some of its most active partners with SEIU, Teamsters, and UFCW send clear messages about the current and future labor/union environment. The new direction these organizations take is clearly the driving factor in how we will all do business in the 21st Century. The National Labor Office is prepared to strengthen its current relationships and to grow relationships with labor/union partners and continues to align (and re-align) its strategies to remain labor's choice in healthcare.

This year also offers new challenges and dynamics in labor management reporting for labor unions and local Plans. The National Labor Office (NLO) is working with local Blue Plans to provide information and updates on the new and existing reports that, clearly, change the landscape and how our organizations can continue to work together and maintain compliance.

The second quote of which I am reminded is from Pat Riley, a great coach and basketball team mentor: *Excellence is the gradual result of always striving to do better.*

In July, the NLO hosted its **8th Annual Labor Healthcare Forum**. This year's theme: **Healthcare Bargaining in the 21st Century** provided conference attendees with interesting, and yes, some controversial messages about how labor unions and healthcare service providers can continue to work together to produce win-win results at the bargaining table. We all know that the healthcare system requires changes. But changes and improvements must come from partnerships and alliances on both sides of the table. Herein lies the opportunity and the challenge. As Mr. Riley believes, we must always strive to do better.

As the NLO reflects on 2005 and looks forward to 2006, you will see changes at the NLO that include a new and vibrant communication strategy and customer message focused on our commitment to labor; a refocus on our conference planning, how we provide the most current and meaningful information that you can take to your constituents; and dynamic business strategies to ensure we meet our customers needs and continue to prove the NLO's commitment to labor and importance as a business partner.

We hope you had a healthy summer and that you enjoyed Labor Day. We will see many of you this fall as we continue our active role in attending, exhibiting and presenting important and timely industry information at your conferences.

The NLO is here and will continue to be here as your source and your partner for achieving excellence in providing information and solid healthcare benefits to your customers.

Regards,



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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6th annual Labor Certificate Program (LCP) held

The National Labor Office held its 6th annual Labor Certification Program (LCP) at the National Labor College in Silver Spring, Maryland from June 6-10th. The Labor Certification Program is designed for Blue Cross Blue Shield Plans to improve their knowledge and working relationship with the labor community and to develop an understanding of how organized labor influences and impacts benefit decisions in today's marketplace.

Every year the National Labor Office invites staff from various Blue Plans around the country to attend this Program. This year the program graduated 15 participants (11 Blue Plan representatives and 4 strategic alliance participants). The majority of the graduates were Blue Plan account executives with organized labor accountability. The Program's curriculum has several objectives with a couple areas of focus:

- Develop an understanding of the unions' role and perspective in the collective bargaining process and their influence on benefit decision making in the healthcare marketplace.
- Develop an understanding of the relationship and history that labor has with the Blue Cross and Blue Shield system and why labor remains a key constituent to Plan growth and market presence.

The curriculum designed by the National Labor College included prominent labor speakers which gave attendees an opportunity to learn and ask questions about labor's bargaining issues in healthcare. To get a better understanding of the labor environment, attendees visited the AFL-CIO and received a tour of the building. This part of the curriculum was a huge success.

The National Labor Office would like to extend our gratitude to the following speakers:

- Rick Bank, AFL-CIO
- JoAnn Volk, AFL-CIO
- Dan Gottheimer, Maryland State Teachers Association/National Education Association



Back row from left to right: Don Lewis (Health Integrated), Tim Goins (BCBS of MI), Eddie Williams (BCBS of FL), Rolando Ylagan (BS of CA), Dan MacKenzie (BCBS of IL); Second row: Kevin Beachnau (BCBS of MI) Bob Grochalski (Capital BCBS), Alexander Thompson (Carefirst BCBS), Jean Dearden (NLC); Front row: Autumn Lang (Capital BC), Jennifer Tatoes (BCBS IL), Michelle Flood (BCBS MI), Marion Malone (CorCell), Linda Curtis (BCBS MI), Patricia Yeghissian (NLC); Not pictured: Matthew Patella (Medco), Christopher Rowland (Medco)

- Jim Lowthers, United Food and Commercial Workers Local 400
- Randy Defrehn, National Coordinating Committee for Multiemployer Plans
- Rachel Drown, American Federation of Teachers
- Matthew Patella, Medco
- Christopher Rowland, Medco

The Program continues to be a huge success by the high attendance rates and high evaluation ratings. Blue Plan participants enjoyed learning about the labor movement and staying on the National Labor College campus. One participant commented, "Excellent program overall - I got a lot out of it and will certainly recommend others in our labor areas attend." The National Labor Office continues to organize events to educate Blue Plans on organized labor's needs as we continue our commitment to organized labor. ■

U.S. House Passes AHP Legislation; Lobbying Efforts Now Focused in the Senate

U.S. House of Representatives Republican leaders kicked off “Health Week” on July 26 with passage of “The Small Business Health Fairness Act of 2005” (H.R. 525), legislation to exempt Association Health Plans (AHP) from state regulation. Due to intense efforts by BCBSA and other members of the Protect-YourHealthcare.org coalition, only 36 Democrats voted for the bill. By comparison, last year’s AHP bill in the House passed with 37 Democrats voting in favor of the legislation.

In designating “Health Week,” GOP leaders were hoping to send a strong message to the Senate on the need to act this year on a several health bills, including AHPs. However, despite a strong push from AHP proponents, BCBSA and other members of Protect-YourHealthCare.org worked aggressively to ensure that AHP opponents did not lose ground from the AHP vote last year and were able to send a message to the Senate that AHPs remain controversial.

In addition to AHP legislation, House GOP leaders also considered bringing the “The Health Care Choice Act” (H.R. 2355) to the floor for a vote during Health Week. Like AHPs, H.R. 2355 could allow insurers to sell policies to consumers in your state without com-

plying with state laws regarding premium limits, benefits, solvency and a broad array of other consumer protections. Due to concerns by several Republican lawmakers, House Republican leaders decided to not to have lawmakers vote on H.R. 2355 until after the August congressional recess.

Prior to Health Week, BCBSA reminded lawmakers in the House that AHPs and the Health Care Choice Act would jeopardize the health coverage of consumers – especially those with chronic illness and conditions – by allowing insurers to be out from under state consumer protection laws that prohibit unlimited premium increases, ensure appeal rights and require important benefits such as diabetes supplies, cancer screenings, mental health coverage and maternity care.

As a member of the ProtectYourHealthcare.org coalition, BCBSA will now focus on efforts to urge the U.S. Senate to oppose the AHP legislation and the Health Care Choice Act. To date, more than 1,350 national and local organizations, including the National Cancer Society, American Diabetes Association, and Families USA have joined the coalition. ■

2005 NLO Labor Healthcare Forum



From left, Gunther Hoffmann (Account Executive, Regence Blue Cross and Blue Shield) and Michael Mersmann (Labor Union Attache, German Embassy)



From left, Dan Miller (Director of Labor Dept., Anthem), Perry Pogany (Vice President of Auto/Labor and National Sales Support, Anthem-Wellpoint, Inc.), Bonnie Summers (Executive Director, NLO), and Ken Goulet (Sr. Vice President of National Accounts, Wellpoint, Inc.)



General session Forum attendees



David Rice (Information Analyst, NLO) and Fernande Georges (Project Manager, NLO)

NASCODirectLinkSM: Successfully Addressing the Labor Market

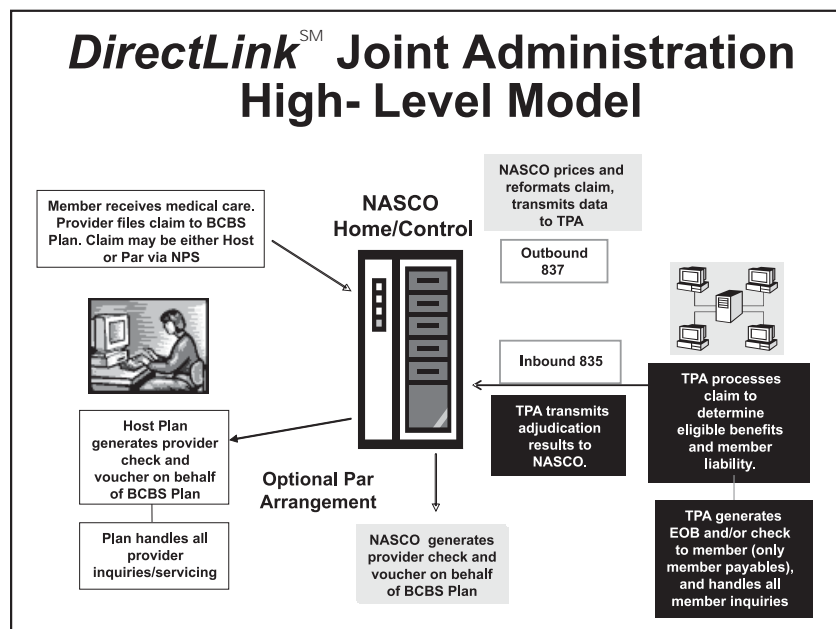
More than 20 million Blue Cross Blue Shield Plan members receive their healthcare through union negotiations, and the National Account Service Company (NASCO) Processing System, in conjunction with its Blue Plan Plan customers, has serviced many of these accounts since 1988. NASCO is a National Labor Office (NLO) Strategic Alliance Vendor. The NLO provides market leadership and guidance for Plans and union accounts, and plays a key role in education and support. NASCO's strategic alliance with the NLO allows the firm to be incorporated into requirements gathering and ensure a competitive product solution for union members.

The NLO also provides NASCO with crucial opportunities to educate and support this market. In addition, NASCO assists the NLO in offering a broad array of processing solutions for their Blue and union partners. Many of NASCO associates supporting the *DirectLink* product have received the *George Meany Labor certification*, thus providing Plans with a strong team who have in depth knowledge of labor's unique requirements.

In 2004, NASCO formulated a unique product to address this savvy and growing niche market by introducing *DirectLink*SM, a joint processing arrangement solution for Blue Plan customers and the national labor health and welfare trust funds. Over the last year, *DirectLink* has grown and developed a track record of success with aggressive implementations. It is being utilized and marketed by a number of Plans, including WellPoint, Inc, Horizon BlueCross BlueShield of New Jersey, and Premera BlueCross. Both WellPoint and Premera anticipate bringing several accounts onto *DirectLink* this year. Two other Blue Plans are in the midst of implementation.

In this unique processing model, Blue Plans offer their provider networks while allowing the trust funds to administer their members' benefits and services. *DirectLink* gives current NASCO Blue Plans in a control group a new opportunity for winning and retaining business in the national labor healthcare marketplace. Some key *DirectLink* features include:

- 837 outbound to TPA from "pending" claim record
- Inbound 835 from TPA to be matched to the NASCO claim
- NASCO-generated 835 to provider



- Finalized claim integrated with NASCO Central Financial for pay-provider claims
- Home inter-Plan functionality
- Reconciliation reporting between the Plan and the TPA/Fund
- Flexibility to provide multiple interfaces to TPA/Funds
- Flexibility to support proprietary file interfaces to TPA/Funds
- Group directory, password and encryptions set up for the file transfer to the Fund

All Blue Plans using NASCO's system benefit from the collective development that goes into improving *DirectLink*. Not only are there cost savings to be realized because of the shared development, but Plans also have NASCO-facilitated forums in which to share their experiences and best practices. The *DirectLink* Advisory Council prioritizes the direction of strategic development, and is comprised of senior-level Plan labor executives. The *DirectLink* User Group involves operational and tactical Plan associates, who provide product enhancement ideas and work with labor claims on a day-to-day basis.

Plans interested in learning more about *DirectLink* should contact their account executives or get in touch with Marlene Larkin, Systems Development Manager, at marlene.larkin@nasco.com. ■

Health Integrated, Inc.

Addressing Behavioral and Medical Health to Improve Quality of Life and Clinical Outcomes

More and more health plans are integrating behavioral and medical care in an effort to improve clinical outcomes, increase member satisfaction, and to lower overall medical costs. Based in Tampa, Florida, Health Integrated has a Strategic Alliance partnership with the Blue Cross and Blue Shield Association's National Labor Office.

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 their award-winning Depression Disease Management Program.

The company delivers integrated care solutions that provide patient-specific, evidence-based programs for preventative, medical, and behavioral health. Their programs help people navigate the healthcare process and make smarter, more informed healthcare decisions. As a result, healthcare economics, quality of life and clinical outcomes are all improved.

Integrating Behavioral and Medical Health

Health Integrated's "whole patient" approach focuses on both medical and behavioral patient issues – first managing behavioral disease states such as depression and anxiety and then all applicable co-morbidities such as diabetes and congestive heart failure.

Integrated behavioral and medical care programs from Health Integrated are a proven success and work because Health Integrated is a physician-driven organization with a psychiatric and executive staff that has vast experience in the development and implementation of clinical criteria and systems specific to behavioral healthcare management.

Key Program Objectives

To properly integrate behavioral care into the health care continuum, a five-step approach that eliminates the fragmentation of services is necessary for proper diagnosis and treatment of disease-related depression. To maintain exemplary results, Health Integrated recommends the following approach:

Identify... depressive symptoms in a timely and accurate manner through increased participant awareness; through vigorous screening and enrollment; by reassessing those already diagnosed, those previously misdiagnosed, and those still undiagnosed; and by making detailed initial assessments and clinical stratification an internal best practice.

Address... patient-specific health issues through rigorous 24/7 care advocacy; through participant and provider support and care facilitation; and through ongoing follow up, information exchange, and reassessment.

Educate... participants and providers through ongoing education modules that promote self-management; through ongoing provider alerts and vital information exchange among multiple providers; and through a focus on participant self-management.

Enhance... clinical outcomes by following evidence-based guidelines and clinical measures that adhere to the latest medical research for best possible outcomes.

Measure... clinical, productivity, and financial outcomes using validated approaches that include participant satisfaction and outcome reporting.

Looking Ahead

In recent years, progressive plans and employers have begun directly addressing depression through disease management programs, involving outreach, education and support. These efforts are proving highly effective. In fact, with these successes, many health plans are now looking beyond just behavioral/medical integration and considering the benefits of integration across all health management activities. Health Integrated is a leader in this area and will continue to develop programs and services that deliver on this promise, thereby improving clinical outcomes and quality of life, while lowering overall medical costs.

For more information contact Donald Lewis at 877.267.7577 ext 52862 or dlewis@healthintegrated.com.

Also for more information you can visit www.healthintegrated.com. ■

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

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Upcoming Events

| | | |
|-----------|-------|--|
| September | 14-17 | Coalition of Labor Union Women (Detroit, MI) |
| | 26-29 | National coordinating Committee for Multi-employer Plans (Las Vegas, NV) |

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| October | 1-4 | International Brotherhood of Electrical Workers (Las Vegas, NV) |
| | 24-25 | NLO Board of Directors Meeting and Retreat (West Virginia) |

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| November | 13-16 | IFEBP Annual 51st Employee Benefits Conference (Honolulu, HI) |
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BlueCross BlueShield Association

An Association of Independent
Blue Cross and Blue Shield Plans

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