



# LaborMatters

The Blue commitment to labor | Better care for America's workers and their families

August 2011

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## Using innovation to improve healthcare in Montana



Delivering healthcare in a state with fewer than 1 million people spread across nearly 150,000 miles poses some unique challenges.

- Doctors and other healthcare providers struggle to stay economically viable.
- Specialists can be hard to find, especially in rural areas.
- Citizens face obstacles in getting the healthcare they need.

With the economy ailing, those challenges are exacerbated.

But as the nation begins to claw its way out of the recession, Montana seems firmly on the path to recovery. The unemployment rate in Montana dropped by a fraction of a percentage in consecutive months this spring, with the latest data (April) settling at 7.5 percent, compared to 8.8 percent nationally. Jobs grew by 1,500 in March and have grown in every month since the start of the year.

While this is good news for all Montanans, there is still a long way to go. Businesses still are feeling the pinch, and thousands of Montanans still are looking for work. Blue Cross and Blue Shield of Montana (BCBSMT) is working hard to make sure its business partners can afford to provide the healthcare coverage their employees need. As the Plan works to reduce the cost of healthcare for all Montanans, its efforts are focused on three fronts:

- Reducing its administrative overhead.
- Reducing the cost of healthcare delivery.
- Helping members live healthier lives.

### Reducing administrative overhead

During the past five years, BCBSMT has reduced administrative expenses by millions of dollars, implementing new cost-saving technology and streamlining processes – all with the goal of reducing the cost of healthcare for groups and members. It also is aggressively fighting fraud – identifying and recovering more than \$771,000 in 2010.

*continued on page 3*



# Executive Director's Corner

A MESSAGE FROM THE NATIONAL LABOR OFFICE EXECUTIVE DIRECTOR, **BONNIE SUMMERS**

With the close of summer, it is important for all of us to remember to celebrate Labor Day. According to the U.S. Department of Labor, this day is a creation of the labor movement and dedicated to the social and economic achievements of American workers. It constitutes a yearly national tribute to the contributions workers have made to the strength, prosperity, and well-being of our country.

Also, as summer ends and fall begins, the NLO looks forward to hosting its annual Healthcare Symposium scheduled for Wednesday, Nov. 9, 2011, at the Washington Court Hotel, Washington, D.C. The core focus of this year's Symposium will include an update on the implementation of state insurance exchanges, the Affordable Care Act (ACA), local programs mobilizing a younger population in the labor movement and the AFL-CIO's new branding strategies. Please see the advertisement in this newsletter for additional details regarding this important event.

Given the current healthcare industry environment predicted for the rest of 2011 and beyond, the NLO will continue to work hard to ensure that Blue Cross and Blue Shield remain labor's healthcare partner of choice. The NLO will support The Blues® with their strong relationships with the union movement – especially in the context of ongoing implementation of the ACA. The key element of this cost control is through wellness management programs for union workers and their families. This leaves us with much work and many challenges – but certainly also many opportunities.

For additional information on programs that will help you on the path toward better health, ask your local Blue Cross and/or Blue Shield Plan representative. Enjoy the rest of the summer.

In unity,

A handwritten signature in black ink, appearing to read 'B. Summers', written in a cursive style.

Bonnie Summers  
Executive Director

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National Labor Office  
1310 G Street, NW  
Washington, D.C. 20005  
202.626.4815  
[www.BCBS.com/nlo](http://www.BCBS.com/nlo)

**Bonnie Summers**  
Executive Director  
202.626.4836

**Robert Krause**  
Director  
202.626.4813

**Fernande Georges**  
Senior Project Manager  
202.626.4816

**Marian Casarella**  
Project Manager  
202.626.4807

**Babbi Williams**  
Executive Assistant  
202.626.4815

**Pat Peri**  
NLO Consultant  
202.626.8635

## Using innovation to improve healthcare in Montana *continued*

### Reducing the cost of healthcare delivery

BCBSMT partners with healthcare providers across Montana to give members access to high-quality, affordable healthcare. Together, they are exploring innovative new ways to improve the quality of healthcare while reducing costs – including exciting new delivery methods like Medical Home Programs, which are showing promising results. The Plan also has seen inspiring successes in its Integrated Healthcare Management programs, which aim to reduce the cost of care by identifying and addressing health issues before they arise or escalate.

In addition, the Plan is working to educate its members and groups about the importance of using generic prescription medications, when available. Employers and employees can see an immediate savings when members utilize generic medications, which are safe and effective, but cost less than their brand-name counterparts. BCBSMT is part of the Prime Therapeutics family and has the distinction of having the highest generic dispensing rate amongst the partner Blue Plans – at 78 percent.

### Helping members live healthier lives

In Montana and around the country, healthcare statistics show that people are living increasingly sedentary lives, leading to higher obesity numbers and an array of preventable illnesses that drive up the cost of healthcare and decrease quality of life. According to the Centers for Disease Control and Prevention, upwards of 70 percent of healthcare costs are spent treating preventable illnesses.

Blue Cross and Blue Shield of Montana recognizes that, in order to reverse this trend, everyone must take personal responsibility for their health. In addition to its robust wellness program, WellwithBlue<sup>SM</sup>, it is preparing to launch an outcomes-based wellness program that motivates employees to improve their health. It also launched the Wake Up Your Life initiative in 2010, aimed at helping Montanans find innovative new ways to integrate healthy activity into their daily lives. The Plan has seen inspiring successes already, including 4.5 tons of weight loss in its first weight-loss challenge.

*To find out more about how Blue Cross and Blue Shield of Montana is working to serve its members, employer groups, providers and communities across Montana, visit [www.bcbsmt.com](http://www.bcbsmt.com). ■*



# Introducing CareFirst's Primary Care Medical Home Program



CareFirst BlueCross BlueShield (CareFirst) believes that improving healthcare quality and reducing costs should be complementary – not contradictory – concepts. That's why it has embarked on a major new initiative that has the potential to produce lasting, systemic improvements for healthcare in its region – the Primary Care Medical Home (PCMH) program.

Launched in January 2011, CareFirst's PCMH program establishes primary care providers (PCPs) as the “quarterback” of a team of healthcare professionals who work together to coordinate the care of patients with serious health problems – typically those with multiple chronic conditions. The program strives to give PCPs access to the information and resources needed to deliver efficient, coordinated, quality care. Participating PCPs are rewarded for meeting specific care coordination, quality and efficiency targets that promote a greater emphasis on prevention and primary care. To date, nearly 3,000 PCPs in the Plan's region have joined this voluntary program.

## Why PCMH?

Understanding that the sickest 10 percent of CareFirst members account for 60 cents of every dollar that CareFirst pays for healthcare services, the CareFirst PCMH program is designed to both improve care and reduce costs over time.

## Why is that so important?

An overwhelming majority of these members (about 80 percent) have multiple chronic conditions – such as Type 2 diabetes, asthma and high blood pressure. These chronically ill patients are heavy users of a healthcare system that for decades has prescribed care with little coordination across a broad spectrum of healthcare providers, including emergency, specialty and primary care. PCMH gives PCPs the resources to provide quality, frontline care, for their patients and help prevent chronic conditions from developing into even more serious health issues.

## PCMH benefits

**CareFirst members** – Participating providers (primary care physicians and nurse practitioners) will have a team of nurses and new information available to work with patients with serious health problems. The goal is to better manage their care – follow it every step of the way – to help members and lead healthier lives.

**Employers** – Through the PCMH program, an employee with high blood pressure may get help to keep it under control and avoid stroke, the associated time away from work and costly rehabilitation. Or, an employee's child who is asthmatic and struggling with obesity could get a care plan developed with their pediatrician that allows the family to better manage the condition, avoiding a

sudden call that takes them away from work and their child to the emergency room.

**Providers** – With new online tools, resources and incentives, PCPs have what they need to put an increased emphasis and spend more time caring for the patients who need it most.

**The healthcare system** – PCMH represents one of the first, large-scale programs in the nation designed to improve care quality while reducing healthcare costs over time for CareFirst members.

The CareFirst PCMH program infuses teamwork into primary care as participants work with local nurses and other health professionals to manage care. CareFirst will continue to develop and make available online information and resources for PCPs to get a more complete view of their patients' care and needs – and tailor care to meet those needs.

*For more information, visit [www.carefirst.com/pcmhinfo](http://www.carefirst.com/pcmhinfo). ■*

## As groups elect to self-fund, HM Insurance Group's Stop Loss helps protect from catastrophic losses

With the enactment of Health Care Reform creating a new environment in the health insurance marketplace, organizations are more intensely weighing their options for providing health coverage to their employees now and in the future. As benefits, costs and program variations are evaluated, many groups turn to self-funding as a viable option for managing the expenses of group coverage. By adding Stop Loss insurance, self-funded groups can gain protection from catastrophic risk while meeting their obligations to their employees.

Labor Funds that choose to self-fund set aside dollars to pay for the medical expenses incurred by their members and covered families. This gives them more control over the design of their plan, flexibility in coverage and the potential for cost savings. Plans can be tailored more to the specific needs of the group in a self-funded situation, and coverage can address either the cost of a single catastrophic claim (specific coverage) or high increases in overall plan utilization (aggregate coverage).

### About HM Insurance Group

HM Insurance Group (HM), a Highmark company, is a leading national Stop Loss insurance carrier that utilizes its expertise in managing risk to design innovative Stop Loss programs to help minimize client financial liability. The \$600 million Stop Loss company has 20 offices

nationwide distributing the product. Coverage can be tailored to satisfy the client's level of risk tolerance. A customized approach is taken, offering a wide range of deductibles and contract periods.

When the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act of 2010 (HCERA) were signed into law in March 2010, HM was one of the first companies to take steps to ensure that its policies would be consistent with the mandated requirements. As a result, the company offers its Stop Loss coverage with unlimited lifetime maximums and no annual maximum limits.

Also, HM proactively accepted self-funded medical plans that include dependent coverage to age 26 and with no pre-existing limitation conditions and did not change the way qualified claims are paid for policyholders with eligible retirees. As specific regulations are developed and released by the U.S. Department of Health and Human Services, HM continues to respond to ensure its policies support mandated requirements.

*With 30 years of experience, HM Insurance Group can help deliver smart solutions to clients choosing to self-fund. For more information about HM's Stop Loss insurance, visit [www.hminsurancegroup.com](http://www.hminsurancegroup.com). ■*

# Catalyst Health Solutions completes acquisition of Walgreens Health Initiatives

Catalyst Health Solutions, Inc. announced on June 13 that it completed its acquisition of Walgreens' pharmacy benefit management (PBM) subsidiary, Walgreens Health Initiatives, Inc. (WHI). This transaction brings together two of the leading national PBMs. Catalyst will enter into this agreement with Walgreens to provide PBM services for Walgreens' 244,000 active employees in addition to retirees and dependents; it also has an agreement to administer the Walgreens Prescription Savings Club.

## About Catalyst Health Solutions, Inc.

Catalyst Health Solutions, Inc., the fastest-growing national PBM in the U.S., is built on strong, innovative principles in the management of prescription drug benefits and provides an unbiased, client-centered philosophy resulting in industry-leading client retention rates.

## The company's subsidiaries include:

- Catalyst Rx, a full-service pharmacy benefit manager (PBM) serving more than 7 million lives in the United States and Puerto Rico.
- HospiScript Services, LLC, one of the largest providers of PBM services to the hospice industry.
- FutureScripts, LLC, a full-service PBM serving approximately 1 million lives in the mid-Atlantic region.
- Immediate Pharmaceutical Services, Inc., a fully integrated prescription mail service facility in Avon Lake, Ohio.

The company's clients include self-insured employers, including state and local governments, managed care organizations, unions, hospices, third-party administrators and individuals. ■

## Save the date

### 2011 NLO Healthcare Symposium

Wednesday, Nov. 9, 2011

Washington Court Hotel, Washington, D.C.

10 a.m. – 5 p.m.

Lunch will be provided.

5 – 7 p.m. Networking Reception

Speakers and Panelists:

President Dale Chase, AFSCME Council 67

President Ernest R. Grecco, Baltimore Council of AFL-CIO

President John R. Niemiec, Fairfax County Professional Fire Fighters and Paramedics

Amanda Pacheco, Assistant to the Secretary-Treasurer, AFL-CIO

Bill Raabe, Director, National Education Association

Robert Tobias, American University

President Joslyn Williams, Metropolitan Washington Council

RSVP by Friday, Oct. 28

at 202.626.4807/4816 or

marian.casarella@bcbsa.com

fernande.georges@bcbsa.com

## LABOR TRIVIA

Name the movie in which actress Holly Hunter portrays the wife of a Kentucky coal miner and subsequently becomes involved in a bitter labor dispute?



Answer is on page 8.

## NLO Board welcomes new member



**Judd Wagner**  
Vice President and Chief  
Marketing Officer

Blue Cross Blue Shield  
of North Dakota

Judd is responsible for directing the management and administration of the Marketing division and for leading and directing

the development and implementation of strategic marketing objectives and plans. He also provides support for the corporate goals for growth, retention, service and market penetration. In addition, he serves in key roles for affiliate companies.

Before joining Blue Cross Blue Shield of North Dakota, Judd was director of key accounts at Blue Cross Blue Shield of Montana. In this role, he was responsible for key account sales and account management, including third-party administrator business and all groups larger than 200. Other positions he held there include underwriter and regional director of sales. He also worked as assistant vice president at Rutherford Benefit Services, a large brokerage firm in Virginia.

A native of Great Falls, Wagner studied business management at Montana State University, Bozeman. ■

## The First Labor Day

The first Labor Day holiday was celebrated on Tuesday, Sept. 5, 1882, in New York City, in accordance with the plans of the Central Labor Union. The Central Labor Union held its second Labor Day on Sept. 5, 1883.

In 1884, the Central Labor Union proposed the first Monday in September as a workingmen's holiday and urged similar organizations in other cities to follow the example in New York. The idea spread with the growth of labor organizations and, in 1885, Labor Day was celebrated in many industrial centers of the country.



2011 CALENDAR OF EVENTS		
<b>August</b>	<b>17</b>	Davis Vision Webinar
<b>September</b>	<b>14</b>	NASCO Webinar
	<b>19-23</b>	IBEW (Vancouver British Columbia, Canada)
<b>October</b>	<b>4-7</b>	Blue National Summit (Chicago)
	<b>11-12</b>	NLO Board of Directors' Meeting (Chicago)
	<b>30</b>	IFEBP (New Orleans)
<b>November</b>	<b>2</b>	IFEBP (New Orleans)
	<b>9</b>	NLO Healthcare Symposium (Washington Court Hotel, Washington, D.C.)
	<b>16</b>	HM Insurance Group Webinar

### Have you missed an edition of Labor Matters?

Access past issues of Labor Matters with just a few clicks of the mouse! Go to [www.bcbs.com/coverage/nlo/newsletters.html](http://www.bcbs.com/coverage/nlo/newsletters.html) for more on "The Blue Commitment to Labor".

### The NLO presents educational webinars series

- Wednesday, Aug. 17, – Davis Vision
- Wednesday, Sept. 14, – NASCO
- Wednesday, Nov. 16 – HM Insurance Group

All sessions are offered free of charge and will be conducted 2-3 p.m. ET. You will receive dial-in information at 8 a.m. on the day of the webinar.

To make reservations, contact Fernande Georges, senior project manager, National Labor Office at 202.626.4816 or [fernande.georges@bcbsa.com](mailto:fernande.georges@bcbsa.com).

### Labor Trivia answer:

Harlan County War



### BlueCross BlueShield Association

An Association of Independent Blue Cross and Blue Shield Plans

1510 G Street, N.W.  
Washington, D.C. 20005  
[www.bcbs.com/nlo](http://www.bcbs.com/nlo)



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