

Volume III Issue II • 2004

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800-842-4464 or 413-787-4000.

HNE MEMBER ADVISORY COUNCIL: YOUR CHANCE TO BE HEARD

We are looking for members to join the Health New England Member Advisory Committee (MAC).

This unique committee represents the voice of our members. Regular meetings provide a forum for encouraging open, constructive dialogue with HNE and for providing suggestions, comments, and ideas. The MAC may discuss any part of our business, from programs offered to quality improvements.

The goals of the MAC include:

- Identifying and addressing issues and concerns encountered by members
- Exploring ways to enhance quality, service, access to care, and satisfaction
- Giving members the opportunity to provide input on matters that affect them, their colleagues, and their community

The MAC, which meets quarterly, also provides a relaxed, friendly environment in which members, benefits administrators, and Human Resources directors can learn more about who we are and what we do. A light meal is provided and participants are reimbursed for their time and travel expenses.

Please join us, and encourage any of your employees who are interested in participating to do so as well!

For more information and an application, please call HNE Member Services at 413-787-4004 or 800-310-2835.

NEW ID NUMBER PROCESS

At HNE, we are committed to safeguarding the privacy of our members. On August 1, 2004, we will begin a two-phase process to discontinue the use of social security numbers as contract ID numbers. Phase one will begin on August 1st. From that date forward, all new HNE subscribers will be assigned a 9-digit, system-generated contract ID number beginning with "8." This numeric range was chosen because the Social Security Administration does not use it to assign Social Security numbers. The second phase will be completed in 2005. Once Phase two is completed, all members enrolled prior to August 1, 2004 will have received new system generated contract ID numbers. We will continue to request social security numbers on our enrollment forms for data retrieval purposes only.

PRODUCT UPDATES

Option 7.5

Available October 1, 2004, this product is a variation of our most popular HMO product, Option 7. This new product features a different copayment for PCP services and those provided by a specialist as outlined below.

PCP/GYN Annual Exam	\$20 Copayment
Specialist Office Visit	\$40 Copayment
Inpatient & Outpatient Facility Services	\$500 Copayment
ER	\$75 Copayment

New Pharmacy Rider Choice

Also available October 1, this new pharmacy rider will include a deductible in addition to the Tiered copayment structure. There will be a \$500 deductible for Tiers 2 and 3. Once members meet this deductible, copayments will apply as indicated below.

Tier	At a Pharmacy		Mail Order (90-day supply of maintenance drugs)	
	Deductible	Copayment	Deductible	Copayment
1 (Generic)	None	\$15	None	\$30
2 (Brand/ Formulary)	\$500	\$25		\$50
3 (Brand/Non-Formulary)		\$50		\$150

BENEFIT UPDATES

Clarifications

Diabetic Related Items	HNE does not cover continuous glucose monitoring systems.
Early Intervention Services	Effective July 1, 2004, the benefit limit for covered services is increased to \$5,200 per child per Calendar Year with a lifetime maximum of \$15,600.
Eligibility	A dependant who moves into the HNE Service Area may be enrolled within 31 days of the date of the event.
Exclusions	HNE has removed the following item from the list of exclusions: Growth factor mediated lumbar spinal fusion devices such as the InFUSE™ bone graft/LT-CAGE™ lumbar tapered fusion device.
Infertility	HNE has updated its infertility guidelines. If you would like a copy of the new guidelines, please contact HNE member services at 413-787-4004 or 800-310-2835.

PHARMACY UPDATES



New Pharmacy Benefit Manager

Effective June 15, 2004, HNE has replaced its pharmacy vendor, MedImpact. The new vendor is Express Scripts. Express Scripts has been providing services to HNE members through the mail order prescription program. Now, Express Scripts will provide both retail pharmacy and mail order services.

New Drugs Added to the HNE Formulary

The HNE formulary – our list of covered drugs – is changing constantly to keep pace with ongoing advances in drug treatments. HNE's Pharmacy Department administers the HNE formulary. An important aspect of this responsibility involves the assessment of medications newly approved by the Food and Drug Administration. HNE does not typically add brand-name medications to the HNE formulary for at least six months after FDA Approval. HNE calls this the clinical review period. During this time, the

Pharmacy Department and the HNE Pharmacy and Therapeutics Committee – a group of local primary care doctors and specialists – examine the safety and effectiveness of the newly approved medication. Once added to the HNE formulary, the Pharmacy and Therapeutics Committee assigns the drug to one of HNE's three prescription coverage tiers.

As of July 1, 2004, HNE added the following prescription drugs to the formulary:

Prescription Drug	Indication	Copayment Level
Caduet® (atorvastatin/ amlodipine)	Hypertension	Tier 3 (highest copay- ment level)
Elestat® (epinastine HCl)	Ophthalmic-allergy	Tier 3
Namenda® (memantine)	Alzheimer's Disease	Tier 2 (middle copay- ment level)
Pexeva® (paroxetine mesylate)	Antidepressant	Tier 3
Raptiva® (efalizumab)	Psoriasis	Tier 3 (prior approval required)
Sensispar® (cinacalcet)	Hyperparathyroidism	Tier 3
Spiriva® (tiotropium)	COPD	Tier 2
Symbyax® (olanzapine/ fluoxetine)	Bipolar Antidepressant	Tier 3
UroXatral® (alfuzosin)	Benign Prostate Hypertrophy	Tier 3

Also starting July 1, HNE changed the Prior Authorization requirement for the following prescription drug:

Prescription Drug	Indication(s)	Copayment Level	Prior Authorization Change
Enbrel® (etanercept)	Active Rheumatoid Arthritis and Psoriasis	Tier 2	Prior to July 1, Enbrel® required prior authorization for treatment of Active Rheumatoid arthritis. As of July 1, HNE began reviewing prior authorization requests for Enbrel® for the treatment of Psoriasis.
Oxycontin® (oxycodone HCL) all forms and strengths, brand and generic	Pain Management	Tier 2	<ul style="list-style-type: none"> Hematologist/Oncologist may prescribe unlimited quantity All other providers may prescribe up to 4 tablets per day or 120 tablets per 30-day period

Finally, starting July 1, HNE implemented the following Copayment Tier changes:

Prescription Drug	Indication(s)	Before July 1, 2004:	As of July 1, 2004:
Actonel® (alendronate)	Osteoporosis	Tier 3 (Highest Copayment level)	Tier 2 (Middle Copayment level)
Miacalcin® (calcitonin)	Osteoporosis	Tier 2	Tier 3
Nasacort AQ® (triamcinolone)	Allergies	Tier 2	Tier 3

HNE IMPLEMENTS SECURE ELECTRONIC MESSAGING SOLUTION

In order to address the need to send sensitive or confidential information to external business partners, HNE has implemented a secure messaging gateway device. The device is called “ZIX-VPM” (Virtual Private Messaging) from ZIX Corp.

How It Works:

When an HNE employee sends an e-mail using this device, the ZIX gateway will determine the best method of delivery. If the recipient has ZIX, the message is sent encrypted. If the recipient is not a ZIX user, the message is retained at a secure web-site: <https://hne-mail.com> The recipient is sent an email notification which includes a link to this site. The recipient must register the first time he or she goes to this site. Once registered, the recipient can view, print, delete, or download attachments without restriction. The recipient can also reply to the original message, but only to users@hne.com.

NOTE: This information applies to the prescription drug benefit, offered as a rider to the standard Plan benefit. If your plan does not include prescription drug coverage, this information does not apply.

THE STRENGTH OF HNE

HNE'S LEGAL DEPARTMENT

According to a study by the accounting firm PricewaterhouseCoopers, government regulation accounts for fifteen percent of the overall increase in health care costs in the United States. In addition to the regulatory obligations that every business faces (tax law, wage and hour laws, OSHA and so many more), health plans are the subject of specific regulation including state managed care reform laws, federal ERISA and HIPAA rules and more. Many of the regulations are difficult to interpret, and requirements can change with a single court decision.

To keep track of this complex and changeable tangle of laws, HNE has its own in-house legal department. The department includes three attorneys and an administrative assistant. There is also a full-time Compliance Coordinator who provides support and direction with issues involving corporate compliance and privacy to HNE's managers and employees. In addition, the legal department includes two staff members who manage corporate communications and member documents, three who manage and process member appeals and three full-time staffers who manage coordination of benefits and third party liability (which we'll discuss in a bit).

How does this help HNE's clients? An active legal department helps HNE satisfy an important part of its mission - our determination to be a leading corporate citizen. It is challenging to keep on top of the myriad rules and regulations, but our effort to stay aware of the laws and to comply with them not only protects

our members, it also saves costs by keeping HNE free of litigation and other legal snares. For example, we use information gleaned from appeals filed by HNE members to consider changes in rules and benefits that might improve customer service or avoid future disputes. We also use the appeals process as an opportunity to thoroughly investigate these member issues, so that if we have made a mistake or misunderstood a member's situation,

we have time to correct the error. If our original decision was correct, upholding that decision allows us to maintain practical coverage rules, which in turn helps to keep our premiums as reasonable as possible.

In addition, we use our compliance activities to reinforce values to which HNE has always been committed. For example, our privacy training program for HNE associates helped us to comply with HIPAA regula-

tions, but was also an opportunity to reinforce our long-standing commitment to member privacy.

The department's coordination of benefits staff makes a substantial contribution to controlling costs by identifying members who have a primary source of health care coverage other than HNE. Under state law (and federal Medicare rules), HNE is able to pass some or all of the cost of care for these members to the principal carrier. HNE is also entitled, under state law and our HNE agreements, to obtain reimbursement from third parties who are legally responsible for care provided to our members (as a result of an automobile accident, for example). By pursuing these coordination of benefits and third party liability (or subrogation) recoveries, our department saves HNE millions of dollars every year. We pass these and the other savings described above on to our customers when we set our premium rates for the coming year.



Pictured clockwise from left: Joe Kane, Renee Wroth, Jan Froeberg, Eileen Meyers, Jim Kessler, Sara Peix, Toby Brink, Dean Katika, Heather Sutter, Nancy Bousquet, Terry Martin, Guylene Beaudoin, and Arlene Gaudet.

EMPLOYER GROUP HEALTH PROGRAMMING RETURNS

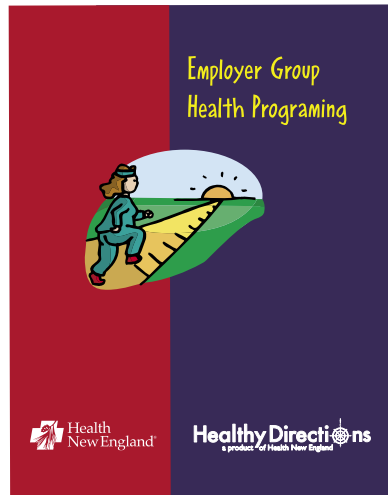
The HNE Health Programs Department Mission is to provide for the health education and health management needs of our members and employer groups. The Health Programs staff has developed several workshops that can be brought to the worksite. We also offer an array of health screenings.

Many of these workshops can be modified to fit within a 30, 45 or 60 minute timeframe. All of the workshops and screenings are offered to all employees at the worksite, regardless of their insurance coverage.

Another service that the Health Programs Department provides to our employer groups is a claims and demographic review. By looking at the claims experience and the demographics of a group, we can identify the specific health needs of the group and tailor programs to meet the group's specific needs.

Employers can choose the frequency of program offerings. Whether you choose one program per month, one per quarter, or invite us to participate in a health fair, the Health Programs Manager and the Program Coordinator will meet you to design a schedule that works best for your work environment.

For more information or to schedule a meeting please contact Michael Gauvin, Health Programs Coordinator, 413-787-4000, ext. 3388, or Lynn Ostrowski, Director of Health Programs and Community Relations, 413-787-4000, ext. 3383. We look forward to working with you and your employees.



Program topics include:

- Self-Care (1 hour)
- Back-N-Action (1 hour)
- Stretch Break Workshop (30 minutes)
- Building Your Personal Health Improvement Plan (1 hour)
- Stress Resilience and Well Being (1 hour)
- Visualization: Creating Positive Expectations (1 hour)
- Nutrition Basics (1 hour)
- The A-B-Cs of Diabetes (1 hour)
- Asthma Education Workshop (1 hour)
- Living Well with Chronic Conditions (2.5 hours/wk for 6 wks)
- Guidelines for Optimal Nutrition (30 minutes)
- Food Labels: Know the Score (30 minutes)
- Eating Plan Basics/The P-C-F Principle (30 minutes)
- Know Your Nutrients (30 minutes)
- Fast Food Facts (30 minutes)
- What's on Your Plate (30 minutes)
- Overweight or Overfat? (30 minutes)
- The Role of Physical Activity and Exercise in Weight Control (30 minutes)
- Goal Setting: Getting Started and Sticking With It (30 minutes)
- Blood Pressure Screening
- Body Composition Analysis Screening
- Health Risk Assessment
- Cholesterol and Blood Glucose*

**denotes a fee*



ASK THE FITNESS EXPERT

Are you trying to establish a personal health and fitness plan? Are you struggling with questions about your exercise routine? At HNE, we understand that the world of health and fitness can be overwhelming. Our Health Programs Coordinator, Michael Gauvin, is available to help you. With a background in exercise physiology and health and fitness, Michael has the knowledge that can help you answer your questions related to the ever expanding world of physical fitness. Starting and maintaining a personal health and fitness plan can be difficult. Let Michael help you find the answers that will inspire you to reach your long term goals.

The "Ask the Fitness Expert" link will be new in December 2004. Click on the Healthy Directions tab on the Health New England homepage hne.com to locate the link.

FALL FITNESS

*by Michael Gauvin, MS, CSCS
Health Programs Coordinator*

Autumn is almost here. Soon, the children will be back in school and the days will not be quite as hot. This is the time to recharge your personal fitness routine.

Take advantage of free time

Lack of time is the biggest challenge to sustaining an exercise regimen. With the kids back in school, fall is great for taking advantage of any free time you can find. Your fitness program doesn't have to take up your entire day. Thirty minutes of walking around your neighborhood will help develop stamina and increase energy. Making time to take care of yourself is the best thing you can do for your family.

Enjoy autumn in New England:

Autumn in New England is a wonderful season. Warm weather, sunny days, cool evenings and gorgeous colors will help to get you out the door and enjoy your exercise time. Enjoy the season by bicycling, walking, hiking, jogging, and playing golf or tennis. Explore local parks and reservoirs in your area; locate new bike paths, take a walk on wooded trails or around a lake. Your time spent out in nature will do as much good for your mind as for your body.

Get back to the fitness center:

Summer is always a difficult time to be indoors. Once fall is here, think about returning to the fitness center. Supplementing your outdoor activity with indoor strength training or aerobic exercise will help keep you motivated and healthy. Adding a few days at the fitness center will also help prepare you for the winter months, when most of your exercise will take place indoors. A well-rounded fitness program is essential. While aerobic activity such as running or bicycling is great for your heart, resistance training is also a critical component of a balanced program.

Find a workout buddy:

One of the great things about exercise is that you don't have to do it alone. Find a friend with a similar fitness level and shared goals - having a partner helps you both stay motivated. You can use your exercise time to socialize, which will help time pass faster. Preventing boredom will help keep you on the right path.



SEYMOUR'S WEIGHT LOSS CHALLENGE

Health New England (HNE) has released the second book in its Whiz Kidz health education series for children, Seymour's Weight Loss Challenge. The first book, How ACE Became an Asthma Control Expert, was released in March 2003.

HNE created the HNE Whiz Kidz series in response to a lack of health education information for elementary school children. According to Lynn Ostrowski, HNE Health Programs Department Manager, "In doing the research to identify health education information for children between 5 and 12, we were unable to find materials that truly engaged both the child and the parent. We made a decision to create our own educational material for this age group."

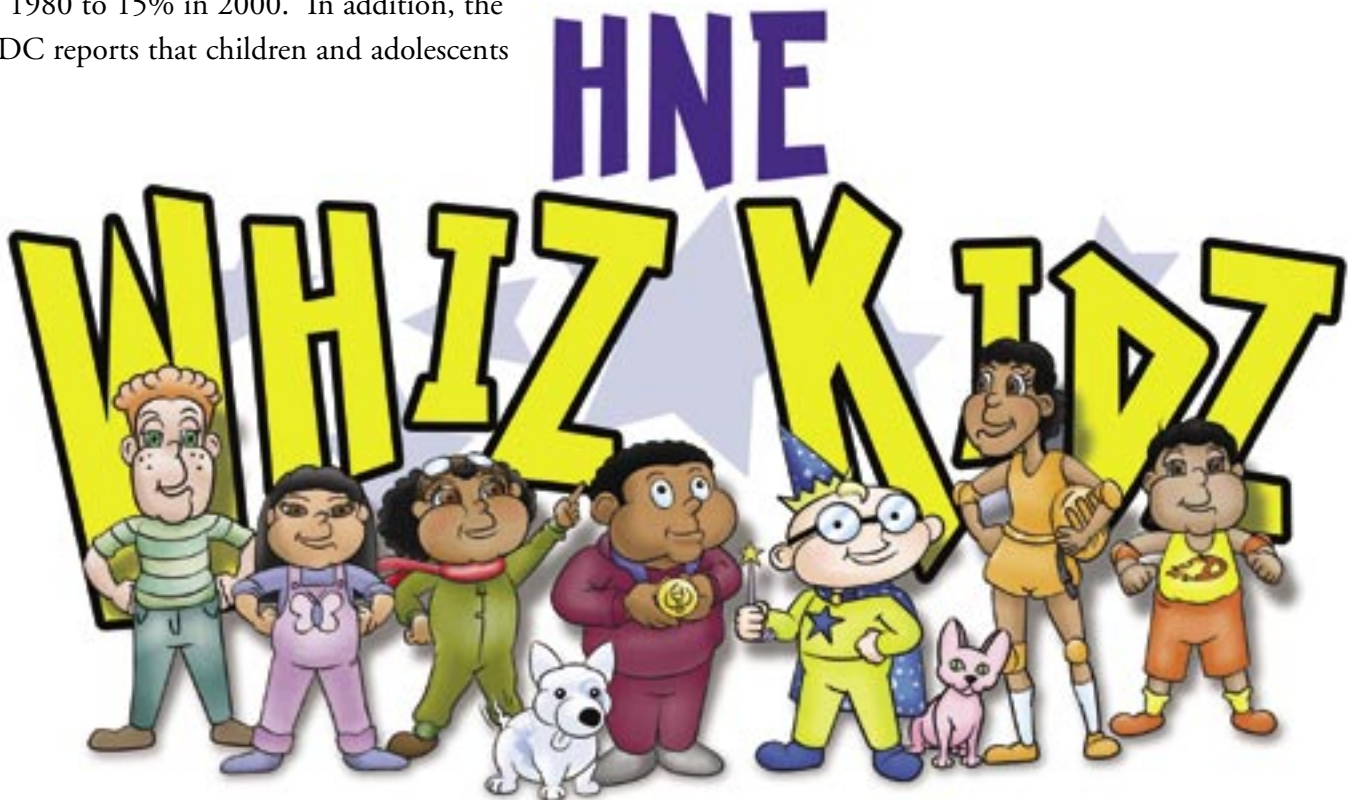
Seymour's Weight Loss Challenge is a response to the growing incidence of adults and children who are overweight or obese, both nationally and locally. According to the Centers for Disease Control, the percentage of children aged six to eleven who are overweight has more than doubled in the past 20 years, increasing from 7% in 1980 to 15% in 2000. In addition, the CDC reports that children and adolescents

who are overweight are more likely to become overweight or obese adults.

HNE's focus in its Whiz Kidz series is on providing children with important health information in a fun way, while engaging their parents or guardians as well. Through this approach, children learn healthy lifestyle habits that they will take with them into adulthood, with the added benefit of improving the overall health of the family. As Seymour observes, "Seeing Dad with the ice cream (and chocolate sauce dripping from the sides of his mouth) was such a relief... He realized there were others just like him who don't always make the better choice." The Seymour book also includes a Tool Kit with resources for both parents and children that support the story and its messages.

HNE has also begun working on the third book in the HNE Whiz Kidz series which will focus on the management of Type 1 and Type 2 pediatric diabetes. The star of this book, Danny DICE will become a Diabetes Insulin Control Expert.

For more information, contact HNE's Health Programs Department at 413-787-4000, ext. 3300. You can also find information about ACE and Furlis on their own web site at aceandfurlis.com





MEET FLORA MASCIADRELLI

Have you seen this woman? You probably have. As HNE's Community Relations Sponsorship Coordinator, Flora Masciadrelli devotes a lot of her time to local events. Flora has been serving in this role for a year now – since the time that HNE created the position as a way to put a face with our commitment to the Western Massachusetts community. Prior to that, Flora had been with HNE for six years, and she is a long time resident of the greater Springfield area. Attending events that HNE sponsors or participates in is only part of what Flora does. She is also responsible for screening the many requests that HNE receives for corporate sponsorship. This screening process is based on HNE's commitment to our local community, and on the concerns and issues that most directly impact our members, among other things.

HNE IN THE COMMUNITY

Save the Date!

Here are some upcoming events, proudly sponsored by HNE:

September

- September 9, 2004:** Spirit of Women Conference
Log Cabin, Easthampton, MA
- September 22, 2004:** Girl Scouts of Pioneer Valley Golf Classic
Oakridge Country Club, Agawam, MA
- September 26, 2004:** Alzheimer's Memory Walk
Stanley Park, Westfield, MA
- September 30, 2004:** Osteoporosis Update
Best Western Inn and Conference Center, West Springfield, MA

October

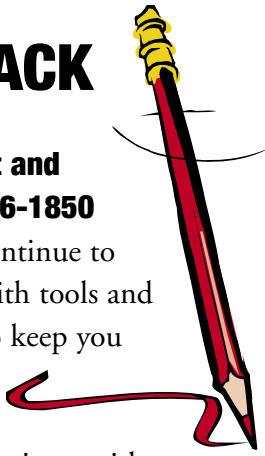
- October 14, 2004:** Women's Night Out Health Expo
Best Western Inn and Conference Center, West Springfield, MA
- October 24, 2004:** Rays of Hope
Springfield, MA

If you have any questions about these events, or about other HNE sponsored activities, please contact Flora Masciadrelli, HNE Community Relations Sponsorship Coordinator at 800.842.4464.

FEEDBACK

Please fill out and fax to 413-736-1850

We want to continue to provide you with tools and information to keep you informed and make it easy to do business with us. To do that, we need your continued help. Please take a minute to answer a few simple questions below, then tear it out and fax it to our Sales Department at 413-736-1850. *Thank you!*



1. **How would you rate Inside HNE?** Overall, did you find the newsletter (*please check one for each*):

- Informative? Yes No
Useful? Yes No
Interesting? Yes No
Easy to read? Yes No

2. **What would you like to see from Inside HNE?**
Please indicate the importance of each topic to helping you do your job. (Check one box in each row).

Network Updates

Changes in participating doctors and facilities

- Very Important
 Somewhat Important
 Not Very Important
 Not Important At All

Regulatory Updates

Changes in state and federal laws affecting health care

- Very Important
 Somewhat Important
 Not Very Important
 Not Important At All

Product Updates

New HNE products

- Very Important
 Somewhat Important
 Not Very Important
 Not Important At All

Benefit Updates

Changes in benefits

- Very Important
 Somewhat Important
 Not Very Important
 Not Important At All

Health Programs *Info on new programs and other activities*

- Very Important
 Somewhat Important
 Not Very Important
 Not Important At All

Pharmacy Changes

Changes in formulary, prior approvals, etc.

- Very Important
 Somewhat Important
 Not Very Important
 Not Important At All

Industry Information

Trends/developments in health care

- Very Important
 Somewhat Important
 Not Very Important
 Not Important At All

Strength of HNE *Features on HNE departments: What they do, who they are, and how they serve you*

- Very Important
 Somewhat Important
 Not Very Important
 Not Important At All

3. **What future topics would you suggest?** (*please print*)
Please give us your ideas for future articles or regular features.

4. **Any other comments?** (*please print*)

5. **Please tell us about yourself.** (*Optional; please print*)

Name

Company

Phone

E-mail



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PRACTICE MANAGER ADVISORY GROUP

Earlier this year, HNE formed a Practice Manager Advisory Group (PMAG) as a forum for representatives from our providers' offices to meet with HNE staff. The purposes of this group are:

- To solicit input on procedures affecting interface between providers and HNE
- To determine the effectiveness of HNE communication processes
- To identify opportunities to improve or change network operations
- To solicit feedback on planned initiatives or changes to existing programs
- To identify opportunities to assist practices in
 - Understanding member products and benefits
 - Participating in health improvement initiatives
 - Identifying operational efficiencies

The PMAG has met three times since it was formed in March of 2004. The topics discussed range from strategies for more effective communication with provider offices to methodologies for claims adjustments. Meetings provide HNE with the opportunity to present useful information – such as an overview of the Case Management function provided by the manager of Health Services – as well as to solicit feedback – like seeking input from the group on a written description of the process whereby members request out of plan care.

According to Pam Zagorski, Director of Provider Contracting, “The PMAG allows us to solicit input from Practice Managers on existing policies and contemplated initiatives. This feedback and sharing of perspectives helps us understand each other’s business issues as a basis for working toward solutions.” This is another example of HNE’s commitment to providing service that is personal and accountable – by seeking the advice of our customers in matters that affect them.