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# InsideHNE

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New England's Sales Department at  
413-787-4000 or 800-842-4464.

## FEEDBACK

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 go to  
[hne.com](http://hne.com) and fill out our on-line survey about  
this newsletter. *Thank you!*

# HNE RANKS IN TOP TEN PERCENT IN NCQA/US NEWS AND WORLD REPORT SURVEY

*By Mark Morris, Public Relations Manager*

Recently, *US News and World Report* published a special issue on healthcare plans. Out of 257 accredited plans, Health New England was ranked number 19 – within the top ten percent of all health plans in the United States. HNE's overall score was 90.9 – the highest score received by any plan was 94. HNE scored five-star rankings in the categories of "Access to Care," "Prevention" and "Treatment."

According to Pat Scheer, HNE Quality Operations Manager, "The high ranking we received in this report is evidence of HNE's ability to deliver, measure and continually improve upon quality services for our members. This recognition should be a source of pride for every associate, provider and member associated with HNE."

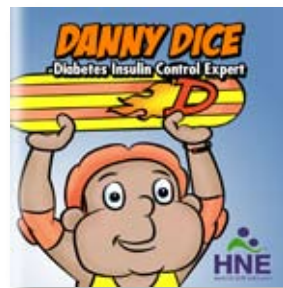
## HNE RECOGNIZED FOR CREATIVITY

HNE is thrilled to have received recognition for a number of our creative initiatives in 2005! Most recently, this recognition has come from the International MarCom Creative Awards Competition, where we received awards at all three levels of recognition.

The latest installment in our Whiz Kidz series (*Danny DICE*, Diabetes Insulin Control Expert) received the highest award, the Platinum in the Marketing/Promotion/Book category. HNE also received a Gold Award in the Creativity/Design/Logo category for our new Logo, and an Honorable Mention in the TV/Campaign category for our *HNE TV Awareness Campaign*.

The MarCom Creative Awards is an international competition for marketing and communications professionals involved in the concept, writing and design of marketing and communication programs and print, visual and audio materials. Entries come from corporate marketing and communication departments, advertising agencies, PR firms, in-house advertising departments and freelancers. The MarCom Creative Awards is part of The Communicator Awards, one of the largest, oldest and most respected competitions in the communication field.

Asked about these awards, Leslie Bercume, Manager of HNE's Advertising and Graphic Design Department said, "As always, I am proud of the team that comprises HNE's Advertising & Graphic Design Department and the outstanding creative and challenging work that is generated on a daily basis...AND, of course, it is always an honor to be recognized by others in our field."



# PRODUCT UPDATES

**Network Expansion:** HNE is expanding our network of contracted providers to include certain urgent care centers.

At HNE, we understand how important it is for our members to be able to get services when they need them. We recognize that medical problems may occur at any time. HNE requires contracted primary care physicians (PCPs) to provide on-call coverage 24-hours a day, seven days a week.

Beginning January 1, 2006, members also will have the option to receive services at an HNE contracted urgent care center. HNE will continue to encourage our members to contact their PCP first, but they will not be required to do so prior to receiving services at a contracted urgent care center. The member will be responsible to pay a copayment for these services, which will be the same as the copayment that they pay for office visits with a specialist. Urgent care centers may provide care for minor illnesses or injuries – for example, colds, minor sore throats, flu-like symptoms, or injuries of more than 24 hours' duration.

As always, all members have the opportunity to obtain health care services for an emergency medical condition. This includes the option of calling the local pre-hospital emergency medical service system or dialing the emergency telephone access number (911), or its local equivalent, whenever confronted with an emergency medical condition which, in the judgment of a prudent layperson, would require pre-hospital emergency services.

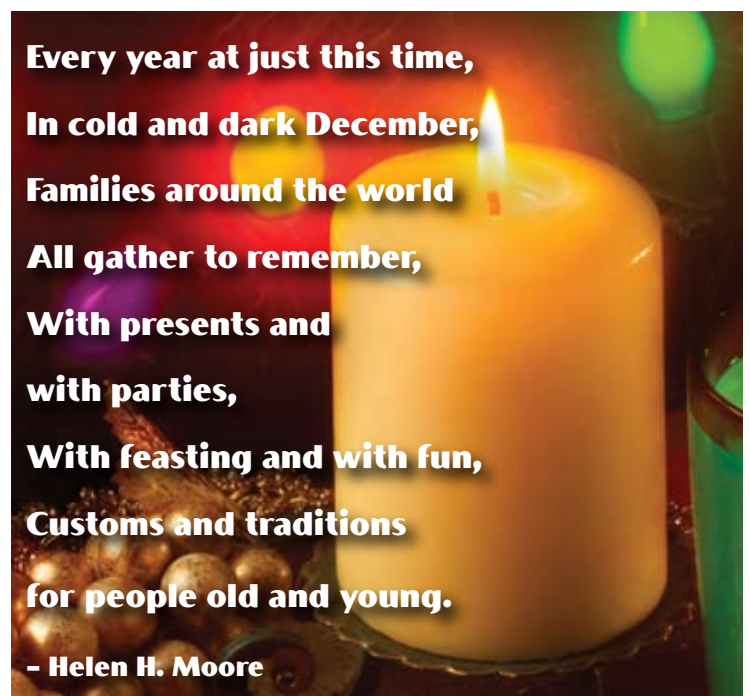
For a list of contracted urgent care centers, please contact HNE Member Services at 413-787-4004 or 800-310-2835.

# WEIGHT WATCHERS

HNE is committed to helping our members stay healthy. That's why we are offering a new Weight Watchers® Reimbursement Program for groups with 51 or more eligible employees.

HNE will reimburse subscribers or covered dependents who register and participate in weekly Weight Watchers® traditional meetings or Weight Watchers At Work® meetings. The maximum reimbursement is \$150 per family per calendar year. This maximum reimbursement amount applies to both the new Weight Watchers® Reimbursement Program and the HNE Health Fitness Promotion Program, if offered by your employer. In other words, your total reimbursement for both, the Weight Watchers® Reimbursement Program and the HNE Health Fitness Promotion Program will not exceed \$150 per family member per calendar year.

Note: This reimbursement program does not include Weight Watchers On-line® or Weight Watchers At Home®. Reimbursement is for the cost of the Weight Watchers® traditional meetings or Weight Watchers At Work® meetings only and does not include fees paid for food, books, videos or any other items or services. This program does not include fees paid to any other weight loss program.



**Every year at just this time,  
In cold and dark December,  
Families around the world  
All gather to remember,  
With presents and  
with parties,  
With feasting and with fun,  
Customs and traditions  
for people old and young.**

**- Helen H. Moore**

# HNE IN THE COMMUNITY

At HNE, we are committed to making our community a better place. As a local business with its roots and origins in Western Massachusetts, a major part of HNE's mission is to support our community. As in past years, HNE and our employees have participated in a number of community activities – either through volunteer activity, through corporate sponsorship, or through direct monetary donations.

We're proud of the work that we do alongside our friends and neighbors – at events like the Rays of Hope; the United Way - Day of Caring; the Spirit of Champions; Women's Night Out, 2005; health screenings and other events as pictured here and on the cover of this issue.

## RAYS OF HOPE - OCTOBER 30, 2005



Under a rainbow of pink balloons, nearly 7,000 walkers stepped off from Temple Beth El in Springfield for the Rays of Hope Walk on October 30.



Two walkers purchase step-o-meters from Lynn Ostrowski, Director of Health Programs and Community Relations and, Maura McCaffrey, Vice President of Pharmacy and Service Operations.



Photography by Ed Cohen

HNE employees manning the booth. Back row: Juan Campbell, Director of Sales; Anna Campbell, Health Services Liaison; Maura McCaffrey, Vice President of Pharmacy and Service Operations; Lynn Ostrowski, Director of Health Programs and Community Relations; Mark Morris, Public Relations Manager. Front Row: Connor McCaffrey, Lily Campbell, and Patrick McCaffrey.



Photography by Ed Cohen

A group of walkers from Alden Baptist Church, Health Ministries, Western MA Black Nurses, Winchester Square Golden Agers and Masters Hair and Beauty Salon.

# NEW PRODUCTS FOR 2006

Health New England has completed a review of the products currently offered to both the Regulated (1-50 lives) and Large Group (51 or more lives) Markets. As a result of this review, as well as the introduction of new products for 2006, we have modified the portfolio of products available for both of these market segments.

## Consumer Driven Health Plans

Consumer-Driven health care is a concept that began evolving in the late 90's to address the rising cost of healthcare. All of the different products behind this concept focus on making health care consumers more aware of the cost of healthcare while empowering them with tools, data and information.

Consumer Driven Health Plans combine a high-deductible health insurance policy (HDHP) and a tax-favored health savings account (HSA). Together they cover the member against catastrophic medical expenses and save the money that is not spent paying for healthcare.

Effective January 1, 2006, HNE is launching the HDHP HMO and HDHP PPO in conjunction with a Bank of America HSA.

- **HNE's High Deductible HMO.** This includes a \$2,000 Individual / \$4,000 Family integrated deductible between medical and pharmacy. First dollar coverage for selected preventive care services and no additional medical copayments after the deductible has been satisfied.
- **HNE's High Deductible PPO.** (Available for Large Group Market only). PPO version of the above High Deductible Health Plan with a \$2,000 Individual/ \$4,000 Family integrated deductible between medical (In- and Out-of-Network) and pharmacy. The coinsurance maximum In-Network is \$5,100 per Individual and \$10,200 per Family (subject to change according to the IRS defined limits) and includes deductible and copayments. The Out-of-Network coinsurance maximum is \$7,500 per Individual and \$15,000 Family and includes coinsurance only. The Out of Pocket maximums accumulate separately for In- and Out-of-Network.

## Other New Products For 2006

- **HMO Option 9M.** This Basic option has a \$2,000 Individual / \$4,000 Family deductible, \$30 PCP copayment, \$40 specialist copayment after deductible, \$500 Inpatient copayment after deductible and \$250 Outpatient Day Surgery copayment after deductible.
- **PPO Value.** Has a \$1,500 Individual / \$3,000 Family deductible, \$20 office visit copayment for HNE providers and \$40 for PHCS, \$250 Inpatient copayment for HNE and \$500 for PHCS and \$150 Outpatient Day Surgery copayment for HNE and \$300 for PHCS (Available for Large Group Market only).
- **PPO Basic.** Has a \$2,000 Individual / \$4,000 Family deductible, \$25 office visit copayment for HNE providers/ \$50 for PHCS, \$500 Inpatient copayment for HNE / \$1,000 for PHCS and \$250 Outpatient Day Surgery copayment for HNE / \$500 for PHCS.

## Product Name Changes

### Regulated Market

The changes to the product offerings for the Regulated Market (1-50 lives) are as follows:

- The Option 9 product has been renamed Option 9H Basic.
- Option 10 has been renamed Option 7L Value.
- Option 7.5 has been renamed Option 7M Value.
- Option 7 has been renamed Option 7H Value.
- Option 4 has been renamed Option 4 Premium.
- POS Low and Option 5 will no longer be quoted on standard proposals. This Option will be presented upon request only.

### Large Group Market

The changes to the product offerings for the Large Group Market are as follows:

- The Option 9 product has been renamed Option 9H Basic
- Option 10 has been renamed Option 7L Value
- Option 7.5 has been renamed Option 7M Value
- Option 7 has been renamed Option 7H Value
- Option 4 has been renamed Option 4 Premium
- POS Low Option will no longer be quoted on standard proposals. This Option will be presented upon request only.

*(continued on back cover)*

# HNEDIRECT TIPS

## ADDING DEPENDENTS TO YOUR POLICY THROUGH HNEDIRECT

To add a dependent to a policy through HNEDirect, just follow these steps:

1. Search for, and then select the member.
2. Choose either “Change Enrollment” for current members or “Initial Enrollment” for new members.
3. Fill in all required fields, then scroll to the “Dependent Information” section and click “Edit.” This will bring up the screen pictured below.
4. Add dependent information in the fields provided.
5. Once all information is entered, click “Update.” **NOTE: If you do not click “Update,” your dependent information WILL NOT BE PASSED TO HNE.**
6. After you click “Update,” you can either add more dependents or click “Done.”
7. After clicking “Done,” you will be brought back to the (“Initial” or “Change Enrollment” screen.) Now, scroll to the dependent section – if you do not see the names of the dependent information you entered, it will not be passed to HNE. Re-enter the information through the steps above and make sure you click the “Update” button on the dependent form.
8. Once you have completed all parts of the form, click “Submit.”

One last note, transactions entered in HNEDirect will not be passed to HNE until they have been confirmed. To see if you have unconfirmed transactions, click on the “Confirm Submission” link on the left side navigation bar.

If you have any questions or need assistance, please contact HNEDirect Technical Support at 413-787-4000.

**Add/Modify Dependent Information**

**Dependent Information**

|                   |   |                   |  |
|-------------------|---|-------------------|--|
| ▶ First Name      | <input type="text"/>  | SS#               | <input type="text"/>   |
| Middle Name       | <input type="text"/>  | ▶ DOB             | <input type="text"/>   |
| ▶ Last Name       | <input type="text"/>  | ▶ Gender          | <input checked="" type="radio"/> Male <input type="radio"/> Female |
| Suffix            | <input type="text"/>  | Relationship      | Child  |
| ▶ Home Address 1  | <input type="text"/>  | Postal Address 1  | <input type="text"/>   |
| Home Address 2    | <input type="text"/>  | Postal Address 2  | <input type="text"/>   |
| ▶ Home City       | <input type="text"/>  | Postal City       | <input type="text"/>   |
| ▶ Home State, Zip | MA <input type="text"/> 01144                                 | Postal State, Zip | MA <input type="text"/>  |
| Phone (Work)      | <input type="text"/>  | Phone (Home)      | <input type="text"/>   |
| E-Mail            | <input type="text"/>  | FT Student?       | <input type="radio"/> Yes <input checked="" type="radio"/> No      |
| Handicapped?      | <input type="radio"/> Yes <input checked="" type="radio"/> No |                   |  |

**Primary Care Physician(PCP)**

PCP

Existing Patient?  Yes  No

**Dependent Information Summary**

| Name | Relationship | DOB |
|------|--------------|-----|
|      |              |     |

# INDUSTRY TRENDS

## THE EXPECTED RATE INCREASES OF HEALTH INSURANCE IN 2006

by Beth Conlon,  
Senior Underwriter, HNE

As the year 2006 approaches, many insurance carriers have started estimating the premium increases for the coming year. Both employers and employees are wondering how much cost to allocate in their company or private budgets for health care coverage. As health care costs continue to increase, the question

is not whether costs will remain the same, but by just how much they will increase.

According to a report from the Sherlock Company, health plans nationwide report that in 2006, premium rates will increase 11.1% before “buy-downs” and 8.4% after buy-downs. (Buy-downs are reductions of benefit levels to current plans – higher copayments, deductibles, etc.). This increase accounts for nation-wide figures, with the highest increases hitting the Mid-Atlantic region and the lowest occurring in the East-North Central region. The results of the report reflect a grouping of 80 health plans, representing 24.4% of all plans.

As a result of these increases, employers may end up absorbing a bigger share of the premium

increases – a particularly heavy burden for smaller employer groups. The figure below from the Kaiser Family Foundation illustrates the difficulties these small groups already have in providing health coverage to their employees.

Since 1996, the number of smaller groups offering health coverage has declined. By comparison, larger groups have fared better with the end result that in 2004, 99% of all large firms offered health benefits versus 63% of small groups.

Cost increases and their direct impact in Massachusetts is aligned with the national trend, as reported in a Boston Globe article by Jeffrey Krasner about some of the Bay State’s big players.

Percentage of Firms Offering Health Benefits, by Firm Size, 1999-2004





## 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.

To access the “Ask the Fitness Expert” link, click on the Healthy Directions tab on the Health New England homepage, [hne.com](http://hne.com).

## HOLIDAY SURVIVAL TIPS

by Michael Gauvin, MS, CSCS  
Health Programs Coordinator

The holiday season can be a stressful time – countless hours of shopping, cooking, and preparing for enormous family events can leave you feeling tired and stressed. When we are feeling overwhelmed we often forget to eat healthy and stay active. This just makes matters worse, because eating right and staying active can help alleviate some of our daily stressors. The holiday season should be about enjoying time with family and friends. With proper planning and by utilizing some of these tips, you can make the holidays less about stress, and more about holiday cheer.

Staying in shape throughout the holiday season is doubly challenging. Not only does your normal schedule get disrupted, but all of that fattening food can become just too hard to resist. The following tips can help you stay motivated about exercising and keeping your eating in control during the hardest time of the year.

### PHYSICAL ACTIVITY TIPS

1. **Add physical activity to your “To Do” list** – Make sure you give activity as much importance as your other errands.
2. **Maximize your time** – Walk during your lunch break, take a walk break during work, take the stairs instead of the elevator, or park further away when shopping.

3. **Use a pedometer** – Buy yourself a pedometer and aim for 10,000 steps per day. Working your way up to 10,000 steps or higher may be just what you need to stay motivated through the holiday season.
4. **Set exercise goals** – Writing your goals on a calendar or in a journal can keep you moving. Make the goals short term and attainable. You can also focus on one long term goal.
5. **Join a health club** – Find a facility you are comfortable with. Have a trainer show you the different equipment. You may find something new to try.
6. **Take a brisk walk at the mall** – Before you start to shop, take a 20 minute brisk walk around the mall and window shop. This will give you time to think about what you need to purchase and possibly prevent overspending.
7. **Take advantage of weekends** – Take part in your favorite physical activities with friends and/or family. Go skiing or sledding, build a snowman, or go for a hike.



(continued on page nine)



## HEALTHY EATING TIPS

- 1. Never arrive hungry** – Arriving at a party famished most likely will lead to overeating. Try eating a piece of fruit before heading out the door.
- 2. Don't skip meals** – Make sure to eat breakfast and lunch. Skipping these meals because you know you will eat too much in the evening usually backfires; we tend to eat too much food at night.
- 3. Bring a small plate to the buffet** – A full small plate looks like a great deal of food and psychologically satisfies you the same way. You can always go back up for seconds, but using a small plate slows down the eating process, giving you time to feel full.
- 4. Drink more water** – Drinking water will help you feel full and will also fight off dehydration. Many times we eat when we are actually dehydrated. Have a large glass of water before your event.
- 5. Start with a salad** – Salad will fill you up and provide your body with the fiber it needs.
- 6. Bring healthy snacks while shopping** – Spending several hours in the mall usually leads to poor food choices at the food court. Try bringing some healthy snacks to curb your fast food desires.
- 7. Plan ahead** – Try to set up a game plan for each event you attend. Decide in advance what you will allow yourself to eat. Don't be afraid to taste items without finishing them.
- 8. Eat slowly** – Take your time. It takes about 20 minutes from the time you start to eat for your brain to signal you are full. Put your fork down between bites, and try to slow down.
- 9. Watch out for the drinks** – Alcohol is high in calories. Liquors, sweet wines and sweet mixed drinks contain 150-450 calories each. If you drink alcohol, do so in moderation and choose light beers or wines. Also switch to diet sodas and water for lower calorie alternatives.



## DRUG IMPORTATION

*By Richard Hoeckh, Clinical Pharmacist*

Rising health care costs are causing consumers and policy makers to look for ways to control spending. One proposed solution involves purchasing drugs in other countries, where drug prices are often lower than those in the U.S.

Officials in several states, including Vermont, Massachusetts, and Rhode Island, have expressed interest in programs that help their state residents buy drugs from Canada. The US Food and Drug Administration (FDA) has warned, however, that such programs may be illegal.

At times, Canada does not seem ready to accept such programs, either. "We can't be your complete drugstore," said David MacKay, Executive Director of the Canadian International Pharmacy Association (CIPA). CIPA represents several internet pharmacies in Canada.

Things are certainly confusing. As we try to understand this issue, it may help to know some facts.

It is hard to know how many unapproved drugs enter the US. CIPA alone services 2 million U.S. patients who order their drugs from Canada. One thing is for sure - the Canadian drug supply is designed to support a population of 32 million Canadians. This supply certainly will be tested if 295 million U.S. citizens are added. U.S. patients are already being referred to pharmacies in other countries due to Canadian drug supply concerns.

By law, only FDA approved drugs can be imported into the country. Moreover, only drug companies can import them. However, in 2003, Congress passed the

Medicare Modernization Act. The Act would allow drug importation from Canada depending upon findings from the U.S. Department of Health and Human Services (HHS).

The HHS Report on Prescription Drug Importation was released in December 2004<sup>(1)</sup>. Some of its key findings were:

- Imported drugs are arriving in the U.S. from all parts of the world. The majority of these drugs are unapproved by the FDA. In some cases this has resulted in inferior products posing significant safety risks.
- Legalized importation would slow the future development of new drugs for American consumers, resulting in the loss of between four and eighteen new drugs per decade.
- The public perception that most imported drugs are less expensive than U.S. drugs is not true. Certain select brand name drugs are cheaper in Canada due to government imposed price controls. However, generic drugs are usually less expensive in the U.S., and make up roughly half of all prescriptions dispensed.
- Overall drug spending savings from legalized commercial importation would likely be very small, and the costs of implementing such a program would likely impact any savings.

The HHS report stopped short of completely opposing importation. It did make clear to Congress and the President, however, that the significant safety and economic issues outlined in its report must be addressed before HHS would support any program for prescription drug importation.

(1) <http://www.hhs.gov/importtaskforce/Report1220.pdf>

## NEW FACES AT HNE



**Laurie Beebe joined HNE as the new RFP Coordinator in the Communications Department.**

Laurie brings more than 18 years of experience in the healthcare industry to HNE, 13 of them with MassMutual and more than five years with UNICARE. Laurie's broad background includes positions as a legal compliance analyst in Springfield, MA and senior account manager in Washington D.C. In the latter role, Laurie was responsible for servicing large client accounts. Most recently she was a Proposal Analyst at UNICARE in Springfield. Laurie earned the Health Insurance Associate (HIA) designation and holds a Business Administration degree from Holyoke Community College.



**Yvonne J. Diaz joins HNE as a Bi-lingual Member Services Representative in the Member Services Department.**

Yvonne, who is fluent in Spanish, has more than ten years of experience in the customer service field, including five years in the healthcare industry. Most recently, Yvonne worked for Consolidated Health Plans. Yvonne is currently working on her Bachelor of Arts in Business Management with a minor in International Business from Bay Path College. She will be graduating in January 2006.



**Cristina Fox joins HNE as a Bi-lingual Member Services Representative in the Member Services Department.**

Cristina, who is fluent in Spanish, brings more than 10 years of experience in the healthcare industry. Prior to joining HNE, Cristina worked at CIGNA Behavioral Health, and her background includes customer service, behavioral health, pharmacy, and appeals experience. Cristina earned a Bachelor of Science in Health Psychology with a Minor in Business from the Massachusetts College of Pharmacy and Allied Health Sciences.

*¿Como te podemos adjudar?*  
**(How can we help?)**

**HNE Wishes Everyone  
A Safe, Happy & Healthy  
Holiday Season.**



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**PRODUCT HIGHLIGHTS AND NAME CHANGES FOR 2006** *(Continued from page five)*

The following charts summarize the Product name changes:

**REGULATED MARKET**  
 (1-50 eligible employees)

**LARGE GROUP MARKET**  
 (51 or more eligible employees)

| PREVIOUS   | AS OF 1/1/2006  |         |
|------------|---|---------|
| Option 9   | Option 9H   | Basic   |
| Option 10  | Option 7L   | Value   |
| Option 7.5 | Option 7M   | Value   |
| Option 7   | Option 7H   | Value   |
| Option 4   | Option 4  | Premium |
| POS Low    | No longer part of standard proposal.<br>Quoted upon request only. |         |

| PREVIOUS   | AS OF 1/1/2006  |         |
|------------|---|---------|
| Option 9   | Option 9H   | Basic   |
| Option 10  | Option 7L   | Value   |
| Option 7.5 | Option 7M   | Value   |
| Option 7   | Option 7H   | Value   |
| Option 4   | Option 4  | Premium |
| POS Low    | No longer part of standard proposal.<br>Quoted upon request only. |         |