

Volume V Issue I • 2006

# InsideHNE

A R E S O U R C E F O R D E C I S I O N M A K E R S



**HNE's  
Turns 20!**  
*page 2*



**Result of  
Survey  
Recalculation:  
HNE Ranked  
#11 in U.S.**  
*page 2*



**HNE In The  
Community**  
*page 7*



## INSIDE THIS ISSUE

*Clarification of PPO Coverage*  
Page 2

*Result of Survey Recalculation:  
HNE Ranked #11 in U.S.*  
Page 2

*Happy Birthday to Us!*  
Page 3

*Enrollment in HSA Plans is  
Growing Fast*  
Page 4

*HDHP Members Can  
Take Advantage of Direct  
Contributions and Eligibility  
File Transfers when they Choose  
A Bank of America HSA*  
Pages 4

*Pharmacy Updates*  
Page 5

*HNE in the Community*  
Page 6

*HNE Associate News*  
Page 7

*IRS Definition of Student  
Dependant*  
Page 7

*Get Organized: Now is the Time!*  
Page 8

*Ask the Fitness Expert*  
Page 9

*Disease Management at HNE*  
Page 10

*Published by:* Health New England  
*Writer/Editor:* Joe Kane  
*Designer:* Lisa Ubersax Tefft

*Inside HNE* is also available  
online at the HNE website,  
[hne.com](http://hne.com). Direct questions to Health  
New England's Sales Department at  
413-787-4000 or 800-842-4464.

## Clarification for PPO Plan Members: Care from In-Network and Out-of Network Providers

At times, members may receive care from both an In-Network Provider and an Out-of- Network Provider for the same medical condition. The Plan will pay for the services based on each provider's status. Here are some examples:

- You are admitted to an In-Network participating hospital. While you are there you receive services from an ancillary provider working in that facility, such as an anesthesiologist, radiologist, or pathologist. These ancillary providers may not be participating providers. The Plan will pay the In-Network Hospital at the In-Network level, and the Out-Of-Network ancillary provider at the Out-Of-Network level.
- You are admitted to an In-Network Hospital by an Out-of-Network Doctor. The Plan will pay the In-Network Hospital at the In-Network level and the Out-of-Network Doctor at the Out-of-Network level.
- You have chosen to receive all of your primary care from an In-Network participating doctor. Your doctor orders lab tests and sends your tests to an Out-of-Network lab. HNE will pay your

In-Network doctor at the In-Network level and the Out-of-Network lab at the Out-of-Network level.

Unless being treated for an Emergency, members should verify that the providers who are treating them are In-Network Providers. Remember, an In-Network Provider is one who has agreed to provide Medically Necessary Covered Services to HNE Members.

## Result of Survey Recalculation: HNE Ranked #11 in U.S.

A couple of months ago, we reported in *InsideHNE* on the *U.S. News & World Report* special issue on healthcare plans done in conjunction with the National Committee for Quality Assurance (NCQA). At that time, HNE was ranked number 19 out of 257 health plans, placing us in the top ten percent of all health plans in the United States. Soon after the magazine was published, NCQA discovered

errors were made in the calculations. As a result of the recalculations, HNE moved up eight spaces and is now ranked number 11 out of the 257 health plans, or among the top five percent of all health plans in the United States.

According to Pat Scheer, HNE Quality Operations Manager, "The ranking

*(Continued on page three)*



## Interventions Based on Stratification

HNE mails members in the lowest risk category educational materials and conducts workshops for members at this level. Members in the highest level of risk, in addition to the aforementioned educational components, are contacted by a Nurse Case Manager who conducts an assessment and provides education and support telephonically.

### HNE DM Programs provide members with the following services:

- **Educational materials**  
Examples of educational materials produced by HNE include the *Living Well with Diabetes* workbook. This resource contains comprehensive information about managing medication, physical activity and meal planning, and preventing short-term and long-term diabetes complications. Another tool offered by HNE is the Asthma Action Plan, based on the NHLBI “red-yellow-green” peak flow level concept. Members are instructed to complete the Action Plan with their healthcare provider.
- **Questionnaires**  
HNE’s Asthma Survey (adult and pediatric versions) collects self-reported information about asthma control and self-management; including use of medications, perception of asthma severity, use of a written asthma action plan, and peak flow monitoring practices. Responses are shared with the members’ primary care physicians (PCP).
- **Tracking tools**  
The Health Record Calendar Checkbook is a log for recording

and tracking blood glucose levels, A1C, blood pressure, and other test results. Members are encouraged to share this information with their healthcare providers.

- **Live education workshops**  
HNE offers diabetes and asthma education classes several times throughout the year, facilitated by a certified diabetes educator and certified asthma educator.
- **Virtual education classes**  
For members unable to attend a live workshop, and as a refresher for those who do attend, HNE offers diabetes and asthma workshops on DVD, narrated by a certified diabetes educator and certified asthma educator.
- **Smoking cessation**  
HNE reimburses members who meet certain criteria up to \$50 for participation in a stop-smoking program.
- **Newsletter**  
Several times a year, HNE publishes and distributes *Living Well With Chronic Conditions*, a newsletter that contains information and tips related to daily self-management of chronic disease.
- **Nurse Telephonic Assessment**  
For members with uncontrolled disease and who stratify into high-risk categories, an RN performs an assessment and determines individual needs and goals to improve self-management skills.

For more information about HNE’s Disease Management Program, go to the member page on hne.com; and click on *learn more* under *Healthy Directions - Disease Management Programs* is a menu choice on the left.

Day of Caring, and Pat always shares a special part of herself to make HNE’s United Way Campaign, participation in the Children’s Miracle Network, and other community-oriented activities special and memorable here at HNE.

Innovation and vision also have contributed to our success. Paul Keyes, HNE Senior Claims Examiner, an 11 year veteran, points to HNE’s “evolution,” as evidence of this. According to Paul, HNE has always “moved along with the times, always looking to the future.” Moreover, Paul points with satisfaction to his assessment that, “HNE’s history has proven the disbelievers wrong.” From the early days, when HNE’s provider directories consisted of three tri-folded, double-sided 8½ x 11 in. sheets (one each for PCPs, Specialists, and Pharmacies): to the introduction of self funded plans in 1989; to the proliferation of product offerings (including a POS plan in 1991, a PPO plan in 2004, and our latest addition, 2 HDHP products in 2006): “HNE has done what it takes, through team-work, dedication, and leadership.”

Pat, Carolyn, Paul, and Denise all agreed that as long as HNE keeps doing what we are doing, and remembers the vision that has been such an important ingredient to our success so far, the next 20 years will be just as good. In Denise Carr’s estimation, “we’ll still care about members and providers, we’ll just have a lot more of them.” A sentiment echoed by Paul Keyes, “we’re gonna be right here.”

# Disease Management at HNE

by Alres Dinnall, RN, M.Ed., HNE Disease Management Team Leader

HNE wants to help our members with chronic health conditions live healthy lives. As part of our commitment to these members, we offer Disease Management (DM) programs for members with diabetes, asthma, and dyslipidemia. Through our DM programs, HNE works with physicians in support of the plan of care. The overall goal of this collaborative effort is to help members achieve and maintain control of their condition by improving self-management skills. Self-management skills affect clinical outcomes, and are important in delaying and preventing exacerbations and complications of chronic disease. HNE DM programs provide members with education and support to help improve their ability to manage their health condition on a day-to-day basis.

## What is Disease Management?

The Disease Management Association of America (DMAA<sup>®</sup>)<sup>1</sup> defines Disease Management as a system of coordinated healthcare intervention and communication for populations with conditions in which patient self-care efforts are significant.

### Disease Management:

- supports the physician (practitioner)/patient relationship and plan of care;
- emphasizes prevention of exacerbations and complications utilizing evidence-based practice guidelines and patient empowerment strategies;
- evaluates clinical, humanistic, and economic outcomes on an on-going basis with the goal of improving overall health.

## Clinical Practice Guidelines

Evidence-based Clinical Practice Guidelines are the

basis for each DM program. You can view the following guidelines from our Web site at [hne.com](http://www.hne.com):

### Asthma

Practical Guide for the Diagnosis and Management of Asthma (NIH Publication No. 97-4053 October 1997) (available for you to view at [http://www.hne.com/HNE\\_members/preventive/medguides/04HMPCGuide11-15.pdf](http://www.hne.com/HNE_members/preventive/medguides/04HMPCGuide11-15.pdf)).

### Diabetes

Massachusetts Guidelines for Adult Diabetes Care (Diabetes Prevention and Control Program, Massachusetts Department of Public Health) (available for you to view at [http://www.hne.com/HNE\\_members/preventive/medguides/04HMPCGuide35-63.pdf](http://www.hne.com/HNE_members/preventive/medguides/04HMPCGuide35-63.pdf)).

### Dyslipidemia

Third Report of the National Cholesterol Education Program (NCEP) Expert Panel on Detection, Evaluation, and Treatment of High Blood Cholesterol in Adults (ATP III) (NIH Publication No. 02-5215 September 2002) (available for you to view at [http://www.hne.com/HNE\\_members/preventive/atpIII.pdf](http://www.hne.com/HNE_members/preventive/atpIII.pdf)).

## How We Identify and Stratify Members

On a quarterly basis, HNE identifies the following member populations based on review of HNE claims/encounter and pharmacy data:

- Members aged 18 or older with diabetes;
- Members with asthma - all ages; and
- Members aged 18 or older with high blood cholesterol and/or secondary risk factor.

HNE uses the most recent HEDIS<sup>®2</sup> specifications to identify these members. In addition, providers may refer members to DM programs, or members may self-refer. Upon identification, members are stratified into a risk category. HNE provides different levels of intervention based on members' identified risk level.

<sup>1</sup>Disease Management Association of America (DMAA<sup>®</sup>) is a non-profit, voluntary membership organization, which represents all aspects of the disease management community.

<sup>2</sup>HEDIS<sup>®</sup> is a registered trademark of the National Committee for Quality Assurance (NCQA). For more information go to: [www.ncqa.org](http://www.ncqa.org)

(Continued on page eleven)

**RECALCULATION OF SURVEY**” (Continued from page two) is based on clinical performance (based on HEDIS<sup>®1</sup> data), member satisfaction (based on CAHPS<sup>®2</sup> data) and NCQA Accreditation. NCQA ranked the plans using a complex model that gave more weight to certain items and less to others. The errors came about because not one, but two different sets of weightings were inadvertently applied.” Responding to the good news, Pat added, “Everyone in the company played a part in this achievement.”

“America’s Best Health Plans” is a trademark of U.S. News & World Report.

<sup>1</sup>HEDIS<sup>®</sup> is a registered trademark for the National Committee for Quality Assurance (NCQA). For more information go to [www.ncqa.org](http://www.ncqa.org)

<sup>2</sup>CAHPS<sup>®</sup> is a registered trademark of the Agency for Healthcare Research and Quality (AHRQ).

## Happy Birthday to...Us! HNE Turns 20!

What comes to mind when you look back over the past 20 years - local changes, medical advances, changes to the insurance industry? In some ways, the landscape seems to have changed very little during this time, but in others, it’s barely recognizable. One thing that we are proud to say has remained constant is our commitment to the vision behind the creation of HNE : *take the talents of the area’s most skilled physicians practicing in a private setting, team them up with premier hospitals, offer comprehensive health benefits and superior customer service and you’ve got a winning combination.* Today, HNE’s mission reflects those founding principles, along with our commitment to our friends and neighbors here in the community where we were born and raised.

But how did we get here – how did we get to the point of living up to the founding principles in the every day things that we do? We thought we’d give you a sense of that by opening up our doors and letting you hear from the people who make it happen, everyday.

In 1986, when HNE enrolled our first member, managed care was not a new concept, but certainly one that was not widely known or practiced. Denise Carr, Senior Claims Supervisor, a sixteen year veteran, remembers her motivation for coming to work at HNE: “HMOs were fresh and new, and it seemed like a good idea.” Sure, there have been bumps and bruises along the way, and managed

“HNE TURNS 20” (Continued on page nine)

## Health New England, Inc. Company Chronology

1985	<b>Health Northeast, a provider-owned IPA/HMO, is formed by Baystate Medical Center.</b>
	<b>June 1985</b> Health Northeast receives certification of approval from the Massachusetts Secretary of State to change its name to Health New England, Inc. (“HNE”).
	<b>Oct. 1985</b> Holyoke and Noble Hospitals and their affiliated physicians join HNE as provider-owners.
	<b>Nov. 1985</b> HNE is granted a license by the Massachusetts Division of Insurance.
1986	HNE enrolls its first member.
1987	<b>June 1987</b> HNE receives federal qualification.
	<b>Dec. 1987</b> HNE is awarded a contract with the Massachusetts Group Insurance Commission.
1988	<b>Jan 1988</b> HNE begins serving federal employees.
	<b>May 1988</b> HNE Advisory Services is incorporated.
1989	<b>Nov. 1989</b> HNE offers HNE Select, a self-funded plan for large employers.
1991	<b>Jan. 1991</b> HNE becomes the first HMO to undergo an accreditation survey by the National Committee for Quality Assurance, an independent, nonprofit organization that evaluates and reports on health care quality.
	<b>May 1991</b> HNE Advantage, a point-of-service plan, is approved by the Division of Insurance.
1992	<b>June 1992</b> HNE expands into Franklin County.
	<b>Dec. 1992</b> HNE expands into Berkshire County.
1993	<b>Mar. 1993</b> HNE Insurance Services Corporation is incorporated.
1997	<b>Mar. 1997</b> Baystate Health System acquires stock of other HNE investors, as part of its integrated delivery system strategy.
1998	<b>July 1998</b> Baystate Health System sells 50% of its shares in HNE to Harvard Pilgrim Health Care (HPHC) to create a joint venture.

(Continued on page twelve)

# Enrollment in HSA Plans is Growing Fast

By Beth Conlon, Senior Underwriter

Since their introduction in late 2003, Health Savings Accounts (HSA) have received increasing attention as a potential way to provide health care opportunities for a greater number of people. In less than one year, enrollment in HSA products has increased dramatically. In a January 2006 census, the America's Health Insurance Plans (AHIP) surveyed 96 of its member companies and found that the number of people covered by health savings accounts/high-deductible health plans has tripled since March 2005, rising from 1 million to 3.2 million covered lives.

HSA products are intended to allow consumers of health insurance to assume more responsibility for their health care choices. When coupled with a high-deductible health plan (HDHP) that may allow first dollar coverage for preventive care services, the HSA funds may be used either to cover current non-preventive health care costs or saved for future ones.

While HSA product enrollment in the group market has increased, the impact has not been uniform across the small groups and large groups. For instance, HSA/HDHP products accounted for eleven percent of new policies in the small group market, as compared to seven percent of new policies in the large group.

The significance of the increased enrollment in HSA plans can be summed up with one statistic: in the small-group market, thirty three percent of enrollment in the HSA/HDHP plans was in small companies that previously did not offer coverage (see figure below). This could be interpreted as an indication that HSA products are providing access to health care coverage to people who otherwise may have gone without. Having recently added an HSA/HDHP plan to our product mix, HNE is among the growing number of carriers to offer such coverage. This is just part of our commitment to identify creative approaches for expanding access to high quality, affordable health care services to members of our community.

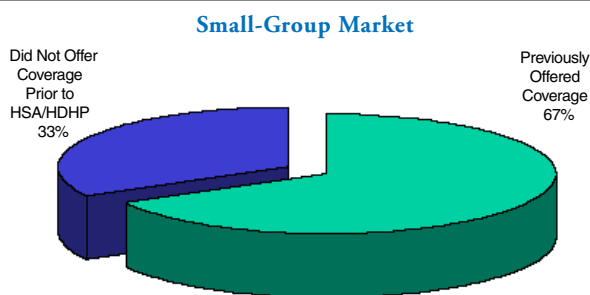
## HDHP Members Can Take Advantage of Direct Contributions and Eligibility File Transfers when they Choose a Bank of America HSA

In conjunction with our High Deductible Health Plan (HDHP), introduced at the beginning of this year, HNE has partnered with Bank of America. Members enrolled in the HDHP can choose a Bank of America HSA and take advantage of:

- Tax-advantaged contributions
- Tax-free growth
- Tax-free withdrawals for qualified medical expenses
- Unused balances roll-over
- Direct contributions from employers

In addition, when HNE members select a Bank of America HSA, HNE will send eligibility information directly to Bank of America. For information about Bank of America HSA accounts, members can visit [www.bankofamerica.com/hsa](http://www.bankofamerica.com/hsa), or call 1-800-676-5159 or 1-866-361-8017 (for TTY users).

**Figure 5. Percentage of HSA/HDHP Policies Purchased by Companies That Previously Did Not Offer Coverage**



Companies responding to this question reported HSA/HDHP enrollment of 209,000 lives in the small-group market.



## 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).

Dear Mike,

*A few years ago, I was walking 3 miles every other day to stay in shape and maintain my weight. After several years with this routine, I developed knee pain. Last fall I was diagnosed with arthritis in my right knee. Needless to say, I no longer walk, and I am gaining weight. My sister told me that there are exercises I can do in the pool to take the impact off of my knee and also help me lose weight. Is exercising in the pool a good workout?*

Well, your sister was right. Exercising in the pool is a great way to incorporate physical activity back into your life. The buoyancy of water reduces the weight of a person by about 90%. This means that the stress on weight bearing joints (such as your knee) is similarly reduced. Even though you are decreasing the impact, water exercise encompasses all of the components of physical fitness: cardiovascular fitness, muscular strength and endurance, and flexibility. Aerobic pool workouts are perfect for those who find movements on land too painful. The water acts as resistance for strength training and gives participants the opportunity to perform stretches that may be too difficult on land. Once you decide to dive in, you just need to locate the right class for you. Check with your local health clubs and YMCA to see if they offer aquatic classes and talk to your doctor to see if water exercise is appropriate for you.



“HNE TURNS 20” (Continued from page three)

care has not always been portrayed in a favorable light, but 16 years later, Denise still feels like she is “doing the right thing.” Reflecting on why she hasn’t pursued her career elsewhere, Denise was emphatic in her assertion that “we care, we **really** do. We do our best to keep our members healthy and happy.”

Caring for our members goes hand in hand with our commitment to quality. In January of 1991, HNE became the first HMO in the country to undergo an accreditation survey by the National Committee for Quality Assurance (NCQA). Pat Scheer, HNE’s Quality Operations Manager, one of HNE’s original employees, reflects that quality has always been one of the key values that we stand for, and that those values have in turn contributed to our success. To those who suggest that luck played any role in this success, Pat responds, “Luck is just the residue of our design - the values that we stand for; leadership; vision; and highly enthusiastic, dedicated, talented, competent staff.”

Carolyn Taylor, Accounting Manager, another 20 year veteran adds “team-oriented” to the list of superlatives about her colleagues. Carolyn remembers that when she started, the company had one word processor that everyone in the company shared. This spirit of cooperation didn’t stop at office equipment, everyone “pitched in where they were needed.” Pat Scheer remembers that when she wasn’t working on the utilization and quality programs that she was hired to set up, she “helped process claims **by hand**, made marketing calls, recruited physicians, worked with the physician fee committee, answered member services phone lines, processed member appeals and grievances...” We are happy to report that Carolyn has her own computer now, and Pat doesn’t need to keep her CPT coding book quite so close at hand anymore – but, we are equally happy to report that the same sense of team work and camaraderie remains as well. Carolyn volunteers each year for the United Way

(Continued from page eleven)

# Get Organized: Now Is the Time!

By Leslie Arriola, Ed.D.



Are you knee-deep in papers and “stuff”? Cluttered work spaces driving you crazy? Are your projects in perpetual chaos? If this is your situation

and you have vowed to finally “get organized,” with commitment and determination you can do it!

It may seem overwhelming. You know it will be exhausting physically and emotionally. And there will be all those decisions to make. Will it be worth it? You bet! You owe it to yourself to have working and living spaces that put you in the control seat and set you up to succeed.

The trick to being organized is to devise systems that:

- decrease memory load.
- decrease the likelihood of making mistakes.
- increase efficiency.
- provide clear channels of communication with others.
- provide methods for tracking and documentation.

**DECLUTTER FIRST.** Getting rid of clutter can increase efficiency, cut time and money losses, help you reclaim your “prime real estate,” and make your office and home pleasant places to be.

## TIPS

- Have a vision. Think big. Start small. Keep at it.
- Put like things with like things, sorted into general categories (e.g., office supplies, archives, computer info) so that there are only one or two places to look for something.
- Label your sorting bins or areas.

- Set up criteria for what to keep, what to store, and what needs to go away forever.
- Recycle. Make a list of where to donate castaways.

**ORGANIZE.** With convenience and frequency of use in mind, establish locations for each category of “keeper.”

**CREATE SYSTEMS.** Getting organized leads not only to chaos control, but to chaos prevention. Good systems help you to be planful, meet deadlines, and to be a good team player. Good systems also allow for the unexpected — new opportunities as well as emergencies — while still keeping order on the homefront.



## TIPS

- Document activities and interactions (e.g., telephone and file logs) as they happen.
- Create project plans and checkoff lists.
- Create a file system so simple anyone can use it.
- Create a system for communicating with others when you’re not available.
- Establish daily routines for dealing with papers, memos, and desk debris.

## THE BOTTOM LINE: MAINTENANCE, MAINTENANCE, MAINTENANCE.

Schedule planned maintenance – weekly, monthly or quarterly – and do it.

*Leslie Arriola, Ed.D. is a professional organizer who loves to help people succeed. Based in Amherst, her consulting business, Systems and Solutions for CHAOS CONTROL, has been helping people overcome their organizational challenges since 1998. As a coach, consultant and speaker, she draws on her experience teaching a wide range of adult learners and on her educational research on how people learn. Her background also includes owning and operating a storefront business, customizing office and bookkeeping systems for small businesses, and homesteading in Southern Indiana. She can be reached at (413) 548-9865 or larriola@umass12.net.*

## Express Scripts Study Details Potential Savings From Generic Drug Use

A new study from Express Scripts finds that, by increasing use of generic drugs in only six therapy classes, U.S. employers, health plans and their members could have saved more than \$20 billion in 2004.

To put that number in perspective, Steve Miller, MD, Express Scripts Vice President of Research and Clinical Development, points out that this amount “is the same amount America’s community hospitals spend each year on uncompensated care for the uninsured.”

### Six Therapy Classes Examined

The study, which analyzed generic usage in a random sample of three million adults nationwide, focused on the potential savings from increasing generic usage of gastrointestinals, antihyperlipidemics, antidepressants, NSAIDs (nonsteroidal anti-inflammatory drugs), antihypertensives and calcium channel blockers. According to Express Scripts’ *2004 Drug Trend Report*, these classes represented 41% of all commercially insured drug spending.

Potential savings in these six therapy classes were determined based on the gap between actual and target utilization for each therapy class. An evaluation of the clinical efficacy and market dynamics of both branded and generic medications provided the foundation for the target set for each therapeutic class.

As calculated, potential generic savings take into account both drugs that are chemically equivalent and those that are therapeutic substitutions.

- **Generic gastrointestinals**, which are dispensed 31% of the time, had the highest potential savings. If dispensed at the target rate of 95%, savings would have reached \$5.4 billion nationally. This class includes drugs such as Nexium, Prevacid, Prilosec and Protonix.
- **Generic antihyperlipidemics** had the lowest rate of usage at only 7%. If usage had been boosted to the target rate of 70%, savings of \$5.1 billion could have been realized. This class includes drugs such as Lipitor, Pravachol and Zocor.
- **Generic antidepressants** were prescribed 41% of the time, but could have been increased to a generic-fill rate of 75%, for an estimated savings of \$3.2 billion. This class includes drugs such as Celexa, Paxil, Prozac and Zoloft.
- **Generic NSAIDs** usage, if increased from 47% to 85%, could have saved \$3.9 billion. This class includes drugs such as Arthrotec, Daypro, Lodine and Mobic.
- **Generic antihypertensives** could have yielded \$2 billion in savings if the generic-fill rate had grown from 48% to 75%. This class includes drugs such as Aceon, Altace, Uniretic, Vasotec and Zestril.



*(Continued on page six)*

“Express Scripts Study” (Continued from page five)

- **Generic calcium channel blockers**, at 43% usage, had the potential to grow to 90% usage, for \$0.5 billion in savings. This class includes drugs such as Covera-HS, Derelan, DynaCirc, Norvasc, Plendil and Sular.

### Variation by State

At 56% each, states with the highest generic-fill rates were Massachusetts, Oregon and New Mexico. New Jersey and New York, at 41% and 43% respectively, dispensed the fewest generics. Other states with low generic-fill rates included Texas, Louisiana and Florida, all at 46%.

### The Opportunity

Drugs totaling more than \$38 billion in annual sales will lose patent protection through 2008, opening the way for generic competition — and an unprecedented opportunity for plan sponsors and patients alike to save money.

This year alone, 15 branded drugs, representing \$11 billion in sales, will lose patent protection. When you figure that choosing a generic over a brand drug saves an average of \$86 per prescription, it's easy to see the cost benefit of switching to generics. Each percentage point that the generic-fill rate increases translates to a 1% decrease in drug spending.

“We've only scratched the surface in taking advantage of the money-saving potential of clinically sound generic drugs,” said Dr. Miller.

Plan sponsors who want to make the most of this growing opportunity should consider adding Step Therapy and other programs that encourage generic use to their prescription-drug plans.

If you're interested in discussing ways to increase your generic fill rate, talk with your HNE Account Management team.

*Published prescription Matters @ Express Scripts,  
January 2006*

## HNE IN THE COMMUNITY

Here's a list of some other local events that HNE is proud to have sponsored in May and June this year:

# May

### May 1, 2006

*Children's Miracle Network Golf Tournament*  
Proceeds benefit the Baystate Children's Hospital

### May 4, 2006

*Children's Study Home Golf Tournament*  
Proceeds benefit foster care programs

### May 5, 2006

*Women's Professional Development Conference*

### May 7, 2006

*HNE's Run for Cancer Research*

### May 11, 2006

*Girls Just Want to Have Fun, Mothers of Inspiration*

### May 21, 2006

*American Heart Walk*

### May 22, 2006

*Women's Day at the Orchards*  
Proceeds benefit Rays of Hope

### May 25, 2006

*Berkshire County ARC Golf Tournament*  
Proceeds benefit special needs programs

# June

### June 3-4, 2006

*Children's Miracle Network Telethon*

### June 5, 2006

*Dunbar Community Center Golf Tournament*  
Proceeds benefit adolescent programs

### June 22, 2006

*American Red Cross Golf Tournament*

*If you have any questions about these events, or about other HNE sponsored activities, please contact Mark Morris, HNE Public Relations Manager at 413-787-4000 or 800-842-4464.*

# HNE ASSOCIATE NEWS



## **Glenda DeBarge**

*Account Executive*

### **Existing Business**

Glenda DeBarge has joined the HNE Sales team as an Account Executive for Existing Business. Prior to coming to HNE, Glenda worked for the brokerage firm Mahoney & Associates as a Senior Benefits Administrator; managing small

and large groups, both self-funded and fully-insured. Glenda's background experience includes benefits administration, project management, and training administration. Glenda has a Bachelor of Science degree in Executive Management from Bay Path College.



## **Eric Harlow**

*Sales Manager*

### **New Business**

Eric brings more than 17 years of health insurance sales experience to his new role as Sales Manager, New Business. Eric has spent the last 14 years in the HNE Sales Department as an Account Executive responsible for bringing in new employer

groups to Health New England. Eric has demonstrated success in prospecting new accounts, educating employers on the benefits of HNE, as well as building and maintaining positive relationships with the broker community. Prior to joining HNE, Eric was employed as a Sales Executive for Comprehensive Group Benefits, Inc. Eric earned a Bachelor of Science degree in Marketing from New Hampshire College.



## **James M. Buker**

*Account Executive*

### **New Business**

Jim is moving from the Existing Business side of the Sales team, where he has been Account Executive for seven years, to New Business. Jim's brings over 15 years of Sales Experience to this new role,

including his time here at HNE, as well as experience coordinating marketing activities for Baystate Medical Center's wellness program for people 55 and older, and managing Medicare Sales for Harvard Pilgrim Health Care. Jim earned a Bachelors degree in business from American International College.

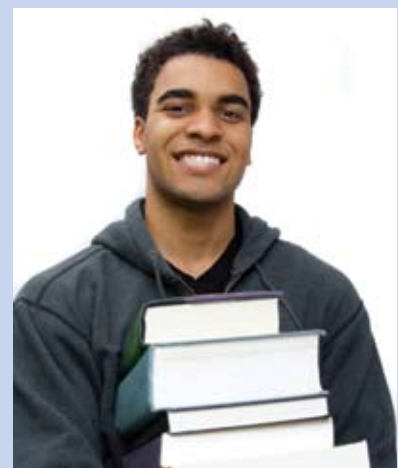
## **IRS Definition of Student Dependent**

Under federal tax law, premiums that an employer pays for health coverage on behalf of an employee, the employee's spouse and certain dependents are not included in the employee's gross income. To qualify for this exclusion, dependents must meet a number of criteria, including the "age test." According to the Internal Revenue Service (IRS):

*To meet [the age] test, a child must be:*

- *Under age 19 at the end of the year,*
- *A full-time student under age 24 at the end of the year, or*
- *Permanently and totally disabled at any time during the year, regardless of age.*

Some employers provide coverage for dependent full-time students to age 26, rather than age 24. (In fact, the new Massachusetts health care reform law requires HMOs to provide coverage to dependents age 25 and under, or for two years following loss of dependent coverage under the Internal Revenue Code, whichever comes first.) In that case, the premium amount paid by the employer for the full time student dependent age 24 or over may be considered taxable income.



*This information is not intended to be tax advice. You are advised to consult with your tax professional if your employer provides coverage for your full time student dependent age 24 or over.*



One Monarch Place, Suite 1500  
 Springfield, MA 01144-1500  
 hne.com



**“COMPANY CHRONOLOGY”**

*(Continued from page three)*

<b>2000</b>	<p><b>Jan. 2000</b> HPHC is placed in State receivership.</p> <p><b>June 2000</b> HNE develops a self-funded PPO product for a limited market.</p> <p><b>Oct. 2000</b> Harvard Pilgrim Health Care resells its ownership interest in HNE to Baystate Health System.</p>
<b>2002</b>	<p><b>Sept. 2002</b> HNE earns the highest NCQA accreditation. HNE listed in the top 15 in the nation for member service.</p> <p><b>Dec. 2002</b> HNE and Fallon Community Health Plan announce joint marketing agreement.</p>
<b>2003</b>	<p><b>Jan. 2003</b> Sisters of Providence Health Systems joins HNE's network for self-insured employers.</p> <p><b>Jun. 2003</b> Health New England awarded “Excellent” accreditation for its commercial HMO and point of service products from NCQA .</p> <p><b>Sept. 2003</b> HNE ranked among top ten plans in nation for member satisfaction according to a national report issued by NCQA.</p>
<b>2004</b>	<p>HNE introduces a fully funded PPO Product.</p>
<b>2005</b>	<p><b>March 2005</b> HNE adds Sisters of Providence Health Systems network for all HNE members.</p> <p><b>March 2005</b> New logo is introduced.</p>
<b>2006</b>	<p><b>January 2006</b> HNE introduces High Deductible Health Plan HMO &amp; PPO products.</p>
<b>2006</b>	<p><b>March 2006</b> HNE ranked 11th out of 257 health plans in NCQA - <i>U.S. News &amp; World Report</i> ranking.</p>