

December 2010 Winter Issue

A reference guide to the Penn-Ohio Alliance HealthAssurance Program

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Letter from the Board of Penn-Ohio

It's hard to believe that we are in the fourth quarter of 2010 and fast approaching the holiday season. As many of our members are making difficult benefit decisions for 2011, they face the challenges of cost increases and the uncertainty surrounding health care reform.

Health Care Reform Update

The recent historical mid-term election and the significant change to the makeup of Congress will have some impact on how the Patient Protection and Affordable Care Act (PPACA) will proceed. Many newly elected officials have indicated that the first item on their agenda is to repeal PPACA. There may be items in the legislation that are refined or defunded, but complete repeal at this time, especially with the numbers in the Senate and the President holding veto power, seem unlikely.

We do know that provisions of PPACA continue to change and we will do our best to keep you apprised of these changes through postings on the Penn Ohio web site and periodic educational meetings. One thing that recently changed

is the requirement that the value of employer provide health care benefits is included on employees W-2 for the 2011 tax year has been delayed until 2012.

Items that do change for those plans renewing after September 23, 2010, are the requirement to cover children to age 26, and the elimination of copays for preventive benefits, as well as the increase to unlimited benefit maximums.

For those employers offering flexible spending accounts, you'll need to make your employees aware of the elimination of over-the-counter medications as an eligible expense, unless they have a prescription from a physician.

Educational Meetings

We would like to thank those members who participated in the annual meeting and the educational meetings the Penn-Ohio hosted throughout 2010, and encourage those who haven't to attend an event in 2011.

With health care reform front and center in 2010, all of our meetings addressed the subject in some fashion. February's annual meeting featured

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LEGISLATIVE CORNER

The Affordable Care Act and Medical Loss Ratios

Average Number of Employees Reporting

The Affordable Care Act (ACA) requires insurers to provide detailed information about medical loss ratios (MLR) based on small and large group classifications to the federal government. In order to provide accurate data to the government, HealthAmerica is required to collect the average number of employees for each employer group every calendar year. Establishing a baseline with credible data for all groups is important to ensure consistent and accurate reporting to the government.

In October 2010, HealthAmerica sent letters to employer group customers to solicit the average number of employees within their group. Responses were required on November 3. If you received a letter and have not yet responded, please call your account manager.

How does the law define “average number of employees” as it relates to MLR?

The “average number of employees,” as defined by the health care reform law for purposes of the minimum medical loss ratio (MLR) reporting requirement, is: “The average number of employees employed by the employer’s company during the preceding calendar year.”

Employee means, any person employed by the employer whether or not such person is full-time, part-time, seasonal, and regardless of whether such person is eligible to enroll in the group coverage.

It also includes employees of affiliated companies, if the employer along with such other companies are aggregated and treated as a single employer under subsection (b), (c), (m) or (o) of section 414 of the Internal Revenue Code. The definition of large and small employer can be found in Section 1304(b) of the Patient Protection and Affordable Care Act.

How does the employer group calculate the correct number?

The employer must provide the average number of employees employed by his/her company and any affiliated companies as described above during the preceding calendar year.

Example: January 1 through December 31, 2009. This average must include all persons employed by the company and any affiliated companies in the preceding calendar year, whether an employee was full-time, part-time, and/or seasonal. Important: the government requires the total average number, regardless of whether

employees were eligible to enroll, and/or participated in the group insurance coverage. Only include temporary employees if they are employees of the company (i.e., employees to whom the employer issues a W-2).

Which groups received the letters?

Letters were sent to all of our fully-insured employer customers. Establishing a baseline for all groups is important. Since the guidance about the regulation and size requirements for MLR reports has fluctuated, we included all group sizes in our requests.

Does this change the segment that the employer will be rated in (small group versus large group)?

No. Employer groups will continue to be rated as they are today.

How is the MLR Average Number of Employees letter different from the Section III Medicare Secondary Payer questionnaire that is sent with renewal notices?

There are slight differences in the criteria used to determine

the number of employees for Federal Mandates such as: Cobra, State Continuation, Medicare Secondary Payer (MSP Sec. 111), Mental Health Parity and MLR determination. Examined individually, these differences may seem minor but when they are combined, the impact can be significant. Differences include:

- average number of employees vs. number of employees;
- preceding calendar year vs. current and/or preceding calendar year;
- the period of employment — 20 or more weeks versus 50% or more of the company’s regular business days versus no defined timeframe/duration.

There are also different Internal Revenue Service “rules” for MLR and MSP that have an impact on single/aggregated employer and consolidated tax returns.

How often will Coventry need updated Average Number of Employees information from employer groups?

Updates will be made annually. The “go forward” process for renewals is under review and will be communicated shortly.



Health Care Reform

The new health care reform legislation will bring major changes over the next few years. HealthAmerica is prepared for these changes. We will put our resources to work to continue to give you high quality health care coverage at an affordable cost.

HealthAmerica is committed to giving you the information you need to make the most of your health and benefits. To stay up to date on what health care reform means to you and your coverage, visit our website often. Click on the Health Care Reform button to find important information.

Members' Right to Appeal

One of the rights afforded to members of HealthAmerica is the right to appeal the plan's benefit determination if we deny in part or in full a service recommended by a member's health care provider.

The appeal process first includes internal review by the plan. If a member disagrees with

the plan's decision, upon appeal the member may be eligible for external review under some circumstances. The entire process is explained in detail in the Group Contract for HMO members or your Certificate of Insurance for CCPPO (POS) and PPO members.

The timing and processing of an appeal is compliant with applicable laws and regulations,

including Pennsylvania's Act 68 of 1998 and the regulations mandated by the U.S. Department of Labor. If a member has any questions regarding the appeal process and his or her rights and responsibilities, or if a member needs assistance in filing an appeal, he or she can call Customer Service at the number listed on the back of the member ID card.

PLAN NEWS

Services to Support Your Health

Your connection to health classes and chronic disease management.

When you're battling a chronic illness, it helps to have someone in your corner who knows about the disease, the treatment options and ways to maintain a healthy lifestyle. That's the job of our health education coaches. Through occasional telephone calls and mailings, health education coaches will help you with self-management of chronic conditions and developing goals. They even help obtain supplies, find resources and

connect with our health education programs. If you're battling a chronic illness, you're not alone. HealthAmerica's health education coaches are in your corner to help you live a winning lifestyle.

Get Reimbursed for Classes

When you take an approved health education class, HealthAmerica will reimburse you for some—and most times all—of the cost.* Approved classes include

smoking cessation, weight management, diabetes education, nutrition and general wellness. You can even learn about safety, including CPR, first aid, and infant and child safety. Most courses are offered at area hospitals or health care providers. There is no limit to the number of classes you can take, and no diagnosis or condition is required to be eligible for the reimbursement program.

Visit the *Wellness Resources* section of our website to learn more about the rules and limitations of the program and to find a list of classes in your area. If you don't have Internet access, call Customer Service.

* *Check with your group administrator to see if your group offers this benefit. Weight management classes are limited to \$150 reimbursement per member per year.*



PLAN NEWS

Home Security System

No, not burglars—germs!

We're talking about protecting your family from the inevitable bout of viruses that plague daycares, schools and offices. Create a safe haven within your home by practicing these tips.

1. Avoid carrying germs into your house.

The moment you get home, wash your hands thoroughly. Using warm water and soap, rub your hands together vigorously and scrub all surfaces for 15 to 20 seconds, says the Centers for Disease Control and Prevention (CDC).

2. Stay germ-free when you're out and about.

Frequent hand-washing is key, wherever you are throughout the day. Also,

carry mini-bottles of alcohol-based hand sanitizer for times when soap and water aren't available. Use hand sanitizer, and encourage your kids to use it, after contact with others, money, shared school supplies or other objects that can carry germs. At work, wipe down your phone, keyboard and workstation with disinfectant cloths. Maintain a safe distance from people who are sick. And encourage your co-workers to stay home if they're ill.



3. Keep your home sanitary. Use disinfectant to clean surfaces thoroughly, especially in the kitchen and bathroom. Avoid using and re-using sponges and rags because germs love to live in them. If you do use sponges, change them once a week, throw them in the dishwasher or soak them in bleach for 15 minutes to kill germs.

4. Cover your mouth when you cough or sneeze. Don't use your hands, though. Direct your mouth into your elbow or a tissue. Toss the tissue and wash up after. Also, remind your family to avoid touching their eyes, mouth and nose throughout the day.

5. If you or a family member is sick, there's no place like home. Sure, you've taken all these precautions to keep your home germ-free, but if someone is ill he or she has no business going out and spreading germs. Wash your hands after caring for a sick person. After the bug has left the building, disinfect sick rooms, garbage cans, door handles and anything sick people may have come in contact with. Once everyone's feeling better, you can join forces to clean the house from top to bottom.

Always in Season: Exercise



Don't give up on exercising outdoors just because cooler weather is upon us. In fact, you might enjoy it even more. After all, many allergies go away this time of year, the bugs aren't biting like they do in the summer and the weather is more temperate.

A crisp, brisk day is perfect for a family hike or a few hours at the playground. If you're near a beach, bundle up for a game of tag in the sand. When temperatures plummet, dress appropriately for outdoor exercise—ideally in layers with your extremities protected.

To motivate you to keep moving even as the days get shorter, keep an eye on your body mass index (BMI), a widely accepted way to know if you're at a healthy weight.

Check your BMI and other information by using online calculators for adults and kids at www.cdc.gov/healthyweight/assessing/bmi/index.html.

Why Kids Need Shots

Childhood immunizations are more important than ever.

According to the Centers for Disease Control and Prevention, the number of children in the U.S. receiving immunizations is at an all-time high. There have been major increases in the number of people getting varicella (chickenpox) and pneumococcal conjugate vaccine. These are two of the most recent additions to the recommended immunization schedule.

It's no coincidence that we also have record, or near-record, low levels of the kind of childhood diseases that can be prevented by vaccine. But make no mistake, these diseases have not disappeared. The viruses and bacteria that cause them are still alive, circulating in this country, or just a short plane ride away in countries where vaccination is not so widespread.

That's why it's important—very important—that children, especially infants and young children, receive recommended immunizations on time. A major study from the Institutes of Medicine put to rest a number of unfounded rumors about childhood vaccination. Parents who have been needlessly frightened by tales of vaccination-related illnesses should be breathing easier. If your children have missed any in their series of vaccinations, or are ready for the next phase, contact your physician and get them protected.



Recommended **Childhood Immunization Schedule***

BIRTH TO 2 MONTHS	Hepatitis B, first dose
2 MONTHS	Polio; Diphtheria, tetanus, acellular pertussis (DTaP); Haemophilus (Hib); Pneumococcal (PCV); Rotavirus (RV), first dose
1 TO 4 MONTHS	Hepatitis B, second dose
4 MONTHS	Polio; DTaP; Haemophilus (Hib); PCV; Rotavirus (RV), second dose
6 MONTHS	DTaP; Haemophilus (Hib); PCV; Rotavirus (RV), third dose
6 to 18 MONTHS	Polio; Hepatitis B, third dose
6 MONTHS to 18 YEARS	Influenza (annually)
12 to 15 MONTHS	Varicella (chickenpox), first dose; Measles, mumps, rubella (MMR), first dose; Haemophilus (Hib); PCV
12 to 23 MONTHS	Hepatitis A, two doses
15 to 18 MONTHS	DTaP
2 to 18 YEARS	Hepatitis B series; varicella (all only if not previously given)
4 to 6 YEARS	Polio; DTaP; MMR, second dose; varicella, second dose
11 to 12 YEARS	HPV, three doses; Meningococcal (MCV); Diphtheria, tetanus (Td); MMR (if not given at 4 to 6 years)

**Are you covered? Check with us to see what services are covered.*

Using the Emergency Room Wisely

Save time and money by knowing where to go for treatment.

PCP

Your primary care physician and his or her associates are best prepared to advise you about when and where to seek urgent care.

What Is an Emergency?

HealthAmerica defines a medical emergency as a **sudden accident or sudden medical condition that causes severe symptoms or severe pain.** You could reasonably expect that if you did not receive immediate medical attention in a medical emergency, it would:

- **Place your health in serious jeopardy.**
- **If you are pregnant, place the health of your fetus in serious jeopardy.**
- **Cause serious impairment to bodily functions.**
- **Cause serious dysfunction of any bodily organ or part.**

There when you need us
HealthAmerica's
NurseLine:
1-866-491-4462.

Call HealthAmerica's NurseLine toll-free, 24-hours a day, seven days a week including holidays. A registered nurse will help you any time you are sick, injured or are unsure. You will get immediate answers and help in making the best health care decisions for you.

A true medical emergency presents an immediate danger.

Some examples might include, but are not limited to:

- **Poisoning or drug overdose**
- **Difficulty breathing or shortness of breath**
- **Chest or upper abdominal pain or pressure**
- **Fainting, sudden dizziness, weakness, loss of consciousness**
- **Changes in vision**
- **Confusion or changes in mental status**
- **Uncontrolled bleeding**
- **Coughing or vomiting blood**
- **Suicidal feelings**
- **Difficulty speaking**
- **Severe pain**

If you have a medical problem that is not a true emergency, be sure to call your PCP or doctor first. He, she or an on-call partner is available 24-hours a day and knows you, your medical history and the best place to go for your care.

True medical emergencies do not need prior authorization. If you believe that you or your family member should be treated right away, call 911 or your local emergency number, or go directly to the nearest ER.

Your Coverage

If you go to an emergency room for a condition that is not an emergency, the charges may not be covered.

Emergencies treated in the ER are covered in full by HealthAmerica. If you are treated for an emergency and released, you will generally need to pay a copayment to the hospital. Copayments are waived if you are admitted to the hospital.

Follow Up With Your Doctor

Always call your doctor as soon as possible after you are treated or admitted to a hospital. This will ensure that if you need follow-up care, such as the removal of stitches, you're covered at the highest level. It will also ensure that your medical records are kept current.



PROVIDER UPDATE

Growing Gains: Work set to begin on new Jameson Hospital expansion

Lugene Hudson
New Castle News,
September 25, 2010

NEW CASTLE — A new look and expanded health care is in Jameson Hospital's future. First, it means tearing down for building up. Demolition of three houses on Wilmington Avenue to make way for an additional structure is planned to begin Monday. Those vacant houses are located next to Jameson's School of Nursing. Some homes have already been razed.

When the entire two-phase project is finished, patients will see an expanded, first-floor emergency room and a revamped surgical department.

The separate building will be attached to the current structure by a two-story glass corridor, which is part of the first phase, said Neil Chessin, vice president of operations. The new building will have a main entrance from Wilmington Avenue, he said, noting the facility will also have other entrances into the hospital. Phase two means

a completed operating room suite or surgical department, Chessin pointed out.

"We are all very excited about this new building that will grant us an additional avenue to provide new services and introduce a revived Jameson presence to our community," he said.

According to Lisa Lombardo, director of public relations/marketing, the project's impact is massive. Currently, the hospital's emergency room has space for 18 patients. "On average, we have 29 patients at a given time," Lombardo said, adding the new emergency department will offer 30 private, modernized patient rooms and a lavishly-spaced waiting area.

"Patients and their family members will have a higher level of comfort, be seen faster, and overall, be more satisfied with their overall experience."

Lombardo noted that in fiscal year 2010, the emergency room saw 37,633 patients. The staff has done an amazing job in a difficult environment, said Barb Bernardi, nurse executive.

"The new emergency department will catapult us into the next century of health



care. This new facility will allow us to give the care that we want to provide in our ER."

The design architect is Baker, Bednar & Associates, Inc. of Warren, Ohio. Lombardo said administrators entertained quotes from other companies but this firm is highly specialized in health care, particularly regarding emergency rooms.

Following demolition comes the preparation of the land, the bidding process for construction and a Department of Health review, she said.

"What's interesting is the land will actually receive a gradual 9-foot incline leading up to the hospital."

Groundbreaking and construction will begin in February or March, she said. The expansion project has been much anticipated, said Douglas Danko, president and chief executive officer.

It "has now come to fruition in great part due to the support of our employees, the Jameson Junior Guild, board membership, physicians of our medical staff and the local community businesses," Danko said. "The funds that these individuals have pledged proved our dedication to this project and opened avenues for our elected officials to advocate on our behalf to secure additional state grant funding."

Jameson Health System is Lawrence County's largest employer with a payroll of approximately \$51 million annually, nearly \$3.5 million in annual expense dollars spent locally and charitable care and services given in the amount of \$18.8 million for community benefit in fiscal year 2010, so is a crucial component of the community's economy, Danko said.

"This project will help us to best serve our mission to continue to advance as the leader in quality health and human services to the community that we have the privilege of serving. As loyalty to Jameson increases, we are better able to fulfill our mission."

Contact Us

Are you on the Penn-Ohio e-mail list?
Please send your updated e-mail address to:
tfinneran@tjsins.com.

If you have a question, comment, or suggestion you want to share with HealthAssurance and/or Penn-Ohio; or if you have a particular HealthAssurance experience you would like to share with other Penn-Ohio members, let us know:

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Letter from the President

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Al Harper, president of the Hospital Council of Western Pennsylvania, who presented the impact of reform on local hospitals. This was followed by a meeting in May dealing with the tax credit available to small employers. Our final meeting of the year appropriately titled “Health Reform: What we know, what we don’t know and what does the future hold,” was delivered by Matt Eyles, vice president of public affairs for Coventry Health Care, where he did his best to give employers a feel for how to navigate through the uncertainty of PPACA.

Membership

The size of the membership of the Penn Ohio allows us to offer a cost-effective health care option for employer groups in our service area. We continue to experience significant growth with over 100 members joining the Alliance in 2010, increasing the number of companies participating to over 500, and lives covered to over 15,000. The Penn Ohio would like to thank the new members for their participation and our long standing members for their continued support.

*We wish you all
Happy Holidays and
a prosperous 2011.*

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