

February 2005 Winter Issue

A reference guide to the Penn-Ohio Alliance HealthAssurance Program

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Letter from the President

by Pamela K. Vass

Happy New Year! Welcome to our new members who have recently joined the Penn-Ohio Alliance. We are excited about the opportunity to reach out to new member companies and watch our strength as an alliance grow. As always, thank you to our existing member companies. We appreciate your continued support.

Annual Meeting

Mark your calendars for the upcoming Annual Meeting to take place **Thursday, February 17, 2005** at the Radisson Hotel in Sharon. Registration will begin at 11:30 a.m. We are excited to announce that our keynote speaker is Dr. Don R. Powell, president and CEO of the American Institute for Preventive Medicine (AIPM). For more than 20 years, the AIPM has been dedicated to helping people improve the quality of their lives through award winning wellness programs and publications. Dr. Powell will be speaking about managing health care costs through managing the demand for quality health care and outcomes.

In addition to hearing Dr. Powell's presentation, we will be discussing the financial

status and 2005 budget for the alliance. We encourage all of members to attend this complimentary luncheon and to bring your brokers, or interested colleagues. A separate mailer with additional details has been sent to each member company.

Contract Renewal

The current contract for the Penn-Ohio Alliance will renew January 1, 2006. During this upcoming year, we will embark upon a formal Request for Proposal (RFP) process to assess the current marketplace. This year's long evaluation process will investigate the best possible solution to providing access to quality health care at an affordable price to you, our valued members. We will be looking at health carriers in both western Pennsylvania and Ohio. Network, cost, quality of care and service are all important characteristics of a plan that we will consider. We will also take into consideration how a carrier would provide a fair contract that would protect the Penn-Ohio membership. Our announcement timeframe for the new contract will be in September.

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PROVIDER SPOTLIGHT

St. E's Emergency Facility to Open in Austintown

By Dan O'Brien

AUSTINTOWN, Ohio — Come Monday, residents living in western Mahoning County and southwest Trumbull County will have 24-hour emergency care service nearby, thanks to the completion of Humility of Mary Health Partners' new St. Elizabeth Emergency and Diagnostic Center.

Officials snipped the ribbon this morning to officially welcome the Nov. 1 opening of the \$1.8 million facility—a full-service emergency room that's capable of accommodating ambulance service, said Bob Shroder, president and chief executive officer of Humility of Mary Health Partners. The nine bed facility is able to handle all types of emergency situations, including specialties such as pediatrics, orthopedics, obstetrics and gynecology, critical care and eye, ear, nose and throat. "We're able to treat some trauma, but it's not a Level I trauma center,"

such as the St. Elizabeth main campus in Youngstown, Shroder noted.

Laboratory and general radiology services such as CT scans are also available while ultrasound and MRI equipment are planned for sometime next year. "Right now, about 80% of a patient's diagnostic needs can be met here," Shroder said.

Some 11,000 patients are expected to use the facility during its first 12 months of operation. "That's probably a conservative estimate," Shroder said.

The new emergency and diagnostic center will be staffed with 26 full-time employees, some of whom will be transferred from other operations in the HM system, including St. Joseph's Medical Center in Warren and St. Elizabeth's Youngstown facility. "The others are new to our system,"



Shroder said. HM decided to build the new center in Austintown because it was the second fastest growth area in the Mahoning Valley, said Genie Aubel, HM's chief operating officer. "We were very eager to get out and serve this population," she noted.

So eager, in fact, that Shroder reported only eight months lapsed from when HM purchased the four-acre parcel along Mahoning Avenue to final construction. "We didn't even have a groundbreaking ceremony. We purchased the land and immediately moved on it. It's been on budget and on track," he said. All patients will be seen by a doctor within 30 minutes of the

time they check into the new center. If the staff fails to meet that guarantee, patients will be offered the choice of a gift card or a donation made in their names to a local charity.

"A patient can enter our doors in Austintown with chest pains and be undergoing heart catheterization within 40 minutes," Aubel said.

Among the others on hand at this morning's ceremony were Bishop Thomas Tobin, representing the Diocese of Youngstown, who performed the prayer service and blessing; Germaine Bennett, chair of the board of trustees at HM; Glen Ray, director of emergency medicine at St. Elizabeth's; and Warren "Bo" Pritchard, Austintown trustee.

Reprinted with permission of The Business Journal, Youngstown, Ohio, October 28, 2004.

LEGISLATIVE CORNER

Tax Treatment for Domestic Partners

Recently, HealthAmerica and HealthAssurance's sales and marketing staff have had a number of questions regarding taxation of health benefits for domestic partners. Ultimately, it is the employer's responsibility to ensure that the appropriate taxes are applied to their employees' benefits. When these questions arise, the following information may

be useful in understanding the tax treatment for domestic partners.

Under federal tax law, certain fringe benefits provided to employees are not taxable. For example, health insurance benefits provided by an employer are not taxed to an employee, as long as the benefits are for the employee, the spouse or dependents of the employee. Because a domestic partner is not a spouse, the value of the benefit is taxed to the

employee unless the domestic partner also qualifies as a dependent under tax law.¹

If a domestic partner is a dependent, domestic partner benefits may be considered non-taxable under the Internal Revenue Code. If an employee's domestic partner is not the employee's dependent, an employee must pay premiums for domestic partner coverage with after-tax dollars, and any employer-paid premium for



such coverage will constitute taxable income for the employee (and be subject to employment taxes).²

Each state may have different laws regarding state taxes for domestic partners.

¹ Oregon Department of Revenue

² Law Offices of Paul, Hastings, Janofsky & Walker, LLP

Ohio's Single Payer Initiative

A group called the Single Payer Action Network of Ohio (SPAN Ohio) has drafted legislation that proposes a government run single payer health care system in Ohio. The proposal would essentially eliminate all other health plans in Ohio. The single payer system would be funded through payroll and business taxes and an increase in income taxes for wealthier individuals.

The Ohio constitution permits legislation to advance by an initiative process, rather than

through the normal legislative process. However, several requirements must be met before the proposed legislation can become law under the initiative process:

(1) Initial Filing and Signature Gathering: 100 valid signatures in support of the proposed law must be gathered by the proponents of the law and the proposed law must be submitted to the Attorney General for certification.

(2) Circulation of Petition:

A specified number of signatures (currently 98,870) must be collected from registered voters in Ohio and must be certified as valid by the Secretary of State.

(3) General Assembly Consideration:

The General Assembly may pass, amend, reject or take no action on the proposed legislation. If the legislation is passed it becomes effective 90 days after signature by the Governor.

(4) Ballot Initiative:

If the General Assembly amends, rejects or takes no action on the proposed legislation, supplementary petitions must be circulated. If all requirements are met, the proposed legislation is placed on the ballot for the next general election.

SPAN Ohio completed the initial filing and signature gathering process and received approval from the Ohio Attorney General to begin the petition process and collect the necessary signatures from Ohio voters.

PLAN NEWS

7 Ways to Lower Your Health Care Costs

Why are health care costs so high? That's a complicated question and requires a complicated answer. How can I reduce my own health care costs? That's much easier to address.

The Health Insurance Resource Center, which offers free information about health care and insurance to a general consumer audience, has published a new guide, "53 Ways to Cut Your Health Care Costs." The full list is available on their website, www.healthinsurance.org. We've picked seven to get you started.

1 Negotiate your medical bills.

Everyone, even your doctor's billing manager, makes mistakes. If you think you've been overcharged or charged for a service you didn't receive, and you can make a strong case for the error, ask for a review.

2 Avoid emergency rooms.

If the problem is not a true emergency, you may be able to save a lot of money by

going to an urgent care center or waiting to see your personal physician. You will generally be charged a flat fee. At the emergency room, you might be billed twice. Check with your health plan because there are differences among urgent care and emergency care coverage options.

3 Shop around for hospitals.

Like any business, hospitals charge different rates. If your doctor has admitting privileges at more than one hospital, and if all other aspects of care are equal, ask to be admitted to the less expensive one.



4 Know what's covered.

If you are thinking of starting a family, considering some elective procedure, going on a trip, or changing anything about your health care, check your coverage first. Knowing

what's covered—and what isn't—can save you money later on.

5 Don't miss mammograms.

Yearly mammograms are covered for women 40 and older. In addition, many hospitals offer lower rates as an incentive. Early detection of breast cancer can save you thousands of dollars in surgery and recovery.

6 Buy over-the-counter products wisely.

Remember that cold remedies don't cure, they only relieve symptoms. Unless you're really feeling miserable, save your money. With vitamins and supplements, comparison shop. Look for that active ingredient in its purest, and cheapest, form. Check with your doctor before taking any new supplement.

7 Live a healthy life.

Follow these basic rules of good health. They'll keep you out of the doctor's office too:

- Get eight hours of sleep each night.
- Eat breakfast every day.

- Cut down on snacks between meals.
- Keep within 10 pounds of your recommended weight.
- Get at least 30 minutes of exercise three times per week.
- Don't smoke.
- Don't drink more than two alcoholic beverages per day.
- Take recommended dosages of vitamins and supplements.
- Check with your health plan for specific information on urgent care and emergency care coverage.

Saving Money on Medicines

You can quickly knock 50 percent off your medicine costs by going generic. Generic prescription medicines usually cost about half as much—and are just as effective—as the brand-name product. This is also true with over-the-counter items. The Health Insurance Resource Center reports, for example, that 100 generic aspirin tablets cost about \$1.79. A well-known brand-name aspirin can cost more than \$5 for 100 tablets. Whatever your medicine needs, go over generic alternatives with your doctor or pharmacist.

You're in Control

If you have a chronic disease, here are five proven techniques to help you manage it better and live healthier.

The numbers are staggering:

- More than 90 million Americans live with a chronic illness.
- Chronic diseases account for 70 percent of all deaths in the United States.
- The medical care costs of people with chronic diseases account for more than 75 percent of the nation's \$1.4 trillion medical care costs.

These numbers, from the Centers for Disease Control and Prevention, reveal that chronic diseases are a sad fact of life.

While each illness presents unique challenges, research has revealed that certain behaviors lead to successful disease management no matter what the condition. "Chronic Care in America™," a recent survey sponsored by the pharmaceutical company GlaxoSmithKline, found five specific actions that help patients succeed in managing their chronic condition:

- **Get a "prescription for information."** Survey subjects who saw themselves as being the most successful were more likely to read and learn

The Right Kind of Care When It's Needed

HealthAmerica and HealthAssurance strive to help our members with chronic health problems to manage their conditions and improve their quality of life. Based on the high volume of the diagnoses we see among our members and the prevalence of the conditions nationally, we have identified three health conditions—asthma, diabetes, and high cholesterol—to target through our Disease Management programs. First, we identify members who have one of these conditions or who are at high risk of developing the

condition. Then, we give them educational material about their condition and encourage them to take control of their health. We also coordinate services that emphasize the prevention of complications. We also monitor members' care and their compliance with recommended treatment, and maintain ongoing communication with their doctor(s) for continuity of care. For members who require more intensive, one-on-one management of a health condition, we offer Complex Case Management programs. These programs are designed to improve quality of life for affected members, to assure they

receive adequate and appropriate care, and to help manage their care cost-effectively. Areas we focus on for Complex Case Management are: cardiology, diabetes, high-risk pregnancy, oncology, respiratory diseases, social services, transplants, and trauma. Our specially trained nurse case managers work directly with affected members and their doctors to assure quality of care with ongoing treatment.

For more information, please call Member Services at the number listed on your ID card.

about their condition than those who were unsuccessful. And 86 percent of patients relied on their doctors for information more than any other source.

- **Be aware of depression.** Those with chronic illnesses have about a 33 percent chance of suffering from depression in addition to their other condition. Treating depression also increases your chances for successfully treating the chronic disease.

- **Make your doctor a partner in care.** When patients and physicians share responsibility, they collaborate better. The empowered health care consumer knows there are choices to be made, and 55 percent of successful patients said their doctor chose treatments with them, not for them.

- **Take action immediately.** Successful patients responded quickly to their diagnosis by thinking about and making lifestyle changes. Less successful patients tended to avoid, deny, and withdraw—65 percent of unsuccessful patients wished their condition "would just go away."

8 Steps to Better Care

Doctor-patient communication is a two-way street. Here's how to do your part.

In our parents' day, doctors were put on a pedestal. No one questioned their authority. They were trusted completely.

In some ways, the awe in which doctors were once held was unfair and unwise. Doctors are humans, and make human mistakes. A better and healthier doctor-patient relationship is based on mutual respect and open communication. Indeed, quality health care begins with a close, personal relationship with your doctor. Many studies show that patients who are actively involved in their own care receive the best treatment and get the best results. That includes preparing before visiting your primary care physician or a specialist. The American Academy of Orthopedic Surgeons (AAOS) has posted on its website some ways patients can make the most of their office visit. We've adapted them here to help you when visiting your doctor:

1. When seeing a specialist, gather all the appropriate records.

These include relevant medical records from other physicians; results and copies of X-rays; and other

imaging studies and lab tests. Personally take the records to the doctor's office.

2. Anytime you visit a doctor, have the following written lists:

- All the medications, herbs, vitamin supplements, and over-the-counter remedies you are taking. (You may even want to bring the bottles with you.)
- Your medical history, such as prior treatments for chronic conditions or operations, even those not related to your current problem.
- Questions about your condition or the reason for your visit, such as pain or medication side effects.
- Any other questions you may have.

3. Think about asking a friend or family member to go to the doctor with you.

If you need a translator, ask another adult. Don't rely on a child to translate.

4. Dress appropriately.

You may be asked to take off your clothes during an examination. Wear loose clothing that's easy to take off and put on.

5. Bring your health care proxy and living will for the doctor to put in your file.

If you don't have either of these, ask your doctor how to prepare them. They are

important parts of your medical record, and will ensure you get the care you want if you are unable to speak for yourself because of injury or illness.

6. Arrive early so you have time to fill out forms before seeing your doctor.

7. Be honest with your doctor.

Don't be shy, and don't hold back information about embarrassing problems such as incontinence, memory loss, or sexual issues.

8. Take notes and ask questions if you don't understand anything, including instructions for taking medication.

Help on the Web

There are numerous government and organization websites that offer great tips for working with your health care providers. Here are some of the best:

- The AAOS fact sheet, "Getting the Most Out of a Visit With Your Doctor," is at www.orthoinfo.aaos.org.
- The National Institute on Aging has a fact sheet titled "Talking With Your Doctor: A Guide for Older People," at www.niapublications.org/pubs/talking/index.asp.

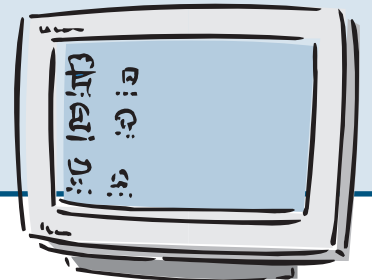
The Agency for Healthcare Research and Quality has many helpful fact sheets on safer health care on its website, www.ahrq.gov.

Look to the Web: www.healthamerica.cvtv.com

Available on the Member home page:

New! Check it out: Access your *Explanation of Benefits (EOB)* statements from both the View Claims and View Claim Detail screens of *My Online Services*.

New! Check it out: Introducing *HealthAmerica KidsHealth*, a comprehensive library of health information for families featuring thousands of medically reviewed articles, animations, features, and age-appropriate news for three distinct audiences: parents, kids, and teens.



Tune Out TV Ads

Direct-to-consumer drug ads flood the airwaves. Here are the real questions to ask your doctor.

By Bernard Mansheim, M.D.,
Chief medical officer of
Coventry Health Care
(parent company of
HealthAssurance)

Many people believe television is little more than a medium for advertising. I was reminded of this view the other night, when I tuned in for the evening news. Just over half of the 30-minute program was spent covering news. Thirteen minutes were devoted to commercials.

What was especially disheartening was that most of the ads were for drugs of one kind or another. No fewer than 10 different pharmaceutical products were promoted in the half-hour, with many of the commercials aimed at aging baby boomers like me. I was also struck by the breadth of the drug advertising. Viewers were bombarded by a wide variety of ads for both over-the-counter pharmaceuticals and prescription products.

The advertisers told us Maalox Total[®] is a better choice for heartburn than either Roloids[®] or Tums.[®] A new version of a multivitamin called Centrum Carb Assist[®] offered to help

us stay healthy on our low carb diet plan. After that, we were offered Preparation H[®] for hemorrhoids and Bayer[®] (not just any aspirin) for our heart attacks. Finally, if we had diabetes, we could check our blood sugar with a One Touch[®] glucose monitor.

More troublesome were the ads for prescription products. All concluded with a version of the statement: "Ask your doctor if it is right for you." This is what's known as "direct-to-consumer" marketing—directing you to pester your doctor, rather than awaiting his or her professional recommendation on what you might (or might not) need.

A New Phenomenon

The types of prescription products being peddled were also wide-ranging. The simplest was a spot for Vioxx[®], a uniquely expensive arthritis prescription in a class of drugs with a huge number of choices. Then came a commercial for Levitra[®], one of three choices available to help men improve their sexual potency. That was followed by an ad for Imitrex[®], for those in the viewing audience with migraine headaches.

Next came a sales pitch to women for Detrol LA[®], to assist them with problems



of an "overactive bladder." An ad for Procrit[®], a substance used to correct anemia in cancer patients, concluded the commercials for the broadcast.

Prescription drug advertising on TV was almost unheard of 10 years ago. In fact, in the last 10 years pharmaceutical companies have increased spending on direct-to-consumer advertising from \$25 million per year to a current level of \$2.5 billion—a 100-fold increase.¹

While many of the drug advertisements we see every day are humorous or clever (if not sometimes in poor taste), they are mostly unhelpful to the doctor-patient relationship. The suggestion to "Ask your doctor about" a certain drug might break the ice and establish a rapport with your physician. Opening lines of communications with your physician is always essential. But do people really need to inquire about a drug that has no relevance to their medical problems?

A New Approach

Direct-to-consumer advertising will undoubtedly increase over time. It sells drugs. So, I propose a different approach when you decide to "ask your doctor."

First, ask your doctor about generic drugs. People are often shocked to learn they can get a generic drug that is either identical or equivalent to a brand name drug, equally effective, and far less expensive.

Second, ask your doctor questions about your complaint, so you can better understand the diagnosis. Then ask about what treatments are available. If you are diabetic, ask about how to manage your condition. If you have cancer, you need to understand far more than what drug you might benefit from.

Meanwhile, if you watch the news like I sometimes do at dinner time, probably the best thing to do during drug commercials is to go back to the kitchen for a healthy dessert. You won't miss much.

¹Understanding the Effects of Direct-to-Consumer Prescription Drug Advertising, November, 2001, The Henry J. Kaiser Family Foundation.

We want to hear from you!

Is there a question you want answered from HealthAssurance/Penn-Ohio?

Do you have any comments or suggestions for future newsletters?

Do you have a particular HealthAssurance experience you would like to share with other Penn-Ohio members?

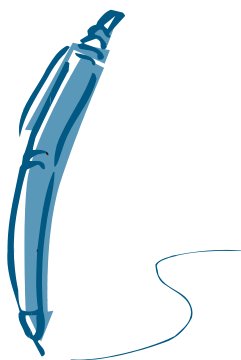
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Suite 2300
Pittsburgh, PA 15222

Or Fax to:
412-553-7386

Or e-mail to:
kdavidson@cvty.com



President

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Wellness Programs

As we move into the year, we want to continue the wellness momentum. So this year, in lieu of our traditional educational meetings, we will be conducting a series of breakfast meetings to discuss how to implement a wellness program in your company.

During the week of

March 21, we will be hosting these meetings throughout the Penn-Ohio Alliance service area. Detailed invitations will be sent to all members. Hope to see you there.

In the Community

The Penn-Ohio Alliance participated in a wonderful community event last September 25, 2004. Forum Health and Hillside Rehabilitation Hospital in Warren, Ohio held their First Annual Run/Walk Team Challenge. This was a great opportunity for the alliance to

participate as a Silver Sponsor, donating \$1,000 to the cause. The 5k Team Challenge was a fundraising activity and benefited the Adaptive Sports program for the physically challenged at Hillside Rehabilitation Hospital.

HealthAmerica and HealthAssurance's Healthy Hound also attended, handing out frisbees to all the participants. It was wonderful to see the community pull together to raise money for a much needed cause and for us to be a part of it.

If you would like to recommend an organization or event that the Penn-Ohio Alliance could sponsor, please contact Kelly Schraven at 412-395-4036.

Please accept my sincere appreciation for your support of the Penn-Ohio Alliance. I wish you and your business a healthy and prosperous 2005.

—Pam Vass

Introducing Cole Managed Vision

HealthAssurance is pleased to offer you a new vision care provider effective January 1, 2005: Cole Managed Vision. If you have vision care through HealthAmerica and HealthAssurance, then vision benefits will be available to you through the Cole Managed Vision network,

which includes Sears Optical, participating Pearle Vision locations, Target Optical, JCPenney Optical, and many independents.

All postcataract hardware must be obtained through a participating Cole Managed Vision provider. This will ensure you receive full

coverage for your purchase. In addition, be sure to check out Cole's Vision One Eyecare Program.[®] The program offers immediate savings on all eyecare needs—including discounts on frames, lenses, disposable contacts, and even LASIK surgery—at participating providers through the Cole Managed Vision network.

If you have any questions, you may contact Cole at 1-888-362-4648, Monday – Friday, 9:00 a.m. to 9:00 p.m. EST, and Saturday, 9:00 a.m. to 5:00 p.m. In addition, you can find out more about Cole on our website at www.healthamerica.cvty.com.