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Federal Legislative Update

On April 15, President Obama signed the Continuing Resolution (CR) for fiscal year 2011 after a deal was reached between the Democrats and Republicans to avoid a government shutdown. The bill funds the federal government through September 30, 2011 and reduces spending by \$38 billion compared to current levels. The CR included the following provisions related to healthcare reform:

- Eliminates the “Free Choice Voucher” supported by Senator Wyden (D-Oregon). This provision would have required an employer to provide a voucher to eligible employees to purchase coverage in the Exchange. If the employer sponsored coverage was between 8% and 9.8% of household income, the employee could have qualified for a voucher.
- Reduces funding for Consumer Operated and Oriented Plans (CO-OP) program by \$2.2 billion from the original \$6 billion in the Affordable Care Act. Funding was provided as start-up loans for the non-profit health plans.
- Requires the Government Accountability Office and Centers for Medicare and Medicaid to provide various reports on the costs of the reform law and activity regarding annual limit waivers.

President Obama signed legislation (H.R. 4 Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011) to repeal the expansion of the 1099 reporting requirement for certain businesses for goods and services over \$600, a provision that was included in the healthcare reform law. The provision was included as a revenue raiser estimated at \$19 billion over ten years. The repeal is financed through repayments of premium subsidies that are provided to low income individuals in the Exchange whose income increases during the year. ■

Washington State Legislative Update

The Washington State Legislature adjourned the 2011 regular session on April 22. However, due to unresolved discussions regarding the state budget, a special session has been called to start April 26.

The following is a list of bills, starting on Page 2, that have passed the Legislature and are awaiting action by the Governor, unless noted.

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ESHB 1220 Transparency: Requires health plan companies to submit federal rate review forms, the rate increase summary and written explanation of the rate, to the Washington State Office of the Insurance Commissioner (OIC) for all individual and small group rate filings submitted on or after July 1, 2011. Allows the OIC to make the rate filings, except for the small group rating factors, available for public inspection on the 10th day after submission. An exemption is provided for new products.

SHB 1257 Insurer Investment Regulation: Updates the existing statutes to conform to the NAIC model law and regulations on insurer investments. An amendment requires the OIC to report on the changes made by the Act and proposed rules, and is due by December 1, 2011. The Act is effective on July 1, 2012.

HB 1303 Individual Market Rate Review: Repeals the sunset provision on the OIC's authority to review rates in the individual market. This bill has been signed by the Governor.

ESHB 1311 Evidence Based Collaborative: Establishes the Robert Bree Collaborative to identify healthcare services with substantial practice variation or high utilization trends to identify best practice approaches and strategies to increase the use of such practices. The Governor will appoint twenty members to the collaborative including carriers, physicians, hospital systems, and self-funded purchasers. By January 1, 2012, all state purchased healthcare programs must implement the evidence based guidelines after the Health Care Authority has reviewed the recommendations.

EHB 1517 Oral Chemotherapy: Requires health plan companies that cover cancer chemotherapy to cover self-administered cancer chemotherapy on a basis at least comparable to cancer chemotherapy administered by a healthcare provider or facility. This is effective for plans issued and renewed on or after January 1, 2012. Health plan companies must also provide a cost impact to the Legislature by November 2013.

SHB 1560 Health Insurance Partnership (HIP): Keeps intact the requirement for a participating small employer to have at least 50% low wage workers, but also, the small employer must not currently be offering coverage and has not offered coverage for at least six months. Allows federal resources to be used to fund the HIP program and removes the requirement that a small employer establish a Section 125 cafeteria plan.

HB 1649 Domestic Partners: Recognizes a legal union of two persons of the same sex, including marriage, that is validly formed in another state and is equivalent to the Washington State registered domestic partnership as a valid domestic partnership in the state. This bill has been signed by the Governor.

ESHB 1790 Direct Practices and School District Benefits: Direct practice agreements may be offered by school districts as an "optional benefits."

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ESSB 5122 Federal Reform Implementation: Amends existing statutes to conform to federal healthcare reform requirements, including extending dependent age to 26, defining “emergency services” and “emergency medical condition”, and modifying appeals and external review provisions. The bill also removes the remittance calculation to the high risk pool based on an individual plan’s medical loss ratio (MLR). This will be effective January 1, 2012 to avoid conflict with the healthcare reform rebate calculation based on MLR.

ESSB 5371 Under Nineteen Enrollees: Incorporates new terms and definitions related to the OIC’s rulemaking related to healthcare reform and guaranteed issue of coverage and pre-existing conditions for enrollees under age 19. An individual under age 19 who does not have access to open or special enrollment periods or the federal preexisting condition insurance pool is eligible for coverage under the Washington Health Insurance Pool (WSHIP).

SSB 5394 Primary Care Health Homes: State purchasing must include provider reimbursement methods that incent chronic care management within health homes. Directs Health Care Authority to coordinate discussions with carriers on patient centered chronic care health homes and to submit a report by December 2012 regarding the principles for such payment models.

SSB 5445 Exchange: Establishes the Exchange as a public-private partnership separate and distinct from the state. The Exchange will be governed by a nine member board appointed by the Governor from names provided by the four legislative caucuses. The Governor will appoint the 9th member and chair who will be non-voting except in the case of a tie. The Governor must appoint the Board by December 1, 2011. The Joint Select Legislative Committee on Health Reform in collaboration with the Health Care Authority and Exchange Board must also report on several options on the Exchange such as regional Exchange, whether the Exchange should aggregate funds for premium, and the role of producers and navigators.

HCR 4404 Joint Select Legislative Committee: Reauthorizes the committee to be co-chaired by the chairs of the healthcare committees in the House and Senate. Four members each from the House and Senate will also be appointed to the committee including a liaison from the Governor’s office. The committee may study the following topics: insurance regulation, access to public and private programs, cost containment, and workforce.

We’ll provide another update on the Washington State Legislative Session in the next edition of PremeraPULSE. ■



The WSHA Patient Safety Committee focuses on helping hospitals create evidence-based systems to ensure all patients get the right care at the right time, with zero errors that may impact a patient's health.

“Partnership for Patients” Supports Quality Healthcare Throughout Washington

The Washington State Hospital Association (WSHA) and Premera Blue Cross are endorsing the April 12 announcement by President Obama and Health and Human Services Secretary Kathleen Sebelius. The initiative is called “Partnership for Patients: Better Care, Lower Costs.” The two organizations have reaffirmed their ongoing commitment to pursue excellence in providing safe, quality healthcare for the people of Washington State.

Established in 2005 with hospital dues and a grant from Premera Blue Cross and made up of member hospitals across the state of Washington, the WSHA Patient Safety Committee focuses on helping hospitals create evidence-based systems to ensure all patients get the right care at the right time, with zero errors that may impact a patient's health.

Carol Wagner, Vice President for Patient Safety of the WSHA explained that the mission of the Patient Safety Committee is consistent with the main goals of the National Patient Safety Initiative which asks employers and health plans to pledge their support through increased financial support of safety programs, measurement of such programs, and ongoing sharing of information in order to provide better, safer, care. She cited two best practice initiatives that the Patient Safety Committee already has underway in the state of Washington including rapid response teams to speed intervention when a patient begins to show signs of significant decline; and a Quality Benchmarking System used by hospitals to compare safety and quality locally and across the nation.

“In part due to the great work of the WSHA Patient Safety Committee over the last six years, the state of Washington is already seen as a national leader in patient safety and quality,” said **Brian Ancell**, the sole health-plan member of the WSHA Patient Safety Committee and Executive Vice President for Healthcare Services and Strategic Development at Premera.

“With Premera's continued support, the Patient Safety Committee has made great strides in safety and quality, with strong results in responding to patients in distress earlier and in preventing infections,” Carol Wagner of WSHA noted. “We believe this new national initiative can bring new resources, research, and understanding about how to improve care and prevent harm to patients. This will be tremendously helpful to providers and insurers in our state.”

The Partnership for Patients initiative involves hospitals, physicians, clinicians, consumers, patient organizations, employers, unions, health plans and states. For more information about Partnership for Patients, go to www.healthcare.gov/center/programs/partnership to learn more. ■



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Interactive Technology to Improve Health in Simple, Meaningful Ways

EveryMove and Premera Blue Cross have announced a new initiative to jointly develop, test and deploy personal technology tools that can incentivize people to stay active and improve their health in simple, meaningful and effective ways.

EveryMove is a technology developer working to combine data collection, aggregation and demographic pattern recognition with new and existing health applications to deliver personal health management tools in an interactive and entertaining way.

EveryMove was founded to revolutionize the way that groups of people use technology to come together to reach their physical activity potential in a way that is fun, interactive, intelligent and actionable. The Company is “Sparking a Movement” to address the growing health concerns associated with limited physical activity. Every person or group that sparks the actions of others to move will create a ripple effect of change that can turn our country’s health crisis around. EveryMove will take on that challenge.

Russell Benaroya, chief executive officer of EveryMove, explained that the company is working to change the way entire communities of people can improve their health when they are engaged in behaviors that are entertaining, intelligent and actionable. “This joint effort allows EveryMove and Premera to look specifically at Premera’s member base and identify program opportunities that can engage its members in very tailored ways,” he explained.

“Technology is just scratching the surface of how to improve people’s health in a meaningful way, but as the population rapidly shifts to computer and mobile solutions, we believe it will ultimately have a central role in how people track and sustain their personal health activities.”

Neal Sofian, Director of Member Engagement for Premera, notes that collaborating on innovative ways to deliver new services and products that motivate our members to stay active and manage their personal health is essential. “Staying well and preventing illness is a necessary part of controlling rising health care costs, and our work with EveryMove is one more opportunity to help our members maintain better health,” said Sofian.

Adds Benaroya, “The strategic value of working with companies like Premera, whose focus and expertise on member engagement programs in the health industry, strongly positions EveryMove to make an impact in improving the lives of Premera members initially, and ultimately millions of people.” ■



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Service Excellence - Q1 Results

Providing peace of mind to our members about their Premera Blue Cross healthcare coverage requires a commitment to service excellence. To deliver excellence, we manage and report our performance on many key service metrics. These metrics monitor our ability to serve our customers in an accurate, efficient and timely manner.

Below are a few key metrics that we track corporate-wide to ensure we're meeting or exceeding our industry-leading service goals. Definitions for each of the metrics are noted after the chart. You'll see that our Customer Service levels were below target for the first quarter. This was due to a higher than normal call volume for this period of time, resulting in longer wait times in January and February, primarily for our individual market in Washington. Process improvements were put in place, and we managed to goal in March, back to promised service levels.

First Quarter 2011	2010 Year-End Results	2011 Target	2011 Year-to-Date Results
CUSTOMER SERVICE			
Service Level	75%	≥75%	69%
Abandonment Rate	1.8%	≤5%	4.4%
CLAIMS			
Claims Financial Accuracy	100%	≥99%	99%
Claims 30-Day Turnaround	98%	≥97%	97%
Claims Auto-Adjudication	82%	≥82%	83%
MEMBERSHIP & BILLING			
Group Enrollment Timeliness	4.1 days	≤5 days	5.4 days
Individual Enrollment Timeliness	6.9 days	≤5 days	5.0 days

NOTE: These results are an aggregate of Premera Blue Cross and our affiliates in Alaska, Washington and Oregon from January 1, 2011 through March 31, 2011. Claim results exclude claims processed by the Pharmacy Benefit Manager.

DEFINITIONS

Service Level: Percent of calls answered within 30 seconds.

Abandonment Rate: Percent of incoming calls that disconnect before being answered.

Claims Financial Accuracy: Percent of claim dollars paid without a financial error.

Claims 30-Day Turnaround: Percent of claims paid within 30 calendar days.

Claims Auto-Adjudication: Percent of claims paid by the system.

Group / Individual Enrollment Timeliness: Number of days to process an enrollment form (Group) or application (Individual). ■



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LIFEWISE

ASSURANCE COMPANY

Life | Disability | Stop Loss

2010 Annual Report Available

For your reference, the PREMERA 2010 Annual Report is posted on www.premera.com. Simply click on **About Premera** at the top of the home page, then select **Financials** in the left sidebar under **Company Profile**. ■

May is Disability Insurance Awareness Month

Disability insurance is an important part of a complete benefits package, protecting an employee's most valuable financial asset – their income. Our affiliate, LifeWise Assurance Company, provides a wide variety of disability insurance options backed by an A- A.M. Best rating, and convenient quoting available through your Premera Blue Cross sales representative.

Short and/or Long-Term disability coverage is an invaluable component in a comprehensive benefits package to protect your customers' financially. Often, an employee's disability does not qualify for Worker's Compensation or Social Security benefits, and without a paycheck, can lead to financial hardship for the employee.

With May being Disability Insurance Awareness Month, there's no better time to start a conversation with your clients about the value a disability program provides to employees. Visit the [Disability Insurance Awareness Month](#) web site for resources or contact your Premera sales representative for more information about LifeWise Assurance Company's disability insurance packages.

LifeWise Assurance Company is an independent company providing Life, Disability and Stop Loss coverage, but does not provide Blue Cross Blue Shield products or services.

NEW! Individual Member Late Notice Reports

April marked the launch of a new tool to help you manage your Individual business with Premera Blue Cross: the Late Notice Report. This report lists your Premera Individual and Medicare Supplement clients that are delinquent on their monthly premium payment and at risk for termination. By providing this monthly report, you have the opportunity to reach out to your clients before their policy is cancelled due to non-payment of premium.

Late notice reports will be mailed monthly and in your hands around the 20th of each month to coincide with your clients' monthly bill, which also includes a reminder for them to send in their late payment. You will only receive a late notice report if you have clients who are currently delinquent.

If you have questions, please contact your Premera individual sales executive or Producer Support at **1-800-752-6663, option 2**. ■

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Use these helpful tips to make sure your Premera Medicare Supplement or Individual applications are processed most efficiently.

Quick Tips: Submitting Medicare Supplement or Individual Applications

In recent PremeraPULSE editions, we have provided several pointers on how to ensure your clients' Medicare Supplement or Individual applications can be processed efficiently and without a send back. This month, here's a few more quick tips to help expedite the application process with Premera Blue Cross.

1. **When submitting a Medicare Supplement or Individual application by mail, e-mail, fax or personal delivery, ALWAYS include Page 1.** Although Page 1 is not numbered and appears to be only informational, it is a regulatory requirement to return this page, since the applications are filed forms with the Washington State Office of the Insurance Commissioner.
2. **When re-submitting a corrected application, include every page, NOT JUST the corrected pages.** If the entire application is not received, it will be sent back as incomplete. The [Washington Medicare Supplement Enrollment Application](#) (.pdf), has 12 pages. [The Individual & Family Enrollment Application](#) (.pdf) has seven (7) pages.
3. **Please only submit an application using one delivery method.** Whether you submit the application via the online sales and application tool (Medicare Supplement only), by fax, mail, e-mail or personal delivery, please choose only one source. Submitting an application through multiple sources creates confusion and slows the processing time for everyone.
4. **The online sales and application tool is your best resource for new Medicare Supplement applicants.** Using the online tool at www.premera.com to apply for a new Medicare Supplement plan ensures a complete application, because it can't be submitted without every section completed. The online tool provides you the ability to receive credit for the sale when your client uses your customized producer link. It is available at any time of the day or night for convenient access, and reduces paper and postage costs.

If you're not already registered to use the tool, please ask your Premera individual sales executive for a demonstration.

For more information, please contact your Premera Blue Cross individual sales executive or Producer Support at **1-800-752-6663, option 2.** ■



Tell your clients they can turn in their unused or expired medication for safe disposal on Saturday, April 30th.

Dispose of Unwanted Prescription Drugs on April 30

From 10 a.m. to 2 p.m. on Saturday, April 30 unused or expired prescription drugs can be disposed of for free—no questions asked. Organized by the U.S. Drug Enforcement Agency (DEA) and supported by hundreds of local law enforcement agencies, **National Drug Take Back Day** addresses a vital public safety and public health issue.

Premera Blue Cross is pleased to support this effort in conjunction with local law enforcement agencies.

To find a drop off site click here. ■

Memorial Day Weekend Office Closures

Premera Blue Cross will be closed on Friday, May 27 and Monday, May 30 in observance of the Memorial Day holiday. We will reopen on Tuesday at our normal business hours.

Premera is proud to sponsor the SSAHU Spring Social. We look forward to seeing you there on May 12.

Upcoming Industry Event

SSAHU Spring Social - May 12, 2011

- Location:** Great American Casino
10117 S. Tacoma Way, Lakewood, WA 98499
- Time:** 2:30 - 3:00 p.m. Registration
3:00 - 5:00 p.m. Program
5:00 - 7:00 p.m. Social Hour with live music from Jon Hanson & Mike Jaap
- Speakers:** Senator Randi Becker – *Health Reform at the State Level*
Roz Soloman, Public Policy Consultant – *Life After the Exchange*
- Cost:** \$25 per person
- Register:** At the door or online at:
https://www.paypal.com/cgi-bin/webscr?cmd=_s-xclick&hosted_button_id=MNU9ZQ5A4VOXJ
- RSVP:** Patty Rice - patty@alberscompany.com or
Jill Flodstrom - flodstromndaughters@gmail.com
- Info:** <http://www.ss-ahu.org/> ■