

Volume II Issue II • 2003

# InsideHNE

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

## IN THE NEWS

### Massachusetts Judge Overturns State Prescription Tax

Massachusetts Superior Court Judge Allan van Gestel last week overturned a state tax on prescriptions, and ruled that the state must return \$18 million in revenue collected from the tax to the state's pharmacies. Judge van Gestel agreed with the more than 100 pharmacies involved in the suit, ruling that the state had not obtained the federal approval needed to implement the tax. The \$1.30 per prescription tax took effect last Jan. 1, and would have decreased to \$.65 on July 1. Prescriptions for Medicaid and Medicare beneficiaries were exempt from the tax. The revenue from the tax was intended to help offset the cost of the state's Medicaid program.

### Study Finds Ads Contributing to Rise in Drug Costs

A study performed by Harvard University researchers for the Kaiser Family Foundation found that increases in direct-to-consumer advertising were associated with significant growth in sales for the classes of drugs studied. The study also determined that direct-to-consumer advertising affected entire classes of drugs, not individual drugs within the classes. In addition, 12 percent of the growth in spending in 2000 was caused by increased spending on advertisement, and each additional dollar spent on advertising resulted in \$4.20 in sales.

The research examined the effect of direct-to-consumer advertising of pharmaceutical drugs from 1996 to 1999 on drug sales within five therapeutic classes. The study evaluated advertisements in magazines and newspapers and on television, radio and outdoor signs.

### Drug Spending Growth Slowed in First Quarter of 2003

In a study released by Express Scripts, growth in prescription drug spending slowed to 11.3 percent in the first quarter of 2003. In the first quarter of 2002, drug spending increased 16.9 percent. Express Scripts gathered data from its 50 million members and found that the primary reason for the decrease in spending was the increased use of generic drugs. In addition, the use of antihistamines and cold-cough remedies decreased in 2003. The company expects overall drug spending to increase 15 percent in 2003, compared to 18.5 percent last year. Source: Academy of Managed Care Pharmacy ([amcp.org](http://amcp.org))

*(continued on page 4)*

*Don't forget to visit us at [healthnewengland.com](http://healthnewengland.com)*

# INDUSTRY HIGHLIGHTS & MARKET TRENDS

## Employees Sharing More of Health Care Costs

As health care costs continue to rise, organizations are changing plan design and sharing more of the cost with employees, according to new data from Hewitt Associates,

a global HR outsourcing and consulting firm. For example, the number of companies with a \$15 office copayment increased from 24 percent in 2002 to 43 percent in 2003. At the same time, employers offering \$10 office copayments dropped from 58 percent in 2002 to 39 percent in 2003.

Employees are also being asked to pay more for prescription drugs.

Type of Drug	Copayment	Percentage of Plans		
		2001	2002	2003
Generic	\$5	52	46	29
	\$10	27	40	52
Brand/Formulary	\$10	39	28	15
	\$15	20	30	26
	\$20	12	26	32
Brand/Non-Formulary	\$10	13	9	7
	\$25	16	21	8
	\$30	11	22	19
	More than \$30	9	24	24

Source: Hewitt Associates



## SHARE A PIECE OF THE PIE

October 9, 2003

If you ever needed an excuse to eat out, here's a good one. On Oct. 9, about 200 restaurants throughout Western Massachusetts will participate in "Piece of the Pie" to raise money for The Food Bank of Western Massachusetts.

Health New England is a sponsor of the event, during which the restaurants will donate 10 percent of the day's receipts to The Food Bank. Every dollar raised allows The Food Bank to distribute \$9 worth of food.

*For a list of restaurants, visit [foodbankwma.com](http://foodbankwma.com). Announcements also will be made in local media.*

## INTRODUCING MY HEALTH ZONE

*Get Healthy! Stay Healthy!*

An online library of health tips and medical information on a wide variety of topics.

*Log onto [healthnewengland.com](http://healthnewengland.com), click on "healthy directions," and then on "health zone."*

Visit My Health Zone, an online library of medical information and

health tips on a wide variety of topics...wellness, nutrition, exercise, weight loss, stress management, childhood safety, diabetes, asthma, high cholesterol, high blood pressure, heart disease, and more! You'll also find helpful tracking tools, calculators, charts, and interactive activities!

## BECAUSE YOU ASKED

*Many prescriptions are cheaper in Canada. Are the medications just as safe and effective?*

The Food and Drug Administration expressed several health, safety and legal concerns about drugs obtained outside the U.S. Consider the following points taken from the October 2002 edition of FDA Consumer magazine:

- It would be hard for you to know whether drugs sold outside the U.S. meet FDA standards and have been manufactured in an FDA-approved plant. Even if you did know, existing law requires you to prove the drug meets legal requirements.
- Imported medications and their ingredients, although legal in foreign countries, may be addictive or contain other dangerous substances.
- Some medications, whether imported or not, are unsafe when taken without adequate medical supervision. You may need a medical evaluation to ensure that the medication is appropriate for you and your condition.
- An imported medication may lack information that would permit you to be promptly and correctly treated for a dangerous side effect caused by the drug.
- If a Canadian company is selling drugs only for export to the United States, Health Canada may not regulate the drugs or the company. Drugs coming to this country from Canada may be coming from some other country and simply passing through Canada. The drugs could also be counterfeit, contaminated, or not as strong.

When it comes to your **health care** needs  
Health New England **aims** for the **stars**...and  
we've reached **four** twice in a row!



We are proud to have achieved the *highest accreditation* from the National Committee for Quality Assurance, an independent evaluator of health care quality once again on behalf of our members. And we promise to keep reaching for the stars.

## IN THE NEWS

*(continued from page 2)*

### Several HNE Programs Honored

The ACE & Furlis pediatric asthma materials were among several HNE programs that received prestigious Health Care Advertising Awards. The ACE & Furlis, "Celebrating Women," and "Healthy Birthday" programs won merit awards, while HNE's breast wellness program received a bronze award.

A record 3,300 entries from 1,300 institutions competed for the Healthcare Advertising Awards, the nation's largest health care advertising awards competition and one of the world's 10 largest advertising awards competitions.

Judges included a national panel of health care marketers, advertising creative directors, and marketing and advertising professionals, as well as the editorial board of Healthcare Marketing Report, a publication focusing on all aspects of health care marketing.

# HNEDIRECT NOW AVAILABLE FOR EMPLOYERS

*More time, more resources, and less frustration for employers*

HNE Introduces New Online Employer Account Administration

HNE is proud to introduce another way we're taking the hassle out of health care — HNEDirect.

This web-based program offers employers instant access to eligibil-

ity and benefits information, online enrollment changes, reporting, and billing reconciliation, all at no extra cost. All you need is access to the internet.

This new feature helps you manage health plan administration quickly and conveniently. Through secure, web-based transactions, you can maintain the confidentiality of your employees' information and manage the details of health plan administration easily.

To enroll, go to our website at [healthnewengland.com](http://healthnewengland.com), click on

the HNE Direct Employer logo, and register under New Users – Employers. Follow the registration process. Once your user ID is confirmed, you are ready to sign in and start using the system.

This service can save time, help you maximize resources and reduce frustration. It's fast, accurate, efficient and available 24 hours a day.

We welcome your feedback. Let us know what you think!

## TIMELY INFORMATION AT YOUR FINGERTIPS

HNEDirect allows you to check eligibility of a member instantly. Online entry of enrollments, changes, and terminations decreases the normal lag time of a manual process. Below is a brief overview of HNEDirect's functionality.

Enrollment Functions	Make Changes to	Enrollment Reporting	Information Lookups
Member eligibility look-up	Demographic information	Generate and print reports	Provider Directory
Change and Terminate Enrollment	PCP	Show only necessary information	Drug Formulary
Premium Billing Reconciliation	Dependents information	Multiple configuration options	Useful Links
Reporting	COBRA coverage		



# THE STRENGTH OF HNE

## Pharmacy Department:

*Promoting Understanding and Effective Use of Prescription Drug Benefits*



*Pictured left to right: Maura McCaffrey, Alda Luvera, Christopher Ryan & Gail Bassett*

It may not surprise you that health care costs continue to rise. What may surprise you is a closer look at the numbers.

### **DID YOU KNOW:**

- Pharmacy expenses have risen 12-18 percent each of the last four years?
- HNE's pharmacy costs exceed the costs for all hospital services?

As medical science develops new drugs and introduces new indications for existing drugs, overall use of prescription medications rises. These medications not only have improved quality of life, but have slowed medical expense inflation by reducing hospitalizations and enhancing treatment of chronic conditions.

Our goal is to balance rising costs with the need for quality care. We strive for that goal through:

- Ongoing assessment and administration of the HNE formulary.

- Working closely with doctors and pharmacists to help them understand our benefits and develop effective prescribing practices.
- Strengthening partnerships with retail pharmacies and our mail order service, Express-Scripts, to ensure members have quick and easy access to prescriptions when they need them.
- Educating members on effective use of medications; the role of prescription drugs in managing diseases or chronic conditions; and how to make the most of their benefit.
- Ensuring pharmacy policies and procedures meet or exceed quality standards, and continually exploring ways to enhance the quality of clinical care and consumer protection.

We are pleased to present this overview of our department and invite your questions and feedback. We're here to help!

### **Everything you wanted to know about the formulary**

The makeup of the HNE formulary — our list of covered drugs — depends on many factors:

- Ongoing review of the overall value, safety, and effectiveness of current medications as well as those submitted for Food and Drug Administration approval.
- Retaining a sufficient variety of prescription drugs (both generic and brand name) to help doctors provide proper treatment.
- Monitoring how frequently medications are prescribed. We limit quantities of certain medications or require prior

approval to help ensure appropriate use of medications.

### **How the formulary works**

Many companies exclude certain medications to try to control costs. HNE uses an open formulary and three-tier copayment structure, covering a wide array of medications and helping to keep monthly premiums at a reasonable level (see accompanying chart).

The Pharmacy and Therapeutics Committee determines how drugs are classified. This group of local family doctors and specialists regularly reviews information on medications and places drugs into a tier. Because any drug's status can change without notice, please visit [healthnewengland.com](http://healthnewengland.com) or call Member Services at 413-787-4004 or 800-310-2835 for the current status.

The three-tier structure also encourages involvement from members and doctors. We enlist their support by asking them to choose the most cost-effective medications. For instance, before prescribing Vioxx or Celebrex for arthritis, your doctor might first consider a less expensive generic medication with a similar effect.

Simply stated, our goal is to control costs while helping ensure members get the care they need.

### **HNE's national pharmacy network — get prescriptions at home or on the road!**

HNE recently announced the creation of a national pharmacy network, making it easier and more convenient to fill prescriptions.

## Health New England Drug Classifications

Category	Tier	Description	Copayment Level
Generic	1	<ul style="list-style-type: none"> <li>Contain the same active ingredients as brand name drugs but are available at a lower cost.</li> <li>Reviewed by the Food and Drug Administration to assure the drugs are safe and effective.</li> <li>Massachusetts law requires pharmacists to dispense generic drugs unless your doctor writes “no substitution” on your prescription.</li> </ul>	Lowest
Brand/Formulary	2	<ul style="list-style-type: none"> <li>Trademarked, brand-name drugs selected by HNE based on a review of the relative safety, effectiveness and cost of the many FDA-approved drugs.</li> </ul>	Middle
Brand/Non-Formulary	3	<ul style="list-style-type: none"> <li>Brand-name drugs that HNE has not selected as “Brand/Formulary.”</li> <li>Includes brand-name drugs that have a generic equivalent.</li> </ul>	Highest

The new network, composed of more than 50,000 pharmacies nationwide, allows members to get medications at participating pharmacies wherever they’re located, or at certain other pharmacies that do not have locations in Western Massachusetts.

So, whether members are home, on vacation, or away for business or other reasons, they can fill prescriptions at any pharmacy that participates in our national network. Participating pharmacies include CVS, Brooks/Maxi Drugs, Target, Rite Aid, Stop ‘N Shop, and Costco.

To find a nearby participating pharmacy, please call our pharmacy vendor:

**MedImpact**  
**800-788-2949**  
*during the following hours:*

**Monday-Friday, 8 a.m.-1 a.m.**  
**Saturday, 9 a.m.-10 p.m.**  
**Sunday, 10 a.m.-10 p.m.**

### Key points to remember about your pharmacy benefit

- In order to be covered, certain drugs require prior approval. Before you fill a prescription, check your membership materials or visit hne.com to see if your medication requires prior approval.
- HNE does not cover over-the-counter medications. This includes drugs that are available without a prescription, such as claritin.
- HNE does not typically add brand-name medications to its list of covered drugs for at least six months after FDA approval. Many new drugs do not offer advantages over those already available, but they are much more expensive. Drugs have also been taken off the market due to adverse effects.
- Mail order may be used only to obtain maintenance medications. In general, a medication is classified as “maintenance” if it: 1) is used for chronic illnesses such as asthma, allergies, high blood pressure, etc.; and 2) has been obtained by prescription at least twice at a participating pharmacy. Each copayment applies to a 90-day supply or less.
- Retail pharmacies may only fill prescriptions for a 30-day supply. We do not reduce copayments if the medication lasts for less than 30 days. For instance, if your doctor writes a prescription for an antibiotic that you take for 10 days, you would still pay a full copayment.

## MEET HNE'S NEW "HEALTHY" ADDITION



Health New England is proud to welcome Michael Gauvin to the Health Programs Department.

Michael Gauvin is a graduate of Springfield College with a bachelor's degree in Health and Fitness and master's degree in Exercise Physiology.

Michael serves as the Head Men's Cross Country Coach at Springfield College, Boy's Track and Field Coach at Ludlow High School, and he spends time as the head coach of the Pioneer Valley Women's Running Club.

Mike will be developing several programs which will be offered at employer group worksites. He can be reached at 787-4000, ext 3388 or [mgauvin@hne.com](mailto:mgauvin@hne.com). Look for more information in the next issue of Inside HNE.

## BEAT THE HEAT

by Michael Gauvin,  
Health Programs Coordinator

The long hot days of summer are here. As the temperature rises, so does the number of individuals exercising in the summer months. To stay on top of your game you need to take a few precautions to ward off the effects of heat when you are exercising outside.

### Suggestions:

- Eat lightly two to four hours before.
- Drink lots of fluids, before, during, and after exercise.
- Consume 8-10 ounces of water, 10-20 minutes before beginning your exercise.
- Wear sunscreen.
- Avoid cotton t-shirts, which become soaked and prevent evaporation. Try lightweight breathable fabrics, such as Coolmax®
- Dress lightly and wear light colored clothes.
- Avoid midday exercising.
- Take it easy.
- Stop exercising if you feel dizzy, weak and/or sick

### About Fluids:

To make certain you are consuming enough fluids to adequately hydrate your body, it is recommended that you drink 8-10 glasses of fluids daily (eight ounces per glass).

Drink before, during (every 10-15 minutes), and after exercise and don't rely on your thirst mechanism to tell you how much fluid you need. Chances are by the time you actually

feel thirsty, your body is well on its way to becoming dehydrated.

### Important note:

Avoid items which contain caffeine (e.g., coffee, tea and soft drinks) or alcohol (e.g., beer, wine). These beverages can increase urine production and fluid loss.

### Heat Exhaustion Signs:

- Heavy sweating
- Paleness
- Muscle cramps
- Tiredness
- Weakness
- Dizziness
- Headache
- Nausea or vomiting
- Fainting

### *What to do if you think you may have heat exhaustion:*

Cooling measures that may be effective include the following:

- Stop exercising!
- Drink cool, nonalcoholic, non caffeinated beverages
- Rest
- Cool shower, bath, or sponge bath
- An air-conditioned environment



# STEPPING OUT INTO THE COMMUNITY

Part of building our business means helping to build a vibrant, dynamic community for everyone — members, employers, and our employees. For more than 15 years, Health New England has held true to that philosophy.

We are proud partners with numerous organizations throughout Western Massachusetts. In addition, our employees contribute their time, talent and money to support community agencies, programs and events. We are pleased to share examples of recent activities.

## **Kindervision** *Teaching Kids Safety*

HNE is among the local co-sponsors of the Kindervision National Child Safety Video Program, which was part of the Annual Kids Fest July 19 in Westfield. Nearly 240 children received free child safety videos, fingerprinting, and healthy lunch ideas from HNE. Flora Masciadrelli, sponsorship/events coordinator, and Lynn Ostrowski, health programs manager, (*shown below*) represented HNE.



## **Children's Miracle Network**

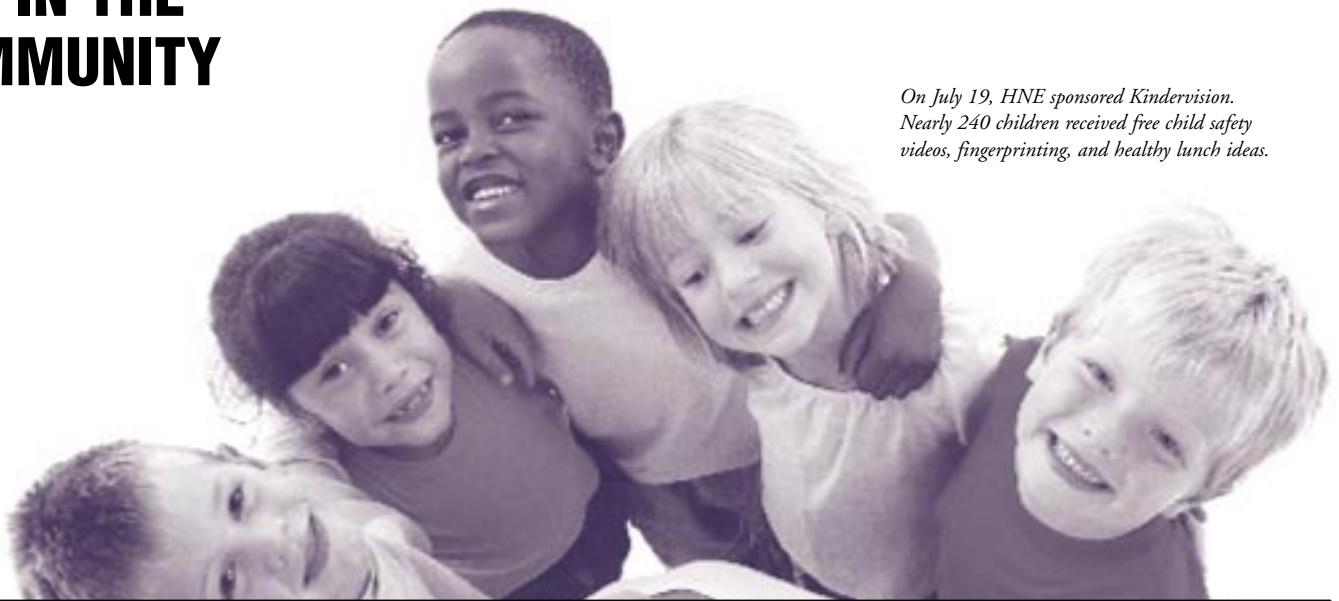
Juan Campbell, HNE sales manager, was among eight associates who worked the phones to raise money for the WMA/Children's Miracle Network Radiothon in March. The event raised \$146,000.

## **Heart Healthy Walk**

HNE and Mercy Hospital co-sponsored the American Heart Association's Heart Walk at

Springfield's Forest Park May 18. Among the participants, shown warming up before the walk, were (*bottom photo l. to r.*) Barry Krieger, WWLP-TV news anchor; Peter Straley, HNE president and CEO; and Vince McCorkle, CEO of Mercy Hospital. Also shown is "Team HNE," led by team captains Alres Dinnall and Flora Masciadrelli, which raised \$3,750 in pledges.

# HNE IN THE COMMUNITY



On July 19, HNE sponsored Kindervision. Nearly 240 children received free child safety videos, fingerprinting, and healthy lunch ideas.

## CALENDAR OF UPCOMING HNE-SPONSORED EVENTS

<p><b>August</b> <b>ALZHEIMER'S AT TANGLEWOOD</b> Tanglewood Music Center Lenox, MA <i>August 5</i></p> <p><b>KARE BEAR INVITATIONAL</b> Egremont Country Club <i>August 6</i></p> <p><b>BIG BROTHERS/ BIG SISTERS GOLF TOURNAMENT</b> Crumpin Fox Bernardston, MA <i>August 11</i></p> <p><b>KINDERVISION</b> Eastfield Mall Springfield, MA <i>August 16</i></p>	<p><b>September</b> <b>COOLEY DICKINSON HOSPITAL GOLF TOURNAMENT</b> Hickory Ridge Country Club <i>September 8</i></p> <p><b>FAIRVIEW HOSPITAL GOLF TOURNAMENT</b> Stockbridge Country Club <i>September 19</i></p> <p><b>MEMORY WALK</b> Stanley Park Westfield, MA <i>September 21</i></p>	<p><b>PIONEER VALLEY GIRL SCOUTS GOLF TOURNAMENT</b> Crestview Country Club Westfield, MA <i>September 22</i></p> <p><b>October</b> <b>BREATH GAMES</b> Springfield College Track <i>October 5</i></p> <p><b>PIECE OF THE PIE</b> WMass Food Bank <i>October 9</i></p> <p><b>RAYS OF HOPE WALK</b> Jewish Community Center <i>October 26</i></p>	<p><b>BFA DINNER</b> Sheraton Hotel, Springfield, MA <i>October 27</i></p> <p><b>November</b> <b>BRIGHT NIGHTS</b> Forest Park Springfield, MA <i>November 21 - January 4, 2004</i></p> <p><b>December</b> <b>PIONEER VALLEY BALLET</b> The Nutcracker <i>December 2003</i></p>
<p><i>We take great pride in our commitment and will continue to inform you of our partnerships throughout Western Massachusetts.</i></p>			

# FEEDBACK

**Please fill out and fax to 413-736-1850**

We want to continue to provide you with tools and information to keep you informed and make it easy to do business with us. To do that, we need your continued help. Please take a minute to answer a few simple questions below, then tear it out and fax it to our Sales Department at 413-736-1850. *Thank you!*



1. **How would you rate Inside HNE?** Overall, did you find the newsletter *(please check one for each)*:

- Informative?     Yes    No
- Useful?         Yes    No
- Interesting?    Yes    No
- Easy to read?    Yes    No

2. **What would you like to see from Inside HNE?**  
*Please indicate the importance of each topic to helping you do your job. (Check one box in each row).*

### Network Updates

*Changes in participating doctors and facilities*

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

### Regulatory Updates

*Changes in state and federal laws affecting health care*

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

### Product Updates

*New HNE products*

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

### Benefit Updates

*Changes in benefits*

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

### Health Programs *Info on new programs and other activities*

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

### Pharmacy Changes

*Changes in formulary, prior approvals, etc.*

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

### Industry Information

*Trends/developments in health care*

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

**Strength of HNE *Features on HNE departments: What they do, who they are, and how they serve you***

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

3. **What future topics would you suggest? *(please print)***

Please give us your ideas for future articles or regular features.

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4. **Any other comments? *(please print)***

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5. **Please tell us about yourself. *(Optional; please print)***

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Name

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