



AGENDA

- 1) Plan News & Information
- 2) Health Reform
- 3) PPO's: the Good, the Bad, and the Issues We All Face
- 4) Changes for 2012
- 5) Questions
- 6) Survey

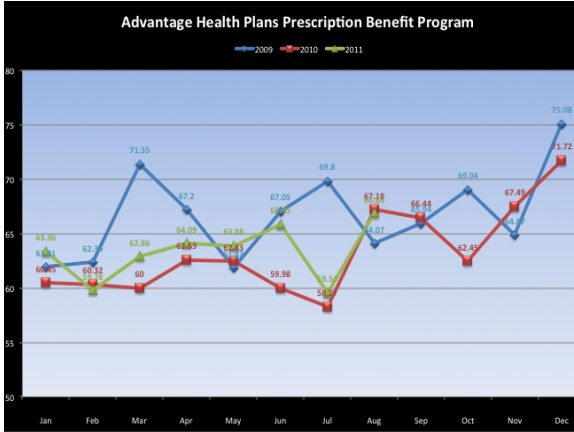


PLAN NEWS & INFORMATION

Good News!

- On-site benefit and compliance resource for member banks
 - Maria Robles Meyers, partnered with Advantage Health Plans
- Since October of 2010 over 400 new employees have been added!
- Increase in the preventive dental allowable amounts
- The bucket system is dramatically increasing bank and participant awareness to help reduce costs
- Several banks have told us their success stories!
 - Wellness programs are being established
 - Helps banks lower their bucket!
- Prescription utilization update





PLAN NEWS & INFORMATION

A Constant Challenge -
Surgical implant charges; plan change 1/1/2010 has helped!

Item	Billed Charges	Invoice (cost)	200% of Invoice
Pacemaker	\$70,686.00	\$18,747.00	\$37,494.00
Knee Replacement	\$32,062.00	\$4,050.00	\$8,100.00
Shoulder Replacement	\$18,137.00	\$5,568.50	\$11,137.00
Stabilization of Ankle Ligament	\$6,404.00	\$2,179.00	\$4,358.00



PLAN NEWS & INFORMATION

A Great Benefit -
OneCall Medical for MRI's, CAT, PET scans (optional)

Scan	70% UCR	OneCall Price	Savings
MRI Joint	\$1,639	\$675	60%
MRI Lumbar	\$3,055	\$600	80.4%
CT Neck	\$1,800	\$500	72.2%
MRI Breast	\$3,763	\$800	78.7%



PLAN NEWS & INFORMATION

OneCall –

These are just some of the cities where OneCall facilities are available!

- | | |
|--------------|---------------|
| Ardmore | Oklahoma City |
| Bartlesville | Ponca City |
| Broken Arrow | Sayre |
| Durant | Shawnee |
| Edmond | Stillwater |
| Lawton | Tulsa |
| Midwest City | Yukon |
| Norman | |



HEALTH REFORM & YOUR PLAN

Health Reform (PPACA) - Changes on 7/1/11

- Removal of lifetime & annual limits for "essential health benefits" (not completely defined)
- Dependents eligible until age 26
- No pre-existing for members under 19
- "Preventive Care" with no cost sharing (not completely defined)
 - *Co-pay requested, then refund? Talk to your doc...*
- Addition of external appeal rights



HEALTH REFORM & YOUR PLAN

Unintended Consequences - Examples

Mammogram Benefit

- Health Reform (PPACA) tells you what the benefits have to be...The prior benefit allowed for 100% up to \$150 for one mammogram per calendar year regardless of age. The new benefit allows for one screening mammogram per year with no cost share after the age of 40.

Preventive Care at 100%

- Could be a license for providers to charge as much as they want since they know it has to be paid. This could impact Plan costs.

External Review

- Independent Review Organization must be approved by the government
- Participant can request external review of **any** adverse benefit determination;
 - The Government considers deductibles and co-pays "adverse"
 - Potential increase in administrative burden?



HEALTH REFORM - GENERAL

- A number of reform changes have already taken effect
- If some of the provisions are popular enough expect them to expand (i.e. *Dependents to 32* changes to *Dependents to 32*)
- Unpopular provisions do not go into effect till later
- 27 states have sued or are suing the Federal government about PPACA; SCOTUS unlikely to rule quickly
- Members of at least 41 state legislatures have proposed legislation to limit, alter, or oppose federal intervention in health insurance
- If Individual Mandate is eliminated, adverse selection would be rampant. Disaster for private insurance?
- By 2030, half of Americans are expected to be obese. That is estimated to mean 7.8 million more cases of diabetes + 6.8 million additional heart disease & stroke cases + 539,000 added cancer cases. So, the increase in obesity, alone, is expected to generate a 2.6% increase in overall US medical costs.
- Without "Doc Fix," doctors could see close to a 30% cut in Medicare fees



HEALTH REFORM - GENERAL

Public Opinion Regarding Repeal

- Kaiser Foundation: Support of Health Reform bill at an all-time low.
- 39% of those surveyed have a favorable view of the law. 44% of Americans have an unfavorable view.
- Democratic and Independent support for Obamacare has fallen to all-time lows of 60% and 33% respectively.
- 47% believe the law "won't make much difference" in their own lives, while 31% believe it will help and 14% say it will hurt.

Portions that have been repealed or changed

- 1099 provision requiring reporting >\$600 B2B transactions repealed (mixed opinion)
- \$2 Billion for private non-profit health insurance co-ops repealed
- These were all done as a result of the Budget Reconciliation Act



HEALTH REFORM - GENERAL

Budget "Super Committee" - Will they cut portions of PPACA?

- PPACA will cost \$50 billion more per year than originally estimated because CBO scored single coverage only for subsidy purposes and left out those with family coverage
- The super committee will be looking for savings in PPACA because many of the elements haven't been implemented yet
- Cutting subsidies to participate in exchanges will be on the table
- As written, subsidies would be available to middle class, not just poor; up to 400% of poverty level or \$80,000 a year
- Benefit mandates already implemented are here to stay!
- If they decide to cut the funding for the Individual Mandate it would 'save' **\$252 Billion**



HEALTH REFORM - GENERAL

Changes in 2013

- \$2500 Cap on FSA
- No cost share for women's health care including contraception, well-woman visits, support for breastfeeding equipment and domestic violence screening

Changes in 2014

- Minimum Essential Coverage
- Deductibles no higher than \$2,000
- No pre-existing
- Employer Auto Enrollment (200 ee's)
- Exchanges & Individual mandates
- Employer Fines

Going forward to 2018

- Cadillac Tax Yet to be defined
- Caps on out-of-pocket?



PPO'S: THE GOOD, THE BAD....

PPOs once delivered real value to benefit plans

- They were exclusive and true discounts off of reasonable charges
 - Plan participants demanded that PPOs be expanded to include all providers
- Networks lost their bargaining chip – steering patients to providers in exchange for reduced cost
 - Providers no longer incentivized to offer true discounts
- Now PPOs provide discounts on outrageously inflated charges
 - 20% off "billed"
 - What is "billed"?



PPO'S: THE GOOD, THE BAD....

PPO & Plan Collusion? The Courts are Going to Decide

Hospitals violated the Sherman Act through the use of exclusionary managed care contracts; contracts with commercial health insurers that inhibit the insurers from also contracting with competitors.

U.S. and State of Texas v. United Regional Health Care System
 No. 7:11-cv-00030-O (N.D. Tex., Feb. 25, 2011) (Agreed Upon Judgment and Stipulated Injunction)

State of Texas vs. Southwest Health Alliances, Inc. dba BSA Provider Network, Cause D-1-GV-000528m (Travis County, TX, May 9, 2011) (Agreed Upon Judgment and Stipulated Injunction)

Southwest Health Alliances, Inc. dba, BSA Provider Network, U.S. Fed Trade Comm., Docket No. C-4327 (July 8, 2011) (Consent Agreement to Cease and Desist)

Hospital Submits Fraudulent Bills & Network Prohibits Audit

State of California ex rel. & Rockville Recovery Associates Ltd. v. MultiPlan Inc., et. al. Case No. 34-2010-00079432



PPO'S: THE ALTERNATIVES

"No Network" Options

- Balance billing is an issue but many new legal arguments and procedures developed to deal with the threat
- Some are dropping networks altogether and utilizing out of network pricing for all, based upon MSRP, retail pricing, wholesale costs, actual costs to the provider, amounts charged by other providers for the same service, amounts charged by this provider to other payers, etc.

Shrinking the Network

- By shrinking networks, some Plans are seeing premiums dropping by up to 15%!

Diagnosis Related Groups ("DRG") Pricing/Direct Contract with Plan (AHP)

- Medicare-Plus, whereby a plan pays what CMS pays, plus a set percentage



DIRECT AGREEMENTS

Agreements with:	Locations	Effective Date
Norman Regional Health System	Norman, OK	10/5/2006
Mercy Health System of Oklahoma	State-wide locations	5/8/2009
Mercy Memorial Hospital	Oklahoma City, OK	4/28/2009
Mercy Oklahoma Heart Hospital	Oklahoma City, OK	5/26/2009
Bailey Hospital	Owasso, OK	6/30/2011
McBride Orthopedic Hospital	Oklahoma City, OK	2/2/2011
Muskogee Community Hospital	Muskogee, OK	3/30/2010
Hillcrest Medical Center	Tulsa, OK	6/30/2011
Henryetta Medical Center	Henryetta, OK	6/30/2011
Cushing Regional Hospital	Cushing, OK	6/30/2011
Oklahoma Heart Institute	Tulsa, OK	6/30/2011
Integrus Medical Center	State-wide locations	Pending

Direct Contracts

- No access fee
- DRG based reimbursement for majority of facilities
- Plan retains audit capability
- Valued by stop loss carrier as offering up to 6% better pricing on specific reinsurance coverage than PPO contact - possibly more for underlying claims



2012 CHANGES

MedCom replacing HealthSmart Care Management eff 1/1/12

- Utilization Review
- Case Management
- Maternity Management
- Requires new ID cards

Health Reform Continues to Evolve

- 4 page summary of benefits due in March
- Many regulations yet to be written
- More Health Reform changes possible
- We will keep you informed



POSSIBLE 2012 CHANGES

Possible expansion into Louisiana

- We have been approached by representatives of the Louisiana banks
- AHP fits perfectly with Louisiana community banks
- Pricing is being developed by the Trust's actuary Milliman
- Have had initial meetings with Louisiana Insurance Department
- Cautiously optimistic about approval in the state

Possible Prescription Changes

- We are continuing to monitor increasing prescription cost trend

Exploring Integrated Disease Management & Wellness Program

- Offered at the employer level
- Useful tool in assisting banks to improve their bucket rating



POSSIBLE 2012 CHANGES

Satori World Medical



QUESTIONS & SURVEY

Have suggestions or comments?

We'd love to hear them! Tell us your stories!

Follow us on Facebook!

Keeping up with your health plan can be as easy as keeping up with your friends. Like us on [Facebook!](#)

- Plan & Prescriptions updates - Keeping up with your Plan has never been easier!
- Community Events! Help us support our communities
- Healthy tips - Daily tidbits to help keep you in tip top shape
- Health Related Articles - What's new in healthcare
- Health Reform updates