

R. L. EVANS COMPANY, INC.

## INSURANCE SPOTLIGHT

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## Washington State Legislation Updates



The new legislative session is under way and there are some new bills to watch:

**HB 1154 – “Mental Health Parity”** will require insurance plans cover mental health care the same as any other illness. The bill was passed by the House and Senate and signed into law by Governor Gregoire on March 9, 2005. The bill projects that the cost will only add about 1.1% to current rates but the insurance industry has indicated that it will be more like 2% - 5%.

Beginning in 2006, or upon renewal, plans will be required to cover mental health with the same copayment and coinsurance charged for medical and surgical services. By 2010 plan will not be able to impose visit limits or monetary caps on mental health services unless they are also imposed on medical and surgical services. Groups with 2-50 employees, would be exempt as would large employers who self-fund their medical programs.

### New Federal Law Increases USERRA Insurance Rights

USERRA is the federal law that protects employees who are called up for active duty. The original legislation guaranteed certain reemployment and health plan continuation rights for 18 months. Because military personnel are often called up to active duty for longer than 18 months, President Bush signed legislation that would extend their health coverage rights to 24 months. The change will effect anyone applying for USERRA coverage on or after December 10, 2004.

The new law also requires employers to notify employees of their rights and obligations under USERRA using a notice provided by the DOL. Employers may meet this requirement by posting the notice in the office.



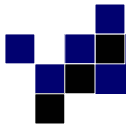
**HB 1702 - “Health Care Responsibility Act”** would require large employers (50+ employees) to offer health insurance to their employees. If they did not, they would pay a tax equal to 85% of the Basic Health Plan premium for each employee working over 86 hours/month.

**SB5888 - “Access to Individual Health Insurance Coverage”** would help some of this State’s 600,000 uninsured qualify for coverage under individual plans by reducing the number of applicants that insurance companies could deny coverage to and establish rate increase parameters.

**Health Insurance Reform** — Insurance Commissioner Kreidler has withdrawn his proposal that would require health insurers to pay into a State pool that would buy reinsurance to cover 75% of the cost of a medical claim that exceeds \$25,000. Kreidler believed that this would reduce the amount that insurance carriers would have to charge because they would be protected from large claims. The proposal was withdrawn after the projected savings could not be validated.

### Harrison Hospital Back In Regence's Network Effective April 1, 2005

Regence BlueShield and Harrison Hospital in Kitsap County have reached an agreement that will allow Regence BlueShield members to seek care there. Harrison Hospital terminated its contract with Regence back in April 2003 leaving a large gap in service providers for members in the Bremerton and Kitsap County areas. The new agreement will be effective on April 1, 2005.



## Premera Blue Cross Updates

### Albertsons Rejoins Pharmacy Network

Effective December 1, 2004, Albertsons stores have rejoined the Premera Pharmacy Network. Any prescriptions filled on or after December 1, 2004, will be processed at the in-network benefit level. This adds about 1,900 pharmacies nationwide to the 57,000 pharmacies already included in the network.

### New Specialty Pharmacy Vendors

On April 30, 2005, Premera will terminate its contract with CuraScript as its Specialty Pharmacies vendor and will begin using Caremark and Medco Special Care Pharmacy. Specialty Pharmacies provides delivery and management of specialty drugs which are biotech drugs used for rare or complex conditions like rheumatoid arthritis, multiple sclerosis, Hepatitis C and hemophilia. Physicians and members who used CuraScript in the past year were notified of the change in February.

### National Dental Network

Beginning on April 1, 2005, Premera's dental network will have a national provider. The expanded network will allow members to choose from 52,000 dentists nationwide. Members who receive their care from one of these providers will only need to show their Premera ID card; the dentist will submit the claim. Members may still go to any dentist but they will be responsible for fees that are charged that exceed the allowable charge.

### National ID Cards

Premera has updated their ID Cards to help members and providers outside of the service area. In the past the ID cards listed the BlueCard network as Heritage or Foundation. These networks were only available in WA and AK and were confusing to providers in other states. They are now being printed to indicate either the BlueCard PPO or BlueCard Traditional network.



### **Emergency Service Only At Swedish's First Hill**

Seattle Emergency Physician Service who provided ER service to Swedish Medical Center's First Hill location has terminated its contract with Premera as of April 1, 2005.

For emergencies, members may still go to the First Hill location and receive the in network coverage, but for other services members will pay the higher out-of-pocket costs for going to a provider outside the network.



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## **PacifiCare Offers New Online Billing Service**

In March PacifiCare will be notifying groups of their new online billing system. The online system will allow employers to:

- ◆ View all plan invoices online.
- ◆ Receive bills 3 – 5 days faster than manual billings.
- ◆ Download invoices to review and reconcile records.
- ◆ View current activity, which provides a detailed listing by enrollee.
- ◆ View detailed listing of Retroactive Enrollee and Group Adjustments.

Employers may go to the employer portal at [www.pacificare.com](http://www.pacificare.com) to register for the service or contact your membership billing representative.

## **Aetna's New Specialty Pharmacy**



Aetna has joined with Priority Healthcare Corporation as its preferred provider for specialty pharmacy and biomedical distribution services. This alliance will also provide some therapies that had not been offered or which were limited in the past. Specialized medications are used for treating individuals with chronic illness like cancer, hemophilia, hepatitis, immune deficiency, infertility, multiple sclerosis and pulmonary diseases.

The pharmacy center will open on March 1 and should be available to all members by the 3<sup>rd</sup> quarter of 2005. By the end of the year they are expected to have 250 full-time associates to provide specific treatment programs and patient care coordination. This will also include pharmacists and nurses trained in complex therapies.

PacifiCare®



Online Billing Available

## Regence BlueShield Updates



### New RegenceRx Site

Regence now offers a dedicated pharmacy site called Regence Rx. In the past, all of the BlueShield's that were part of the Regence Group had offered different pharmacy Web sites. The Regence Group has created one site that all of its members and providers can now utilize.

- ◆ RxPrice Guide, provides information about the costs of the most commonly prescribed medications as well as listing available alternatives, including generic equivalents.
- ◆ 2005 Preferred Medication List/Formulary.
- ◆ Member Resources page contains useful tips that will enable members to be more educated health care consumers.
- ◆ Prescription claim processing (electronic, online, real-time).

There is a link on Regence's web site or go directly to [www.regencerox.com](http://www.regencerox.com).

### Preferred Medication List Revised for 2005

As pharmaceutical costs continue to rise and new medications (brand name and generic) are introduced to the market, carriers evaluate their preferred medication list/formulary. For Regence, one of the most significant changes is the removal of Lipitor®, which is used to reduce cholesterol. They have added two alternative medications: Vytarin® and Crestor®, both of which are about 21 percent less expensive than Lipitor. The chart below lists some of the prescription medications that are being removed effective January 1, 2005, along with alternatives for these medications.

Deleted Medication	Preferred Medication List Alternatives
Accupril®	lisinopril (Zestril®, Prinivil®), fosinopril (Monopril®), captopril (Capoten®), enalapril (Vasotec®), Mavik®
Lamisil®*	fluconazole (Diflucan®), Sporanox®*
Lipitor®	lovastatin (Mevacor®), Crestor®, Lescol®, Lescol XL®, Vytarin®
Norvasc®	felodipine (Plendil®), nifedipine SA (Adalat CC®)
Xalatan®	Travatan®, Lumigan®
Zoloft®	fluoxetine (Prozac®), paroxetine (Paxil®), citalopram (Celexa®)

**Members who are currently taking any medications being removed from the list at this time (including Lipitor) will be grandfathered.**

### Revised COBRA Billing

Effective with group renewals beginning January 1<sup>st</sup>, solitary COBRA participants will be charged the same rate as an employee.

- ◆ If solitary spouse or solitary child enrolls on COBRA they will be charged the employee rate.
- ◆ If a spouse and child(ren) enroll, the spouse will be charged the employee rate and the child(ren) will be charged the child(ren) rate.
- ◆ If two or more children enroll, the oldest child will be charged the employee rate and the other(s) will be charged the child(ren) rate.

### New Form To Add Newborns

Members can easily add a newborn to their coverage using the new Newborn Application available online in the Members Forms section. Instead of completing an Enrollment and Change Form, which the group administrator must process, members may submit this form directly to Regence allowing for quicker processing of claims. Employers will receive a copy of the form for their records.