

# TrueBlue

News for agents / July 2008



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## *You've got the health care advantage*

Blue Cross and Blue Shield of Minnesota makes you a leader where it really counts: each time members receive cost-effective, high-quality care. With Blue Cross, you can offer our advantages in network design options, centers of excellence, and quality incentives — along with innovations like e-visits, retail health clinics and package pricing. See page 4.

A couple of recent events made me realize how much momentum we have with the new Blue Partner program for top agents and agencies.

Early last month, we had our first Blue Partner Appreciation Event. Many Blue Partners were able to attend, and it was an opportunity for Blue Cross to thank Blue Partners for their business. We also enjoyed some entertainment and had a lot of fun. In fact, I do not recall another time when I had so many calls, e-mails and thank-you notes from agents about a Blue Cross event. As I drove home that evening, I was especially proud of the organization that I work for and the many fine agents who represent us. It was a memorable evening and we are already planning next year's event.

Shortly after this event, I was on the road with one of my colleagues, Monica Engel, large group sales director for account management. We were visiting some key accounts in northwestern Minnesota and also had an opportunity to visit a new Blue Partner agency — Bakke Insurance in Thief River Falls. This fine agency is run by Mark Thune and Rob Blankenfeld. We had an opportunity to congratulate them on being a new Blue Partner firm and also talk to their entire staff about what it means to be a Blue Partner. Mark and Rob had plenty of ideas how we can work together and do even more Blue Cross business. Monica and I were touched when the agency celebrated their new status with us and shared a blue cake! You remember things like that.

I'm looking forward to helping you become a Blue Partner with Blue Cross. It's our future opportunity to help each other be successful.

Until next time,



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## Quick takes

### Another Blue Cross innovation: drugs from a vending machine

When you sell Blue Cross pharmacy programs, you're representing cutting-edge thinking about formulary and dispensing management.

Case in point: we've begun a pilot project that puts 27 drug-dispensing vending machines in select Minnesota clinics, primarily in the Twin Cities metro area (and some in Wisconsin and North Dakota, too). The machines are provided by MedVantx Inc., a national point-of-care delivery network that works with health plans, physicians and pharmaceutical companies to create programs designed to facilitate medication adherence and promote generic and OTC drugs.

To access the drugs in the machine, participating physicians use this ATM-like Sample Center (dispensing machine) in their office area. The doctor punches in a password and selects the drug. Along with the drug, the doctor gets a barcode product selection verification, medical chart documentation and patient counseling materials. Because the machine dispenses drug samples, there is no cost to the member.

Providing a generic alternative drug in this innovative dispenser will increase the likelihood of getting the member started on and staying on the generic drug. This initiative applies to our fully insured market segment only.

### Small group underwriting turnarounds: Worthy of Olympic gold?

If there were an Olympic event in underwriting services, our small group underwriters would be "going for the gold."

This is good news for your sales process. You get answers fast and can provide exceptional client service. Here are the facts:

- 72 percent of all small group offers are completed and ready to be made within seven days
- 95 percent are completed within 14 days

This success is due to the teamwork of our underwriting support area (entering data from applications), service reps (group eligibility), specialists (obtaining medical information by phone) and underwriters (reviewing health history). Together, they bring exceptional service to you. Go team!

## Minnesota legislators take first step toward health care reform in 2008 session

This year's Minnesota state legislative session had everyone talking health care, from HSA tax conformity, expanding MinnesotaCare eligibility to attempts to balance the state budget by dipping into the Health Care Access Fund. The biggest change around health care was the first version of health care reform that passed in the last hours of the session. Here is some of what the bill covered:

- ❶ Community grants to reduce obesity and smoking
- ❷ Medical Homes — standards will be developed in order to coordinate care for individuals and will begin with government-funded programs
- ❸ Provider payment reform designed to reward providers for high-quality, low-cost health care and for care coordination
- ❹ Establishment of uniform pricing by providers for specific “baskets of care” — the commissioner of health will determine how the state could establish one price for a set of services that fall within a certain “basket”

Phil Stalboerger, vice president of policy and legislative affairs, leads a team of skilled public policy experts and staff who educate policymakers on issues affecting health care, such as affordability, universal coverage and initiatives like the work done by Prevention Minnesota.

We talked with Stalboerger about the 2008 legislative session that wrapped up in mid-May.

### Q. How do you feel this year's session went?

A. The 2008 session was one of the more intense sessions in recent years, mainly because there was a lot going on that affected all segments of the health care industry. Much of the health care reform legislation that was enacted will require our work to continue this summer and in years to come.

### Q. Did you expect the level of frenzy around the budget shortfall, especially as the session came to a close?

A. You know, we did, but I don't think we expected the sheer desperation we saw. The fact that legislators were trying to make up for a \$1 billion gap by dipping into many areas where there was perceived available revenue just shows what a serious situation it was.

### Q. Was that the most surprising thing that happened this session?

A. Yes — plus the number of bills we were tracking and this session's pace kept us busier than I can recall in all of my 14 years of policy work. Also, the work doesn't end when the gavel falls. In many ways, our work really begins when the session ends and we are already preparing for next year's session. Our team is also working on health care issues at the federal level, which presents a different set of challenges and opportunities.



## The Blue Cross advantage starts at the heart of health: Introducing Optimized Care Delivery

It's remarkable what can happen when people are inspired to own their health. They make healthier choices; they spend health care dollars as if they were their own. They seek health care that "fits" their needs from providers known for quality, cost-effective care; their behavior leads to improved cost trend over time.

At Blue Cross, we help purchasers build a more "engaged" population by first engaging the doctors, therapists and hospitals that care for individuals. We call it Optimized Care Delivery, and you can consider it another way to differentiate the value of Blue.

### What is Optimized Care Delivery?

It is unmatched network strength and innovative network design. It is centers of excellence and incentives that drive provider quality. It is delivery innovations like e-visits, retail health clinics and package pricing. It's all the ways we are working to improve access to quality care and drive savings to the bottom line.

### How to position unmatched access and measurable savings

Whether they're around the corner or halfway across the world, your clients' employees have access to Blue Cross participating providers. In Minnesota, Blue Cross has contracts with more than 95 percent of physicians and almost all hospitals. On a national level, the BlueCard® networks provide access to more than 88 percent of all physicians and 99 percent of all hospitals in the United States.

Network access for more members in more locations delivers greater savings for your clients and their employees.

Keep in mind, also, that all the contracting strategies and payment methods we use to encourage providers to offer maximum quality at the most efficient cost. Examples include DRG (diagnosis-related group)-based reimbursement at the inpatient level and fixed-fee reimbursement for most outpatient procedures. Even more current — our development of "package pricing" for episodes of care,

such as hip replacement surgery, to stabilize costs and give employers and members information for planning and budgeting. Our efforts in these areas have helped us to slow the unit cost impact of medical trend by \$25 million in 2008 alone.

### How to make the quality-data connection

It's a proven fact: Excellent care is more cost-effective care. And that's a win-win all the way around. That's why you can count on Blue Cross to keep finding ways to assess provider performance to identify those who excel on quality and cost. How do we use quality and cost data?

For our Blue Precision® multilevel networks (not available for small groups):

- Integrating provider information transparency, solid design principles and performance-based measurement to highlight the most efficient providers and provide you with options like Blue Selections for your 51+ clients.
- Weighing quality and cost measures equally and incorporating actual provider consultation to identify the best-performing providers.
- Covering more specialties (17) and quality measures (43) than any other Minnesota health plan to help members select “best-fit” providers.

### For our Recognizing Excellence<sup>SM</sup> programs

- Offering “pay-for-performance” incentives to providers who help people stay healthy and reward them for better outcomes
- Enhancing provider information transparency to help members make informed use of their networks and providers deliver care more efficiently and effectively.

### For centers of excellence

- Offering national access to premier centers for bariatric surgery, transplants, cardiovascular care and rare and complex cancers through the Blue Cross and Blue Shield Association\*
- Producing the highest level of care at the most cost-efficient price.

\*An association of independent Blue Cross and Blue Shield plans.

### How to talk about innovation

The solutions to today's health care challenges depend on finding alternatives to high-priced, clinic-centered, fee-for-service care delivery models. That's why Blue Cross was the first health plan in Minnesota to add retail health clinics to our provider networks. And it's why you depend on us to lead the way with innovations to come. Here are just a few of the new models of care brewing:

- A model for “virtual consults” that allows physicians in smaller communities to share patient diagnostic data electronically with a tertiary care center and have a consult with a sub-specialist within 48 hours, all without the patient leaving his or her community.
- “Clinic home” models that engage physicians in providing special care and support to members with highest opportunity for cost-saving change as part of our Whole Person Health Support<sup>SM</sup> approach.
- An e-visit model that for more routine care questions and direction lets members connect with their providers from home or from the office and avoid the inconvenience, expense and time commitment of a visit to the provider's office.

### The Blue Cross care advantage

Ask yourself, what if you could offer your clients a network that gave them the flexibility to promote high-performing providers while preserving choice? What if their employees had better information to make care “best-fit” care choices? What if you could find a network partner committed to innovation in health care delivery based on results and value?

## Tips in selling retiree group health plans

As the workforce ages, employers are reconsidering their obligations to provide health care coverage for retirees. The good news is that Blue Cross has solutions for your clients in the 51+ market that can mean big opportunity for you.

### Why employers want the product

Rising health care costs for an aging population, strict financial accounting standards and contribution issues all impact an employer's decisions and make for a complex situation. But that's not all. Companies need to attract and retain quality employees. Often, a benefit package is equally important to salary. And a quality health care plan plays a significant part.

But employers who offer retiree health care may not have the right plan. As many as one-third of all large employers offer retiree health benefits but are wrestling with the dilemma this commitment is causing. Typically, government agencies and companies with the most robust plans are struggling the most and that is where your most likely prospects are. They are looking for someone that can help them with answers.

### We have a strong solution for you to sell

Blue Cross has the knowledge, experience and products to create an effective solution. And you have the advantage of offering a retirement solution from a company that's been around a long time and that your prospect already knows. We understand the challenges employers face. Blue Cross' consultative approach allows your prospect to take advantage of our in-house regulatory, compliance and product expertise when designing retirement solutions.

### Group retirement solutions

We are developing a suite of products and services that can be tailored to your prospect's unique needs. These products for pre- and post-65 retirees are integrated and flexible to fit the health and lifestyles of retirees — including healthy active retirees interested in wellness and prevention, those who are financially secure but have ongoing medical issues, Medicare age-ins who plan to continue working, and elderly at-risk seniors.

We can help your clients:

- Reduce costs administering retiree health benefits
- Provide benefits that attract and retain an active workforce
- Address the financial strains caused by an upcoming wave of retiring baby boomers
- Transition employees to a healthy retirement
- Limit exposure to the Financial Accounting Standards Board/Government Accounting Standards Board (FASB/GASB)

### Working together to make the sale

Blue Cross group retirement solutions give you a dual opportunity for your business. First, examine your current book of business and determine which of your clients would benefit from a group retirement product. You already have the advantage of knowing their situation and have formed a working relationship with them. Offering a retirement solution is a natural extension of your service and gives you another reason to stay in touch. The obvious reward is being able to make additional sales to the customers you already have and retain their future business.

The second opportunity is to get new business from competitors. Armed with a suite of products that can handle your prospect's special needs, you could have a leg up on your competition before they can react.

### Make the sale with Blue Cross

You have a powerful ally in Blue Cross. Seventy-five years of experience, a trusted name in the industry and people dedicated to support your efforts to make the sale. Your representative has access to regulatory experts and knows what kind of financial liabilities employers are facing. They understand employers' challenges, can point out strategic opportunities and help customize the ideal solution.

If you have a current client or prospect in mind who would be a great candidate for a group retirement product from Blue Cross, let us help you make the sale. For more information on a current Blue Cross group account, please contact your large group account manager. For new prospects, please contact your sales lead.



*Blue Cross' consultative approach allows your prospect to take advantage of our in-house regulatory, compliance and product expertise when designing retirement solutions.*

### **Learn more about retirement solutions**

If you'd like to provide your clients and prospects more information about all the group retirement solution products, have them visit [bluecrossmn.com](http://bluecrossmn.com) and click on "plans for groups with over 50 employees" for additional details.

You can access sales materials and other documents by signing onto Blue Edge and selecting "Library and Forms" and then "Medicare Documents." This site is constantly being updated, so check back often.

## Help clients and prospects lower health care costs with BeniComp Advantage

BeniComp Advantage rewards employees in groups of 51 or more employees for healthy living through financial incentives that employees use to reduce their plan deductible. The program can lower health care costs, encourage employees to be healthier and reward them for living a healthy lifestyle.

BeniComp Advantage is a fully insured supplemental health plan that can be paired with a high-deductible health plan (HDHP) to provide incentives for employees to live healthier by offering reductions — called wellness credits — toward their out-of-pocket deductible if they participate.



John Ratelle is the local subject matter expert representing BeniComp Advantage in Minnesota. We asked John to share his thoughts about selling this innovative health and wellness incentive program.

### Q. What types of companies are good prospects for BeniComp Advantage?

A. Companies ready to try something different to reduce health care costs. Historically, their options have been to raise deductibles and shift risk to employees. This hurts the lowest-paid employees the most. BeniComp is the transitional strategy to higher deductibles, while encouraging improved lifestyles. Many prospects have probably tried wellness programs, but haven't seen high enough participation rates to impact trend.

### Q. How should agents position the incentive program?

A. Position it as a benefit, not a take-away. After all, it's one of the few products your clients can take to their finance and human resources departments and show an immediate return on investment. We consistently see net savings of about \$35 per employee per month. That's something a human resource benefits person can take to finance and say, "Here's a great way to fund our wellness program."

### Q. Any selling tips?

A. Remember, it's a win-win-win situation. Employees win because they have incentives to get healthier and avoid paying higher deductibles. Human resources wins with a wellness program that typically draws a 95 to 100 percent participation rate. And employers win by lowering health care costs and fostering a culture of health and wellness. Be sure to remind prospects that the program is flexible to suit their unique situation.

To learn more about the BeniComp Advantage program, contact your Blue Cross large group account manager for current accounts and your Blue Cross sales lead for a large group prospect.

BeniComp Inc. is an independent company that does not provide Blue Cross products or services. BeniComp Inc. is solely responsible for BeniComp Advantage.



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