



STATE OF MAINE  
BUREAU OF HUMAN RESOURCES

# Healthy Times

Employee Health & Benefits Newsletter – Fall 2008

## STATE EMPLOYEE HEALTH COMMISSION

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## MESSAGE FROM THE EXECUTIVE DIRECTOR

The State Employee Health Commission continues to face serious challenges while trying to maintain a generous and comprehensive benefit plan. The State of Maine has an accrued liability for retiree health of \$1.76 billion. As plan enrollment declines for active employees, there has been a steady growth in retiree membership. Non-Medicare retirees consume 2½ times the medical and pharmacy costs of active employees on a per member basis. The growth of the retiree population means continued increases in plan expenses.

There are wide variations in quality, cost and utilization of services across the state. We pay \$11,000 for hip replacement surgery at one location and \$34,000 for the same procedure at another location. It is estimated that 30-35% of all medical services provide no value or clinical benefit to the patient. The difficult task is trying to figure out which services provide value and which do not. The plan must balance serving the legitimate needs of patients while eliminating waste from the system.

The Commission has established an agenda that is based on several principles:

- Resist arbitrary cost-shifting to members
- Oppose reductions in the employer share of premiums
- Support value-based purchasing principles
- Advocate greater transparency – performance measurement and public reporting of hospital/physician quality and costs
- Implement tiered benefits based on quality, patient safety and efficiency
- Introduce evidence-based benefit design

As we look ahead to 2009, the Commission expects continued challenges to contain costs. We will look to new approaches such as incentives for members to strongly consider **minimally invasive surgery** for selected procedures. In most instances minimally invasive surgery results in quicker recovery time, fewer complications and less risk for infections.

The Commission has begun research on **evidence-based pharmacy** benefits. This initiative would focus on members with selected chronic conditions to improve their adherence to prescription drug therapy. For example, the plan might offer members who have had a heart attack lower copays for their cholesterol-lowering and high blood pressure medications. In order to receive the reduced copays, the member would be required to participate in a disease management program to assist them in managing their condition.

Working with the Maine Health Management Coalition and the provider community, the Commission hopes to introduce the first performance information on a small number

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# HOW TO REACH US

## WORKERS' COMPENSATION

207-287-6655  
Toll Free: 1-800-422-4503

## EMPLOYEE BENEFITS

[www.maine.gov/beh/](http://www.maine.gov/beh/)  
207-287-6780  
Toll Free: 1-800-422-4503  
TTY Toll Free: 1-888-577-6690

## WELLNESS CENTERS

<http://inet.state.me.us/wellnesscenter>

Augusta: 207-287-9059  
Bangor: 207-941-4774

Hours:  
Monday - Thursday  
6:00 a.m. - 7:00 p.m.  
Friday  
6:00 a.m. - 2:00 p.m.  
Saturday  
8:00 a.m. - 2:00 p.m.  
(September - May)

## LIFESTYLE FITNESS CENTERS

[www.lfemaine.com](http://www.lfemaine.com)

Portland: 207-797-5700

Hours:  
Sunday 6:00 a.m. -  
Friday 10:00 p.m.  
24 hour access  
Saturday  
6:00 a.m. - 8:00 p.m.

Scarborough: 207-883-2979

Hours:  
Monday - Friday  
4:00 a.m. - 10:00 p.m.  
Saturday - Sunday  
6:00 a.m. - 8:00 p.m.

## E.A.P.

Employee Assistance Plan

Contact us **TOLL FREE**  
at 1-800-451-1834

# EMERGENCY ROOM USE

Recently, the State Employee Health Commission asked our independent data analysis partner, the Maine Health Information Center, to examine emergency room use by State employee health plan members. The results of this review are alarming.

In 2007, the State of Maine health plan members use of emergency room visits was 26% higher than a large group of other Maine employers. There were nearly 300 members identified as frequent emergency room users (4 or more emergency room visits in a 12-month period).

The rate of emergency room use varied widely from different areas of the state. In Caribou, the emergency room visit rate was 640 per 1,000 members in 2007. During the same period, the ER use rate in Brunswick was 237 per 1,000 members – less than 40% of the rate in Caribou.

Perhaps the most troubling finding was the use of the emergency room for non-urgent conditions or conditions that are treatable in the primary care setting. The Maine Health Information Center identified 15 conditions that are likely to be non-urgent or treatable in the primary care setting. These conditions include sore throat, ear infections, bronchitis, lower back pain, headache, and abdominal pain.

For these 15 conditions the State employee rate was 30% higher than the other Maine employers. The average payment for an emergency room visits for these conditions was \$759. The average office visit payment for these same services was \$112. These data suggest that State employee plan members are using the most expensive setting for conditions that would be more appropriately treated in the primary care setting.

In some instances, we suspect that members are using the ER because it's difficult to access a primary care physician after normal business hours. In other situations, members may find it more convenient to use the ER, and with the minimal \$20 emergency room copay, there is little incentive not to use the ER.

While the Commission has reviewed the emergency room study and the unsettling results, there is no easy answer to remedy this over-use. One of the suggestions we would offer is in the case of non-urgent conditions. Members may want to take advantage of the **24/7 Nurseline @ 1-800-607-3262**. You can speak to an experienced nurse, discuss symptoms you are experiencing and get help making informed decisions if you should get medical attention, and where is the best place to get it.

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## Message from Director, *continued from p1*

of specialties in 2009. We anticipate being able to provide members with clinical performance information concerning the treatment of heart disease and cardiac surgery.

With all of these initiatives, it is increasingly important that you become a more informed and active patient. The Commission will continue to offer tools to help you make decisions. In the meantime we encourage you to take a glance at the following websites: [www.maine.gov/beh/](http://www.maine.gov/beh/), [www.mhmc.info/](http://www.mhmc.info/), [www.mainequalityforum.gov/](http://www.mainequalityforum.gov/), and [www.leapfroggroup.org/](http://www.leapfroggroup.org/), [www.anthem.com/wps/portal/ahpmember?content\\_path=member/noapplication/f0/s0/t0/pw\\_ad094760.htm&label=Anthem%20Care%20Comparison%20FAQ&state=me&rootLevel=0](http://www.anthem.com/wps/portal/ahpmember?content_path=member/noapplication/f0/s0/t0/pw_ad094760.htm&label=Anthem%20Care%20Comparison%20FAQ&state=me&rootLevel=0)

# DEFERRED COMPENSATION PLAN UPDATE

## WHAT YOU NEED TO KNOW IN THE FACE OF FINANCIAL MARKET TURMOIL

Recent turmoil in the credit and financial markets has understandably raised concerns about the safety of investments in retirement savings plans, such as the State of Maine Deferred Compensation Plan. Here are some important facts to be aware of regarding your investments in the Plan:

- Both the principal and rate of return (interest) on fixed income investments are guaranteed by the insurance companies in which such investments are held. These insurance companies are strictly regulated under state insurance laws, which emphasize solvency and the appropriate investment of assets to meet the guarantees made.
- Investments in mutual funds and variable annuity account options are regulated by the U.S. Securities and Exchange Commission (SEC). The assets in these funds are owned by you and other shareholders, and are monitored by professional portfolio managers. That means the assets in these funds are not unduly affected by the business actions of any one company. Most importantly, it also means that assets held in these funds may not be used to satisfy the claims of other creditors of the financial services organization (FSO) through which such investments are made in the event of its bankruptcy.
- If you are currently investing in a self directed brokerage account through your Deferred Compensation Plan FSO, a further layer of protection may be available via the Securities Investor Protection Corporation (SIPC). SIPC provides insurance up to certain limits for holders of mutual fund shares (among other assets) against losses arising from the bankruptcy of a broker-dealer. See [www.sipc.org](http://www.sipc.org) for additional details.

At times of financial unrest, it's important to remember that your retirement account is a long-term investment — this means that the value of your account will most likely fluctuate with the market over the short term, but can still show long-term growth. Now might be a good time to talk with your FSO representative or other financial advisor to determine whether your current asset allocation still meets your needs.

If you have questions about your Deferred Compensation Plan account, contact your FSO using the appropriate number on the Deferred Compensation Plan website (visit [www.maine.gov/beh](http://www.maine.gov/beh) and select the “Deferred Compensation” tab on the left side of the webpage). Or, you can visit your FSO's website. Additional information will be posted to the Plan website as it becomes available, so be sure to check the site periodically for updates.

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## OCTOBER 1<sup>ST</sup> BENEFITS CHANGES

Active employees and non-Medicare retirees are reminded that there are benefit changes effective October 1<sup>st</sup>. These changes only apply to the point-of-service plan. These changes were implemented to address \$3.5 million in budget cuts for FY2009.

- \$100 per day copay for inpatient admissions (maximum of \$300 per calendar year).  
**Copay is waived if member is admitted to a preferred hospital.**
- \$50 copay per outpatient surgery.  
**Copay is waived if member has surgery performed at preferred hospital.**
- \$50 copay for high-tech imaging (MRI, CT Scan, SPECT, and nuclear cardiology).  
**Copay applies to all facilities.**
- An NDC (national drug code) block program for a limited number of drug categories. For example, Nexium is no longer covered under the prescription drug plan but other brand name drugs will still be covered. Additionally, over-the-counter (OTC) Prilosec with a physician's prescription is covered at the generic copay.

Mammograms and colonoscopies will continue to be covered at 100% regardless of where the service is provided.

More information about the October 1<sup>st</sup> benefit changes and Frequently Asked Questions are available on our website: [www.maine.gov/beh/](http://www.maine.gov/beh/).

### FLEX SPENDING ANNUAL ENROLLMENT

11/14/08 - 12/12/08 @ 5:00 p.m.

Look for plan changes coming soon! Announcements will be sent via e-mail and regular mail by 11/14/08.

# RETIREE'S CORNER

## New Medicare Plan January 1<sup>st</sup>

The State Employee Health Commission is pleased to announce that **Coventry Health Care** has been selected to provide a Medicare Private-Fee-for-Service (PFFS) plan for Medicare eligible retirees enrolled in the State employee health plan. The Coventry plan, *Advantra Freedom*, will fully replace the current Medicare plan effective January 1, 2009.

Coventry was selected as the result of a competitive bid process that produced eight proposals. The Commission found that the Coventry proposal offered the State and the Medicare retirees the best overall value. Highlights of the *Advantra Freedom* PFFS plan are:

- A single ID card and all claims paid by one insurer
- Retirees can receive care from any provider who accepts Medicare payments and Coventry's terms and conditions
- Covers all existing services plus provides for routine preventive care
- Available nationally – retirees continue to be covered across the country
- Premium rates are much lower – monthly rates effective January 1<sup>st</sup> will be \$237.42 vs. the current \$320.10

Medicare retirees will be receiving materials from Coventry on the *Advantra Freedom* plan including a schedule of informational meetings to be held at locations throughout the state in October and November.

Medicare retirees are encouraged to attend an informational session near you to find out more about your new health plan.



*Return Service Requested*

Augusta, Maine 04333-0114  
220 Capitol Street  
State House Station 114

**STATE OF MAINE  
EMPLOYEE HEALTH & BENEFITS**

