

UNICARE_{exchange}

A periodic publication for our UNICARE customers



WELLPOINT WINS BATTLE TO TAKE CLARITIN OVER-THE-COUNTER

Schering-Plough Corporation recently announced plans to make its best-selling prescription allergy pill, Claritin®, available to consumers in drug stores later this year. One of the most heavily advertised drugs, Claritin is the leader in a class of non-sedating antihistamines that treats runny nose, sneezing and other allergy symptoms without making patients drowsy. Claritin's move to over-the-counter (OTC) status means that patients would not need a doctor's prescription to buy the drug.

In 1998, UNICARE's parent company, WellPoint, filed an unprecedented petition with the United States Food and Drug Administration (FDA) to convert Claritin, as well as the Aventis drug Allegra® and Pfizer's Zyrtec®, to OTC status. WellPoint, citing Schering-Plough's own claims that Claritin's side effects are comparable to a sugar pill, conducted a proactive campaign to promote the position that this class of drugs is safer and equally effective as other antihistamines currently sold OTC. In May 2001, an FDA advisory panel of experts voted overwhelmingly to back WellPoint's request to convert all three drugs to OTC status.

Dr. Robert Seidman, WellPoint's chief pharmacy officer, cheered Schering-Plough's move, saying the antihistamine drugs do not meet the criteria for prescription status.

"This move by Schering-Plough was a very good one for WellPoint, our members and allergy sufferers in the United States," said Dr. Seidman. "I think that there are some important lessons here. On a societal level, WellPoint defined the discussion on increasing access and lowering the costs of pharmaceuticals. As a result, 40 million allergy sufferers will soon have easier and, in many cases, less expensive access to the most popular non-sedating antihistamine on the market."

Dr. Seidman expects that Allegra and Zyrtec will also be moved OTC before their patents expire. "And finally," Dr. Seidman continued, "WellPoint has shown our ability to redefine our relationship with pharmaceutical manufacturers and do what is necessary to protect the affordability of drugs."

As WellPoint's leading national provider of health care benefits solutions, UNICARE is very proud of this accomplishment.

WellPoint Named To "BusinessWeek 50" Ranking Of Top Performing Public Companies

We are pleased to announce that our parent company, WellPoint, was recently named to *BusinessWeek* magazine's "BusinessWeek 50" ranking of the nation's best-performing large public corporations.

To create the "BusinessWeek 50," the magazine ranked every company in the S&P 500 index on key measures of financial success including sales and profit growth, return on equity and return to shareholders. To reward consistency, performance was measured over one-year and three-year periods. Among the 500 companies in the S&P index, WellPoint ranked 28th overall. The list is available at www.businessweek.com and was presented in a special issue of *BusinessWeek*.

"WellPoint's performance reflects our ability to anticipate the needs of health care consumers and provide affordable products that offer choice, flexibility and security," said Leonard D. Schaeffer, WellPoint's chairman and chief executive officer. "The BusinessWeek 50" recognition underscores WellPoint's commitment to operational and financial integrity, and focus on delivering customer value."

WellPoint Named One Of Top Companies For Women Executives Third Year In A Row

We are also proud to announce that WellPoint has been named one of America's Top 25 Public Companies for Executive Women for the third consecutive year. For the second consecutive year, WellPoint has been listed in the top ten.

The award was announced by the National Association for Female Executives (NAFE) and published in the February/March issue of *Executive Female* magazine and on its website at www.nafe.com. The award was previously given by the editors of *Working Woman* magazine.

"We are extremely proud that WellPoint continues to be recognized for consistent achievement in this area," said Leonard D. Schaeffer. "WellPoint's success in recruiting and retaining outstanding executives is the result of the leadership of our Board, one third of whom are women."

In The News

UNICARE Expands in Texas with MethodistCare Acquisition

UNICARE is happy to announce that the acquisition of MethodistCare by our parent company, WellPoint, closed on May 1, 2002. The acquisition of MethodistCare, one of Houston's largest HMOs, will provide a greater choice of products and services for UNICARE members in Texas. UNICARE, WellPoint's premier national provider of health care benefits solutions, will now serve 422,300 members throughout Texas and 215,540 members in the Metropolitan Houston area.

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from the desk of
Susan K. Nagy

Constituent Relations Manager

UPDATE ON WASHINGTON

LEGISLATIVE UPDATE ON FEDERAL HEALTH CARE ISSUES

After a two-week Easter recess, Congress reconvened April 9 to begin its longest uninterrupted work session so far this year of seven weeks. Initial floor debates in both the Senate and House involved legislation on a variety of non-health issues, such as energy, election reform and pensions. However, a number of health care related proposals will also be the subject of public legislative debate or intense behind-the-scenes discussions this spring.

MEDICARE REFORM/PRESCRIPTION DRUG BENEFIT STILL PENDING

In the United States House of Representatives, the health subcommittees of both the Ways & Means Committee and the Energy & Commerce Committee held hearings in mid-April on developing a Medicare prescription drug benefit. Each of these subcommittees had previously held hearings regarding the critical problems affecting the Medicare+Choice program. House leaders hope to bring a comprehensive Medicare reform bill to the floor prior to Memorial Day that would include major Medicare reforms (including provisions to stabilize Medicare+Choice) and a Medicare prescription drug benefit. The bill may also contain other provisions important to health care providers, such as additional provider payments and changes in the average wholesale pricing (AWP) for Medicare Part B covered drugs. In keeping with the House-passed Budget Resolution, the comprehensive bill is expected to cost around \$350 billion over 10 years.

However, the Senate is not expected to act on similar legislative proposals until the fall, which means it is not clear whether a Medicare prescription drug bill can be enacted this year.

MENTAL HEALTH PARITY LEGISLATION EXPECTED TO PASS

New legislation that would permanently mandate expanded health care coverage for psychiatric illnesses has been pending since last September, in anticipation of the 12/31/02 expiration of a more modest version of mental health parity legislation that was enacted on a trial basis in 1996. Such legislation would force employers to provide health insurance that treats mental illness the same as physical illnesses in terms of reimbursement levels and lifetime maximums on payouts.

The White House has expressed support for new mental health parity legislation, and President Bush would like to sign such a bill this year. However, at issue is whether the legislation should cover all of the hundreds of disorders listed in the Diagnostic and Statistical Manual of Mental Disorders or be limited to severe disorders such as schizophrenia and bipolar disorder, which the White House appears to favor. Another issue of debate is whether employers could be exempted if the costs proved excessive (generally defined as 1-3 percent above premium rates without parity).

In today's reality of rapidly rising health care costs, "cost" is the key issue for most employers. Under the 1996 mental health parity bill, employers had to offer the same annual and lifetime limits on both mental and physical illness; however, they could charge patients higher premiums and copayments to help offset the higher costs. Also, if compliance with this mental health coverage mandate increased their health care costs by more than one percent, they could be exempted. Negotiators are now seeking ways to reduce the overall cost of the legislation, other than with exemptions or limitations on the diseases that would be covered. With White House support, it seems likely that mental health parity legislation will ultimately pass.

RELIEF PROPOSED FOR RISING NUMBER OF UNINSURED

According to the American Association of Health Plans (AAHP), there are currently more than 40 million uninsured, and millions more underinsured, Americans. President Bush's FY2003 budget proposal includes \$89 billion over 10 years to fund tax credits to help those who are uninsured and who meet specified income guidelines to purchase private health insurance.

Two bills seeking to apply the budget funds by providing assistance to the uninsured were introduced in the House in April. The first bill, H.R. 4170, would provide assistance to states to help them establish qualified high-risk

pools for those who cannot otherwise get health care coverage. The bill would also assist states to provide financial incentives to encourage health coverage for employees and individuals.

H.R. 4604, entitled the Securing Access, Value and Equality (SAVE) in Health Care Act, was introduced on April 25. Like the White House budget proposal, this bill would provide a pre-payable, fully refundable tax credit toward the purchase of health insurance—\$1000 for individuals, \$2000 for married couples and \$500 per dependent up to \$3000 per family. However, it would also provide 50 percent of any additional premiums to assist those with higher costs and further expand eligibility requirements to allow all low and moderate income earners to have access to coverage.

H.R. 4170 has been referred to the House Ways & Means and Energy & Commerce Committees. H.R. 4604 is also in the House Ways & Means Committee.

No companion bills have yet been introduced in the Senate. However, leaders of both parties in the Senate are continuing their negotiations on the health care provisions included in the Trade Adjustment Assistance Act (S. 1209). Rather than offering tax credits, these provisions provide subsidies to purchase COBRA continuation coverage and enhanced federal matching funds for states that cover eligible displaced workers under their Medicaid programs. Opponents object to the limited choice of either COBRA or Medicaid. One compromise being considered is to extend COBRA coverage to workers who had received health insurance from their former employers and give non-COBRA eligible displaced workers a refundable tax credit to purchase health insurance through federal and state employee purchasing pools.

PROPOSED ANTITRUST BILL PROMOTES PHYSICIAN CARTELS

Over the past few years, there has been a push by organized medicine at both the federal and state level to pass physician antitrust legislation. Such legislation seeks to exempt physicians from most of the antitrust laws governing all other businesses and professions that exist to protect competition in the marketplace.

The latest proposed legislation at the federal level was introduced in the House in early March. With only marginal restrictions, H.R. 3897 would allow independent, otherwise competing providers to join together in collective bargaining when negotiating with health plans.

Both the United States Federal Trade Commission (FTC) and the United States Department of Justice (DOJ) have expressed serious concern over independent physicians engaging in collective bargaining activity. Allowing independent physicians to collude in this manner means consumers would lose the important protections of a competitive marketplace that antitrust laws were originally intended to provide. Provider fees would rise independent of market competition, which ultimately would increase private health care costs to consumers.

The bill would also undermine consumer protections by limiting damage recovery in cases where provider collective bargaining was found to be illegal even under the new, looser standards. These damage limitations would give providers found guilty of antitrust violations protections that are not available to any other group of individuals or industry.

H.R. 3897 is currently in the House Judiciary Committee for review and consideration. No comparable bill in the Senate has been introduced to date.

For more information, please contact Susan Nagy, constituent relations manager, WellPoint Public Affairs Department, at susan.nagy@wellpoint.com.

SPOTLIGHT

ON *Online Technology*

The Internet is changing the way the world conducts business. UNICARE is committed to leveraging cutting-edge, online technology throughout the company to provide prompt and accurate client service. Our recently expanded and enhanced website, unicare.com, allows members to instantly access useful information about our full portfolio of products and services, as well as review personal plan information and perform online transactions.

ONLINE MEMBER SERVICES

Personalized plan information and answers to benefits questions are just a click away by accessing our online Member Services at unicare.com. Intuitively designed for ease-of-use, our secure online Member Services allow members to:

- Instantly locate a network doctor, hospital, dentist or pharmacy with our online Provider Finder tool,
- Check on claim status,
- Review deductibles and EOBs (Explanation of Benefits),
- Examine plan coverage,
- Request claim forms and ID cards,
- Access HealthyExtensionsSM, UNICARE's associate-valued prevention and wellness discount program.

HEALTHWISE[®] KNOWLEDGEBASE

UNICARE's Healthwise Knowledgebase is a comprehensive online resource that provides members with valuable information on diagnosed conditions, medical tests, treatment options and key decision points.

ONLINE BENEFITS ENROLLMENT MAINTENANCE

Our new online benefits enrollment maintenance service—myunicareonline.com—utilizes the speed and convenience of the Internet to eliminate the “hassle factor” for benefits administrators, putting them in control of the benefits enrollment maintenance process.

All that is required is Internet Explorer 5.0 or later, a mouse and keyboard to perform accurate benefits functions in real time. Helpful electronic prompts guide the user from screen to screen and signal when missing or incomplete information is keyed in. No more confusing enrollment maintenance procedures, inaccurate or incomplete information or delays in data transmission.

LOOKING FORWARD TO...**eEAP**

Our 24 hour, web-enabled Employee Assistance Program provides confidential educational and reference services that assist our members and their families with difficulties related to family and relationships, substance misuse, legal and financial concerns and stress and emotional problems.

UNICARE'S ONLINE PLAN DATA AND PERFORMANCE REPORTING SYSTEM

UNICARE's online plan data and performance reporting system for benefits administrators uses the speed and convenience of the Intranet to quickly generate accurate plan reports using flexible, customized data views.

UNICARE's reporting system features:

- Customized, single-source access to your company's premium and claims data,
- Intuitive data criteria selection tool that helps you quickly drill down to specific plan performance information,
- Confidential and secure plan information with password-protected state-of-the-art encryption,
- Helpful prompts that guide you through the reports generating process,
- Drop-down menus for easy point-and-click navigation,
- Data export feature for creating customized spread sheets.

Learn more about UNICARE's technologically savvy and customer-focused solution to your organization's benefits needs by contacting the UNICARE sales representative in your area. Call 1(877)UNICARE, or visit us at unicare.com.

John Q. SPARKS DEBATE IN HEALTH CARE INDUSTRY

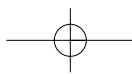
The film *John Q.*, released earlier this year, raises many important and compelling questions about the availability and affordability of health care in America today. According to the American Association of Health Plans (AAHP), there are currently more than 40 million uninsured, and millions more underinsured, Americans. And the number is growing. A new study also shows that United States health care costs will continue to rise 2 to 2.5 times as fast as the rate of inflation over the next five years.

The movie's title character, played by Denzel Washington, is a hardworking factory employee who suddenly learns that his young son has a serious heart problem and will die unless he receives an expensive heart transplant. John Q.'s limited health insurance won't cover the costs and the hospital administrator refuses to put his son on the transplant candidate list until the family can produce a massive deposit. Desperate, John Q. takes the hospital hostage to force the doctors to perform the operation.

A fascinating premise for a hostage thriller (a hero with truly noble intentions who frantically attempts to save his son) becomes a

complicated moral issue when John Q. puts other people's health at risk by tying up the hospital, threatening patients who are already sick and instigating a police assault that could claim innocent lives. Although highly dramatized and improbable, *John Q.*'s story line succeeds in underscoring flaws in the American health care system, as well as the real and critical need for organ donors.

Despite the film's clear aspiration to spark discussion on crucial social issues, its onscreen solution of violence should not be accepted or condoned. In the face of rapidly escalating health care costs, solutions require the cooperation and dedication of many areas of society including health care professionals, government bodies, advocacy groups, health care companies and concerned citizens. The greatest barrier to heart transplantation is the lack of availability of donor hearts versus eligible candidates. UNICARE encourages and supports those who wish to become organ donors, the most immediate action that can assist in making organ transplants readily available in life-threatening situations. We also urge those individuals who have chosen to become organ donors to communicate their decision to their families and friends.



UNICARE'S EYE ON HEALTH

DRUG INTERACTIONS: *What Every Consumer Should Know*

In today's changing health care environment, consumers play a more active role in managing their health and treating their ailments. This rise in self-treatment increases the danger of unknowingly mixing medicines with other drugs, herbal products or foods, or using a medication that may affect an existing medical condition.

As part of our ongoing commitment to promote the right and responsibility of consumers to educate themselves and participate in the decisions that affect their health care and its costs, UNICARE reminds consumers about the importance of reading medicine labels and talking with your physician or pharmacist before taking a new medication. Drug interactions may make your drug less effective, cause unexpected side effects, worsen your current medical condition or increase the action of a particular drug. Reading the label every

time you use a nonprescription or prescription drug, and taking the time to learn about drug interactions, may be critical to your health.

There are three categories of drug interactions including drug-drug interactions, occurring when two or more drugs react with each other, drug-food/beverage interactions, resulting from drugs reacting with foods or beverages, and drug-condition interactions, which may occur when an existing medical condition makes certain drugs potentially harmful.

DRUG INTERACTIONS AND OVER-THE-COUNTER MEDICINES

Over-the-counter (OTC) drug labels contain critical information that is important to read and understand. Because drug labels may change as new information becomes known, it's especially important to read the label every time you use a drug.

EXAMPLES OF DRUG INTERACTION WARNINGS

The following are examples of drug interaction warnings that you may see with certain OTC drug products. These examples do not include all of the warnings for the listed types of products and should not take the place of reading the actual product label.

<p>Antacids (drugs for relief of acid indigestion, heartburn and/or sour stomach)</p>	<p>Ask a doctor or pharmacist before use if you are:</p> <ul style="list-style-type: none"> • allergic to milk or milk products if the product contains more than 5 grams lactose in a maximum daily dose, • taking a prescription drug. <p>Ask a doctor before use if you have:</p> <ul style="list-style-type: none"> • kidney disease.
<p>Antihistamines (drugs that temporarily relieve runny nose or reduce sneezing, itching of the nose or throat and itchy watery eyes due to hay fever or other upper respiratory problems)</p>	<p>Ask a doctor or pharmacist before use if you are taking:</p> <ul style="list-style-type: none"> • sedatives or tranquilizers, • a prescription drug for high blood pressure or depression. <p>Ask a doctor before use if you have:</p> <ul style="list-style-type: none"> • glaucoma or difficulty in urination due to an enlarged prostate gland, • breathing problems, such as emphysema, chronic bronchitis or asthma, <p>When using this product:</p> <ul style="list-style-type: none"> • alcohol, sedatives and tranquilizers may increase drowsiness, • avoid alcoholic beverages.
<p>Antitussives Cough Medicine (drugs that temporarily reduce cough due to minor throat and bronchial irritation as may occur with a cold)</p>	<p>Ask a doctor or pharmacist before use if you are:</p> <ul style="list-style-type: none"> • taking sedatives or tranquilizers. <p>Ask a doctor before use if you have:</p> <ul style="list-style-type: none"> • glaucoma or difficulty in urination due to an enlarged prostate gland.
<p>Nasal Decongestants (drugs for the temporary relief of nasal congestion due to a cold, hay fever or other upper respiratory allergies)</p>	<p>Ask a doctor before use if you:</p> <ul style="list-style-type: none"> • have heart disease, high blood pressure, thyroid disease, diabetes or difficulty in urination due to an enlarged prostate gland.
<p>Nicotine Replacement Products (drugs that reduce withdrawal symptoms associated with quitting smoking, including nicotine craving)</p>	<p>Ask a doctor or pharmacist before use if you are:</p> <ul style="list-style-type: none"> • taking a prescription drug for depression or asthma (your dose may need to be adjusted), • using a prescription non-nicotine stop smoking drug. <p>Ask a doctor before use if you:</p> <ul style="list-style-type: none"> • have high blood pressure not controlled by medication, • have heart disease or have had a recent heart attack or irregular heartbeat, since nicotine can increase your heart rate. <p>Do not use:</p> <ul style="list-style-type: none"> • if you continue to smoke, chew tobacco, use snuff, or use other nicotine-containing products.
<p>Nighttime Sleep Aids (drugs for relief of occasional sleeplessness)</p>	<p>Ask a doctor or pharmacist before use if you are:</p> <ul style="list-style-type: none"> • taking sedatives or tranquilizers. <p>Ask a doctor before use if you have:</p> <ul style="list-style-type: none"> • a breathing problem such as emphysema or chronic bronchitis, • glaucoma, • difficulty in urination due to an enlarged prostate gland. <p>When using this product:</p> <ul style="list-style-type: none"> • avoid alcoholic beverages.
<p>Pain Relievers (drugs for the temporary relief of minor body aches, pains and headaches)</p>	<p>Ask a doctor before taking if you:</p> <ul style="list-style-type: none"> • consume three or more alcohol-containing drinks per day.

Information contained in this table is brought to you by the Council on Family Health in cooperation with the National Consumers League and the U.S. Food and Drug Administration.

TALK TO YOUR DOCTOR OR PHARMACIST

According to the Council on Family Health, it is important to talk to your doctor or pharmacist about the drugs you take. When your doctor prescribes a new drug, discuss all OTC and prescription drugs, dietary supplements, vitamins, botanicals, minerals and herbs you take, as well as the foods you eat. Ask your pharmacist for the package insert, which provides more information about potential drug interactions. If you still have questions after reading the drug product label or package insert, consider asking your doctor or pharmacist the following questions:

- Can I take it with other drugs?
- Should I avoid certain foods, beverages or other products?
- What are possible drug interaction signs I should know about?
- How will the drug work in my body?
- Is there more information available about the drug or my condition (on the Internet or in health and medical literature)?

Remember that different OTC drugs may contain the same active ingredient. If you are taking more than one OTC drug, pay attention to the active ingredients used in the products to avoid taking too much of a particular ingredient. Under certain circumstances—such as if you are pregnant or breast-feeding—you should talk to your doctor before you take any medicine. Also, make sure you know what ingredients are contained in the medicines you take. Doing so will help you to avoid possible allergic reactions or potential drug interactions

