

UNICARE_{exchange}

A periodic publication for our UNICARE customers



STUDY SHOWS EMPLOYEES RANK HEALTH CARE BENEFITS AND CONSUMER CHOICE AS TOP PRIORITIES

According to a recent study of 528 United States employees, consumers rank health care as the most important benefit, outscoring compensation by a margin of two to one. The consumer study, conducted by Hewitt Associates, a global outsourcing and consulting firm, found that more than half of employees currently enrolled in employer-sponsored health plans ranked it number one, while 82 percent ranked it number one or two. In addition, two-thirds of respondents consider health care coverage a primary factor in staying or choosing employment, twice the number of those who said it's a basic need, but secondary to pay, retirement benefits, time off and a flexible work schedule.

The Hewitt study also found that employees are seeking increased control and choice in health care and are interested in new consumer choice models. Participating employees expressed confidence in their abilities to make health care decisions and a strong interest in customized health plan designs, which would allow employees to tailor their health insurance coverage levels by choosing among different prescription drug options, physician office copays and hospital deductible levels.

88 percent of employees felt either "somewhat or extremely" comfortable with taking more responsibility for researching, choosing and maintaining their health care coverage. When asked whether they would want to take full responsibility for purchasing their own health care coverage, however, almost half responded "yes," while 42 percent said "no" and 9 percent said "it depends."

Other key findings from the consumer study include the following:

- More than half of participating employees agreed that there should be no cost impact based on an individual's health decisions.
- Forty percent of respondents believe that individuals who don't manage their health should bear a higher portion of out-of-pocket costs.

- Eighty-four percent of employees feel that health plans should provide improved benefits as an incentive to those who make a reasonable effort to manage their illness.
- Exactly two-thirds of participants said they would participate in a condition management program offered by a health plan if they had a chronic illness.

The findings suggest that consumers are willing and ready to assume responsibility for their health care decisions. But, according to Hewitt's recent "Health Care Expectations: Future Strategy and Direction" survey of more than 700 organizations, only 61 percent of employers believe their employees are either "somewhat or extremely" comfortable with taking more responsibility for evaluating and selecting health plans, coverage levels, providers and health care services. As employers search for innovative ways to save money in the face of yet another year of predicted rising health care costs, however, health insurance industry-watchers are predicting a shift toward consumer-driven health care.

Consumer-driven health care describes the emerging environment in which health, pharmacy, dental, vision and related benefits will be purchased and care will be delivered in the 21st century—an environment in which employers provide a set allowance, called defined contributions, that empowers their associates to select and purchase their benefits options. The goal of consumer-driven health care is to broaden choice and control costs by raising associates' cost awareness.

UNICARE is currently developing an innovative consumer-driven defined contribution product for Large Group accounts that combines a traditional high deductible plan with an employer-funded Health Reimbursement Arrangement (HRA) account and a member-funded flexible spending account (FSA). UNICARE's defined contribution product is expected to be ready for new business effective January 1, 2003.

UNICARE PREPARES FOR HIPAA COMPLIANCE

UNICARE is currently preparing for compliance with the HIPAA Privacy Rule, which outlines national standards to protect individuals' medical records and other personal health information. The Privacy Rule:

- Gives members more control over their health information,
- Sets boundaries on the use and release of health records,
- Establishes safeguards for protecting the privacy of health information,
- Holds Group Health Plans and other covered entities accountable, with civil and criminal penalties that can be imposed if they violate members' privacy rights as defined by the Privacy Rule,
- Attempts to strike a balance between the public need for disclosure of some forms of data (for example, to protect public health) with obligations to maintain the privacy of an individual's medical records.

All Group Health Plans and Plan Sponsors receiving Protected Health Information (PHI) have certain requirements regarding the use and disclosure of this information. The Group Health Plan is the employee welfare benefits plan, established by the Plan Sponsor, that provides health care benefits; the benefits can be insured or administered by a separate covered entity (such as UNICARE). The Plan Sponsor is the entity that establishes and maintains the health plan; the Sponsor can be an employer, a union, a joint board of trustees or other similar group. Many of these requirements vary based on what PHI the customer receives, the funding type and on their employees' location (because of state requirements that may be even more stringent than HIPAA). Depending on each customer's situation, compliance obligations may include changes to vendor contracts and ERISA Plan Documents, distribution of Privacy Notices and other administrative requirements.

UNICARE PREPARES FOR HIPAA COMPLIANCE *continued on page 4*

In The News

We are proud to announce that the National Committee for Quality Assurance (NCQA) has awarded its highest accreditation status of EXCELLENT to UNICARE Health Plans of the Midwest, Inc. (UNICARE HMO). This level of accreditation was awarded to UNICARE for service and clinical quality that meet or exceed NCQA's rigorous requirements for consumer protection and quality improvement.

NCQA is an independent, not-for-profit organization dedicated to measuring the quality of America's health care. The NCQA Accreditation process evaluates how well a health plan manages all parts of its delivery system—physicians, hospitals, other providers and administrative services—in order to continuously improve health care for its members.

"Earning Excellent Accreditation reflects a health plan's ability to work with their members and their physicians to improve the quality of clinical care," said Margaret E. O'Kane, NCQA president. "It shows that they are building the kinds of partnerships that are critical to delivering great care and great service."

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UNICARE WORKS TOWARD ERISA COMPLIANCE

The Employee Retirement Income Security Act of 1974 (ERISA) is a law intended to protect the interests of employee benefits plan participants and beneficiaries by, among other protections, requiring the disclosure and reporting of specific financial information to participants and beneficiaries by their employers. On November 21, 2000, the United States Department of Labor (DoL) published a final regulation that sets new standards for processing benefit claims of participants and beneficiaries who are covered under ERISA employee benefits plans. The new regulations are the first substantial revisions to the claim regulations published by DoL in 1977 and are intended to ensure more timely benefit determinations, improve access to information on which benefit determinations are made and provide “full and fair review” of denied claims.

The new ERISA regulations:

- Impose time limits with respect to the processing of the initial claim decision and the appeal determination,
- Establish minimum time frames within which an enrollee may appeal a claim denial,
- Set out the requirements for the content of claims notices provided to claimants,
- Classify health claims into four categories: urgent, pre-service, concurrent & post-service.

Employer group health plans covered under Title I of ERISA are subject to these newly required claims procedures. UNICARE and all other operating subsidiaries of WellPoint have implemented a plan to address compliance with ERISA claim regulations as published by the DoL. The regulations apply to group disability and life claims filed on or after January 1, 2002, but no later than January 1, 2003. The regulations also apply to group health claims filed on or after July 1, 2002, depending on the ERISA plan year effective date, but no later than January 1, 2003. (If the plan year

begins prior to July 1, 2002, then the regulations will not take effect until January 1, 2003. If the ERISA plan year begins after July 1, 2002, then the regulations take effect on the plan effective date.)

WellPoint’s project, pertinent to compliance with ERISA claim regulations, is managed by a multidisciplinary ERISA Claims Committee whose objectives are to:

- Assess business processes and systems affected by the ERISA claim regulations,
- Identify changes and adjustments necessary to assure that the business processes and systems are in compliance with the regulations,
- Implement the appropriate changes in order to be in compliance with the regulations on or before the deadlines imposed by ERISA.

The WellPoint ERISA Claims Committee is focusing on:

- Current claim and payment systems and processes,
- All pertinent claims communications including pre-service, post-service, urgent and concurrent review claims communications,
- Explanations of Benefits,
- Claimant appeal procedures regarding adverse benefit determinations,
- Medical case management procedures,
- Certificates of Coverage,
- Contracts,
- The modification of current deadlines to comply with ERISA claim regulation time requirements.

UNICARE fully expects to be in compliance with the ERISA claim regulations pertinent to it as of the applicable effective dates. We encourage our clients to discuss this matter with their legal counsel to determine what, if any, changes are necessary to their welfare benefits plan(s) and their operations.

FORMULARY UPDATE (HMO AND PPO)

UNICARE’s formulary program provides benefits that promote clinically sound and cost-effective patient care. The following are the most recent newsworthy modifications to our formulary list. UNICARE members using medications at the time of deletion from the formulary may not be affected by these formulary changes.

Brand Name	Generic Name	Formulary Alternatives	Formulary Status
Advicor	niacin extended release/lovastatin		Add
Actonel 35mg	risendronate sodium		Add
Fenofibrate (generic)	fenofibrate		Add
Fludrocortisone (generic)	fludrocortisone		Add
Generic Soma Compound with Codeine	carisoprodol/ASA/codeine		Add
Generic Soma Compound	carisoprodol/ASA		Add
Generic Robaxisol	methocarbamol/ASA		Add
Kariva 21-5 (generic)	desogestrel estradiol/EE		Add
Lessina (generic)	levonorgestrel/EE		Add
Neulasta	pegfilgrastim		Add
Ortho-Evra	norelgestromin/EE		Add
Paxil CR	paroxetine		Add
Phenytek	phenytoin		Add
Topamax Sprinkle Caps	topiramate		Add
Darvocet-N	propoxyphene w/APAP	generic Darvocet-N (propoxyphene w/APAP)	Delete
Flexeril	cyclobenzaprine	generic Flexeril (cyclobenzaprine)	Delete
Robaxin	methocarbamol	generic Robaxin (methocarbamol)	Delete
Roxicet, Endocet	oxycodone w/APAP	generic Roxicet, generic Endocet (oxycodone w/APAP)	Delete
Soma	carisoprodol	generic Soma (carisoprodol)	Delete
Vicodin ES, Vicodin HP, Vanacet	hydrocodone w/APAP	generic Vicodin, generic Vanacet (hydrocodone w/APAP)	Delete

APAP = acetaminophen; ASA = acetylsalicylic acid (aspirin); EE = ethinyl estradiol

Access to Non-Formulary Medication

The Drug Utilization Review (DUR) exception process provides access to most non-preferred and non-formulary medications, multi-source brands, therapeutic interchanges and step therapy procedures. When the prescribing physician denotes “do not substitute” (DNS) or “dispense as written” (DAW) on the prescription, the pharmacist transmits the claim using the appropriate DUR code to allow adjudication of the claim. Select non-formulary medications are channeled through the Prior Authorization of Benefits process where an internal review is required prior to dispensing.

For a copy of the UNICARE formulary, please call your UNICARE sales representative.

SPOTLIGHT

ON *HealthyExtensions*SM

UNICARE believes there are many paths to health and well-being. Our HealthyExtensions program, available to UNICARE members at no cost, helps members along a personal path toward creating a healthier lifestyle for themselves and their families. HealthyExtensions builds on existing UNICARE prevention and wellness benefits by providing members with access to discounts on fitness clubs memberships, hearing and vision products and services, alternative health resources and practitioners, nutritional supplements and more!

HEALTHYEXTENSIONS VENDORS INCLUDE:

24 Hour Fitness[®]

Members receive discounts on the enrollment fee, the Keep Fit All Club membership and the 24/5 program at 24 Hour Fitness centers located in 16 states.

Beltone[™] Hearing Centers

Beltone has created a special package of services and discounts for healthy hearing exclusively for UNICARE members, their parents and grandparents.

Cole Managed Vision Laser Vision Correction

The Cole Managed Vision LASIK network offers a choice of qualified surgeons with a substantial discount off of each surgeon's lowest advertised price.

Complexions Rx[™]

UNICARE members receive a 10% savings off the online catalog price on products that take a scientific approach to skin care.

HealthyDrugstore.com[™]

HealthyDrugstore.com saves UNICARE members up to 50% off a wide variety of name brand vitamins and nutritional products.

Healthyroads[™]

Members can save up to 40% on health and wellness products including vitamins, supplements, sports nutrition products, yoga aides and more when ordered online or through the mail-order catalog.

House of Healing[™]

Members receive discounts of up to 30% on books, videos, healing music, meditation and aromatherapy supplies, yoga products and wellness products.

Lindora's Lean for Life[®]

Lindora offers UNICARE members a 20% discount on all weight loss programs and products.

Massage Therapy and Registered Dietician Network

Members can find a massage therapist or help with nutrition goals by using the Healthyroads online directory to find a practitioner in their area.

Newport Audiology Centers

Newport Audiology Centers offer members, their parents and grandparents substantial discounts on audiology products and services.

TherapyZone.com[®]

Members save 20% on all fitness and rehabilitation products at TherapyZone.com.

TruVision[™] Contact Lenses

In addition to low prices on contact lenses from all major manufacturers, members receive free shipping.

TruVision Laser Vision Correction

TruVision offers members laser vision correction at affordable prices.

Vision One Eyecare Program[®]

Vision One, provided by Cole Vision Corporation, offers members discounts on a wide variety of eyeglasses, contact lenses and eyeglasses exams for the whole family.

UNICARE'S HEALTHYEXTENSIONS CATALOG HAS EXPANDED!

We're pleased to announce that HealthyExtensions has added the following five new vendors:

drugstore.com

drugstore.com offers our members a 5% savings on hundreds of nonprescription products everyday for a full year when accessing drugstore.com through the UNICARE web site.

EyeMed Vision Care[®]

Members can now receive up to 50% off eyewear, with access to over 18,000 national providers including optometrists, ophthalmologists, opticians and LensCrafters[®].



GlobalFit Fitness Solutions[™]

GlobalFit helps members save money while obtaining flexible, month-to-month health club memberships through a national network of health clubs such as Gold's Gym, World Gym, Powerhouse Gym and many women-only health clubs.

Safe Beginnings[®]

Members receive discounts on Safe Beginnings products which include childproofing products such as safety gates, cabinet latches, outlet covers and window guards.

Things Remembered[®]

No matter the occasion, Things Remembered will help members make it more memorable with hundreds of personalized gifts. Members receive 20% savings on everything purchased online at www.thingsremembered.com or by phone.

UNICARE members can access the most up-to-date information on locations, discounts, limitations and exclusions through our web site. Simply log on to www.unicare.com, click on "Healthy Living," then select "HealthyExtensions." Whether ordering by telephone or online, members should provide the vendor with the ID number on their UNICARE or HealthyExtensions member ID card to receive the maximum discounts on products and services.

For more information, please contact the UNICARE sales representative in your area. Call **1(877)UNICARE**, or visit us at www.unicare.com.

These materials, services and products are not eligible for benefits under your associates' benefits plan. Associates are fully responsible for the charges associated with these materials, services and products.

UNICARE'S EYE ON HEALTH

SEASONAL ALLERGIES—Nothing to Sneeze At



Over 35 million Americans suffer from seasonal allergies, according to the American Academy of Allergy, Asthma and Immunology (AAAAI). For those unlucky folks that sneeze, wheeze, itch and cough their way through allergy season each year, a change of season or weather conditions can result in a complete alteration in lifestyle. Commonly referred to as “hay fever,” seasonal allergic rhinitis may produce a myriad of unpleasant “cold-like” symptoms including congestion, watery eyes, sneezing, runny nose, fatigue and itchy eyes and nose. Undiscriminating and unrelenting, seasonal allergies can develop at any stage in life and rarely dissipate over time.

Seasonal allergic rhinitis is the most common allergy in the workplace, devouring billions of dollars and resulting in an estimated 10,000 lost workdays each year. A study by the American Journal of Managed Care found that allergies cost \$1.4 billion in lost productivity for female workers and \$2.4 billion for male workers. Employee education is key to reducing the consequences of allergies in the workplace.

THE CULPRITS

Each spring, summer and fall, tiny pollen particles released from weeds, grasses, trees and mold spores hitch rides on currents of air. Although their intent is to fertilize parts of other plants, many enter human noses and throats, instead, triggering a type of seasonal allergic rhinitis.

Of all the things that can cause an allergy, pollen is one of the most common and widespread. Ragweed pollen, prolific throughout the United States, causes most seasonal allergic rhinitis symptoms experienced in late summer and autumn. Weather conditions also affect the amount of pollen and mold spores in the air at any one time. Rainy, windless days can alleviate allergic rhinitis symptoms as the heavy moisture flushes pollens out of the air. On the other hand, hot, dry and windy weather signals heavy pollen and mold spore distribution.

All plants can cause seasonal allergies, but pollens from plants with bright flowers, such as roses, daffodils or daisies, usually do not trigger allergies due to large, waxy pollens too heavy to be carried by the wind. Many trees, grasses and low-growing weeds, however, have small, light and dry pollens that are easily windborne. Some of the most common plants that cause allergic reactions are:

- Trees (including oak, elm, birch, ash, hickory, poplar, sycamore, maple, cypress, walnut and western red cedar);
- Grasses (such as timothy, Bermuda, orchard, red top, and sweet vernal);
- Weeds (such as ragweed, sagebrush, pigweed, Russian thistle and cocklebur).

Allergies result from an immunologic reaction triggered by allergens to which a person is sensitive. These allergens, such as pollens or molds, are breathed in and combine with an antibody called immunoglobulin E (IgE). IgE, the “allergic antibody,” normally present in very low levels, is found in larger quantities in people with allergies. This pairing of the allergen and IgE causes the release of chemicals like histamine and the onset of symptoms.

UNICARE PREPARES FOR HIPAA COMPLIANCE *continued from page 1*

But regardless of the scope of the obligations, most entities covered by the new rule must comply with the requirements of the Privacy Rule by April 2003.

Most Group Health Plans may need to address the following requirements of the Privacy Rule:

- The appointment of a Privacy Official and contact person or office for complaints,
- The adoption of privacy policies and procedures,
- The use or disclosure of the minimum necessary information only,
- The execution of Business Associate contracts,
- The training of all members of their workforce,
- The establishment of security safeguards.

CARPE DIEM!

Short of staying indoors when the pollen count is high—and even that may not help—there is no easy way to evade windborne pollen. Seeking appropriate treatment is the best method for coping with your allergies. If your seasonal allergy symptoms are making you miserable, you should consider seeing an allergist. An allergist will take a thorough history and conduct tests to determine exactly which pollens and molds are triggering your symptoms. To lessen your symptoms, your allergist may also prescribe an allergy nose spray, antihistamine, decongestant or other medications. If your symptoms continue, or if you have them for many months of the year, your allergist may recommend immunotherapy treatment, commonly called “allergy shots.” This treatment involves receiving injections periodically over a three to five year time span, helping your immune system to become more resistant to specific allergens, which lessens your symptoms and the need for medications.

The following are some tips from the AAAAI to help you lessen your exposure to allergens:

- Keep windows closed at night to prevent pollens and molds from drifting into your home. Instead, if needed, use air conditioning which cleans, cools and dries the air.
- Minimize activities when pollen counts are high. Peak pollen times are usually between 2:00–4:00 p.m.
- Keep your car windows closed when traveling.
- Try to stay indoors when the pollen count or humidity is reported to be high, and on windy days when dust and pollen are blown about.
- Take medications prescribed by your allergist regularly in the recommended dosage.
- Don't take more medication than recommended in an attempt to lessen your symptoms.
- Take a shower after spending time outside—pollen can collect on your skin and hair.

As a free service to the public, the National Allergy Bureau (NAB) compiles pollen and mold spore counts from certified stations across the nation and reports them to the public three times each week. You can obtain pollen counts for your area on the NAB web site at www.aaaai.org/nab or by contacting them toll-free at 1(800)9-POLLEN.

UNICARE members with the MedCall** benefit can find out more about seasonal allergic rhinitis by contacting our toll-free 24 hour health information phone line or by visiting our Healthwise® Knowledgebase, a comprehensive online resource that provides valuable information on diagnosed conditions, medical tests, treatment options and key decision points. Simply log on to unicare.com and click on “Healthy Living.”

* MedCall is not a substitute for your physician, who is always the best source of information for all your medical questions. MedCall is not an emergency service or a substitute for prompt medical attention when major symptoms occur. In an emergency, call your physician or 911.

Sources: The American Academy of Allergy, Asthma and Immunology's National Allergy Bureau, The National Pollen Network, www.health-alliance.com.

Because each customer's obligations under HIPAA may be significant, UNICARE encourages every employer and their Group Health Plan to consult their own legal counsel without delay regarding these requirements and how they would best be met.

The content above is for information only and should not be construed as legal advice.

