

Employer Update

from MEDICA.

Medica Products

Employer Resources

Member Resources



Happy Holidays!

**Medica's offices will be closed
Dec. 25, 2006 and Jan. 1, 2007.**

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Thanks for your partnership

As 2006 comes to a close, we want to thank you for placing your trust in Medica. We value our partnership and are committed to providing you with innovative plan designs, effective health management programs and service you can count on. Thank you for your business, and we look forward to working with you in the New Year.

Best wishes for a happy holiday season,

Christine Finn
Vice President, Strategic Accounts

Register for online reporting

Getting the information you need to manage your health plan will soon be easier than ever before. Medica's new online Customer Reporting tool is targeted to launch in late January for our self-insured customers. The tool provides convenient

24/7 access to health plan enrollment, claim and utilization data.

Pre-registration is required to take advantage of this new tool and start viewing reports online. Self-insured customers will receive additional information about the pre-registration process, including easy-to-follow step-by-step instructions, next month. If you have questions in the meantime, contact Strategic Account Executive or the Customer Service Center at 952-992-2200 or 1-800-936-6880.

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Medica rolling out high-tech imaging program

High-tech imaging can be a valuable tool in diagnosing serious health conditions. At the same time, the increased availability and use of this technology has become a major contributor to health care costs. Since 1999, the cost of high-tech imaging has risen nationally at a rate of 18-25% a year. And one Harvard study found that patients often receive duplicate tests from different providers, at an estimated cost of \$20 billion a year.

To help contain those costs, reduce unnecessary tests and therefore radiation exposure to members, we're introducing an innovative radiology management program. This program will require providers to complete consultations for certain high-tech imaging services, including CT scans, PET scans and MRIs.

HealthHelp, a nationally accredited radiology management company, will administer the program by providing consultations using evidence-based criteria. Most consultations will take just a few minutes.

This program applies only to high-tech imaging services in an outpatient setting. Imaging studies performed in conjunction with emergency room services, inpatient hospitalization, or urgent care centers are excluded from the consultation requirement. The requirement also doesn't apply for those enrolled in SelectCareSM, LaborCare[®], the Patient Choice legacy product (*not Patient Choice InsightsSM by Medica*), and Medica's Medicare products.

Physicians will continue to make the final decisions about appropriate care for their patients. Claim denial occurs only if a provider fails to complete a consultation. Providers who perform an imaging service without a reference number from HealthHelp will be liable for the cost of treatment. Members will not be billed, aside from any copayment or coinsurance obligations.

The high-tech imaging program begins Jan. 2, 2007 with a

phased roll out to our provider network.

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Tiering changes to Patient Choice InsightsSM by Medica

Each year on January 1, a small percentage of providers in the Patient Choice Insights by Medica network are reassigned to a new tier. The new tiers are based on updated data about providers' cost, quality and efficiency. Members enrolled in Patient Choice Insights by Medica should review the 2007 provider directory to determine if their physician or hospital moved to a new tier. Placement in a new tier will affect members' copayment and/or coinsurance amounts for services obtained from these providers.

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My Health Manager from MedicaSM meeting member needs, promoting healthy behavior

Early statistics on the use of My Health Manager show the program is meeting the needs of our members and helping motivate them to make healthy choices. That's great news because your best defense against rising health care costs is a healthy workforce.

Nearly 9 out of 10 of the 12,000+ members who enrolled on the site said it is helpful for developing and maintaining healthy behaviors. Even more said the site was easy to use and that they would recommend it to a friend.

The Wellness Assessment is the most used area on the site – 79% of enrollees have taken the assessment, including both healthy and at-risk members. Of those taking the wellness assessment:

- Only 15% are at low risk (0-1 risk factor)
- 40% have 4 or more risk factors
- 62% are overweight – the most prevalent risk factor

Survey results also show that incentives and rewards work. Nearly half of the survey respondents said the wellness credits program helped motivate them to make healthy choices.

Medica will use feedback gained through the survey to help improve the site and make it an even more valuable resource. If you haven't already taken a tour of the site, [go here](#). My Health Manager is included in the cost of all fully insured Medica plans and is an option for self-insured groups to purchase for an affordable fee. For more information, contact your Strategic Account Executive.

IRS and Congress ease HSA limits

Under new IRS rules, members of consumer-directed health plans will be able to make increased contributions to their health savings accounts in 2007. In addition, recent changes to the Tax Relief and Health Care Act of 2006 provide greater flexibility in funding sources, including:

- A one-time opportunity to rollover unused funds from an existing Flexible Spending Account (FSA) and/or Health Reimbursement Account (HRA) into their Health Savings Account (HSA).
- A one-time transfer from an Individual Retirement Account (IRA) into an HSA that is tax-sheltered, subject to the member maintaining a high-deductible health plan for one year from date of transfer.
- Expanded annual limits on HSA contributions – allows individuals with HSA-qualified policies that have deductibles below the annual contribution limits to contribute up to the maximum contribution amounts each year. Currently, contributions are limited to policy deductible if below the annual contribution limits.
- Employers will be able to make additional contributions to HSAs of lower-paid workers.

Other changes:

Minimum deductible*		
	2007	2006
<i>Single</i>	\$1,100	\$1,050
<i>Family</i>	\$2,200	\$2,100

Maximum contribution**		
	2007	2006
<i>Single</i>	\$2,850	\$2,700
<i>Family</i>	\$5,650	\$5,450

Maximum out-of-pocket		
	2007	2006
<i>Single</i>	\$5,500	\$5,250
<i>Family</i>	\$11,000	\$10,500

** Family plans with a deductible of \$2,200 or more qualify for individual embedded deductibles. Medica groups that had selected plans with \$2,100 deductibles prior to the IRS publication were notified and given the option to increase their deductible to maintain the individual embedded deductible.*

***Catch-up contribution for those 55+ in 2007 is \$800.*

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\$4 generics may translate into member savings

New pricing of some generic drugs at Target and Wal-Mart pharmacies may translate into cost savings for Medica members. Current pharmacy benefits provide for members to be charged the lesser of usual and customary fees or their standard co-pay. So if a generic drug is offered at a lower cost than a member's copay amount, the member will pay the lower price.

Some members might be tempted to fill those prescriptions without presenting their Medica ID card, mistakenly thinking it is the only way to receive the lower price. However, members should present their ID card when filling any prescription – generic or otherwise – to ensure maximum benefit. Also, Medica uses pharmacy claims data to identify disease management candidates and to track utilization trends. So it always makes sense to use the ID card.

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Nominations sought for first annual Health Care Heroes Awards

Would you like to recognize an individual or company that has made a substantial contribution to the quality of health care in our community? Nominate them for the first annual Health Care Heroes Awards, sponsored by Medica and *Twin Cities Business*. [Simply follow this link](#) or go to www.medica.com to get started.

The awards are open to organizations, businesses and individuals making a significant impact on the quality of health care in Minnesota. Award categories include:

- Innovation in Health Care
- Corporate Achievement in Health Care
- Health Care Staff
- Administrative Excellence
- Physician
- Nurse
- Volunteer
- Community Outreach

Honorees will be featured in a special supplement in the June 2007 issue of *Twin Cities Business*. **The nomination deadline is Jan. 22, 2007!**

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Sign up for the ShapeUp Challenge

Looking for an easy, fun way to get employees excited about good health? Register for the 2007 Shape Up Challenge. The six-week worksite heart health campaign will run from April 9 to May 20, and provides a friendly competition for employees who earn points for nutritious eating, exercising, and other healthy behaviors. Incentives include weekly prizes and a grand prize for the worksite with the highest average number of points for their employees.

Shape Up Challenge program materials, training and incentives are complimentary to qualifying companies, and are posted on the new Wellness Resource Center site. In addition, participants eligible for My Health Manager from MedicaSM will be able to track their Shape Up Challenge progress online.

Your company qualifies for the Shape Up Challenge if you meet these criteria:

- A Shape Up Challenge Coordinator is identified at the time of registration.
- There is a minimum of 20 participants in your company that participate in the six-week campaign.
- Worksite average participant points are reported weekly.

Watch your mailbox this week for an invitation to register.

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Check out the Medica Wellness Resource Center

Now it's easier than ever before to create or supplement your own worksite health promotion program. We've redesigned the Wellness Resource Center site to make it more user-friendly, and have added lots of new tools and resources.

With 24/7 online access to turn-key tools and resources, it's easy to plan a simple activity or an entire campaign – you choose what's right for your organization. The Wellness Resource Center can help you get your ideas off the drawing board, promote your program, send a newsletter, host an activity and much more.

Promoting better employee health and wellness creates a win-win scenario for you and your employees, including:

- Lower turnover and absenteeism rates
- Lower health care costs
- Improved productivity
- Increased morale

Start planning your worksite wellness activities today for the New Year. Visit the new site today at Medica.com under the "Employer Resources" tab, click on "[Medica Wellness Resource Center](#)" and enter the password, "wellness."

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No ID Card? Members can still access services

Some members may not have their new Medica member ID card before January 1, 2007. In most cases, they will be able to continue receiving services without a current card. Here are options for members who haven't received their new ID card:

- They can go to myMedica.com and print out a temporary ID card using their Social Security number and group number.
- Providers may use the member's Social Security number to process claims if the member does not have their new card.
- Members may also call customer service for assistance. The phone number may be found on the back of their existing member ID card or on the back of their benefit summary.

If you have any questions, please contact your Strategic Account Executive or the Customer Service Center at 952-992-2200 or 1-800-936-6880.

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Fit Choices by MedicaSM adds eight locations

Starting December 1, 2006, Fit Choices by Medica added eight new Minnesota locations to our list of participating health clubs: Snap Fitness in White Bear Lake, Sartell, Hutchinson, Hugo, and Eagan (2); Faribault County Fitness Center in Blue Earth; and Lake Crystal Area Recreation Center in Lake Crystal.

Eligible members receive a \$20 discount off their monthly dues when they work out at least eight days in a month at a participating club. You can view the complete list of health clubs in our network [here](#).

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