



# CURRENTS

SAN DIEGO ELECTRICAL TRUSTS

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## PPO PLAN AMENDMENT - "NEVER EVENTS"

For the same reasons that Medicare amended its claims payment rules in 2008 by no longer paying for services or treatment related to what is deemed to constitute a "Never Event" or a "Hospital Acquired Condition", the PPO Plan has similarly been amended as of January 1, 2011 to protect the Plan and its participants from exorbitant costs associated with hospital/surgicenter claims that should not have occurred, the payment of which will adversely impact Plan A PPO funding costs and participant contribution rates for subsequent years.

The Amendment basically provides that the Plan will no longer pay for any charges by a hospital, surgicenter, health care facility or a physician related to and/or which constitute a "Never Event" or "Hospital Acquired Condition", as defined below:

a. **"Never Events"** are events that are preventable, serious and unambiguously adverse to the patient that should not occur and constitute a Serious Reportable Event per the National Quality Forum.

Examples of a "Never Event" are: Patient death or serious disability associated with a medication error (e.g., errors involving the wrong drug, wrong dose, wrong

patient, wrong time, wrong rate, wrong preparation); patient death or serious disability associated with a fall while being cared for in a health care facility; surgery performed on the wrong body part; Surgery performed on the wrong patient; wrong surgical procedure performed on a patient; patient death or serious disability associated with the use of contaminated drugs or devices provided by the health care facility; or infant discharged to the wrong person.

b. **"Hospital Acquired Conditions"** are conditions that were not present on admission and could have been reasonably prevented. Hospital Acquired Conditions will be determined in accordance with guidelines and indicators established by the Center for Medicare & Medicaid Services ("CMS") as to the reporting of same by hospitals, surgicenters and health care facilities which require that all such "Preventable Adverse Events" be identified by the facility and reflected on their claim submission.

Examples of "Hospital Acquired Conditions" are surgical site infections; urinary tract infections; blood stream infections, surgical object left in the body; blood clots after certain surgeries; blood incompatibility; bed sores; falls;

and poor blood sugar controls.

**When a "Never Event" or "Hospital Acquired Condition" occurs it is important to be aware of the fact that all related charges (including those that would not have existed but for the event) may not be submitted for payment, and that no party may be billed for same. It has been confirmed with Blue Cross that we may challenge providers who attempt to bill a patient for any services related to either type of scenario.**

Please note that even though the service providers are supposed to identify the occurrence of a "Never Event" or "Hospital Acquired Condition", and not bill anyone for the related services, it will be very

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# DEPENDENT ELIGIBILITY VERIFICATION

**H**ealth care costs are the fastest growing cost component for employers who provide group health care to their employees. The U.S. Government Accountability Office estimates that 3% -10% of the \$1.7 trillion spent on health care each year is fraudulent. This amounts to between \$51 billion to \$170 billion that clearly should not have been spent and contributes greatly to the fact, according to a 2008 Health Care Cost Survey conducted by Towers Perrin, the total annual cost per employee has increased by 43.2% from \$6,384 for 2003 to \$9,144 for 2008, of which the Employee's share increased by 60.7% from \$1,284 to \$2,064.

IF this range were actually applicable to the San Diego Electrical Health & Welfare Trust it would mean that anywhere from \$0.15/hr to \$0.52/hr of the current Plan A contribution rate could be related to fraud alone. If other statistics are correct a substantial portion of our total health care spend is attributed to ineffective, inappropriate and/or improper care.

It is suggested that up to 70% of an employer's health care costs are driven by covered dependents and the U.S. Department of Labor has reported that 5% - 15% of dependents, which are routinely self-reported by employees, are actually ineligible. It has been further reported that the removal of each ineligible dependent saves \$2,000 - \$5,000 that will no longer have to be covered by both employers and employees who usually share in the overall

cost of a health care plan.

Again, if the above statistics from fraud were applied to the Plan A PPO Plan, a range of 3% - 10% of overall medical claims costs alone represents \$360,000 - \$1,200,000 per year and for dental/vision claims it would be another \$72,000 - \$240,000. Out of approximately 3,000 covered dependents in the PPO Plan, IF the Department of Labor's suggestion that 5% - 15% of enrolled dependents might be ineligible were correct, that would mean anywhere from 150 - 450 would be covered that should not be and directly contributes to the need for more and more contributions from the membership and contractors to maintain high quality Plan A PPO benefits. If just 5% are ineligible, and the lower cost of \$2,000 per dependent is accurate, the savings would be \$300,000. At \$5,000 it would be \$750,000.

To ensure that only eligible dependents are enrolled in Plan A plans ( PPO and Kaiser) the Board of Trustees is working on implementing a dependent verification program at some point in time in 2011. This process would be delegated to an independent contractor expert in the audit process that will confirm that coverage is being afforded to only truly eligible dependents.

Since the last time new enrollment cards were requested of all active participants (for both H&W and Pension) was in 2004 there will be a complete re-enrollment of the entire group in early 2011. More information will be provided on both the re-enrollment process and dependent verification program as arrangements are finalized.

## ELECTIVE DELIVERIES BEFORE 39 WEEKS

**I**n January 2010 a new collaborative program, "Patient Safety First...a California Partnership for Health", was announced involving Blue Cross of California and California's three regional hospital associations whose focus is on improving the quality and consistency of medical care, saving lives and reducing health care costs.

The initial focus of this program will be reducing elective newborn deliveries prior to 39 weeks, sepsis and a series of specific hospital acquired infections. Reasons given for selecting a particular delivery date range from parents wanting a specific birth date to employment leave related issues to physician availability schedules.

With respect to elective deliveries (i.e. when inducement of labor is scheduled for other than medical reasons) prior to 39 weeks the March of Dimes has produced information advising that there are substantial developmental impacts to the unborn child that may cause significant health and functionality issues for the child and mother. In fact, issues with inducing labor early are: the date of conception may not be accurate so birth may be earlier than expected, the medicine may not start labor which will then require a c-section, babies born by c-section have more breathing and other medical problems, and having a c-section may require future c-sections. The more c-sections a mother has the more

problems there may be with future babies (including the placenta) and it takes longer for the mother to recover (up to 4-6 weeks) or there could be complications from the surgery.

Developmental issues affecting the newborn baby by not waiting until at least 39 weeks are:

1. A baby's brain at 35 weeks weighs only 2/3 of what it will weigh at 40 weeks;
2. In the last 6 weeks of pregnancy the baby's brain adds connections needed for balance, coordination, learning and social functioning - doubling in size;
3. Babies born early have more learning and behavior problems than those born at 40 weeks;
4. Babies born early are more likely to have feeding problems because they can't coordinate sucking, swallowing and breathing as well as full-term babies;
5. Babies born early have breathing problems such as apnea (baby stops breathing); and
6. Babies born early are more susceptible to Sudden Infant Death Syndrome.

For more information on this and other pregnancy and newborn related topics please refer to [www.marchofdimes.com](http://www.marchofdimes.com) or for pregnancy related materials call 800-367-6630.

## NECA/IBEW SAN DIEGO DRAFT A TELECOM PROFESSIONAL

In continuing effort to evolve with the rapidly changing low voltage industry and to foresee their customers' needs. NECA-San Diego/IBEW-Local 569 has brought on board, Timothy Moylan, a Low Voltage Professional from Chicago. He is the new "Sound and Communication Coordinator" for the San Diego Electrical Training Center. This Training Center, one of the finest in the country, is jointly administered by the NECA electrical contractors of San Diego, and the professional electrical workforce of Local 569, of San Diego.

Tim has worked in the electrical industry for over thirty years, he is a second generation electrician and his son is now a third generation electrician, for Local 134 in Chicago. Tim has a Masters of Arts in Teaching, is a BICSI International Low Voltage certified Trainer, FOA, (Fiber optics Association) fiber optics certified trainer, FOA, copper certified trainer, an OSHA certified trainer, and an American Heart association certified Trainer. He has been a supervisor of all varieties of electrical installations, has instructed and directed low voltage classes and students.

Johnny Simpson, Business Manager of the Local 569 electrical union, stated that, "Our NECA contractors have always been able to confidently bid on any and all electrical installations in San Diego. This is because of our commitment to keep up with emerging technologies. We will continue to go after the training needed to keep Local 569 electricians at the forefront in education and the knowledge to install these technologies".

Andy Berg, Executive Director of National Electrical Contractors Association of San Diego, remarked, "We are very fortunate to have been able to lure Tim away from a great

apprenticeship program in Chicago. His experience and expertise coupled with that of our already outstanding staff will lead our award-winning training center to even greater heights in the years to come".

Patrick Knighton, a Navy veteran, and Director of the San Diego Electrical training center, commented, "Many of our members are former Navy, Marine, and other service veterans. In the service they were exposed to very complex electronic systems. They relish receiving that type of education again. They get to show their skill to the contractors and customers of San Diego. One of our mottos is "Change or become irrelevant!"

Tim says, "I have always known that San Diego has attracted the leaders in industry, education and athletics. This area is known for its creativity and thinking outside the box. There is a cooperative effort to solve problems and to get the job done. I am fortunate to be able to now work in that enriched environment".



## PPO PLAN DISEASE MANAGEMENT COMPANY NAME CHANGE

As of September 1, 2010, and as the result of a strategic agreement between CVS Caremark and Alere, the chronic disease management portion of Accordant's business will be managed by Alere. However, Accordant will remain a subsidiary of CVS Caremark.

In general there will only be a change in name. That will become apparent in any telephone contacts by registered nurses and/or any materials to be sent to Plan A PPO participants who are identified as having one or more of the covered chronic diseases: *Asthma, coronary artery disease ("CAD"), chronic obstructive pulmonary disorder ("COPD"), diabetes, and/or heart failure.* However, during the month of September 2010 the nurses will be using the name Alere and saying "formerly known as AccordantCare" when making contact with Plan participants.

As stated in the past, the Board of Trustees cannot stress enough that **100%** participation in this program can be extremely beneficial to Plan participants and contribute to their living a healthier and happier life. If you or a family member are contacted by an Alere trained professional, please welcome their effort to provide valuable information and guidance and return the phone call or give the nurse an opportunity to demonstrate the various ways in which they may be able to provide assistance.

Please contact the Trust Office with any questions about the disease management program.

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PPO PLAN AMENDMENT

helpful if all participants always closely review the Explanation of Benefits Forms received from the Trust Office that outline how all billed charges were processed and paid. Not only is it important that the Trust only pay for actual services rendered, **but if it is believed that a “Never Event” or “Hospital Acquired Condition” has occurred please notify the Trust Office immediately so that both the Plan and its participants may be protected by pursuing recovery of all amounts that should not have been paid by the Trust (or possibly by the participant).**

If there is ever a question as to whether the Trust made payment for only actual services rendered by a service provider OR if a “Never Event”/“Hospital Acquired Condition” may have occurred, please contact your Claims Examiner at the Trust Office.

## HEALTH INFORMATION SOURCES

### TWO NEW SOURCES:

1. <http://www.npdb-hipdb.hrsa.gov/> - National Practitioner Data Bank/ Health care Integrity and Protection Data Bank may be used to verify information on a health care provider; and

2. <http://www.medbd.ca.gov/lookup.html> - Medical Board of California for physician licensing.

Caremark - [www.Caremark.com](http://www.Caremark.com); Specialty medications - CVS/Caremark at 1-800-237-2767;

“NurseLine”- 24/7 access to Registered Nurses at 800-250-6181 or <http://healthresources.caremark.com/topic/specialty>; and for researching doctors and hospitals:

[www.healthgrades.com](http://www.healthgrades.com), [www.leapfroggroup.org/](http://www.leapfroggroup.org/), [www.Calhospitalcompare.org](http://www.Calhospitalcompare.org) or

[www.hospitalcompare.hhs.gov](http://www.hospitalcompare.hhs.gov). The California Health Care Foundation supports

[www.CalHospitalCompare.org](http://www.CalHospitalCompare.org) which combines ratings for quality of care, patient safety and patient experience in an effort to help consumers make informed choices.