

Help Employees Make Informed  
Health Care Decisions

---

New Tools for Employees  
With Diabetes

---

Blue e Update



**BlueCross BlueShield  
of North Carolina**

# Help Employees Make Informed Decisions About Their Health Care

We all know that the cost of medical care is rising. We read about it almost daily in the newspaper. And your own group's premiums and deductibles probably reflect the same story. Why do health care costs keep rising? What can we do about it? A deeper understanding of how health insurance works and how to make the most of your group's health plan can help keep health care affordable for your employees.

## How Premiums Are Determined

Health insurance companies use historical data and analysis to forecast future medical expenses for any given group of individuals (known as an insurance pool) and use this as the basis for setting health care premiums. Insurers strive to set premiums that will cover expected cost of health care claims, but still to be competitive and attractive to employers shopping for health plans.

As the use of medical services and the cost of health care has increased, employers have seen the results of these costs in the form of higher premiums. Insurance companies, like us, work with employers to adjust services offered, like copayment and deductibles, in order to offset the impact of these rising costs on premiums.

## Rising Medical Care Costs

So, why are medical care costs so high? One of the reasons is that our population is aging, and an older population understandably has a higher demand for medical services than a younger population. Other contributing factors include the higher cost and use of prescription drugs, advances in medical technology and treatments, hospital equipment and services, increased specialty care, and the over-use of emergency rooms for non-emergency needs.



# For Your Convenience

Here are addresses and phone numbers for all Blue Cross and Blue Shield of North Carolina regional offices.

## WESTERN REGION

CHARLOTTE REGIONAL OFFICE  
8701 Red Oak Blvd., 3rd Floor  
Charlotte, NC 28217  
704-561-2700

HICKORY REGIONAL OFFICE  
1985 Tate Blvd., SE, Suite 454  
Hickory, NC 28601  
828-431-3100

## TRIAD REGION

TRIAD REGIONAL OFFICE  
2303 W. Meadowview Road,  
Suite 200  
Greensboro, NC 27407  
336-316-5300

## TRIANGLE REGION

RALEIGH REGIONAL OFFICE  
2501 Aerial Center,  
Suite 200  
Morrisville, NC 27560  
919-765-4600

## EASTERN REGION

GREENVILLE REGIONAL OFFICE  
100 Fox Haven Drive  
Greenville, NC 27858  
252-931-7200

WILMINGTON REGIONAL OFFICE  
2005 Eastwood Road, Suite 201  
Wilmington, NC 28403  
910-509-0600

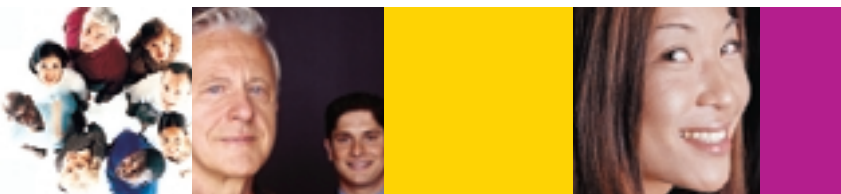
**NATIONAL ACCOUNTS** BCBSNC-HEAD-  
QUARTERS  
5901 Chapel Hill Road, 3rd Floor  
Durham, NC 27707  
919-765-2498

Until recently, most consumers have been largely shielded from the effects of rising costs because employers carry the responsibility for a large portion of their health care costs. The unfortunate result of this cost insulation has been the over-utilization of medical services by many consumers. Considering Blue Cross and Blue Shield of North Carolina (BCBSNC) paid out \$2.3 billion in claims and medical expenses in 2002, it's easy to see why we all need to take the time to understand our health plan and what makes costs go up.

### What We All Can Do

Health care consumers can become more informed and educated about their own health care, specific insurance plan and health care trends. As their employer and their insurer, together we can help by ensuring that members know about the benefits of choosing generic prescription drugs over brand-name drugs when appropriate, as well as the importance of preventive care, like immunizations and screenings. We'll do our part by educating them about their benefits and discount programs like Alt Med Blue<sup>SM</sup>, and care management programs for members with chronic conditions like diabetes, asthma or heart disease through *Active Blue*<sup>SM</sup> magazine, onsite workshops, and other opportunities.

By understanding what factors contribute to rising costs, as well as some of the basics about health insurance and how it works, we can all play a role in reducing health care costs.



*Innovative health care designed around you.*<sup>SM</sup>

# What You Need to Know About National Smallpox Vaccinations

As many of you are aware, North Carolina began vaccinating people in January that fall into one of the four categories as defined by the National Smallpox Vaccination Program. These categories are:

- 1) Health care workers who may be called upon to monitor or treat any person who received the vaccine
- 2) Members of a smallpox response team or teams identified by state or local government
- 3) Public safety personnel
- 4) Personnel associated with certain U.S. government facilities located abroad

As North Carolinians decide whether or not to be vaccinated, many are questioning the role that Blue Cross and Blue Shield of North Carolina (BCBSNC) will play in paying for the vaccination, paying for services that result from adverse reactions to the vaccine, and in covering services in the case of smallpox. Let's take a look at some key questions and answers on the topic.

## Who pays for the smallpox vaccination?

The federal government will pay for the cost of the vaccination through appropriations to each state's public health department. The vaccinations will be provided only at locations designated by each state's public health department. The vaccine itself will not be covered by BCBSNC, since it is not currently a standard vaccination recommended by the Centers for Disease Control and Prevention.

## Who pays if one of my employees becomes ill after receiving the vaccination?

If the federal government does not pay for adverse reactions resulting from the smallpox vaccine, BCBSNC will do what's right for its customers. For our underwritten accounts, we will pay for these associated medical costs. **NOTE: Self-funded accounts will need to make their own decision about whether to cover adverse reactions or not. In the event that your company chooses not to cover adverse reactions, please notify your BCBSNC account manager as soon as possible.**

## Who pays if one of my employees gets smallpox from someone who received the vaccination or as a result of a bioterrorist attack?

BCBSNC will pay for any services necessary as allowed under the member's specific plan of coverage.

## Where can my employees find out more about the smallpox vaccination?

The Centers for Disease Control and Prevention has a Web site full of information on the smallpox vaccine. It can be found at [bt.cdc.gov](http://bt.cdc.gov).



# New Tools for Employees With Diabetes

BCBSNC now has videos available to help you educate your employees about diabetes. The *Your Diabetes Care* program at BCBSNC recently purchased the following videos from the American Association of Diabetes Educators:

- “Putting Carbohydrate Counting into Practice” (23 min.)
- “Preventing Long-Term Complications of Diabetes” (17 min.)
- “Diabetes and Depression” (18 min.)

These videos are perfect for Lunch-and-Learn sessions or individual viewings. Because videos can be used in a variety of settings and at any time of day, they are great tools for employers with multiple shifts or locations. BCBSNC will also provide you with supporting educational materials to distribute to employees who view the videos.

*Your Diabetes Care* is a valuable resource available to your employees. The videos are a great way to educate employees about important health management concepts and to help those suffering from diabetes achieve healthy outcomes.

If you're interested in borrowing any of the above videos, please contact Bruce Foraker, Population Management at BCBSNC, at [919-765-1365](tel:919-765-1365), or via email at [Bruce.Foraker@bcbsnc.com](mailto:Bruce.Foraker@bcbsnc.com).



**BlueCross BlueShield  
of North Carolina**

*Innovative health care designed around you.™*

# Stepping-Up Physical Activity

The benefits of regular physical activity are many—we look better, we feel better and our health improves. And that's not all—by exercising regularly we can help control the rise of health care costs for everyone. In fact, according to a study by the Centers for Disease Control and Prevention, increasing regular moderate physical activity among the more than 88 million inactive Americans over the age of 15 might reduce annual health care costs by as much as \$76.6 billion.

Being physically inactive significantly increases the risk of developing many chronic diseases and conditions like heart disease, stroke, colon cancer, diabetes, obesity, arthritis and osteoporosis. Total health care costs related to these conditions total more than \$600 billion annually.

Fortunately, each of us has the power to reduce health care costs by exercising every day. For example, brisk walking for 30 minutes a day, three times a week, can improve a person's health. Encourage your employees to check with local community centers, fitness centers or schools for free or low-cost exercise classes and athletic activities. If your group participates in our Alt Med Blue program, remind employees of the valuable discounts they can get with participating fitness centers. They can find out more online at [bcbsnc.com](http://bcbsnc.com).

## Walk Your Way to Better Health

Do you have walking trails or a lunchtime walking program for your employees? Why not make it even more fun for them by suggesting they get an Active Steps pedometer? Better yet, it would be even more of an incentive if your company could purchase the pedometers for employees to use.

With an Active Steps pedometer, you and your employees can monitor your individual daily activity and find out just how your steps measure up. Active Steps is an innovative walking program sponsored by Be Active North Carolina. To order Active Steps pedometers, just call Be Active North Carolina at [919-765-7171](tel:919-765-7171) or log onto [beactivenc.org](http://beactivenc.org) for more information.

So, encourage your employees to set their personal activity goals, get motivated and start taking strides to better health today!



# Blue e Update

As part of our compliance with the new privacy regulation rules established under the federal Health Insurance Portability and Accountability Act (HIPAA) as of April 14th, Blue Cross and Blue Shield of North Carolina (BCBSNC) has made a few changes to **Blue e**. These privacy practices, which are designed to safeguard our members' protected health information, known as "PHI," will revise our policies and procedures for disclosing PHI to group health plans and health care providers, and will also limit our electronic disclosures concerning PHI.

As part of our corporate privacy policy, BCBSNC will limit its electronic disclosures to group health plans regarding PHI related to enrollment and eligibility information. As a result of this new privacy policy, the Group Claim Inquiry transactions are no longer available on **Blue e**.

<sup>1</sup> **Blue e** is an interactive Web-based system that allows health care providers and employers to perform business transactions with BCBSNC and is available to enrolled groups of 50 or more employees. For more information, please contact your BCBSNC account manager.

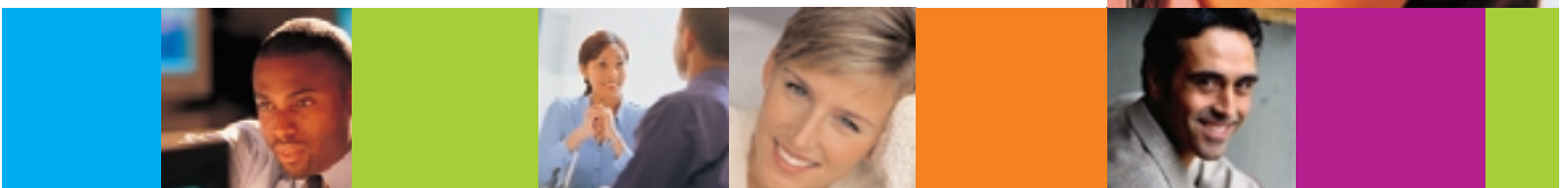
## bcbsnc.com Has a New Look

If you've visited our Web site lately, you've probably noticed that in addition to a new look, we've made the site more user-friendly and easier to navigate. After conducting usability tests with focus groups in four diverse regions across the state, we discovered that our customers wanted the same basic things out of our Web site—to get the information they need quickly and without confusion.

So, we stripped away navigation layers, which means that moving through the site is now much more intuitive. Text is brief and instructions stand out from other information on a page, so it is easier to locate, understand and follow. As a result, our Web site now has six distinct portals for visitors to choose from. For instance, as benefit managers, you'll probably want to bookmark the "I'm an Employer" home page for quick reference. Take a look and let us know what you think. Visit [bcbsnc.com](http://bcbsnc.com) today!



**BlueCross BlueShield  
of North Carolina**



*Innovative health care designed around you.*<sup>SM</sup>

# Over-the-Counter Medication Online Resource Now Available

If you could buy two essentially identical products, but one cost \$20 and the other cost \$30, you would probably opt for the \$20 version, right? Many over-the-counter (OTC) medications are as effective as their prescription equivalents, but are often less expensive. Initially approved as a prescription drug, many of the drugs now available without a prescription are ultimately proven safe and effective to be sold over-the-counter.

Here are some facts about over-the-counter medications:

- OTCs are approved by the Food and Drug Administration.
- OTCs are convenient.
- OTCs may save money in avoided doctor visits and lost time from work.
- OTCs save the health care industry money, because the total cost of a prescription drug can be two to three times the amount of a typical prescription drug copayment.

To help our members become better-informed health care consumers and to navigate the sometimes confusing world of OTC medications, we've added an OTC Medication resource to our Pharmacy Services Web page at [bcbsnc.com](http://bcbsnc.com). Just click on the "Find a Drug" icon in the top right-hand corner of our home page for easy access to information about the uses and benefits of OTC medications, a list of common conditions that may be managed or treated by OTC medications, as well as examples of OTC medications that may effectively treat the symptoms of these conditions.



*Innovative health care designed around you.<sup>SM</sup>*

[bcbsnc.com](http://bcbsnc.com)



Official Health Insurance Sponsor of the 2002-2004 U.S. Olympic Teams. Founding Sponsor of Be Active North Carolina. Blue Cross and Blue Shield of North Carolina is an independent licensee of the Blue Cross and Blue Shield Association. ©, SM Registered marks of the Blue Cross and Blue Shield Association. SM1 Service mark of Blue Cross and Blue Shield of North Carolina. U2573, 5/03



 **BlueCross BlueShield  
of North Carolina**

Durham, NC 27702 - 2291

BENEFITSMANAGEMENT  
**Briefs**

Susan Lovett, Editor

PRSR STD  
U.S. POSTAGE  
**PAID**  
Durham, NC  
Permit No. 207