



## Preferred Provider Organization (PPO) Agreements

Preferred provider organization (PPO) agreements are an essential component of the HCCMCA's (Health Care Cost Management Corporation of Alaska, Inc.) goal of helping our member health plans deliver outstanding benefits and high-quality health care services to their participants at lower costs than they would be able to obtain individually.

To accomplish this, HCCMCA has negotiated PPO agreements with several outstanding health care providers and vendors:

- Aetna, a major health insurance provider and manager of a nationwide PPO.
- Alaska Regional Hospital in Anchorage and Mat-Su Regional Medical Center in Palmer, Alaska.
- Chugach Physical Therapy, Alaska Hand Rehabilitation and Ascension Physical Therapy in Anchorage, Alaska.

### **Aetna**

The contract HCCMCA signed with Aetna in 2013 is estimated to save participating HCCMCA member health plans more than \$250 million annually; more than 26% off the billed charges. For member plans west of the Cascades, this represents an average 5% savings over prior PPO networks.

The Aetna PPO delivers:

- Significant discounts over the HCCMCA's previous national PPO network.
- Broad access to an extensive and growing provider network.
- Cost containment through claim audits and utilization programs.
- Discount, trend and performance guarantees.
- Participant access to the Aetna Navigator website, a robust, interactive online tool that helps individuals find and use quality, cost-effective providers.
- Competitive pricing for access to optional programs such as Teladoc.

Member plans pay a monthly access fee to Aetna and HCCMCA to participate in the PPO. Information regarding the access fee is available by calling HCCMCA at (888) 474-4226 (toll-free) or (907) 474-4226.

"Cost containment and quality care have to go hand-in-hand. The Aetna PPO agreement negotiated by the HCCMCA accomplishes both. Our members and our plan benefited from the previous PPO agreement; the Aetna agreement delivers a broader network and greater discounts."

*Ron McPheters*

Alaska Laborers-Construction Industry Health & Security Fund

Keeping health care affordable for workers and their families

3000 A Street, Suite 300, Anchorage, AK 99503

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## **PPO Hospitals**

We have negotiated discounts for both inpatient and outpatient services at Alaska Regional Hospital (ARH) and Mat-Su Regional Medical Center. Participating member health plans save approximately \$45 million per year through the ARH contract.

Our PPO agreements offer HCCMCA member health plans significant benefits:

- Contracted rates are significantly better than other discount arrangements. Member billings at ARH averaged 60% lower than retail pricing – some HCCMCA member plans saved as much as 69%.
- The access fee is 1.5% of the net discounted charges. This means that, if a health plan incurs \$1,000,000 in charges at either hospital, the bill is reduced by 60% to \$400,000. The plan saves \$600,000, more than 100 times the annual \$6,000 access fee paid to HCCMCA.
- HCCMCA has negotiated a per diem and case rate contract for most services with a fixed annual escalator. This means the price of services to HCCMCA member health plans will not increase when ARH or increases its retail prices.
- The Mat-Su Regional Medical Center contract is a percentage off billed contract, but there are limits on the amount of increases to our member health plans.

“By using the Alaska Regional Hospital PPO agreement, the Alaska Laborers’ Health Plan has saved more than \$30 million since 2004. Their participation in the HCCMCA Health Fairs also helped us provide low-cost preventive screening for our participants. Alaska Regional Hospital has been a valuable partner to the Alaska Laborers.”

*Ron McPheters*

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## **Physical Therapy**

Chugach Physical Therapy, Alaska Hand Rehabilitation and Ascension Physical Therapy in Anchorage provide discounted pricing to participating HCCMCA member health plans. In 2013, plans saved up to 35% off retail physical therapy charges. HCCMCA pays an access fee of 1.5% of net discounted charges for this coverage.

## **Learn More**

To learn more about benefiting from our Preferred Provider Agreements, contact HCCMCA at (888) 474-4226 (toll-free), (907) 474-4226, or visit [hccmca.org](http://hccmca.org).