

## Companies offering on-site health care

Like so many other companies, Cardone Industries Inc. in Northeast Philadelphia was struggling with the cost of its workers' health care.

Too many of its 4,000 employees, a melting pot of immigrants from dozens of countries, lacked primary-care doctors. Rather than deal with problems early, they'd wait until they were really sick, then head for emergency rooms, the priciest place to get health care. On top of that, a small but growing number of workers was turning down the company's health insurance plan because it was too expensive.

In response, Cardone is trying a new twist on an old approach to employee health that is quickly gaining popularity among large employers around the country. It's bringing back the company doctor.

"It's an old concept that's making a new beginning," said

Jeff Eck, director of benefits for Cardone, which rebuilds auto parts.

Cardone and Holy Redeemer Health System earlier this month broke ground on a 2,500-square-foot health center for Cardone employees and their families that will be staffed by Holy Redeemer doctors. Workers who use the center will have a lower insurance co-payment. And, those who sign up for Cardone's new Exclusive Provider Organization (EPO), which largely restricts them to Holy Redeemer doctors, will pay less for their insurance.

While many manufacturers historically had doctors or nurses around to treat injuries or give drug tests, the Cardone center follows a new template that offers work-site primary care plus preventive services such as vaccines, health screenings and weight-loss counseling. Employers see the centers as an attractive perk for employees, but also a way to increase worker productivity



Adam Hamm  
Insurance Commissioner

Welcome to the *RxConnector* newsletter!

Dear friends,

This newsletter is designed to keep you up-to-date about the Prescription Connection for North Dakota program and to keep you in the know about the various prescription assistance programs that are available. From time to time, we may also include other items of interest related to Medicare and the State Health Insurance Counseling (SHIC) program.

As always, thank you so much for all that you do for the Prescription Connection program.

Without your help, our work would be that much harder. Your efforts are valued and appreciated.

If you have items of interest that you think should be included in this newsletter, we would love to hear about them. Please contact Sharon St. Aubin at [ssaubin@nd.gov](mailto:ssaubin@nd.gov) or call her at 1.888.575.6611.

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Insurance Commissioner

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and hold down health costs by treating problems early and efficiently.

Pharmacy giant Walgreen Co. has a new division based in Conshohocken that is creating a web of health centers in its drugstores and at work sites. Clients include about



30 financial firms on Wall Street, Harrah's Entertainment Inc., Horizon Blue Cross Blue Shield of New Jersey and Toyota Motor Corp. Beginning in October, the division will operate a 15,000-square-foot health center for Disney World employees.

In Gillette, Wyo., three energy companies are creating an 8,400-square-foot health center with 15 staff members for their workers, dependents and retirees. It is set to open Sept. 16.

Through the acquisition of other companies this year, Walgreen's now has about 400 work-site clinics. It plans to open 100 to 150 more a year, said Hal Rosenbluth, president of the Health and Wellness division. "This opens up a whole new group of customers to Walgreen's," he said.

Johns Hopkins runs about 50 clinics, most of them staffed by nurse practitioners and physician assistants, at seven large national companies, including PepsiCo Inc. and Hughes Electronics Inc. "It's a great way to deliver

medicine, particularly preventive medicine," said Edward Bernacki, a doctor who runs Hopkins' division of occupational medicine.

"Every day we're getting calls from other multinational companies that see an on-site clinic as a way to offset some of their health costs."

On the downside, the centers raise privacy concerns. How much, after all, do you want your boss to know about your infirmities or unhealthy lifestyle? That is one reason companies hire outside firms to provide health care. The centers, they say, are bound by the same privacy rules as any other health provider.

Kelly Stigelman, a union officer at Cardone, said only a handful of employees had asked about privacy at the new center, which is expected to open early next year. Most are reassured because the center staff will work for Holy Redeemer, not Cardone.

A survey released this year by Watson Wyatt Worldwide Inc., a human resources consulting firm, and the National Business Group on Health found that 29 percent of large employers had an on-site health center or planned to open one by 2009, up from 27 percent in 2006. The study faulted the companies for failing to analyze how the health centers were affecting spending.

In the survey, companies with on-site centers said they were interested primarily in improving productivity and saving money. Center operators say they can reduce absenteeism, both from sickness and from long trips to the doctor's office in the middle of a workday. They can save money by preventing serious illnesses and reducing emergency room visits.

Lale Iskarpatyoti, group and health-care practice leader for Watson Wyatt in Philadelphia, said the work-site center trend had picked up in the last four or five years. An emphasis on wellness can save money, she said, because 40 percent to 50 percent of health-care costs are related to preventable problems.

While the on-site centers can work for companies with as few as 500 employees in one place, they typically serve at least 1,000. You need 2,500 to 5,000 employees for a pharmacy to make sense, Iskarpatyoti said.

Toyota opened an ambitious center for its employees in San Antonio, Texas, in January 2007. Two doctors and a nurse practitioner provide primary care. There is also dentistry, X-rays, optometry, physical therapy and a pharmacy that fills 150 prescriptions a day. It has been



so successful that Toyota is now opening smaller clinics at two other locations, said Ford Brewer, Toyota's medical director in North America.

Toyota paired the San Antonio center, which now provides half the primary care to 4,000 employees, on-site suppliers and their families, with a restricted network of hospitals and specialists who scored in the top 25 percent on quality ratings. In exchange for having fewer competitors, the hospitals and specialists gave Toyota a 20 percent price break.

Toyota is saving money on the whole package, but not on the health center itself. "The goal and the projection was not to save money on primary care. You actually do spend more money on primary care," Brewer said. The savings come, he said, from the specialty price cuts and from better primary care.

In this region, Harrah's offers a health and wellness center for 21,500 workers and dependents from its four casinos in Atlantic City. Located in the Showboat

Casino and Hotel, the center looks like any modern doctor's office. It has six exam rooms and is staffed by three doctors, four nurse practitioners, a physician assistant, and four registered nurses. Patients can get X-rays, diet counseling, physical therapy and many medications on the spot. There is a well-stocked fitness center next door. Employees get cash incentives to participate in wellness activities.

Center staff members said they took pride in offering prompt appointments—the next day for a Pap test, for example—and good service.

Use of the center has been rising. It now sees about 65 people a day. One day last week, Carmen Filippello, a 60-year-old supervisor on the casino floor, was in to have her asthma checked out. She and her husband, who also works for Harrah's, both use the center for primary care.

"I think they're taking excellent care of me," she said. "The doctors here are phenomenal. I just love that everything's here."

Cardone's Eck said he thought his company's clinic would be a hit because 70 percent of Cardone's employees live within five miles of its main plant. That kind of geographic concentration also makes a health network restricted to one hospital - employees who choose the EPO are supposed to use Holy Redeemer if it offers the care they need - workable.

Mike Laign, Holy Redeemer's chief executive officer, said he thought the employee center had broader promise, but wanted to see how things went at Cardone before trying it elsewhere. "We think this is a model that definitely warrants further development in the market," he said.

Source: The Philadelphia Inquirer

## Abbott diabetes program change

Abbott Diabetes Program has added lancets to their program. They now cover lancets, meters and test strips. For more information, call 1-800-222-6885.

## Medications with potential safety problems

The list of drugs under investigation by the Food and Drug Administration, what they are used for and the potential problem.

- R-Gene 10, a growth hormone, pediatric overdose due to labeling/packaging confusion
- Suprane, an anesthetic, cardiac arrest
- Cymbalta, for depression and other conditions, urinary retention
- Intelence, an HIV medication, bleeding into joints
- Carac and Kuric, creams for skin conditions and fungal infections, name confusion
- Heparin, a blood-thinner, serious allergic reactions
- Extraneal, used in kidney dialysis, low blood sugars
- Humilin R, for diabetes, dosing confusion
- Stromectol and Warfarin, an anti-parasite drug and a blood thinner, drug interaction
- Tykerb, for advanced breast cancer, liver damage
- Revlimid, for multiple myeloma, severe skin blistering

and bleeding

- Tysabri, for multiple sclerosis, skin melanomas
- Nitrostat, for angina, overdose due to labeling confusion
- Sandostatin LAR, for abnormal bone growth, bowel obstruction
- Oxycontin, a pain killer, drug misuse, abuse and overdose
- Definity, used in cardiac imaging, cardiopulmonary reactions
- Dilantin injection, for epileptic seizures, serious skin reaction
- Seroquel, for bipolar disorder, overdose due to sample pack labeling confusion
- Tyzeka, for chronic hepatitis B, nerve damage
- Tumor Necrosis Factor (TNF) Blockers, for juvenile arthritis, cancers in children and young adults

Source: Associated Press

## CMS announces Medicare premiums, deductibles for 2009

The standard Medicare Part B monthly premium will be \$96.40 in 2009, the same as the Part B premium for 2008. This is the first year since 2000 that there was no increase in the standard premium over the prior year.

Part A and B premiums and deductibles have also been released.

- Part A deductible for 2009 is \$1,068 (an increase of \$44.00 from 2008) Just a reminder, this is for days 1-60 during a benefit period in a hospital. Additional charges will apply after the first 60 days.

- Part B deductible for 2009 is \$135 (no increase from 2008)

- Part A premium for 2009 is \$443 (an increase of \$20.00 from 2008). Just a reminder, to most people with a work history this is generally FREE.

- Part B premium for 2009 is \$135 (no increase from 2008)

Source: Medicare

## Whistle-blower lawsuits helped recover at least \$9.3 billion



Whistle-blowers have helped the Department of Justice recover at least \$9.3 billion from health care providers and pharmaceutical

companies that allegedly defrauded states and the federal government, according to a report published recently in the Annals of Internal Medicine, the AP/San Francisco Chronicle reports.

Source: Kaiser Daily Health Policy Report

## Houston Chronicle examines telepharmacies in North Dakota

The AP/Houston Chronicle on Saturday examined telepharmacies—virtual pharmacy systems located in rural drug stores—in North Dakota. Staff, usually a registered pharmacy technician or nurse, use remote cameras connected to licensed pharmacists who view the original signed prescription, label, bottle where the pills are stored and the patient’s bottle. The pharmacist then approves the prescription and conducts a mandatory private consultation in real time with the patient.

North Dakota lawmakers approved telepharmacies in 2001 after many rural pharmacies went out of business. The following year, the state began the project at 10 volunteer sites. There are now 67 telepharmacies in the state.

Several other states—Alaska, Idaho, Illinois, Montana, South Dakota, Texas, Utah, Vermont and Wyoming—

and the District of Columbia have adopted similar projects. Ann Rathke, director of telepharmacy at North Dakota State University, said it costs about \$18,000, including equipment, installation and one year of internet service to set up a site in North Dakota. The pharmacies pay a \$175 annual licensing fee and the technicians, who usually need about two years of training, are paid about \$15 an hour.

“It’s not rocket science, and it doesn’t cost a tremendous amount of money,” Rathke said. Charles Peterson, dean of pharmacy at NDSU, said, “Every state is struggling with, the most part, the same issues,” adding, “Access to health care in a rural setting is a problem for everyone. We have shown that this is a solution” (Kolpack, AP/ Houston Chronicle, 9/6).

Source: Kaiser Daily Health Policy Report

## Employers offering deals for workers who travel for medical care

The Wall Street Journal on Wednesday examined how some employers “are looking to take advantage of the geographical variations in quality and cost of health care within the U.S.,” and others are “leveraging deals they’ve struck with foreign hospitals in order to secure better rates with U.S. hospitals.” Some employers are offering incentives to workers who agree to travel within the U.S. for care, including no out-of-pocket costs, which can save workers thousands of dollars, as well as money for travel expenses and access to concierge services, the Journal reports. Most of these agreements are focused on surgical procedures, such as hip and knee replacements and cardiac bypasses.

Mike Taylor, leader of global health care consulting at Towers Perrin, said, “Patients are likely to be more open to traveling for care right now.” Taylor said that receiving care domestically is much less intimidating than going to a foreign country, where practical, medical and legal issues can pose challenges for patients and employers.

The Journal also profiled Healthcare America, which offers employers access to a specialty network of U.S.

hospitals offering surgical procedures that can cost 30 percent to 50 percent less than comparable procedures elsewhere. The company has signed contracts with several employers and is discussing agreements with teacher unions and some of the largest U.S. corporations (Knight, Wall Street Journal, 9/10).



Source: Kaiser Daily Health Policy Report

## North Dakota Workforce Committee

The legislature's Interim Workforce Committee is drafting legislation for the 2009 session that aims to reduce worker shortages throughout the state.

Lawmakers hope to remedy the situation by providing public policy incentives that could keep boomers in the workforce longer and persuade young people to remain in the state and out-of-staters to move in.

Recent figures from state Job Service show more than

10,000 positions available, with vacancies in nearly every industry, including energy, teaching, health care, computers, customer service and truck driving.

AARP North Dakota encourages members to follow the committee's progress by going to [www.legis.nd.gov](http://www.legis.nd.gov) and clicking on "Current Interim Committees."

Source: AARP Bulletin June 2008

## Drug literature lacks guidelines on proper disposal method

U.S. residents are almost never instructed how to safely dispose of their unwanted medications, despite increasing evidence that medications flushed down the toilet can damage the environment and eventually reach drinking water supplies, according to an Associated Press investigation, the AP/Denver Post reports.

The AP contacted pharmacists around the U.S. to determine what they tell customers and reviewed the accompanying literature for the 50 most-dispensed prescription drugs in the U.S. According to IMS Health, the drugs reviewed were prescribed 1.1 billion times in 2007 and make up 28 percent of the national market.

The review found that none of the accompanying information—much of which is produced or reviewed by FDA—included federal drug disposal guidelines, which FDA helped develop, or any other type of step-by-step directions regarding medication disposal.

According to the AP/Post, lack of space was the most common reason cited for not including disposal details on drug instructions.

Federal guidelines recommend mixing nearly all



unwanted medications with coffee grounds or kitty litter and then putting the mix into the trash or using pharmaceutical takeback programs that allow residents to bring unused drugs to a central location for proper disposal. The guidelines also state that 13 medicines, most of which are strong narcotics, should be flushed down a toilet to prevent illicit use.

However, federal agencies do not have a consistent message regarding whether to flush prescription drugs, according to the AP/Post. The Fish and Wildlife Service says "DO NOT FLUSH unused medications," while the Drug Enforcement Administration says there is no "safe, secure and reliable disposal system" for some narcotics (AP/Denver Post, 9/16).

Source: Kaiser Daily Health Policy Report

## Cost of private health plans compared to Original Medicare

In 2008, Medicare private health plans cost taxpayers on average 12.4 percent more than the corresponding cost of care in Original Medicare, with excess subsidies to these plans totaling \$8.5 billion, according to a recent Commonwealth Fund report. (The Continuing Costs of

Privatization: Extra Payments to Medicare Advantage ([click here to read the report](#)).

Source: Medicare Watch September 2008

## Seeking nominees: Francis T. Ishida Award for customer service

Frank Ishida devoted his career in federal service to the most vulnerable of our citizens—the poor, the elderly, the disabled, the lost and forgotten. He left a legacy of compassion and dedication to those who depend upon the Medicare and Medicaid programs for their health security. In his memory, CMS wishes to honor those in our communities who continue to carry out Frank

Ishida's mission.

To submit nominations of persons or groups you consider deserving of this tribute, please call 1.888.575.6611 and ask Jan, a member of the SHIC staff, to send you the process of submitting nominations, as well as the nomination form.

## New OCR guidelines for health care providers and consumers on HIPAA

The Department of Health and Human Services (HHS) Office for Civil Rights (OCR) has published two new HIPAA Privacy Rule guidance documents—one for health care providers and one for consumers—that discuss when a health care provider may share a patient's health information with the patient's family, friends or others involved in the patient's care. These new guides answer common questions about these permitted and important communications and target an area of the HIPAA Privacy Rule that is frequently misunderstood by health care providers and patients alike.

The provider guide is available at [www.hhs.gov/ocr/hipaa/provider\\_ffg.pdf](http://www.hhs.gov/ocr/hipaa/provider_ffg.pdf).

The consumer guide is available at [www.hhs.gov/ocr/hipaa/consumer\\_ffg.pdf](http://www.hhs.gov/ocr/hipaa/consumer_ffg.pdf).

We hope you find these new resources helpful. For more information on the HIPAA Privacy Rule, including guidance on specific provisions, fact sheets, and frequently asked questions, please visit the OCR Privacy Rule website at <http://www.hhs.gov/ocr/hipaa>.

## 2008 Medicare Part D events

The North Dakota Insurance Department is putting on several free events around the state, offering assistance in switching or enrolling in a Medicare prescription drug plan. All sessions are held 9 a.m.–5 p.m.

Nov. 17	<b>Bismarck</b>	Doublewood Inn, Heritage Room, 1400 E. Interchange Ave.
Nov. 20	<b>Dickinson</b>	Grand Dakota Lodge, Lewis and Clark room, 532 15th St. W
Nov. 24	<b>Williston</b>	Senior Center, 18 Main St.
Nov. 25	<b>Minot</b>	Sleep Inn, 2400 10th St. SW
Dec. 1	<b>Fargo</b>	Ramada, Crystal Ballroom, 1635 42nd St. SW
Dec. 2	<b>Wahpeton</b>	NDSCS, Red River Valley room, 900 6th St. N.
Dec. 9	<b>Jamestown</b>	Gladstone Inn, 111 2nd St. NE
Dec. 16	<b>Grand Forks</b>	C'Mon Inn, 3051 32nd Ave. S.
Dec. 17	<b>Devils Lake</b>	Lake Region College, Heritage Room, 1001 College Dr. N.

## Want to learn how to find a Part D plan?

SHIC staff will hold training via IVN (interactive video network) **1–2:50 p.m. Friday, Nov. 14, 2008** at these locations:

**Bismarck**

BSC VoTech 228  
Contact: Pat Gross  
224.5641

**Bottineau**

MiSU-B Arntzen 2  
Contact: Nancy  
Underwood, 228.5421

**Devils Lake**

LRSC Admin 171  
Contact: Dan Driessen  
662.1565

**Dickinson**

DSU Klinefelter 216  
Contact: Kathy Obritsch  
483.2013

**Fargo**

NDSU EML 170  
Contact: Tammy  
Cummings, 231.1997

**Grand Forks**

UND Gamble 120  
Contact: Heidi Flaten  
777.4825

**Mayville**

MaSU Library 115  
Contact: Bob Bertsch  
788.4638

**Minot**

MiSU Admin 158  
Contact: Dick Debertin  
858.3487

**Valley City**

VCSU Rhodes 107  
Contact: James Boe  
845.7445

**Wahpeton**

NDSCS Library 117  
Contact: Wanda Worrel  
671.2606

**Williston**

WSC Main 120  
Contact: Wanda Meyer  
774.4250

To register, contact Jan Frank at 701-328-9611 or [janfrank@nd.gov](mailto:janfrank@nd.gov).