

Keystone Mercy, Affiliate Medicaid Plans Receive High Ratings from National News Magazine

Plans Have Saved Pennsylvania Nearly \$3 Billion Over Last Five Years

Philadelphia-based Keystone Mercy, and three of its affiliates, are among the highest rated Medicaid plans in the nation, according to a recent U.S. News & World Report survey. The survey, NCQA America's Best Health Plans 2005, ranked Keystone 14; Passport Health Plan of Louisville, KY., 18; and AmeriHealth Mercy Health Plan of Harrisburg, PA., 19.

"It is a great honor to be recognized for having three of the top Medicaid managed care plans in the country," said Daniel J. Hilferty, President and Chief Executive Officer, AmeriHealth Mercy. "Our associates work hard every day to carry out our Company mission of providing quality and accessible health care services for our members. This special recognition validates the strength of our company's commitment to quality health care for people with Medicaid coverage."

The survey results come after a Spring, 2005 report showing that the seven Medicaid managed care plans operating under Pennsylvania's HealthChoices Program have saved the Commonwealth \$2.7 billion over the past five years when compared with traditional fee-for-service plans. Hilferty said that the high U.S. News & World report ratings combined with the cost effectiveness of the plans demonstrate the value of the plans to both the Medicaid enrollees, and the state taxpayers.

"We're doing exactly what we set out to do," Hilferty said. "Making sure that the poor receive the highest quality health care available at a cost effective price for Pennsylvania."

With more than 20 years of experience exclusively serving the Medicaid population, AmeriHealth Mercy and its affiliates comprise the largest family of Medicaid managed care plans in the United States, touching the lives of more than 1.5 million members in eight states, Pennsylvania, New Jersey, Kentucky, South Carolina, Virginia, Arizona, California and Indiana.

Released in the October 10th edition of U.S. News & World Report, this collaborative study ranked the nation's commercial Medicare and Medicaid health plans based on access to care (member's ability to get needed care, quickly, health plan customer service), overall member satisfaction, prevention services (health screenings, prenatal care, childhood and adolescent immunizations, avoiding antibiotic overuse and well-child visits), treatment (how well the plan takes care of on-going health problems), and overall quality score (a combination of the scores from the four main categories above and NCQA accreditation). "America's Best Health Plans" is a trademark of U.S. News & World Report.

AmeriHealth Mercy/Select Health's PerformRx Awarded Prescription Drug Plan Contract for South Carolina

PerformRx Expands Offerings Through the New Medicare Part D Drug

AmeriHealth Mercy/Select Health's PerformRx announced recently it was awarded a regional Medicare Prescription Drug Plan ("PDP") contract for the State of South Carolina by the Centers for Medicare & Medicaid Services (CMS). The contract becomes effective January 1, 2006. The contract expands PerformRx pharmacy benefits management ("PBM") offerings into Medicare. PerformRx, a product of AmeriHealth Mercy, currently provides pharmacy benefit management services to nearly 1 million Medicaid beneficiaries in six states.

AmeriHealth Mercy's PerformRx has met Medicare's requirements for providing access to medically necessary drugs to Medicare beneficiaries. Prescription drug coverage will be available to everyone in Medicare, regardless of their income level or how they get their Medicare coverage. Extra assistance is available to those with limited incomes and resources.

PerformRx will offer a PDP premium for beneficiaries of \$24.57, \$10 less than the South Carolina regional weighted average premium of \$34.89.

In addition to serving South Carolina, PerformRx is the PBM for several other Medicare Advantage and Medicare PDPs, including Passport Advantage, a special needs plan serving dual eligible beneficiaries (the aged, blind and disabled who are eligible for both Medicaid and Medicare) in Kentucky; Keystone 65 Complete, a special needs plan serving dual eligibles in southeastern Pennsylvania; AmeriHealth 65, a special needs plan serving dual eligible beneficiaries in central Pennsylvania; and AmeriHealth Advantage, a PDP in 12 states and the District of Columbia.

"We are honored to be selected by CMS to provide affordable and accessible prescription drug coverage to South Carolina Medicare beneficiaries and serve as the PBM for other regional Medicare Advantage Plans and PDPs," said Daniel J. Hilferty, President and CEO, AmeriHealth Mercy. "This is a natural extension of our mission. As an experienced provider of health benefits to dual eligible beneficiaries, AmeriHealth Mercy is pleased to be part of Medicare's historic step toward coverage that will bring the best of modern medicine to Medicare beneficiaries."

In addition to the PerformRx Medicare Part D expansion, AmeriHealth Mercy and its affiliates comprise the largest family of Medicaid managed care plans in the United States, touching the lives of more than 1.5 million members in eight states: Pennsylvania, New Jersey, Kentucky, South Carolina, Virginia, California, Arizona and Indiana.

Keystone Mercy, Health Care Groups Participating in “Healthy Hoops”

Nearly 400 children will participate in the Healthy Hoops Fall Challenge on Sunday, October 23, from noon to 5 p.m. at the Healthplex(R) Sports Club, 194 W. Sproul Rd. in Springfield, next to Springfield Hospital. The Fall Challenge will wrap up the 2005 Healthy Hoops Program, an innovative community-based program that combines asthma education and basketball targeting children with asthma from Chester and Philadelphia.

The Keystone Mercy Health Plan, AstraZeneca, Crozer-Keystone Health System, ChesPenn Health Services, health care providers, asthma specialists and basketball coaches developed Healthy Hoops to bridge the racial-disparity gap of children with asthma, the most common chronic disease among children, according to the National Center for Health Statistics. According to the 2002 Household Health Survey, 10 percent of children under the age of 18 in Southeast Pennsylvania have asthma, representing nearly 105,000 children in the region.

Because of the positive results and success of the first two Healthy Hoops programs, 2005 marked the expansion of the program to Chester, PA, where asthma rates among children are higher than average. A study led by Gerald Kolski, M.D., Ph.D., chair of Pediatrics at Crozer-Chester Medical Center and medical director of the Kids Asthma Management Program, found that more than 20 percent of Chester-Upland children were determined to have-or be at risk for-asthma. This rate is higher than the national average of 6 to 8 percent.

"The very high incidence of asthma in the Chester area makes the Healthy Hoops program very important. The program has provided hundreds of children with screenings, information about asthma and tips for managing their condition more effectively," Kolski says.

The program's results have been extremely positive. Results from children who started the program in 2003 and have participated for two years shows that after the 2004 Healthy Hoops program:

- 26 percent decrease in emergency room visits after the second year
- 10 percent increase in children using preventative medication therapies
- 13 percent decrease in rescue medication use

Proposed Food Stamp Cuts Restored by U.S. Senate Committee

Food stamp recipients won a surprise reprieve while corporations with large pension enrollments took it on the chin this week when Senate panels began trimming \$35 billion from federal spending.

Low-income college students received a \$6 billion increase in grants while senators from traditional dairy states girded for a battle to extend a payment program for dairy farmers.

The chairman of the Senate Finance Committee was unable to produce an agreement between the conservative and moderate factions of his committee over \$10 billion worth of curbs in Medicare and Medicaid programs.

Finance moderates such as Olympia Snowe, R-Maine, pressed to minimize Medicaid cuts while conservatives such as Jon Kyl, R-Ariz., tried to fend off the elimination of a \$7 billion fund to encourage insurance companies to offer the new Medicare prescription drug benefit.

Under Congress' arcane budget process, committees have been given spending levels to achieve through any combination of cuts, new revenues or spending increases.

The cuts, in many cases, are politically sensitive, especially since it's falling to majority Republicans to take the most difficult votes. Many Republican chairmen have to balance the political needs of their panel members. Regional splits are common and ideological schisms abound.

Senate Agriculture Committee Chairman Saxby Chambliss, R-Ga., heeding protests from panel members such as Rick Santorum, R-Pa., and Jim Talent, R-Mo., dropped more than \$500 million in food stamp cuts from a farm and food subsidy measure. The cuts could have meant a loss of benefits for 300,000 working families.

The Health, Education, Labor and Pensions Committee approved by a 15-5 vote a spending cut package imposing \$14 billion in five-year budget savings. The package would more than double the premiums paid by corporations to the financially troubled Pension Benefit Guaranty Corp., generating loud protests from the GOP's business allies.

On the other hand, Edward M. Kennedy, D-Mass., warmly embraced a measure that would provide more than \$8 billion in new aid for college students, financed through reductions in lender subsidies.

The budget debate was set in motion long before Hurricane Katrina upended the political landscape. Initially, the common wisdom was that the budget-cutting effort would have to be called off since it would look bad to curb spending _ including programs focused on the poor _ in the wake of Katrina's devastation.

Now, after a conservative backlash about the budget deficit, the budget debate has been cast as helping to finance hurricane relief, and conservatives claim momentum.