



Preferred Provider Organization (PPO) Agreements

The Health Care Cost Management Corporation of Alaska, Inc. (HCCMCA) has negotiated Preferred Provider Organization (PPO) Agreements with three outstanding health care providers – Alaska Regional Hospital in Anchorage, the Beech Street nationwide PPO network, and Chugach Physical Therapy in Anchorage. Agreements give our member health plans access to high quality medical care at discounted pricing.

Alaska Regional Hospital

We have negotiated discounts for both inpatient and outpatient services at Alaska Regional Hospital in Anchorage. To date, the contract has saved member plans more than \$100 million.

Our PPO agreement with Alaska Regional Hospital offers HCCMCA members a number of benefits:

- HCCMCA's contracted rates are significantly better than other discount arrangements. In 2008, member billings averaged 61% lower than retail pricing – some HCCMCA member plans saved as much as 69%.
- Total HCCMCA savings in 2008 totaled almost \$40 million.
- The access fee is 1.5% of the net discounted charges. Therefore, if a health plan incurs \$1,000,000 in charges at Alaska Regional Hospital, and the bill is reduced by 61% to \$390,000, the plan saves \$610,000, and the access fee to HCCMCA is just \$5,850.
- 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 members will not increase when Alaska Regional Hospital increases their retail prices.

Physical Therapy

Chugach Physical Therapy, Alaska Hand Rehabilitation and Ascension Physical Therapy in Anchorage provide discounted pricing to participating HCCMCA member health plans. In 2008, plans saved approximately 35% off retail physical therapy charges.

- HCCMCA's access fee is 1.5% of net discounted charges

Beech Street PPO

Beech Street offers significant discounts through their extensive PPO network in Alaska and nationwide. HCCMCA member health plans can utilize Beech Street's extensive network of preferred providers at a reduced PPO access fee.

Beech Street PPO (cont)

HCCMCA's contract with Beech Street offers a number of advantages:

- Beech Street has worked to grow their current network to 850 providers in Alaska. All providers are fully credentialed and meet strict quality standards.
- Beech Street negotiates with providers outside of the Beech Street network on a case-by-case basis to help get the most savings for member plans and their participants.
- HCCMCA's contract wraps around existing direct contract arrangements, allowing participating member plans to achieve maximum savings.

Participating HCCMCA member health plans pay a negotiated PPO access fee to Beech Street as well as an access fee of \$.20 per employee per month to HCCMCA.

"One of the best things to come out of our relationship with HCCMCA has been their association with Beech Street. Beech Street has done a tremendous job in keeping our costs down through their negotiations with doctors, hospitals, labs and others."

Pat Giles

UNITE HERE Local 878

"By using the Alaska Regional Hospital PPO agreement, the Alaska Laborers' Health Plan has saved more than \$16 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.

Alaska Laborers-Construction Industry Health & Security Fund

Learn More

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

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