

DISABILITYnews

VPA, INC. • THE INTEGRATED DISABILITY CLAIMS MANAGEMENT COMPANY

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Award Winning Partnership Making a Difference to Employees



Jack Bredehorn, VPA (center) and Dawn Werle, PepsiCo (left) receive the 1999 Astra Pharmaceuticals-NMHCC Partnership Award in the category of *Partnerships between Health Plans and Employers*.

On March 30, 1999, the National Managed Healthcare Congress presented VPA, Inc. with the Seventh Annual Astra Pharmaceuticals- NMHCC Partnership Award for its work in implementing a leading-edge medical disability management model in collaboration with PepsiCo.

The presentation was made as part of the Eleventh Annual NMHCC national conference in Atlanta, Ga. VPA received the award in the category of "Partnerships between Health Plans and Employers."

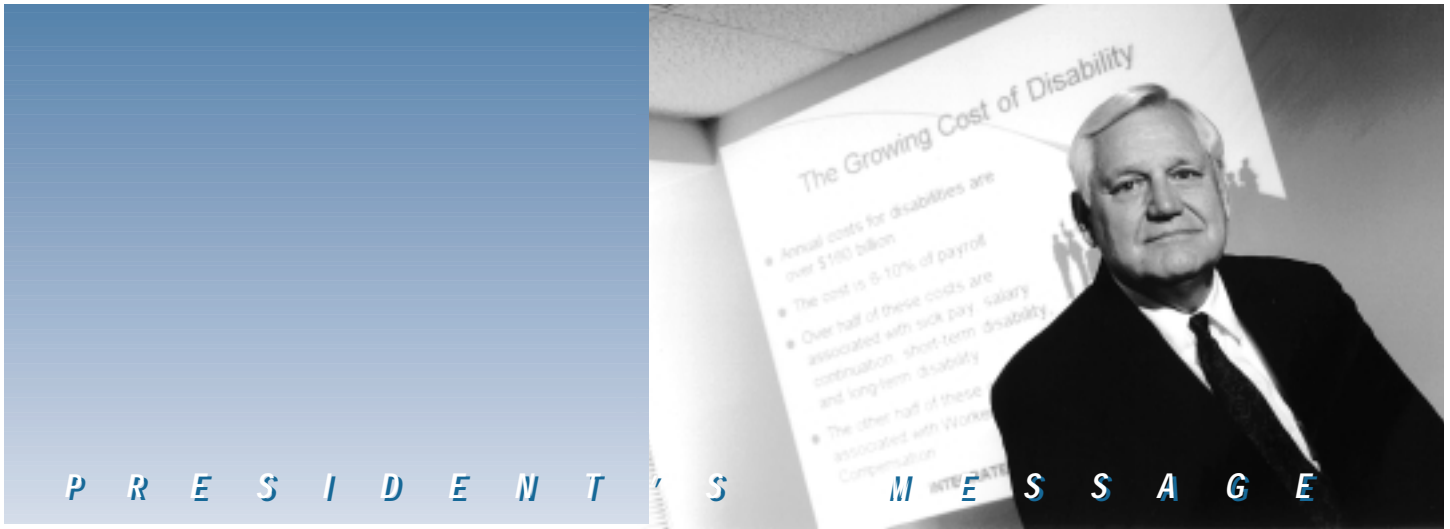
The judges looked for partner-

ships that have made significant and positive contributions to the way health care is delivered in their communities. Joseph Burns from Burns & Associates acted as the Chief Judge.

"After reviewing the applications, the judges believe the winners [of the partnership awards] have demonstrated a strong commitment to delivering extraordinary results in their communities," said Burns.

"This recognition from NMHCC justifies our model as the future of how employers and their benefit plan partners should manage employee

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Legislation of the health and disability industry can greatly influence our employee benefit programs. Sometimes our operations are unaffected by new legislation, at other times, it impedes our ability to effectively run our benefits staff and programs. VPA has been watching several important issues that could affect our clients and their disability management efforts:

Medical Confidentiality

In the past five years, expanding interest in privacy issues has been reflected in legislation. For instance, in 1996 over 900 of the 7,945 bills introduced in Congress included privacy issues. As electronic communication tools becomes more powerful, there is increasing concern over the open distribution and use of medical information by broad populations.

Others are concerned that employers are using private medical information against the employee's best interest.

Legislation such as The Medical Records Confidentiality Act of 1995 and The Health Insurance Portability and Accountability Act (HIPAA) of 1996 have raised medical confidentiality issues. HIPAA legislation has been approved by Congress, and will be enacted by February

2000. Under this law, disclosure of medical records would be limited, and penalties would be imposed on individuals and organizations that reveal protected medical information without the patient's written permission. Any person, including employers, who create, receive, or use health information are designated as a "health information trustee" and are subject to the restrictions of the confidentiality law.

These regulations promise to have a vast effect on disability management efforts. As employers face yet another set of policies, they will invariably struggle to comply with the law without impairing the management and administration of benefits. Although health care programs will most likely be hardest hit by HIPAA, its regulations will also affect areas of workers' compensation, non-occupational disability management, return-to-work programs, health care management, disease management, medical audits, identification of pre-existing conditions, and appeal processes.

Such wide sweeping effects would hinder employers' ability to provide integrated health and disability administration. To effectively manage medical and disability claims, it is essential that patient information be shared between the various health providers and admin-

istrators involved in the process.

Most employers and administrators support federal legislation of medical privacy. We are concerned, however, that new regulations will not offer enough protection for the legitimate use of health information, such as claims processing, medical claims analysis, fraud prevention, and compliance with other federal laws like OSHA and FMLA.

Supreme Court Faces Definition of Disability and ADA

The Americans with Disabilities Act (ADA) protects workers from being discriminated against because of a disability. In order to bring suit under the ADA, a person must be able to demonstrate that they are entitled to its protections because they are a "qualified individual with a disability." The current law provides several alternative definitions of disability, including an "impairment that substantially limits one or more of the major life activities" and being "regarded as having such an impairment."

Lower courts have disagreed on how far the disability law's protections extend. Thus the issue has been brought before the Supreme Court. The Supreme Court is currently challenged to broaden the definition of disability and to decide whether individuals with impairments that are correctable or treatable should be consid-

ered disabled and therefore protected against discrimination

During the last week of April, the Supreme Court heard arguments involving the cases of a truckdriver blinded in one eye, two nearsighted women who unsuccessfully applied to be pilots, and a mechanic with hypertension, however, the rulings are not scheduled to be released until later this year.

The court's decision could shape the employment prospects of a number of individuals and effect the balance of competing interests for workers, employers, and disability administrators.

FMLA and Its Effect on Employers' Efforts

I often speak with human resource professionals about the Family and Medical Leave Act (FMLA). Most admit that since its approval in 1993, FMLA has been an administrative nightmare. One main weakness of FMLA is that the approval or denial of employees'

FMLA rights is left to the employer. FMLA also requires that a health care professional certify the seriousness of a health condition, however the law provides little definition of what constitutes "serious". With such arbitrary directives and the added possibility of legal entanglements, it's no wonder why most employers routinely grant FMLA time off even when conditions seem objectionable.

To further burden human resource departments, FMLA leave can be taken intermittently. Employees are granted a total of 12 weeks of FMLA leave, however, they may choose to take this in increments of weeks, days, hours, or even minutes. As the employer attempts to track this time, they face recording havoc. A similar issue is recurrent absences. Such absences were previously charged against attendance, but now employees can claim them as intermittent leave under FMLA.

The Department of Labor says FMLA has been a success and

President Clinton supports expanding FMLA to give employees additional leave for such instances as school meetings and elder care. Such extensions will only add to the already burgeoning administrative headaches for employers.

When facing leave issues, employers must be well educated in federal, state, and local law. They are required to comply with these regulations in the day-to-day operation of their different leave entitlements, including workers' compensation, pregnancy disability leave, state and family medical leave, ADA regulations, and their own company absence policy.

Legislation is an ongoing and changing process. However, VPA's commitment to provide superior claims management remains constant. As always, VPA's mission is to take on the challenges of administering absence and disability claims so that our clients may go about the business of doing business.

VPAProfile



Bob Schulte, Director, Contract Administration

Bob Schulte is VPA's Director of Contract Administration. He has been with the company for more than 10 years, serving VPA in various positions. His legal background and consulting experience are crucial in his current post as he prepares and updates Administrative Service Agreements with clients. He also advises our claims operations on

issues and changes in state and ERISA laws that can impact our clients' disability plans.

Bob joined VPA in 1988 as Manager of Client Services. Then in 1989, Bob was asked to head VPA's Claims Operations because of his extensive background in disability claims. His experience came from a 25-year career at Equitable Life Insurance. There he was the regional manager in charge of both insured and self-insured long-term disability plans for employers located in the Western United States.

Bob moved into his current position in Contract Administration in 1995. "The best part of my job," says Bob, "is working with our clients to make sure that we are providing the services they need for an efficiently run benefit program. This gives me a great sense of satisfaction."

Bob is that rare breed that can truly call himself a native of Los

Angeles and was educated in Southern California as well. He holds a law degree from Southwestern University Law School and a bachelor's degree from Loyola Marymount University.

Outside of the office, Bob enjoys spending time with his ever-growing family. He and his wife, Joanne, have three grown children and five grandchildren, with a sixth due in September. In 1953, Bob served as an officer in the United States Airforce, stationed in the southeastern part of England. He went on to posts in Germany and Casablanca, experiences that helped him develop an appreciation for overseas travel. Bob and Joanne have since been to Europe several times visiting England, France, Switzerland, and Italy. Asked about his hobbies, Bob said, "Other than stamp collecting, I don't have too many hobbies. Mostly I enjoy the work I do."

Difference

Continued from page 1.

absence and disability issues,” said Jack Bredehorn, President of VPA. “Our plan is based on leveraging the strengths of our partner providers by using our state-of-the-art technology to enable extensive connectivity between employers and vendors. In the end, our model helps employees to receive the best quality care at the right time—after all, that is what we are all striving to provide.”

Two years ago, PepsiCo, Inc., a \$20 billion international company, decided to reorganize its disability benefits and medical management procedures.

Now, when a PepsiCo employee is unable to work, he or she calls a toll-free hotline at VPA, Inc. The VPA representative ensures that simple disability cases are processed smoothly and determines when a medical problem is likely to compli-

cate the claim.

In situations deemed complicated, case managers at PepsiCo's health plans work collaboratively with VPA to ensure that critical issues are addressed and resolved. These include health and psychosocial issues.

“VPA plays a critical role in coordinating activity,” said Dawn Werle, Manager of Health and Welfare Management with PepsiCo. “They worked very closely with us [PepsiCo] throughout the implementation of the program and now we have an effective model for helping employees when they become disabled.”

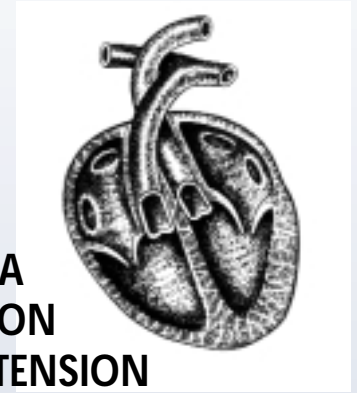
The same program received honorable mention from the International Foundation of Employee Benefits for the Creative Excellence in Benefits Award in 1998.

VPA Attends 1999 ACA Compensation & Benefits Expo

With a little help from the rain, the annual ACA Compensation & Benefits Exposition was a big splash! Held May 2-4 in Boston, VPA was pleased to participate in this informative conference.

Congratulations to Sharon Morse, (pictured next column) Compensation Manager of

Sprint Corporation. She was the winner of VPA's drawing, a Lands' End wheeled carry-on.



VPA KEEPS A PULSE ON HYPERTENSION

No matter why you visit the doctor, you're likely to have your blood pressure taken. Just what do those numbers mean? And why should you care?

For one reason, high blood pressure, or hypertension, is a sign that your heart is working too hard and that can increase your risk of coronary heart disease and stroke. It can also contribute to other serious conditions, such as kidney failure, eye damage, and atherosclerosis.

Your health practitioner uses a device called a sphygmomanometer to measure your blood pressure. The reading consists of two numbers, one written over the other, such as 126/79. The number on top shows your “systolic pressure,” which is the amount of pressure in your blood vessels when your heart contracts and pushes blood through your circulatory system. The lower number represents your “diastolic pressure,” or the pressure in your blood vessels between beats, when your heart is resting.

The National Institutes of Health considers normal blood pressure to be below 130/85. Readings between 130/85 and 139/89 are considered “high normal.” Above that, high blood pressure is divided into four stages:

- Stage 1 (mild): from 140/90 to 159/99
- Stage 2 (moderate): from 160/100 to 179/109
- Stage 3 (severe): from 180/110 to 209/119
- Stage 4 (very severe): 210/120 and up

High blood pressure is often called the “silent killer” because it gives no warning signs. Many people don't find out they have it until they have already suffered damage to their heart, brain, or kidneys.

WATCH YOUR LANGUAGE

Claims administrators can find themselves in difficult situations when claimants do not comply with treatment or when case management reveals that a health practitioner is providing inadequate care. The claims administrator's ability to manage these situations can be greatly enhanced by plan language.

NONCOMPLIANCE

Claimants who do not comply with treatment recommendations (e.g., failure to take medication) are more likely to remain disabled for extended periods. Plan language that allows the claim administrator to enforce compliance can reduce the duration of disability claims. For example:

"Benefits will terminate on the date that the claim administrator determines that the claimant has failed (without cause) to comply with reasonable medical treatment which would be likely to alleviate or cure the claimant's total disability."

In certain states, California for example, full benefits cannot be withheld for noncompliance. They can, however, be reduced to the state plan level until compliance is met.

In the absence of plan language, VPA's clinical staff has successfully worked with health practitioners to

educate claimants about their condition and the health risks caused by their noncompliance. Once claimants are made aware that they are endangering their health, many comply with their treatment programs.

INAPPROPRIATE CARE

Case management analysis may reveal that the health practitioner is not providing optimal treatment or indicate that the skills of a specialist are required to hasten the claimant's recovery.

Plan language that stipulates that adequate care is given and allows the participation of specialists, aids both health practitioners and claims administrators in evaluating and implementing the best possible treatment plans for claimants.

When plan language is not supportive, VPA's consulting physicians discuss alternative treatment plans with attending physicians. Also, to acquire an unbiased evaluation of treatment programs, an independent medical examination (IME) is initiated. Usually, when the results of the examination are forwarded to the attending physician, the claimant is referred to the necessary specialist and a successful treatment program is established.

WHO DO YOU CALL?

Who do you call with questions?

Plan design, claim forms, ID cards, plan implementation, procedure manuals, and customer service:

Julie Santen

VP, Client Services

e-mail: jsanten@VPAinc.com

(818)222-3143

Management reports, state reporting requirements, auditing, client relations:

John Koval

VP, Quality Assurance & Reporting

e-mail: jkoval@VPAinc.com

(818)222-3103

Enrollment, applications, checking accounts, bonding:

Thelma Wilson

Director, Plan Services

e-mail: twilson@VPAinc.com

(818)222-3105

Fee reconciliation, contracts, service agreements:

Robert Schulte

Director, Contract Administration

e-mail: bschulte@VPAinc.com

(818)222-3104



PROMOTION OF JOHN GERNERT, SENIOR VICE PRESIDENT

VPA is pleased to announce the promotion of John Gernert to Senior Vice President. As Senior Vice President, John assumes additional management responsibilities for VPA's Information Systems,

Client Services, and Quality Assurance & Reporting departments. He will continue to lead VPA's Corporate Training, Human Resources, Contract Administration, Office Services, and Finance departments.



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FOURTH ANNUAL DMEC CONFERENCE

VPA is pleased to announce that it will be an exhibitor at the fourth annual Disability Management Employer Coalition's (DMEC) National Conference on July 18-21, 1999 at the Hilton in Long Beach, California. The conference, entitled "Achieving the Goals of Integration," will address such issues as: "How to Develop a Successful Integrated Benefit Program,"

"Integrating Benefit Programs - Perspectives from All Sides," and "Beyond 2000: The Future of Integrated Benefits."

Please be sure to visit our booth to find out more about VPA and its innovative products and services. For more information on the conference, contact Bobbi Armbruster, DMEC Conference Manager, at (310) 305-7885 or visit their website at www.dmec.org.

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Information Systems and
Chief Information Officer

John Gernert
Senior Vice President

Tom Klett
Regional Vice President
Marketing

John Koval
Vice President
Quality Assurance & Reporting

Julie Santen
Vice President
Client Services

Bob Trotta
Vice President
New Business Development

Bob Ann Walkden
Vice President
Claim Operations