

CoreSource REPORT

CORESOURCE
A Trustmark Company

DECEMBER 2007

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Ideas for future articles?
Contact [Sean McManamy](#).

Points from Paul

Looking Back, Moving Forward

After a challenging 2006 on several fronts, CoreSource entered 2007 with a clear strategy and a renewed sense of optimism about the future. We were dedicated to the premise that strong local leadership that understands the needs of local brokers and employers, backed by a corporate structure providing new solutions, would drive our growth in the future.

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Compliance & Operations Updates

- [Electronic Distribution of SPDs and Required Notices](#)
Questions have arisen about the requirements in distributing SPDs and required notices electronically. This Focus Article explains the rules relating thereto. Questions may be directed to Ann Poland in the Indianapolis office.
- [Network News](#)

Industry News

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Points from Paul

Looking Back, Moving Forward

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Has our strategy worked? The good news is that when the books close on 2007, we'll have about \$5.3 million in new sales for January 1 — that's the best 1/1 sales cycle we've had in the last five years. That tells me that the market is starting to validate our strong local leadership strategy, and that we need to stay the course. Unfortunately, those record sales were offset by a higher termination rate than we've seen over the past few years. The clients who chose to leave us did so for many different reasons, but regardless of the reason, it should be clear to us all that if we want to grow, we need to maintain our existing client base.



Paul Lotharius

Some other 2007 highlights:

- We developed CoreCare, a new “total population management” product that is already exceeding our sales expectations for 2008
- Our partnership with LifeWell Health Plans in Atlanta has given us traction in a market where we previously haven't had much success
- For our “legacy” locations, we successfully completed the upgrade to the ECAMS platform
- Ben Frisch was named President of FMH Benefit Solutions in Kansas City, replacing the retiring George McDonnell and Scott Holland. George and Scott built FMH into one of the nation's premier TPAs, and I believe Ben is the right person to build on their track record of success.

Looking ahead to 2008, we are not backing off our locally focused strategy. At this time next year, I expect to be congratulating all of you for a record year in both sales and retention. I foresee a number of ways that, working together, we can make that expectation a reality. We are prepared to succeed in 2008 and beyond by:

- Identifying and exploiting niche markets
- Competing more in geographies that are not dominated by the national health plans
- Forging stronger strategic relationships with key brokers
- Providing service and flexibility equal to top tier TPAs
- Differentiating ourselves from other TPAs with value-added solutions (like CoreCare and Community Health Plans)

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While you might not recognize all of these initiatives, you'll hear more about all of them in the coming year.

In summary, we've come a long way but we've got a long way to go. I appreciate the contributions each and every one of you have made in the last year to the rebirth of CoreSource; together, I'm sure we'll achieve the growth we all know we're capable of achieving.

I wish you and your families a very Happy Holiday.

Paul

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CoreSource News

Frisch Seeks To Build Upon A Great Legacy at FMH

Ben Frisch is excited about the future. When 2008 arrives he'll assume official control of the leadership responsibilities for CoreSource's Kansas City location, FMH Benefit Services.

Ben's new role is the result of George McDonnell and Scott Holland announcing their plans to begin a transition of their leadership responsibilities to Ben. Together, in 1996, Ben's father Joel Frisch, George McDonnell and Scott Holland founded FMH (the name taken from the first letter of each co-founder's last name), and subsequently built it into a successful and highly respected company that now has 90 clients and nearly 200 employees.



Ben Frisch

"The legacy I have inherited at FMH is one that I take very seriously," said Ben, FMH President and Kansas City Location Leader. "My father Joel Frisch and his two partners George McDonnell and Scott Holland each possessed unique skills that helped this business succeed where many did not. This organization is known for its integrity. I have been in this business for 16 years, and have yet to meet three men with more integrity and compassion for their fellow employees and clients. I consider myself blessed to have been able to work with each of them."

Ben's move into his new role will be aided by both George and Scott, who will help with the transition of their key clients.

"Ben has developed a thorough understanding of the healthcare industry, and is very well respected by everyone at FMH and in the marketplace," McDonnell said. "We are extremely confident that FMH will continue to prosper under his leadership."

Ben's career at FMH dates back to 1998. For the past five years he's been their Vice President of Sales and Marketing, and as a result, knows the challenges in the marketplace that lie ahead.

"TPA's have never faced as much competition as they do today," Ben said. "We need to work hard to reinvent ourselves in the eyes of brokers and consultants. The image of the TPA that pays claims fast and is flexible no longer translates into sales. We need to do a better job of communicating how we save our clients money and make their jobs easier by providing tools and resources for their HR managers."

He also said he's confident the entire FMH staff is up for meeting those challenges. "I think that FMH is, and can continue to be, a payor that provides outstanding customer service, state of the art self service tools, and possesses all the tools necessary to help thwart medical trend," Ben said.

CoreSource purchased FMH in 2002. Joel Frisch retired from the company in January of 2007.

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CoreSource News

Client Manager Susan Paul Excels In Difficult Situations

Since coming to CoreSource in September of 2004, Susan Paul has proven she can handle tough assignments. Paul is a client manager in the Columbus office. Besides managing the CoreSource/Trustmark Employee Plan, she has also sparked the retention and admiration of an old account once threatened — Oasis Trust.

Oasis Trust is a dental program for more than 52,000 teachers and their dependents spanning 90 school districts in Ohio. Oasis is a million dollar account and one that goes back 35 years. Today, thanks in large part to Paul's efforts and professionalism, the relationship between CoreSource and Oasis is on solid ground. "It's my favorite group to work on and things are running smoothly," Paul said.



Susan Paul

When Paul arrived at CoreSource in '04, however, the situation with Oasis wasn't too good. The client felt under-served. Participation in the trust was shrinking. And one of CoreSource's oldest clients was on the verge of leaving.

"It was reeling out of control," said Jerry Castelloe, Charlotte and Columbus Location Leader. "They weren't getting the T-L-C they were used to getting. So when Susan came in she created a high-touch service plan. Today, Oasis is back to being one of our best customers."

Paul said serving Oasis means meeting with each school treasurer or superintendent in the program at least once per year and the larger school districts on a quarterly basis. She also said the account is growing, with ten new school districts added over the past three years.

"Getting out and meeting with clients is very helpful in retaining and growing this business," Paul said. "I enjoy working with the Oasis Trust board and with each school district. Meeting with them in person has helped build stronger relationships, and helps me understand what's happening in their district, and what's important for them. Also, the entire Columbus office has worked extremely hard to improve all aspects of service to Oasis, from claims to eligibility to billing."

"She's highly regarded by her clients for her knowledge and the level service she provides," said Jerry Castelloe, Location Leader for the Columbus and Charlotte offices. "She's very thorough and she fights for what's right for her clients."

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Nancy Chase, Assistant Vice President of Operations in Columbus, also praised Paul for her knowledge of operations and her overall professionalism. “We’re very proud to have her representing the company,” said Chase. “She’s always very prepared. And from a claims perspective, she understands what we do. Her clients needs come first, but she also knows what it takes to handle an account.”

The Oasis Trust program was formed in 1956 and was originally administered by JW Didion, a local TPA that eventually became part of CoreSource. Before joining CoreSource, Paul served as an account manager with United Healthcare and Travelers, and at one time, Fringe Benefit Review, which became the Charlotte office.

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CoreSource News

That's The Ticket! McLellan Lands Palace of Auburn Hills

When it comes to talking shop out on the street, name-dropping can definitely have its benefits. That's one of the reasons why Scott McLellan and NGS American in Detroit are excited about one of their newest clients — Palace Sports and Entertainment.

"Certainly everybody knows The Palace of Auburn Hills here in Michigan," said Scott McLellan, Sales Executive, NGS. "It's the premier venue in the NBA, and everything they do is first class. Everybody knows what kind of client they are. They are top of the line with everything they do. So in that regard it bodes well for us."

The Palace of Auburn Hills is home to the Detroit Pistons. It's also the place where big concerts and other major events are held in the Detroit area. But McLellan's famous new client involves more than just the people who operate the arena and run the Pistons. NGS will also handle the benefits for the front office and coaches of the Tampa Bay Lightning of the National Hockey League, the Tampa Bay Storm of the Arena Football League, the Asheville Tourists, a Class A minor league baseball affiliate of the Colorado Rockies, and the DTE Energy Music Theater, Detroit's top outdoor concert venue.

"Palace Sports and Entertainment is the umbrella organization for Bill Davidson's sports and entertainment businesses in Michigan and Florida and we got both pieces," McLellan said. "Bill Davidson also owns Guardian Industries, which is one of the world's leading glass manufacturers, and Guardian is an NGS client. So in this case, we got an endorsement from the parent company."

Palace Sports and Entertainment is a 500-life account. McLellan said they bought medical, flex, utilization review and healthcare management. "Basically, we're handling the claims for everybody in these organizations, except the players," he said.



The Palace at Auburn Hills



Scott McLellan

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CoreSource New Sales Update

oreSource will soon welcome the following new clients to its growing book of business. Congratulations to all who played a role in getting these new clients to choose CoreSource as their next TPA!

For a complete list of every new CoreSource client to date, visit the Business Tools section of the [Virtual Water Cooler](#), then select Reporting Services.

Name of New Group	Office	Sales Executive
K.C. Company	Baltimore	Stacey Curtiss
Goshen Medical Center	Charlotte	Lee Rufty
Toledo Area Regional Transit Authority	Columbus	Kevin Foltz
The Palace of Auburn Hills	Detroit/NGS	Scott McLellan
CST Industries	FMH	Ben Frisch
Lowen Corporation	FMH	Gary Miller
Southeastern Gynecologic Oncology LLC	LifeWell	Jonathan Dimmock
Trucks Inc.	LifeWell	Jonathan Dimmock

Correction: In the last edition of the CoreSource Report, incorrect sales executives were listed for two new clients. The correct information is:

Name of New Group	Office	Sales Executive
Anderson Automotive	Charlotte	Lee Rufty
Bronson Hospital	Detroit/NGS	Mike O'Grady