

CoreSource REPORT

CORESOURCE
A Trustmark Company

NOVEMBER 2007

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

Points from Paul

Opportunity Knocks

Welcome to the new and improved *CoreSource Report*, our monthly newsletter for CoreSource employees. In this space each month, I'll share my thoughts about some of the important issues going on at CoreSource and in the self-funded benefits industry. This month, I'd like to talk about opportunity.

CoreSource News

- [CoreCare Hits The Self-Funded Marketplace Running](#)
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Compliance & Operations Updates

- [Focus: Non-Discrimination Rules of Self-Funded Health Plans \(Highly Compensated Employees\)](#)
- [Focus: Process for Handling Subpoenas and Dept. of Insurance Complaints](#)
Subpoenas should now be directed to Jennifer Kennison at Trustmark Legal. Please refer to the attached Focus Article 2003-4 for instructions on how to handle both Subpoenas and Department of Insurance complaints and inquiries. Questions may be directed to Ann Poland in the Indianapolis Office.
- [Focus: Cafeteria Plan Regulations](#)
The IRS has issued final regulations relating to Cafeteria Plans. Attached is a high-level discussion of the final regulations.
- [Network News](#)

Industry News

- [Fiserv Selling Healthcare Business to United](#)
- [Court Says Employers Can Sue Agent For Taking Excessive Commissions from Plan](#)
- [CMS Releases Medicare Rx Plan Data; Average Premiums Slightly Higher in 2008](#)
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Opportunity Knocks

Welcome to the new and improved *CoreSource Report*, our monthly newsletter for CoreSource employees. In this space each month, I'll share my thoughts about some of the important issues going on at CoreSource and in the self-funded benefits industry. This month, I'd like to talk about opportunity. The success of CoreSource in the future will depend largely on our ability to take advantage of opportunities — both those we create for ourselves, and those that are created for us. I've got a couple of examples to illustrate my point:



Paul Lotharius

CoreCare

Back in April, we announced Trustmark's investment in D2Hawkeye, a data mining and analytics software company based in Waltham, Mass. A big reason that Trustmark made the investment in D2 was because of the opportunities it created for CoreSource. We knew back then that D2's technology gave us the opportunity to develop new reporting and medical management solutions for our clients; our job was to capitalize on that opportunity and actually develop products that would enhance our value proposition.

I'm pleased to report that over the last six months, we've taken that opportunity and turned it into a successful product. Last month we introduced CoreCare, a suite of "total population management" products, all of which are powered by D2Hawkeye's industry-leading technology. The philosophy behind CoreCare is simple — by encouraging plan members to see their doctor for important preventive screenings today, we can reduce their utilization of high-cost services down the road. As you'll read in this edition of the *CoreSource Report*, sales of CoreCare are already outpacing our expectations, after just a few weeks in the marketplace.

CoreCare is still very much a work in progress. We'll continue to refine and improve the program in 2008, and expect even greater results in 2009. But even in this early stage of the game, CoreCare is a great example of how we are creating our own opportunities.

Fiserv Sale

You probably heard the news a couple of weeks ago that UnitedHealthCare is planning to acquire Fiserv Health. You might think that our largest competitor being purchased by the nation's largest health insurer would be a cause for concern, but I think we should see it as an opportunity instead — an opportunity to get out there and tell our story to brokers, clients and potential clients.

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Many self-funded employers simply don't like the idea of putting their ASO business with UnitedHealthCare or one of the other large health carriers. They view the "big guys" (correctly, if you ask me) as large, inflexible, and unresponsive to their unique needs. TPAs like CoreSource, on the other hand, offer flexibility and personalized service that can be tailored to the needs of each individual employer group. The uncertainty around how Fiserv clients will be integrated into the UnitedHealth corporation provides us with a golden opportunity to remind brokers and clients why they chose a TPA to administer their plan in the first place.

In short, I believe our growth and profitability in the years to come will be driven in large part by our ability to recognize opportunities and move quickly to take advantage of them - whether we create the opportunities ourselves (like we did with CoreCare), or jump on opportunities created by the decisions of others (Fiserv). Next month, I'll take a look back at the successes and challenges of 2007 — and the opportunities (there's that word again) that lay ahead in 2008 and beyond. Until then, I wish you and your family a safe and happy Thanksgiving holiday.

Paul

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CoreSource News

CoreCare Hits The Self-Funded Marketplace Running

Most new products usually require a significant amount of time in the marketplace before sales activity begins to ramp up. Consumers are typically wary of being the first in line to see if a new product works as described. Not so with CoreCare.

After one month, CoreCare already covers more than 23-thousand plan members. Preliminary expectations for the new suite of total population management products were to have 25-thousand covered members by the end of 2008.

“I think we’ve hit a nerve in the marketplace,” said Rob Corrigan, Vice President, Product Development and Planning. “There’s probably more of an underlying need for CoreCare than we realized.”

“To be almost hitting our goal for 2008 after only four weeks in the marketplace is a pleasant surprise,” said Donna Heiser, Vice President, Healthcare Management.

Both Corrigan and Heiser think the early success of CoreCare is due in large part to the basic philosophy behind its design; help doctors treat their patients more efficiently and effectively by providing them with specific information to help plan members achieve an optimum state of health regardless of their current state of health.

“When we built this program,” Heiser said, “we considered every complaint we heard with outside disease management companies. Clients questioned the value, the cost and the lack of reporting with many existing programs. And they didn’t like the care not being local.”

So Heiser said CoreSource centered the program on the patient-doctor relationship, kept the price point low, and the reporting issues are being solved with D2Hawkeye.

“We’re encouraging face-to-face interaction between plan members and their doctors so that together, they can implement an effective treatment or preventive care plan,” Corrigan said. “We provide evidence-based recommendations that are specific to the healthcare needs of each plan member and we show our clients the results and the value they’re getting.”

Corrigan also said having CoreCare is a much better total cost containment story when compared to a multiple vendor approach. “We can do all of this by ourselves which is much easier and cleaner for our clients,” he said.

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CoreCare is being offered to self-funded groups unbundled or as a comprehensive package. Both ways have been successful, so far. Sandy O'Connor, Client Manager, Tinley Park, sold Sinai Health System, a 500-life group based in Chicago on the complete CoreCare package. "They like that we're reaching out to all of their employees with health risk information about what they're doing or not doing well," she said. "For a couple more bucks a month, they're getting an upgrade over the services they already were getting."



Sandy O'Connor

Laurie Nase, Client Manager, Wayne, Penn., has sold two groups on CoreCare using the customized approach. Both, she said, like the idea of identifying high-risk plan members early and encouraging healthy employees to stay that way through preventive tests and screenings.

"Atlantic Health in New Jersey purchased CoreCare Healthy Benefits and CoreCare Monitoring," she said. "They were looking to implement wellness and disease management initiatives in 2008, and see Healthy Benefits and Monitoring as building blocks to future initiatives. Atlas America, (an energy company based in Pittsburgh) purchased CoreCare Monitoring and CoreCare Focus to help their plan members with chronic diseases and their potential "high risk" risk members avoid high cost treatments."



Laurie Nase

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CoreSource News

A CoreSource Renaissance: LifeWell Partnership Opens New Doors in Atlanta

Like most big cities, Atlanta has been a tough nut for CoreSource to crack when it comes to getting new business. Big carriers, like Blue Cross Blue Shield typically dominate in metropolitan areas due to the discounts they drive down and offer. But a new partnership with an emerging TPA called LifeWell Health Plans has given CoreSource an entryway into the Atlanta market.

LifeWell has built a network in Atlanta that offers top tier discounts. But the company was lacking in technology, case management and administrative depth necessary to serve most self-funded groups by today's standards. Under the CoreSource-LifeWell partnership, which became effective on Oct. 1, CoreSource will provide those "back room" support services in exchange for a split of all existing and future LifeWell based revenue.

"This is a joint partnership in the truest sense," said Jonathan Dimmock, CoreSource Sales Executive in Atlanta who's also serving as LifeWell's lead sales contact. "They had needs and we had needs and we were able to fill them for both organizations. LifeWell provides the discounts and we provide the back room functions."

Dimmock said 13 LifeWell groups are currently transitioning to CoreSource. He also said three new groups have been added since the partnership took effect, including Marietta, GA-based Cobb Energy, a 600-life account. "We took that case from the Blues because of the value this partnership provides," said Dimmock. "Once people start hearing that Cobb Energy has done something different, it should have a ripple effect. This gives us a footprint and credibility in Atlanta."



Jonathan Dimmock

Dimmock originally proposed a CoreSource acquisition of LifeWell last November. But the company decided a partnership would be a better way to go. Dimmock credits Charlotte and Columbus location leader, Jerry Castelloe for "having a vision other TPAs didn't have" and "finding a way to make this work."

Castelloe said the new partnership was a perfect example of a CoreSource Renaissance in action. "This partnership is an intersection of ideas and capabilities," Castelloe said. "We were having the Medici training here in Charlotte when we were putting this together. And that training supported us and helped us think outside the box in terms of thinking of ways to make this opportunity work."



Jerry Castelloe

Castelloe also said they have an ideal, like-minded partner in LifeWell and its founder, Marilyn "Pepper" Schafer. Schafer is a managed care industry pioneer. Before starting LifeWell, she built and managed PPOs and HMOs for Prudential, including the first network for a mega-sized client in the mid-80s, 90,000-life Southwestern Bell.

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“Trust was a big issue for me and I’ve felt comfortable with Jerry and CoreSource from the beginning. Both companies share the same high-touch service philosophy,” Schafer said. “I think we now have the best product out there in Atlanta. We can compete on price with the big carriers who can’t match our service, and also with other TPAs who can’t match our discounts. On top of that, we include integrated health management/wellness programs on almost every group and can provide the employer data they don’t get from the big payers. We’ve created a really neat niche here in Atlanta,” she said.

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CoreSource News

What an A-Rating Means to CoreSource

On Nov. 6, A.M. Best upgraded its financial strength rating of Trustmark Insurance Company and Trustmark Life Insurance Company to A - (Excellent) from B ++ (Good). The move follows a similar upgrade from Fitch Ratings issued in late February of this year.

Trustmark Companies' President and CEO, Dave McDonough announced the A.M. Best decision shortly after that news became official, and was loudly cheered by CoreSource and Trustmark employees in Lake Forest.

In his remarks to employees, McDonough said, "in my opinion, we've been an A-rated company all along. We've proved it over and over again. That's something you should all be proud of." McDonough also said the restored A-rating was "about having respect, not being suspect."

"For CoreSource," McDonough added, "it's having a strong parent company that can afford the investments necessary for growth and success."

"The restoration of Trustmark's A-rating is very good news for CoreSource and our clients," said Paul Lotharius, President and Chief Operating Officer. "Our value proposition is built in large part on the fact that we deliver customized local solutions backed by the financial strength of a large corporation. The ratings upgrade only helps to validate that message in the marketplace."

[View the press release issued by A.M. Best](#) announcing Trustmark's restored A-financial strength rating, or visit their website at ambest.com.

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CoreSource News

CoreSource New Sales Update

CoreSource will soon welcome the following new clients to its growing book of business. And Congratulations to all who played a role in their correct decision 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/Client Mgr.
Anderson Automotive Group	Charlotte	Ken Elliot
Doctor's Laboratory, Inc.	Charlotte	Jonathan Dimmock
City of Delaware	Columbus	Kevin Foltz
Catholic Healthcare Partners Meadowbrook	Detroit/NGS	Scott McClellan & Kevin Foltz
The Rehmann Group	Detroit/NGS	Nick Corridor
Besser	Detroit/NGS	Scott McClellan
Bronson Hospital	Detroit/NGS	Marianne Farley
Bush Industries	Lancaster	Kevin O'Grady
Cobb Energy	Lifewell	Nicholas Polly
Douglas Ace Hardware	Lifewell	Jonathan Dimmock
Master Graphic Services	Lifewell	Rose Alberts
Columbia Memorial Hospital	Tucson	Rose Alberts
		Jon Areitio