

OUTLOOK

A Publication for the Brokers and Producers of Trustmark Life Insurance Company's Group Division.

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Trustmark Life Achieves 0 Percent Drug Trend

Customer Positive Programs Are Major Factors For Success

Prescription drug expenses have remained flat for Trustmark Life employer clients over the past two years, while in 2003 alone drug costs rose 13.4 percent nationally and 10.3 percent for all AdvancePCS clients. "We are pleased to have provided such a savings to employers and attribute some of our success to the implementation of *Customer Positive Programs*," said Steve Berna, Second Vice President, Pharmacy Strategies Team. "The goal of this initiative is to encourage members to save money for themselves which, in turn, saves money for the employer."

Ten member mailings were dropped in 2003 as part of the Customer Positive

initiative. The letters encouraged the use of over-the-counter (OTC) alternatives, generic and mail order drugs. The OTC mailings, as an example, contained money-saving coupons to promote the purchase of lower cost OTC alternatives with no cost to the health plan.

Employees can save as much as 94 percent* by purchasing an OTC drug instead of filling a prescription. These prescriptions cost up to \$65, so the employer can save money too.** The example below compares the cost savings that can be achieved by purchasing an OTC non-sedating antihistamine, such as Claritin® and Alavert™ vs. a prescription.

OTC/Prescription Drug Comparison

Drug Type	Drug Name	Quantity per Pkg.	Your Payment†	Estimated Cost of 30-Day Supply
Over the Counter All the over-the-counter non-sedating antihistamines listed in this chart contain loratadine, the active ingredient in Claritin	Claritin 24 Hour (loratadine)	30	\$22.99	\$22.99
	Claritin D 12 Hour	10	\$8.99	\$26.97
	Claritin D 24 Hour	10	\$10.99	\$32.97
	Loratadine	100	\$44.99	\$13.50
	Member's Mark Loratadine (Source: Sam's Club)	180	\$15.24	\$2.54
	Kirkland Signature Aller-Clear (loratadine) (Source: Costco)	180	\$15.99	\$2.67
	Rite Aid Loratadine	20	\$9.99	\$14.99
	Rite Aid Lorata-D	10	\$9.99	\$29.97
	Alavert 24 Hour	30	\$15.99	\$15.99
Prescription	Allegra	30-day supply	\$40	\$40
	Allegra D	30-day supply	\$40	\$40
	Clarinex	30-day supply	\$40	\$40
	Zyrtec	30-day supply	\$40	\$40
	Zyrtec D	30-day supply	\$40	\$40

† Over-the-counter product prices taken from Drugstore.com as of Feb. 18, 2004, unless otherwise noted. Prices are subject to change and may vary by retail pharmacy. The prescription co-pay of \$40 is based on the standard health plan. The actual co-pay will be determined by plan.

* Figure based on comparison between Member's Mark Loratadine 180 count vs. prescription drug co-pay, adjusted for quantity.

** Figure based on analysis of Trustmark Life data for December 2003.

Other Cost-saving Initiatives

In addition to the Customer Positive Programs, several other initiatives were implemented in 2003 to reduce employer prescription costs, including:

- New 3 Tier Plus Drug Plans provide an incentive for members to choose generic or preferred brand drugs
- Tighter Formulary promotes lower cost alternative drugs
- Increased co-pays on standard plans
- Better contract agreements with AdvancePCS, resulting in greater discounts and lower drug fees
- Prior Authorization ensures the appropriate use of selected prescription drugs
- Managed Drug Limitations promote the safe and appropriate use of medication for a specific time period

"Our goal is to provide a cost-efficient and effective drug program for both the employer and the employee. In the face of rising drug costs, it is essential to continually develop cost-saving initiatives that will benefit all of our constituents," said Berna.

New Claims Processing Structure

Creates Enhanced Service Levels with Greater Efficiency

The Group Division has restructured its claims paying process to better serve the needs of multi-state employer clients. Claims are now routed geographically based upon where the member resides. This allows claim processors to specialize in the intricacies of a fewer number of states, thereby building expertise and improving quality overall.

The new structure also helps address the growing legislative changes at the state level. "It has become increasingly difficult to keep pace with all these changes," says Polly Johnson, Director, Boardman Benefits. "Our new routing structure allows us to

focus on the particular requirements of that state resulting in greater accuracy and efficiency."

"The new routing structure will better serve the needs of multi-state employers."

Texas, for example, requires electronic claims to be paid or denied within 30 days and paper claims within 45 days. All Texas claims are now managed by one group of claim processors experienced in handling the prompt pay requirements of the state.

The new routing was selected based upon current business levels and state legislative requirements. As business grows in a particular state or as legislation warrants a state specific focus, the system has the flexibility to redefine the claim routing to meet changing business needs.

Beyond geographic routing, the process further directs claims by plan type or with special handling requirements. "By routing claims based on specific processing requirements, the system better serves our customers," says Johnson.

"We look forward to the efficiencies we hope to achieve with the new structure primarily from an external but also an internal perspective," says Johnson.

HIPAA Privacy Reminder

On April 14, 2004, all small health plans were required to be compliant with the HIPAA Privacy rule.

There are a few groups who have not yet returned the necessary HIPAA forms that were mailed out in 2003. These forms need to be completed and returned to Trustmark Life in order to continue to share Protected Health Information (PHI) with these employer clients and their brokers.

In early April of this year, a follow-up mailing was sent to brokers and their Minimum Premium and ASO clients who have not yet returned their HIPAA forms. Please be sure to remind employers to complete and return these documents as soon as possible.

If you have any questions, please contact your Trustmark Life Sales Representative.

Network Updates

Emerald Health Network

A new network is now available in the Ohio market. Emerald Health Network, Inc. offers broad access throughout Ohio and competitive discounts in the Cincinnati and Dayton zip codes. The network has been added as part of a continued effort to provide more options relative to a deep discount and/or access to a given market. The network offers access to 199 hospitals and over 38,000 physicians and ancillary providers.

Transitioning to Trustmark Life

On May 1, 2004, Trustmark Insurance Company will begin the transition to Trustmark Life Insurance Company. As part of Trustmark Insurance Company for the past 15 years, Trustmark Life will now house the company's primary insurance businesses, including the Group Division.

How will this impact brokers and clients?

The transition to Trustmark Life will be seamless to the broker and employer. It will have no impact on the employer's plan of benefits, the claim service or plan administration functions. The sales and customer service staff will remain the same.

"Employer and brokers can expect business as usual as Trustmark Life follows in the same tradition as Trustmark has over the past 90 years," said Willis Oakes, Vice President, Group Administration.

As we proceed through the transition, some Trustmark Insurance deliverables such as ID Cards, Certificates or certain agreements, may remain unchanged until the client's next renewal, at which time all material will bear the Trustmark Life name. The new web address will be www.trustmarklife.com/group.

Policyholders have already received introductory letters regarding the assumption. As the transition continues and state approvals are received, employers will receive an Assumption Packet. Depending on the Contract

State, the law requires we ask for their consent for assumption. These states are AZ, CO, GA, KS, ME, MI, MN, MO, NE, NC, OR, RI, TN, VT, VA, WI, WY and WA.

Broker commissions will also be paid from Trustmark Life effective May 1, as Trustmark Insurance will assign the



commission agreements to Trustmark Life.

If you have any questions regarding the transition, please contact your Trustmark Life Account Manager.

New Marketing Materials Available

Many new marketing pieces and informational materials are available. They are designed to assist brokers with their sales efforts and enhance client relationships. To order the materials, contact your Trustmark Life Sales Representative.

New Sales Tools

These tools highlight the features and benefits of the product or service, providing the information employers need to make decisions about their benefit program.

Premium Advantage Plan

The plan that rewards employers with favorable claims experience. This brochure compares the Premium Advantage Plan with a traditional medical plan and lists criteria for determining if this plan is right for the employer.

Specialty Rx

A fully integrated clinical management program to manage employers' specialty drug needs. The piece provides an overview of the program, its benefits and the illnesses covered.

New Employee Flyers

Flyers designed to assist employers by providing helpful, easy-to-understand benefit information for their employees.

Eligibility, Benefits and Claim Review Systems

An explanation on how employees can access the online and Interactive Voice Response system and the benefit information they can obtain.

Explanation of Benefits

Definitions provided for each of the items contained in an Explanation of Benefits document.

Understanding Your Managed Indemnity Prescription Drug Program

A description of the program, its benefits and a list of the participating pharmacies. Available for medical plans with no prescription drug card.

Best Benefits Health Discount Program

A discussion of an optional discount benefit program available at a minimal cost to the health plan. Benefits include vision, hearing, emergency travel assistance, vitamins and nutritional supplements.

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Creative Selling...Idea Generation

Step 3: Choosing an Idea

Selecting the idea to present is the last step in the “creative selling” series. Judge the idea by its ability to achieve the prospect’s goal.

Before preparing the presentation for the idea, see if it can be clearly expressed in a sentence or two. Overwhelming a prospect with a proposal that can’t be explained in simple terms is a sure way to lose a follow-up call.

Once the idea is selected, pitch it to the client. The process here is key and the secret to creative selling. Use this idea as a starting point to provoke a discussion about the prospect’s needs. This helps to refine the current idea along with any subsequent ideas that might hit the mark.

It also makes a strong impression by showing a willingness to invest time in learning about the prospect’s needs. Focus on establishing a relationship with the prospect as an idea resource. Provide prospects with something of value and the likelihood of a follow-up call is increased.

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