

CoreSource REPORT

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OCTOBER 2011

Questions? Comments?
Ideas for future articles?
Contact [Amanda Emery](#).

Notes from Nancy



2011: A Triumph for the CoreSource Spirit

2011 is a triumph for the tenacity, ingenuity and passion of the CoreSource spirit. Two months remain in the year, but we already know we've exceeded our annual sales goal and we're on our way to a record sales year. [Read full story.](#)

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CoreSource Family Values

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If you would like to participate in the new CoreSource Family Values section, please contact [Amanda Emery](#).

New Sales Update

- [CoreSource New Sales Update](#)

For the latest news and trends, stay connected with our blog, [BUZZ WORTHY](#).



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Notes from Nancy

2011: A Triumph for the CoreSource Spirit

2011 is a triumph for the tenacity, ingenuity and passion of the CoreSource spirit. Two months remain in the year, but we already know we've exceeded our annual sales goal and we're on our way to a record sales year. We now expect to reach nearly \$19 million in sales by the end of the year – approximately \$9 million more than the previous year and \$9 million ahead of plan for this year.

Phenomenal numbers for CoreSource. But what I find most inspiring, and I'm proud to say it, is that all CoreSource locations have contributed to this year's success. Through October, we've had \$18.9 million in sales, and we know that we'll add more business before year's end. Revenue through September annualized to \$112.4 million, nearly \$11.8 million more than our 2011 plan of \$100.6 million.

To achieve our record sales, we focused on markets where historically we've maintained a strong presence, such as hospitals and health systems and school districts. We also targeted clients of Principal Financial Group after the company decided to exit the medical employee benefits administration market. To date, we've sold 23 former Principal cases totaling \$8.6 million, including a \$5.3 million contract with Nippon Life Benefits, a subsidiary of Japan-based Nippon Life Insurance Company, the world's largest mutual life and health insurance company.

Our sales staff has performed with the proficiency of champions, but it is our passion for service that sustains us. To that end, we're planning to usher in the next generation of online tools with a new consolidated client and member portal. When we roll out the portal next year, we will achieve our goal of creating an Integrated Client Environment (ICE) where we can deliver one consistent client and member experience across all of our businesses. The beauty of the portal is found in the simplicity of its wide-ranging capabilities and the comprehensiveness of its reporting package. It will place important benefits information at our clients fingertips and render our multiple portals obsolete.

Enterprise-wide, the changes will be remarkable. For the first time, client-service tools available through all CoreSource offices will have consistent functionality with the same look and feel, making navigation and retrieval of information easier and faster than ever before. Information from all of our offices will flow into a single data warehouse, allowing us to generate more in-depth analyses for our clients and sales staff from companywide statistics.

With a few clicks in the portal, our clients will be able to quickly enroll and update or add personal information on employees and dependents, gain access to real-time eligibility information, customize areas of the website with specific plan information or announcements, and retrieve any of our 13 standard operational reports, including customized versions.

Members will gain access to an extensive claim look-up capability, allowing them to filter claims (for example, by status or by doctor). They will be able to view family claims history, manage their dependents or personal information, and order ID cards. And, they will be able to send a question directly to a customer service representative about a specific claim for a speedy response. While the new ICE portal and



Nancy Eckrich
President, CoreSource

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reporting package are designed to bring even more value to our clients and members across the entire enterprise, they also strengthen our position in today's competitive marketplace. Watch your e-mail for more updates on this project in the coming weeks.

We see more opportunity as we look toward the future. Self-funding has always provided employers with more options and greater control over health plan design, financing and administration when compared to fully insured arrangements. But, economic improvements after the 2007 downturn combined with regulations contained in the Patient Protection and Affordable Care Act (PPACA), which was signed into law on March 23, 2010, have resulted in greater employer interest in self-funding. U.S. Department of Labor statistics show a 15 percent increase in the number of employees covered by self-funded plans from 2009 to 2011. We plan to continue to capitalize on this trend in 2012.

Congratulations to everyone for his or her part in making this year a success. We couldn't have come so far without the efforts of each and every CoreSource employee.

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CoreSource News

CoreSource Migrates More Than 500 NLB Clients

In the past five months, CoreSource opened a new office in West Des Moines to serve clients and policyholders of Nippon Life Benefits (NLB) and migrated more than 500 of its clients from NLB's former benefits administrator, The Principal Financial Group.

NLB is a subsidiary of Japan-based Nippon Life Insurance Company, the world's largest mutual life and health insurance company. NLB provides group medical, dental, disability and life insurance products in 49 states.

When the migration is completed next spring, CoreSource will have transitioned a total of 1,200 groups with approximately 22,000 lives from the Principal. The company's decision to exit the employee medical benefits administration market opened the doors for CoreSource to the NLB business.

"Each month, the migration gets smoother," said Lloyd Sarrel, Chief Operating Officer, CoreSource. "The process to transition clients from the Principal to our platform still takes a lot of work. But with each migration, it's easier, and the end result improves. At the same time that we're proceeding with the migrations, we are layering in steady state work, new business efforts and new initiatives. It's a balancing act. Through it all, we're remaining steadfast in our focus and honest in our communication as we continue to meet the needs of NLB and its clients."

The first Japanese-run, U.S.-based clients migrated to CoreSource on Sept. 1; the first Korean-run, U.S.-based businesses will migrate on Nov. 1. And, as the transition continues in the fourth quarter of the year, CoreSource will begin servicing new NLB clients, with 12 new clients currently slated for Nov. 1.

CoreSource spent approximately five months preparing for the implementation of NLB. Our West Des Moines office opened on June 1 so that employees would be ready to serve NLB clients on July 1, the "go live" date. A total of 37 employees now work in the West Des Moines office.

Sarrel credits teamwork across CoreSource offices and Trustmark functions for making the transition a success. FMH CoreSource, based in Kansas City, has oversight over the West Des Moines office and responsibility for the NLB business. Healthcare Management is provided from the Lancaster office, and the Charlotte office provides COBRA administration services. Trustmark helped prepare for the transition through its Project Management resources, with Compliance, Contract Issuance, Finance, IT and Managed Care functions helping to provide a full suite of services to NLB.

"From the very start, there has been broad-based support for this client, and it's made all the difference in ensuring success," Sarrel said.



Meeting in a conference room are Cheryl Wasson, Business Administration Representative; Bonnie Jones, Operations Manager; and Deloris Losee, Business Administration Representative.



Claims Analysts Shawna Frohling and Misti Battles at the new West Des Moines office.

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CoreSource News

Employees Help Shape Action Plans Following Engagement Survey

CoreSource employees made their voices heard in the most recent engagement survey, with an astounding 93 percent participation rate. That rate is 5 percent higher than the overall response rate for all Trustmark Companies respondents combined.

"The participation rate suggests we have employees who are engaged and who want to make CoreSource a better place to work," said David Kenney, Vice President, Human Resources. "Anytime we get feedback it's a good thing. Employees get to express themselves, and it helps all of us make this a better work environment."

Each CoreSource office was enlisted to come up with action plans to leverage strengths and address areas of opportunity. We talked to a few of our offices about steps they've taken to address survey results, and here's what they had to say:

Detroit office

In the NGS CoreSource office in Detroit, leaders focused on the survey questions: "I receive the coaching I need to enable me to perform more effectively," and "In my work environment, it is easy to speak up about any issue – favorable or unfavorable – without concern."

"We asked employees to volunteer for teams and brainstorm ideas they thought would help," said Ann Kroepel, NGS CoreSource Human Resources Generalist. "The groups met and presented their ideas in August. They felt that we should explore teambuilding activities, mentor training and possibly use a standard template for departmental guidelines."

Kroepel said one NGS CoreSource department had created a template of its operational guidelines, and the team wants to see if this template could be customized for use by all departments to help standardize processes and procedures. "The thinking was that if every employee had a very clear picture of what's expected of them, it would bring greater consistency to how people do their jobs," she said.

The NGS CoreSource team also suggested developing training that focuses on building consistency among managers. "Not every manager does everything the same way, even when they're in the same department," said Kroepel. "The team thought it would be nice to have greater consistency in how managers approach certain aspects of their jobs. So, for example, if you go to work in a new department, certain procedures would be the same."



Meeting in a conference room are Shann Horn, David Earle and Jerry Castelloe.

(Continued on next page)

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CoreSource News

Employees Help Shape Action Plans Following Engagement Survey (continued)

Kroepel said other ideas under consideration include implementing job-shadowing and mentoring programs that allow employees to learn about job responsibilities in different departments. Kroepel said she plans to meet with the teams in the next few weeks to check their progress.

Charlotte and Little Rock offices

When employees in the Charlotte and Little Rock offices were presented with the survey results at an all-employee meeting, they were asked to share their reaction. Three areas employees felt needed improvement were communication, recognition and reward, and growth and development.

As a result, the senior management team, led by Jerry Castelloe, will host an all-employee meeting each quarter to update employees on new business, client news and operations initiatives.

"We hope these meetings will give employees a better understanding of our business, a venue for sharing ideas, and an opportunity for us to solicit ideas on work process improvements," said Carol Elder, Regional Human Resource Manager for the Charlotte and Little Rock offices. "We'll take notes and identify actionable items at the meetings."

Some employees want more frequent feedback from their managers on their job performance, she said. "Even though managers are supposed to hold a mid-year checkpoint meeting each year, some get too busy and weren't always meeting with staff before the final evaluation," Elder said. "So we've set Oct. 1 as the date by which all managers and supervisors were asked to hold checkpoint meetings to let employees know where they stand."

Elder has developed educational material about the OpenHire Applicant Tracking System and has already shared it with employees in Little Rock. She plans to discuss it with employees in Charlotte soon. "We want to make sure they have a good understanding how it works – from how to determine the qualifications for a position to how to apply and interview for an open position – so they will know how to refer an applicant for an open position," she said.

Chicago and Tucson offices

In response to its survey results, the Chicago office enlisted the help of its HR representative Lisa Pack to help identify specific opportunity areas it needed to focus on, and to determine what actions were needed. Survey results and Pack's involvement were communicated to employees during all-employee meetings held in June.

"Lisa came in for a week in July and conducted one-on-one interviews with employees in Tinley Park and via phone with those that work in Tucson to get some specific feedback," said Dave Parrish, Regional President. "We have already taken actions to address some of the areas identified, and reviewed the results of the one-on-one interviews and action items at all-employee meetings on Sept. 30."

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CoreSource News

CoreSource Shines in PSERS Claims Audit

A recent claims audit by the Pennsylvania Public School Employees' Retirement System (PSERS), our largest client, showed that CoreSource surpassed industry standards in financial accuracy, claims processing, payment incidence and timeliness. As a result, PSERS has personally thanked CoreSource for our efforts.

PSERS selected consulting firm Segal Company to review paid claims in 2010 to assess CoreSource's claims processing and payment procedures for its Health Options Program's (HOP) Medical Plan and Pre-65 Medical Plan. The audit showed that CoreSource "exceeded industry standards in every category, including financial accuracy, claims processing, payment incidence and timeliness," PSERS Executive Director Jeffrey Clay said in an Aug. 17 letter to CoreSource President Nancy Eckrich.

"The Segal report reflects the commitment to excellence and high standards which we have seen demonstrated over the years by all of the CoreSource staff," Clay wrote. "That commitment greatly benefits the many thousands of retirees who are enrolled in the PSERS HOP medical plans."

Clay thanked CoreSource for our outstanding work in processing and paying claims for its health plans, specifically naming Client Management Director Kevin Magrann, Hop Administration Unit Director Wanda Wiley, Vice President of PSERS Operations Kurt Henry and their staffs for their quality work. "It is through their efforts that we are able to provide such a quality health insurance program to our retirees," Clay wrote.

Magrann said PSERS is an ideal client. "They view our business relationship as a true partnership, and appreciate the effort we put forth in serving their members," he said. "Their entire team is a pleasure to work with."

Chip Semyak, Regional President, Northeast, said PSERS is an important and valuable CoreSource client. "Not only is PSERS our largest client, but they have been a great partner with us," he said. "Our team works hard to take great care of them and provide the highest level of service."

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CoreSource News

CoreSource Outshines Competitors to Win St. Jude Children's Research Hospital as New Client

CoreSource outshined a national carrier and a national TPA to cement a new client relationship with the world-renowned St. Jude Children's Research Hospital in Memphis, Tenn. A three-year contract to administer the hospital's health plan and medical flexible spending accounts for approximately 3,000 employees and their dependents will become effective on Jan. 1, 2012.

Founded in 1962 by the late entertainer Danny Thomas, St. Jude is recognized for its pioneering research and treatment of children with cancer and other catastrophic diseases. Ranked one of the best pediatric cancer hospitals in the country, St. Jude is the first and only National Cancer Institute-designated Comprehensive Cancer Center devoted solely to children. No child is denied treatment because of a family's inability to pay.

"We're proud that an institution of this caliber selected CoreSource to administer its employee benefits," said Chip Semyak, CoreSource Northeast Regional President. "St. Jude is committed to providing superior employee benefits for its staff, including doctors, researchers, nurses and other clinicians, and we'll make sure we provide a seamless transition and the high level of personal service that our clients have come to expect."

John Wombacher, who joined CoreSource in March as a Client Manager, serviced the St. Jude account for nearly seven years when he worked in a similar role at The Principal Financial Group, the hospital's former employee benefits administrator. Principal decided to leave the self-funded employee medical market, and St. Jude requested proposals from other carriers and TPAs earlier this year.

CoreSource's flexibility and commitment to service, as well as Wombacher's relationship with St. Jude, were among the main factors in CoreSource securing the business. "St. Jude's long relationship with Principal was based on service and partnership," Sales Director Alan Wiederhold said. "And individuals at the hospital said they believed the relationship with CoreSource would be based on the same attributes."

After moving to CoreSource, Wombacher stayed in touch with St. Jude. "When the opportunity came up, Alan Wiederhold, Chip Semyak, other CoreSource team members and I teamed up to respond to the RFP and prepare for the finalist meeting and site visit to the Baltimore office, which will administer claims for St. Jude's employees," he said. "Now that we're in the process of implementation, it's very exciting."

From an employee benefits perspective, St. Jude is not a typical hospital. Other hospitals typically try to design an employee health plan that drives employees and their dependents to their own facilities, services and doctors. Because St. Jude treats only children with cancer and other catastrophic diseases, its health plan resembles a more traditional employee plan.

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CoreSource News

CoreSource Extends Relationship with Aetna Signature Administrators

CoreSource has extended its contract with Aetna to provide its clients with continued access to the Aetna Signature Administrators (ASA) national PPO network and tier-one provider discounts. The two-year contract extension, with a 24-month notice of termination clause, doubled the length of the earlier agreement.

Because ASA's tier-one discounts have helped our TPA sell a lot of business since 2005, CoreSource was concerned that Aetna's recent acquisition of TPA Meritain Health might mean the end of ASA network access for competing TPAs. CoreSource President Nancy Eckrich, CoreSource Charlotte Location President Jerry Castelloe and Trustmark Managed Care Vice President Nancy Blaski worked with Aetna to help ensure a continued relationship.

"We met with them and expressed our concerns – and what the concerns of the marketplace would be. ASA is the largest network CoreSource has, and CoreSource is the largest TPA network relationship they have," Castelloe said. "We asked them to express their commitment to the CoreSource relationship."

Eckrich is pleased that we will continue to provide customers with access to ASA's broad national network. "Healthcare reform is driving greater interest in self-insured plans," she said. "ASA's ability to provide access to doctors and hospitals where and when our members need care, all at an affordable price, allows us to meet the unique needs of the post-reform marketplace."

Aetna, in turn, said it values its relationship with CoreSource. "CoreSource has been an Aetna Signature Administrator client since 2005 and, as our largest TPA relationship, has been integral in helping us achieve growth in the self-insured space," Ralph Borzillo, Vice President, ASA, said in a press release. "The contract extension demonstrates our long-term commitment to our relationship with CoreSource as an Aetna Signature Administrator."

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Year-End Deadline for Making A Difference Award Nominations

The deadline for nominating CoreSource employees for the Making a Difference (MAD) Awards Program is Dec. 31, 2011.

Any CoreSource employee can recognize a colleague who has gone above and beyond this year. If you know individuals whose actions have helped client retention or lead to a sale we otherwise may not have attained, show them how much they count.

Employees must not be in a client management or sales position and must be below the Director level to be nominated for the MAD award. Nominees must demonstrate one or more of the following characteristics:

- Providing interdepartmental partnering that resulted in a new sale or successful renewal
- Providing innovation and adaptation for the benefit of the customer
- Delivering extra effort during a difficult or unusual business situation
- Introducing new ideas resulting in the cost or time savings for a significant, positive impact on an existing or new client

To nominate a colleague, follow [this link](#) to the nomination form. (The form is also available on the Water Cooler in the Online Product Manual section.) Fill out the form and send it to your Location President for review and approval. Once it is approved, please send the completed form to [Terri Smith](#).

Nominations from all offices will be reviewed by members of the CoreSource executive staff who will select two award winners to participate in the 2012 Leaders Conference, which will be held in Fort Lauderdale, Fla.

Award winners will be announced in January 2012.

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CoreSource Family Values

Cherishing Family Values

By Lynn Holthaus, Director of Claim Administration, Core Source Baltimore

A lot of folks, myself included, were uneasy when Trustmark introduced the Personal Values Exercise. But we all learned that what was a little intimidating at first turned out to be easy and eye opening. Even those who did not want to participate came away with a clear understanding of what they hold near and dear.

I first participated in this exercise a few years ago when life was smooth. I knew what was important to me, and I identified the values that I thought I would.

Let me provide some background about my values. I lost my father to a sudden heart attack when I was only 13 years old. After his death, I clung to my mother, and she was always there for me, even though she was battling her own shock and pain. I took the safety and security that she provided for granted, I am sure of that now. However, as I grew older, I would return the favor to her.

You never think of yourself as being a parent to your parent, but that is exactly what happened as my mother grew older. She lost her central vision to macular degeneration, a horrible disease to endure when you are otherwise healthy and you want to continue to live life and participate in the same activities that you always had. At age 75, she was diagnosed with Crohn's disease, which affects the digestive system. She managed this humiliating disease for about a year before a severe flare up. So severe that she spent the next 11 months in either the hospital or a rehabilitation facility. Crohn's led to MRSA, an infection that is difficult to treat, and a number of other infections that can occur with long hospital stays. The MRSA migrated to her lungs, eventually leading to a tracheotomy.

My family and I worked so hard to grant her wish to come home. She worked hard as well – even weaning herself off of the tracheotomy tube, an achievement that many doctors said would never happen! She made it home after those 11 months and blessed us with her presence for another three months. She endured so much in her last year of life. Talk about a lesson in values! Because of this experience, I know without a shred of doubt that Family and Health are my most important values.

During this long battle, my CoreSource family touched me with its kindness. Everyone offered prayers, good wishes and support throughout the struggle. However, I was more touched than ever by the outpouring of support and genuine care shown after my Mom made her journey to heaven. Words are not enough to express my appreciation and extreme gratitude to the Vice President of Operations in the Baltimore Office, Lorie Conway, and all of my CoreSource co-workers. I am so fortunate to be associated with an organization that is such a class act and employs such genuine people. I know that I never would have made it through the roller-coaster ride of that year and the final days of saying goodbye to my beloved mother without the support of my co-workers, my friends.

We should not take anyone or anything for granted. So tell your family what they mean to you! Tell those around you what they mean to you as well. We are all family in one way or another. Life is too precious and too short to waste. We should share our values too. We all have them; they make us who we are. And they change. After a life-changing experience, why would I think that they would not? In my mother's words: live, love, laugh.

CoreSource REPORT

CoreSource News

CoreSource New Sales Update (New Sales as of 9/30/11)

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

Location	Client	Sales Executive/Client Manager
Little Rock	Central Arkansas Christian Schools	Guthrie Wilson
Columbus	Preble County School Consortium – OASIS Trust	Foltz
	Bridgeport Exempted Village Schools – OASIS Trust	Foltz
Charlotte	Starr Electric	Rufty
	Restaurant Management Group	Rufty
	Camco	Rufty
	Meridium	Rufty
	Nuclear Safety Associates	Rufty
	Jowat & Adwood	Rufty
	Advanced Electronic Services	Rufty
	Smoky Mountain Center	Rufty
	Industrial Piping	Rufty
Chicago	Digital Domain	Behan
	Smile Brands Inc.	Behan
	City of West Des Moines	Murphy
	Amy's Kitchen	Murphy
	Medical College of Wisconsin	Murphy
	Skiff Regional Medical Center	Murphy
	Grinnell Regional Medical Center	Murphy
Baltimore	Atlantic Express	Wiederhold
	Mueller Industries	Wiederhold
	St. Jude Children's Research Hospital	Wiederhold
Detroit	New Country Auto	O'Grady
	Scheurer Hospital	O'Grady
	Marinrea International	O'Grady
	Cooperative Elevator	O'Grady

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CoreSource News

Location	Client	Sales Executive/Client Manager
Lancaster	Glatfelter	Dennis
	Luthercare	Dennis
	Fulton Financial Corporation	Dennis
	Somnia	Wiederhold
	Inspectorate	Wiederhold
	Barron Collier Group	Wiederhold
	Kenny Pipe	Wiederhold
	CARFAX	Wiederhold
	Renaissance Technology	Wiederhold
	Mailmen	Wiederhold
	Norwood School	Wiederhold
	Fintube	Wiederhold
	PIRA Energy	Wiederhold
	Citarella Fine Foods	Wiederhold
	Kansas City	Nebraska Methodist Medical Center
Express Services		McDonnell
Skaggs Regional Medical Center		McDonnell
John Knox Village		McDonnell
LaPosada		McDonnell
Be.group		McDonnell
Glencroft		McDonnell

**CoreSource Making a Difference Award
Nomination Form**

What is making a difference?

It is going above and beyond normal everyday job duties to service a client
or a broker that directly affects client retention and/or sales.

NOMINEE NAME: _____

NOMINEE LOCATION & DEPARTMENT: _____

Please check the box(es) where your nominee made a difference:

- Interdepartmental partnering that resulted in a new sale or successful renewal
- Providing innovation and adaptation for the benefit of the customer
- Delivering extra effort during a difficult or unusual business situation
- Introducing new ideas resulting in cost or time savings for a significant, positive impact on an existing or new client

Please provide a brief description of how your nominee made a difference. _____

Date: _____

Sales Office/Location: _____

Email this form to: Terri Smith at tsmith@trustmarkins.com

All entries must be sent to Terri Smith by December 31, 2011.