



Health Plan Update

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"The University System of Georgia shall . . . develop clear personnel standards and policies, professional development opportunities, competitive compensation, and other recognition for meritorious performance."

— Access to Academic Excellence for the New Millennium: A Vision for the University System of Georgia

What's new about the health-care plans available to University System employees this year?

This fall, during the annual open-enrollment period for health-care plan selection, USG employees will have an expanded number of choices for ensuring that they and their family members receive quality health care.

At that time, employees will be invited to choose between:

- the System's self-insured indemnity plan, the Blue Cross/Blue Shield Health Benefits Plan;
- one of several existing health maintenance organizations (HMOs) available in certain areas of the state; and
- a new **Preferred Provider Organization (PPO)** called Medical Resource Network (MRN)/Georgia First.

Even if you simply choose to continue your membership in the Blue Cross/Blue Shield indemnity plan, the Board of Regents has enhanced the plan by adding MedCall, a Disease State Management Program and a Transplant Program.

The programs above will be available to members of the indemnity plan and the PPO. You will receive more details before the open-enrollment period.

How will these new programs benefit me?

MedCall provides members with free, accurate health information via a toll-free phone call 24 hours a day, seven days a week. MedCall nurse counselors can answer questions about medical procedures, symptoms and medications and can refer callers to health-care providers and self-help agencies. When emergency medical treatment is needed, using MedCall's referral service ensures that members receive the coverage they are entitled to and helps eliminate unnecessary treatment, thereby reducing the cost of providing health-care coverage.

The **Disease State Management Program** helps patients with chronic diseases such as diabetes, asthma, cancer and congestive heart failure manage their conditions through education, prevention and the intervention of appropriate community resources.

The **Transplant Program** provides a national network of specialists in heart, liver, lung, kidney and bone-marrow transplants whose surgical outcomes, volume of procedures and cost efficiency meet certain standards. Transplant coordinators are available to coordinate home care.

What can you tell me about the PPO?

MRN/Georgia First is a network of 9,300 physicians and 169 hospitals and ancillary facilities (such as out-patient surgery centers) covering all of Georgia and 25 miles beyond the state's borders. Additional physicians and providers will be added to the network prior to the Jan. 1, 2001, implementation date.

Unlike many plans, the PPO includes a comprehensive chiropractic network and, through Magellan/Green Spring, an extensive network of physicians, health-care professionals and hospitals providing mental health and substance-abuse services.

To date, 78 percent of the state employees who've been invited to participate in the PPO have elected to become members.

The Board of Regents rates for the PPO are currently being negotiated.

Did You Realize?

Over the last 15 months, the University System has spent an average of \$13.4 million per month paying claims and administrative costs for the Blue Cross/Blue Shield indemnity plan.

Why are our rates going up? How much?

Responding to escalating health-care costs associated with the Blue Cross/Blue Shield indemnity, the Board of Regents in May approved rate increases for this plan that will impact both the University System of Georgia and its employees.

The increases are necessary to help offset continually rising health care costs that have surpassed the indemnity plan's projected claims and administrative costs. Between July 1998 and December 1999, claims exceeded the amount of premiums collected during that 18-month period, until USG campus officials made additional payments into the fund to cover depleted reserves. In March of this year, the Health Benefits Plan also received a supplemental appropriation from the legislature of \$33 million to cover the deficit for the remainder of Fiscal Year 2000.

The employer-paid portion of the indemnity plan premiums increased 17.4 percent as of July 1. The employee-paid portion of the premium increased 15 percent on Aug. 1. The employee-paid portion of the rates will be increased again in January 2001 by an as-yet-undetermined amount.

As of Aug. 1, employees with "Single" coverage in the Blue Cross/Blue Shield indemnity plan, will see their rates change by \$7.30 monthly, from \$48.70 per month to \$56.00 monthly. Members carrying "Employee plus one" coverage will see their premiums increase by \$15.22 monthly, from \$101.50 to \$116.72. USG employees with "Family" coverage will see new premiums charges of \$136.40 monthly, up from \$118.60, a difference of \$17.80.

Premiums for some of the HMOs may also increase this fall. The approved rate schedule for these plans and the PPO is currently being negotiated and should be available in time for publication in a future issue of this newsletter.

Who's looking out for my needs and concerns as these changes are being made?

Bill Wallace, associate vice chancellor for Human Resources, and Cilla Leed, benefits administrator for the Board of Regents, have worked hard to ensure that quality health care is available to USG employees and their families through a range of cost-effective health-care plans. Wallace and Leed both have considerable experience in dealing with health-care coverage at the campus level and are very sensitive to how administrative decisions affect the System's individual employees.

The campus human resource directors are also effective advocates for System employees. Institutional representatives participated in the selection of vendors for the PPO and a Pharmacy Benefits Management Program. Campus HR directors have also been asked to relay employee questions and concerns about the health-care plans to the Regents' Central Office so that issues with Systemwide impact can be addressed in future issues of this newsletter.

Periodic health benefits updates will be published this fall by the Board of Regents' Office of Media and Publications, the Office of the Associate Vice Chancellor for Human Resources, and the Office of the Senior Vice Chancellor for Capital Resources. Future issues will contain further details about the new PPO and program benefits to help USG employees make an informed decision about their health care.

A Glossary of Health Plan Terms

Indemnity Plan: a program that provides comprehensive medical coverage by a qualified medical provider for the treatment of an illness or injury. Participants are free to select any qualified provider they choose with no service-area limitations.

PPO: a network of preferred doctors, hospitals and other health-care providers that have agreed to offer quality services at discounted, contracted rates.

HMO: a network of doctors, hospitals and other health-care providers that have contracted with a medical group to deliver comprehensive health-care services on a pre-paid basis to its members. In most cases, the HMO does not offer any coverage outside of its provider network. HMOs require the selection of a primary-care physician and, in most cases, a referral by the primary-care physician is required for coverage of specialty care.