



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)
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Assembly of the Academic Senate
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RE: UC Care

Dear Colleagues,

Open enrollment for health benefits in 2014 presents UC faculty with significant changes from 2013 with several previous options discontinued and new options introduced. Among the discontinued plans are the current Anthem Blue Cross PLUS and Health Net Full-Network HMO for which there are no equivalent health plans in 2014. One of the new options to consider is UC Care, but this option has generated many questions from the faculty in the past few weeks. UCFW cannot make recommendations about the choice of a health care plan for any individual, nor is the committee tasked to fully describe all details of all plans. The comments below are based upon some of the questions that UCFW has received and may be useful to others as they review, evaluate, and seek additional information about the new health insurance plans.

UC Care is a new PPO health plan that is still evolving. A PPO (Preferred Provider Organization) is a type of medical plan that allows you to decide which doctor or other provider you see when you obtain medical care. For example, you may choose to see a doctor who is one of the medical plan's 'network providers' (in-network) or see a 'non-network provider' (out-of-network) when you obtain medical care. You pay less when you use in-network providers (the plan provides a higher percentage of financial coverage) and you pay more when you use non-network providers. PPO plans are generally "co-insurance" plans, in which the patient pays a percentage of the negotiated in-network "allowable amount" for services. UC Care is comparable to the previously available Anthem Blue Cross PPO, but with a lower premium than for the Anthem Blue Cross PPO in 2013. Those who have been enrolled in the Anthem Blue Cross PPO who move to UC Care are likely to see few changes in their experiences.

Unlike most PPO plans, UC Care also offers a lower-cost tier of "UC Select" providers for whose services you pay set co-payments instead of co-insurance. UC Select providers are a subset of all providers in the Blue Shield network. Employees must verify that their preferred doctor(s) and hospital are in the UC Select tier in order to benefit from the co-payment price structure. Using UC Select providers may lead to lower overall costs for enrollees in 2014 compared to the Anthem Blue Cross PPO in 2013, depending on one's particular usage of care.

When you evaluate the potential value of the UC Select tier, it is important to recognize that some services under UC Select, such as physicians' services in an emergency room, will be billed at a 20% co-insurance rate, not at a set co-payment. Laboratory services in a UC Select hospital may be available "in house" at the UC Select co-pay rate or may be contracted out and billed at the co-insurance rate. Not all doctors within a hospital listed under UC Select may themselves be UC Select providers. Consequently, services within a hospital may be billed at different rates for different doctors. Other medical services with co-insurance rather than co-pays include ambulance services, home care, chiropractic benefits, acupuncture benefits, elective abortion, vasectomy, and infertility treatment. Patients will need to ask questions and perhaps conduct their own research to ensure that all of their services are performed by UC Select providers and billed at the co-pay rate. Ensuring that services will be provided at the co-pay rate structure would be more easily done for elective as opposed to emergency procedures, and possibly for those whose health care needs are relatively infrequent or routine rather than chronic or specialized.

For those who must move out of Anthem Blue Cross PLUS, it is important to understand that there is no direct substitute for the previous Anthem Blue Cross PLUS plan. The Anthem Blue Cross PLUS plan was a Point of Service (POS) plan that combines characteristics of an HMO and a PPO. The in-network level functioned like an HMO with a primary care physician who was responsible for all referrals within the network. Under Anthem Blue Cross Plus, if one chose to go outside the network for health care, the plan functioned like a PPO.

UC Select is not an HMO and not all services previously available to Anthem Blue Cross PLUS members with set co-pays are available at the UC Select rate. Current members of Anthem Blue Cross Plus who choose UC Care and assume that they will receive services and prices similar to Anthem Blue Cross PLUS may experience higher overall costs than they experienced with Anthem Blue Cross PLUS, even with the lower premium. At the same time, however, with UC Care, patients may see

specialists and other providers, even those in UC Select, without first getting the approval of the health plan. They also have wider access to providers at the medical centers across the UC campuses, and some of those services may be available in the UC Select tier with set co-pays.

Those who choose to move from Anthem Blue Cross PLUS or Health Net Full-Network HMO to Health Net Blue & Gold HMO may have a comparable managed care and co-payment experience to Anthem Blue Cross PLUS, perhaps even with lower overall costs. They will not, however, have access to the broader network of providers previously available with Anthem Blue Cross PLUS or now available with UC Care. This constraint may be of particular importance to employees who spend extended periods living outside of California or who have adult children on their health plans who live out of state (for example, attending college).

Significant program design details of UC Care were developed only within the last six months; some of the specific features have changed since they were first announced in early October; other features changed even after the beginning of Open Enrollment. When you are making final comparisons across the plans offered for 2014, you should return to the benefits website for the latest information. For accuracy, employees choosing UC Care should keep careful records of the details posted when they made their decision and of all telephone conversations or e-mails that they may have had about specifics of the plan.

All employees, and especially all employees currently in any of the Anthem Blue Cross plans or the Health Net Full Network HMO, should consider carefully the potential trade-offs in costs and choice of medical providers presented by UC Care, Health Net Blue & Gold HMO, and the new Blue Shield Health Savings Plan.

Sincerely,



J. Daniel Hare, UCFW Chair

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