

Potential Changes to UA's Health Care Plan in 2005

<u>Potential Cost Saving Measure</u>	<u>Potential Savings Per Year</u>
(1) Use the BC/BS of Alabama "Preferred Brand Name Prescription Drug Formulary List" See www.bcbsal.com/customers/pharmacyDrug.html for list. (Brand name drugs not on the list would be covered as non-formulary brand name drugs with higher co-pay than the preferred brand drugs on the formulary <u>unless specifically excluded from coverage</u> such as weight loss drugs and human growth hormone drugs per UA's SPD booklet or if excluded by the FDA or BC/BS).	\$340,000
(2) Increase the monthly premium for those having single coverage to 12.5%, which under current rates would raise the payment per month from \$26 (or \$13) to \$38.88. (Alabama House Bill #44 which, if enacted, into law will require a minimum 12.5% contribution from state employees for single)	\$485,000
(3) Require insured to pay 10% of the <u>BC/BS allowed</u> inpatient, Emergency Room, or outpatient hospital <u>charges</u> , with a cap of \$1,000 per person per contract per year <u>after</u> the patient pays any other previously required deductibles or co-pays like the \$200 inpatient deductible, the ER visit co-pay, and so forth.	\$400,000
(4) As an alternative to #3, if it is NOT adopted, increase the co pay for inpatient hospitalization, on the 2 nd thru the 11 th day from \$10 to \$25 per day.	\$33,000
(5) 90-day waiting-period, after hiring, before being eligible to enroll in the health care plan. Currently there is no waiting period.	\$250,000
(6) Require UA employees with UA "family" coverage to reveal if the spouse is employed elsewhere and enrolled in (or eligible for) single or family coverage there; for all such "family" coverages, UA's BC/BS health plan would only pay "secondary" on the spouse. This would allow BC/BS to do coordination of benefits " <u>if</u> " another health plan covers the spouse as an employee. In such situations, the other plan would pay first (primary) and UA pay second.	\$150,000
(7) Keep the PMD doctor's co pay at \$25 for primary care physicians, like family practice, OB/GYN, GPs, or internists, but raise it to \$35 to see a specialist.	\$150,000
(8) On mail-order prescription drug purchases, raise the mail-order co pay for 60 or 90 day purchases to equal 2X (times) or 3X (times) the 30 day co pay that is required for prescriptions filled at a RETAIL pharmacy.	\$120,000
(9) Raise the co pay for a visit to a one-day surgery center to \$75, for any NON-SURGICAL procedure except a medical visit (keep the co pay at \$25 for emergencies and \$50 for non-emergencies). Non-surgical procedures would include CAT scans, MRIs, diagnostic tests, etc.	\$50,000

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(10) Lower the maximum # of chiropractic visits covered from 24 to 12 (or 18) per year.	\$20,000 to \$25,000
(11) Lower the maximum # of inpatient treatment days for mental health or substance abuse treatment from 30 to 20 (with a lifetime max of 60 days per person)	\$25,000
(12) Lower the maximum # of outpatient days for substance abuse from 120 to 30 (with a lifetime max of 60 days per person).	\$7,500
(13) Increase the co pay for hospital ER visit to \$50 for each visit. We now pay \$25 co pay for "needed" ER visits and \$50 for "non-needed" ER visits.	\$20,000
(14) No longer waive the current \$200 inpatient hospital deductible if it is for a re-admission for the same diagnosis within a 12-month period.	\$10,000
(15) Place coverage of allergy testing, sleep-apnea testing, and other outpatient testing under Major Medical, subject to 80% payment of allowed costs after an annual \$200 deductible per person per contract.	\$7,500
(16) Have BC/BS pay "secondary" on all UA retirees eligible for Medicare A or B (the latter of which is optional). This will essentially force retirees to select Medicare B. (Many major health plans have this rule, including the State Employees' Insurance Board (SEIB) in Alabama.	<u>\$5,000</u>
Total potential annual cost savings to University (in 2005) if all proposed cost savings measures are adopted.	<u>\$2,078,000</u>