

16 Potential Cost Cutting Ideas for UA Health Plan in 2001-Revised 7/11/2000

<u>Idea No.</u>	<u>UA Employee Health Plan Benefit Change Proposals for 2001</u>	<u>Contracts Affected</u>	<u>Potential \$ saved if chg'd</u>
Group I			
1	Raise generic copay \$5 per Rx and all brand name Rx copays by \$10 each, so that generic =\$10 copay; single source brand =\$25 and multi-source brand =\$30 copay.	3,650	\$641,000
2	Limit regular non-maintenance Rx's to 31 day supply vs 34 day supply now in use	3,650	\$25,000
3	Limit maintenance Rx's to 60 day supply vs 90 supply limit now in place* (Note: Patient would pay one copay for each 30 day supply of maintenance drugs, so copays would be \$10, \$25 and \$30 for 31 max. days and \$20, \$50 and \$60 for 32-60 days).	1,000	\$223,010
4	Set-up an "optional" Mail-Order Program with lower copays as follows:	3,650	\$1,728
	a) Generic copays would be \$3 for 1-31 days supply, \$6 for 32-60 days and \$9 for 61-90 days		\$19,630
	b) Single source brand copays would be \$15 for 1-31 days, \$30 for 32-60 days, \$45 for 61-90 days		<u>\$1,682</u>
	c) <u>Multi-source brand copays would be \$20 for 1-31 days, \$40 for 32-60 days, \$60 for 61-90 days</u> (Mail Order sub-total)		\$23,040
	(Assumes only 10% of people will use mail-order in year 2001)		
Total Savings Group I			\$912,050
Group II			
1	Change \$300 accident rider to maximum \$300 per person per contract per year. (Currently we allow \$300 per accident per person with no limit per year).	543	\$162,900
2	Pay non-PMD Drs at 50% of PMD fee schedule rather than 80% UCR*	1,200	\$65,000
3	Raise \$25 copay for one day outpatient surgery to \$75 copay per surgery.*	1,031	\$51,550
	Implement Preferred BC/BS Chiropractor program with BC/BS fee schedule as follows: *	309	
4	Allow maximum 24 visits a year per person per contract.	15	\$0
5	If non-Participating Chiropractor seen in Alabama, then pay 50% UCR	300	\$25,000
6	If non-Participating Chiropractor seen outside Alabama, then pay 80% UCR	25	\$0
7	Raise inpatient hospital copay from \$5 a day to \$10 a day for 2nd-11th day.*	622	\$8,500
8	Eliminate "dental surgery rider" from health plan. (Employee can choose dental plan.*)	330	\$126,780
9	Reduce outpatient substance abuse/drug rehab from 120 visits to 30 visits/year*	8	\$6,500
10	Reduce maximum number of outpatient psychiatric visits from 52 to 30 a year.*	36	\$50,000
11	Exclude coverage of "reverse sterilizations". *	8	\$50,000
12	Set 60 day limit on Major Medical supplies to equal the 60 day limit on maintenance drugs.	3,650	\$2,000
Total Savings Group II			\$548,230
Total estimated savings in 2001 for Groups I and II cost cutting ideas above =			\$1,460,280

* - These changes are based on survey of 20 southern colleges & other health plans.