CARS NEWSLETTER

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Invest in Your Health and Your Family's Health

Health insurance anywhere invests in your health. Those who have health insurance seek care sooner in physician's and other providers' offices rather than emergency rooms. More rapid access pays off because the primary care provider who knows you spends more time listening to you, putting together today's health concern with your personal and family, medical history. Thus, he/she makes better decisions for your whole treatment than even the best emergency room doctor has time for and other providers. Health-insurance-supported earlier care pays off in better outcomes.

First, you as a patient have more chance to test your physician's responsiveness before your life depends on him/her. Second, through your having established a doctor-patient relationship, you insure that your doctor comes to care about your personal well-being. Through that relationship, you insure your doctor has a moral, ethical, and legal responsibility to care for you. Because physicians typically take these duties very seriously, you will get their more careful attention.

Third, because they'll meet you in a non-emergency, they can research your care and thus have access to the best ideas and treatment when you have a health problem. Even the best emergency-room doctor has competing duties to care for those who may be far more emergent than you are; this is less true in the physician's office, and the result is better care for you when you are less emergent.

Choosing to purchase health insurance helps you feel that you deserve health care. That belief helps you advocate better for yourself in an emergency. If you've also planned well by establishing an ongoing patient-doctor relationship, when you're anxious and tongue-tied, your physician or other provider can advocate more effectively for you because they'll know you. Because they'll know you, they'll feel less anxious and tense themselves. Thus, they'll be able to process without as much interference with their memory and judgment. You'll benefit by shorter recovery, likelier survival, less pain, and improved physical and mental functioning.

UNM's Choices This Year for Your Health Insurance

This year, UNM's Executive Cabinet made extremely principled choices about faculty and staff health insurance. First, UNM's Vice President for Business and Finance, Julie Weaks, and President William Gordon insured faculty- and staff-appointed representatives were on the Bid Review Committee. Thus, in mid-March 2002, Beverly Burris, the Faculty Senate President Elect, and I, as the former long-term chair of the Faculty Staff Benefits Committee, joined the previously established committee. Some parts of the process were already decided, like the weights to evaluate health plans and the potential design of care they could deliver. Yet Professor Burris and I still found our insights and research rapidly shaped recommendations made by the Bid Review Committee to the Executive Cabinet. UNM paid attention to the report by the Institute of Medicine, summarizing racial and ethnic disparities in health care access and treatment. Knowing that research, Dr. Burris, a sociologist, and I, a psychologist, consulted on how to protect UNM's faculty and staff from these disparities. Dr. Burris did the math on who at UNM paid most cost of increase co-pays. The employee does. National research also shows that increased co-pays affect minorities, the poor, and single parents most. The Bid Review Committee also realized that, once co-pays increase, they never decrease. Thus, in hope that UNM could support vulnerable faculty and staff, the committee unanimously recommended against increasing co-pays. Campus survey in March 2002 supported that position as the wish of faculty and staff. The Bid Review Committee understood that faculty and staff were extremely concerned that they not lost their primary care providers, attached to their health plans. H.R. Benefits Manager Shannon Mick 's fall 2001 campus survey confirmed the impression that many faculty and staff were very concerned they not lose their own doctors and other providers.

The University had hoped that offering each health plan the chance to be UNM's sole provider might save money for UNM and its faculty and staff. Thus, the Request for Proposal had requested the health plans to bid as if they were the only plan. The plans, however, did not offer better rates if they were UNM's sole plan. Rather, their bids supported the managed-competition approach UNM has had for many years - i.e., better rates where the plans competed with each other.

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At the same time, the national health insurance picture is grim. Thus, UNM expected and received bids that greatly increased premiums under each plan. Worse still, the largest increase would have been in the cheapest plan, leaving many employees with huge increases they likely could not afford. Ultimately, through very careful negotiation and hard work by Benefits Manager Shannon Mick and excellent advice by William Mercer consultant, Steve Chreist, UNM negotiated the smallest increase possible on the least expensive plan, in particular, and on the other three plans. The Cigna PPO, which has cost UNM and the faculty and staff such a disproportional amount, will end; but the dual option negotiated is a far superior plan at a far better price for UNM and the faculty and staff.

The bids in the long run supported choice of plans and type of plan. The Bid Review Committee voted unanimously for a choice of three (3) providers and a combination of HMOs and an exciting, new dual option, Point-of-service-type plan (to be declared at open enrollment).

Point-of-service plans, which allow patients to use a non-network provider for somewhat more money, are the cutting edge in health care insurance.

The premium increases for next year are significantly less than they were before negotiations began. Those employees most interested in choice will have choice for not much more than last year, but those employees most interested in some affordable health-insurance will still have the lowest-possible-cost alternative. UNMH and its providers continue to be covered, reducing financial setbacks for UNM Health Sciences Center, the cornerstone of health-care in New Mexico, and for those transitioning UNM employees who now report to UNMH.

The Executive Cabinet honored the Bid Review Committee's recommendations in full. As a result, no employees will lose their provider because of actions taken by UNM. Copays for office visits will not increase this year. Prescription copays will not increase, and Cimarron now offers a three-tier prescription plan. That plan means that even brandname prescriptions not on the formulary will now be covered to a great extent for an increased copay when these prescriptions were formerly not covered by any plan. UNMH will offer those employees who choose Cimarron a $10 copay for office visit.

Beyond the above, the Bid Review Committee received landmark promises from every plan. First, from now on, the plans agreed that medically necessary care will be established by common law and statute. UNM succeeded in having "medically necessary" defined as broadly as possible by every plan. Because the definition of "medically necessary" is the first means by which plans deny coverage, these agreements are very positive for every faculty and staff member who elects to purchase health insurance. Secondly, the Bid Review Committee obtained agreements from every plan that "emergency" care would include urgent care and follow the standard cited in the Patient Protection Act, that, if a prudent layperson believes that they are having an emergency, the plans agreed that they will cover the cost of the care. The definition of emergency is the second means by which plans deny coverage; and UNM thus succeeded in having emergency defined broadly as well.

Finally, President Elect Burris, Benefits Manager Shannon Mick, and I all approached the Executive Cabinet with the Bid Review Committee's plea that they would choose to provide as many employees as financially possible with incentives to purchase health insurance. The Executive Cabinet, in combination with the Planning Council's Budget Subcommittee, chaired by Provost Brian Foster, decided to recommend just such an incentive to the Regents. Though the faculty had representation on the committee, the staff had not recognized that they needed to. Vice President Weaks particularly encouraged staff membership on that committee to decide how to handle budget consequences of health insurance increases in premiums in a year of low state appropriations.

The students on that committee worked cooperatively and diligently to assist in insuring that lower-income employees were not left in the cold.

Thus, for fulltime employees earning below $25,000, UNM will provide $300 each because our students agreed to increase tuition partly to cover these incentives.

Health Insurance Is a Great Investment in Your Family and You

Though employees who earn somewhat less could spend their $300 however they wish, please consider retaining or gaining health insurance with the financial incentive provided by UNM. All health insurance for faculty and staff at UNM is primarily paid for by UNM, not the employee. Even for employees earning the most, UNM must legally pay 60% of our premiums. For employees earning the least, UNM pays up to 75% of the premium. Further, all health insurance under the PIPP is paid with pre-tax dollars; thus, we pay less in our take-home pay for health insurance. Every dollar paid to health insurance improves our health and our family's health (if we purchase family coverage). Every $1.00 we pay in premiums also gives us each an average of $1.63 in premiums paid for by UNM. As a result, we get $2.63 health insurance for every $1.00 we contribute. Then, the tax advantage gives us even more for our health care dollar. As a large group, UNM can command better prices. If we increase the size of our group, we lower our individual premiums and improve our overall health picture because we gain the advantage of more healthy employees being in the mix. As a result, the health-plans want our business more and give us a better deal next year.

University of New Mexico