

**MOREHEAD STATE UNIVERSITY  
STAFF CONGRESS MINUTES  
September 6, 2000  
SPECIAL CALLED MEETING REGARDING CHANGE OF HEALTH INSURANCE TPA**

**MEMBERS:**

*Jeff Barker	Joy Cecil	David Jessie	Pam Moore	Stephanie Stewart
Sharon Beller	*Dan Connell	Linda Kegley	Carole Morella	*Todd Thacker
Larry Besant	Lenore Dixon	Margaret LaFontaine	Joel Pace	Madonna Weathers
Thelma Bumgardner	Patty Eldridge	Velda Mabry	Belva Sammons	Michael Wetherholt
Vincent Butler	Rosemary Hinton	Rhonda Mackin	Dallas Sammons	Kenneth White
*Gene Caudill	*Betty Hurley	*Zack McClurg	*Tim Smith	*Ricky Williams

**\*Denotes member was absent**

**Guests:**

Roger Barker, Office of Human Resources  
Suzanne Hogge, Office of Human Resources  
Dan Markwell, MSU Agent of Record  
Mike Pennington, Employee's Benefits Committee member

The meeting was called to order by Chair Weathers at 1:05 p.m. in the Eagle meeting room of ADUC.

The purpose of the meeting was for clarification and discussion of information that had been shared by OHR Director Roger Barker in a meeting on August 28<sup>th</sup> meeting concerning the changing of the university's health insurance Third Party Administrator from Anthem to Commonwealth Administrator's. A recommendation from the University's Employee's Benefits Standing Committee has been sent to the President's Council endorsing the change of TPA to CA/CHA

Chair Weathers had talked with Larry Besant, vice-chair of the Staff Congress PPB Committee, and he had indicated that there was not a consensus from the Staff Congress PPB Committee supporting the recommendation to change MSU's TPA to CA/CHA. PPB Committee Chair Pace said there were good points about CA/CHA and no one on the committee was definitely committed to Anthem.

SC has placed copies of the CHA list of providers in the library and the Rice Maintenance Building for staff to view.

Some congress members had expressed concern regarding the type and quality of services CHA could provide compared to the services Anthem has provided university employees. OHR Director Barker had contacted providers at Saint Claire Medical Center, Morehead Clinic, and Holbrook Drugs regarding the type of services provided by Anthem and CHA. SCMC indicated services were about the same and that Anthem paid more dollars. This is nothing but the discount they had worked out with the network. SCMC indicated Anthem service had deteriorated noticeably in the past 2 to 2 1/2 years. SCMC had nothing negative to say about either. Morehead Clinic gave the same response. Rowan County Board of Education was very pleased with CHA. CHA seemed to be very available to their clients.

Rep. B. Sammons had checked with the same providers and received conflicting information. Her questions were related more to services provided. She was told CHA was slow to react on pre-authorizations and in making payments to providers. In regard to prescriptions, some medications prescribed by physicians would be substituted for lower priced medications.

Dan Markwell answered many questions and explained that MSU would be treated differently by CHA because MSU was a self-insured company. Two CHA nurses would be dedicated to handling 90% of pre-authorizations for services. Routine pre-authorizations would be approved in one hour. CA would be leasing the CHA network and the utilization review services or pre-authorization. The utilization review services function will have a specific person assigned to MSU so we would know exactly who to go to if there is a problem. Mr. Markwell explained that CHA drug policy was what is known as a formulary drug policy. MSU's formulary may not match up with the CHA plan because we could set our own formulary. The drug formulary with CA is still under discussion (OHR & CHA formulary people) because we design our own policy. In order to control our drug cost, MSU will be going to a drug formulary. MSU is one of the last big companies not to have a formulary. The primary function of CA is to adjudicate claims, to give good member service, make sure claims are paid to providers in a timely fashion. Cost containment is the job of the utilization review nurses assigned to MSU.

Rep. Morella had talked with area doctors, pharmacists, and hospitals to get their view on CHA. The people she had spoken with had cautioned about CHA's meds and pre-authorizations. She felt that more information was needed. Rep. Morella

wanted to know how influential will CA impress upon OHR to buy into the type of coverage of health insurance that CHA presently offers. Will good health care benefits continue for our employees or will cost containment be an issue that will result in a CHA health coverage type program?

Mr. Markwell explained that the same type of plans we now have would be replicated. CHA has absolutely no impact on the type of health care plans MSU would offer. Only MSU can say what is or is not covered and what restrictions would be placed on the employees. We would have the same plans with some modifications/enhancements. Those enhancements would be hospice and air ambulance added to the two option plans. The drug policy would depend on whether we go to a drug formulary. Without the formulary, the premiums would be higher. CHA will pre-authorize only what MSU tells them to pre-authorize.

Suzanne Hogge said MSU would be using the CHA network and designing our own policies. Roger Barker, Dan Markwell and Suzanne have been working on a plan to present to the Standing University Benefits Committee. The plan design would be the same regardless of whether we went with Anthem or CA as a TPA.

Mike Pennington from the University Benefits Committee told the SC that the presentation by CHA was much better than the presentation given by Anthem to the benefits committee. Anthem's service seems to have deteriorated to both customers and providers.

Mr. Markwell said that two claims persons would be dedicated to MSU. The 1-800 number to CA would have the same person(s) answering questions for MSU employees.

Rep. B. Sammons asked if MSU was not satisfied with CA/CHA would we have the option of changing TPA. OHR responded that would be an option if MSU were dissatisfied with services of CA.

Rep. D. Sammons expressed a concern that if we signed the contract with CA this year for \$15.50 per employee, per month for services that next year CA would increase that rate and MSU would be back at the same high rates currently being paid to Anthem to provide services. Suzanne Hogge said that MSU was building in a 3-year locked-in rate and CA would be committed to that. Mr. Markwell explained that the contract would provide services at the same exact rate for the second year and the rate for the third year could increase no more than the CPI.

Regardless of which company is chosen as the TPA, premiums will be increased. CHA will have the least amount of increase, which is estimated to be 7% - 10% less than Anthem. Most of the problems with Anthem have been with employees on the HMO plan. MSU concerns with Anthem are in regard to the services provided to employees.

Mr. Markwell explained that insurance companies general have two types of contracts. HMO contracts that reimburse providers at 60% of the regular rate and PPO contract that reimburse providers at 70% of the regular rate. Some providers will not accept HMO if they have all the business they want. CHA has been pretty good about saying to providers that if you want to be on one contract you have to be on both. Another advantage to CHA is that everybody will be in the CHA HMO discount rates regardless of which plan they chose which will result in saving to the university.

A list a meds that will be covered will be included in the enrollment package.

After much discussion Chair Weathers called for a motion.

**MOTION:** To support changing Morehead State University's health insurance Third Party Administrator from Anthem Blue Cross to Commonwealth Administrator's CHA.

**Proposed: Rep. Stewart**

**Seconded: Rep. Butler**

**Called for Vote:** 12 yes votes                      4 no votes                      2 abstentions

**MOTION:** To adjourn the meeting.

**Proposed: Rep. Moore**

**Seconded: Rep. B. Sammons**

**Called for Vote:** Passed  
Meeting adjourned at 2:12 PM

Minutes by: Dallas F. Sammons, Secretary