

# NH self-insures its state employee plan

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by Norma Love  
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CONCORD, N.H. — The New Hampshire Executive Council has approved the state's plan to pay its own medical claims after being assured that state workers' benefits would be unaffected.

The council voted unanimously to pay Cigna Health Care about \$11 million to administer the self-insurance plan for 21 months beginning Oct. 1.

Cigna will take over from Anthem Health Plans, which has had the state's health insurance contract since last year.

State officials hope to save \$25 million over the next two years by assuming the risk for claims and avoiding double-digit increases in health care premiums.

The state spent about \$142 million last year on health coverage, said Administrative Services Commissioner Don Hill. He said the state faced a 13.5 percent increase this year in premiums and a similar hike next year.

The state also will pay Cigna about \$2 million for insurance to cover claims if the state's payout reaches \$177 million each year. The coverage also applies to claims reaching \$500,000 per individual.

The state's collective bargaining agreement with workers sets the benefit levels. The contract with state workers expired June 30, but the contract's provisions continue to be honored.

Hill assured the council that the 19,000 active and retired state workers affected by the change will get the same benefits, including the same prescription drugs now covered by Anthem. Insurers maintain lists of preferred drugs that can differ.

Hill said state workers will get new insurance cards from Cigna in the mail in about a week.

"The only thing that will change is the name on the benefit card," said Hill. "It should be almost invisible to them."

State workers and retirees also can keep the same doctor even if their doctor currently isn't part of Cigna's network, Hill said. If a doctor isn't in Cigna's network, Cigna promised to negotiate a contract with the doctor, he said.

Personnel Director Joseph D'Allesandro said the state will resolve differences in what Anthem and Cigna consider reasonable payment for medical procedures.

Insurers establish "usual and customary" coverage amounts for medical procedures with any cost above the amount becoming the responsibility of the patient to pay or the doctor to absorb.

"The employee does not get caught in the middle," D'Allesandro said.

Claims to workers and providers also should be paid promptly since Cigna must pay them to get reimbursed by the state, Hill said.

"We're insuring the payment of claims," he said. "There'd be no incentive for them to delay."

Paul Stokes, president of the State Employees Association, said the union will monitor the change to make sure no one is denied benefits.

Cigna provided insurance coverage for active state workers from 1997 until last year when Anthem was awarded the contract. Anthem bid on the latest contract, but was not the low bidder. □