

2007

## Cost Containment

Bowling Green State University. Administrative Staff Council

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### *Notes*

1. Poor Photocopies



**Bowling Green State University**

University Libraries  
Bowling Green, Ohio 43403  
Cable: BGSUOH

September 18, 1986

TO: Paul Yon  
FROM: Mary Beth Zachary  
RE: Insurance Policy

I have a few reservations concerning the recent mailing from Benefit Plans Risk Management, Inc.

In the pamphlet labeled "Cost Containment Procedures," BPPM has said that their cost containment department should be notified at least ten days prior to hospitalization for elective surgery via the Pre-Admission Certification card. I have two difficulties with this card. The first is the card itself. If confidential medical information is going through the mail, I would appreciate the information being in a sealed envelope as opposed to a fold-over card. Second, the authorization for release of information is much too broad. I would authorize the release of medical information related to the treatment of a particular problem for which BPPM was paying. As the authorization now reads, the physician can release information that is unnecessary to a given treatment. (I have attached copies of the literature for quick reference.)

The next problem I have is contained in the literature titled "When Should You Use Patient Services." I foresee many situations when notification within 48 hours would be impractical, if not impossible. I would like to see that entire restriction struck from any agreement made with BPPM.

In the same pamphlet is the statement, "If elective surgery is indicated, there may be facilities which can perform it on an outpatient basis." My concerns with this are as follows: Would BPPM ever decide that I would have to go to another facility rather than one of my choosing, because one facility, perhaps in Toledo, offers the treatment on an outpatient basis when the facility I choose does not? If I choose to override their recommendation and am asked to provide documentation of the necessity for hospitalization, who provides this documentation? My physician or me? And, what criteria is valid? Who determines the validity?

Again, in the same pamphlet, "BPPM Medical Staff can help you decide whether home care is appropriate in your case." The patient and the attending physician are the best qualified to determine when home care is advisable or appropriate. I understand the insurance company's need to have some input concerning the payment of fees and their need to find some way to control the escalating costs of medical treatments and hospitalization; however, I consider the proposals for some of the "consultations" to be inappropriate.

I sense a desire by BPRM's Cost Containment Department to play "Big Brother" to patients by trying to get their fingers into every pie, whether appropriate or not. Consultation by physicians may be appropriate but certainly input into medical treatment, length of stay in a hospital, or if a hospital is even necessary, is best determined by the attending physician and the patient, not by the accountants in the cost containment department of BPRM.

On page three of the attachment "Endorsement", Section I, BPRM states, "The Covered Person MUST have a Pre-Admission Card completed by the attending physician-surgeon to enable the Plan Supervisor and its professional staff to certify as to the need and the services to be provided. (My underscoring.) Who is this Plan Supervisor? What medical training does he/she/it have? Why is the criteria for determining need: Is the pre-admission card the only input my physician or I will have? What are my options if this Plan Supervisor decides that I do not need this surgery or treatment? I strongly resent this intrusion into the determination of my need for services or treatment.

Although I understand their need to have a corroborating opinion, in light of the extent of their other demands for intrusion into diagnosis and treatments, I am no skeptical about the demand for a second opinion. Again, the best determination of treatment for a problem seems to me to be by the attending physician and the patient. The attending physician, in many cases, has seen the whole course of a problem, and with this accumulated experience has recommended needed treatment or provided alternatives to surgery or radical treatments during the course of the problem. Certainly a second opinion should be a widely used option but should be only that, an option, not a demand made by the insurance company.

On that same page, Section IV, "Where agreement is reached between the Plan Supervisor and the providers of care, it will be necessary that the Covered Person comply with the recommended course of care." Why is the Covered Person not included in the determination of the course of care? I find it offensive that the patient is suddenly a non-entity who is dictated to about her/his care without input into the decision making process. What happens when the Plan Supervisor and the providers of care do not reach agreement? Are we to be blackmailed again with a threat of non-payment or reduced payment if we do not choose to go along with BPRM's recommendations?

I believe there are serious defects in the policies put forth for consideration by BPRM. I would strongly urge you to give careful consideration to the reservations I have with this plan and voice those concerns to the appropriate panels, groups, councils or persons.

MEZ:wv  
attachments

3  
1.

**PRE-ADMISSION CERTIFICATION**  
(TYPE OR PRINT)

Insured's Employer \_\_\_\_\_

Name of Certificate Holder \_\_\_\_\_

Address \_\_\_\_\_

Patient Name \_\_\_\_\_

Authorization I hereby authorize the undersigned Physician to release any information acquired in the course of my examination or treatment no

Date \_\_\_\_\_

Name and Address of Doctor \_\_\_\_\_

Phone # \_\_\_\_\_

Hospital to be Admitted to \_\_\_\_\_

Diagnosis \_\_\_\_\_

Procedure \_\_\_\_\_

Comments \_\_\_\_\_

Recommendations (FOR EPRM USE ONLY) \_\_\_\_\_

**IF HOSPITALIZATION OR SURGERY IS INDICATED THIS CARD MUST BE GIVEN TO YOUR DOCTOR FOR COMPLETION AND RETURNED TO OUR OFFICE NOT LESS THAN 10 DAYS PRIOR TO PROPOSED SERVICE DATE.**



1

# WHEN SHOULD YOU USE PATIENT SERVICES?

## When You Are Scheduled for Hospitalization

If your physician recommends that you or your dependent be hospitalized, the BPRM Cost Containment Department must be notified. This is done by giving your doctor the self-addressed Pre-Admission Certification card, obtained from the BGSU Insurance Office, and asking him to complete it as soon as possible and mail. This card should be at the BPRM offices at least 10 days prior to entering the hospital, or as soon as your hospital admission is scheduled. *For emergency admissions, you or your representative should notify the BPRM Cost Containment Department within 48 hours following hospitalization.* Failure to notify the BPRM Cost Containment Department may result in reduction of benefit coverage by 20% of the total eligible charges for both hospital and doctor expenses.

The BPRM Cost Containment personnel can help you identify your options. For example, you may be able to shorten your time in the hospital by having lab tests done prior to hospital admission. All hospitals require some testing. Blood tests, urinalysis and X-rays can frequently be performed before you enter the hospital. *Pre-admission testing, all routine tests necessary for non-emergency hospital admission, is required to be performed on an outpatient basis.*

If elective surgery is indicated, there may be facilities which can perform it on an outpatient basis. Today many surgeries do not require hospitalization, they can be performed safely and efficiently on an outpatient basis, and after a few hours under observation the patient can return home. Outpatient surgery is fully covered. Your doctor can advise you if your surgery can be performed outpatient. If you elect to have outpatient surgery performed on an inpatient basis, you will be asked to provide documentation on the necessity for hospitalization. *who provides this / what criteria*

The BPRM Cost Containment Department can provide you with information about Pre-Admission Certification and outpatient surgery.

## When Your Doctor Recommends Surgery

A Second Opinion from a qualified specialist is recommended for elective, non-emergency surgery.

*Your health plan requires a Second Opinion for these surgical procedures in order to qualify for full benefits:*

Back Surgery	Hemorrhoidectomy
Mastectomy & Mammoplasty	Hernia Surgery
Endarterectomy	Joint Surgery
Cataract Removal	Nose Surgery
Coronary Artery Bypass Surgery	Ovarian Surgery
D & C	Prostate Surgery
Ear Drum Surgery	Tonsil/Adenoid Surgery
Foot Surgery	Hysterectomy
Gallbladder Surgery	Varicose Vein Surgery
	Gastro Intestinal By-pass
	Thyroidectomy

*When any of these elective surgical procedures is performed without obtaining a Second Opinion, there may be a 20% reduction in benefits otherwise available.*

You can ask your doctor to help you select a physician whom you can consult for the Second Opinion. If you need assistance in finding the names of physicians in your area, call the BPRM Cost Containment Department. A Second Opinion Consultation Form, available from your employer, should be given to the consulting physician. *Second Opinions are fully covered by your benefit plan, without deductible or co-insurance!*

## When Home Care Can Speed Your Recuperation

Patients can often recuperate faster at home than in a hospital if nursing or other home care can be provided. Working with your doctor and your family, the BPRM Medical Staff can help you decide whether home care is appropriate in your case. The BPRM Cost Containment Department will attempt to help you find qualified home care services.

ENDORSEMENT

REQUIRED HEALTH CARE COST CONTAINMENT

This endorsement effective September 1, 1986, or the effective date of the Covered Person's coverage, whichever is later, forms a part of the Bowling Green State University Employee Benefit Plan.

Benefit Plans Risk Management, the Plan Supervisor, and Bowling Green State University, the Plan Administrator, agree to the following MANDATORY COST CONTAINMENT provisions as part of the Bowling Green State University Employee Benefit Plan. These provisions are as follows:

I. PRE-ADMISSION CERTIFICATION\*

All participants and/or dependents are required to submit Pre-Admission Certification for any elective hospital confinement which is known in advance of the confinement date. Pre-Admission Certification must be submitted to the Plan Supervisor not less than ten (10) days prior to the proposed confinement date. The Covered Person MUST have a Pre-Admission Card completed by the attending physician-surgeon to enable the Plan Supervisor and its professional staff to certify as to the need and services to be provided. Cards are available from the Claims Administrator or the offices of the Plan Administrator. For emergency admissions, notice must be given to the Plan Supervisor within 48 hours following hospitalization. Failure to comply with this provision may result in a 20% reduction or disallowance of benefits.

*Do we have to see one of their physicians? or How are they going to determine the need?*

II. PRE-ADMISSION TESTING\*

When hospital confinement is anticipated, routine admission testing must now be done on an out-patient basis prior to confinement for full coverage. Hospital charges for Pre-Admission Testing will be paid in full. Pre-Admission Testing includes X-ray or laboratory examinations that are (a) provided within 10 days immediately prior to hospital confinement as an in-patient; and (b) performed in connection with the illness or injury requiring the stay. Failure to comply may result in denial of hospital benefits for any day(s) when services should have been rendered on an out-patient basis.

\*Subject to Faculty Senate approval.

III. SECOND SURGICAL OPINION

When non-emergency surgery has been recommended, a second opinion by a recognized specialist in the field (but not associated with the primary surgeon) concurring with the recommendation is required for full coverage. Reasonable and customary charges for Second Surgical Opinions will be paid in full. If the first and second opinions are in conflict, a third opinion will be allowed at reasonable and customary charges. A 20% reduction in both the surgeon's and hospital's eligible charge reimbursement may result when surgeries are performed without a second surgical opinion where required. The Plan Supervisor can assist the Covered Person through either telephone contact or the Pre-Admission Certification card. Surgeries requiring a second opinion for full coverage are as follows:

- |                                |                         |
|--------------------------------|-------------------------|
| 1. Adenoidectomy               | 13. Joint Surgery**     |
| 2. Foot Surgery                | 14. Mammoplasty <       |
| 3. Cardiac Surgery**           | 15. Mastectomy <        |
| 4. Cataract                    | 16. Ovarian Surgery<    |
| 5. Cholecystectomy             | 17. Prostate Surgery    |
| 6. Dilation & Curettage (D&C)< | 18. Septoplasty         |
| 7. Ear Drum Surgery            | 19. Sinus Surgery**     |
| 8. Endarterectomy              | 20. Spinal Surgery**    |
| 9. Gastrointestinal By-pass    | 21. Submucous Resection |
| 10. Hemorrhoidectomy           | 22. Thyroidectomy       |
| 11. Hernia Repair              | 23. Tonsillectomy       |
| 12. Hysterectomy <             | 24. Varicose Veins      |

\*\*Excluding diagnostic expenses.

IV. POST-PROCEDURE REVIEW

When hospital confinement occurs, the Plan supervisor and its professional staff will communicate with the primary physician and/or the hospital in an on-going effort to determine quality and extent of present and future care. Where agreement is reached between the Plan Supervisor and the providers of care, it will be necessary that the Covered Person comply with the recommended course of care. Failure to comply may result in a 20% reduction or denial of hospital benefits.

*What about when agreement not reach*



Bowling Green State University

Office of On Campus Housing  
Bowling Green, Ohio 43403  
(419) 372-2011  
Cable: BGSUOH

October 24, 1986

MEMORANDUM

TO: Mary Beth Zachary, Univeristy Libraries  
FROM: Jill Carr, Chairperson, ASC Personnel Welfare Committee *Jill Carr*  
RE: Insurance Policy

Paul Yon has forwarded your memo regarding the mailing from Benefit Plans Risk Management. I thank you for submitting this information for consideration.

The 1986-87 Personnel Welfare Committee will be studying these materials and will make recommendations for change and/or addition based on input from all Administrative Staff.

If you have any further questions or comments, please do not hesitate to contact me. Thank you, again, for your input.

JC/jm

cc: Paul Yon  
PWC Members —





Bowling Green State University

Office of On Campus Housing  
Bowling Green, Ohio 43403  
(419) 372-2011  
Cable: BGSUOH

Nov. 17, 1986

TO: Jim Austermilller, Member, ASC Personnel Welfare Committee  
FROM: Jill Carr, Chair, PWC *JJC*  
RE: Fringe Benefits and Cost Containment Proposal

Now that we know that our recommendation regarding the proposed Cost Containment program is due by Jan. 1, it will be necessary of the PWC to move quickly on this issue. The Executive Committee has requested that we handle the collection of Administrative Staff input through the communication network. They have also asked that we gather staff input regarding fringe benefits in general. Our request for increases in fringe benefits will need to be included with the proposal for salary increases.

Would you prepare a sample survey for our Dec. 1 PWC meeting? Hopefully, the committee will approve this survey and we can pass them out at the 12/4 meeting of the full Council. Please include items that will gather input on the Cost Containment program as well as our fringe benefit package in general.

Thanks so much for your assistance. Please give me a call if you have any questions.

cc: PWC Members  
Paul Yon



Bowling Green State University

Office of On Campus Housing  
Bowling Green, Ohio 43403  
(419) 372-2011  
Cable: BGSUOH

November 25, 1986

TO: Members of the Administrative Staff Council  
FROM: Jill Carr, Acting Secretary *Jill Carr*  
RE: Insurance Seminar

Sandy LaGro has contacted me requesting information regarding our interest in attending a seminar to explain our current insurance program and the proposed cost containment program. The University Insurance Committee is willing to sponsor such a seminar, however, they need to know how many people would actually attend the session. It is their desire to make this a quality session and to keep it as interesting as possible. The session would be planned for some time in February.

I am asking that each of you poll your constituents and determine how many would actually attend a session of this nature. I will need to have a number from each of you at the next full Council meeting.

If you have any questions, please do not hesitate to contact me. Thank you for your assistance.

JC/jm



Bowling Green State University

Office of On Campus Housing  
Bowling Green, Ohio 43403-0151  
(419) 372-2011  
Cable: BGSUOH

December 16, 1986

TO: Personnel Welfare Committee Members  
FROM: Jill Carr, Chair J.C.  
RE: Cost Containment Resolution

Attached please find a draft of the resolution for the proposed cost containment program. Please review this and return it to me with corrections, additions, deletions, etc. by December 19.

Also, attached please find a copy of a letter received by Paul Yon. Please read this prior to our January meeting. We will discuss this issue at that time.

Thanks for your assistance. Give me a call if you have any questions.

JC/jm

COST CONTAINMENT RESOLUTION

The Personnel Welfare Committee has addressed the proposed cost containment program for Bowling Green State University. The Personnel Welfare Committee supports cost containment as a means of reducing medical care costs which will be in the best interest of BGSU administrative staff employees.

Therefore, be it resolved that the current cost containment policy be accepted with the following recommendations:

1. Any cost savings realized as a result of cost containment be used to either reduce the cost of current benefits or fund additional benefits.
2. The last sentence of the proposal be modified to read "For emergency admissions, you or your representative should notify the BPRM cost containment department within 48 hours following admission OR AS SOON AS IS PRACTICAL UNDER THE CIRCUMSTANCES".
3. The current format of the Pre-admission Certification Card be changed to insure confidentiality of medical records.
4. A University-wide appeals committee be established to address claims settlement. This appeals committee shall consist of members representing: Faculty Senate, Administrative Staff Council, Classified Staff Council, Benefit Plans Risk Management, and the University Insurance Office.
5. The employee insurance card be changed to reflect the toll free BPRM telephone number. In addition, a statement requesting the hospital to contact BPRM in case of the inability of the patient to make a phone call be printed on the back of the card.

# CSC adds modification to cost containment proposal

Classified Staff Council gave approval at its Nov. 18 meeting to the required health care cost containment proposal after adding a modification.

The proposal states the insurer, Benefit Plans Risk Management's (BPRM) cost containment department should be notified within 48 hours following emergency admission to a hospital. Richard Eakin, vice president for planning and budgeting, suggested to the council that the proposal be modified to read, "For emergency admissions, persons should notify the BPRM cost containment department or the University's insurance department within 48 hours following admission or as soon as is practical under the circumstances."

In other business, Joyce Hyslop, special events chair, reported the committee has received an overwhelming response from the maintenance and custodial classified staff in collecting donations for the Mr. and Mrs. Claus visit to the University

University Union.

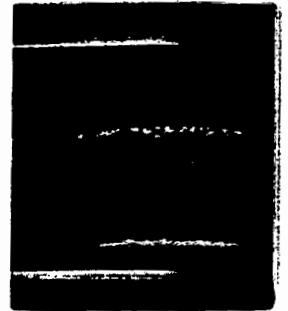
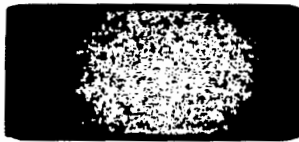
Also on the agenda:

— A Staff Recognition Night will be held Jan. 31 at the Bowling Green vs. Central Michigan basketball game. Hyslop said a half-time basketball game is being planned between classified staff and University administration.

— The council is seeking a member of classified staff to serve on the newly created University Safety Committee which will promote increased safety and environmental health on the campus.

Anyone wishing to serve on the committee should send a self-nomination to Classified Staff Council, Box 91. The nominations should include the person's name, department and reason for wanting to be on the committee.

— A \$75 donation was approved with the minutes to purchase a Santa Claus costume provided by John Woolsey, Firelands College maintenance. The donation was sent to the Emma Fund, a fund established for Emma Horan, daughter of Alice and Dennis Horan.





Bowling Green State University

University Computer Services  
Bowling Green, Ohio 43403-0125  
(419) 372-2911  
Cable: BG5UOH

November 12, 1986

MEMORANDUM

TO: Paul Yon, Chair  
Administrative Staff Council

*JG* FROM: John Gruber  
University Computer Services

SUBJECT: Health Insurance Cost Containment

I think the Post-Procedure Review is the most intrusive of all of the new health insurance measures contemplated. It states that, as a cost containment measure, a plan staff member will discuss the "quality and extent" of my case if I am hospitalized. There is no assurance that the staff member of the plan supervisor will be a physician, only that he will be a professional.

One would expect that the patient would, in consultations with his or her physician, be interested in limiting the duration of hospitalization or treatment. I wouldn't want a staff member of the plan supervisor trying to convince my doctor to release me from the hospital early. Neither would I want to face selecting a new doctor if my physician wouldn't be willing to discuss his treatment with the plan supervisor. I doubt that I, or anyone else, can personally afford 20% of the cost of hospitalization in this day and age to keep my current doctor.

In a related matter, what provision is made for the exemption of those who are in no condition to notify the University within 48 hours of emergency hospitalization for "Pre-Admission Certification? Not all employees have families who could or would know to do this.

I urge the ASC to reject the "Post-Procedure Review" cost containment measure, and to consider "Pre-Admission Certification" under the above circumstances.

sr

pc: R. Conrad  
C. Schultz

PY111286

December 22, 1986

MEMORANDUM

TO: Paul Yen, Chairperson, Administrative Staff Council

FROM: Jill Carr, Chair, Personnel Welfare Committee *Jill Carr*

RE: Cost Containment Recommendation

The Personnel Welfare Committee wishes to present the attached resolution regarding the proposed Cost Containment program to the Executive Committee for its consideration. We feel we have taken the many viewpoints of our constituents into consideration and have ultimately met the needs of the Administrative Staff population.

Please feel free to contact me or any committee member should you have any questions. We look forward to your response and the subsequent presentation of the resolution to the full council.

Thank you!

Enclosure

cc: PWC Members

COST CONTAINMENT RESOLUTION

The Personnel Welfare Committee has addressed the proposed cost containment program for Bowling Green State University. The Personnel Welfare Committee supports cost containment as a means of reducing medical care costs which will be in the best interest of BGSU administrative staff employees.

Therefore, be it resolved that the current cost containment policy be accepted with the following recommendations:

1. Any cost savings realized as a result of cost containment be used to either reduce the cost of current benefits or fund additional benefits.
2. The last sentence of the proposal be modified to read "For emergency admissions, you or your representative should notify the BPRM cost containment department within 48 hours following admission OR AS SOON AS IS PRACTICAL UNDER THE CIRCUMSTANCES".
3. The current format of the Pre-admission Certification Card be changed to insure confidentiality of medical records.
4. A University-wide appeals committee be established to address claims settlement. This appeals committee shall consist of members representing: Faculty Senate, Administrative Staff Council, Classified Staff Council, Benefit Plans Risk Management, and the University Insurance Office.
5. The employee insurance card be changed to reflect the toll free BPRM telephone number. In addition, a statement requesting the hospital to contact BPRM in case of the inability of the patient to make a phone call be printed on the back of the card.



December 22, 1986

MEMORANDUM

TO: Dr. Harold Lunde, Chair, Faculty Welfare Committee

FROM: Jill Carr, Chair, Administrative Staff Council, Personnel Welfare Committee *Jill Carr*

RE: Cost Containment Recommendation

Attached please find a copy of the resolution developed by the Administrative Staff Council's Personnel Welfare Committee regarding the proposed Cost Containment program. This resolution will be taken to our Executive Committee and, upon their approval, to the full Administrative Staff Council. I thought you would be interested in seeing this after our discussion earlier this month.

We enjoyed meeting with you and thank you for your time and input. I hope this liaison relationship can continue throughout the year.

Happy Holidays! Please give me a call if you have any questions.

cc: P. Yon  
PWC Members

### COST CONTAINMENT RESOLUTION

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5. The employee insurance card be changed to reflect the toll free BPRM telephone number. In addition, a statement requesting the hospital to contact BPRM in case of the inability of the patient to make a phone call be printed on the back of the card.

PWC members  
ASC exec committee

FYI

Jul

## Service Firms Merge

Benefits Plans Risk Management, Inc., a Findlay company which administers employee benefits plans, has merged with Wisconsin Pension and Group Services, Milwaukee, Wisc.

The purchase price was more than \$3 million, according to Rollie Hahn, president of Benefits Plans Risk Management.

The Findlay company will operate with its existing management and employees as a division of Wisconsin Pension and Group Services, Mr. Hahn said.