

# Health Care Update: Continuing Discussions and Positive Changes



May 2008

This letter is an update on health care issues affecting HUCTW members, including University plans for “consolidation” of health plan choices and pharmacy benefit administration by Medco. For background on the consolidation issue, please refer to our communication of March, 2008, which can be viewed at [www.huctw.org/healthcare](http://www.huctw.org/healthcare)

In a nutshell, the University is proceeding with the implementation of consolidated health plan offerings on July 1 of this year. As a result, effective July 1, Tufts Health Plan and Blue Cross/Blue Shield (for employees living outside of Massachusetts) will no longer be included among our health plan options. Harvard Pilgrim Health Care (HPHC) and Harvard University Group Health Plan (HUGHP) will remain as choices, with both HMO and POS offerings. A special open enrollment period in May will allow staff and faculty the opportunity to make changes in their health plan choices. At the same time, ongoing union-management discussions and meetings of the University Benefits Committee have resulted in some positive changes, outlined below.

## **The Health Care Conversation Within HUCTW**

In March and April, our Union held 15 special meetings for union members focused on health care issues. In those meetings, and in numerous phone, email, and one-to-one conversations, several hundred HUCTW members expressed concerns and offered suggestions. There were several themes sounded frequently:

- One observation made repeatedly was that Harvard Pilgrim will have a near monopoly in the new, consolidated environment. Some worried that Harvard Pilgrim plan administrators might have less reason to maintain the highest-quality services, if they are not competing with Tufts. Others expressed optimism that a

- closer, more intensive partnership between the University and Harvard Pilgrim will make the health plan more responsive to health needs of the Harvard community.
- Many union participants conveyed concern about the possibility of established relationships with providers being disrupted in a switch from Tufts or Blue Cross Out-Of-State to Harvard Pilgrim. Among those who had already done research on network matches, the vast majority reported that their doctors were covered at Harvard Pilgrim. (Staff members who want to check on their doctors' participation in the HPHC network can do so by visiting the HPHC link at [www.huctw.org/healthcare](http://www.huctw.org/healthcare))
  - Some HUCTW members were apprehensive about differences in the philosophy of managed care or the quality of customer service between the plans. In particular, we heard a number of concerns about the management of mental health care under Harvard Pilgrim, outsourced in the past to PacifiCare. In the area of customer service, all of the plans got mixed reviews.
  - Although our meetings were primarily about health plan consolidation, complaints also surfaced about Medco as the new pharmacy benefit administrator since January 1, 2008. The greatest frustrations were about prescriptions moving from less expensive co-payment tiers to higher co-pays, and about Medco only allowing 3-month prescriptions by mail order, and not for pick-up at the pharmacy.
  - More generally, a number of union members expressed concern about the fast pace of change in health care, about the business-like strategies of increasingly powerful health plans, and about the lack of clear, early information-sharing with staff members on health care issues.

### **Union-Management Discussions and Positive Changes**

Throughout the winter and spring, HUCTW leaders have continued meeting with Harvard administrators to raise questions, relate concerns, and negotiate about implementation details. As a result of these meetings, along with efforts of the

University Benefits Committee (UBC) and concerned community members, a number of adjustments have been agreed upon, making the health care situation more promising:

- The University is assuring employees that there will be no “provider disruption” as a result of enrollment changes from Tufts or Blue Cross to HPHC. In the rare instance where a provider is covered under Tufts or Blue Cross but not in the Harvard Pilgrim network, the University will pay for ongoing care as if it were in the network, for at least one year or as long as medically necessary.
- Harvard and HPHC have acknowledged concerns about mental health care management under Harvard Pilgrim. PacifiCare (HPHC’s outsourced mental health care administrator) has been acquired by United Behavioral Health, a larger company with a stronger reputation for reasonable approaches to managing mental health care. More important, discussions are beginning between the University and HPHC on standards for access and privacy covering Harvard employees in the area of mental health care.
- Problems with Medco have been reviewed carefully in the UBC. The committee studied the breakdown of prescription co-payment changes and confirmed that while some medications increased in cost, three times as many drug co-pays decreased in cost. The overall effect is a significant reduction in employee costs for prescription drugs. In addition, as of April 15, all employees who previously had access to 3-month prescriptions at the pharmacy have had that access restored.

### **Health Care is an Ongoing and Difficult Issue**

As noted in previous HUCTW communications and in all of our meetings and conversations, health care is a tough set of issues. This year we are focused on pharmacy benefits and health plan choices. Next year and the year after, there will be undoubtedly be other unexpected challenges and complex proposals to consider.

Although the premium savings resulting from “consolidation” have real value for employees and for Harvard, HUCTW leaders and many members have been frustrated by

the rapid pace set by Harvard administrators in implementing the narrower set of plan options. On the other hand, it appears currently that we can help shape the approach to consolidation so that employees will not experience disruptions in the quality of their families' health care.

Perhaps the most important development of the last few months is in the thoughtful, creative contributions made by hundreds of Union members in examining the pending policy changes. Our informed voices and real-life experiences are critical points of data in discussions about health care at Harvard. HUCTW leaders believe we all need to keep the conversation going, continue listening and learning, and prepare ourselves for a challenging future in the area of health care policy.

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