



# STATE HEALTH BENEFIT PLAN UPDATER

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*This UPDATER constitutes official notification to all State Health Benefit Plan (SHBP) members of Plan changes and, as such, supersedes any previously published information that conflicts with the material herein. It will be used — in conjunction with the SHBP Booklet dated November 1, 1995, the HMO Member Handbook dated March 1998, plus any UPDATER published after November 1, 1995 — to administer the Plan until new booklets are published. If you are disabled and need this information in an alternative format, write the Dept. of Community Health at P.O. Box 38342, Atlanta, GA 30334 or for TDD Relay Service only, call 800-255-0056 (text telephone) or 800-255-0135 (voice).*

Since the Plan changes indicated herein might not apply to your current coverage option, the *UPDATER* is divided into numbered sections indicating the affected members. However, all Plan members are encouraged to read the entire document to be informed on all Plan options.

## 1 FOR STANDARD AND HIGH OPTION MEMBERS

### STATE CONTRACTS DIRECTLY WITH HOSPITALS

Effective January 1, 2000, the Plan will discontinue the Prudent Buyer Program (PBP), replacing it with individual contracts between the state of Georgia and acute-care hospitals in Georgia. The new direct-contracting approach only applies to the Health Plan's business relationship with hospitals and does not affect the Plan's association with doctors through the Participating Physician Program (PPP).

All hospitals in Georgia that were participating in the PBP have agreed to contract directly with the state. The PBP helped the Plan and members save money through a discount from the hospital's normal charge. The discounted amounts paid to hospitals, however, were higher than what other large employers in Georgia were paying for similar services. The new contracts with hospitals provide a fixed reimbursement based on a patient's diagnosis (although some services will continue to be reimbursed on a percentage-of-charge basis). Since the new reimbursement method results in more competitive pricing, members can typically save money through lower out-of-pocket coinsurance payments. The Plan also can lower its costs under direct contracting.

The Plan's direct contracts do not include hospitals outside of Georgia. As a result, if you receive services from any *out-of-state* hospital on or after January 1, 2000, you may be subject to "balance billing." (Balance billing means that the member is responsible for paying the difference between what the Plan allows and the hospital's actual charges. Amounts that are balanced billed cannot be applied to the Plan's out-of-pocket spending limits.)

Pre-certification rules will not change under direct contracting. Contracting hospitals will continue to pre-certify inpatient stays on behalf of the member — just as hospitals did under the PBP. (Please note that a few of the Plan's former PBP hospitals that bordered Georgia will no longer be required to pre-certify a stay on your behalf.) Since there are no contracts with hospitals outside of Georgia, you are responsible for pre-certifying inpatient stays at any out-of-state hospital. As in the past, members must pre-certify certain outpatient procedures — whether the facility is inside or outside of Georgia. By calling the Medical Certification Program (MCP), you can avoid financial penalties that occur when pre-certification rules are not followed. (Please remember that if you have primary coverage through Medicare,

you are not required to pre-certify any inpatient stay or outpatient procedure.)

For your information: The MCP telephone number is 800-762-4535 (in Atlanta, 770-438-9770). For a list of outpatient procedures requiring pre-certification, see your Spring/Summer 1998 UPDATER or call the Plan's customer service unit at 800-483-6983 (in Atlanta, 404-233-4479).

#### **Important notes**

- New SHBP ID cards will not be needed. You may use your current ID card for hospital services.
- Direct hospital contracting will not affect any Plan program that already has special contracts with providers, including the Behavioral Health Services (BHS) program, the Participating Physician Program (PPP), and the transplant program.
- If you are discharged from a hospital prior to January 1, 2000, or you are admitted prior to the new year and remain hospitalized for that same condition on or after January 1, 2000, your stay will be reimbursed based on guidelines used in 1999. In these situations, you will have protection from balance billing for hospital charges, regardless of when the claim is actually processed.
- All acute-care hospitals in Georgia have agreed to contract directly with the state. However, as in the past under the PBP, hospitals can choose to terminate their contracts. Since using a non-contracting hospital could result in balance billing, you should ask your hospital or customer service prior to an admission, if the hospital has a current contract with the SHBP.

#### **NEW PROGRAMS OFFERED**

The SHBP is offering two new "disease state management" programs beginning on January 1, 2000, that focus on providing education, literature, and other resources to Plan participants with congestive heart failure, or cancer of the breast, lung or colon. Participants also

will have access to enhanced benefits, including coverage for MCP-approved educational services. The two new programs and the existing diabetes program are designed to help patients learn more about their disease and become more active in its management. Program participation encourages the patient to work with their personal "case manager" and physician in order to prevent potential side effects and complications from the patient's disease. The case manager is an experienced registered nurse who, with guidance from the treating physician, can provide patients the resources to improve their quality of life. If you are interested in learning more about the new programs and the enhanced benefits available to participants, you can call MCP at 800-858-4626, extension 4661.

## **2 FOR HMO OPTION MEMBERS**

#### **HMO NETWORKS UNAFFECTED**

The hospital networks used by the Plan's Health Maintenance Organizations (HMOs) are unaffected by the new direct-contracting approach discussed above. HMO members may contact their HMO directly for questions regarding their hospital network.

#### **PRUDENTIAL HMO PURCHASED**

Due to the purchase of Prudential HMO by Aetna US Healthcare, Prudential coverage under the SHBP will not be available on or after July 1, 2000. Members currently in Prudential HMO will have the opportunity to select any other available option during the upcoming open enrollment period (for coverage effective on July 1, 2000). Please note that if you do not choose a new option during open enrollment, the Plan will automatically place you into a different option based on the Plan's rules and regulations. You will receive complete information on available coverage options during the open enrollment period.

State Health Benefits Plan  
Department of Community Health  
P.O. Box 38342  
Atlanta, Georgia 30334