

Memorandum of Understanding Concerning HMO Coverage
March 7, 2012

Anthem will no longer cover dependents on the HMO policy for non-emergency services outside Anthem's three-state network (Ohio, Kentucky, Indiana). Therefore, Bargaining Unit Faculty who must cover dependents during the calendar year 2012 for non-emergency services outside Anthem's three-state network should switch to the PPO on or before February 29, 2012. The University will notify all Bargaining Unit Faculty who have HMO medical coverage through the University for at least one dependent of the above-described change in coverage, and will provide such notification soon enough so that switching to the PPO on or before February 29, 2012 is practical. During open enrollment periods (in late 2012 and 2013, respectively) for medical coverage during 2013 and 2014, the University will remind all Bargaining Unit Faculty of the above-described change in coverage.

During each calendar year of the life of the current CBA, for claims of all Bargaining Unit Faculty who switch to the PPO in order to maintain coverage for their out-of-network dependents, the university will reimburse an amount equal to the difference between the total of the Anthem PPO coverage and the total the Anthem HMO coverage would have been, minus the difference between the annual cost of PPO benefits and the annual cost of HMO benefits. If less than zero, the reimbursement shall be zero.

Example:

Bargaining Unit Faculty Member in 2012, covered at the "Employee and Two or More Dependents" rate, who switches from the HMO to the PPO in order to keep an out-of-network dependent covered. Employee or dependent requires non-emergency procedure, followed by 10 visits for outpatient therapy:

	HMO	PPO	Difference
Faculty member pays (annually):	$242.22 \times 12 = 2906.64$	$203.38 \times 12 = 2440.56$	(466.08)
Inpatient hospital Surgery @ \$10,000	\$250 copayment	10% of covered cost = ~ \$1,000	$\$750 - 466.08 = \283.92 (reimbursed by university)
Outpatient Therapy (10 visits)	\$15 per visit	\$20 per visit	\$50 (reimbursed by university)

The intent of this agreement is to hold Bargaining Unit Faculty harmless during the period covered by the current Collective Bargaining Agreement. Faculty who do not use their coverage or whose annual charges do not exceed the difference between HMO and PPO premiums will not be charged. Promptly after the end of each calendar year 2012, 2013, and 2014, the University will inform AAUP-WSU of how many Bargaining Unit Faculty received reimbursement payment during the previous calendar year and the dollar total of all such payments. This agreement will expire on December 31, 2014.

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