

## GatorCare has some happy, others nervous

**UF and Shands employees will soon have health insurance under the same umbrella**

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The proposal to insure the lives of 70,000 people through "GatorCare" has some wondering if the program as envisioned will take a bite out of the larger community's physical and fiscal well-being.

University of Florida officials say they want to expand the existing self-insurance plan that covers Shands employees and their dependents to include all UF employees and their dependents. But critics say that such a large shift could burden an already-overburdened network of doctors and cause ripples in the local insurance market that would reduce competition and drive up prices for other employers who insure their employees.

The change would allow GatorCare to be tailored to the particular needs of the UF and Shands workforces, UF officials say.

"We'd have more flexibility to customize the plan," said Paula Varnes Fussell, UF vice president for human resource services.

Fussell used the existing eight or nine dental plans the state offers as examples.

"Employees complain about them all the time, but there's nothing we can do about it at our level," she said.

Details of the program won't be rolled out until seven weeks from now. It has not been announced, for example, what company will administer the plan, or how much more it will cost GatorCare enrollees to see doctors outside the GatorCare network.

But UF has released a timeline showing that it expects to have open enrollment for GatorCare this fall and be self-insured starting on Jan. 1, 2013. Those firm deadlines and the lack of specifics have some concerned about how the details are going to play out.

### **Less choice?**

One-third of Dr. Elizabeth Sanders' patients are UF employees, and she's not in the network Shands has for its employees. She said she's concerned her patients will be facing a strong disincentive to continue an existing doctor-patient relationship that in some cases is 15 years old.

"Sometimes those deductibles (for seeing an out-of-network doctor) are so steep that an employee doesn't have freedom of choice," said Sanders, a primary care doctor attached to a clinic in the Springhill Professional Park on Northwest 83rd Street.

UF's Fussell said she is willing to guarantee that existing doctor-patient relationships will not be disrupted, although there would be incentives for GatorCare enrollees to see doctors in the network. At worst, she said, the patients will be paying the same as they are now to see practitioners out of network, but they could be paying less.

### **Does less competition drive up prices?**



The shift in the market that GatorCare insures could mean other employers will find themselves paying more.

UF said it will be inviting insurance companies to submit bids to be UF's third-party administrator for GatorCare. This means the care now managed by eight different insurers for UF employees will be consolidated into one insurance company.

And that concerns Dr. Sanders as an employer insuring a small number of employees, she said. With all of those lives concentrated with one insurer, the risk among the other players in the market who didn't get the GatorCare contract is going to increase, possibly driving up the cost for every person that remains insured with the insurers that lost the UF business, she said.

"If there is a shift of people out of the market, if they vanish ... the other insurance companies like BCBS, AvMed and United (Healthcare) will raise rates on all the other policyholders to make up for their loss of revenue and because the state of Florida Department of Insurance requires them to keep a cash reserve," Sanders said.

A spokeswoman for AvMed said it's too soon to speculate on what effect the creation of GatorCare might have on the remaining market. She said her company expects to have a bid in to be the GatorCare administrator.

"We have a 30-year relationship with the state of Florida and UF, and we certainly want to continue that," said Conchita Ruiz-Topinka of AvMed.

An official for Blue Cross/Blue Shield of Florida — the company now administering insurance for Shands at UF — said that such a shift would not impact its premiums for smaller employers.

"We cannot speculate how other carriers might price their products if this change were to take place," Jon Urbanek, senior vice president of sales and marketing for BCBS, said in a prepared statement.

But Dr. Les Beitsch, an associate dean for the Division of Health Affairs at Florida State University's College of Medicine, said it could very well mean health insurance in Gainesville gets more expensive, as decreased competition can drive up prices on a macro level.

But there are other factors that could be driving up health insurance costs, too, said Beitsch, who also directs the Center for Medicine and Public Health at FSU.

"It's a good business move for them," Beitsch said of UF's move to GatorCare. "What they are doing is what every university with a health center is trying to do, which is vertically integrate their products and keep them as competitive as possible."

But Douglas Wheat, insurance director of e-commerce at Ference Insurance Agency in Newberry, sees other factors at work in driving up the cost of group health insurance for employers, large and small. Number one, he said, healthy workers are discovering they can get individual policies for less than the premiums their employer's insurer charges.

"The people stuck on the group plan are the sickest ones," he said, explaining why the employer group insurance costs are going up faster and faster.

Among the 21 insurance markets in Florida, Gainesville is rated as having the fifth least-competitive market in a study the American Medical Association did of health insurance competition. The Panama City and Tallahassee markets were rated as the least competitive in that same study.

***Not enough doctors?***

There are some who are worried competition might be too fierce in another arena — getting an appointment.

That's what UF faculty member Lauren Lake said she's worried about.

The promise of next-day appointments that was given at a recent Faculty Senate meeting conflicts with a recent experience by one of her colleagues, she said, who waited a few weeks to see a dermatologist at Shands.

“There's the ideal, and there's what is actually happening on the ground,” she said.

Lake, an associate professor in the College of Fine Arts, said she's worried that moving more patients to Shands would lengthen waits for appointments and in the hospital emergency room.

Calls to Gainesville dermatologists in the Shands network showed that a new patient could wait as long as April for a dermatology appointment or be seen as early as Tuesday, depending on the doctor selected.

Both UF President Bernie Machen and Fussell acknowledged that the network that handles Shands employees needs expanding.

“We don't have the infrastructure today to handle everybody,” Machen said in a recent interview.

The clock is ticking on inviting new doctors into the new GatorCare network.

Kim Kauffman, executive director of Physicians' Care Network, an association of 650 independent medical practices, said new providers need to be lined up before the first half of the third quarter ends, or mid-August, if they are going to be in place when GatorCare debuts.

“I'm not concerned yet, but certainly we should be opening up those doors,” Kauffman said.

*Staff writer Nathan Crabbe contributed to this report.*