

T H E A C C E S S S E R I E S

Catholic HMOs and Reproductive Health Care

Catholics for a Free Choice

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Catholics for a Free Choice

researched and written by
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Introduction

Since the mid-1990s, Catholics for a Free Choice has been documenting the scope of the Catholic health care system and its impact on access to reproductive health care. Through qualitative and quantitative analysis, CFFC has looked at limitations on the provision of reproductive health care in Catholic hospitals, particularly when Catholic hospitals merge with non-Catholic hospitals and impose restrictions on the delivery of reproductive health services. In this report, we explore the role of Catholic health care in another important area: managed care.

With government-funded health care programs such as Medicare and Medicaid also encouraging or mandating the use of managed care, some 168 million Americans—nearly 62% of the U.S. population—were enrolled in managed care by 1998.

In many ways, the 1990s were the decade of managed care as much as the decade of hospital mergers. At the beginning of the decade, few people had ever heard of an HMO. The word entered the lexicon with a roar as a result of the debate over President Clinton's ill-fated attempt at health care reform in his first term as president. That ambitious reform effort failed, but rapidly rising health care costs drove employers and state and federal government to look for ways to control health care spending. As a result, enrollment in managed

care—a form of health care insurance that promised to control costs by “managing” care for optimal outcomes—increased an astonishing 91% between 1993 and 1998.¹ In just the two years between 1995 and 1997, the percentage of insured U.S. workers who were in managed care doubled to nearly three-quarters of the workforce.² With government-funded health care programs such as Medicare and Medicaid also encouraging or mandating the use of managed care, some 168 million Americans—nearly 62% of the U.S. population—were enrolled in managed care by 1998.³

This report details the role and scope of Catholic managed care plans. We identify the plans operating in the United States that are owned by Catholic institutions, and their level of participation in Medicaid and the Children's Health Insurance Program, two important federal- and state-funded health care programs. We also report on the provision of reproductive health care by Catholic plans, detailing which plans are providing what services, which plans aren't providing services, broad trends in service provision and the methods by which Catholic plans are providing services not sanctioned by Catholic doctrine.

Methodology

For this report, Catholics for a Free Choice identified Catholic managed care plans from the 2000 edition of the AAHP/Dorland *Directory of Health Plans*, lists of managed care plans participating in state Medicaid programs, plan websites and health industry news sources such as *Modern Healthcare*. For the purposes of this report, Catholic plans are those either wholly or at least one-third owned by a Catholic entity, such as a health system or another Catholic sponsor such as a religious order. One plan included in the survey, MercyCare Health Plan (Wisconsin), was originally owned by Mercy Health Systems of Chicago but has been sold to a secular company. However, we included it in the

We asked the plans if they provide reproductive health services such as contraception and tubal ligations to their enrollees. We also asked the plans if they cover abortion services.

survey because it maintains certain prohibitions on reproductive health services (bans on abortion and non-medically necessary tubal ligations) at the insistence of the original Catholic owner.

CFFC staff called the business offices of the Catholic plans that were identified, and, identifying ourselves as CFFC, told them that we were conducting a survey about coverage of reproductive health services by Catholic managed care plans. In some cases multiple plans are owned by an umbrella organization that administers the plans and sets policies. In these cases, we spoke with the umbrella organization. We asked to speak to the member services person, medical director or whomever the appropriate person was to provide us with specific information about the provision of reproductive health care services. We administered the same survey to all commercial plans and a slightly modified survey to Medicaid plans that included a question about state mandates on the provision of family planning services (See Appendix A). We asked the plans if they provide reproductive health services such as contraception and tubal ligations to their enrollees. We also asked the plans if they cover abortion services. If they answered “yes” to either question, we asked for details of the arrangement under which the services were provided. If they answered “no,” we asked how enrollees accessed these services. We also asked how the arrangement had worked out and if they were aware of any problems.



Managed Care Plans: HMOs and PPOs

Managed care is a term used to define an array of cost containment and quality assurance techniques designed to reduce the use and cost of health care. In addition to coordinating care to lower costs, these techniques include capitation, or paying a set fee for care per patient rather than per service; the use of standards for selecting doctors and other providers; limiting patients to a specific panel of selected providers; preadmission certification for hospital services; and utilization review—the practice by which managed care plans review services to see if they deem them appropriate and efficient in terms of cost and predicted outcomes for the patient.

There are two main types of managed care plans: health maintenance organizations (HMOs) and preferred provider organizations (PPOs). The main difference is that HMOs are insurers—meaning that they assume the financial risk of providing all the health care that their enrollees require—while PPOs are networks of providers (doctors and hospitals) who contract with the purchasers of care (employers or insurance companies) to provide services at a discount. Financial incentives like lower copayments are put in place to encourage enrollees to use these discounted providers, but out-of-network usage is allowed at a higher cost. Unlike HMOs, PPOs are not insurers; they do not assume the financial risk of providing care. Another difference is that HMOs usually put tighter limitations on patients going outside their network of doctors and hospitals for care, although this is changing as “open HMOs” that allow out-of-network usage are becoming popular.⁴



Catholic Managed Care

The explosive growth of managed care has led to questions about the scope of Catholic managed care plans. Are they a significant presence in the U.S. health care system or in the Medicaid program? Are they limiting reproductive health care in a manner similar to Catholic hospitals? These questions are important because of the inherently restrictive nature of managed care. Since managed care plans limit the doctors or hospitals from whom members can obtain care or charge more for out-of-network services, a Catholic managed care plan that refuses to cover reproductive health services such as

A recent survey of 1,000 American women conducted for CFFC by Belden, Russonello and Stewart found that if their managed care plan declined to pay for certain services, 46% of respondents would be stuck with their current plan.

tubal ligations or contracts only with Catholic hospitals that refuse to provide such services would severely limit enrollees' ability to access reproductive health care. This would be particularly problematic for lower-income women and younger women who may not have the means to pay for care their health plan will not cover or for those who do not have a choice of health plans.

A recent survey of 1,000 American women conducted for CFFC by Belden, Russonello and Stewart found that if their managed care plan declined to pay for certain services, 46% of respondents would be stuck with their current plan. The study also found strong support for all hospitals—regardless of religious affiliation—being required to provide the full range of women's health services. In fact, 82% of women, and 80% of Catholic women, said that any hospital that delivers babies should be required to permit doctors practicing there to perform sterilizations requested by women.⁵

Another important question is the public policy implications of Catholic managed care. Should Catholic plans, particularly those that receive money from participation in programs like Medicaid that mandate the provision of family planning services, be allowed to refuse to provide reproductive health services based on religious beliefs? Are states monitoring the practices of Catholic plans regarding the denial of reproductive health care? Should consumer protection laws guarantee that Catholic plans provide full disclosure on the nature and scope of reproductive health services that they will not deliver before women enroll in the plan?

And what about employers, who are the ones who usually make the decisions about what managed care plan their employees will have and, to some extent, what services will be covered. Are they taking steps to ensure that any plans with which they contract provide the full range of reproductive

health services? This is particularly important because only 64% of families who are offered employer-sponsored plans have a choice of more than one plan, and only about half have a choice between an HMO and a less-restrictive plan.⁶ The choices are even more limited for those who live in non-metropolitan areas or work for small firms. Only 37% of families in areas with less than 200,000 people have a choice of plans, and just 25% of employees in firms with less than 50 people have a choice of plan.⁷

How Many Catholic Managed Care Plans Are There?

CFFC identified a total of 48 Catholic managed care plans (see Appendix B). Many are owned by umbrella organizations established by health systems. These umbrella organizations often operate more than one managed care plan. For instance, Mercy Health Plans of Missouri, owned by the Sisters of Mercy Health System, operates seven managed care plans: four HMOs serving different geographic areas, two HMOs for seniors in the Medicare program and an HMO for low-income people in the Medicaid program.

According to the Catholic Health Association of the United States, its membership included 50 Catholic managed care plans in 1998.⁸ As some of their members would likely be these umbrella organizations, not the individual managed care plans, it would appear that the overall number of Catholic managed care plans has decreased in the past two years. This is consistent with the larger

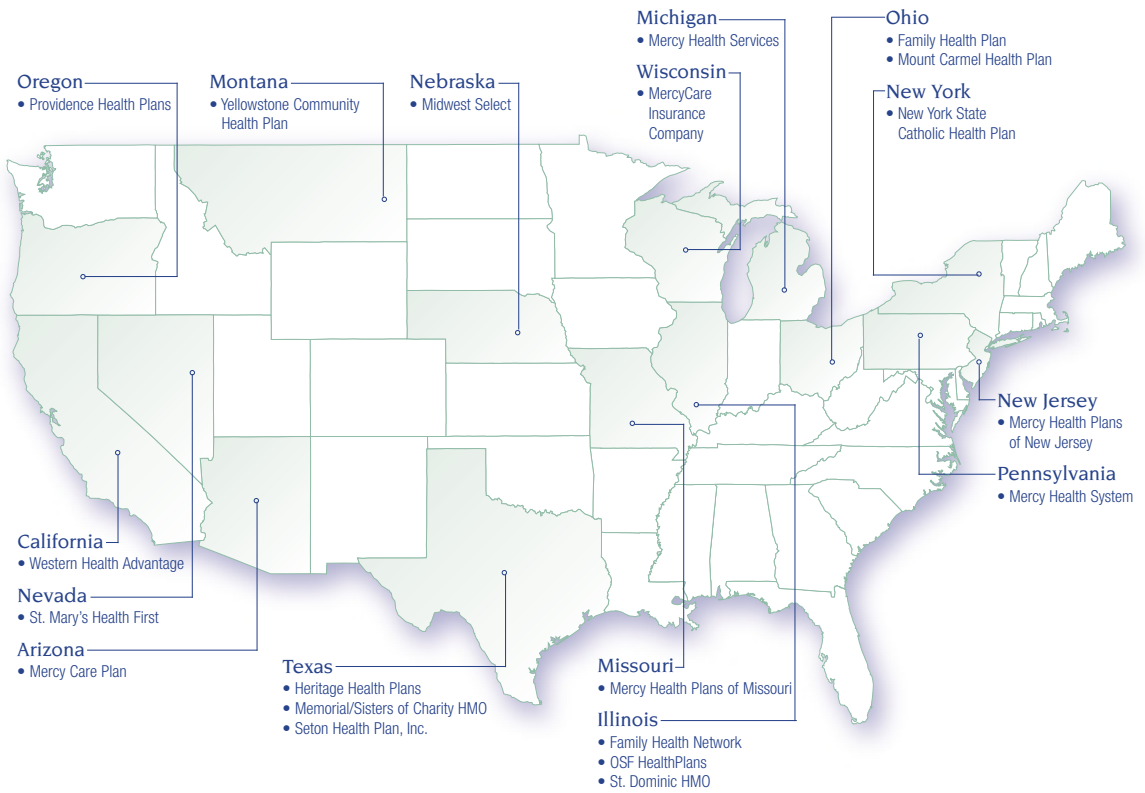
It would appear that the overall number of Catholic managed care plans has decreased in the past two years. This is consistent with the larger trend of managed care plans created by health systems closing down or selling out to larger plans.

trend of managed care plans created by health systems closing down or selling out to larger plans as they encountered financial difficulties due to problems controlling costs and competition from large for-profit plans that deeply eroded profit margins.

For example, Advantage Health Plan, which was owned by two Catholic partners—the Franciscan Missionaries of Our Lady Health System and the Sisters of Charity Health Care System—as well as a third secular partner, Touro Infirmary of New Orleans, quickly became the third-largest managed care plan in Louisiana when it won a contract to provide coverage to state employees. But it turned out that Advantage had severely underestimated the cost of providing coverage to its enrollees and it began hemorrhaging red ink almost as soon as the contract was awarded. It closed after losing over \$70 million in the first nine months of 1998.⁹

Based on enrollment in the plans identified by CFFC, nearly 2.5 million Americans are enrolled in Catholic managed care plans. While Catholic managed care plan enrollment accounts for just a fraction of the more than 170 million people enrolled in managed care nationwide, this does not negate questions regarding access to reproductive care for these enrollees and the public policy implications of plans that accept government funding yet fail to provide comprehensive reproductive health services.

Catholic Managed Care Plans by State



Financial Status of Catholic Managed Care Plans

Interestingly, the majority of Catholic managed care plans are for-profit entities; most often the for-profit divisions of nonprofit hospital systems. In our survey, we found that over half of the managed care plans CFFC identified are for-profit, and most are headed by lay leadership. It makes sense that these plans would be for-profit because Catholic health systems, like many health systems, established these plans as profit-making entities in the early and mid-1990s, when it was believed that managed care plans owned by doctors or hospitals were uniquely positioned to capture a significant portion of the managed care market. This was based on the belief that enrollees would find the

Catholic plans, like all managed care plans, have seen financial difficulty in the last few years due to a combination of intense competition, rising drug and other health care costs and shrinking Medicare and Medicaid reimbursements.

patient-centered decision-making of plans owned by providers preferable to the larger, corporate-owned plans. To a large degree, however, this vision has not materialized. Many of the small to mid-sized provider-owned plans found it difficult to survive in a fiercely competitive marketplace increasingly dominated by a few large, commercial health plans.¹⁰

Catholic plans, like all managed care plans, have seen financial difficulty in the last few years due to a combination of intense competition, rising drug and other health care costs and shrinking Medicare and Medicaid reimbursements. Almost half the HMOs rated by a national rating agency lost money in 1999.¹¹

Mercy Health Plans

For instance, six-year-old Mercy Health Plans of Missouri, which has a robust enrollment of 101,461 and the financial backing of the Sisters of Mercy Health System, one of the nation's largest and healthiest Catholic health systems (it is the only nonprofit health care organization with an AAI rating from Moody's Investor Services), has been losing money for the past five years—a total of \$52 million between 1995 and 1999.¹² Despite a 48% revenue increase to \$173.5 million in 1998, the plan ended the year \$7 million in the red after losing \$21 million in 1997. And 1999 wasn't much better—Mercy Health Plans lost \$5.4 million in the first six months.¹³

Western Health Advantage

Western Health Advantage, a partnership between Mercy Healthcare Sacramento (a division of Catholic Healthcare West), UC Davis Health System and North Bay Health System that began operation in the summer of 1997 with high hopes of successfully marketing itself as a health plan run by doctors, saw its revenue soar from \$8.7 million in 1997 to \$29.6 million in 1998. But it still lost \$2 million 1998—down from just under \$3 million the previous year.¹⁴

Providence Health Plans

Another major player, Portland, Oregon-based Providence Health Plans, was forced to sell its Washington State operations after five years of red ink, including a loss of \$9.4 million in 1997 despite a capital infusion of \$23 million from the nonprofit Sisters of Providence Health System. At the same time, Providence's Oregon plan is one of the few profitable ones in that state. It made a profit of \$5.6 million on revenues of \$350.3 million in 1997, for a profit margin of 1.6%.¹⁵

CareChoices

CareChoices, the HMO owned by Mercy Health Services in Detroit, has one of the largest enrollments of any Catholic HMO, with some 212,000 enrollees among its five plans. Yet it posted a profit of only \$126,103 in the third quarter of 1998. This was an improvement over the \$1.3 million loss it had in the same quarter the previous year and came only after it discontinued its participation in the state's Medicaid program.¹⁶

OSF HealthPlans

OSF (The Sisters of the Third Order of St. Francis) HealthPlans of Peoria, IL, has four managed care plans with a total of 63,300 enrollees. OSF HealthPlans saw its enrollment increase 105% between

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1997 and 1998 at the same time that its total income increased 104% to \$67 million. Yet in the last year that figures are available, 1996, the plan lost \$7.2 million.¹⁷ According to a report by the Illinois State Medical Society, OSF HealthPlans spent more than 100% of its income on medical care (102.9%) and administration (13.7%) in 1998, so OSF HealthPlans had a loss in that year.¹⁸

Memorial/Sisters of Charity HMO

The management of Houston-based Memorial/Sisters of Charity HMO said their managed care plan was not established to be a big moneymaker, but to "give local employers an alternative to managed care." They also noted that the health system was not expected to see a return on its original investment for at least five to eight years, indicating that the plan was willing to wait out the lean years.¹⁹ However, late in 1999, it was announced that the struggling plan would be sold to managed care giant Humana, Inc.²⁰

Small Catholic Plans

Several small Catholic plans that started out with high hopes, such as the Accord Health Plan, have faltered in recent years. Accord was the plan of the Accord Health Network, a 10-hospital Chicago-area network formed at the urging of the late Cardinal Joseph Bernardin. The plan had hoped to provide care without regard to profit for Medicare and Medicaid beneficiaries. But it was not able to become financially viable despite a \$7 million investment from its parent company, and it exited the Medicaid and Medicare business in July of 1999.^{21, 22}

While beyond the scope of this study, the question of the propriety and legality of the transfer of funds between nonprofit Catholic health systems and their managed care plans merits further study.



Catholic Managed Care Plans and Catholic Health Systems

Most Catholic managed care plans are owned by Catholic health systems. The term “health system” describes a network of health care providers that includes two or more hospitals and related services such as doctors’ practices, home health care agencies, outpatient clinics or laboratories.²³

Catholic health systems are major players in the world of health care. Half of the nation’s 20 largest health systems as measured by net patient revenue are Catholic, according to *Modern Healthcare*, a leading industry trade magazine, and 40 of the nation’s 218 health systems are Catholic.²⁴ The

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American Hospital Association reports that nearly 18% of all hospitals and one-fifth—20.3%—of all hospital beds in health systems are owned or controlled by Catholic systems.²⁵ By comparison, the large investor-owned health systems like Columbia/HCA Healthcare Corp. that have inspired so much trepidation by their presence in the U.S. health care system account for just 15% of acute-care hospitals and 12.5% of acute-care hospital beds.²⁶

The predominance of Catholic systems is somewhat of a surprise. Well into the mid-1990s, it was assumed that larger, for-profit health systems like Columbia/HCA would dominate the industry. But they unexpectedly faltered as their business practices came under federal investigation and cuts in Medicare spending thinned their profit margins. Nonprofits surged into this void. Many Catholic health systems, like St. Louis-based Sisters of Mercy Health System with its AA1 rating from Moody’s Investor Services, had the resources to scoop up ailing hospitals—both Catholic and non-Catholic. Like proverbial snowballs, small and mid-sized Catholic systems were created and grew as new hospitals were added. And as the competitive pressures on health systems increased, they merged into still larger systems. Suddenly, there were a number of Catholic players with the size, scope and financial resources to create managed care plans.

Largest U.S. Health Systems

(By net patient revenue)

	System	Net Patient Revenue (millions)	Total # of Hospitals
1.	U.S. Dept. of Veterans Affairs	20,709.0	172
2.	Columbia/HCA Healthcare Corp.	16,700.0	207
3.	Tenet Healthcare Corp.	9,958.0	130
4.	Ascension Health*	5,485.5	70
5.	Catholic Health Initiatives*	4,756.1	71
6.	Catholic Healthcare West*	3,963.5	48
7.	New York City Health and Hospitals Corp.	3,691.7	11
8.	New York Presbyterian Healthcare System	3,038.5	16
9.	Mayo Foundation	2,775.1	18
10.	North Shore-Long Island Jewish Health System	2,331.3	13
11.	Sisters of Mercy Health System*	2,298.1	24
12.	Los Angeles County Dept. of Health Services	2,239.1	6
13.	Sutter Health	2,128.0	27
14.	Catholic Health East*	2,063.2	33
15.	Adventist Health System	2,044.8	29
16.	St. Joseph Health System*	2,016.7	15
17.	Marian Health System*	2,010.0	35
18.	Catholic Healthcare Partners*	1,984.1	30
19.	Providence Health System*	1,970.0	21
20.	Mercy Health Services*	1,969.4	20

*Catholic health system

Source: *Modern Healthcare*

Catholic Health Systems

A Catholic health system is now the nation's largest nonprofit, private health system and the fourth largest health system overall. The \$6 billion Ascension Health system, created by the merger of the Daughters of Charity National Health System and Sisters of St. Joseph Health System, owns or is affiliated with 70 hospitals in 16 states.²⁷ Only the two largest corporate hospitals systems—Columbia/HCA and Tenet Healthcare Corp.—and the U.S. Dept. of Veterans Affairs have more hospitals. Catholic health systems have consolidated and grown considerably larger in the past six years, further increasing their influence. The numbers tell the story: in 1993, according to the American Hospital Association, there were 66 Catholic systems with a total of 443 hospitals.²⁸ By 1999, there were 48 systems that comprised 555 hospitals.²⁹ The total number of systems decreased 27%, but the total number of hospitals under their control increased 25%, confirming the trend of Catholic systems consolidating and acquiring still more hospitals.

The Relationship Between Health Plans and Health Systems

The relationship between managed care plans and health systems can be structured in a variety of ways. In general, however, a managed care plan contracts with hospitals and doctors to provide care to its enrollees for a set fee. It also decides what care will be covered. The purchaser of the insurance coverage also has some say in what the benefit package will look like. For instance, some insurers allow employers or employees to purchase “riders” to cover popular services that are not included in the basic benefits package.

A recent poll by Catholics for Free Choice found that nearly half of all women (45%) said if they were treated at a Catholic hospital they would expect to receive reproductive health services or procedures that are contrary to Catholic teaching.

Unless it is a staff-model HMO—an HMO in which the doctors are employed directly by the HMO and the HMO owns the hospitals—and only a tiny fraction of all managed care plans and no Catholic plans are—the plan is not directly providing services, but contracting with doctors and hospitals for the provision of services.

Catholic Hospitals in Catholic Health Systems

The hospitals that comprise a health system have important implications for enrollees accessing care. For the most part, the hospitals that comprise the health system that operates a managed care plan will be the hospitals from which enrollees either must receive care or will have financial incentives to use. However, plans may contract with hospitals outside of the system to provide a better geographic balance of coverage or to provide services that member hospitals do not have.

An obvious problem for enrollees in Catholic managed care plans is the potential that only Catholic hospitals will be part of their plan. Catholic hospitals—including formerly secular hospitals that have been purchased by Catholic hospitals—must follow the *Ethical and Religious Directives for Catholic Health Care Services*. These guidelines specify what services Catholic facilities can and cannot provide. The *Directives* do not allow the direct provision of or cooperation with abortion services, the provision of male or female sterilization, the promotion or condoning of contraception and certain fertility services.

Many people are not aware that they cannot receive these services at Catholic hospitals, so it is important that plans disclose such limitations to potential enrollees. In fact, a recent poll by Catholics for Free Choice found that nearly half of all women (45%) said if they were treated at a Catholic hospital they would expect to receive reproductive health services or procedures that are

contrary to Catholic teaching. Even among women who expected Catholic hospitals to limit some services, over half (57%) did not name contraception as a service that would be limited, and 97% did not name sterilization.³⁰

Disclosure to Health Plan Enrollees

We called a representative sample of 10 health plans and asked to receive membership materials in order to ascertain what members would be told about possible limitations on reproductive health services, either by the plan or by plan hospitals. None of the plans would share their membership

Where enrollees have a choice of plans, it would obviously be critical that they know upfront what limitations are being placed on reproductive health services so that they can make an informed choice among plans.

materials with CFFC, so it is not possible to determine whether or not enrollees are informed about limitations on reproductive health care. However, not a single website operated by a Catholic plan mentions any limitation on reproductive health services—either by the plan itself or by member hospitals. In addition, a study of managed care plans in five regions with a high level of managed care found that only four percent of “plans reported that they routinely notify enrollees that, for religious or personal reasons, some participating providers may not provide or refer for all covered contraceptive services.”³¹ In addition, when it came to the provision of certain services, “only one-half of commercial plans and one-third of Medicaid plans ... reported that they routinely provide enrollees with a written list of the specific contraceptive methods covered by the plan.”³²

For those who do not have a choice of plans, the issue may be moot. However, where enrollees have a choice of plans, it would obviously be critical that they know upfront what limitations are being placed on reproductive health services so that they can make an informed choice among plans. In addition, the study of managed care mentioned above also noted that “[i]nformation disseminated by commercial plans is often provided only to the employee and not directly to family members who are insured as dependents on the employee’s policy.”³³ Only about half of the managed care plans surveyed provided information directly to spouses or adult dependents and only one-third provided information to dependents under age 18, meaning that a significant portion of women covered by these plans would not receive written information on limitations to their plans’ contraceptive coverage.³⁴

Some states, such as Texas, specify wording that must be used to inform enrollees of coverage that is not provided. As a result, Heritage Health Plans, a Catholic plan in Texas, is required to put the following on membership materials: “Exclusion: Contraception by device, medication or surgery other than oral contraceptives.”³⁵ And a bill passed in the California Assembly introduced by Assemblywoman Sheila Kuehl (D) would require managed care plans to provide consumers with specific disclosures related to the provision of reproductive health services. Under the bill, the state “Department of Managed Care would develop a standardized statement informing consumers about reproductive health care issues they might consider before enrolling in a health plan, including contraceptives, infertility treatment, sterilization and abortion. The statement would be required at the beginning of the printed provider directories of each health plan, as well as in a ‘conspicuous place’ on disclosure forms and promotional material, alerting consumers to hospitals’ restrictions and assisting them with obtaining access to care.”³⁶



Catholic Managed Care Plans and Reproductive Health Care

The most contentious area of service provision for Catholic plans is the reproductive health care services prohibited by the health care directives—contraception, tubal ligations and abortion. *The Ethical and Religious Directives for Catholic Health Care Services* specifically prohibit the provision of direct abortions, sterilizations of men or women, contraceptive counseling on methods other than natural family planning, and the provision of any artificial means of contraception.³⁷ However, of the 20 Catholic organizations running managed care plans that we contacted, about half indicated that they pay for some reproductive health services, namely contraception and tubal ligations.

Reproductive Health Services Provision by Catholic Plans

Contraception

Contraception is the reproductive health service limited by the *Directives* that is most commonly covered by Catholic plans. We found a total of 25 Catholic managed care plans covered contracep-

Contraception is the reproductive health service limited by the *Directives* that is most commonly covered by Catholic plans. We found a total of 25 Catholic managed care plans covered contraception—some specifying only oral contraception.

tion—some specifying only oral contraception (see Appendix B for details). Some plans that do not cover contraception make other means of accessing it available. For example, Family Health Plan and OSF HealthPlans make a rider available to employers that they can purchase to cover contraceptive services for their employees. Mercy Health Services gives employers the option of providing reproductive health coverage through a third-party vendor. Midwest

Select and Mount Carmel Health Plan would not make information on their provision of reproductive health services available, and St. Dominic HMO is not currently active.

Tubal Ligation

Coverage for tubal ligations by Catholic managed care plans was slightly lower, with 23 plans paying for this service. This is a surprisingly high number, however, given that the provision of tubal ligations by Catholic hospitals has been highly contentious. Again, Family Health Plan, a Catholic health plan in Toledo, OH, did not offer tubal ligations, but made a rider available, and Mercy Health Services gives employers the option of purchasing reproductive health coverage through a third-party vendor. Midwest Select and Mount Carmel Health Plan would not make information on their provision of reproductive health services available, and St. Dominic HMO is not currently active.

**Catholic
Managed Care
Plans and the
Provision of
Reproductive
Health
Services**

Managed Care Plan/ Umbrella Organization	Contraception	Tubal Ligation	Abortion
Family Health Network	Yes	Yes	No
Family Health Plan	No*	No*	No
	M	M	M
Heritage Health Plans	Yes	No	No
Memorial/Sisters of Charity HMO	Yes	Yes	No
Mercy Care Plan	Yes	Yes	No
Mercy Health Plans of Missouri	Yes	Yes	No
Mercy Health Plan of New Jersey	Yes	Yes	Yes**
Mercy Health Services	No***	No***	No***
	M		
Mercy Health System	Yes****	Yes****	Yes**/*****
MercyCare Insurance Co.	Yes	No	M
Midwest Select	N/A	N/A	N/A
Mount Carmel Health Plan	N/A	N/A	N/A
NY State Catholic Health Plan	No	No	No
OSF HealthPlans	No*	No	No
Providence Health Plans	Yes	Yes	No
Seton Health Plan, Inc.	No	No	No
	M	M	No
St. Dominic HMO+	N/A	N/A	N/A
St. Mary's Health First	No	No	No
Western Health Advantage	Yes	Yes	Yes++
Yellowstone Community Health Plan	No	Yes	No
	M	M	No

*Rider available

**Through BlueCross partner

***Employers may contract with third-party vendor

****Except AmeriHealth Mercy SC

***** Kentucky only

+HMO is not operational

++Employer must purchase coverage

M=Provided to Medicaid recipients as required by state Medicaid law; abortion arranged through third-party providers.

N/A=information not available

Abortion

Abortion services are largely unavailable through Catholic plans, with the exception of some Medicaid plans that make third-party arrangements to provide for abortions under extremely limited circumstances as mandated by state laws. As a general rule, abortions under Medicaid are strictly limited to instances of rape, incest or life-threatening physical disorders by the federal Hyde Amendment. The 1997 version of this law mandates that these same restrictions must “be included in any Medicaid managed care benefits package funded with federal dollars” and “states funding abortions in circumstances beyond those allowed by the Hyde Amendment must contract separately with their participating managed care plans for such services.”³⁸

Currently only 16 states (California, Connecticut, Delaware, Idaho, Illinois, Maryland, Massachusetts, Minnesota, Montana, New Jersey, New Mexico, New York, Oregon, Vermont, Washington and West Virginia) fund all or most medically necessary abortions—which include procedures necessary to protect a woman’s physical or mental health—for Medicaid recipients. Two states, Mississippi and South Dakota, fund Medicaid abortions only to protect a woman’s life. The remaining states follow the restrictions set forth in the Hyde Amendment.³⁹

There are five Catholic managed care plans participating in Medicaid in the states that make Medicaid abortion available on a broader basis (California—Western Health Advantage; Illinois—Family Health Network; New Jersey—Mercy/Horizon Health Plan; New York—Fidelis Health Plan; Oregon—Providence Health Plan). Only Western Health Advantage, which is one-third owned by a Catholic health system, indicated that it will cover abortion services. In New Jersey, the non-Catholic BlueCross partner in the Mercy/Horizon plan handles abortion and other reproductive health services.

There are five Catholic managed care plans participating in Medicaid in the states that make Medicaid abortion available on a broader basis . Only Western Health Advantage, which is one-third owned by a Catholic health system, indicated that it will cover abortion services.

Where mandated by the state to provide access to abortions for Medicaid recipients, usually of a very limited nature (rape, incest, life of the woman), three additional Catholic plans said they would arrange to make abortion services available through third-party providers/payers. AmeriHealth Passport Health Plan, a division of the Mercy Health System operating in Kentucky’s Medicaid program, subcontracts to its secular partner, AmeriHealth, for the provision of abortion services in cases of rape, incest or if the life of the woman is threatened. The plan requires a doctor’s certification for all abortions, and in the case of rape or incest, a police report or case

file, or, if the patient is psychologically unable to report the incident, a certification form from a doctor or midwife. Family Health Plan, a Catholic plan in Toledo, OH, said state-mandated abortions would be provided through non-Catholic facilities in its network and MercyCare of Wisconsin said it would contract with a third-party provider in the case of rape, incest or to save the life of the woman.

Catholic Plans' Provision of Reproductive Services vs. Other Health Plans

In general, the larger Catholic plans were more likely to provide contraception and tubal ligations than smaller plans. However, the rate of reproductive health care provided by Catholic plans falls

The CFFC survey found that only 52% of Catholic managed care plans provide coverage for even one form of contraception and 48% of Catholic managed care plans provide coverage for tubal ligations.

substantially below the rate of provision of reproductive health care by other plans. According to an Alan Guttmacher Institute study, only 7% of HMOs fail to provide birth control coverage in their typical plans and 39% of all HMOs cover all five methods of reversible contraception—oral contraceptives, injectables, diaphragms, implants and IUDs. The study also found that 51% of PPOs covered at least one type of contraception, while 18% covered all five types of reversible contraception. The same study found that 86% of

HMOs covered tubal ligation, as did 86% of PPOs. However, only 70% of HMOs covered abortion, as did 86% of PPOs.⁴⁰ By comparison, the CFFC survey found that only 52% of Catholic managed care plans provide coverage for even one form of contraception and 48% of Catholic managed care plans provide coverage for tubal ligations. Clearly, women of reproductive age concerned about preventing pregnancy would be better served in a non-Catholic plan.

State Contraceptive Coverage Requirements

Some states require that managed care plans provide coverage for contraceptives. As of July 2000, 13 states (California, Connecticut, Delaware, Georgia, Hawaii, Iowa, Maine, Maryland, Nevada, New Hampshire, North Carolina, Rhode Island and Vermont) require health plans to cover reversible, prescription contraceptive methods for commercial (non-Medicaid and Medicare) enrollees. Twelve of these states require plans that cover prescription drugs to cover prescription contraceptive drugs and devices, while Hawaii “ties birth control to the provision of pregnancy-related services.”⁴¹ Seven of the states (Hawaii, Maine, Maryland, Nevada, New Hampshire, North Carolina and Vermont) also require coverage for related services such as contraceptive counseling and examinations.⁴²

Nine of the states mandating contraceptive coverage have religious exemptions that allow religious employers or religious organizations to opt out of providing coverage (California, Connecticut, Delaware, Hawaii, Maryland, Maine, Nevada, North Carolina, Rhode Island). All but two of the

The Belden, Russonello and Stewart survey for Catholics for a Free Choice found that 86% of women believe that all insurance plans that cover women's health should be required to include birth control services.

exemptions are geared to employers, not insurers like HMOs. The Nevada exemption allows insurers to opt out, while the Connecticut exemption allows both employers and insurers to opt out. The Hawaii exemption requires alternative contraceptive coverage to be available to employees at cost.

Nine states require more limited coverage either through laws or regulations. Idaho, Iowa, Kentucky, New Jersey, Virginia, and West Virginia require only that insurers offer health plans that cover contraception. In Minnesota, "regulations appear to require HMOs to cover contraceptive drugs, while such plans in Wyoming seem to have to cover outpatient services that include family planning."⁴³ Texas requires coverage for oral contraception only, but provides an exemption for religious organizations.

According to our analysis, there are no Catholic plans that are out of compliance with state contraceptive coverage mandates as they currently exist. However, Catholic health plans that refuse to provide contraceptive coverage are clearly out of step with the majority of American women. The Belden, Russonello and Stewart survey for Catholics for a Free Choice found that 86% of women believe that all insurance plans that cover women's health should be required to include birth control services. In addition, they felt strongly (83%) that all insurance plans that cover prescription drugs should be required to cover birth control.⁴⁴

How Can Catholic Plans Provide Reproductive Health Care?

For those Catholic plans that are providing coverage for some reproductive health services, the question is how are these plans covering these services and remaining faithful to the *Directives*? There are several possible answers. The first concerns the very nature of managed care. While the section on reproductive health care in the *Directives* specifically addresses the direct provision of services by Catholic facilities, it does not address payment for services by managed care plans.

How Do Catholic Plans Provide Reproductive Health Care?

There are several methods that Catholic health plans use to make reproductive health services available to enrollees. The key element is distancing the Catholic plan from the direct provision of, and in the case of the most services—especially abortion—direct payment for, forbidden services. One method is for the Catholic plan to contract with non-Catholic providers—another hospital or clinic—to provide the services it cannot provide. If there are non-Catholic hospitals in the health system that owns the managed care plan, the Catholic health plan can arrange for these hospitals to provide the services it cannot. If there are no hospitals or clinics within the system that can provide the services, the Catholic Health Plan can arrange for the provision of services through other providers, such as Planned Parenthood clinics. This may not be as unlikely as it seems, as a Catholic plan in Texas, Seton Health Plan, Inc., provides reproductive health services to some enrollees through a partnership with Planned Parenthood.

Secondly, Catholic plans can arrange for the portion of the monies they receive from the payers for health services—either employers, individuals or the government—that pay for reproductive health services to go through third-party administrators. This means that the money for the provision of reproductive health services never goes into the Catholic plan’s revenue stream. It goes directly to the third-party administrator, who then pays the provider of the reproductive health care services.

Thirdly, a Catholic plan can arrange for another insurer to handle payment and provision of reproductive health services. When plans indicate that reproductive health services are available through a “rider,” this may be an indication that such services are contracted out to another insurer and the employer pays the cost of the additional services.

The 20 plans that would disclose their arrangements to provide reproductive health services indicated that third party administrators, providers and insurers and combinations of these methods are used to provide reproductive health care to enrollees.

The 20 plans that would disclose their arrangements to provide reproductive health services indicated that third party administrators, providers and insurers and combinations of these methods are used to provide reproductive health care to enrollees. Catholic health plans serving the Medicaid population are somewhat more

likely to enter into formal partnerships with other insurers such as BlueCross plans in order to be able to provide services.

In a typical arrangement in a commercial plan, Mercy Health Plans of Missouri contracts with a third party administrator, Med Plans 2000, which receives money from the payer for reproductive health services and then contracts with independent providers for the provision of services. Providence Health Plans provides tubal ligations and contraception through facilities not in the system, including Woodland Park and Tuality, two local clinics, and billing is carried out by William Earhart, a third-party administrator.

Why Do Catholic Health Plans Provide Reproductive Health Services?

One reason for the relatively high rate of availability of contraception, particularly oral contraception, from Catholic plans is the ease by which managed care plans can distance themselves from the provision of prescription drugs. Many managed care plans contract with organizations known as

It is interesting to note that many of the Catholic plans that cover contraception and tubal ligations are in competitive health care markets such as St. Louis, Detroit and Portland. Medicaid HMOs in particular have an incentive to provide reproductive health care services.

pharmacy benefits managers to handle the provision of prescription medications for their enrollees, including payment for drugs.

Therefore, a Catholic health plan utilizing the services of a pharmacy benefit manager doesn't have to go through any added effort to set up a third-party arrangement to provide oral contraceptives.

What are the incentives for Catholic health plans to provide reproductive health services? The increase in state laws requiring such coverage may be one factor. A second incentive is the ability to secure contracts from employers that require the provision of comprehensive reproductive health services. Another is consumer demand for a full range of reproductive health services, particularly popular services like oral contraception and tubal ligation. It is interesting to note that many of the Catholic plans that cover contraception and tubal ligations are in competitive health care markets such as St. Louis, Detroit and Portland. Medicaid HMOs in particular have an incentive to provide reproductive health care services in order to gain contracts, since many states require the provision of such coverage. This leads to some interesting arrangements, such as in Texas where Seton Health Plan, Inc. makes family planning services available to Medicaid enrollees—through a partnership with Planned Parenthood—but does not cover these services for its other enrollees.

Pressure from employers can be a significant factor in the benefit packages that health plans decide to offer. For instance, in Michigan, where managed care plans battle for contracts from the big three automakers, CareChoices, the plan owned by Mercy Health Services, does not cover contraception,

sterilizations or abortion. However, because major employers such as the Ford Motor company demanded these services, an arrangement was created under which CareChoices contracted with a third-party vendor to provide these services. A portion of the employer's premium payment is funneled to the vendor. The vendor maintains a list of providers for reproductive health services that is separate from the CareChoices network and handles all billing for reproductive health services.⁴⁵

Reasons not to develop ways to provide reproductive health services can include the opposition of local bishops to such arrangements. Several of the plans we spoke with indicated that the local bishop's thinking was critical to the plan's decision to develop or not develop ways to provide reproductive health care. The cost of establishing and maintaining third-party arrangements can also be a deterrent, as one plan in the CFFC survey indicated.



Catholic Plans and Medicaid Managed Care

The participation of Catholic plans in the Medicaid program is of special concern, because 6 million women of reproductive age rely on Medicaid for their health coverage.⁴⁶ Medicaid is “the leading source of funding for publicly subsidized family planning services in the United States.”⁴⁷ States began to experiment with moving Medicaid recipients into managed care plans to save money and improve the continuity of care. At first, the federal government tightly regulated their experiments, but as managed care became a way of life for most Americans and the cost of Medicaid programs ballooned throughout the late 1980s and early 1990s, the pressure mounted for states to have a freer hand. That wish was granted by the Balanced Budget Act of 1997, which gave states more leeway to require Medicaid beneficiaries to enroll managed care. Today, nearly every U.S. state or territory with the exception of Alaska, the Virgin Islands and Wyoming has some type of Medicaid managed care program.

The participation of Catholic plans in the Medicaid program is of special concern because 6 million women of reproductive age rely on Medicaid for their health coverage.

The extent of these programs varies from state to state. In some states nearly all Medicaid enrollees are required to enroll in managed care, while in others enrollment is voluntary or only Medicaid beneficiaries in certain counties are required to enroll. A few states, like Alabama, utilize a looser “gatekeeper” type of arrangement that doesn’t tie recipients to any one plan, but requires them to choose a physician to coordinate their care. As of June 30, 1998, 54% of the 30.9 million people enrolled in the Medicaid program were enrolled in managed care.⁴⁸ However, Medicaid managed care enrollees are disproportionately likely to be women of reproductive age, so access to reproductive health services is especially critical for the Medicaid population.⁴⁹

Like other providers of managed care, Catholic plans entered the new Medicaid market. Many Catholic systems and hospitals had histories of providing services to low-income populations, which suggested they would be ideally suited to serving Medicaid recipients. At the same time, the inherently limited nature of service provision under managed care raised questions about access to reproductive health care for Medicaid recipients.

Catholic Health Plan Participation in Medicaid Managed Care

Given Catholic health care’s commitment to providing care for the poor, one would expect to see vigorous participation in Medicaid by Catholic health plans. However, to date participation has been anemic. CFFC found that only 15 of the 48 Catholic health plans participate in Medicaid, serving approximately 770,700 people. This is only a fraction of the 585 health plans participating in the Medicaid program as of 1998.⁵⁰

Catholic Managed Care Plans Participating in the Medicaid Program

Arizona	Mercy Care Plan (Catholic Healthcare West)*
California	Western Health Advantage (Mercy Healthcare Sacramento, UC Davis Health System, NorthBay Healthcare System)
Illinois	Family Health Network*
Kentucky	AmeriHealth Mercy Plan-Passport Health Plan (Mercy Health System/Catholic Health East)*
Missouri	Mercy Health Plan (Mercy Health Plans of MO)*
Montana	Yellowstone Community Health Plan (St. Vincent Hospital and Health Center/BlueCross BlueShield of Montana)+
New Jersey	Mercy/Horizon Health Plan of NJ*
New York	Fidelis Health Plan*
Ohio	Family Health Plan*
Oregon	Providence Health Plan*
Pennsylvania	Keystone Mercy Health Plan (Mercy Health System/CHE)*
South Carolina	Amerihealth Mercy (Mercy Health System/CHE)
Texas	Seton Health Plan, Inc.*
	ACCESS (Memorial/Sisters of Charity HMO)*
Wisconsin	Mercy Care MVP Health Plan*

*Also a Children’s Health Insurance Program participant

+ Withdrew July 1, 2000

Several Catholic plans, including the Accord Health Plan, founded by a consortium of Chicago-area Catholic hospitals, and Mercy Health Services' CareChoices HMO, have recently withdrawn from participation in Medicaid because they said the reimbursement rates were too low for their plans to be viable.^{51, 52} When Providence Health Plans sold their Washington State operations, it ended its participation in the Washington Health Plan, that state's innovative Medicaid managed care system.⁵³ Yellowstone Health Plan withdrew from Montana's Medicaid program July 1, 2000.⁵⁴

Nationally, many managed care plans have dropped out of Medicaid, complaining that reimbursement rates are too low.⁵⁵ In addition, declining Medicaid enrollment as a result of the delinking of Medicaid and welfare under the federal welfare reform measure of 1996 also had an impact on the finances of health plans. The number of people enrolled in Medicaid fell from 41.7 million in fiscal year 1995 to 41.3 million in 1996 and 40.6 million in 1997, a 2.7% decline over three years. And some states saw enrollment decrease more dramatically—Wisconsin experienced a 42.5% decline in Medicaid caseloads over the same period, while Oregon experienced a 29% decline and Ohio experienced an 18% decline.⁵⁶

Beyond the financial implications of declining Medicaid reimbursements and caseloads, another factor that may have deterred Catholic plan participation is that many states require plans participating in Medicaid to provide family planning services. The Catholic plans that are participating in Medicaid are those that for the most part created alliances or other arrangements that allow for the provision of reproductive health services.

How Do Catholic Medicaid Plans Provide Reproductive Health Services?

Catholic health plans participating in the Medicaid program employ methods similar to those used by other plans to make reproductive health services available, although Catholic Medicaid plans are

Catholic health plans participating in the Medicaid program employ methods similar to those used by other plans to make reproductive health services available, although Catholic Medicaid plans are more likely to enter into formal partnerships with other insurers.

more likely to enter into formal partnerships with other insurers. Thirteen out of the 15 plans make reproductive health services available to their enrollees through one of two methods: a partnership with a non-Catholic insurer who provides reproductive health services or a third-party billing/provider arrangement whereby the family planning monies go to an administrator that pays claims for a third-party provider.

The bulk of “partnership” relationships are between Catholic plans and BlueCross BlueShield plans, another traditional provider of services to low-income populations. Two of these are partnership arrangements between Pennsylvania-based Mercy Health System, which is owned by Catholic Health East, and Independence BlueCross, the BlueCross BlueShield plan for southeastern Pennsylvania. Mercy partnered with BlueCross in the early 1990s so that it would be able to provide family planning services to Medicaid recipients. Today, the partnership participates in the Medicaid programs in Pennsylvania, North Carolina and Kentucky. Mercy Health Plan serves 650,000 Medicaid recipients nationwide. However, the plan in North Carolina does not provide reproductive health services. Other Catholic-Blues partnerships are the one between Mercy Health Plan of New Jersey and Horizon BlueCross BlueShield New Jersey and the Yellowstone Community Health Plan, which is a partnership between Saint Vincent Hospital and Health Center and BlueCross BlueShield of Montana.

Fidelis refuses to provide any family planning services, including contraception, family planning counseling regarding contraception, or tubal ligations, to its 65,000 enrollees.

Catholic plans participating in the Medicaid program have also forged relationships with other providers to allow for the provision of reproductive health services. In Arizona, Mercy Care Plan, which is a subsidiary of Catholic Healthcare West, contracts with Kachina, an independent provider, to cover reproductive health services. In Wisconsin, MercyCare Health Plan partners with alternative facilities such as WIC Wisconsin to provide family planning services for the Medicaid population. Family Health Plan in Ohio provides services through network physicians and non-Catholic network facilities. Seton Health Plan, Inc. in Texas provides reproductive health services to enrollees through an arrangement with Planned Parenthood of Austin.

Two plans have failed to develop a relationship or system that allows them to provide family planning services: New York State Catholic Health Plan, more commonly known as Fidelis, and AmeriHealth Mercy in South Carolina. Fidelis, created specifically to compete for Medicaid patients in New York, is sponsored by the eight Roman Catholic dioceses of New York State. Without a doubt, its direct relationship to a diocese led by one of the nation’s most ardent opponents of reproductive health care, the late Cardinal John O’Connor, is the reason for its refusal. Fidelis refuses to provide any family planning services, including contraception, family planning counseling, or tubal ligation, to its 73,700 Medicaid enrollees. Similarly, AmeriHealth Mercy in South Carolina has made no arrangements to provide reproductive health services to enrollees, although its enrollment is much smaller at 13,650.

Family Planning Under Medicaid

When it comes to family planning services under Medicaid, enrollees are by and large at the mercy of the states. All Medicaid recipients are legally entitled to family planning services, and federal law requires that state Medicaid agencies ensure that individuals enrolled in health plans have access to family planning. However, federal law does not require health plans participating in the Medicaid program to provide family planning services, so it is up to the individual states whether or not they mandate that health plans provide family planning services.

The 1997 Balanced Budget Act provided managed care plans with a so-called “conscience clause” that allows them to refuse “to provide, reimburse for, or provide coverage of, a counseling or referral services if the organization objects to the provision of such service on moral or religious grounds.”

The Health Care Financing Administration, the federal agency that administers the Medicaid program, does not track which states require health plans to provide family planning services and which do not. An official with the agency noted that even when states do require health plans to provide family planning services, “most states do try to work with the Catholic-affiliated health plans and allow the women enrolled in those health plans to receive family planning services elsewhere,” as Medicaid beneficiaries have the right to go out-of-plan for family planning services.⁵⁷

To further add ambiguity to the issue of family planning services under Medicaid, while the federal government requires that states make available to Medicaid beneficiaries “family planning services and supplies,” it does not define these services.⁵⁸ For their part, many states fail to stipulate exactly what family services must be provided. According to a study by the Center for Health Policy Research at George Washington University Medical Center, “[m]ost but not all states include family planning services as a contract service, but most use only generalized terms to do so (e.g., “family planning services and supplies). . . . only a small number specify the range of family planning supplies and devices that contractors must furnish.”⁵⁹ As a result, there is a great deal of variability in the packages of family planning services that Medicaid beneficiaries receive. Only seven states (Delaware, Hawaii, Minnesota, Montana, Ohio, Rhode Island, Utah) specify that managed care plans participating in Medicaid provide IUDs, and only six (Delaware, Hawaii, Missouri, Ohio, Rhode Island, Utah) specify provision of Depo Provera, a long-acting contraceptive.⁶⁰

Even if states require health plans to provide family planning services, Catholic plans have a way out of this mandate. The 1997 Balanced Budget Act, which set new rules of participation for health plans in Medicaid, provided managed care plans with a so-called “conscience clause” that allows

them to refuse “to provide, reimburse for, or provide coverage of, a counseling or referral service if the organization objects to the provision of such service on moral or religious grounds.”⁶¹ So, while Medicaid recipients may be legally entitled to family planning services, Catholic plans may refuse even to counsel or refer for such services.

Fidelis Health Plan

The case of the Fidelis plan in New York shows how difficult it can be to sufficiently enforce even these limited provisions and the shortfalls of such arrangements. As of April 1999, nearly 7% of Medicaid managed care enrollees in New York City were enrolled in Fidelis.⁶² Unlike most of the other Catholic plans participating in the Medicaid program nationwide, Fidelis has steadfastly refused to explore any arrangement that would allow it to provide reproductive health care and instead has put the onus for securing reproductive health services on Medicaid recipients. This, despite the fact that the “Plan Qualification Guidelines” published by the New York State Department of Health specify that managed care organizations “must be responsible for providing or arranging for family planning services. [Managed care organizations] are required to ensure that these services are provided in a timely and coordinated manner.”⁶³

Under a state policy known as “free access,” Medicaid recipients can receive family planning services by going to any provider, such as a doctor or Planned Parenthood clinic, that accepts Medicaid. While Medicaid recipients can use their card to access reproductive health services from other providers like Planned Parenthood—and many do use this option to access critical family planning services—this arrangement is problematic for several reasons. Firstly, it removes family planning from the continuum of care. While patients can self-refer for family planning services under free access, they do not receive counseling about the availability or appropriateness of contraceptives, or about specific methods, in a formal health care setting where reproductive health care is integrated with other basic health care services and counseling. This type of integrated counseling is an integral part of health care for women of reproductive age. According to the U.S. Preventive Services Task Force, “periodic counseling about effective contraceptive methods is recommended for all women and men at risk of unintended pregnancy.... Sexually active patients should also receive information on measures to prevent sexually transmitted diseases.”⁶⁴

Secondly, going outside of the managed care plan resurrects a major problem of the old Medicaid fee-for-service system, which is that only a limited number of providers accept fee-for-service

Medicaid reimbursement because it is so low. This may make locating and accessing a provider difficult, especially for people with limited transportation resources. In an illustration of just how hard it can be to find a doctor in New York City who accepts Medicaid, a 1999 study by the United Hospital Fund in New York found that only 29 office-based physicians provide care for more than a fourth of all Medicaid managed care patients in the city.⁶⁵

The third and most obvious problem is denial of care. There have been documented cases in which Fidelis' policy resulted in women not receiving reproductive health services that they requested. In

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1995, a 27-year-old mother of two who was enrolled in Fidelis requested an abortion. The doctor told her "we don't do that here" and gave her some vitamins. The women did not receive a referral and eventually carried the pregnancy to term.⁶⁶ She said she was not told at the time of her enrollment in the plan that it did not provide reproductive health services, despite detailed requirements in the state's "Plan Qualification Guidelines" that specify that prospective

enrollees and new members be notified if the plan refuses to provide reproductive health services. The state specifies that such notification, as well as the information that reproductive health services may be obtained from any provider who accepts Medicaid, must be provided in marketing materials, the member handbook and "orally at the time of enrollment."⁶⁷

Advocates in New York have struggled for the past few years to have the state compel Fidelis to make it clear to potential and new enrollees that they cannot receive reproductive health care through the plan and about the availability of free access. A series of focus groups with adult and adolescent women enrolled in Medicaid managed care plans in New York conducted by the Center for Reproductive Law and Policy in 1995 found that many Fidelis enrollees had either never seen a member handbook or received any information about free access.⁶⁸

Upfront notification about limitations on care is important because in New York State, as in many other states, Medicaid beneficiaries who do not choose a managed care plan by a certain date can be automatically enrolled in a plan by the state. Beneficiaries then have a set period of time in which they can request that they be enrolled in another plan if they do not like the one that has been selected for them. So it is crucial that materials that go to new members clearly state limita-

tions on common reproductive health services so the members can switch plans before they are locked into a plan that does not provide needed services.

As a result of prodding by activists, the state has taken a more aggressive role in informing Fidelis enrollees that they will not receive reproductive health services from the plan. New Fidelis enrollees receive a letter that says in bold typeface: “Fidelis, the plan you joined, does not pay for family planning services. You can get them with your Medicaid card.”⁶⁹

The Children’s Health Insurance Program

The 1997 Balanced Budget Act created a program known as the Children’s Health Insurance Program (CHIP) that extended financing to cover children whose families previously made too much to qualify for Medicaid. States were given the option of either expanding their existing Medicaid program, creating a new health insurance program specifically for children or doing a combination of both. According to the Health Care Financing Administration, which is in charge of administering CHIP, 15 states or territories have established separate child health plans (AZ, CO, DE, GA, KS, MT, NC, NV, OR, PA, UT, VT, VA, WA, WY); 23 states have expanded their Medicaid programs (AK, AS, AR, CNMI, DC, GU, HI, ID, LA, MD, MN, MO, NE, NM, OH, OK, PR, RI, SC, SD, TN, VI, WI) and 18 states have combination plans: (AL, CA, CT, FL, IA, IL, IN, KY, MA, ME, MI, MS, ND, NH, NJ, NY, TX, WV).⁷⁰

Family Planning Under CHIP

Any of these approaches can be problematic for family planning services. In states that have expanded their Medicaid programs, adolescents are entitled to the same benefits as other Medicaid

enrollees, including family planning services. However, for the most part, CFFC found that states that chose to expand their Medicaid program are using the same plans that provide services for their Medicaid programs. As a result, 12 of the 15 Catholic plans participating in Medicaid are also participating in CHIP, with the same implications for family planning.

In New York, Fidelis is participating in the state’s CHIP with a plan called Fidelis Child Health Plus that has the same total ban on family planning services that it applies to its participation in the regular Medicaid program.

In New York, Fidelis is participating in the state’s CHIP with a plan called Fidelis Child Health Plus that has the same total ban on family planning services that it applies to its participation in the regular Medicaid program. However, a health plan called

HealthFirst has formed a network to educate plan members about the availability of family planning services and to provide a network offering services to Fidelis Child Health Plus members. The network includes MIC Women's Health Services, Planned Parenthood of New York City and Staten Island University Hospital.⁷¹

States that choose to create their own programs or combination programs have more flexibility in designing their benefits packages, which must be modeled on the BlueCross BlueShield plan offered to federal employees in that state, the benefits package for state employees or the benefits package available from the plan in the state with the largest enrollment. Or, the state can develop its own benefits package that is "actuarially equivalent" to one of the benchmark plans and has certain basic components. Regarding family planning services, federal CHIP regulations stipulate only that "prepregnancy family planning services and supplies" can be a part of the basic benefits package, but does not mandate the provision of these services. As a result, if the plan that the benefits package is modeled on does not provide certain family planning services, neither will the CHIP plan. A recent analysis of this option by the Alan Guttmacher Institute concluded that "even if the selected benchmark *does* include family planning, states have the latitude to change the coverage provided in the benchmark, so long as the final package is actuarially equivalent. In short, whether a non-Medicaid plan covers family planning services is largely left to the state's discretion."⁷²



Conclusion

Catholic managed care plans have been significantly more flexible than Catholic hospitals in finding ways to provide reproductive health services. More than half of all Catholic managed care plans said that their enrollees receive reproductive health services limited by the *Directives*—a surprising finding, given the unwillingness of many Catholic hospitals to find ways to make reproductive health care available. The fact that managed care plans are removed from the direct provision of these services may explain the greater degree of latitude that Catholic plans have in creating

While many Catholic plans are covering at least some basic reproductive health care, the refusal of other plans to create more flexible arrangements means that overall, Catholic managed care plans provide reproductive health care at a rate substantially below that of other managed care plans.

arrangements that allow for the provision of reproductive health services. At the same time, a significant portion of Catholic plans do not cover reproductive health services or cover only limited services, raising questions about why these plans have not been able to develop satisfactory arrangements while other Catholic plans have.

While many Catholic plans are covering at least some basic reproductive health care, the refusal of other plans to create more flexible arrangements means that overall, Catholic managed care plans provide reproductive health care at a rate substantially below that of other managed care plans. This failure of Catholic health plans to provide basic health care services for women raises important questions about how well Catholic plans are meeting the basic mission of managed care plans to improve the continuity of care for enrollees.

American women clearly believe that health care providers have a responsibility to make services available to patients—even if they do not want to provide them. The Belden, Russonello and Stewart survey for Catholics for a Free Choice found that 88% of women believe that any hospital or clinic that does not provide patients with birth control, sterilization or emergency contraception should be required to refer patients seeking these services to other hospitals or clinics that will provide them. Similarly, 90% feel that any pharmacy that does not want to fill a customer's prescriptions for birth control should be required to refer the customer to other pharmacies that will provide birth control.

Can any Catholic entity, in the face of the provision of reproductive health services by half of the Catholic managed care plans, claim it needs an exemption or that it cannot provide these services, as when the Archdiocese of Washington, DC, recently sought an exemption from providing contraceptive coverage for any institution in the District of Columbia even remotely related to the Catholic church?

There are also serious public policy implications for the plans that refuse to provide reproductive health services, particularly to Medicaid and CHIP beneficiaries. Questions must be raised about the appropriateness of any federal monies going to managed care plans that refuse to provide the full continuum of care to enrollees, especially regarding essential services like contraception counseling. Efforts to monitor the compliance of Catholic plans with state and federal regulations regarding the provision of family planning must also be enhanced, as little monitoring is occurring in this area. Steps to require plans that refuse to provide certain reproductive health services to clearly state their policies in all membership materials, such as a pending California law would require, are positive.

Given the current financial climate for managed care plans, it is unlikely that Catholic plans will be a major force in the provision of health care services. But for certain populations they are an important factor in the ability of individual women to access reproductive health services and their ongoing role must be monitored.



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Glossary

Health Maintenance Organization (HMO): A system of delivering health care that offers “comprehensive health coverage for hospital and physician services for a prepaid, fixed fee.”

Staff model (HMO): An HMO that employs physicians directly and in turn these physicians deal only with plan members. Staff model HMOs sometimes have their own hospitals as well. Kaiser Permanente is the best-known staff model HMO.

Point-of-service (POS) option: Usually offered as an adjunct to an HMO. POS options combine HMO features and out-of-network coverage with financial incentives for enrollees to use network providers. Sometimes known as “open HMOs.”

Capitation: Paying a set fee for care per patient rather than per service.

Managed Care: An array of cost containment and quality assurance techniques designed to reduce the use and cost of health care, including the coordination of care to lower costs; capitation; the use of standards for selecting doctors and other providers; limiting patients to a specific panel of selected providers; preadmission certification for hospital services; and utilization review.

Utilization review: The practice by which managed care plans review services to see if they deem them appropriate and efficient in terms of cost and predicted outcomes for the patient.



Appendix A: Managed Care Plan Questionnaires

Commercial Catholic Health Plan Questionnaire

Health Plan: _____

Contact name: _____

Phone number: _____

I am doing research on how various Catholic health plans have structured their reproductive health benefits to comply with the Directives that govern Catholic health plans and wanted to ask you some questions about how reproductive health services such as contraception are covered by your plan.

Does [NAME OF CATHOLIC HEALTH PLAN] provide reproductive health services such as contraception and tubal ligation?

2a) If YES — what sort of arrangement has [NAME OF PLAN] made in order to provide reproductive health care services to HMO enrollees? Is care being billed through a third-party provider or insurer? **(Get as much detail as possible, including names of third-party participants.)**

2b) If NO— how do plan enrollees access reproductive health services? Open access to the provider of their choice? **(Get as much detail as possible.)**

In general, how has this arrangement worked out? Are you aware of any problems with women enrolled in the plan not being able to access reproductive health services?

Catholic Medicaid Health Plan Questionnaire

State: _____

Contact name: _____

Organization: _____

Phone number: _____

I understand that [NAME OF CATHOLIC MEDICAID PLAN IN STATE] is a participating provider in your state's Medicaid program. I am doing research on access to reproductive health care under Medicaid health plans and wanted to ask you some questions about how that benefit is structured in your state.

1) Does [NAME OF STATE] have any specific requirements about the provision of reproductive health care in the Medicaid managed care program (i.e., are all plans required to provide reproductive health care services).

2) Does your state have auto enrollment? _____

2a) IF YES — Can Medicaid recipients be automatically enrolled in the Catholic HMO if they fail to choose a health plan by a specific date?

3) As you may be aware, many Catholic health plans must make special arrangements in order to provide certain types of reproductive health care, such as sterilization and contraception, that they are prohibited from providing. What sort of arrangement has [NAME OF PLAN] made in order to provide reproductive health care services to Medicaid enrollees? Is care being provided or billed through a third-party provider or insurer? **(Get as much detail as possible, including names of third-party participants.)**

4) In general, how has this arrangement worked out? Are you aware of any problems or complaints about women enrolled in the plan not being able to access reproductive health services? **(Get as much detail as possible, including any contact names of people or organizations that might have more information about problems.)**

Appendix B: Catholic Managed Care Plans in the United States

The following is an alphabetical listing of the Catholic managed care plans in the United States. In the cases where more than one plan is managed by an umbrella organization, the plans are indexed under that organization, not individually. Please refer to the glossary for definitions of HMOs, PPOs and POS options.

FAMILY HEALTH NETWORK

Chicago, IL

Status: Nonprofit

President: Phil Bradley

- **Family Health Network-MCCN**

Market: Medicaid; Cook County, IL

Enrollment: 4,600

Provision of reproductive health services:

Contraception and tubal ligations are provided under state mandate; however, individual providers are given room to exercise “right of conscience.” Abortions are not covered or provided.

FAMILY HEALTH PLAN

Toledo, OH

Parent: Catholic Healthcare Partners

Status: For-profit

CEO: Thomas Beaty

- **Family Health Plan-HMO**

Market: Group, Individual, Medicare, Medicaid; 21 OH counties, 2 MI counties

Enrollment: 65,892

- **Covenant/Family Health Plan**

Market: Champaign/Clark counties, IL

Enrollment: 4,000

Provision of reproductive health services:

Family planning services, including tubal ligations and contraception, are not covered under the standard benefit package. However, an employer can purchase a “family planning rider” to enable enrollees to receive these services. Abortions are not covered under any circumstance.

Family Health Plan does provide reproductive health services, including contraception, tubal ligations and some abortions for Medicaid enrollees because of a state mandate. Services are provided through network physicians and non-Catholic network facilities.

HERITAGE HEALTH PLANS

Parent: Trinity Mother Frances Health System

Tyler, TX

Status: For-profit

CEO: Paul Christman

- **HMO-HealthPlan of Texas**

Market: Group; 11 area counties

Enrollment: 15,000

- **PPO-Heritage Health Group Hospital Service Corp.**

Market: Group, Individual; 30 area counties

Enrollment: 21,000

Provision of reproductive health services:

Does not provide reproductive health services, including abortion, except oral contraception.

MEMORIAL/SISTERS OF CHARITY HMO*

Houston, TX

Status: For-profit

President/CEO: Mic Elliot

- **HMO-Memorial/Sisters of Charity HMO**

Market: Medicare, Medicaid; Greater Houston, Galveston and Beaumont

Enrollment: 31,474

- **PPO-Alliance Health Providers, Inc.**

Market: Southeast TX

Enrollment: 2,033

Provision of reproductive health services:

Provides contraception and tubal ligation for all except their own employees through a third-party provider. Does not cover abortions.

*Sale to Humana pending

MERCY CARE PLAN

Parent: Catholic Healthcare West
Phoenix, Arizona
Status: Nonprofit
President/CEO: Kathy Byrne

- **Mercy Care Plan-Medicaid HMO**
Market: Statewide
Enrollees: 100,000

Provision of reproductive health services:

The state requires plans participating in its Medicaid managed care program to provide contraception and tubal ligations; abortions and abortion counseling are not mandated and are not covered by the plan. Mercy Care Plan contracts with a third-party provider, Kachina, to provide reproductive health care services.

MERCY HEALTH PLANS OF MISSOURI

Parent: Sisters of Mercy Health System
Chesterfield, MO
Status: For-profit
CEO/President: Tom Kelly

- **Mercy Health Plans (HMO/PPO)**
Market: Group; Eastern MO, including IL
Enrollment: 47,294
- **Premier Plus (HMO)**
Market: Medicare; Eastern MO, including IL
Enrollment: 1,497
- **Mercy MC+ (HMO)**
Market: Medicaid; Greater St. Louis area
Enrollment: 12,788

- **Mercy Health Plans (HMO/PPO)**

Market: Group; Central MO
Enrollment: n/a

- **Premier Health Plans (HMO/PPO)**

Market: Group; Southwest Missouri
Enrollment: 32,592

- **St. John's PremierPlus (HMO)**

Market: Medicare, Southeast Missouri
Enrollment: 5,257

- **Mercy Health Plans (HMO/PPO)**

Market: Group, CHIP; South Texas
Enrollment: 2,033

Provision of reproductive health services:

Reproductive health services are provided through a third-party biller, Med Plans 2000, which contracts with individual providers. Abortion services are not provided.

MERCY HEALTH PLANS OF NEW JERSEY

Trenton, NJ
Status: Nonprofit
President/CEO: Bertram Scott

- **Mercy/Horizon (HMO)**

Market: Medicaid; 21 NJ counties
Enrollment: 170,000

Provision of reproductive health services:

All reproductive health services, including abortion, provided by Horizon BlueCross BlueShield.

MERCY HEALTH SERVICES

Parent: Religious Sisters of Mercy-Regional Community of Detroit
Farmington Hills, MI
Status: Nonprofit
President/CEO: Tom Summerill

- **CareChoices (HMO)**

Market: Group/Medicaid; 20 Michigan counties
Enrollment: 128,734

- **CareChoices Senior (HMO)**

Market: Medicare; 20 Michigan counties
Enrollment: 3,500

- **Preferred Choices (PPO)**

Market: Group, Associations; lower peninsula of Michigan
Enrollment: 71,200

- **CareChoices (HMO)**

Market: 19 counties IA; 3 counties NE, 2 counties SD
Enrollment: 7,000

- **PPO-Preferred Choices**

Market: Mason City
Enrollment: 1,600

Provision of reproductive health services:

Does not cover contraception, sterilizations or abortions; employers may contract with a third-party vendor for provision of these services. Family planning services are covered for Medicaid enrollees only.

MERCY HEALTH SYSTEM

Parent: Catholic Health East
Bala Cynwyd, PA
Status: Nonprofit
CEO: Mark T. O'Neil, Jr.

- **Keystone Mercy Health Plan (HMO)**
(50/50 ownership Mercy Health System/Independence BlueCross)
Market: Medicaid; Bucks, Chester, Delaware and Montgomery Counties, PA
Enrollment: 224,394
- **Passport Health Plan (HMO)**
(Joint venture with AmeriHealth HMO, owned by Independence BlueCross)
Market: Medicaid; Kentucky
Enrollment: 110,000
- **AmeriHealth Mercy (HMO)**
Market: Medicaid; South Carolina
Enrollment: 13,650

Provision of reproductive health services: Reproductive health services are provided by BlueCross partners, except in South Carolina, where they are not covered. Availability of abortion services varies by state.

MERCYCARE INSURANCE COMPANY*

Janesville, WI
Status: For-profit
Vice President: Donald Schreiner

- **MercyCare Health Plan (HMO)**
Market: Group; 7 WI counties, 3 IL counties
Enrollment: 21,763

- **MercyCare MVP (HMO)**
Market: Medicaid; statewide
Enrollment: 4,237

Provision of reproductive health services: Provides contraception, but will not cover tubal ligations unless it is a medical necessity. Will contract with a third-party provider to provide Medicaid abortions in cases of rape, incest or to protect the life of the mother.

*This plan was originally owned by Mercy Hospital in Chicago. It has since been sold to a secular company, but agreed never to provide abortions and other limitations on reproductive health services (tubal ligations) remain.

MIDWEST SELECT

Parent: Catholic Health Initiatives/Alegent Health Omaha, NE
Status: Nonprofit
President: Linda Sufficool

- **Midwest Select PPO**
Market: Group, Individual; IA, NE, SD, KS, MO, MN
Enrollment: 70,000
- **Midwest Select POS**
Market: Group, Associations; Northeast IA, SD, KS, MO, IL, MI
Enrollment: 300

Provision of reproductive health services: N/A. Midwest Select is a PPO/POS product only and coverage decisions are made on a network-by-network basis.

MOUNT CARMEL HEALTH PLAN

Parent: Mount Carmel Health System
Westerville, OH
Status: For-profit
President/CEO: Mark Richardson

- **Medigold (HMO)**
Market: Medicare; 6 OH counties
Enrollment: 12,795
- Provision of reproductive health services: N/A

NEW YORK STATE CATHOLIC HEALTH PLAN

Parent: Eight Catholic dioceses of New York State
Status: Nonprofit
President/CEO: Mark Lane

- **Fidelis Health Plan (HMO)**
Market: Medicaid; New York City, Buffalo and Albany areas
Enrollment: 73,700

Provision of reproductive health services: Does not provide or counsel about reproductive health services; enrollees may access with Medicaid card directly from providers. Does not provide abortion services.

OSF HEALTHPLANS

Peoria, IL
Status: For-profit
President/CEO: Kevin Schoeplein

- **OSF HealthPlans HMO**
Markets: Group, 28 Illinois counties
Enrollment: 49,197

- **OSF HealthPlans PPO**
Markets: Group; 28 IL counties
Enrollment: 7,934
- **OSF HealthPlans POS**
Markets: Group; 28 IL counties
Enrollment: 5,534
- **OSF Care Advantage (HMO)**
Markets: Medicare; 8 IL counties
Enrollment: 636

Provision of reproductive health services: The plan does not cover reproductive health services such as tubal ligations or contraception. However, a family planning rider is available for employers. The plan does not cover abortion services.

PROVIDENCE HEALTH PLANS

Parent: Sisters of Providence Health System
Portland, OR
Status: For-profit
CEO: Gregory Van Pelt

- **Providence Health Plan (HMO)**
Market: Group, Medicaid; OR
Enrollment: 273,000
- **Providence Medicare Extra (HMO)**
Market: Medicare; OR
Enrollment: 50,000
- **Providence Preferred PPO**
Market: Group; OR,
Enrollment: 363,000
- **Providence MCO (PPO)**
Market: Workers Comp; OR
Enrollment: 357,000

Provision of reproductive health services: Reproductive health services (tubal ligations, contraception) are provided through alternate facilities not in system, including Woodland Park and Tuality. Billing is carried out by William Earhart, a third-party administrator. Abortions are not provided.

SETON HEALTH PLAN, INC.

Parent: Seton Health Network
Austin, TX
Status: For-profit
President: Charles Barnett

- **Seton Health Plan (HMO)**
Market: Seton employees/dependents
Enrollment: 9,500
- **Senior Care (HMO)**
Market: Medicare; 7 Austin-area counties
Enrollment: 6,000
- **Seton Star (HMO)**
Market: Medicaid; Travis County
Enrollment: 500

Provision of reproductive health services: Seton provides family planning services to Medicaid enrollees through Planned Parenthood. Seton does not provide contraception or tubal ligations to commercial enrollees. Abortions are not covered for commercial or Medicaid enrollees.

ST. DOMINIC HMO

Parent: Dominican Sisters of Springfield, IL
Jackson, MS
Status: For-profit
President: Sister Mary Dorethea

- **St. Dominic HMO**
Market: Jackson area
Enrollment: 0

Provision of reproductive health services: The HMO is currently not operational.

ST. MARY'S HEALTH FIRST

Reno, NV
Status: For-profit
President: Jeff Bills

- **Preferred Healthcare (HMO)**
Market: Group, individual; NV, southern Lake Tahoe and Truckee, CA
Enrollment: 1,369
- **Preferred Healthcare (PPO)**
Market: Group, individual; NV, southern Lake Tahoe and Truckee, CA
Enrollment: 72

Provision of reproductive health services: St. Mary's does not provide reproductive health services. Enrollees must pay for themselves.

WESTERN HEALTH ADVANTAGE

Parent Company: Mercy Healthcare
Sacramento, UC-Davis, NorthBay Healthcare
Sacramento, CA
Status: For-profit
President/CEO: Garry Maisel

- *Western Health Advantage HMO*

Market: Greater Sacramento

Enrollment: 37,600

Medicaid enrollment: 15,000

Provision of reproductive health

services: Western Health, which is one-third owned by Mercy Healthcare, provides contraception and tubal ligations for commercial and Medicaid enrollees. Medi-Cal recipients do not need authorization for abortions and can receive them wherever abortions are provided. Coverage of abortions for commercial enrollees depends on the employer group.

Provision of reproductive health

services: Yellowstone does not cover birth control prescriptions for commercial patients except in cases of medical necessity; family planning services are carved out for Medicaid patients and provided by BlueCross. Sterilizations are not provided to employees of Saint Vincent Hospital; however, under state law the hospital must provide a sterilization rider that can be purchased. Sterilizations are covered for commercial enrollees. No abortions are covered.

YELLOWSTONE COMMUNITY HEALTH PLAN

Parent: Saint Vincent Hospital and Health Center/BlueCross BlueShield of Montana

Billings, MT

Status: For-profit

President/CEO: Mark Burzynski

- *Yellowstone Community Health Plan (HMO)*

Market: Group; Southeastern Montana

Enrollment: 10,825

- *GoldChoice (HMO)*

Market: Medicare; Southeastern Montana

Enrollment: 2,600

- *CarePlus (HMO)*

Market: Medicaid; Southeastern Montana

Enrollment: 575



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MERCY HEALTH SYSTEM

Texas
HERITAGE HEALTH PLANS
MEMORIAL/SISTERS OF CHARITY HMO
SETON HEALTH PLAN, INC.

Wisconsin
MERCYCARE INSURANCE COMPANY



Additional Information

California Women's Law Center

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Fax: (213) 637 9909
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www.cwlc.org

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Email: cffc@catholicsforchoice.org
www.catholicsforchoice.org

Center for Reproductive Law and Policy

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New York, New York 10005
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Fax: (917) 637-3666
Email: info@crlp.org
www.crlp.org

MergerWatch, FPA

17 Elk Street
Albany, NY 12207
Phone: (518) 436 8408
Fax: (518) 436 0004
Email: info@mergerwatch.org
www.mergerwatch.org

Reproductive Freedom Project, ACLU

125 Broad Street, 18th Floor
New York, NY 10004
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Fax: (212) 549 2652
Email: rfp@aclu.org
www.aclu.org

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A Social Justice Organization

Catholics for a Free Choice, an independent not-for-profit organization, is engaged in research, policy analysis, education, and advocacy on issues of gender equality and reproductive health. Working in the Catholic social justice tradition, CFFC is a member of Catholic Organizations for Renewal and the Women-Church Convergence, both based in the United States. CFFC holds ECOSOC accreditation to the United Nations.

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