

Potential Sale of Preferred Health Systems (PHS) to Coventry Health Care

Kansas Health Policy Authority (KHPA) provided the following information about the proposed sale of Preferred Health Systems (PHS) to Coventry Health Care and how it would affect the State Employee Health Plan (SEHP). This information is important as it may impact the health plan selected during October's Open Enrollment period for the 2010 plan year.

What has been reported to KHPA so far is, if the sale is approved, Coventry intends to continue operating PHS as a stand-alone entity at least through 2010. Therefore, if you enroll in PHS as your Preferred Provider Organization (PPO) health plan, you would continue to carry a PHS insurance card throughout the year. There would be no change in the premiums you pay or the benefits the plan covers.

The contracts between KHPA and the four PPOs that administer the SEHP, including PHS, are finalized for Plan Year 2010. KHPA indicates that any organization that acquires PHS will also acquire those contracts and the obligations that go with them.

KHPA also states that it is important to remember that this proposed sale is subject to review and approval by the Kansas Insurance Commissioner. As further details of the proposed sale become available, KHPA will analyze those details to determine what, if any, impact they might have on SEHP members, and will offer that analysis to the Commissioner at the appropriate time.

Meanwhile, KHPA advises SEHP members to review the materials in the enrollment books and select the plan options that best suit their needs. The medical plans and the rates that are being offered will continue to be honored throughout the plan year, regardless of what happens with the proposed sale. Open Enrollment information can be found at

http://www.hreo.ku.edu/benefits_pay/benefits_info/health_insurance_programs/2010_group_health_insurance.

SEHP members who have further questions about the proposed merger can email Benefits at benefits@ku.edu, call 864-4946 or stop by Room 150, Carruth-O'Leary.