

Shield. For 18 months they will have that plan, and then, you know, before that runs out, there will be a bidding process after we negotiate with employees on what changes to make, and new bids will be let and companies will make bids and so far usually it is just Blue Cross-Blue Shield and Mutual of Omaha that bid but, anyway, we would get what bids we could and then take the lowest cost and go with that.

SENATOR HIGGINS: I don't see the point of this amendment, why we are going to wait...I mean why don't we just do it the way we have been doing it?

SENATOR WESELY: Well, we don't want to do it the way (interruption).

SENATOR HIGGINS: You are saying you are going to raise the deductible in 1987?

SENATOR WESELY: Yes, the reason you want a change is it costs too much money. If you don't have a deductible and copayment, there is no incentive for that employee to be very cautious about their use of hospitalization. They lose no money. It is first dollar coverage. This encourages them to be more efficient in the use of hospitalization. It does save everybody money. That is the need. Why we delay it is it is a change that the employees don't like. This gives them lots of time to anticipate it and negotiate out what ever problems they have with it. It just says we are going to do this. Here is the day we are going to do it. Let's work together on the details.

SENATOR HIGGINS: Of course, the insurance companies won't pay for a lot of out of hospital treatments that would save them money and, instead, they encourage employees to go to the hospital for treatment when it would be cheaper to go to an emergency room. But they exclude those kind of things. So a lot of it doesn't make sense when you talk about insurance.

SENATOR WESELY: Yes, you made a good point.

SPEAKER NICHOL: One minute.

SENATOR WESELY: We are trying to change that. The cost containment features in the committee bill will help that somewhat, and when we negotiate with employees, maybe we can