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Cross-border health insurance is a hit with employers and workers

By Sarah Skidmore UNION-TRIBUNE STAFF WRITER October 16, 2005

J. Guadalupe Gonzalez lives and works in California, but when he wants to see his doctor he heads to Mexico.

Gonzalez's primary doctor is in Tijuana. The office is close to where his family lives, the physician speaks his language and a visit costs less than it would in California.

Plus, his company's health insurance pays for it.

Gonzalez's employer, Schuff Steel in National City, is one of a growing number of California employers that offer workers health insurance that provides care in Mexico.

At least 150,000 California workers are enrolled in such plans, according to insurers.

The plans are cheaper for employers and employees than traditional insurance, with premiums that can be half that of a U.S. plan. And the option provides a more convenient, culturally comfortable environment for some of the thousands of Mexican citizens working in San Diego County.

Cross-border plans have been available for decades, primarily through agricultural associations like the Western Growers Association and United Agribusiness League. But it wasn't until California passed legislation in 1998 and 1999 legalizing and regulating the cross-border HMOs that the plans became more commercially available and popular among employers.

Three companies sell such plans: Blue Shield of California, Health Net of California and SIMNSA, a Mexico-based company. The Blue Cross and Health Net plans are available to U.S. or Mexican citizens who want to get care in Mexico, while SIMNSA sells only to Mexican citizens. Companies from the Hotel del Coronado to National Steel and Shipbuilding Co. offer employees the plans.

"When you are a large employer in a border community, you have a number of challenges other employers don't understand," said Ellen Vinck, vice president of risk management and benefits for San Diego-based BAE Systems Ship Repair Inc., which provides a cross-border health plan to 20 percent of its employees.

The plans work nearly the same as U.S. health insurance. Members select a provider from a network, get care and make copayments. Members get care in the United States in emergencies or when a service is unavailable in Mexico.

Several companies said some of their Mexican-American employees often declined benefits because of cost or access issues prior to these plans. And some employees went to Mexico for health care even when they had insurance in the United States.

As a result, companies turned to cross-border care options.

"It's a win-win for everyone," Vinck said. "It was a win for us to provide a plan at half the cost, and we offer the plan to our employees and their families at a minimal cost."

For example, Gonzalez pays \$18 a month to cover himself, his wife and two children. That is less than he paid at his last job to cover only himself in a California health plan.

Patients said they prefer the plans because of cost, convenience and the ability to work with a doctor who understands their cultural and language needs. Unlike in the U.S., patients can visit many offices almost immediately and physicians are available nights and weekends.

"We would prefer to wait two hours in line (at the border) than 45-60 days for an appointment (here)," said Luis Gonzalez, who works at the Santaluz Club in North County and has health insurance through Access Baja, a Blue Shield plan.

Gonzalez, who lives in Vista with his family, said medical care in the U.S. feels rushed and cold. But he feels like he has a relationship with his physician in Mexico.

“It’s like you were talking with a friend. It’s more personal,” he said. “The quality of the attention is different. I like the way they treat you.”

Employers who offer cross-border plans say employees are very happy with the benefits. But many employers are initially uneasy about the quality of medical care in Mexico.

San Diego-based Evans Hotels did not investigate the plans until several other hotels gave their endorsements. Evans has offered the cross-border care as one of its insurance options for several years now.

“There’s a stigma, or there’s a lack of understanding,” said Peter Duncan, vice president of sales for Blue Shield. “For many employers it’s completely outside their norm to think about providing health care coverage in Mexico. Some, not all, have no understanding of the health care structure.”

The insurance companies that offer these cross-border HMOs either contract with providers or own the facilities that provide care. Potential clients can go on tours of the facilities to ease any quality concerns.

California law does not hold Mexican health care providers to the same standards as California providers. The plans require that physicians be licensed in Mexico and meet any specialty board requirements. The companies regularly audit the services, and patients can make complaints through California regulators.

The California Department of Managed Health Care said it receives few complaints about the plans.

“What I’ve noticed since 1992 is the tremendous improvement in the capability and modern aspect of the equipment and facilities in Tijuana,” said Tom Fawcett, director of human relations for National Steel and Shipbuilding Co., which provides a cross-border option for its employees. “It’s comparable to what you’d find facility-wise here.”

Some health plans said that by requiring a high standard of care from their providers, they’ve raised the standard of acceptable care in Mexico. Additionally, the cross-border plans are providing coverage for many Mexican citizens who did not have coverage.

In Mexico, the federal government provides health coverage of all workers in the country. However, families of Mexican citizens who work in California may not be eligible for federal coverage because they do not work within the country.

“It makes a lot of sense,” said David Warner, a professor of public affairs at the University of Texas at Austin who has studied cross-border care across the nation. “Essentially, these seem to be things that are desired by the workers and the unions and other players.” Warner said the prevalence of cross-border services is unique to San Diego.

But the health plans said that based on the popularity here, they are looking at expanding services.

SIMNSA said it would like to offer similar services in Texas or Arizona. Blue Shield of California’s Access Baja plan has more than doubled its membership and said it would like to expand services to provide care for members in other parts of the state and services in other parts of Mexico. And Health Net of California said that based on its success, it plans to expand its services, such as selling plans directly to individuals.

“I think we will see down the line a common set of standards that will apply to California and Mexico and make everyone feel more comfortable,” said Ana Andrade, vice president of Latino programs Health Net of California. “We tend to see the border as a barrier. The border in this case is a bridge to care.”