

# Why Have Our Health Care Costs Gone Up So Much the Last Two Years?

## We've Been Told:

- Skyrocketing Health Care Costs
- Northeast is so expensive for healthcare
- Graying workforce
- Self-insurance
- GW faculty prefer expensive PPO plans to allow out-of-network choices

# The Hidden Cause of Our Huge Medical Expense Increases: GW's Reduction in Percent of Costs Paid

YEAR	GW Total	Faculty Total*	GW Percent	Faculty Percent	Source
2010	~\$20,800,000	~\$7,300,000	74%	26%	Sep. '11 FSM
2011	~\$22,200,000	~ \$7,800,000	74%	26%	Sep. '11 FSM
2012	\$23,700,000	\$ 9,800,000	71%	29%	Sep. '12 FSM
2013	\$27,600,000	\$12,700,000	68%	32%	Sep. '13 FSM
2014	\$29,100,000	\$14,900,000	66%	34%	Sep. '13 FSM

In 2011, the increase in health care costs was paid 74% by GW and 26% by faculty.

In 2014, the increase in health care costs was paid 31% by GW and 69% by faculty.

\* Faculty total includes retired faculty. Yellow indicates estimates. FSM= Faculty Senate Minutes.

# Choice of Comparison Schools and Plans

## Comparison of non-HMO Family Plan Premiums

	GW	AU	Boston U.
Endowment	\$1.3 B	\$478 M	\$1.3 B
Endowment per Student	\$54,000	\$37,000	\$37,000
Premium Paid by Faculty for PPO Plan	\$623	\$521	\$683
Premium Paid by University	\$1028	\$968	\$1326
Percent of Total Premium Paid by Employer	62%	65%	66%

# Comparison of GW PPO Plans to AU and BU PPO Plans

	GW Medium PPO	AU “Blue Cross/Blue Shield”	BU PPO	GW Basic PPO
Co-pay Primary Care	\$25	\$20	\$20	\$25
Co-pay Specialist	\$50	\$40	\$20	\$50
Co-pay emergency room	\$150	\$75	\$100	20% of bill
<b>Family Deductible in-network</b>	<b>\$1000</b>	<b>\$400</b>	<b>\$0</b>	<b>\$1700</b>
Family Deductible out-of-network	\$1500	\$1500	\$1000	\$1700
<b>Responsibility for out-of-network expenses</b>	<b>40%</b>	<b>25%</b>	<b>20%</b>	<b>40%</b>
Maximum Family out-of-pocket expenses, network	\$5000	\$5500	\$0 (just co-pays)	\$6000
Max. family out-of-pocket expenses, non-network	\$10000*	\$8000	\$4000	\$8500

# Does GW have an “average” health insurance plan?

GW is below average in all the following areas:

- Only 38% of insured Americans have a deductible of \$1,000 or more.
- Avg. US employer pays 72% of family PPO plan premiums (GW pays 62-63%).
- Avg. large US employer with avg. employee salary of \$56K or more pays 76% of premium for family plan.
- Avg. employer with older employees (35% age 50 or older) pays 77% of premium for family plan (72% when less than 35% of employees are 50+)
- US avg. specialist co-pay is \$35.
- US avg. primary care co-pay is \$23.