

## **Hold the Line on Health Benefits Cost Increase to Employees**

AFSCME representatives to the Benefits Advisory Committee (BAC) call on the BAC to take a stand in favor of capping University of Minnesota employees' share of the premiums at current levels for the base plan and Health Partners, which serve the largest number of employees at the U. In addition, annual prescription out-of-pocket maximums should be restored to \$500/individual and \$1000/family.

We make this recommendation because we know the hardships many employees have endured under the weight of the increases in premiums, co-pays, and prescription costs that have occurred over the past few years. The four-tier medical plan that was implemented in 2006 has only served to increase the cost of coverage in a divisive manner. Employees in the family tier saw a 33% increase in costs in the base plan and a 50% increase in the Health Partners plan. This flies in the face of the notion of health insurance being a shared risk. It is immoral and unconscionable to increase the economic burden of one layer of employees over others.

Employees are also suffering an increase in the cost of many of their prescriptions due to the severely restricted formulary that the University implemented in 2006. Those with chronic health conditions that require regular office visits and multiple prescriptions are often faced with the dilemma of choosing whether to see their doctor, purchase their medications, or pay their mortgage and buy groceries. This should never be acceptable.

The employer's proposal to reduce the generic co-pay does not help the people who are most impacted by prescription drug costs. Rolling back the out-of-pocket maximum would.

To be sure, our experience is mirrored in the country as a whole, where health care costs continue to rise. In the Fall of 2006, 383,000 Minnesotans lacked health insurance – 7.4% of the population – a jump of 2% in five years. In 2000, 72% of Minnesotans had private health insurance. In 2004 the figure had dropped to 67.5%. We can assume it has fallen further since then. While this crisis begs for a national solution, we should not sit by idly while our health benefits continue to slide. If we continue to accept increases in the cost of our health benefits through increased premiums, co-pays and out-of-pocket expenses that outstrip the rise in wages and general inflation, we will see more and more employees faced with choosing the rent over medications or dropping coverage altogether.

We need to reject the framework that blames employees for the rise in health care costs. It is our responsibility to insist that the University administration examine the role of pharmaceutical companies, corporate executives of non-profit health providers, and insurers who make millions of dollars a year in driving up costs.

The BAC should work to protect the health benefits that have made the University an attractive place to work for decades. The University should set an example for the state of Minnesota and beyond by ensuring that all of its employees have access to quality, affordable health care.