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Summary of Caltech Medical Premiums 2004-2007

Caltech has had three health plans during the period of 2004-2007: (1) Blue Cross PPO [Healthnet in 2004]; (2) Blue Cross HMO [Healthnet in 2004]; and (3) Kaiser. The cost of all three plans has increased substantially in the last 4 years. Even though the increase in cost has been split between the employees and Caltech, the GIEC would like to bring these cost increases to IPAC's attention. The cost of the PPO is climbing to an unreasonable level, with more of the cost burden placed on the employee. Many of the plans have increased costs of prescriptions and co-pays, and those cost increases only affect the employees.

The attached spreadsheet lists for all three health plans, the total monthly premium, the employee and institute monthly contribution (in dollars and percentages based on total), and for each year, the increase in the cost for the employee from the previous year for that plan.

In 2004 the cost of the **Blue Cross PPO** premium was split 34% & 66% between employee and Caltech, respectively. Now, in 2007, the employee pays 47% of the premium while Caltech pays for 53%. Caltech is paying for a significantly smaller fraction of the premium than it used to in 2004. The cost of the premium itself has risen ~30% from 2004 to 2007, with a much larger chunk now being paid by the employee. This is an enormous cost burden to the employees on this plan.

The **Blue Cross HMO** has been split pretty consistently between employee (~20%) and Caltech (~80%) in 2004 through 2007. However, there are additional costs to the employees on this plan: in 2006 the cost of prescriptions increased 30-50% and doctor visit co-pays went up from \$10 to \$15 per visit; in 2007, a large percentage of doctor co-pay's doubled from \$15 to \$30 for all visits and referrals. Caltech has not taken up the burden of additional costs in this plan, the employee has.

The **Kaiser HMO** has been split pretty consistently between employee (~16-22%) and Caltech (~84-78%) in 2004 through 2007. However, there are additional costs to the employees on this plan: in 2006 the cost of prescriptions for 100-day supply increased 300% and doctor visit co-pays went up from \$10 to \$15 per visit. The Kaiser premium had a significant increase in 2007; since the split of cost between employee and Caltech remained just about the same as the previous years, the employee had an almost 50% increase in monthly premium cost. The employees on Kaiser have complained about the drastic increase the cost of this plan in 2007.

The GIEC understands that the cost of healthcare in general in the US has been going up. We want to point out that Caltech employees are paying more and more for healthcare. 80% of Caltech employees are on the HMO plans and 20% on the PPO; the PPO is the most flexible of the health plans, but is apparently not a viable option for most employees because of the expense.

If you feel that Caltech should be doing a better job at keeping the health plan costs lower, then please complain to Caltech and the GIEC. The GIEC would like to know whether you want us to pursue this issue as a concern by the IPAC employees – we need to hear your thoughts/concerns! The ways to reach the GIEC are: talk/email to your GIEC representative (who sent you this email); email giec@ipac.caltech.edu which goes to all the GIEC representatives; put a (anonymous) note in the mailbox of any member of the GIEC. And, you can also contact the HR department at Caltech.

The GIEC
(Greater IPAC Environment Committee)
<http://www.ipac.caltech.edu/local/giec/>