

Local perspectives and realities

Marc Riddick - Neil-Garing Insurance & HMC Board

Our Region:

Higher cost of care + higher use = higher premiums

Employer Impact – Trend of Greater Cost Sharing with Employees

- Via Premium (50% of Employee rate minimum)
- Via Plan – Deductibles, coinsurance, co-pays

Employee Impact – Trend of Growing Under insured and Uninsured

- Employees themselves
- Dependents – the “Hidden Uninsured”

Our Uninsured Issue

County	Population ¹	Per Capita Personal Income	Estimated Uninsured ²
Eagle	45,819	\$ 37,923	14.7%
Garfield	47,441	\$ 27,121	15.9%
Lake	7,902	\$ 20,718	16.9%
Mesa	122,463	\$ 25,940	17.5%
Pitkin	16,257	\$ 69,681	17.3%
Summit	26,798	\$ 33,443	14.2%
266,680			

[1] Colorado Demography Office, <http://dola.colorado.gov/demog/demog.cfm>

[1] 2001 Colorado Health Data Book, Colorado Association for the Medically Uninsured, p.60, www.ccmu.org/pdfs/2001databook.pdf

Increasing Health Insurance Costs

- **Vail Resorts** - \$2.5 million increase in 2005.
- **City of Aspen** - 30% cost increase this year compared to 2004 alone. Budgeting 12% increases in the Long Range Plans for the next 3 years.
- **Town of Carbondale** - average annual increase of 11% over the last five years.
- **RE-2 School District** - saw over a 20 percent increase between 2001-2003.

Costs continued

- 2003 year was the fifth year in a row in which at least half of small businesses faced year-to-year cost increases of more than 20 percent. That amounts to at least a 149% jump over 5 years.
- One in four small businesses faced coverage increases of more than 30 percent during that year. One in 10 had increases of 40%+.
- GM now spends more for healthcare than it does for steel.

Community Impact

Uninsured:

- Healthcare costs of the uninsured are absorbed somehow.
- Physician and Hospital write offs have to be factored into their cost of doing business.
- The community bears the cost, it is still a risk pool with both insured and uninsured swimmers.

Increasing Costs:

- Cost shifting to the employee (many opting for higher deductibles)
- Increased costs prohibit business growth and can negatively impact funding for public services.

Current efforts – information & education

- Focusing on information and education at the employer/employee level
 - Cost of Care
 - Outcomes and Options
 - Understanding your insurance plan
- Ideas *in addition* to price shopping and plan design changes.
- New product design - RFCHP