

Health insurance options befuddle many

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Zory Martinez-Allocco likes that she has choices in health insurance and is satisfied with her coverage.

She's worried that may change.

"I have a pit-in-my-stomach feeling," the 42-year-old Irondequoit woman said, as she prepares to make her choice for next year. "Am I going to have the choices? When the choices are there, is my favorite going to be among them?"

Concern is contagious during this year's open enrollment, the several weeks each fall when employees select their health insurance for the coming year. Employers are offering fewer options that in many cases cost more. Excellus BlueCross BlueShield announced last week that premiums for its community-rated plans would go up from 10 percent to 18.9 percent. Rates for experience-rated plans and self-funded plans will vary because they are based on the individual company's claims history. Excellus said that it is the largest insurer in the six-county Rochester region but that it doesn't reveal its market share.

MVP Healthcare, which has between 30 percent and 33 percent of the market in the 10-county Rochester region, has yet to announce its rates for 2010.

The combination of less choice and higher price is creating anxiety for individuals and families trying to balance their budgets while projecting their health needs and worrying whether their coverage will suffer.

"It's too expensive and it's too uncertain," Rep. Louise Slaughter, D-Fairport, said about the current system.

She said that the Affordable Health Care for America Act, which was scheduled for a vote on Saturday, would change that. Some provisions would take effect immediately and some wouldn't start until 2013. It would make coverage more affordable for businesses and individuals, eliminate

lifetime caps and exclusions for pre-existing conditions, and aid seniors.

But for now, families are left sitting at the kitchen table, poring over the plan descriptions and chewing the pencil down to a stub.

Decisions, decisions

India Barton has a bit of an advantage, having worked in medical billing for eight years. But it still takes her and her husband three days to study the plans offered by their different employers. "There's a lot of anxiety building up to the selection process," she said. "We know the costs increase every year. We don't know how much of an impact it will be. We have to wait and see."

Barton, administrator for corporate operations for PathStone in Rochester, keeps track of her copays throughout the year. She and her husband, Montines Addison, debate whether to pay less upfront in premiums and more in copays when they need care, or pay a higher premium in exchange for lower out-of-pocket costs. For 2009, they chose a plan with a lower copay, but the savings were eaten up by more visits to specialists. Their 16-year-old son is still seeing an orthodontist and Barton is being treated for adult acne.

"You end up having to rethink things at midyear, when you don't have any options," she said.

In the past, they've used her husband's plan for medical and hers for dental. She has received her options for this year and they are awaiting his from One Communications for making the decision for 2010. She's comforted by the fact that because she and her husband work, they have the choice of good plans. "I've had to watch individuals that don't have options make the best decisions for what they have. It hasn't been easy."

Businesses caught in the middle

Large and small employers are feeling their own stresses and in response are reducing a menu of choices to either/or propositions, switching to higher deductible plans and passing more costs on to employees.

"It's much more of a burden placed on the backs of employees to make sure you know what you are buying," said Sandy Parker, president and chief executive officer of the Rochester Business Alliance.

Eastman Kodak Co. and Xerox, looking at another year of double-digit health cost increases, have significantly altered their group-plan offerings and pushed major increases on employees and, in Kodak's case, retirees.

Kodak spokesman Alan Brakoniec said the company is at a competitive

disadvantage with retiree benefits because few in the digital field offer plans to the same extent.

“The costs for these benefits are paid out of the company’s operating income, and have a direct impact on the company’s competitiveness,” he said.

Some at Kodak may see triple-digit percentage increases next year, and Xerox has reduced the number of carriers to two and scaled back the menu of plan offerings to two, one a high-deductible program. The goal is to mitigate inevitable increases.

Wegmans Food Markets kept health care increases down for 2009, in part due to the success of the **Eat Well, Live Well campaign**. PAETEC is taking a page from Wegmans’ book, offering a program whereby employees can cut their payroll costs if they enroll in and stick with an extensive wellness program.

The University of Rochester, the region’s largest employer, has the same number of plan offerings as in 2009 and is delaying an increase in the cost-sharing percentage until July. Until that time, employees will pay the same share as they are this year. The cost-sharing delay was in consideration of the salary freeze imposed on many UR employees.

Smaller companies may find that they have less flexibility.

Fritz Ruebeck, CEO of Classic Automation, offers his 11 employees one option through an outsourcing firm that handles employee benefits. “It has to be a plan that fits everyone in the company,” he said. Employees pay 25 percent of the premiums. Even with the prospect of rising costs this year, he said it’s essential to offer coverage. “In the absence of any other solution from the government, I think this is necessary.”

Bryan Bond, vice president of the employee benefits firm Bond Financial Network, said his employees have to explain the situation to their clients and then use that knowledge to make their own choices. Two years ago, the company went to a high-deductible plan, in which employees are responsible for deductibles rather than copays. The plans put more of a burden on individuals to track what they spend and have enough savings to cover out-of-pocket expenses. He said that about 85 percent of the firm’s 1,200 clients will be offering a high-deductible plan in 2010, up from 65 percent this year.

“Education is a really important piece of the puzzle,” he said. “If you don’t do it right, you can have a backlash from some upset employees.”

Dunn and Rice Design, a marketing and communications firm in Rochester, paid 100 percent of its employees’ medical and dental

insurance for the first 21 years of its existence. But in 2009, the nine-person staff started chipping in between 20 percent and 30 percent of the cost of six choices, and that will continue in 2010.

“We talk to them about what’s happening,” said vice president Jackie Rice-Dunn. “At the end of the conversation, one employee said thank you. Thank you for explaining and thank you for covering this for all those years.”

Looking into a crystal ball

Retirees can feel as though they have no voice in any discussion.

Diane LeClair of Livonia, Livingston County, is retired from the Geneseo Central Schools and her husband, John, is retired from Eastman Kodak Co. They are on Medicare and have an MVP Preferred Gold supplemental plan through Kodak. While the premium is going down, the cost of copays for specialists will double. That’s a concern for Diane, who has ongoing treatment for breast cancer and regularly sees specialists. They also are unsure of changes to the prescription drug benefit, another concern given her condition.

Martinez-Allocco, who works at Ibero-American Action League, can sympathize.

She has a family member with a medical condition, which influences her decision each year. Even though she’s in her early 40s, she’s also aware that things could change for her.

“You get older, you start to think about health needs. You want something that’s really good. I know I do. If you’re young and healthy, you don’t think about it,” Martinez-Allocco said.

Jon Freitag, a 27-year-old Rochester resident who works at Paychex, said he sees a doctor once or twice a year. His copays will go up \$5 or \$10 for next year, but with so few visits, he expects little impact on his overall costs. He said he spent about an hour reviewing his choices. “It’s a no-brainer as far as I’m concerned.”

After comparing his two options for 2010, Ronald Dews Jr. of Rochester chose a higher deductible plan for his wife and two sons. The boys, 6 and 3, both have sickle-cell anemia, so Dews knows he’ll have some costs. The lower premium will leave him more in his paycheck.

“You never know how much you’re going to be spending,” the 33-year-old said. “I have great doctors and great service. But they charge what they charge. It’s up to the insurance company to tell me how much I owe, even though I pay every month.”

Even with all his careful thought and calculations, he said there's still anxiety.

“I feel like I'm rolling the dice.”

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