

Firms raise workers' health costs

Matthew Daneman • Staff writer • November 14, 2010

Each November, legions of Rochester-area workers and retirees get bad news in the form of packets of material telling them how much more they'll have to pay, or what fewer choices they'll have, for **health care coverage** in the coming year.

For people attached to some of the area's largest employers, 2011 will be no different.

Eastman Kodak Co. retirees not covered by Medicare will have only the high-deductible **Consumer Driven Health Plan** left as Kodak eliminates the PPO and PPO Max options. Those same retirees will now face out-of-pocket costs in the high-deductible plan where before they had none.

Xerox Corp. employees will pay more for coverage, including higher costs for dependent coverage.

At the University of Rochester, workers' out-of-pocket costs are going up as employee contributions will cover an increased percentage of total **health care** costs.

And **Paychex** Inc. workers will see their deductibles go up for the first time in three years.

"We held the line as long as we could," said Jake Flaitz, Paychex director of benefits and human capital. "We try to avoid making changes every year if we can, (but) it was time to move up."

Paychex did not disclose any specific numbers on the amount of the increase.

Rapidly increasing **health care** costs have been a reality for years. Average annual insurance premiums for family coverage more than doubled between 2000 and 2010, hitting \$13,770, according to the Kaiser Family Foundation. While employers typically cover most of those costs — 70 percent on average in 2010 — employee contributions have grown faster than employer matches.

In the Rochester area, companies surveyed by the

Rochester Business Alliance are expecting, on average, for premiums to climb more than 14 percent next year.

Among the changes being faced by current and retired Kodakers: elimination of the PPO and PPO Max offerings for under-65 retirees and the PPO Max for employees; all maintenance prescription drug refills under Kodak's Prescription Drug Plan to be done via mail order or at a CVS drugstore; and while employees in the high-deductible plan again won't pay any monthly premiums, most retirees will see monthly premiums ranging widely, from \$91 to \$670, where they paid nothing this year.

Some Kodak retirees should see their out-of-pocket expenses drop as the high-deductible plan will be cheaper than what they were paying in the PPO or PPO Max coverage, said spokesman Alan Brakoniecki.

Along with higher premiums, Xerox salaried workers will pick up a greater portion of the cost of their coverage, the spousal surcharge will go from \$750 to \$900, and co-pays are increasing for office visits and prescription drugs in the **company's** co-insurance coverage.

Full-time employees at UR, the area's largest employer, will pay monthly premiums ranging from \$47 to \$327 for family coverage, depending on what plan they are enrolled in for 2011.

According to UR, premiums are being pushed up in part by plans announced three years ago to increase employee contributions to cover 20 percent of health care costs. With 2011's increases, it will meet

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