

**Comparative Analysis of
University's and Faculty/Staff's Health Care Costs
2004 Relative to 2003**

Description	2003 Final Cost	2004 Cost Increase	Percent Increase over 2003
Annual University Cost for Health Care:	\$ 14,145,483	\$ 1,350,000	9.5%
Less cost decreases:			
Elimination of annual \$300/person "accident" rider.		(18,000)	
Net increase in University's Cost for Health Care	<u>\$ 14,145,483</u>	<u>\$ 1,332,000</u>	<u>9.5%</u>
Annual Faculty/Staff costs:			
Additional monthly premiums	\$ 3,654,186	\$ 660,000	18.1%
Pay first \$75 of prescription drug costs	0	233,000	∞
Increase in PMD physician co-pay of \$5	668,000	167,000	25.0%
Prescriptions filled at pharmacy - 30-day supply:			
Generic	10	5	50.0%
Brand name with no generic	20	10	50.0%
Brand name with generic	30	20	66.7%
Total increase in cost to faculty from increase in co-pay	1,934,000	967,000	50.0%
Prescriptions filled at the pharmacy of a brand-name drug where a generic is available will cost BOTH an increased copay (raised from \$30 to \$50) AND the difference between the cost of the brand-name and the cost of the generic.	0	150,000	∞
Prescriptions filled via mail-order - 30-day supply:			
Generic	3	2	66.7%
Brand name with no generic	15	5	33.3%
Brand name with generic	20	20	100.0%
Total increase in cost to faculty from increase in co-pay	?	75,000	∞
Total increase to Faculty/Staff		<u>\$ 2,252,000</u>	

Note: Most of this cost data comes directly from the materials submitted to the Benefits Committee by John Kasberg, the cost accountant in HR, in his slide presentation, after revision for actual costs in 2003.