

Comparing Costs for an Individual Health Insurance Policy: Michigan Tech’s HuskyCare PPO, 2012 vs. 2015

As was reported by the University Senate’s 2014-2015 Finance and Institutional Planning Committee, between FY2012 and FY2015, the healthcare claims paid by Michigan Tech declined, but a comparison of the [2012 Aetna PPO](#) and the [2015 BCBSM PPO](#) indicates that the deductibles on the PPO doubled and that the copays for many items went from 10% to 35%. Consequently, between 2011 and 2014, the total deductibles collected from Michigan Tech employees increased by \$815,910.

	Premium	Deductible: In Network/Out of Network	*Cost Share (Coinsurance or Copays)	Out of Pocket Maximum: In Network/ Out of Network	Prescription Drugs (In Network)
2012 Aetna PPO	~\$76 per month = \$912 per year	\$1,000/\$2,000	Mostly 10%	\$2,200/\$4,400	Generic: 10% copay with \$5 min/\$20 max Brand Name: 25% copay with \$10 min/\$40 max
2015 BCBSM PPO	\$114 per month = \$1,368 per year	\$2,000/\$4,000 per year	Mostly 35%	\$3,000/\$8,000	Generic: 10% coinsurance with \$5 min/\$20 max Brand Name: 25% coinsurance with \$10 min/\$40 max

*Note: Coinsurance is based on a percentage of the cost; copays are based on a defined dollar amount.

Additional healthcare costs have also been shifted to the employees. For example, in 2011, Michigan Tech contributed \$1,500 per contract to the Health Savings Accounts (HSAs) of employees enrolled in the HDHP. However, in 2014, Michigan Tech contributed \$0 per contract to these accounts. In 2014, there were 750 HDHP contracts; hence, during this period, Michigan Tech reduced its contribution to employee healthcare expenses by \$1.125 million (\$1,500 x 750).

A summary of the 2012 Aetna PPO is available at <http://www.admin.mtu.edu/hro/forms/2012-open-enrollment/2012-HuskyCare-PPO-MTU-Plan-Design-11%20MTU.pdf>

A summary of the 2015 BCBS PPO is available at <http://www.mtu.edu/hr/current/benefits/docs/ppo-design.pdf>