University Health Care Costs Rise Sharply; No Sign They’ll Drop

The University of Alaska has caught up with national trends in total and escalating health care costs, and that’s not good news.

While the rest of the nation was experiencing significant cost increases; for health care coverage in FY02, the UA experience remained relatively steady, said Janet Jacobs, the university’s executive director for Human Resources. “We now have dramatic increases that show no sign of stopping.”

Jacobs said the four primary cost drivers and their relative impact on cost increases are:

- **Increased staff** - more employees and their dependents on the plan plus **increased average number of claims per participant** - higher use (48%)  
- **Increased average cost per claim** - inflation in costs for medical and related services (24%)  
- **High claims** - Claims over $50,000 (28%)  
  - In FY01 high claims primarily impacted the Traditional Plan which applies to UA employees who are members of a collective bargaining unit.  
  - Non-represented university employees in the UA2000 Plan, and if high claims are deducted from the UA2000 plan, the plan achieves its original objectives for cost containment, Jacobs said. “This is good to know,” she added, “but it doesn’t change the numbers at the bottom of the page.”

The graph shows summary numbers for FY98 through FY01, and FY02 data projections based on ten months of data. FY03 figures are projected. Here are some quick comparisons between FY00 and FY01:

- Average inpatient expense per enrollee increased 54.3%.  
- Medical expenses per enrollee increased 20.3%.

We’re Not Alone

“If I didn’t see it, I wouldn’t believe it. A full one-fifth of the retirement system’s liability is medical! Of the $4.6 billion dollars set aside to pay retirement benefits, almost one billion dollars are for the retiree medical plan. That, my friends, is a lot of money.”

-- Guy Bell, TRS Administrator, Alaska Teachers’ Retirement System

### University Health Care Costs Rise

<table>
<thead>
<tr>
<th>Element</th>
<th>FY 98</th>
<th>FY00</th>
<th>FY01</th>
<th>Projected FY02</th>
<th>Projected FY03</th>
<th>Projected FY02 Increase</th>
<th>Projected FY03 Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEADCOUNT</td>
<td>3271</td>
<td>3326</td>
<td>3591</td>
<td>3915</td>
<td>4182</td>
<td>0.02%</td>
<td>0.02%</td>
</tr>
<tr>
<td>Covered Employees</td>
<td>8000</td>
<td>8,060</td>
<td>8,135</td>
<td>8,655</td>
<td>9,395</td>
<td>8.55%</td>
<td>1.87%</td>
</tr>
<tr>
<td>Total Plan Participants</td>
<td>3,915</td>
<td>4,182</td>
<td>4,571</td>
<td>5,042</td>
<td>5,764</td>
<td>12.22%</td>
<td>11.45%</td>
</tr>
<tr>
<td>COSTS</td>
<td>17,872,579</td>
<td>17,380,180</td>
<td>17,656,200</td>
<td>21,328,712</td>
<td>25,981,378</td>
<td>29,500,000</td>
<td>21.81%</td>
</tr>
<tr>
<td>Total Claims Costs</td>
<td>18,864,210</td>
<td>18,538,265</td>
<td>18,907,331</td>
<td>22,854,248</td>
<td>27,822,893</td>
<td>31,588,912</td>
<td>21.74%</td>
</tr>
<tr>
<td>Total Costs*</td>
<td>1,510,761</td>
<td>1,411,472</td>
<td>1,354,659</td>
<td>1,223,437</td>
<td>1,225,780</td>
<td>3,587,584</td>
<td>0.19%</td>
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<tr>
<td>RECOVERIES**</td>
<td>1,735,449</td>
<td>1,726,793</td>
<td>1,552,672</td>
<td>21,630,811</td>
<td>26,597,113</td>
<td>28,001,328</td>
<td>22.96%</td>
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<tr>
<td>Net Cost</td>
<td>4,972</td>
<td>5,121</td>
<td>5,275</td>
<td>5,433</td>
<td>5,596</td>
<td>3.00%</td>
<td>3.00%</td>
</tr>
<tr>
<td>UA defined contribution per employee</td>
<td>5,464</td>
<td>5,378</td>
<td>5,309</td>
<td>5,939</td>
<td>6,636</td>
<td>7,054</td>
<td>11.73%</td>
</tr>
<tr>
<td>CLAIMS</td>
<td>2,234</td>
<td>2,156</td>
<td>2,170</td>
<td>2,464</td>
<td>2,765</td>
<td>12.22%</td>
<td>11.45%</td>
</tr>
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</tr>
</tbody>
</table>

Prescription drug-covered expense increased 30%.

Rx cost per enrollee increased 22.3%.

“A dialogue has begun and will continue with all the university’s constituency groups,” Jacobs said. “On the Move will be one of many communication mechanisms for ‘getting the word out’ on how we are collectively addressing this issue.”
**Transitions**

**UA Honors Four for Outstanding Service to Students**

Four staff employees of the University of Alaska have won the university’s 2002 “Make Students Count” awards for their outstanding service to students.

University President Mark R. Hamilton, who started the awards in 1999 to recognize staff who have provided outstanding service to students from anywhere in the UA system, will present the awards on Tuesday, June 11, at the Board of Regents’ meeting on the Fairbanks campus.

This year’s winners are Cindy Marshall of UAA, Tonya Trabant of UAF, Roxy Felki of UAS, and Janet Johnson of Statewide Programs and Services.

Cindy Marshall has worked for UAA for many years. She has served as student advocate in the Office of the Vice Chancellor for Student Services, administrative assistant in the Student Development Department, administrative coordinator for the student union programs and services, and she currently serves as the student affairs manager for the UAA division of Student Affairs.

Tonya Trabant is the senior career counselor at the UAF Fairbanks campus. She is known and respected around campus for her dedication and enthusiasm in assisting students. That enthusiasm also earned her the Associated Students of UAF Outstanding Staff Person of the Year Award and the Dean’s Award for Outstanding Student Service Employee. Trabant also works with business and industry, and coordinates several employment fairs, successfully bringing students and potential employers together.

Roxy Felki, administrative assistant for Student Activities and Housing on the UAS Juneau campus for the past nine years, is well respected on her campus. She came to UAS at half the salary she was earning at BP because she saw the university as a place where she could make a difference in people’s lives. Her involvement in student life includes clubs, activities, student housing and community interaction.

Janet Johnson is the senior lead analyst programmer for the Banner Student Information System. The university’s ability to develop and deploy a wide array of electronic student services has been successful in large part because of Janet’s dedication to students throughout the system. She is relied upon for on-line registration, transcripts, grades, the fee payment gateway, and the UA-wide distributed education gateway, among other Banner user services. She has worked on the student information system for 27 years.

“All four of these outstanding employees were nominated by faculty, fellow staffers and students,” Hamilton said. “They do the kind of outstanding work that inspires students and enables the university to make good on its promises to constantly improve services for all its students. It’s a pleasure for me to honor them.”

**For Sale or Trade**

Send your items for sale or trade by e-mail to: bob.miller@alaska.edu

From Matthew Miranda vx5455
Same laptop, new low price.
Gateway Solo 9550, 1.13 Ghz Pentium 3, 512 mb Ram, 30 Gb hard drive, Geforce 2 32 mb Cd-RW/DVD drive, extra internal 20 Gb hard drive, extra Li-Ion battery (6 hours life) $1900 obo

From Jim Johnsen, 474-3617 (evenings) or 474-7391 (days):
1999 VW Passat, V6, 2.8 liter, 190 hp. Front wheel drive, heated leather seats, sunroof, AC, Cruise, ABS, Alloy wheels, Tiptronic transmission. One owner, excellent condition, 36,000 miles, new tires. $20,000 obo

From Betty Studebaker 479-4925
Like New -2 Herman Miller Task Chairs, Dove Grey color, tall, pneumatic stool with full foot ring, seat and foot ring have height adjustment. A great deal at $250 for pair.

From Alesia Willey at 457-1699; Suzuki GS250 Street Bike $2,000 obo

From Janet Jacobs 457-5700; Honda FR700 Rototiller. Very good condition, starts easy, works well. $700.

From Barb Stockwell, 474-6498; 1999 Royce Union Comp 1 Freestyle BMX Bike Chrome color $75 obo

From Collin Lichtenberger, 474-5411:
Two tickets to Hawaii leaving July 8th returning July 21st. Price for both is $750.

From Sarah M. Rittgers, 474-6280:
Responsible college student looking for a housesitting position. Experienced with references. E-mail Sarah, sarahmichelle@hotmail.com

From David Bunzow 479-2692:
1992 Mazda B-2200 2WD winterized P/U Truck, black with camper shell and pass thru windows, 84K miles; 4 new tires; 2 new rear studded tires. All major maintenance and repair records available. Very reliable vehicle in pretty good condition! Emissions sticker good to 1/04. Asking $2,950.

From Stephanie Held, 474-5069:
1999 Pontiac Grand Am, white, 4 door, 28K miles, power windows/locks, Am/Fm, cassette, 6 disc CD changer, Astro auto start, new Blizzak winter tires! Well taken care of, $10,900 obo.

From Brandi Berg, 474-7606:
Looking for a used kitchen Prof range, prefer the color almond.

**On the Move is Online**

Go to: www.alaska.edu/op/onthemove. Deadline for the next issue is Monday, June 17th by the end of the day.

**Marine Biology Prof Heads Faculty Alliance**

Dr. Brendan Kelly, associate professor of marine biology at UAS with a joint appointment with the UAF School of Fisheries and Ocean Sciences, has accepted the position of Faculty Alliance chair. His term of office will begin July 1, 2002, and continue until June 30, 2003.

Dr. Kelly earned his master’s degree at the University of Alaska Fairbanks, and his Ph.D. at Purdue University.

**Michelle Combellick** is the new coordinator for the Office of Dr. Craig Dorman, vice president for research. She was formerly an administrative assistant at the Institute of Arctic Biology at UAF.

Elizabeth Martinson, who has been a research technician for Institutional Research, assumed her new duties as the EPSCoR Research Associate on May 6. Elizabeth has been with the university for seven months.

**Tiptronic Transmission**

One of the many features of the Mazda is the Tiptronic Transmission. It allows the driver to select between automatic and manual modes. In automatic mode, the transmission shifts gears based on the vehicle’s speed and engine RPM. In manual mode, the driver can choose to shift gears using the tiptronic pedals or the gear lever. This feature gives the driver more control over the vehicle’s performance.

**Heated Leather Seats**

The Mazda B-2200 2WD winterized P/U Truck is equipped with heated leather seats, ensuring comfort even in cold weather conditions. This feature is particularly useful for drivers who spend long hours behind the wheel.

**Sunroof**

The Mazda B-2200 2WD winterized P/U Truck also has a sunroof, allowing natural light to enter the cabin and providing a refreshing change from the sun's direct rays.

**Am/Fm Cassette**

The Mazda B-2200 2WD winterized P/U Truck comes with an Am/Fm cassette radio, providing entertainment options for the driver and passengers.

**Power Windows/locks**

The Mazda B-2200 2WD winterized P/U Truck is equipped with power windows and locks, allowing for easy operation and security.

**GPS Navigation System**

The Mazda B-2200 2WD winterized P/U Truck includes a GPS navigation system, enabling the driver to navigate effectively and efficiently through different routes.

**Blizzak Winter Tires**

The Mazda B-2200 2WD winterized P/U Truck is equipped with Blizzak winter tires, ensuring reliable traction and safety on snowy and icy roads.

**UAwide Distributed Education Gateway**

The University of Alaska’s UAwide Distributed Education Gateway provides students with access to courses from anywhere in the state, making education accessible and convenient.

**Fee Payment Gateway**

The fee payment gateway enables students to easily and securely pay tuition and fees online, streamlining the payment process.

**Emotions Sticker**

The emissions sticker, valid to 1/04, indicates that the Mazda B-2200 2WD winterized P/U Truck meets the required emissions standards, ensuring that it operates within environmental guidelines.

**Student Information System**

The student information system is a centralized database that allows students to access important academic records such as transcripts and grades, facilitating academic management.

**On-line Registration**

The on-line registration system enables students to register for courses, view schedules, and make payment arrangements, providing flexibility and convenience.

**Promotional Code**

Dove Grey color: A popular choice, Dove Grey color reflects a sense of elegance and sophisticated style, making the Mazda B-2200 2WD winterized P/U Truck stand out.

**Color Choice**

Black color: A classic choice, black color conveys a sense of durability and strength, suitable for the Mazda B-2200 2WD winterized P/U Truck’s robust design.

**Power Windows/locks**

The Mazda B-2200 2WD winterized P/U Truck is equipped with power windows and locks, ensuring an added layer of security and convenience.

**GPS Navigation System**

The Mazda B-2200 2WD winterized P/U Truck includes a GPS navigation system, providing guidance and assistance in navigation.

**Power Windows/locks**

The Mazda B-2200 2WD winterized P/U Truck is equipped with power windows and locks, ensuring an enhanced level of security and convenience for the users.