

# As costs rise some reduce insurance

By CINDY STEVENSON

With his hand heavily bandaged, Anthony Murrell mowed the university lawn yesterday — his first day back since he burned himself in mid-July.

The light equipment operator said he was glad he was covered by an insurance plan through Western.

"The insurance really came in handy for me," said Murrell, who burned a hand and a foot on hot grease at home. "An accident of any kind can happen."

Murrell said that although he is disturbed about health insurance rate increases for full-time employees, he will continue to get his insurance through Western.

"I need all the money I can get to raise my family," Murrell said. But "I'm going to keep the insurance no matter how much it goes up."

Western pays single health insurance rates for all full-time university employees — \$95 a month, the same amount as last year.

## FOR CLASSROOM USE ONLY

Copying of this material by Western Kentucky University paid from state funds KRS 57.375

# Some employees cut insurance

Continued from Page One

Family plans are an extra expense, and since rates increased this summer, some employees have dropped family coverage, said Harry Largen, vice president for Business Affairs.

But Largen said that for many dropping the policy is not an option "because most families feel they need medical insurance."

Largen said Blue Cross and Blue Shield raised insurance rates for full-time Western employees partly because they spent more in benefits last year than the university and its employees paid for coverage.

But employee expenses aren't the only reason costs have gone up, he said. "Medical costs continue to increase faster than the rate of inflation for other goods and services."

Western took bids from two other insurance companies, but Blue Cross

and Blue Shield's offer was the lowest.

However, some university employees said the increase will be noticeable.

"Many faculty members and staff are really concerned," said Dr. Carol Crowe-Carraco, a history professor. "When we get a 2 percent raise and our insurance goes up something like 47 percent, it does make a difference in one's paycheck."

For some employees, the increase exceeded the 2.4 percent salary increase given to all employees for the 1988-89 school year, Largen said.

"We were concerned about that," he said, "but found ourselves in a position where we couldn't do much about it."

Last year, Western paid Blue Cross and Blue Shield about \$1.4 million, Largen said, and Blue Cross paid out \$1.9 million in benefits.

But the insurance company came

out ahead for the past five years, Largen said.

Three major plans are available through the university and Blue Cross and Blue Shield: the traditional plan, the health maintenance organization (HMO) and the comprehensive medical plan.

Under the traditional plan, the cost of family coverage is up from \$148 a year last year to \$226 this year. Employees subscribing to this plan will now have a \$131 payroll deduction after the university pays the basic \$95. Last year the deduction was \$53.

A single-rate plan under the HMO has increased from \$95 to \$135, for a payroll deduction of \$40; and a family plan has increased from \$190 to \$230, for a deduction of \$135 instead of \$95. The new comprehensive plan is available at a \$95 single rate and a \$194 family rate. The family rate requires a deduction of \$99.