

# Family health costs grow

## Premiums rise faster than pay

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Family health-care premiums rose more than three times faster than the salaries for Louisiana workers from 2000 to 2007, according to a report from Families USA, a Washington, D.C.-based consumer health group.

With premiums growing 3.3 times higher than wages, Louisiana is doing better than some states. Michigan's premiums, for example, grew 17 times faster and Arkansas by close to six times.

But if Louisiana's median earnings don't continue to increase, the ratio will grow more lopsided, said David Lemmon, Families USA spokesman.

"The very best place in the country was Washington, D.C., where it was 2.1 times higher in terms of premium growth compared to earnings," Lemmon said. "To the average person, that's not good. How is that sustainable?"

Lemmon said median earnings for Louisiana workers rose by 22.9 percent over the eight-year period, from \$20,467 to \$25,147.

Meanwhile, annual family health premiums provided through the workplace rose 75.3 percent, from \$6,536 to \$11,455.

Half of the workers earn

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more than the median and half earn less.

The increase in Louisiana's median earnings was well above the national average of 14.5 percent, Lemmon said, and that faster growth helped reduce the ratio of premiums to pay. But it's still not a good picture, he added.

Dan Juneau, president of the Louisiana Association of Business and Industry, said the study is another indication of how difficult it is for individuals and businesses to afford health insurance, in Louisiana and nationwide. "Unfortunately, too many government policies continue to drive health care and health insurance costs up, not down," Juneau said.

Juneau said the solution to the health-care crisis won't come from the government, which is a leading contributor to the problems that already exist.

The Families USA report also shows that:

- From 2000-07, employers' portion of family health premiums rose from \$4,686 to \$8,236, an increase of \$3,550, or 75.7 percent.

- Worker's portion of those premiums jumped from \$1,850 to \$3,219, an increase of \$1,369, or 74 percent.

- For individual coverage, the employer's portion of annual premiums rose from \$2,164 to \$3,376, an increase of \$1,212, or 56 percent.

- A worker's portion of those annual premiums rose from \$434 to \$802, an increase of \$368, or 84.9 percent.

The report also shows that insurance premiums rose disproportionately despite workers receiving lower benefits and/or higher deductibles, co-payments and co-insurance.

The result: Louisiana families pay more for health insurance but receive less coverage, the report says. Higher health costs and slow wage growth are increasing the number of Louisiana families without insurance or without enough insurance.

The pace of cost increases also increases the number of people forced into debt to pay medical bills, the report says.