



Employer Healthcare Costs Jump 7.3% in 2009, According to Thomson Reuters Study

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ANN ARBOR, Mich., March 22, 2010 /PRNewswire via COMTEX/ -- Average healthcare costs for U.S. employers increased 7.3 percent in 2009, according to study published today by Thomson Reuters. The year-over-year increase topped the 2008 rate of 6.1 percent and occurred in a year when the U.S. inflation rate was negative.

The study analyzed insurance claims data for 144 small, medium-sized, and large companies that provided health benefits to 9.5 million individuals from 2007-2009. Data for the study was derived from the Thomson Reuters MarketScan(R) Commercial Claims and Expenditures Database.

Key findings:

- **Employer Costs Outpace Overall Healthcare Spending:** Average healthcare costs for employers in the study rose 7.3 percent in 2009 while overall U.S. healthcare spending (which includes Medicare, Medicaid, and other payers) grew at a more modest 4.8 percent, according to National Health Expenditures data from the Center for Medicare and Medicaid Services Office of the Actuary.
- **Smaller Employers Hit the Hardest:** Among small employers (less than 5,000 employees), healthcare costs increased 9.8 percent in 2009, nearly double the 5 percent rate seen in 2008. Medium-sized employers (5,000 to 50,000 employees) saw cost increases accelerate from 6.5 percent in 2008 to 10 percent in 2009. Among large companies (more than 50,000 employees) costs rose 5 percent in 2009 -- a decrease from the 5.8 percent recorded in 2008.

"In a year when inflation was non-existent, employer healthcare costs continued to surge," said Chris Justice, author of the report and director of practice leadership for the Healthcare & Science business of Thomson Reuters. "This analysis puts the real-world healthcare challenges facing employers into perspective. These cost increases have come at a particularly difficult time for U.S. companies."

A copy of the study is available here: http://factsforhealthcare.com/management/Assets/EmployerNormsBook0210_2.pdf

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