

HEALTH CARE

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Health Care: News and Information is a service of the Healthcare Leadership Council (HLC) to help our readers stay fully informed about the latest health care issues as we work to advance a high-quality health care system.

Jim Edwards, Editor

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Health Care Costs Tempered in 2007

Health premiums through employers rose at the lowest rate in a decade this year.

- The Kaiser Family Foundation released its annual survey of health inflation this week.
- Health costs, though still rising faster than wages and prices in general, went up just 6.1 percent in 2007.
- This indicates that employer-sponsored health coverage remains a pretty decent check on health inflation. Employers are able to negotiate better deals for their workers than individuals might achieve on their own.

Most Americans with health coverage continue to get it through the workplace. That segment remained steady in this latest report.

- About three out of five employers offer their workers health benefits.
- Nearly all companies with 200 or more workers provide health coverage. Less than half of the smallest businesses, with three to nine employees, makes health benefits available.

Health cost stability is a positive sign. It could help put coverage within reach of more American workers and businesses. And workers still have greater choice of health coverage options.

- Health premium inflation of 6.1 percent this year compares with a 7.7 percent increase in health premiums in 2006.
- This year's figure marks the smallest yearly increase since 1999. Health premiums rose just 5.3 percent that year.
- The average annual premium for a family's health coverage this year is \$12,106.
- Fifty-seven percent of workers choose the employer-sponsored health plan design known as preferred-provider organizations.

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This Kaiser survey could mean movement toward more preventive care and consumer

involvement in health decisions.

- Most employer-sponsored PPOs now cover preventive benefits, such as immunizations and mammograms, without charge to the employee.
- Three-quarters of employees with health benefits have drug coverage. Average out-of-pocket drug costs run \$25 for approved name-brand medicines, \$11 for generics and \$43 for brand-name drugs not on a health plan's preferred list.
- Five percent of all workers with health benefits, or 3.8 million people, have the relatively new health savings account, or HSA. That's up one percentage point from the previous year. About a fifth of big businesses offer some kind of HSA.

While taming health inflation still has a ways to go, the latest figures show a degree of stability. Constrained health inflation can only help more employers to offer health benefits and more workers to take up the offered benefit for themselves and their families. We have a health care market that can do a lot, with consumer choice and competition making the difference, if the government doesn't get too heavy-handed.

The Healthcare Leadership Council, representing the innovators in each sector of the health care industry, is committed to advancing a market-based health care system that values innovation and provides affordable, high-quality care.

HLC field directors:

Steve Knuth (651) 225-8449
(IA, IL, IN, MI, MN, WI)

Darren Katz (404) 885-9351
(AL, FL, GA, SC)

Paul Pearson (405) 488-0541
(AZ, CO, KS, NE, NM, OK, TX, UT)

Brad Crone (919) 834-8994
(KY, MD, NC, TN, VA, WV)

Larry Krutchik (818) 728-3355
(CA, ID, MT, NV, OR, WA)

Brian Feldman (404) 885-1723
(AR, CT, LA, MA, MO, MS, NY, RI)

Tom Maher (603) 228-3342
(DE, ME, NH, NJ, OH, PA, VT)

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**Healthcare Leadership Council
1001 Pennsylvania Avenue, Suite 550 South
Washington, DC 20004
(202) 452-8700
www.hlc.org**