

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

March 22, 2010

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

About Thomson Reuters

Thomson Reuters is the world's leading source of intelligent information for businesses and professionals. We combine industry expertise with innovative technology to deliver critical information to leading decision makers in the financial, legal, tax and accounting, healthcare and science and media markets, powered by the world's most trusted news organization. With headquarters in New York and major operations in London and Eagan, Minnesota, Thomson Reuters employs more than 50,000 people and operates in over 100 countries. Thomson Reuters shares are listed on the Toronto Stock Exchange (TSX: TRI) and New York Stock Exchange (NYSE: TRI). For more information, go to www.thomsonreuters.com.

SOURCE Thomson Reuters