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### **U.S. Employers Expect Steady Rise In Health Costs**

WASHINGTON, Feb 19 (Reuters) - U.S. employers expect increases in health care costs will stay at a steady 6 percent this year, twice the rate of inflation, according to a survey published on Thursday.

The survey of 489 large U.S. employers also showed that more plan to offer consumer-directed health plans in 2010 to try to control cost increases.

"Cost increases have stabilized, but the financial crisis is causing many companies to reevaluate their health plan strategies," said Ted Nussbaum, group and health care practice expert at consultants Watson Wyatt, which helped conduct the survey.

Watson Wyatt and the National Business Group on Health found that 51 percent of companies now offer workers a consumer-directed health plan, up from 47 percent in 2008.

These plans invite workers to choose insurance services with a menu that usually also makes costs clear.

An estimated 160 million Americans -- nearly half of the population -- get their health insurance through employers. An estimated 46 million Americans have no health insurance.

"Given the current economic climate, high costs are clearly top of mind for workers and their employers," said Helen Darling, president of the National Business Group on Health.

Yet the survey found that 86 percent of employers have no plans to cancel or delay insurance programs.

Darling said offering preventive services can help.

"By promoting healthy habits for workers, companies can mitigate cost pressures and build a healthier, more productive work force," she said.

The survey found that 30 percent of employers had changed health care strategies and another 30 percent planned to do so in 2009.

The average employer spent \$7,173 per employee for health care in 2008 and paid an average of

20 percent of total medical premium costs for workers in 2008.

A second report released on Thursday projected that 14,000 Americans were losing employer-sponsored health insurance benefits every day because of layoffs.

The Center for American Progress used Urban Institute data that showed a 1 percentage point rise in the national unemployment rate causes 2.4 million people to lose employer-sponsored health coverage.

Of these, the think tank said, 1 million people turn to Medicaid or the State Children's Health Insurance Program and 1.1 million end up uninsured.

Data released on Thursday showed U.S. jobless numbers rose to a record high in early February of 4.99 million people, an unemployment rate of 3.7 percent. (Reporting by Maggie Fox; Editing by John O'Callaghan)

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