

bailey benefit *news*

This update is sent periodically to keep you informed of employee benefit plan issues that may impact your organization.



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The annual Milliman Medical Index (MMI) reports the total annual medical spending for a typical American family of four covered by an employer-sponsored PPO program. The MMI looks at key components of medical costs and charts the changes in these components over time, including cost changes to employers and employees. The 2010 MMI provides a reminder that healthcare costs continue to increase at rates exceeding wages and the Consumer Price Index (CPI).

Facts that you will find in the Milliman Medical Index:

- The total annual medical cost for a typical American family of four is \$18,074. Compared to the 2009 amount of \$16,771, that is an increase of 7.8%.
- The 2009 to 2010 hospital inpatient annual rate of increase grew from 7.7% to 9.8%.
- Hospital outpatient care is the area of highest growth for the second year in a row.
- Over the past year, the total cost increase in the MMI was higher for employers than employees. Employer subsidies have increased about \$797 annually while the employees have seen increases of about \$506 annually. This includes an annual increase of \$321 for employee contributions and \$185 for employee out-of-pocket costs.

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513-579-9800

www.baileyandco.com