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Health Care Costs Increase at Double Digit Rates: Buck Consultants Survey

NEW YORK: Jan. 28, 2010 – Costs for the most popular types of health care coverage are projected to increase at double-digit rates for 2010, according to a national survey of insurers and administrators by [Buck Consultants](#), an [ACS](#) company.

In its 21st [National Health Care Trend](#) survey, Buck Consultants measured the projected average annual increase in employer-provided health care benefit costs. The study analyzed responses from over 100 health insurers and HMOs. Insurers providing medical trends for the survey cover a total of approximately 78 million people.

Costs for the most popular medical plans are projected to increase by more than 10 percent and are in line with the trends reported in the prior two surveys, as shown in the following chart:

Type of Plan	Buck's National Health Care Trend		
	<u>21st Survey</u>	<u>20th Survey</u>	<u>19th Survey</u>
Preferred Provider Organization (PPO)	11.1%	11.0%	11.1%
Point-of-service (POS)	10.9	10.2	10.8
Health Maintenance Organization (HMO)	10.3	11.0	11.1
High Deductible Consumer Driven	10.3	10.4	10.7

Health insurers reported an average prescription drug trend of 10.9 percent, up 0.1 percent from the 10.8 percent reported in the prior survey.

For plans that supplement Medicare, health insurers reported a projected increase of 5.8 percent excluding prescription drug coverage, down from 7.4 percent in the prior survey. This lower trend reflects the impact of federal controls on Medicare fees and the lower increases expected in Medicare deductibles and copays.

The survey also reported trend factors for dental and vision plans.

“Health insurers are concerned about higher costs due to federal mental health parity, as well as an increase in COBRA enrollment,” said Harvey Sobel, FSA, a Buck principal and consulting actuary who directed the survey. “There is also uncertainty due to health care reform and its impact on all sectors of the health care industry.”

Health insurers use trend factors to calculate premium rates, and large self-funded employers use these trend factors to budget their future health care costs. In general, trend factors provide for price increases that may result from such variables as inflation, utilization of services, technology, changes in the mix of services, and mandated benefits.

Buck Consultants, an ACS company, is a leader in [human resource](#) and [benefits consulting](#) with more than 1,500 professionals worldwide. Founded in 1916 to advise clients in establishing and funding some of the nation's first public and private retirement programs, Buck is an innovator in the areas of retirement benefits, health and welfare programs, human capital management, compensation, and employee communication. News and other information about Buck Consultants are available at www.buckconsultants.com. Buck is an independent subsidiary of [Affiliated Computer Services, Inc.](#)

ACS, a global FORTUNE 500 company with approximately 78,000 people supporting client operations reaching more than 100 countries, provides business process outsourcing and information technology solutions to world-class commercial and government clients. The company's Class A common stock trades on the New York Stock Exchange under the symbol "ACS." Learn more about ACS at www.acs-inc.com.

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Buck's 21st "National Health Care Trend survey" is available at no cost to the media by contacting Ed Gadowski at 201.902.2825. It is available to other interested parties for \$100 from Buck's Global Survey Resources, 500 Plaza Drive, Secaucus, NJ, 07096-1533. Telephone 800.887.0509. It also can be ordered online at www.bucksurveys.com.

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