Health Benefit Cost Trends in 2015: Expect More Variation

Health benefit plan cost trend rates for 2015 are forecast to drop slightly for some coverage, but increase substantially for prescription drug coverage.

Open-access preferred provider organization (PPO) and point-of-service (POS) plans show a marginal decline.

7.9% → 7.8%

Health maintenance organizations (HMOs) are forecast to see a 1 percentage-point drop from 2014 projections.

7.2% → 6.2%

The trend for Medicare Advantage HMOs is forecast to be higher.

3.3% → 3.9%

Typically, less than 1 percent of all prescriptions dispensed are specialty drugs*… these drugs now account for more than 25 percent of total prescription drug cost trends.

Prescription drug carve-out coverage is projected to jump substantially for both actives and retirees under 65 and retirees 65 and older.

6.3% → 8.6%

5.7% → 7.5%

Actives and Retirees Under Age 65

Retirees Age 65 and Older

The survey looked for regional variations in trend rates. Projected 2015 trend rates for PPOs and POS plans combined show a wide range by region.

6.6% 9.2% 6.6% 7.9%

This is just a sampling of key findings from the 2015 Segal Health Plan Cost Trend Survey. The data was compiled by Segal via a survey of approximately 85 managed care organizations, health insurers, pharmacy benefit managers and third-party administrators.

Read the full report here: www.segalco.com/publications/surveysandstudies/2015trendsurvey.pdf

For assistance with health care cost management strategies, contact your Segal consultant, or the nearest Segal office from the list on on www.segalco.com.

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* 2013 Express Scripts Drug Trend Report