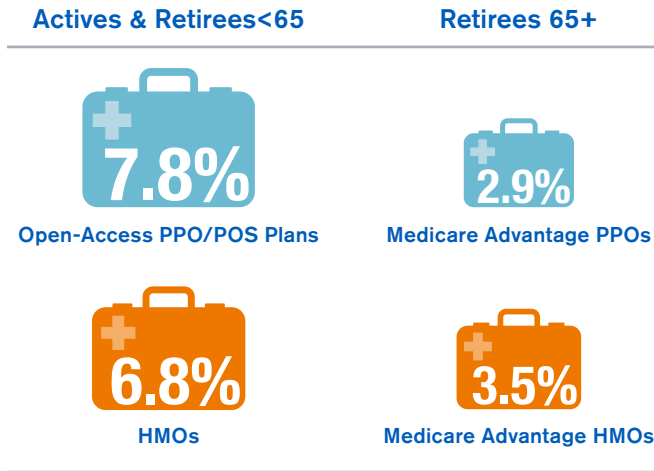
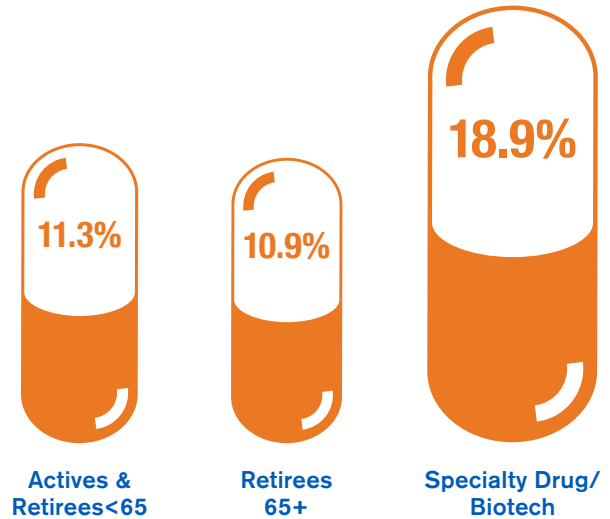


Health Benefit Cost Trends in 2016: Key Findings




Medical plan types for actives and retirees under age 65 are projected to have significantly higher trend rates in 2016 than plans for retirees aged 65 and older.

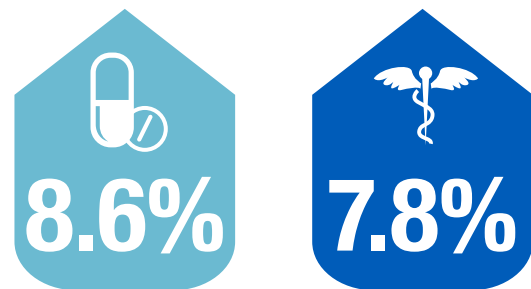


Prescription drug trends are projected to increase substantially for 2016, into the double digits for all types.



Price inflation is the overwhelming driver of trend increases. Prescription drug price inflation trend rates are projected to be seven times higher than the increase in utilization. Price inflation trend increases also outpace utilization for hospitals and physicians.

	Price Inflation	Utilization
	9.8%	1.4%
	6.8%	1.4%
	3.5%	2.0%



As noted in prior surveys, **prescription drug carve-out plans and open access PPO/POS health plan** trend increases outpace wage increases. In 2015, the gap reached more than three times the wage rate.



These are just a few of key findings from the 2016 *Segal Health Plan Cost Trend Survey*. The data was compiled by Segal via a survey of 100 managed care organizations, health insurers, pharmacy benefit managers and third-party administrators. [Read the report of the survey results.](#)

For assistance with health care cost-management strategies, contact your Segal consultant or one of the experts: Edward A. Kaplan at 212.251.5212 or ekaplan@segalco.com, Eileen Flick at 212.251.5120 or eflick@segalco.com, or Rick Johnson at 202.833.6470 or rjohnson@segalco.com.