

## Survey indicates healthcare costs may rise over 10 percent into next year.

The [AP](#) (8/11, Murphy) reported that "[h]ealthcare costs are expected to rise more than 10 percent into next year, according to a survey of insurers by Aon Consulting Worldwide." But, the "increase is the smallest Aon has seen in six years." After surveying "70 health insurers around the country, including companies such as Aetna Inc. and Cigna Corp.," Aon Consulting "found that actuaries expect costs to rise an average of 10.6 percent during 12-month rating periods starting this year between April and September." Last year's forecast predicted a 10.9 percent increase, and in 2002, "healthcare costs were expected to rise by more than 16 percent." Yet, Aon Consulting experts note that "actual cost increases have wound up being three to four percentage points lower than preliminary estimates in the past couple of years." The consulting firm attributes "growing patient demand for services, the needs of an aging population, and prescription drug and technology costs" to the rise in costs. In fact, the "decline has grown smaller the past few years, [which is] a sign the reductions may be bottoming out."

The study's findings "mirror a similar study released late last month by PricewaterhouseCoopers (PwC), which estimated a nearly 10 percent increase in health costs for next year," the [San Francisco Chronicle](#) (8/11, D1, Colliver) reported on the front page of its Business section. The study also found "that the percentage rate of increases has diminished each year since 2003, and attributed some of the deceleration to similar cost-saving programs, including those that encourage people to select generics over brand-name drugs." PwC also "determined [that] cost shifting from the uninsured, in addition to underpayments from government programs such as Medicaid and Medicare, will account for nearly one in every four dollars spent by private payers in 2009."