



## NEWS



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### Steady Increase in Benefit Costs Nationally, 2000 to 2008

According to a March 2010 report published by the University of Minnesota for the Robert Wood Johnson Foundation, single and family benefit costs from 2000 to 2008 have increased at a rate of nearly double. The report, "Barely Hanging On: Middle-Class and Uninsured - A State-by-State Analysis" illustrates each state's average single and family benefit cost for 1999/2000 versus 2008.

The results reveal a startling picture of sharp and steady increases across the nation. Only Alaska, Idaho and South Dakota saw change less than 30% for family coverage. Indiana had the sharpest change in family costs at 74% while even Massachusetts - a state where substantial health insurance reform was implemented during the time frame reported - realized more than a 60% increase in family costs. New Jersey realized a 44% increase in family costs, while New York and Pennsylvania were at 53% and 56% respectively. [Click here](#) for the state-by-state analysis.

During this time, most employers providing benefits did not see revenues and profits grow at the same rate as the increase in costs of benefits. Plus, these changes easily eclipsed most other metrics for changes in goods and services consumed or provided by employers to their workforce. With national health insurance reform not offering any immediate relief on costs, this study further validates the need for diligent and focused management by employers to rein in the growing costs of benefits. Techniques like health and wellness plans, chronic condition and disease management programs, consumer-directed plan offerings, value-based plan designs, and additional automation are becoming increasingly more important for employers. Mere cost shifting efforts offer only short-term relief to a complex issue that needs constant attention.

Conner Strong regularly works with customers to implement needed strategies and approaches to rein in the growing costs of benefits, while still allowing clients to offer high quality coverage to attract and retain top talent. **If you have questions, please contact your Conner Strong account representative toll-free at 1-877-861-3220**

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