

What Is Driving Increases in Health Care Premiums?

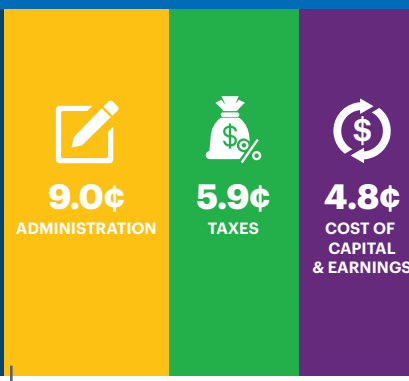
Over 80 cents of each health insurance premium dollar is dedicated to medical spending, which pays directly for health care benefits for members and their families.¹ Increases in the cost of these benefits – notably prescription drugs and outpatient services – are driving premium increases. Importantly, federal, state, and local taxes account for a substantial and growing share of health insurance premiums.

The Health Insurance Premium Dollar



80.3¢
Medical Spending
(HEALTH CARE BENEFITS)

23.9¢ OUTPATIENT SERVICES
18.4¢ HOSPITAL INPATIENT SERVICES
16.8¢ PHYSICIAN SERVICES
16.5¢ PRESCRIPTION DRUGS
4.7¢ OTHER



Non-Medical Spending

Prescription Drugs and Outpatient Services are Driving Health Insurance Premium Increases

Between 2013 and 2018, the cost of health care benefits grew by an annual average of 5.5 percent.



OUTPATIENT SERVICES

Driven largely by the rising cost of hospital emergency department visits and outpatient surgeries

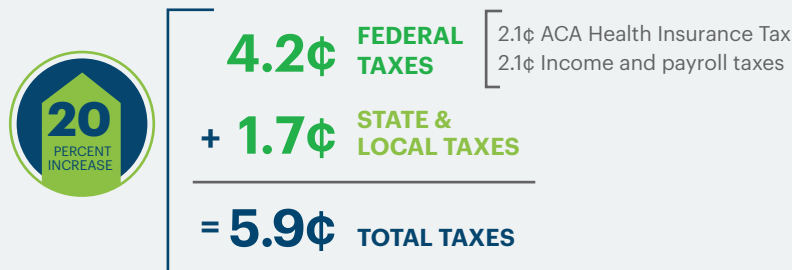


PRESCRIPTION DRUGS

Driven largely by the rising cost of specialty medications

The Growing Impact of Taxes on Health Insurance Premiums

In 2018, taxes accounted for 5.9 cents of each premium dollar, 30 percent of all non-medical spending. **Taxes increased nearly 20 percent from 2017 to 2018, due to the reinstatement of the Health Insurance Tax.**



An annual family premium of \$18,000 included over
\$1,000 IN TAXES.

For a business covering 1,000 workers and their families, \$18 million in premiums included over
\$1 MILLION IN TAXES.