

Annual Growth Rates Accelerate in January 2013 According to the S&P Healthcare Economic Indices

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NEW YORK, March 21, 2013 /[PRNewswire](#)/ -- Data released today by S&P Dow Jones Indices for the S&P Healthcare Economic Composite Index indicates that the average per capita cost of healthcare services covered by commercial insurance and Medicare programs increased by 3.83% over the 12-months ending January 2013. This is an acceleration from the +3.72% annual growth rate recorded in December 2012.

Eight of the nine S&P Healthcare Economic Indices showed increased annual growth rates in January 2013. As measured by the S&P Healthcare Economic Commercial Index, healthcare costs covered by commercial insurance plans increased by 5.41% in January, up from +5.38% reported for December. Annual growth rates in Medicare claim costs rose by 1.41%, according to the S&P Healthcare Economic Medicare Index, up from +1.19% recorded in December.

The Professional Services Index annual growth rate was +4.98% in January 2013, up from the +4.77% December print. The Professional Services Commercial Index accelerated to +7.58% in January, up from +7.33% reported in December. The Professional Services Medicare annual growth rate was +0.03% in January, up from -0.12% posted in December.

The Hospital Index's growth rate was +2.58% in January, up from +2.55% recorded in December. It was driven by the Hospital Medicare Index, which posted a +2.17% annual rate in January and +1.91% last month. The Hospital Commercial annual growth rate hit its historic low of +2.86% in January, it posted +3.00% in December.

"In January 2013 eight of the nine headline healthcare indices we publish showed acceleration in their annual growth rates," says David M. Blitzer, Chairman of the Index Committee at S&P Dow Jones Indices. While eight of the nine key components increased, the increases were small to moderate.

"The Composite Index posted an annual rate of +3.83%, the Commercial Index +5.41% and the Medicare Index +1.41%. In January, four of the nine healthcare indices ticked up from their historic lows posted in December. They were the Composite Index, the Medicare Index, the Professional Services Medicare Index and the Hospital Index. The Commercial Index at +5.41% went 0.03 percentage points above its recent low posted in December. The only index that decelerated in January was the Hospital Commercial; it posted a historic low of +2.86%.

"The Professional Services Medicare posted +0.03% in January, 0.15 percentage points up from its December rate. It has the lowest annual growth rate among our healthcare indices. The Professional Services

Commercial Index was +7.58% this month, 0.25 percentage points up from its December rate. It remains the highest index among healthcare indices we cover."

The S&P Healthcare Economic Indices estimate the per capita change in revenues accrued each month by hospital and professional services facilities for services provided to patients covered under traditional Medicare and commercial health insurance programs in the U.S. The annual growth rates are determined by calculating a percent change of the 12-month moving averages of the monthly index levels versus the same month of the prior year.

The S&P Healthcare Economic Composite Index is a weighted average of the S&P Healthcare Economic Commercial Index and the S&P Healthcare Economic Medicare Index. Alternatively, it is a weighted average of the S&P Healthcare Economic Hospital Index and the S&P Healthcare Economic Professional Services Index, as each of these indices has the analogous Commercial and Medicare component.

The table below summarizes the year-over-year change in the S&P Healthcare Economic Indices for the 12-month period ending January 2013. With each monthly release, the index levels, including the 12-month moving averages, are recalculated for the full history of the indices, whenever there are revisions to underlying data used in the models. The entire revised history, as well as full results for the underlying S&P Healthcare Economic Indices, is available from S&P Dow Jones Indices as a subscription service.

S&P Healthcare Economic Indices
(12-Month Moving Average)

Index	1-Year Change (%)
S&P Healthcare Economic Composite Index	3.83%
S&P Healthcare Economic Medicare Index	1.41%
S&P Healthcare Economic Commercial Index	5.41%
S&P Healthcare Economic Hospital Index	2.58%
S&P Healthcare Economic Hospital Medicare Index	2.17%
S&P Healthcare Economic Hospital Commercial Index	2.86%
S&P Healthcare Economic Professional Services Index	4.98%
S&P Healthcare Economic Professional Services Medicare Index	0.03%
S&P Healthcare Economic Professional Services Commercial Index	7.58%

Source: S&P Dow Jones Indices

Data through January 2013

As observed in the past, medical costs funded by commercial insurance plans significantly exceed those funded by Medicare.

The S&P Healthcare Economic Indices were developed in consultation with Health Index Advisors, a joint venture between Aon Hewitt and Milliman, Inc., and were derived from the former Milliman, Inc. Health Cost Index™ which was first published in 1987. The complete methodology, fact sheet and supporting research for the S&P Healthcare Economic Indices are available at <http://www.spindices.com/index-family/specialty/healthcare-cost>

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For more information:

Dave Guarino
Communications
S&P Dow Jones Indices
dave_guarino@spdji.com
212-438-1471

David Blitzer
Managing Director and Chairman of the Index Committee
S&P Dow Jones Indices
david_blitzer@spdji.com
212-438-3907

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