

# Annual Growth Rates Decelerate in February 2013 According to the S&P Healthcare Economic Indices

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NEW YORK, April 18, 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 3.10% over the 12-months ending February 2013, slower than the +3.82% annual growth rate recorded in January.

All nine of S&P Healthcare Economic Indices showed slower annual growth rates for February 2013 compared to January 2013. As measured by the S&P Healthcare Economic Commercial Index, healthcare costs covered by commercial insurance plans rose by 4.62% in February, down from +5.41% reported for January. Annual growth rates in Medicare claim costs increased by 0.78%, according to the S&P Healthcare Economic Medicare Index, down from +1.40% recorded last month.

The Professional Services Index annual growth rate was +4.19% in February 2013, down from the +5.00% January print. The Professional Services Commercial Index decelerated to +6.86% in February, down from +7.61% reported in January. The Professional Services Medicare annual growth rate set a new low of -0.87% in February, down from +0.02% posted in January.

The Hospital Index's growth rate was +1.92% in February, down from +2.55% recorded in January. The Hospital Medicare Index posted a +1.73% annual rate in February, down from +2.17% recorded last month. The Hospital Commercial annual growth rate hit its historic low of +2.02% in February; it posted +2.81% in January.

"In February 2013 all the nine headline healthcare indices grew more slowly than in January," says David M. Blitzer, Chairman of the Index Committee at S&P Dow Jones Indices. "Moreover, the difference between the Composite Index at 3.10% and the general rate of inflation measured by the CPI was less than two percentage points. Medicare cost increases were slower than the general rate of inflation.

"Five of the nine healthcare indices hit new lows in February compared to any time since January 2005. They were the Composite Index, the Medicare Index, the Professional Services Medicare Index, the Hospital Index and the Hospital Commercial Index.

"The Professional Services Index went down by 81 basis points posting +4.19% in February. The Hospital index decreased by 63 basis points; it was +1.73% this month.

"The Professional Services Medicare Index posted -0.87%, 89 basis points down from the last month. It has

the lowest annual growth rate among our healthcare indices. The Professional Services Commercial Index was +6.86% this month, 75 basis points down from its January rate. It remained 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 February 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	3.10%
S&P Healthcare Economic Medicare Index	0.78%
S&P Healthcare Economic Commercial Index	4.62%
S&P Healthcare Economic Hospital Index	1.92%
S&P Healthcare Economic Hospital Medicare Index	1.73%
S&P Healthcare Economic Hospital Commercial Index	2.02%
S&P Healthcare Economic Professional Services Index	4.19%
S&P Healthcare Economic Professional Services Medicare Index	-0.87%
S&P Healthcare Economic Professional Services Commercial Index	6.86%

*Source: S&P Dow Jones Indices*

*Data through February 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>

### **About S&P Dow Jones Indices**

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