




Healthcare Spending Index

For Employer-Sponsored Insurance

Quarterly Report

December 2015

Truven Health Analytics™ Healthcare Spending Index: Employer-Sponsored Insurance (HSI-ESI™) offers the following figures and tables that track annual per capita spending among individuals who are enrolled in employer-sponsored healthcare plans:

-  By Age Group
-  By Setting
-  By Provider Type

The Quarterly Reports focus on quarterly rates of change for the most recent quarters in the Index. Index values for these tables going back to the inception of the HSI-ESI in 2002 are included in the Appendix.

Observations from the December 2015 HSI-ESI:

- Spending growth was higher at the beginning (Q1) of 2015 than in subsequent quarters.
- Figure 1a shows that spending growth is very nearly the same for children and adults under 65. Figure 1b shows the stable differences in the level of spending for those age 0-17, 18-44 or 45-64.
- Annual spending for prescription drugs reached \$1,165 in 2015Q3, closely approaching annual per capita inpatient spend which was at \$1,239 (Figure 2b). In recent quarters, prescription drug spending grew more rapidly while spending on inpatient services declined in 5 of the most recent 12 quarters (Figure 2a) narrowing the gap in the level of spending.
- Hospital spending is a combination of inpatient services provided by the facility and outpatient hospital services. Annual hospital spending is \$2,563 per member per year (Figure 3b) and grew 0.9 percent in the most recent quarter, much less than the 2.5 percent growth rate for prescription drugs (Figure 3a).

Figure 1a: Annual Per Capita Spending by Age – Quarterly Rate of Change, Recent Quarters**

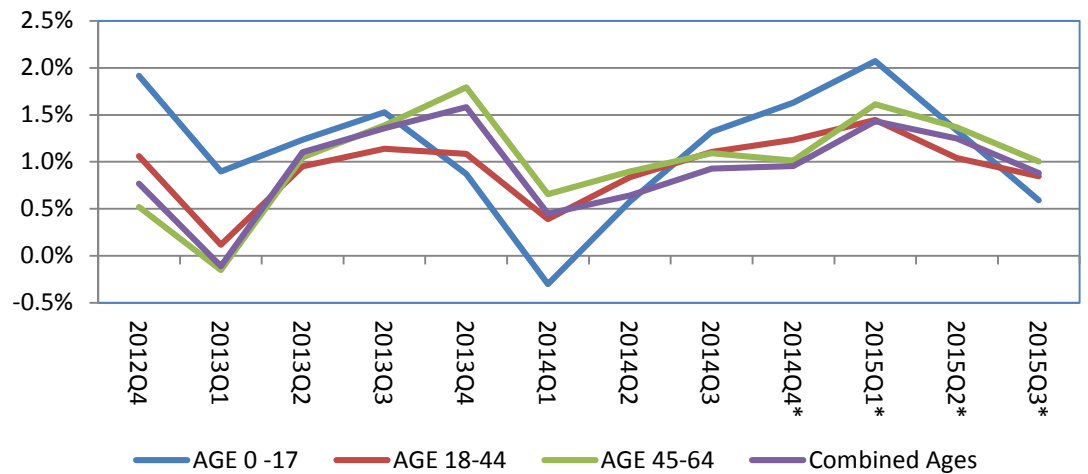


Figure 1b: Annual Per Capita Spending by Age – Recent Quarters**

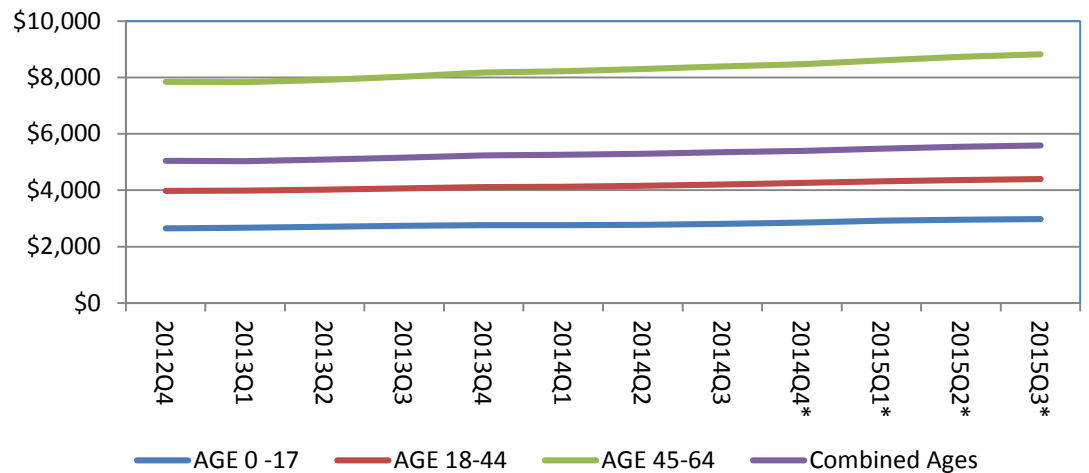


Table 1: Annual Per Capita Spending by Age – Quarterly Rate of Change, Recent Quarters**

Quarter	0-17	18-44	45-64	All Ages
2012Q4	1.9%	1.1%	0.5%	0.8%
2013Q1	0.9%	0.1%	-0.2%	-0.1%
2013Q2	1.2%	1.0%	1.0%	1.1%
2013Q3	1.5%	1.1%	1.4%	1.4%
2013Q4	0.9%	1.1%	1.8%	1.6%
2014Q1	-0.3%	0.4%	0.7%	0.4%
2014Q2	0.6%	0.8%	0.9%	0.6%
2014Q3	1.3%	1.1%	1.1%	0.9%
2014Q4*	1.6%	1.2%	1.0%	1.0%
2015Q1*	2.1%	1.4%	1.6%	1.4%
2015Q2*	1.3%	1.0%	1.4%	1.2%
2015Q3*	0.6%	0.8%	1.0%	0.9%
3 Year Average***	1.1%	0.9%	1.0%	0.9%

* Preliminary Results

** Annual expenditures are calculated on a rolling four quarter basis for the period ending in the quarter shown.

Quarterly rates of change are based on quarter-to-quarter percentage change in the rolling annual expenditures.

*** Three-year averages represent the arithmetic mean of quarterly rates of change in the rolling annual expenditures over the most recent three years (12 quarters)

Figure 2a: Annual Per Capita Spending by Setting – Quarterly Rate of Change, Recent Quarters**

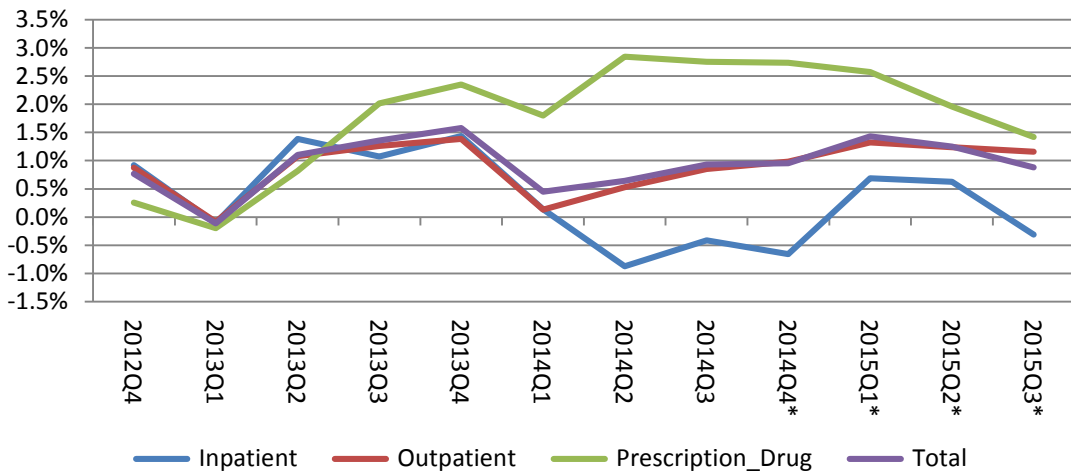


Figure 2b: Annual Per Capita Spending by Setting – Recent Quarters **

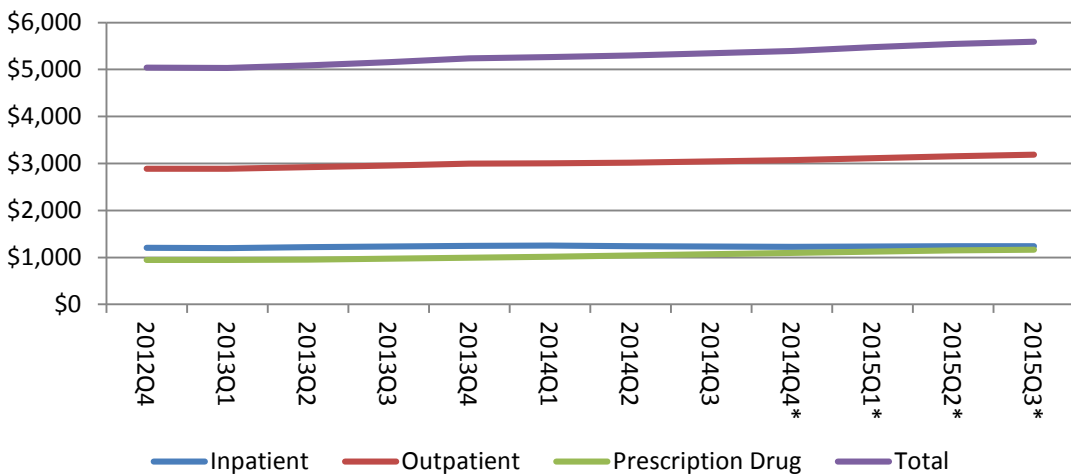


Table 2: Annual Per Capita Spending by Setting – Quarterly Rate of Change, Recent Quarters **

Quarter	Inpatient	Outpatient	Prescription Drug	Total
2012Q4	0.9%	0.9%	0.3%	0.8%
2013Q1	-0.1%	-0.1%	-0.2%	-0.1%
2013Q2	1.4%	1.1%	0.8%	1.1%
2013Q3	1.1%	1.3%	2.0%	1.4%
2013Q4	1.4%	1.4%	2.3%	1.6%
2014Q1	0.1%	0.1%	1.8%	0.4%
2014Q2	-0.9%	0.5%	2.8%	0.6%
2014Q3	-0.4%	0.9%	2.8%	0.9%
2014Q4*	-0.7%	1.0%	2.7%	1.0%
2015Q1*	0.7%	1.3%	2.6%	1.4%
2015Q2*	0.6%	1.2%	2.0%	1.2%
2015Q3*	-0.3%	1.2%	1.4%	0.9%
3 Year Average***	0.3%	0.9%	1.8%	0.9%

* Preliminary Results

** Annual expenditures are calculated on a rolling four quarter basis for the period ending in the quarter shown. Quarterly rates of change are based on quarter-to-quarter percentage change in the rolling annual expenditures.

*** Three-year averages represent the arithmetic mean of quarterly rates of change in the rolling annual expenditures over the most recent three years (12 quarters).

Figure 3a: Annual Per Capita Spending by Provider Type – Quarterly Rate of Change, Recent Quarters**

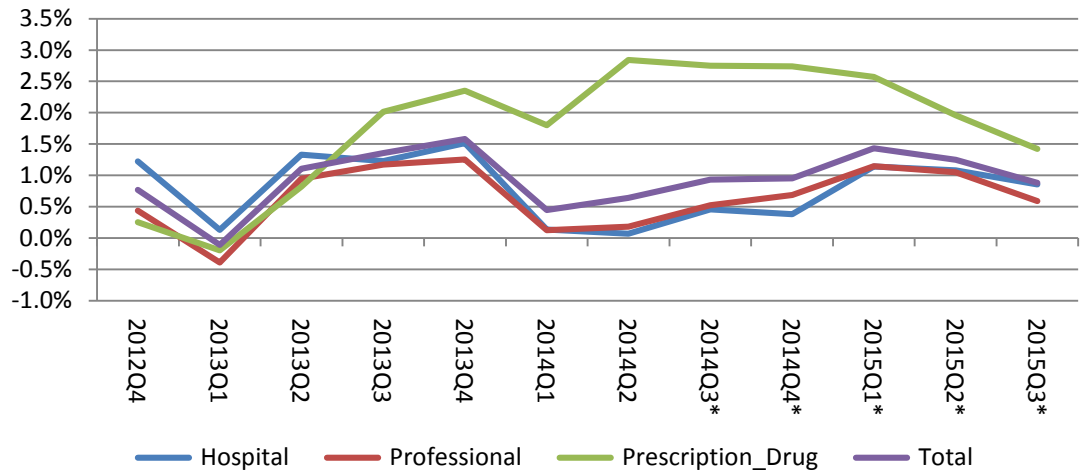


Figure 3b: Annual Per Capita Spending by Provider Type – Recent Quarters**

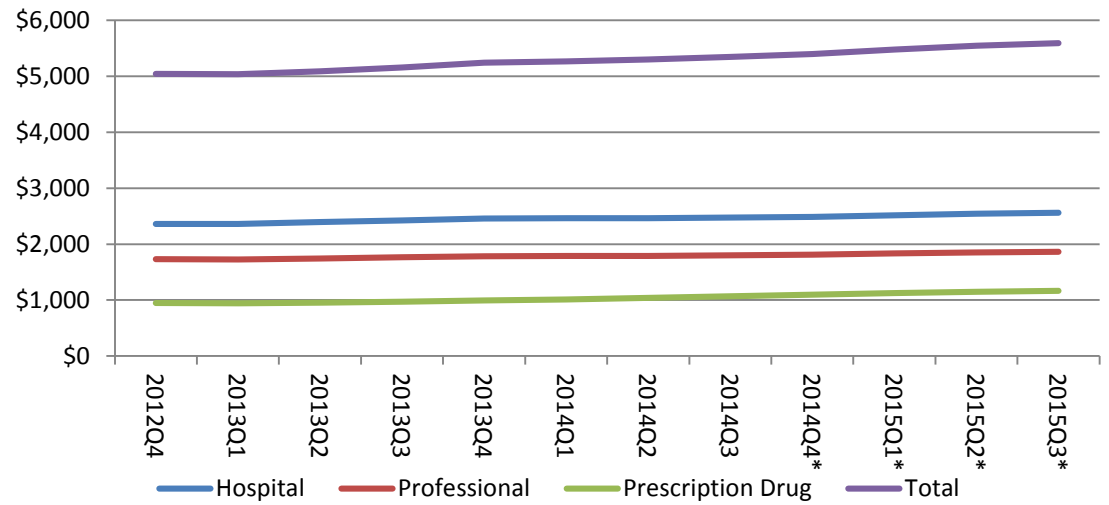


Table 3: Annual Per Capita Spending by Provider Type – Quarterly Rate of Change, Recent Quarters**

Quarter	Hospital	Professional	Prescription	
			Drug	Total
2012Q4	1.2%	0.4%	0.3%	0.8%
2013Q1	0.1%	-0.4%	-0.2%	-0.1%
2013Q2	1.3%	0.9%	0.8%	1.1%
2013Q3	1.2%	1.2%	2.0%	1.4%
2013Q4	1.5%	1.3%	2.3%	1.6%
2014Q1	0.1%	0.1%	1.8%	0.4%
2014Q2	0.1%	0.2%	2.8%	0.6%
2014Q3	0.5%	0.5%	2.8%	0.9%
2014Q4*	0.4%	0.7%	2.7%	1.0%
2015Q1*	1.1%	1.1%	2.6%	1.4%
2015Q2*	1.1%	1.0%	2.0%	1.2%
2015Q3*	0.9%	0.6%	1.4%	0.9%
3 Year Average***	0.8%	0.6%	1.8%	0.9%

* Preliminary Results

** Annual expenditures are calculated on a rolling four quarter basis for the period ending in the quarter shown. Quarterly rates of change are based on quarter-to-quarter percentage change in the rolling annual expenditures.

*** Three-year averages represent the arithmetic mean of quarterly rates of change in the rolling annual expenditures over the most recent three years (12 quarters)

Background

The Truven Health Analytics Healthcare Spending Index: Employer-Sponsored Insurance (HSI-ESI™) measures historical and current levels of per capita spending on healthcare for individuals with employer-sponsored insurance. The HSI-ESI estimates are based on data from the Truven Health MarketScan® Databases, a large dataset containing paid claims for inpatient and outpatient services, as well as outpatient prescription drugs. First developed in 2001, the methodology for the HSI-ESI was updated in 2010.

The HSI-ESI is based on analysis of all claims submitted for employees and dependents covered by health plans from self-insured employers. Only persons who are under age 65 and are not in capitated plans are included in the dataset used to compute the HSI-ESI. We estimate that, in 2013, this group represented roughly 27 percent of the total U.S. population.

The HSI-ESI measures levels of annual per capita spending on a rolling four-quarter basis. It is updated quarterly, approximately 90 days after the end of the quarter in which healthcare services were used. The latest four quarters of estimates are preliminary and are subject to revision in subsequent quarterly releases of the index.

The HSI-ESI is reported quarterly, at several levels, including: Total, hospital, professional, and drug per capita spending.

References to “hospital” spending are technically spending on facility types of healthcare providers, predominantly hospitals. Similarly, “professional” spending is predominantly reimbursement to professional providers, mostly physicians, but also other nonphysician licensed professionals, such as physical therapists, nurse practitioners or physician assistants, and other non-facility suppliers.

Appendix Tables

HSI-ESI Index Values from Base Year of Index to Present by Age Group

Quarter	Total Index	Index Age 0 -17	Index Age 18-44	Index Age 45-64
2002Q4	100	100	100	100
2003Q1	102	103	102	102
2003Q2	104	106	104	103
2003Q3	106	109	106	105
2003Q4	109	112	109	107
2004Q1	111	114	111	108
2004Q2	113	115	113	110
2004Q3	114	116	114	111
2004Q4	116	118	116	112
2005Q1	118	120	117	114
2005Q2	121	123	119	116
2005Q3	123	126	121	118
2005Q4	125	128	123	119
2006Q1	127	130	126	121
2006Q2	129	132	128	122
2006Q3	130	133	130	123
2006Q4	132	137	132	125
2007Q1	133	139	133	126
2007Q2	134	142	135	127
2007Q3	136	144	136	127
2007Q4	137	147	138	128
2008Q1	140	149	140	130
2008Q2	142	151	141	131
2008Q3	145	154	144	133
2008Q4	148	155	147	135
2009Q1	150	158	149	136
2009Q2	153	163	152	137
2009Q3	155	168	155	139
2009Q4	158	173	159	140
2010Q1	159	175	160	141
2010Q2	160	176	160	141
2010Q3	161	178	160	142
2010Q4	162	179	161	142
2011Q1	164	182	162	144
2011Q2	165	186	163	145
2011Q3	166	189	163	147
2011Q4	167	191	164	149
2012Q1	169	194	167	150
2012Q2	171	195	168	151
2012Q3	172	197	170	151
2012Q4	173	201	171	152
2013Q1	173	203	172	152
2013Q2	175	205	173	153

2013Q3	177	208	175	156
2013Q4	180	210	177	158
2014Q1	181	209	178	159
2014Q2	182	211	179	161
2014Q3	184	213	181	163
2014Q4*	185	217	183	164
2015Q1*	188	221	186	167
2015Q2*	190	224	188	169
2015Q3*	192	226	190	171

HSI-ESI Index Values from Base Year of Index to Present by Setting

Quarter	Total Index	Inpatient Index	Outpatient Index	Drug Index
2002Q4	100	100	100	100
2003Q1	102	103	102	102
2003Q2	104	106	104	104
2003Q3	106	109	105	106
2003Q4	109	112	108	107
2004Q1	111	114	110	110
2004Q2	113	114	111	113
2004Q3	114	116	113	116
2004Q4	116	117	115	118
2005Q1	118	119	118	119
2005Q2	121	121	121	121
2005Q3	123	122	123	122
2005Q4	125	124	126	123
2006Q1	127	125	128	125
2006Q2	129	126	131	126
2006Q3	130	127	133	128
2006Q4	132	127	135	129
2007Q1	133	128	137	130
2007Q2	134	130	138	131
2007Q3	136	131	140	131
2007Q4	137	133	141	132
2008Q1	140	136	144	134
2008Q2	142	138	147	136
2008Q3	145	141	150	138
2008Q4	148	144	154	140
2009Q1	150	145	156	141
2009Q2	153	148	159	142
2009Q3	155	150	162	144
2009Q4	158	154	165	145
2010Q1	159	155	167	145
2010Q2	160	157	168	145

2010Q3	161	158	169	146
2010Q4	162	159	171	145
2011Q1	164	160	173	145
2011Q2	165	161	174	145
2011Q3	166	162	175	146
2011Q4	167	163	177	146
2012Q1	169	164	180	148
2012Q2	171	165	182	150
2012Q3	172	166	183	150
2012Q4	173	167	185	150
2013Q1	173	167	185	150
2013Q2	175	169	187	151
2013Q3	177	171	189	154
2013Q4	180	174	192	158
2014Q1	181	174	192	161
2014Q2	182	172	193	165
2014Q3	184	172	195	170
2014Q4*	185	171	197	175
2015Q1*	188	172	199	179
2015Q2*	190	173	202	183
2015Q3*	192	172	204	185

HSI-ESI Index Values from Base Year of Index to Present by Provider Type

Quarter	Total Index	Hospital	Professional	Prescription Drug
2002Q4	100	100	100	100
2003Q1	102	103	102	102
2003Q2	104	106	103	104
2003Q3	106	108	105	106
2003Q4	109	112	106	107
2004Q1	111	114	108	110
2004Q2	113	115	110	113
2004Q3	114	116	111	116
2004Q4	116	118	113	118
2005Q1	118	121	115	119
2005Q2	121	124	117	121
2005Q3	123	127	119	122
2005Q4	125	129	121	123
2006Q1	127	131	124	125
2006Q2	129	132	126	126
2006Q3	130	133	128	128
2006Q4	132	135	130	129
2007Q1	133	136	131	130
2007Q2	134	138	132	131
2007Q3	136	140	134	131
2007Q4	137	142	135	132
2008Q1	140	145	137	134
2008Q2	142	147	140	136

2008Q3	145	151	143	138
2008Q4	148	155	146	140
2009Q1	150	157	147	141
2009Q2	153	161	149	142
2009Q3	155	165	151	144
2009Q4	158	169	153	145
2010Q1	159	171	154	145
2010Q2	160	173	154	145
2010Q3	161	175	155	146
2010Q4	162	177	156	145
2011Q1	164	179	157	145
2011Q2	165	181	157	145
2011Q3	166	183	158	146
2011Q4	167	185	159	146
2012Q1	169	188	160	148
2012Q2	171	190	161	150
2012Q3	172	192	162	150
2012Q4	173	195	162	150
2013Q1	173	195	162	150
2013Q2	175	198	163	151
2013Q3	177	200	165	154
2013Q4	180	203	167	158
2014Q1	181	203	167	161
2014Q2	182	203	168	165
2014Q3	184	204	168	170
2014Q4*	185	205	170	175
2015Q1*	188	207	172	179
2015Q2*	190	210	173	183
2015Q3*	192	211	174	185



GET CONNECTED

Send us an email at info@truvenhealth.com
or visit truvenhealth.com



ABOUT TRUVEN HEALTH ANALYTICS

Truven Health Analytics delivers the answers that clients need to improve healthcare quality and access while reducing costs. We provide market-leading performance improvement solutions built on data integrity, advanced analytics, and domain expertise. For more than 30 years, our insights and solutions have been providing hospitals and clinicians, employers and health plans, state and federal government agencies, life sciences companies, and policymakers the facts they need to make confident decisions that directly affect the health and well-being of people and organizations in the U.S. and around the world.

Truven Health Analytics owns some of the most trusted brands in healthcare, such as MarketScan, 100 Top Hospitals, Advantage Suite, Micromedex, Simpler, ActionOI, Heartbeat Experts, and JWA. Truven Health has its principal offices in Ann Arbor, Mich.; Chicago; and Denver. For more information, please visit truvenhealth.com.

truvenhealth.com | 1.734.913.3000

©2016 Truven Health Analytics Inc. All rights reserved. All other product names used herein are trademarks of their respective owners. TRU 15888 1015