Where do your premium dollars go today?

In 2009, premiums attributed to 88.5% medical benefits that include medicine, physician, hospital, and many other services. A minimal 11.5% of premiums were spent on business expenses and operating margins. State and federal taxes are a part of this minor portion of premium expenditure, and operating margins were recorded at -0.1%.

Health Care Reform will continue to have an impact on costs. It's a common misconception to believe that increases in health insurance premiums are driven solely by the price increases that insurers pay hospitals, physicians and pharmacies. That's why it can be confusing when premium increases are substantially higher than the rate of inflation. In reality, the price of goods and services is only one of several factors that collectively determine the size of insurance premiums.

Dinner Table Analogy - This automated presentation is designed to help you understand the factors that cause health insurance premiums to rise. It uses a simple analogy to explain how price, utilization, intensity, leveraging, and selection affect health insurance premiums.

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The information provided here is not intended to advise you on how to comply with any provisions of the referenced legislation or related legislation or regulations, nor is it otherwise intended to impart any legal advice.