



2017 Health Care Cost Increases

As most employers are preparing to meet with their broker or carrier related to 2017 benefits, information has been released about the impending increases. Based upon a conducted survey by the National Business Group on Health (NBGH), large U.S. employers are expected to hold steady at 6 percent in 2017.

ERA's 2016 Health and Welfare Benefits [survey](#), conducted with our members earlier this summer, show more than 1 in 3 companies (39%) reported an increase in last year premiums of **less than 3%**. A slightly larger portion of the participating organizations reported having no increase in premiums compared to last year (27% vs 20%) but from an overall standpoint, the distribution of the reported premium increases remained consistent with the previous year.

In reviewing data from both survey sources, the good news is that health premiums are not growing at a faster clip year after year, as they were a decade ago. The bad news is that the increase in health plan costs still outpaces general inflation in the U.S., which remains below 2 percent, and salary budget increases, which are holding at around 3 percent.

Still on the minds of employers is the importance of controlling health care spend. If you haven't talked about mechanisms to do so with your Broker, here are some tactics that larger employers are using to control the rising health care costs according to NBGH:

Pharmacy management techniques (traditional and specialty)	68 percent
CDHPs as an option or as the only choice	56 percent
Wellness initiatives	34 percent
Increased employee cost sharing	34 percent
Disease/condition management	30 percent



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