

# Health premiums continue steep climb, but pace slows

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For the seventh year in a row, employer-based health insurance premiums rose at more than double the rate of wages and inflation, according to a survey released Tuesday.

However, 2006's average 7.7 percent premium increase was the smallest since 2000, and this was the third year the rate of growth has slowed, said the survey by **Kaiser Family Foundation** and the Health Research and Educational Trust.

Between April 2005 and April 2006 inflation grew by 3.5 percent, while family health-care coverage jumped 84 percent, the survey reported. Average wages increased 20 percent over the same period.

"I think you immediately understand why a reduction in an already high rate of increase is pretty meaningless to average working people and why they're still feeling the pain," said Drew Altman, the president of the Kaiser Family Foundation, a nonprofit educational group that's unrelated to health-insurance giant Kaiser Permanente.

This year, the average annual premium for single coverage is \$4,242. Of that, workers pay \$627, up from \$610 in 2005. Family coverage costs an average of \$11,480. Of that, workers pay \$2,973 annually, up from \$2,713 last year.

Since 2000, workers' annual contributions have increased on average by \$293 for single coverage and by \$1,354 for family coverage, the survey found.

Five million fewer workers get job-based coverage in 2006 than in 2000, and the firms that offer health benefits dropped from 69 percent in 2000 to 61 percent this year.

Forty-nine percent of employers surveyed indicated that they'll make workers pay more for coverage in the future, while the number of uninsured Americans has grown for five straight years, with 46.6 million reporting no coverage in 2005.

However, the percentage that employers pay toward single and family coverage premiums -- 84 percent and 73 percent, respectively -- had remained virtually the same over the last few years.

Only 48 percent of companies with three to nine workers offer health coverage, compared with 73 percent of those with 10 to 24 employees, 87 percent with 25 to 49 employees and more than 90 percent of those with 50 or more workers.

The survey is based on telephone interviews conducted from January to May with officials from more than 2,000 public and private employers. The response rate was 48 percent.