

# Health care spending growth slows sharply

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WASHINGTON, D.C.— Health care spending growth per privately insured American slowed in the first half of 2003, increasing 8.5 percent, a drop from the 10 percent increase in the second half of 2002, according to a Center for Studying Health System Change (HSC) study released today.

The 1.5 percentage point decline in health care spending growth in the first half of 2003 was the largest six-month drop since the early 1990s.

Nonetheless, health care spending in the first six months grew nearly three times faster than growth in the overall economy, as measured by 2.9 percent growth in per capita gross domestic product for the same period.

"Increased patient cost sharing is probably an important factor in the slowing of cost trends, but few experts expect this tool to substantially lower cost trends over the long term," said Paul B. Ginsburg, Ph.D., coauthor of the study and president of HSC.

While other research shows employer-sponsored health insurance premium increases reached a 13-year high in 2003, rising an average 13.9 percent, the significant slowing of underlying health cost trends in 2003 could prompt the first slowdown since the mid-1990s in premium growth next year.

The study is available at [www.hschange.org](http://www.hschange.org). □