

Top Ten Trends for the Next Five Years

More of the consumer's money

Individual healthcare consumers will spend more of their money, as higher percentage of insurance premiums or increased cost-sharing at time of service.

Single digit inflation

Inflation should stay near single digits overall, although individual employers will have wide ranging results due to claims utilization patterns within a given year.

HRAs & HSAs

Relatively new tax-advantaged products like Health Reimbursement Accounts and Health Savings Accounts will be tried. Use over the next five years will demonstrate how effective they will be in slowing the overall rate of growth in healthcare cost.

Managed care will negotiate and rate provider care

Managed Care networks will still be needed to provide negotiated fees with all medical care providers. They can also help in accumulating and tracking medical practice outcome and cost data to produce more efficient providers.

Hospitals and doctors must compete

Hospitals and doctors will have to "post" their fee schedules and be willing to work in a more competitive environment.

Voluntary ancillaries

Employees and their families will be paying most, if not all, of health ancillary benefits like dental and vision.

More of Rx portion

Prescription drugs have been the fastest growing portion of healthcare cost over the past five or six years, rising from less than 14% in 1999 to as much as 20% expected in 2005. To slow this rate of increase, individuals will be asked to pay even more of the Rx cost.

Proactive healthcare

Disease management and wellness will be more integrated parts of the healthcare system.

More informed consumers

The US population, especially the workforce, must become better informed about their role as healthcare consumers. Increased cost-sharing as reimbursement/savings accounts will be primary drivers.

Increased lifestyle procedures

Technology advances will continue, and probably even more rapidly. The expanding list of "lifestyle" medical procedures will be an obstacle to keeping overall cost down.

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