Behind the numbers: Medical cost trends for 2011 By Price Waterhouse Coopers

Generic drugs, the normalization of COB costs, and employees paying m out-of-pocket costs will bring do employers' cost of healthcare next year.

Although medical costs will slightly decrea next year, healthcare-related expenses still rise faster than the inflation ra according to PricewaterhouseCoope Medical Cost Trends 2011 report. T findings question the financial sustainability the U.S. healthcare system, and whet healthcare reform will translate into grea efficiency and reduced expenses.

Medical costs in 2011 for employers decrease slightly from 9.5 percent to percent. The drop results from proliferation of generic drugs, normalizatior COBRA costs, and employees paying m out-of-pocket costs for medical care.

Healthcare reform's biggest changes will take effect in 2014. Some factors that will influence healthcare include a requirement that forces insurance companies to cover dependents to age 26, no lifetime limits on coverage, and subjection to medical loss ratios. As a result, insurance companies, providers, and pharmaceutical companies may change their services, prices, products, and policies. Anticipation of higher demand may push prices up.

The full repercussions of healthcare reform will play out over a decade, PwC says. Long-term changes will include reducing cost-shifting from the uninsured, changing the payment system for providers, creating new markets for health insurance, and an excise tax on high premium plans starting in 2018.

Source: Price Waterhouse Coopers Website

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