



Health-Care Premiums Up; UPS Dropping 15K Spouses from Coverage

By Kate Rogers
Published August 21, 2013
FOXBusiness

Read more: <http://www.foxbusiness.com/personal-finance/2013/08/21/health-care-premiums-up-ups-dropping-15k-spouses-from-coverage/#ixzz2ci7i0O00>

Ahead of President Obama's landmark health-care reform law taking full effect, a new study from the Kaiser Family Foundation finds prices are modestly increasing for employer-sponsored coverage.

Both single coverage and family coverage premiums offered by employers increased in 2013, from the year prior. The average annual premium for employer-sponsored family plans rose 4% to \$16,351, and for individuals climbed 5% to \$5,884.

"Premium growth has slowed in recent years, but premiums are still growing faster than inflation," says Michael Cannon, Cato Institute director of Health Policy Studies. The study points to a 1.1% rate of inflation for the past year and 1.8% wage growth for comparison.

This comes on the heels of a UPS memo announcing plans to drop thousands of workers' spouses from its medical plan, since they will be able to access health care elsewhere under the new law.

According to the Kaiser study, premiums have grown less because employees are footing more costs for out-of-pocket expenses such as premiums and deductibles. The trend overall is that employers are shaving down benefits, says Cannon.

"This is an entirely predictable reaction to all of the ways the government has asserted itself into our health-care system," he says.

UPS cited rising medical costs "combined with the costs associated with the Affordable Care Act, have made it increasingly difficult to continue providing the same level of health benefits to our employees at an affordable cost," in a memo to its employees, Kaiser Health News reports.

