

SJVIA 2017 Medical and Rx Trend Survey

At the direction of the SJVIA, Gallagher Benefit Services recently completed a survey of multiple resources to determine appropriate levels of inflationary trend for both medical and prescription drug claims. The findings of this survey are to be used projecting claims for the SJVIA plans for the calendar year 2017.

Gallagher reviewed the following resources for this study:

Gallagher Analytics
 Anthem Blue Cross
 Blue Shield of California
 Aetna
 Kaiser Family Foundation
 Wells Fargo Insurance
 PwC Health Research Institute
 Segal Consulting
 Express Scripts

The table below illustrates the findings of our survey:

Source	Medical				Rx		
	HMO	PPO	HDPPO	Total	Traditional	Specialty	Total
Gallagher Analytics Trend	5.8%	5.8%	5.8%	5.8%	n/a	n/a	14.0%
Anthem	6.6%	7.4%	7.3%	7.1%	n/a	n/a	n/a
Blue Shield of California	7.7%	10.4%	9.3%	9.1%	n/a	n/a	9.5%
Aetna	n/a	n/a	n/a	n/a	3.9%	22.3%	10.6%
Kaiser Family Foundation	n/a	n/a	n/a	3.8%	n/a	n/a	6.0%
Wells Fargo Insurance**	8.6%	8.7%	8.9%	n/a	n/a	n/a	10.1%
PwC HRI	n/a	n/a	n/a	6.5%	n/a	n/a	n/a
Segal Consulting***	6.8%	9.8%	8.0%	n/a	n/a	18.9%	11.3%
Express Scripts	n/a	n/a	n/a	n/a	n/a	n/a	7.3%
Average of non-Gallagher	7.4%	9.1%	8.4%	6.6%	3.9%	20.6%	9.1%

** 2016 Trend Projections

*** 2016 Trend Survey

Methodology:

Gallagher Benefit Services weighted the above data points as follows: Gallagher Analytics Trend was given a weighting of 50% and the average of the remaining survey resources was also assigned a weighting of 50%.

Conclusion:

Gallagher Benefit Services recommends the following trend assumptions for determining projected claim costs for the 2017 SJVIA plans:

Medical: 6.2%
Rx: 11.5%