

PRESS RELEASE

**Healthcare Expenditures for Commercial Plans up 3.5%
in the Year to November 2013: S&P Healthcare Claims Indices**

- *Total U.S. Medical Costs Rising at a Slower Pace*
- *Expenditures on Hospitalization rose faster than Prescription drugs*
- *Data based on actual health insurance claims expenditures in commercial plans nationally*

New York, March 31, 2014 – S&P Dow Jones Indices, a leading global provider of financial market indices, announced today the results of the S&P Healthcare Claims Indices showing healthcare costs rose 3.5% in the 12 months ended November 2013 compared to the 4.9% rise for the 12 months ended November 2012. Medical costs – inpatient and outpatient hospitalization plus professional services – rose 3.7% and prescription drugs rose 2.6% over the same period. All rose at a slower pace than a year earlier.

The S&P Healthcare Claim Indices are based on actual claims data obtained from 33 leading health insurance companies and other healthcare data providers covering approximately 60 million commercially insured Americans across all 50 States.

Among the key components of medical costs, inpatient fee-for-service rose 3.5% compared to 4.5% in the earlier period while outpatient fee-for-service costs rose 5.2% compared to 8.0% in the earlier period. Prescription drugs expenditures were up 2.6% versus 2.9% one year ago. These figures, which represent the most current data available, are based on expenditures incurred in the 12 months ended November 2013.

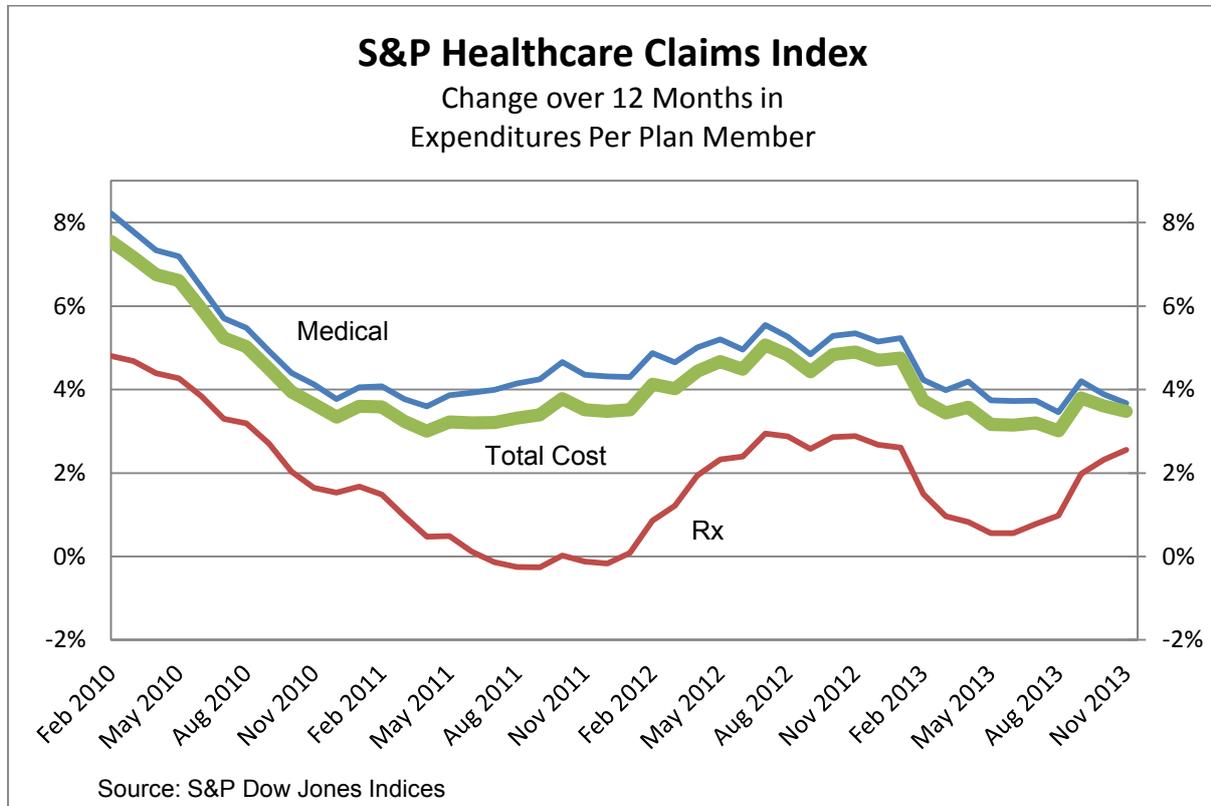
Due to standard industry lags in invoicing claims and resolving disputed charges, it is not possible for the indices to be calculated without a lag. Trends in health care expenditures are calculated as the average index level in the 12 months ended November 2013 compared to the average index level in the 12 months ended November 2012 and stated as a percentage, in accordance with the usual practice with health care cost analyses.

The table on the next page summarizes key changes in health care costs in the twelve periods ended in November 2013 and November 2012. These figures show expenditures and utilization per insured plan member and unit costs defined as expenditure divided by utilization. The indices reflect the expenditure or utilization per plan member per month, in effect the per capita expenditure and usage for individuals covered by commercially available health insurance.

Change in Expenditures, Unit Cost and Utilization per Insured Plan Member for Selected Cost Categories		
	12 Months Ended	
	Nov-13	Nov-12
Expenditures		
Total Cost	3.5%	4.9%
Medical Cost	3.7%	5.3%
Prescription Drugs	2.6%	2.9%
Inpatient and Outpatient Compared		
Inpatient Cost	3.5%	4.5%
Outpatient Cost	5.2%	8.0%
Branded and Generic Pharmaceuticals Compared		
Branded Cost	1.3%	-1.0%
Branded Unit Cost	15.4%	15.6%
Branded Utilization	-12.4%	-14.2%
Generic Cost	6.2%	15.9%
Generic Unit Cost	-0.6%	6.5%
Generic Utilization	6.8%	8.9%

Source: S&P Dow Jones Indices

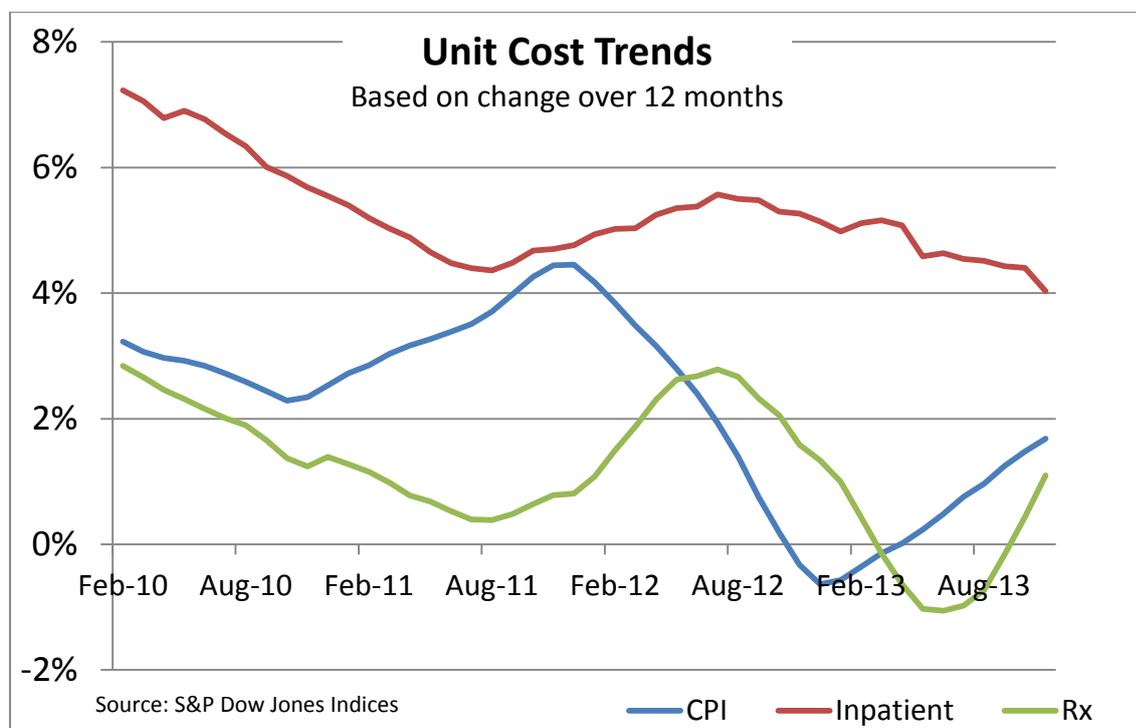
The chart below shows trends for overall expenditures for medical – inpatient, outpatient and facility charges – and prescription drugs as well as total cost.



“The growth in health care spending continues to slow,” says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. “The key question in the slowdown is whether we are seeing a shift in health care cost trends that is sustainable or whether we are merely observing the slower pace of overall inflation and weak economic growth. One way to gain some insight is to look at unit cost measures for health care derived from the S&P Healthcare Claims Indices.”

Unit costs are measured as the ratio of the cost indices to the utilization indices and are analogous to unit prices. The chart below shows the unit cost indices for inpatient fee-for-service care measured as claims dollars per inpatient day, the unit cost index for prescription drugs measured as claims dollars per days of supply and the consumer price index. The change in the consumer price index is calculated in the same manner as the unit cost changes as described above.

“The chart shows that prescription drug trends tend to lag shifts in inflation while trends in inpatient unit costs don’t show any obvious relation to inflation shifts,” continues Blitzer. “The pattern in prescriptions may reflect consumer preferences towards generic drugs. While the general rate of inflation may affect trends in inpatient medical care, it is probably not the dominant factor. The current low inflation rate is a factor in slowing growth in health care expenditures, but low inflation alone will not control the growth in health care costs.”



The S&P Healthcare Claims Indices are a series of indices providing data on the cost, utilization and unit costs of healthcare services covering inpatient and outpatient services and prescription pharmaceuticals. The expenditure and utilization measures cover inpatient and outpatient care, and generic and branded prescription pharmaceuticals. The indices are calculated for four lines of business: large insured plans, small insured plans, individual plans, and Administrative Services Only (ASO) plans.

The data used to calculate the indices are provided by several large data providers and leading health insurance plans and cover approximately 40% of the total commercially enrolled private Fee-for-Service (FFS) U.S. healthcare insurance market.

The development of the S&P Healthcare Claims Indices is the result of collaboration between S&P Dow Jones Indices and Health Index Advisors LLC (HIA), a joint venture between Aon Consulting, Inc. and Milliman, Inc. HIA's primary role is to provide consultation to S&P Dow Jones Indices in relation to the indices. S&P DJI also obtains advice and assistance from an advisory panel composed of the senior actuaries of several leading health insurance plans contributing data to the indices.

The S&P Healthcare Claim Indices are published on a monthly basis, with a press release published quarterly. An annual schedule of index release dates, as well as a methodology document and FAQ on the S&P Healthcare Claim Indices, is published to www.healthcare.spdji.com. History of the indices dates back to March 2008.

For more information, please visit: www.spdji.com.

About S&P Dow Jones Indices

S&P Dow Jones Indices LLC, a part of McGraw Hill Financial, is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average™, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of investors. More assets are invested in products based upon our indices than any other provider in the world. With over 1,000,000 indices covering a wide range of asset classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit www.spdji.com.

Standard & Poor's and S&P are registered trademarks of Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks have been licensed to S&P Dow Jones Indices LLC. It is not possible to invest directly in an index. S&P Dow Jones Indices LLC, Dow Jones, S&P and their respective affiliates (collectively "S&P Dow Jones Indices") do not sponsor, endorse, sell, or promote any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices does not have the necessary licenses. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties.

For more information:

David Blitzer
Managing Director, Chairman of the Index Committee
S&P Dow Jones Indices
(+1) 212 438 3907
david.blitzer@spdji.com

David R. Guarino
Director, Global Communications
S&P Dow Jones Indices
(+1) 212 438 1471
dave.guarino@spdji.com