Annual Growth Rates Accelerated in April 2013
According to the S&P Healthcare Economic Indices

New York, June 20, 2013 – Data released today by S&P Dow Jones Indices for the S&P Healthcare Economic Composite Index indicates that the average per capita cost of healthcare services covered by commercial insurance and Medicare programs increased by 3.16% over the 12-months ending April 2013, accelerating from the +3.06% annual growth rate recorded in March.

Eight of the nine S&P Healthcare Economic Indices showed higher annual growth rates for April 2013 compared to March 2013. Annual growth rates in Medicare costs increased by 1.06% in April, according to the S&P Healthcare Economic Medicare Index, up from a +0.82% rate recorded last month. As measured by the S&P Healthcare Economic Commercial Index, healthcare costs covered by commercial insurance plans rose by 4.54% in April, marginally up from +4.53%, a recent low reported in March.

The Professional Services Index annual growth rate was +4.23% in April 2013, up from the +4.12% March print. The Professional Services Commercial Index accelerated to +6.88% in April, up from +6.82% reported last month. The Professional Services Medicare annual growth rate was -0.80% in April, up from -1.00% posted in March.

The Hospital Index’s growth rate posted +2.02% in April, up from +1.91% recorded in March. The Hospital Medicare Index recorded a +2.15% annual rate in April, up from +1.89% reported last month. The Hospital Commercial annual growth rate hit a new low of +1.89% in April, marginally down from +1.90% recorded last month.
“In April 2013 the annual growth rate for the Composite Index was +3.16%, for the Commercial Index was +4.45% and for the Medicare Index was +1.06%,” says David M. Blitzer, Chairman of the Index Committee at S&P Dow Jones Indices.

“Eight of the nine headline indices we cover increased in April compared to March. One of the nine indices hit a new low in April. It was the Hospital Commercial Index with a growth rate of +1.89%; it was one basis point down from last month’s low.

“The Professional Services Medicare Index remained in negative territory, posting an annual growth rate of -0.80%, 20 basis points up from last month. It has the lowest annual growth rate among our healthcare indices. The Professional Services Commercial Index was +6.88% this month, six basis points up from its March rate. It remained the highest index among healthcare indices covered.”

The S&P Healthcare Economic Indices estimate the per capita change in revenues accrued each month by hospital and professional services facilities for services provided to patients covered under traditional Medicare and commercial health insurance programs in the U.S. The annual growth rates are determined by calculating a percent change of the 12-month moving averages of the monthly index levels versus the same month of the prior year.

The S&P Healthcare Economic Composite Index is a weighted average of the S&P Healthcare Economic Commercial Index and the S&P Healthcare Economic Medicare Index. Alternatively, it is a weighted average of the S&P Healthcare Economic Hospital Index and the S&P Healthcare Economic Professional Services Index, as each of these indices has the analogous Commercial and Medicare component.
The table below summarizes the year-over-year change in the S&P Healthcare Economic Indices for the 12-month period ending April 2013. With each monthly release, the index levels, including the 12-month moving averages, are recalculated for the full history of the indices, whenever there are revisions to underlying data used in the models. The entire revised history, as well as full results for the underlying S&P Healthcare Economic Indices, is available from S&P Dow Jones Indices as a subscription service.

### S&P Healthcare Economic Indices

#### (12-Month Moving Average)

<table>
<thead>
<tr>
<th>Index</th>
<th>1-Year Change (%)</th>
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<tbody>
<tr>
<td>S&amp;P Healthcare Economic Composite Index</td>
<td>3.16%</td>
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<tr>
<td>S&amp;P Healthcare Economic Medicare Index</td>
<td>1.06%</td>
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<tr>
<td>S&amp;P Healthcare Economic Commercial Index</td>
<td>4.54%</td>
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<tr>
<td>S&amp;P Healthcare Economic Hospital Index</td>
<td>2.02%</td>
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<tr>
<td>S&amp;P Healthcare Economic Hospital Medicare Index</td>
<td>2.15%</td>
</tr>
<tr>
<td>S&amp;P Healthcare Economic Hospital Commercial Index</td>
<td>1.89%</td>
</tr>
<tr>
<td>S&amp;P Healthcare Economic Professional Services Index</td>
<td>4.23%</td>
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<tr>
<td>S&amp;P Healthcare Economic Professional Services Medicare Index</td>
<td>-0.80%</td>
</tr>
<tr>
<td>S&amp;P Healthcare Economic Professional Services Commercial Index</td>
<td>6.88%</td>
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</tbody>
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Source: S&P Dow Jones Indices

Data through April 2013

The chart below depicts the 12-month moving average for the Composite, Commercial and Medicare Indices. As observed in the past, medical costs funded by commercial insurance plans significantly exceed those funded by Medicare.
The S&P Healthcare Economic Indices were developed in consultation with Health Index Advisors, a joint venture between Aon Hewitt and Milliman, Inc., and were derived from the former Milliman, Inc. Health Cost Index™ which was first published in 1987. The complete methodology, fact sheet and supporting research for the S&P Healthcare Economic Indices are available at http://www.spindices.com/index-family/specialty/healthcare-cost

About S&P Dow Jones Indices
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