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## Press Release

# Milliman Medical Index: Healthcare costs reach \$6,348 for the average American, \$28,386 for hypothetical family of four

**New MMI interactive tool enables users to explore healthcare costs for different family compositions**

Seattle – July 25, 2019 – Milliman, Inc., a premier global consulting and actuarial firm, today released the 2019 Milliman Medical Index (MMI), which measures healthcare costs for individuals and families receiving coverage from an employer-sponsored preferred provider plan (PPO). New this year, the MMI includes an interactive web tool that allows users to explore how healthcare costs can vary for different family compositions.

"We've been publishing the MMI for 15 years and we've always viewed healthcare costs in terms of a hypothetical family of four, but this year we decided to expand our approach," said Chris Girod, co-author of the Milliman Medical Index.

"What we're most excited about this year is the ability to let people understand how different sorts of families face different sorts of healthcare costs," said Tom Snook, co-author of the MMI. "There's no such thing as a 'typical' American family, and now our readers can choose their own family and understand how different demographic factors – such as age, gender, and area – contribute to healthcare costs."

To see the interactive tool, go to <http://us.milliman.com/MMIfamilies/>.

In 2019, healthcare costs for our hypothetical family of four have reached \$28,386, an increase of 3.8% from the year prior. Healthcare costs for the average American adult are at \$6,348.

The MMI continues to look at five components of healthcare costs, including inpatient and outpatient care, pharmacy, professional and other services. Prescription drug costs continue to be a big part of the healthcare MMI story, though this year they are playing a different role.

"This year's 2.1% prescription cost increase helps to moderate the overall healthcare cost trend," said Sue Hart, co-author of the MMI. "Still, we know from prior years how volatile prescription drug prices can be."

"As part of our analysis of prescription drug pricing, we pay particular attention to the role of rebates in pharmaceutical costs," said Dave Liner, co-author of the MMI. "Last year, rebates received as a percentage of prescription drug claims reached 19.5%, up from 10.2% in 2013."

In a shift from most prior years, employers shouldered more of this year's cost increase than employees.



"Over the years that we have tracked the MMI, the long-term trend has been for employees to pay an increasingly higher percentage of total costs," said Scott Wertz, co-author of the MMI. "But we've seen a shift since 2017, with employer contributions increasing by 5.1% and employee costs growing by less than 1% last year. This year, employees saw a 3.6% increase, compared to a 4.0% increase for employers."

To view the complete MMI, go to <http://us.milliman.com/MMI/>.

### **About Milliman**

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit [www.milliman.com](http://www.milliman.com).