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Health care costs are a global concern

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American employers facing rising medical costs may take some comfort in knowing that their counterparts in India and China are also battling with high health care costs.

Analyzing data from 85 insurance companies that offer medical insurance to employers in Asia, Africa, Europe and the Americas, [Watson Wyatt](#) found employers in developed and emerging economies are seeing their health care expenditures outpace their nation's general rate of inflation.

Nearly 71% of respondents plan on seeing higher or significantly higher medical costs trends over the next five years. Moreover, 81% report that their health care costs are exceeding the general rate of inflation in their country.

Insurance companies in Asia and Africa are projecting a double-digit jump in employer health care costs in 2008. Insurers, however, don't expect similar growth in Hong Kong and Singapore.

In Latin America, except for Brazil and Chile, employers will see costs rise by around 7%, Watson reports. European insurers are forecasting increases in the single digits, despite some employers expecting higher costs trends over the next five years.

"Rising medical costs have rapidly become a global issue that reaches far beyond the United States and other developed economies," says Francis Coleman, a senior international health care benefits consultant with Watson Wyatt.

"Many of the factors causing U.S. employers to experience significant increases in their health care costs — such as increased utilization, expensive medical technology and an aging population — are having comparable effects throughout the world," he adds.

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