Total Costs of Care and State Policy

• Across All Payers
  • Medicare, Medicaid, Commercial Insured, Self Insured

• Goals:
  • Per Person Costs
  • Rates of Trend

• State Levers Include:
  • Medicaid
  • Public Employees Benefits Purchasing
  • Commercial Insurer Rate Review
  • Provider Rate Setting
  • Supply Controls – CON, Health Planning
  • Performance Measurement
  • Public Health and Prevention
  • Transparency
  • Bully Pulpit

Personal Health Care Spending Per Capita, By State of Residence, 2009
U.S. Per Capita: $6,815

Personal Health Care Spending; Avg Annual Growth by State of Residence: 2004-2009

Avg Annual Growth Rate
(Personal Health: Medicare, Medicaid and Commercial)
Source: CMS Office of Actuary Analysis – Cuckler et al, 2011
Factors Contributing to Higher State Healthcare Expenditures (Cuckler et al):

- Personal Income
- Technology
- Health Care Capacity (Provider supply)
- Aging Population
- Chronic Illness Burden
- Women of Childbearing Age
- Non HMO enrollment
- Insured Rate
CMS view of future health care cost growth:

Source: Keehan et al, Health Affairs 2017