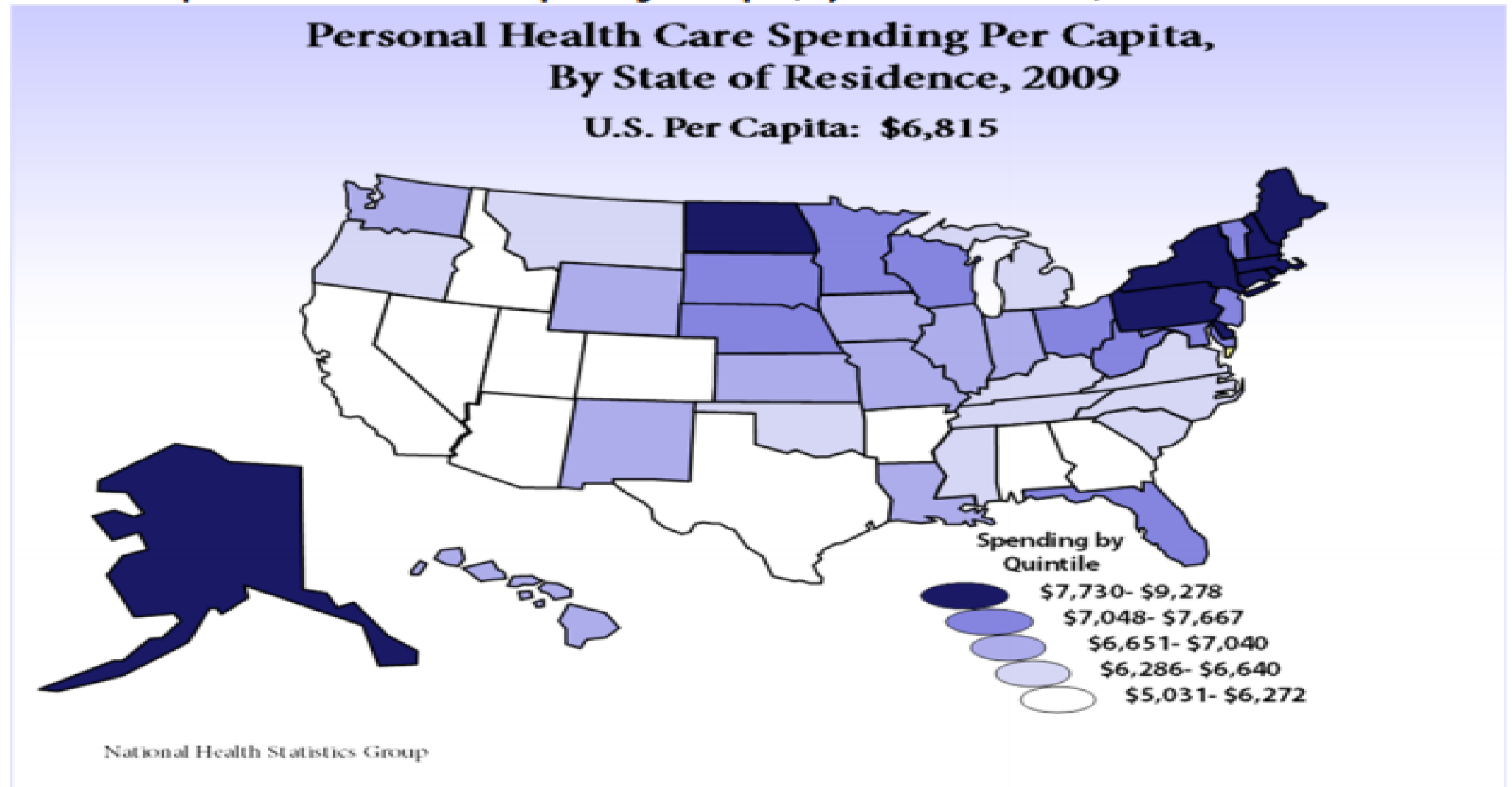


Total Costs of Care and State Policy

- 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

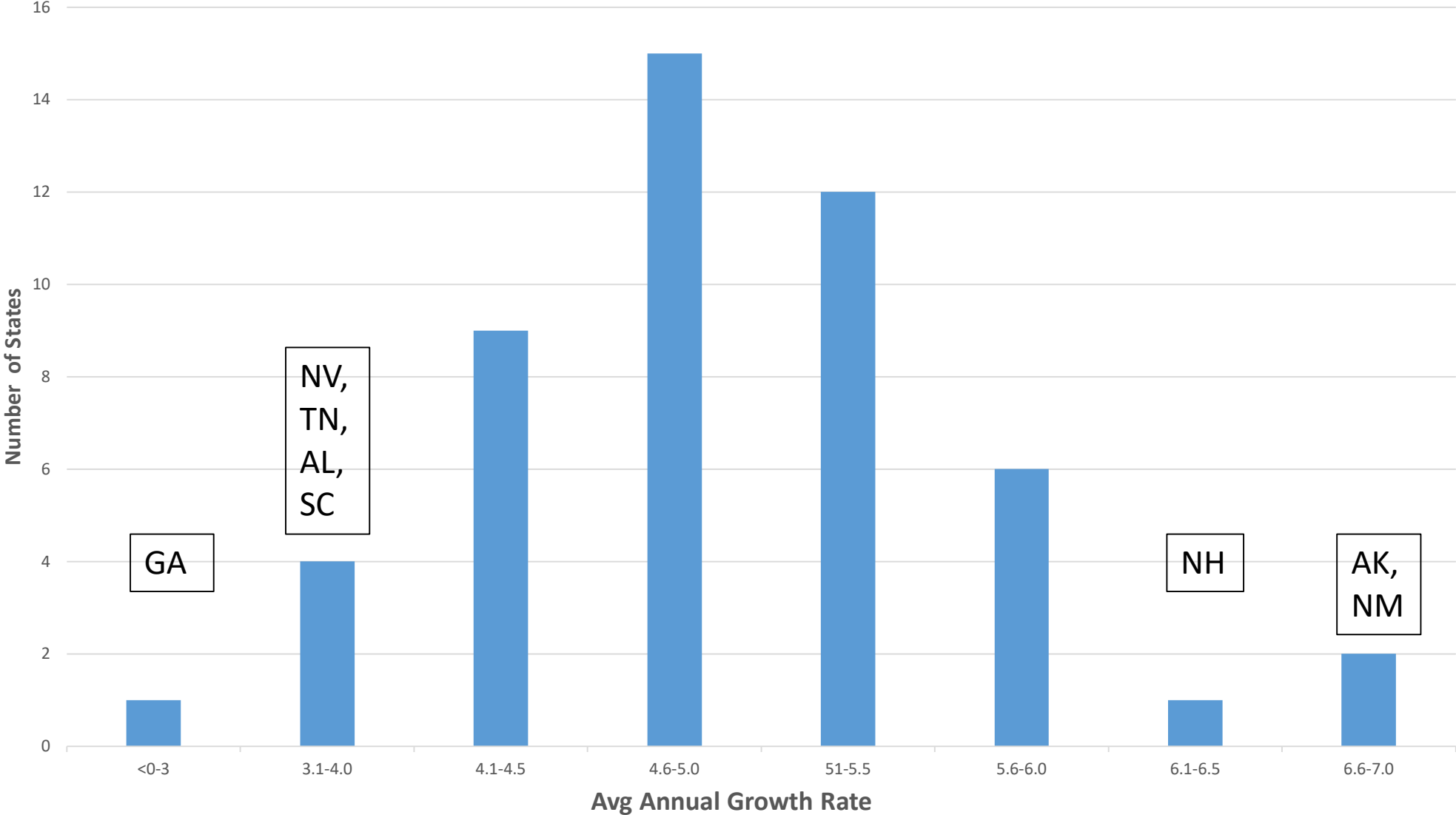
Exhibit 1. Map of Personal Health Care Spending Per Capita, by State of Residence, 2009.



SOURCE: Population, U.S. Bureau of the Census; Spending, Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Health Spending by State of Residence, 1991–2009 Gigi Cuckler, Anne Martin, Lekha Whittle, Stephen Heffler, Andrea Sisko, Dave Lassman, Joseph Benson; Centers for Medicare & Medicaid Services—Office of the Actuary. Medicare & Medicaid Research Review 2011: Volume 1, Number 4

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



(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:

EXHIBIT 3

Factors accounting for growth in personal health care expenditures, selected calendar years 1990-2025

