

Health cost drivers in Connecticut and the U.S.

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Overview

1. How do Connecticut health costs compare to other states?
2. How do U.S. health costs compare internationally? What drives differences?
3. How have U.S. health prices grown?
4. How has the pandemic changed trends in health spending in the U.S.?
5. What do high health costs mean for consumers?

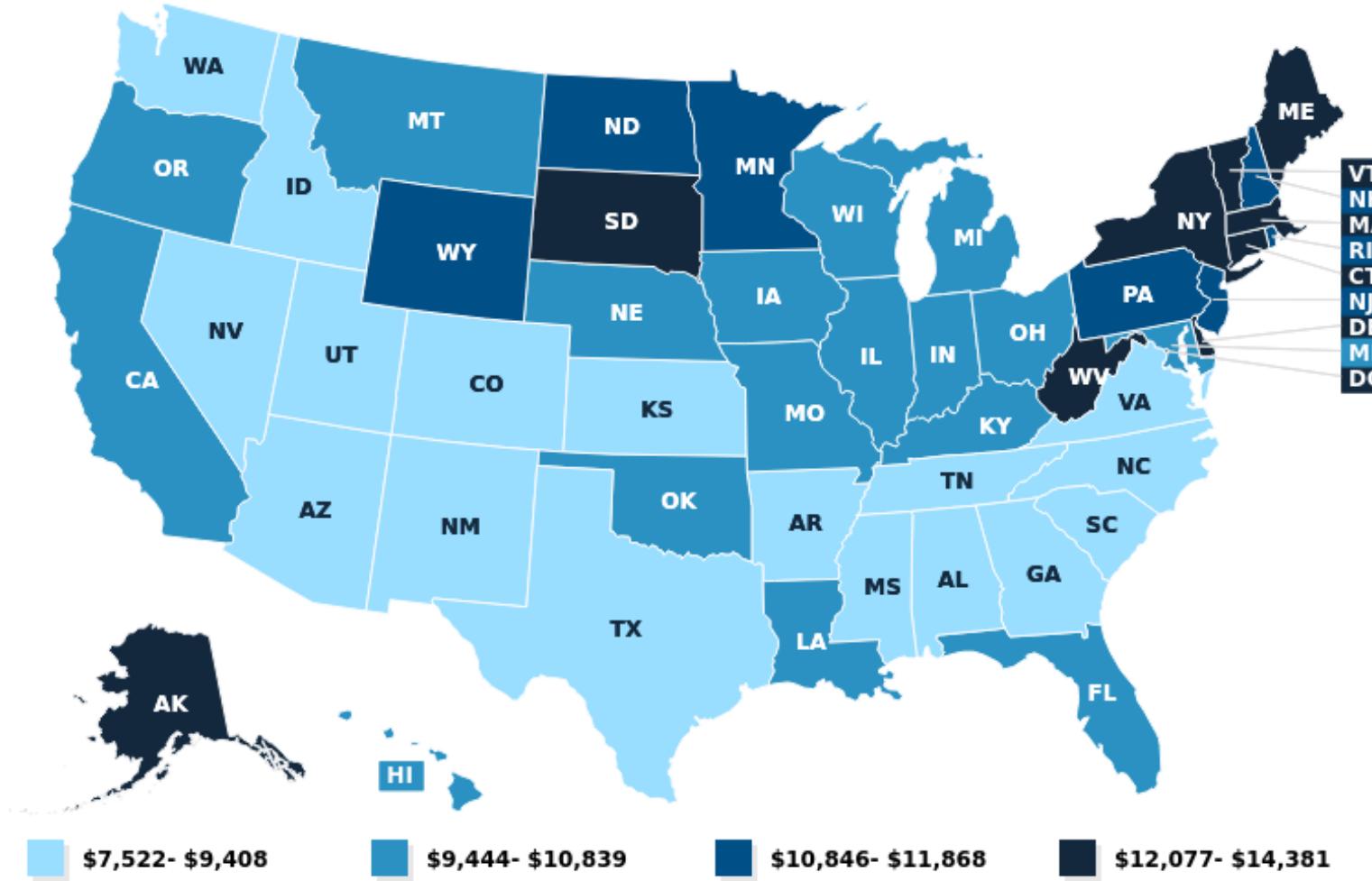
How do Connecticut health costs compare to other states?



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Connecticut's total health expenditures are above average

Health Care Expenditures per Capita by State of Residence: Health Spending per Capita, 2020



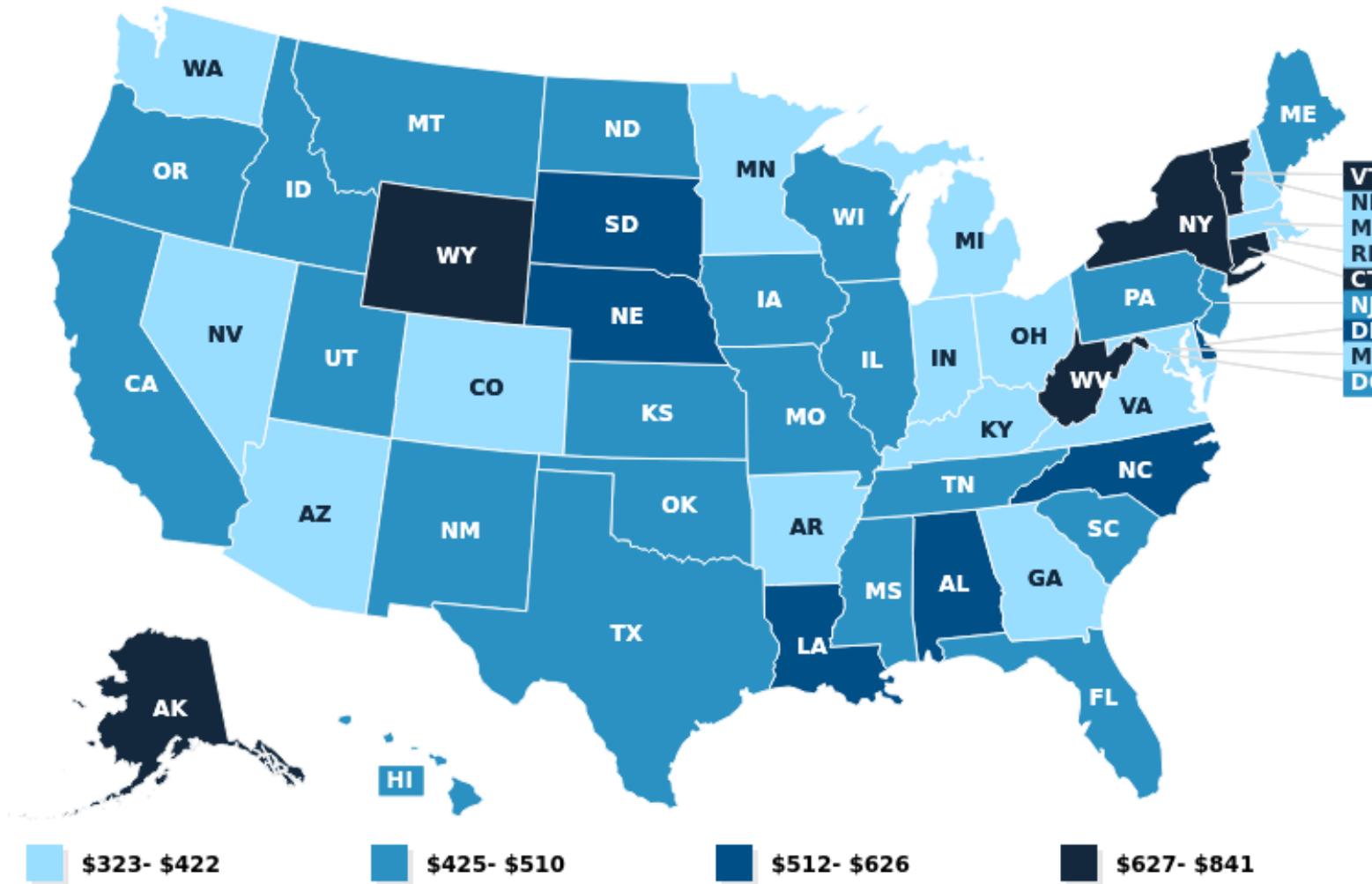
Connecticut: \$12,489/year

U.S. Average: \$10,191/year

CT's Rank: #9 of 51

Connecticut's ACA Marketplace premiums are above average

Marketplace Average Benchmark Premiums: Average Benchmark Premium, 2023



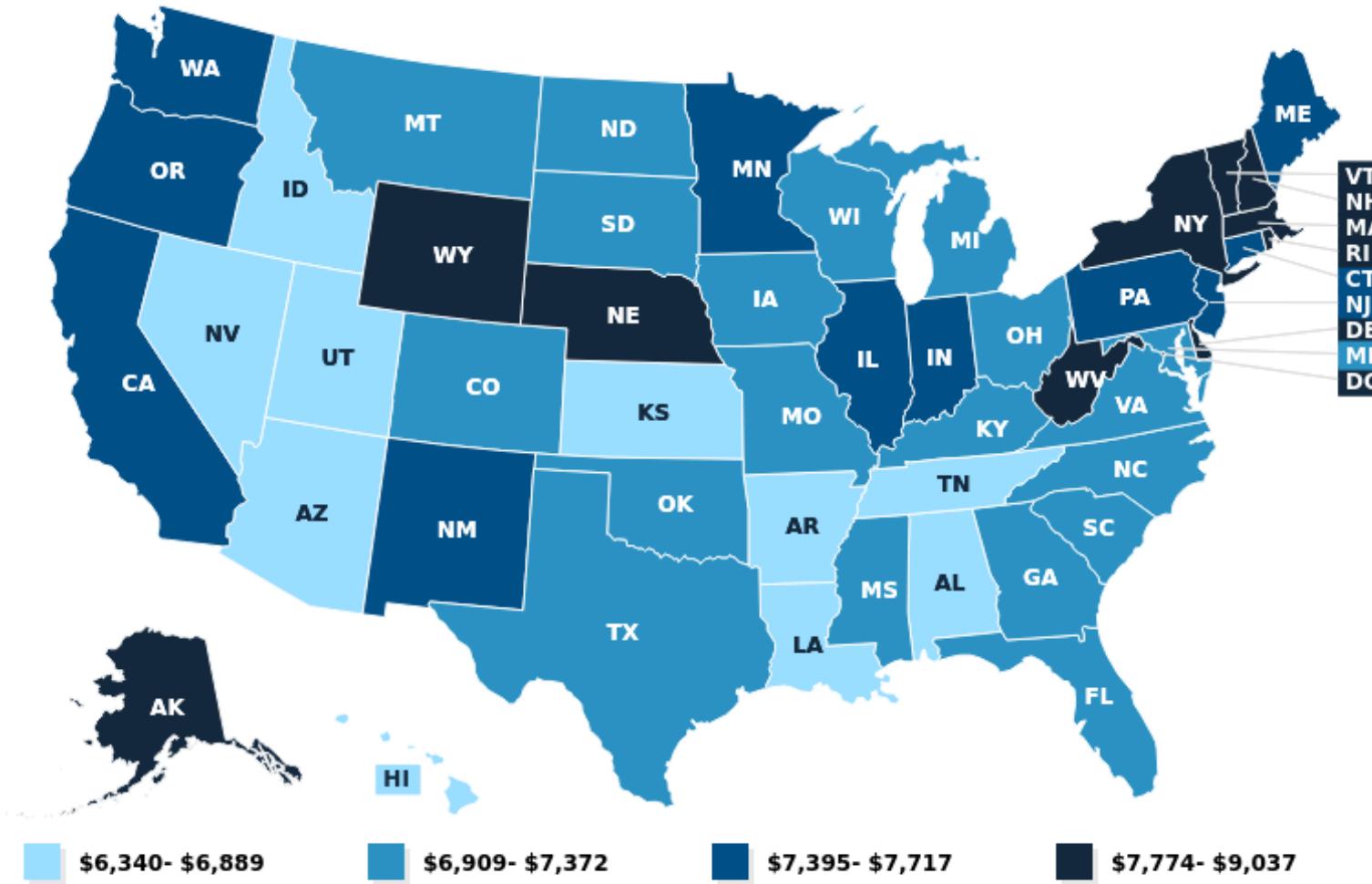
Connecticut: \$627/month

U.S. Average: \$456/month

CT's Rank: #5 of 51

Connecticut's employer premiums are above average

Average Annual Single Premium per Enrolled Employee For Employer-Based Health Insurance: Total Annual Premium



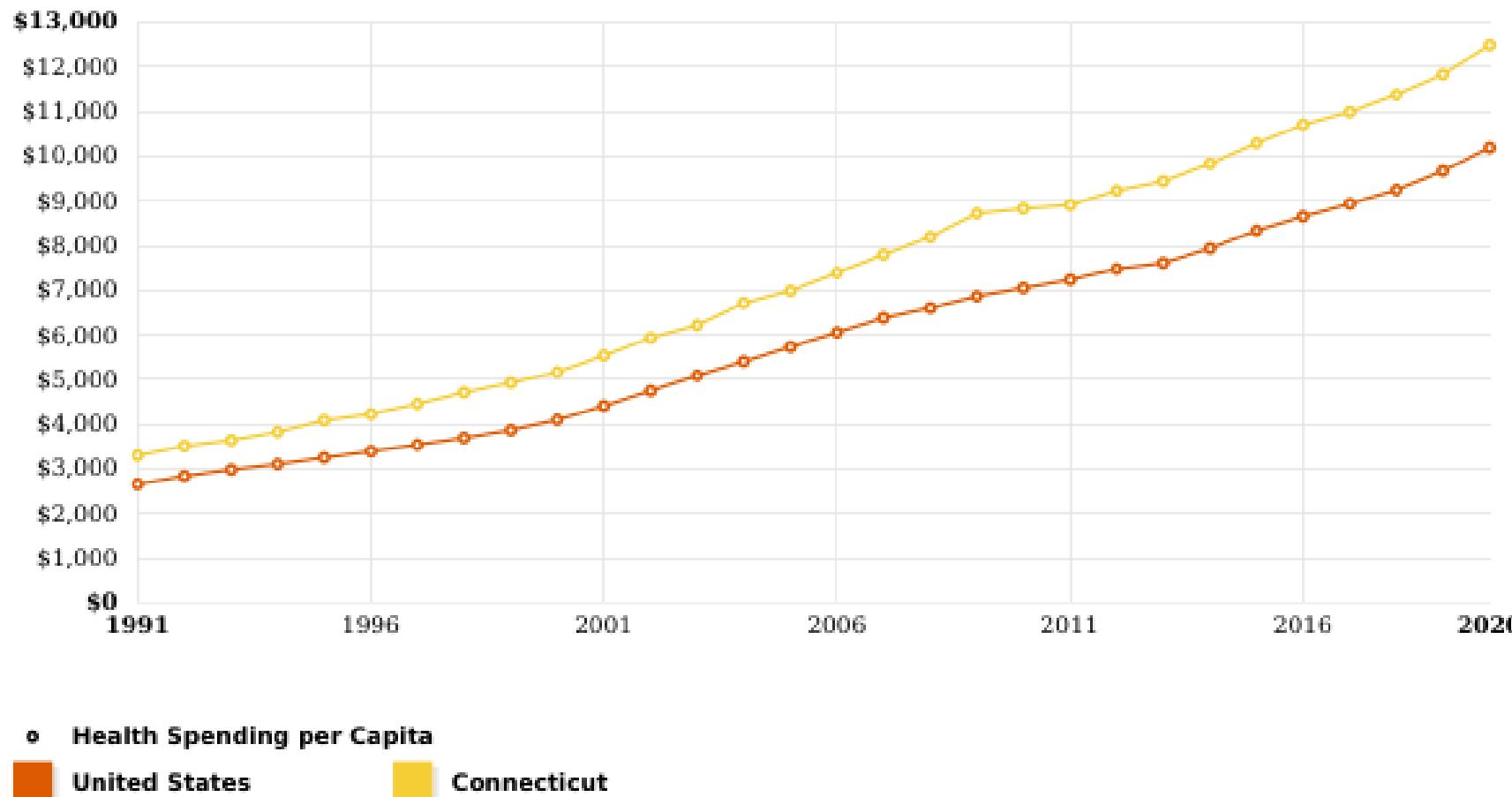
Connecticut: \$7,717/year

U.S. Average: \$7,380/year

CT's Rank: #12 of 51

Connecticut's health expenditures have risen faster than avg

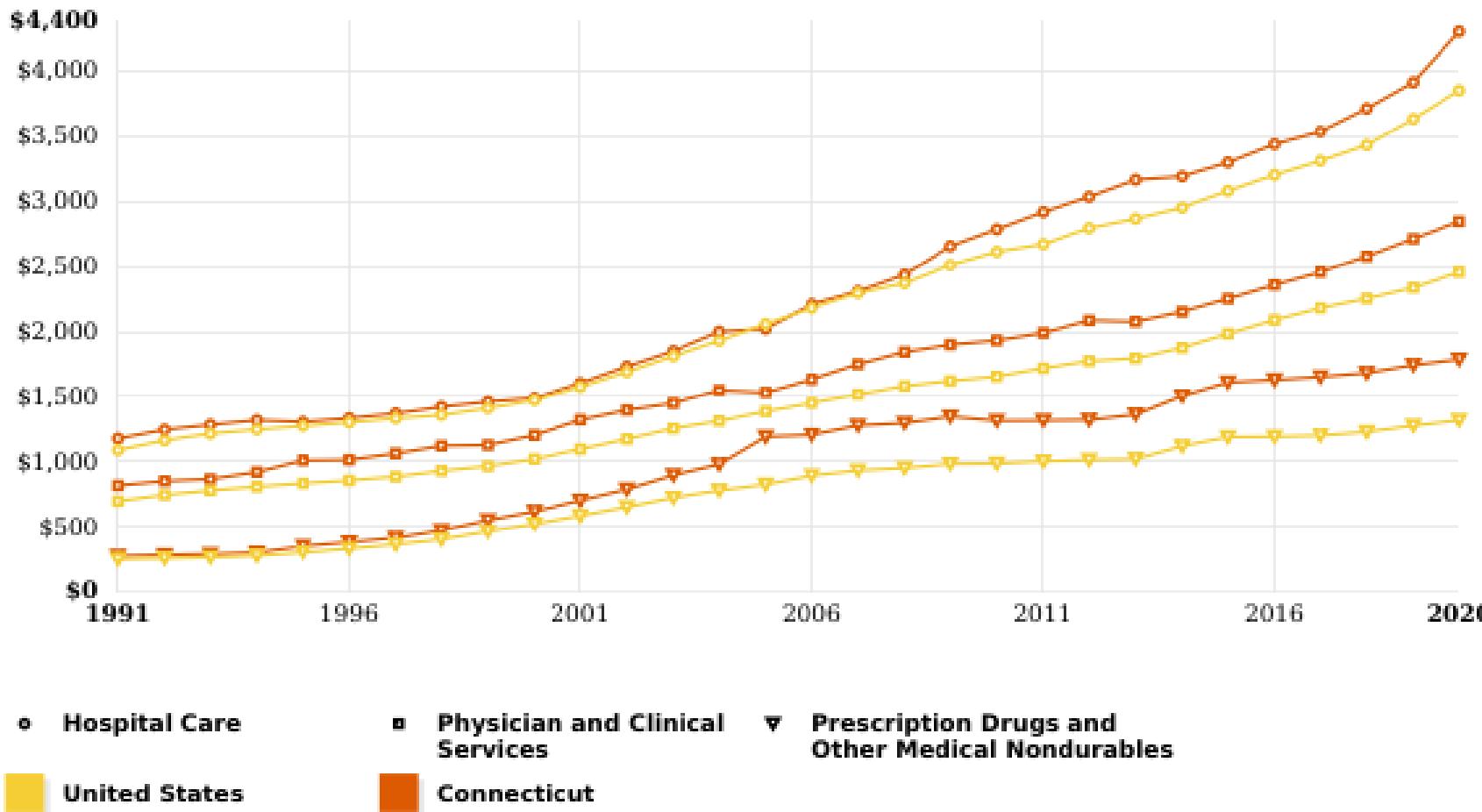
Health Care Expenditures per Capita by State of Residence: Health Spending per Capita, 1991 - 2020



SOURCE: Kaiser Family Foundation's State Health Facts.

Connecticut spends more on hospitals, physicians, and Rx

Health Care Expenditures per Capita by Service by State of Residence: Hospital Care & Physician and Clinical Services & Prescription Drugs and Other Medical Nondurables



SOURCE: Kaiser Family Foundation's State Health Facts.

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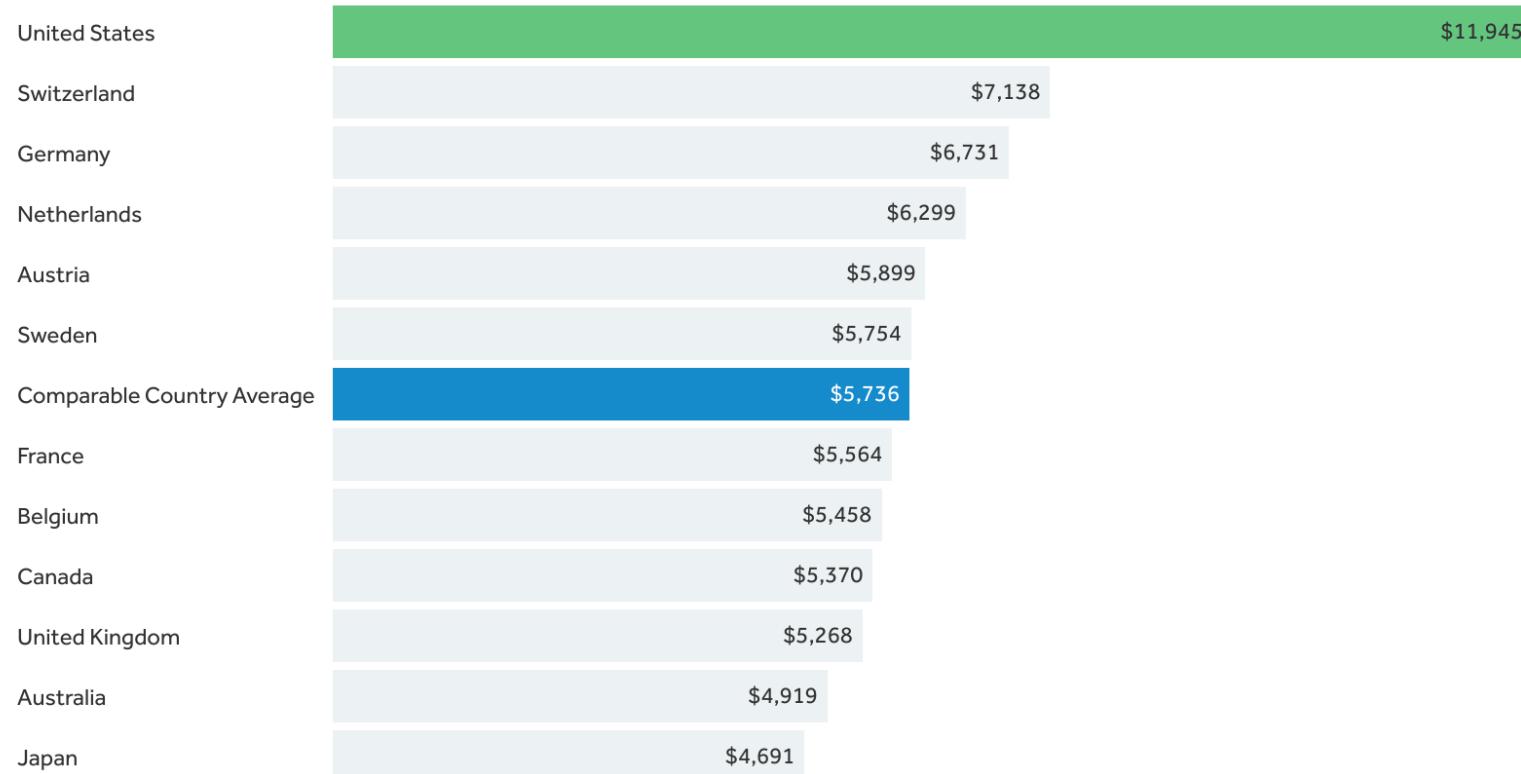
How do U.S. health costs compare internationally?

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The U.S. has the highest per capita health spending

Health consumption expenditures per capita, U.S. dollars, PPP adjusted, 2020 or nearest year

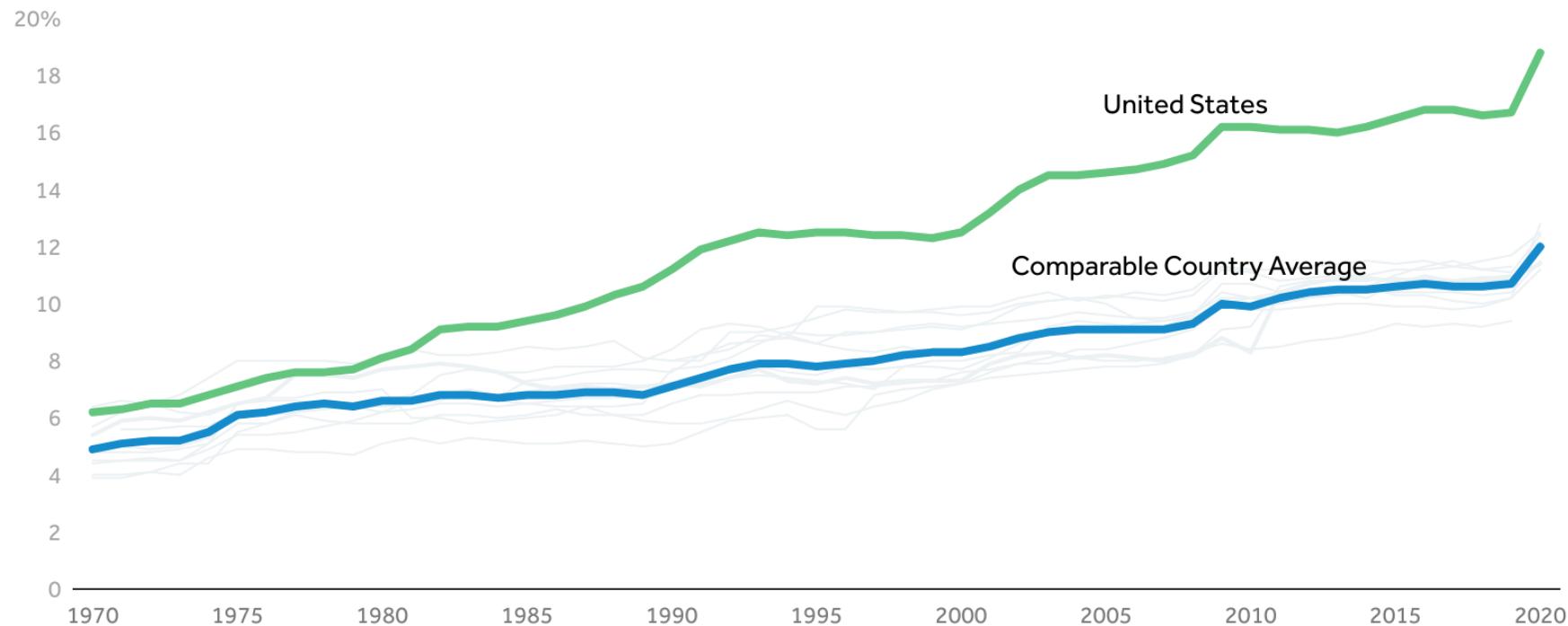


Notes: U.S. value obtained from National Health Expenditure data. Data from Australia, Belgium, Canada, Japan and Switzerland are from 2019. Data for Australia, France, and Japan are estimated. Data for Austria, Canada, Germany, Netherlands, and Sweden are provisional. Health consumption does not include investments in structures, equipment, or research.

Source: KFF analysis of National Health Expenditure (NHE) and OECD data

Health spending has grown faster in the U.S. than its peers

Health consumption expenditures as percent of GDP, 1970-2020



Notes: U.S. values obtained from National Health Expenditure data. Health consumption does not include investments in structures, equipment, or research. 2020 data not yet available for Australia, Belgium, Canada, Japan or Switzerland. Provisional 2020 data for Austria, Germany, Netherlands, Sweden and the United Kingdom. Provisional 2019 data for Canada. Data for Australia and Japan in 2019 and France in 2020 is estimated. France data before 1990 is not shown.

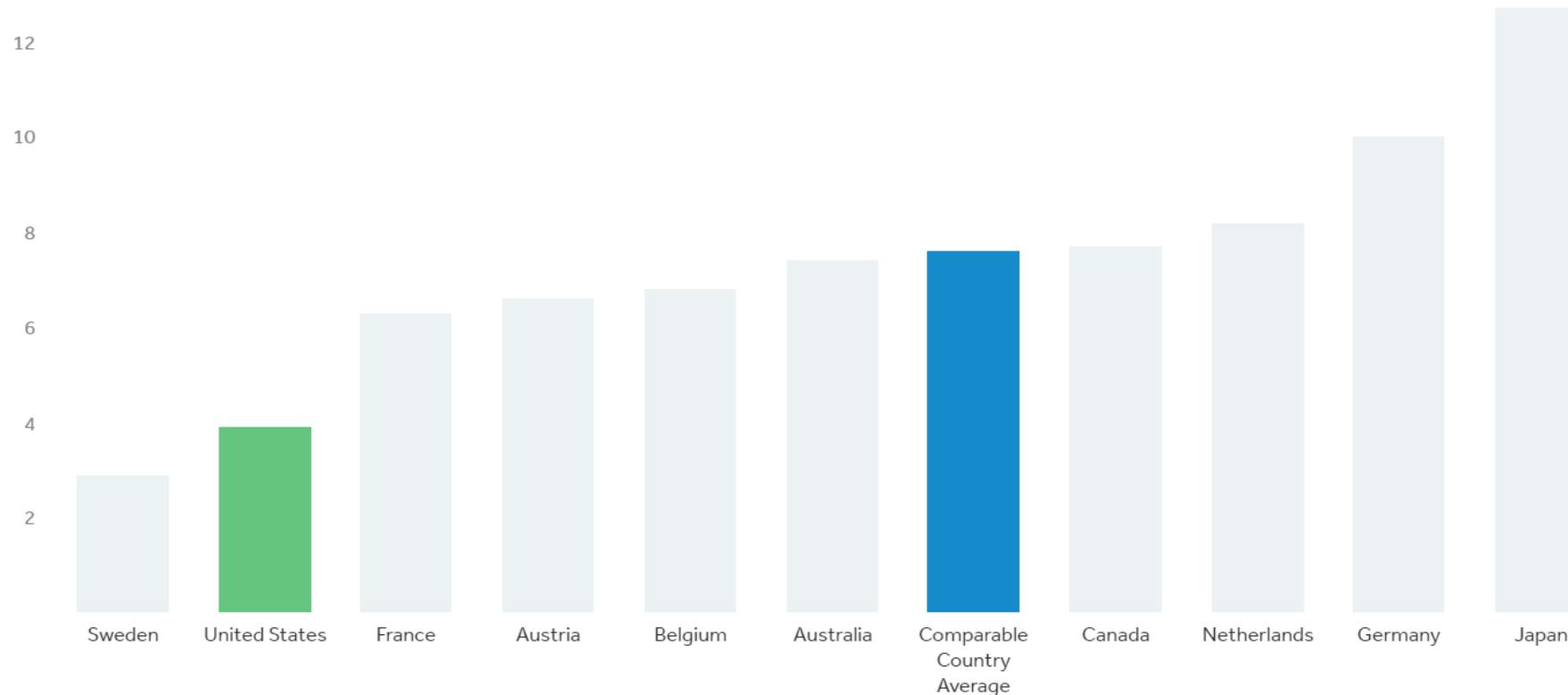
Source: KFF analysis of OECD and National Health Expenditure (NHE) data

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Americans have fewer doctor's visits per capita

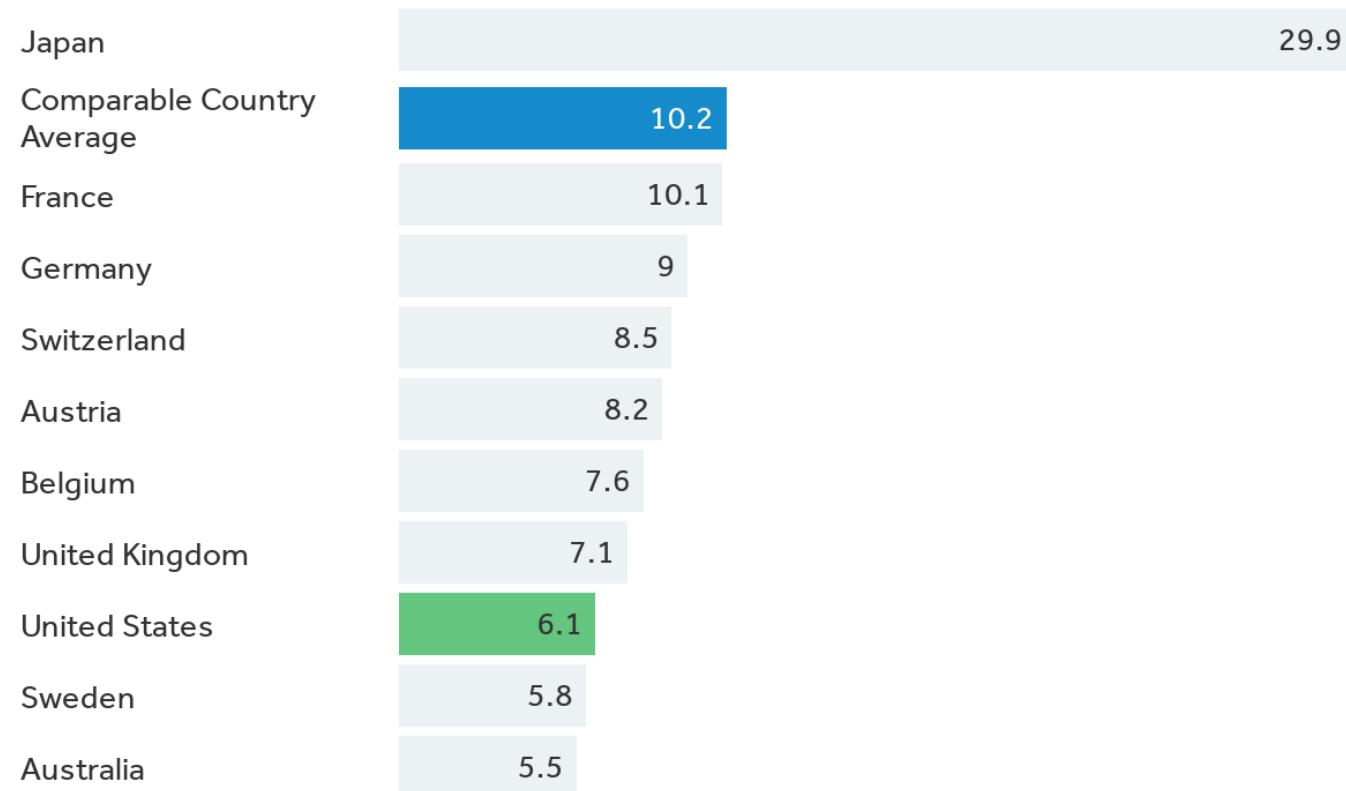
Doctors consultations, per capita, in all settings, 2015



SOURCE: KFF analysis of OECD data

Americans have shorter average hospital stays

Inpatient care average length of stay in days, all hospitals, 2014

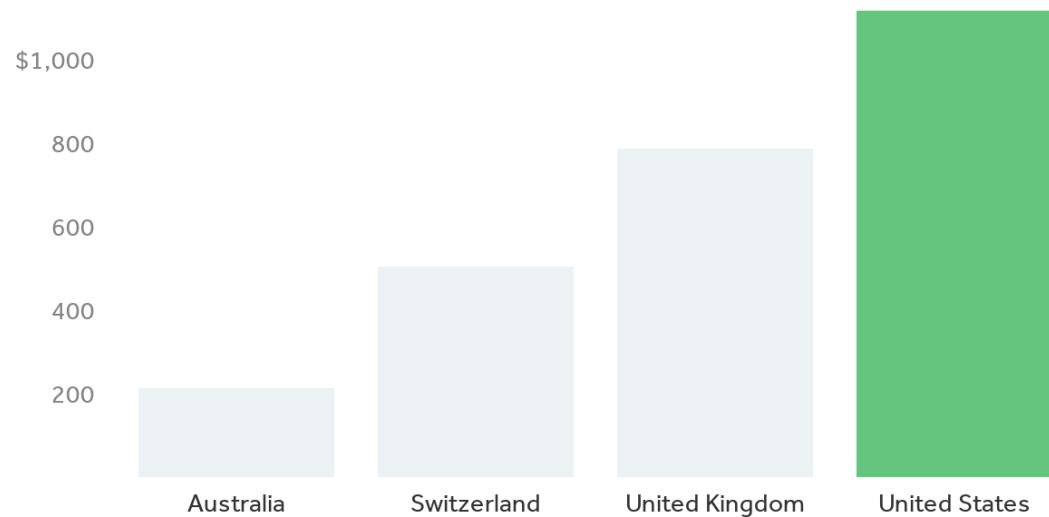


Note: Data not available for the Netherlands.

Source: Kaiser Family Foundation analysis of data from OECD (2018), "Health care utilisation", OECD Health Statistics (database) (Accessed on 31 January 2018)

Americans pay higher prices for MRIs and many Rx drugs

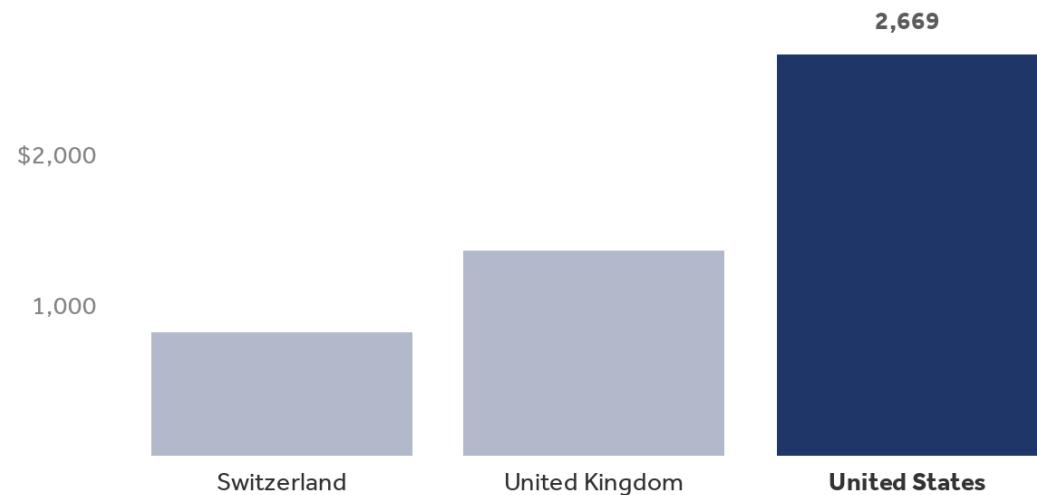
Average price of an MRI, 2014



Note: Data for United States represents average cost in employer-sponsored plans. Data from Australia, Switzerland and the United Kingdom represent average private sector costs.

Source: Kaiser Family Foundation analysis of data from International Federation of Health Plans (2015), "2015 Comparative Price Report, Variation in Medical and Hospital Prices by Country"

Average price Humira, 1 prefilled syringe carton, 2 syringes, 28 day supply, 2014



Source: International Federation of Health Plans 2015 Comparative Price Report

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Americans pay higher prices for certain surgeries, procedures

Average price per angioplasty and per bypass surgery, 2017

■ Average price per angioplasty ■ Average price per bypass surgery



Average price per caesarean section and per normal delivery, 2017

■ Average price per caesarean section ■ Average price per normal delivery



Source: International Federation of Health Plans (2019), "2017 Comparative Price Report: International Variation in Medical and Drug Prices"

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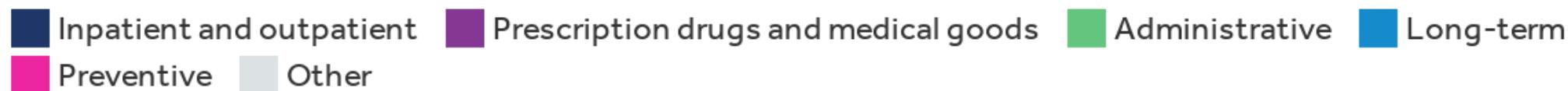
Source: International Federation of Health Plans (2019), "2017 Comparative Price Report: International Variation in Medical and Drug Prices"

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Inpatient and outpatient care drive most of the difference

Healthcare spending per capita, by spending category, 2018



United States (Total: \$10,637 per capita)



Comparable Country Average (Total: \$5,527 per capita)



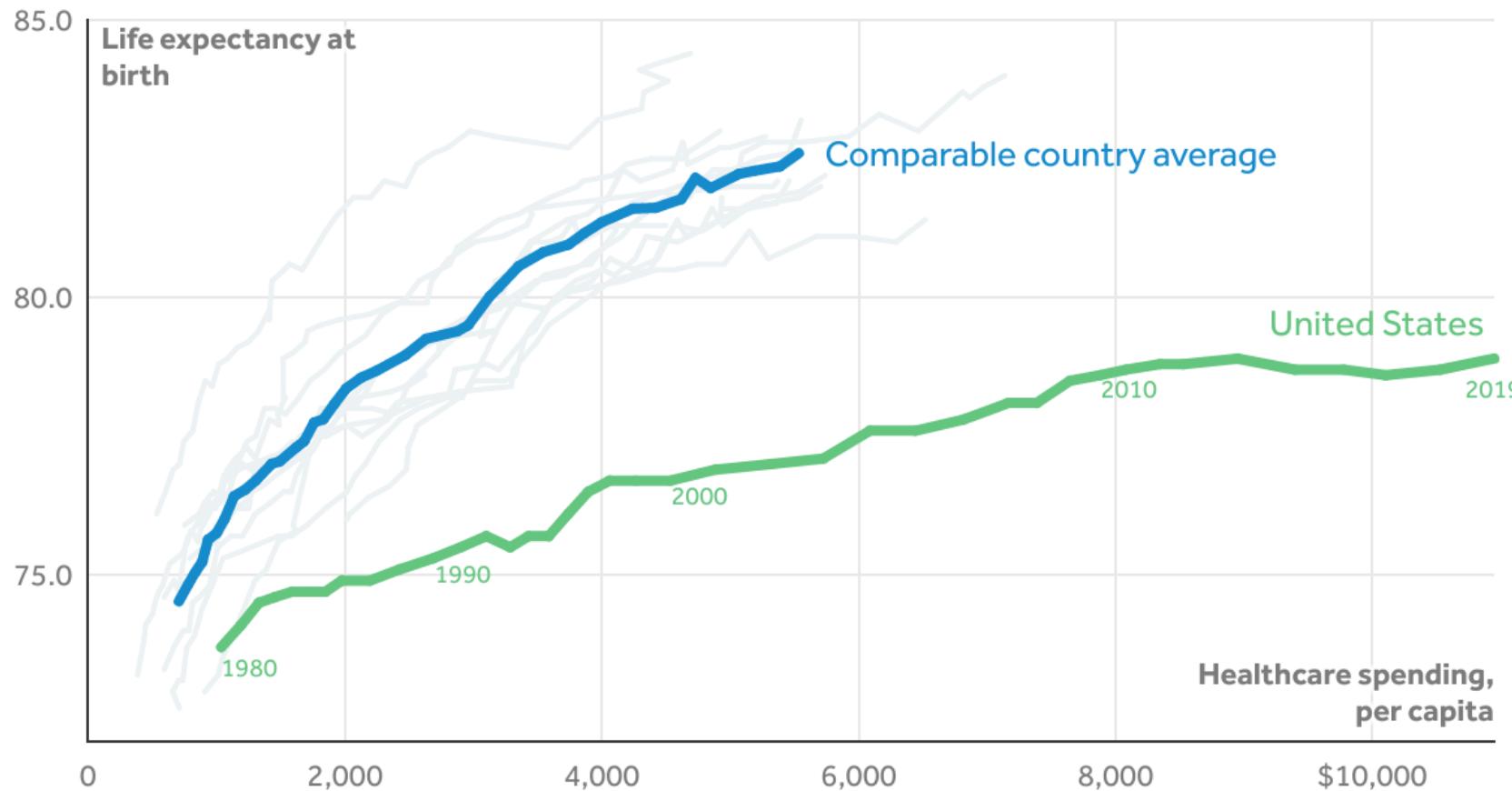
Note: Comparable countries include Austria, Belgium, Canada, France, Germany, Netherlands, Sweden, Switzerland, and the United Kingdom.

Source: KFF analysis of OECD Health Statistics

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Life expectancy and healthcare spending per capita, 1980-2019



Higher health spending in the U.S. does not translate to better health outcomes

Notes: 1991 healthcare spending data for Germany is unavailable. From 1980-1990, data for health care spending is only available for 1980, 1985, and 1990. Therefore, Data for France is only shown from 1990 onward. 2019 data for Australia and Japan are estimated. 2019 data for Canada is provisional. A similar chart is published by OWID.

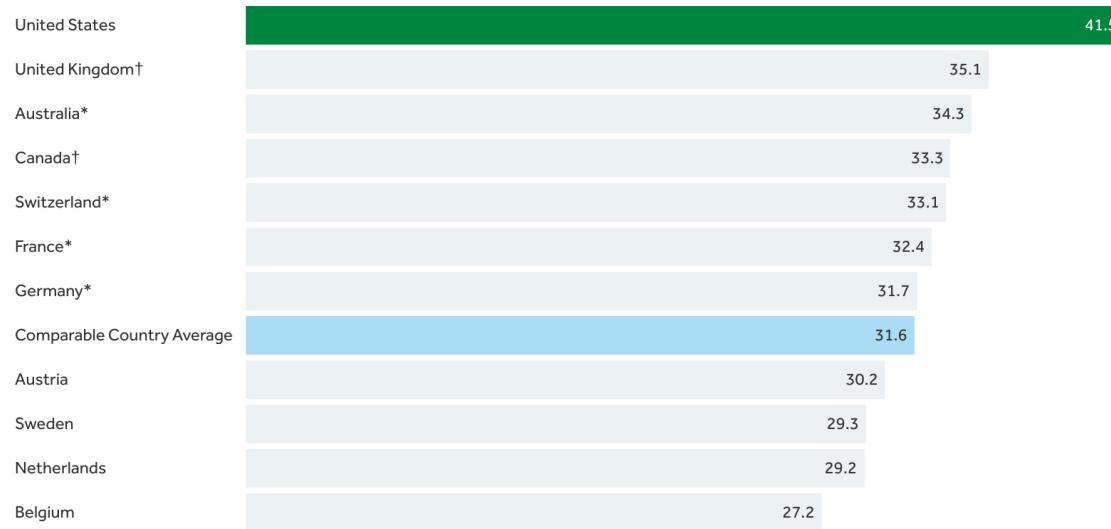
Source: KFF analysis of OECD data

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Could social determinants of health explain some of the differences in spending and outcomes?

Gini coefficient, 2019 or nearest year

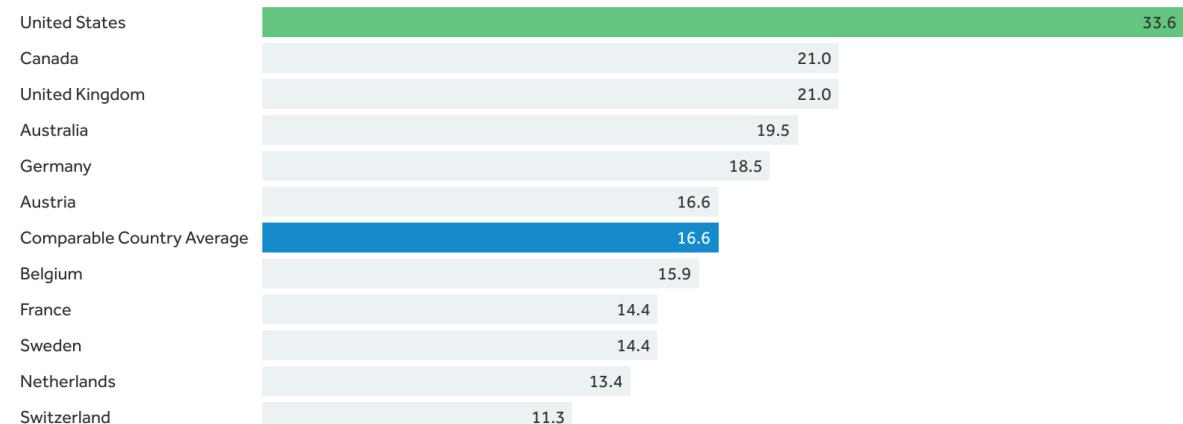


Notes: Data for Japan are unavailable. * = Data for Australia, France, Germany, and Switzerland are from 2018. † = Data for Canada and the United Kingdom are from 2017.

Source: KFF analysis of World Bank data

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Prevalence of obesity (Body Mass Index ≥ 30), age-standardized estimates, 2020 or nearest year



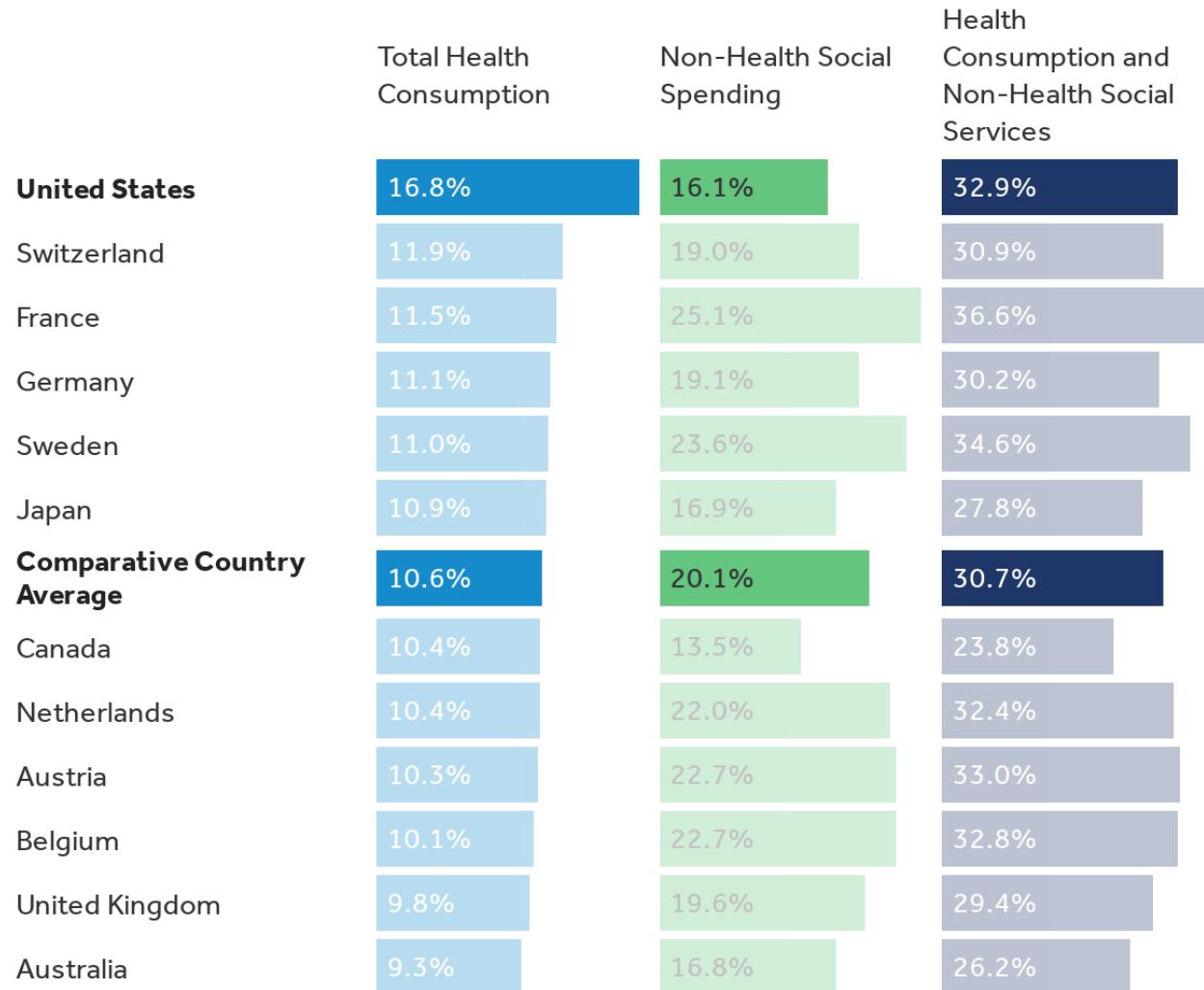
Notes: Data are self-reported. Data from Australia, Switzerland and the United Kingdom are from 2017. Data from Belgium are from 2018. Data from Austria, France, and Germany are from 2019.

Source: KFF analysis of OECD data

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Health consumption and non-health social service spending as percent of GDP, 2015



Note: U.S. value obtained from National Health Expenditure data. Health consumption does not include investments in structures, equipment, or research.

Source: KFF analysis of OECD and National Health Expenditure (NHE) data

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The U.S. spends much more on health care

The U.S. spends less on non-health social spending

But if we combine the two, the U.S. spends a similar amount as its peers

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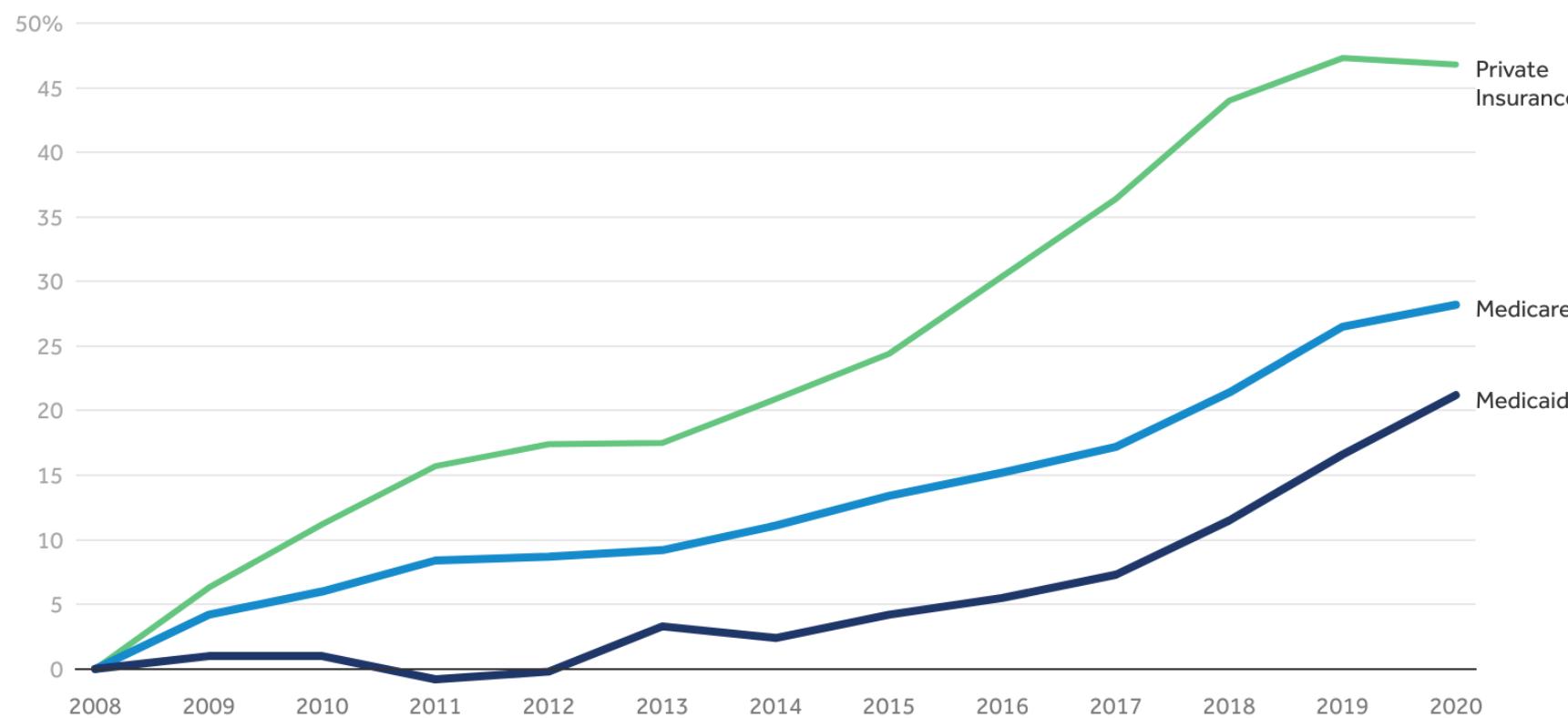
How have U.S. health costs grown, and how does that vary by payer?



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Health spending grew particularly fast for private enrollees

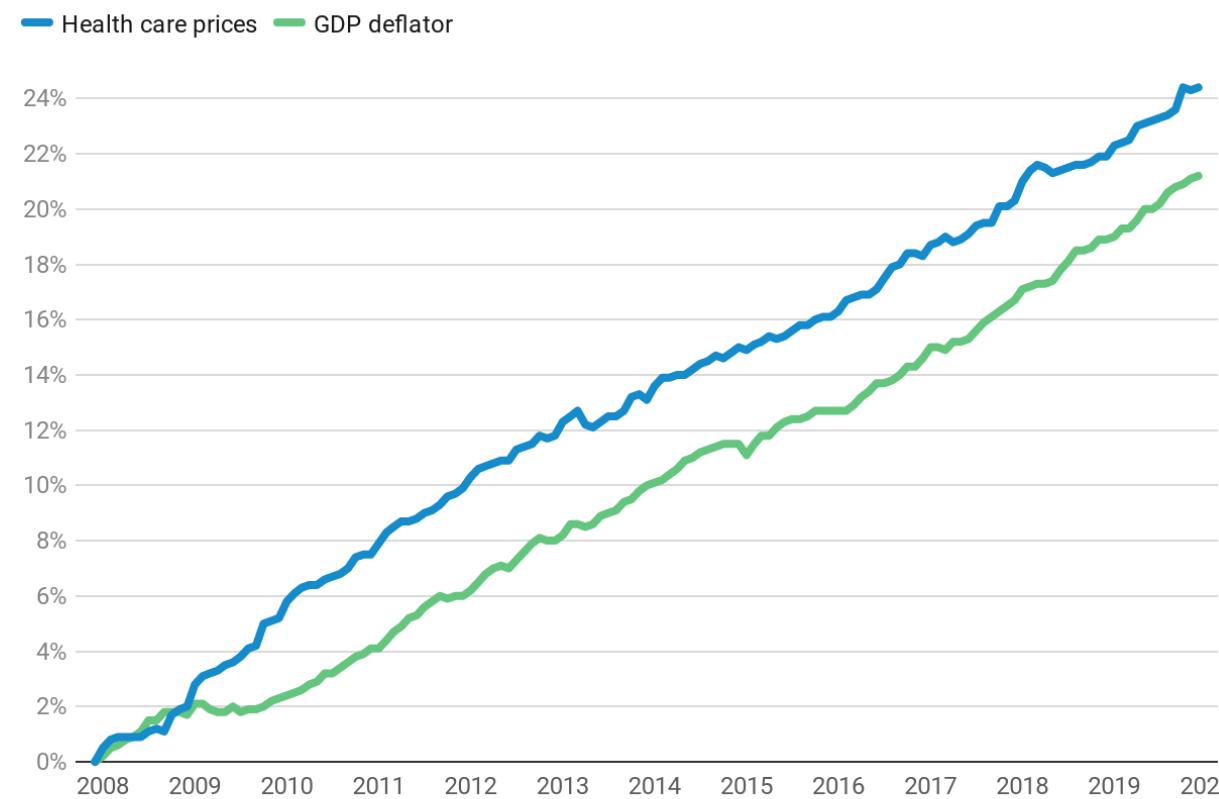
Cumulative growth in per enrollee spending by private insurance, Medicare, and Medicaid, 2008-2020



Source: KFF analysis of CMS National Health Expenditures Accounts

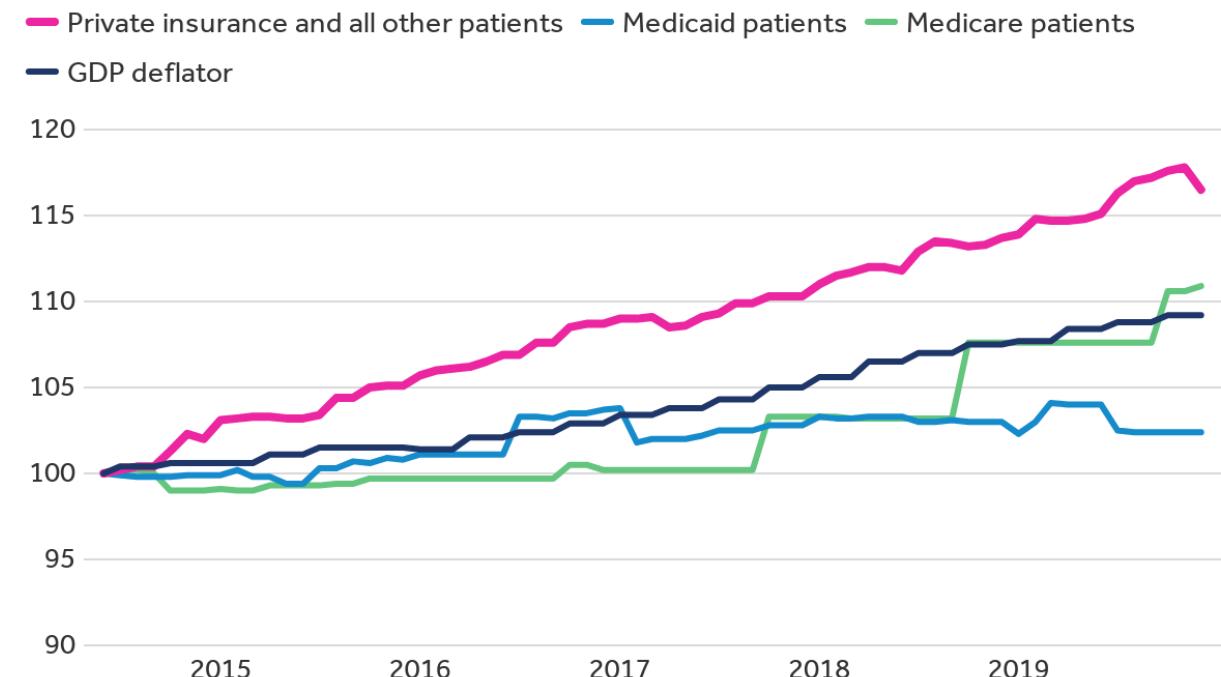
Health prices usually grow faster than GDP, esp. private prices

Cumulative percent change since December 2007 in health care prices and GDP deflator



Source: Altarum analysis of monthly BLS price data and monthly GDPD data. • Created with Datawrapper

Producer price index for hospital inpatient care, by payer, 2014-2019



Source: U.S. Bureau of Labor Statistics, Producer Price Index by Commodity for Health Care Services: Hospital Inpatient Care, General Medical and Surgical Hospitals, retrieved from FRED, Federal Reserve Bank of St. Louis.

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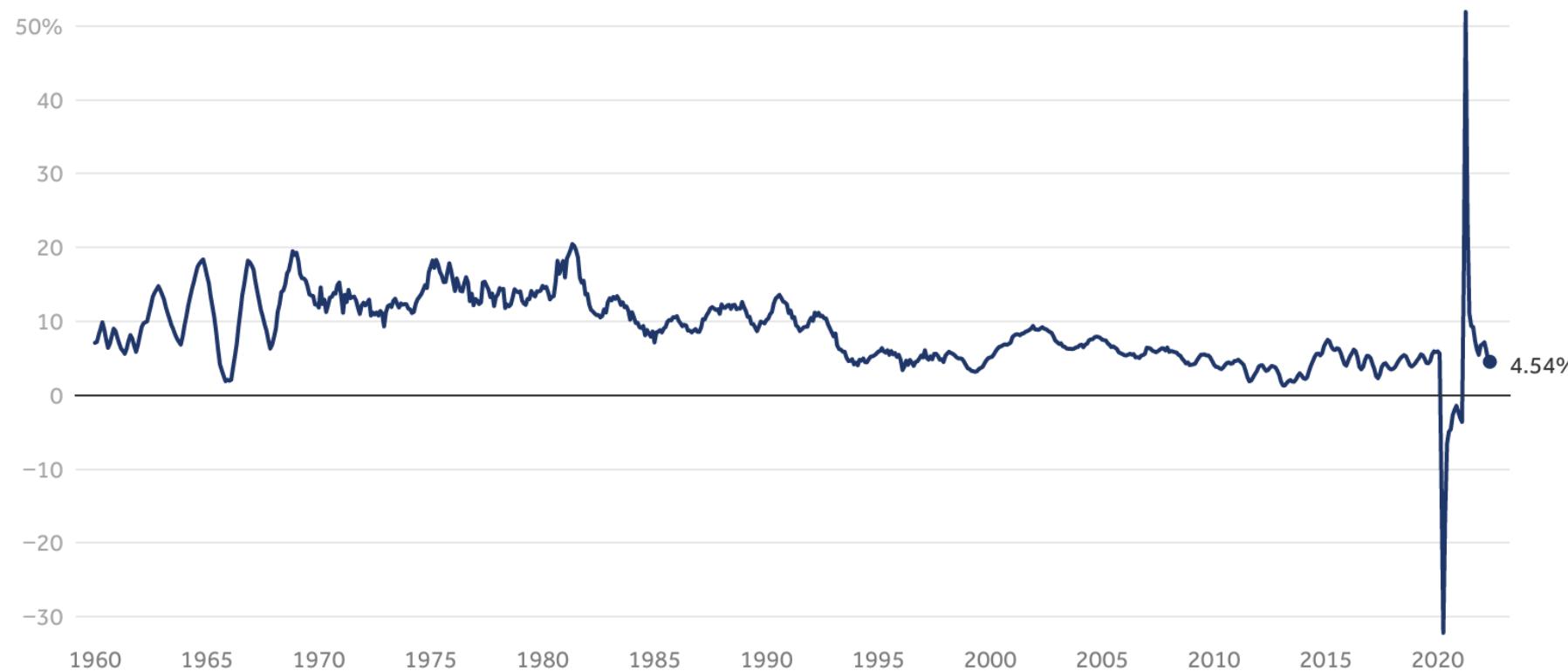
How has the pandemic changed health spending trends?

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The pandemic has disrupted long-term trends in spending

Year over year percent change in personal consumption expenditures on health care services,
January 1960 - May 2022

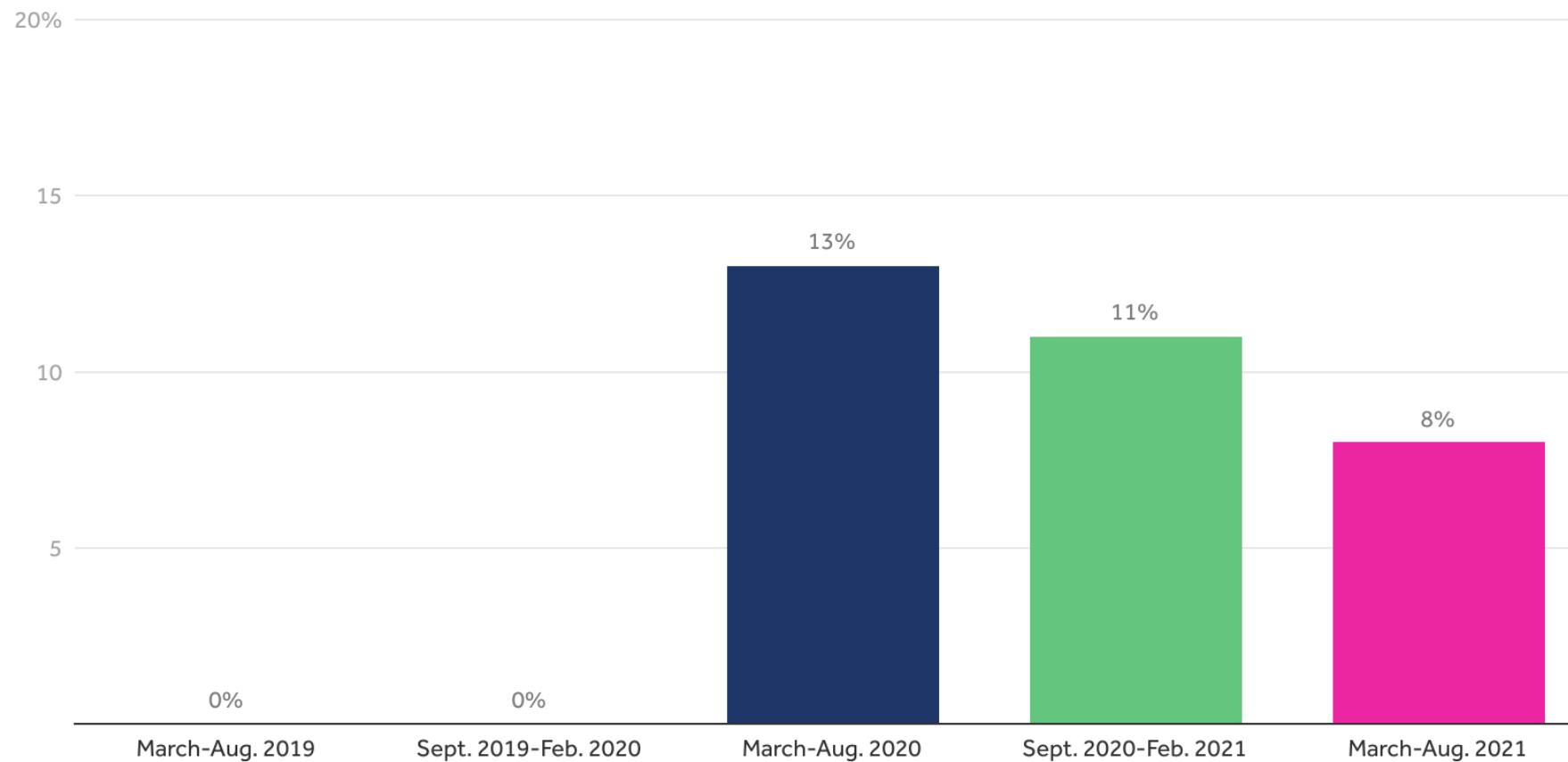


Note: Monthly spending data are annualized.

Source: KFF analysis of BEA Data

Telemedicine use has skyrocketed relative to pre-pandemic

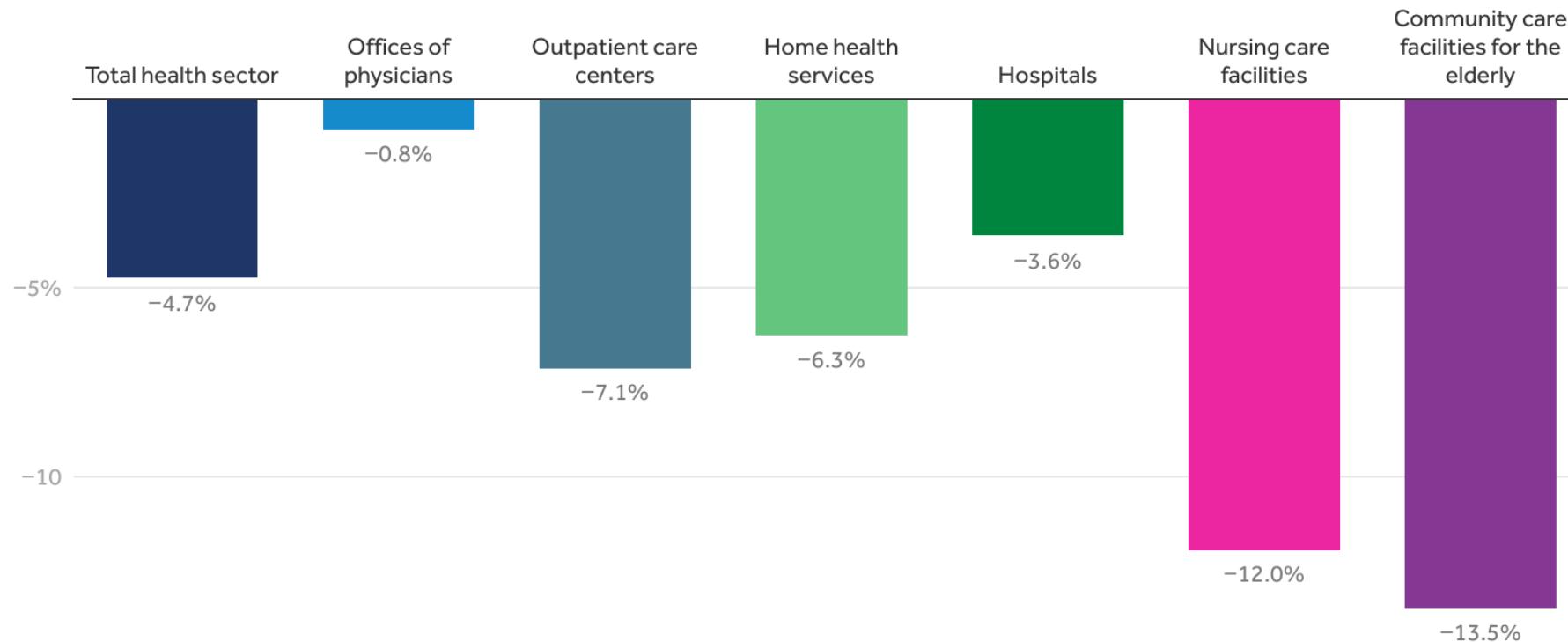
Share of outpatient visits by telehealth, 2019-2021



Source: KFF and Epic Research analysis of Cosmos data

Health sector employment remains below expectations

Percent difference in July 2022 health employment by setting, actual vs. projected (based on pre-pandemic growth rates)



Note: All data are seasonally adjusted. Data is preliminary. Projected values are calculated by applying the average monthly growth rate between January 2017-January 2020 to March 2020 through the latest month.

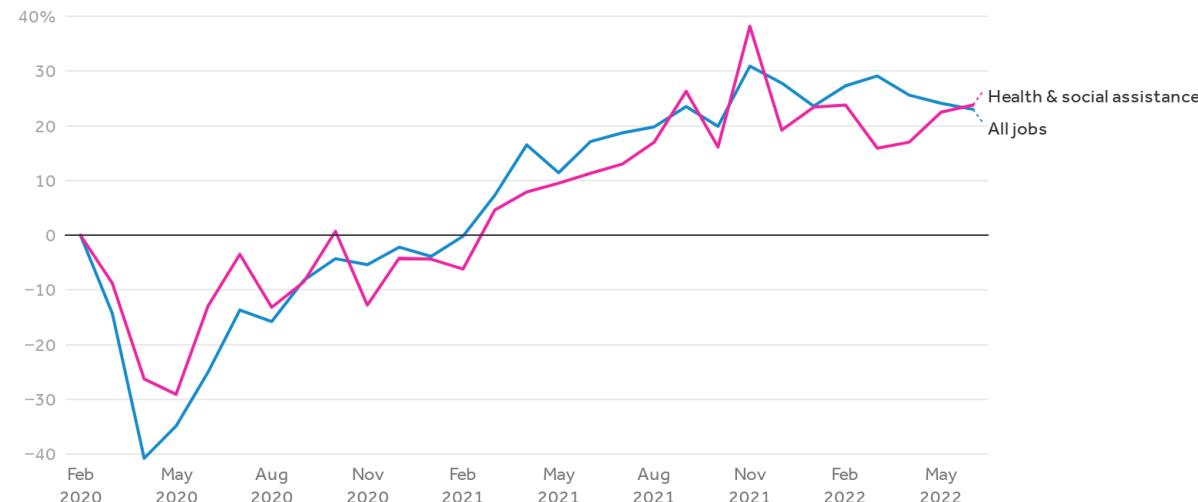
Source: Bureau of Labor Statistics Current Employment Survey (CES)

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Job quits and job openings have risen sharply

Cumulative % change in job quits from February 2020 - June 2022, health & social assistance jobs and all jobs

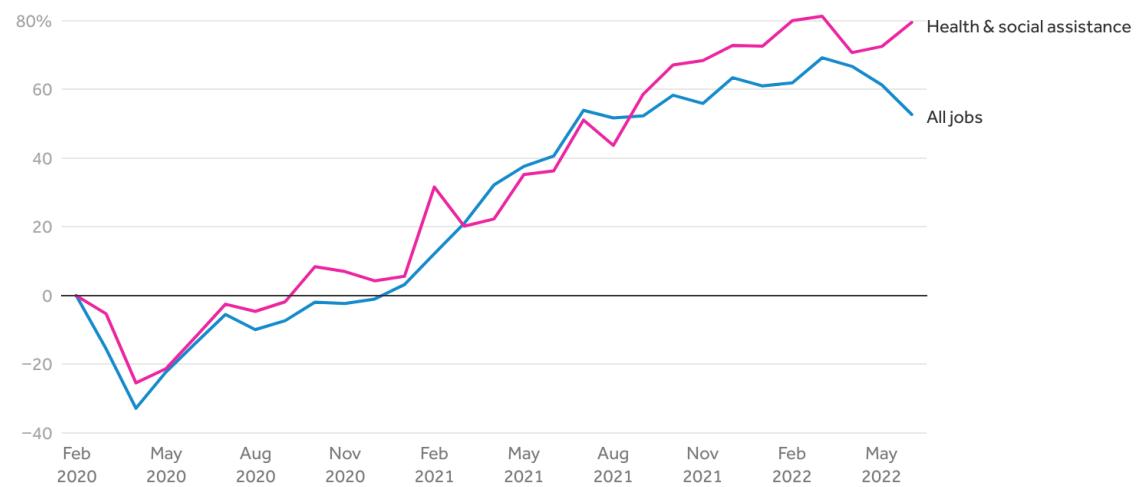


Note: "All jobs" includes nonfarm jobs only

Source: Bureau of Labor Statistics Job Openings & Labor Turnover Survey (JOLTS)

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Cumulative % change in job openings, February 2020 - June 2022, health & social assistance jobs and all jobs



Note: "All jobs" includes nonfarm jobs only

Source: Bureau of Labor Statistics Job Openings & Labor Turnover Survey (JOLTS)

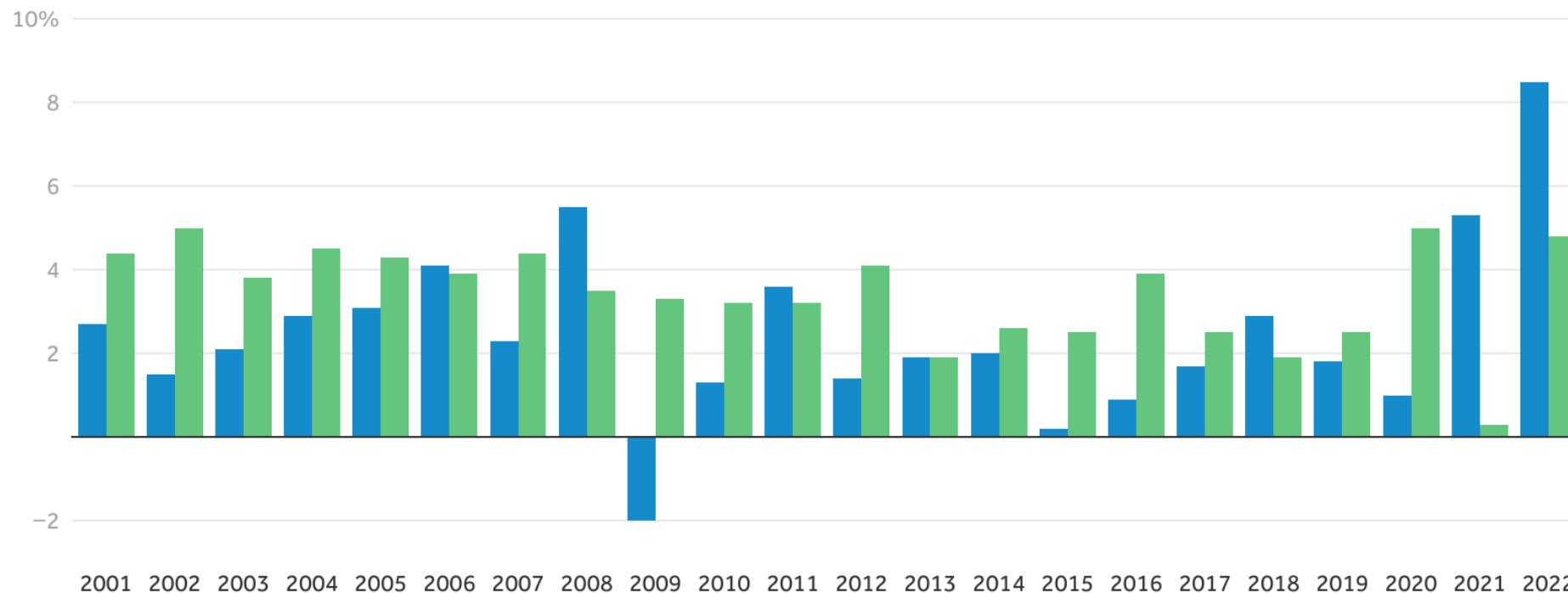
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Inflation may eventually flow through to the health sector

Annual change in Consumer Price Index for All Urban Consumers (CPI-U), July 2001 - July 2022

All goods and services Medical care



Note: Medical care includes medical services as well as commodities such as equipment and drugs.

Source: KFF Analysis of Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) data

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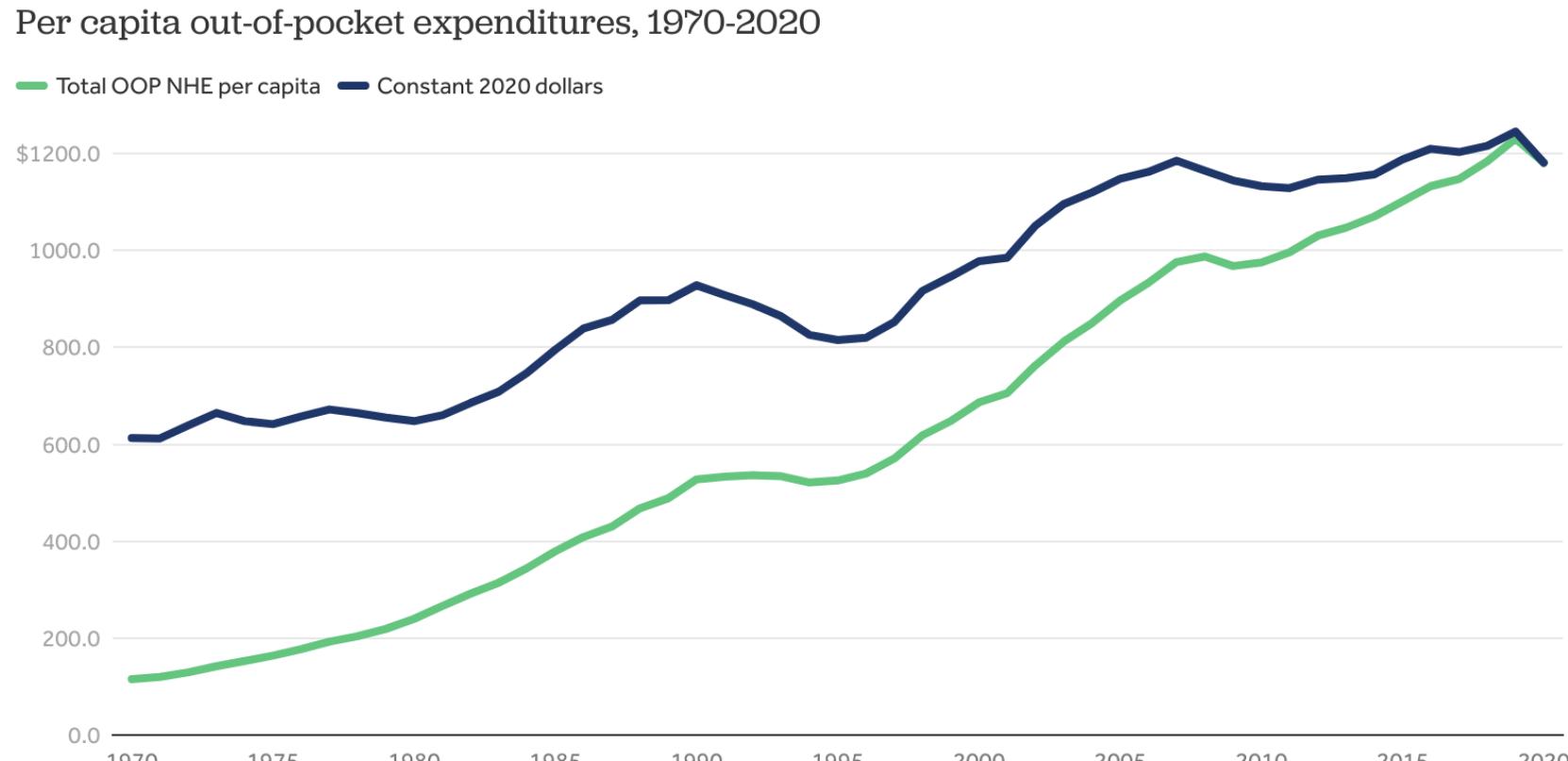
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What do high health costs mean for consumers?

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Out-of-Pocket Spending Has Grown Sharply Over Time



Note: A constant dollar is an inflation adjusted value used to compare dollar values from one period to another.

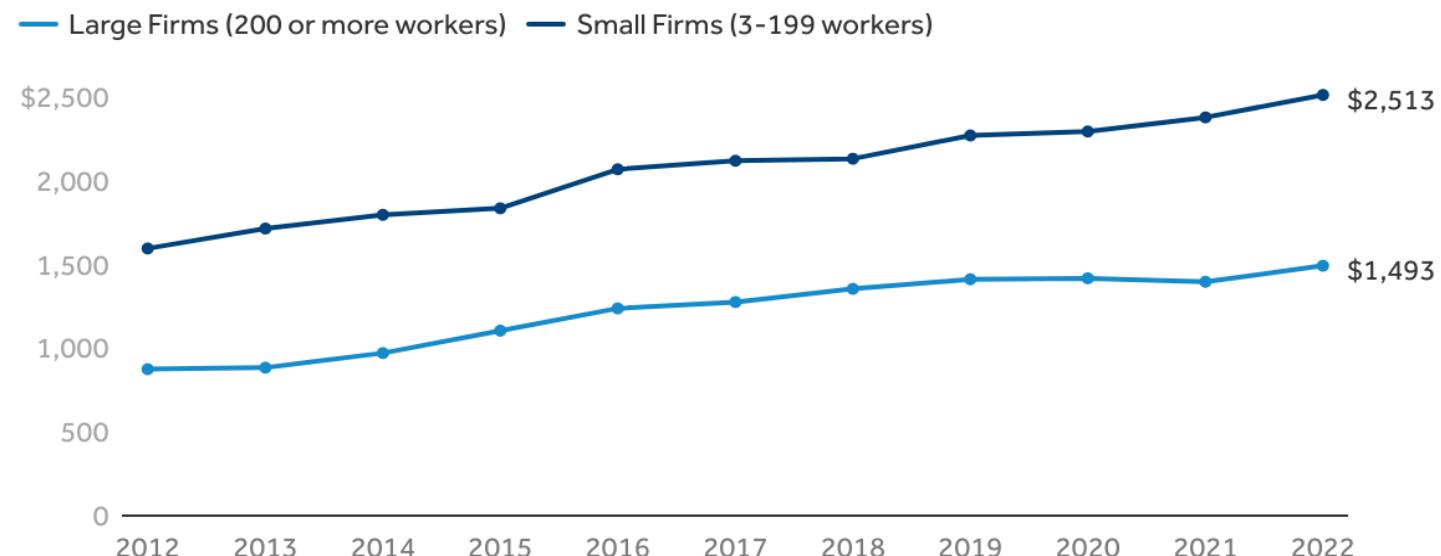
Source: KFF analysis of National Health Expenditure (NHE) data

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Workers in Small Firms Face Much Higher Deductibles Than Those in Large Firms

Average single coverage deductible for covered workers in plans with a deductible, by firm size, 2012-2022

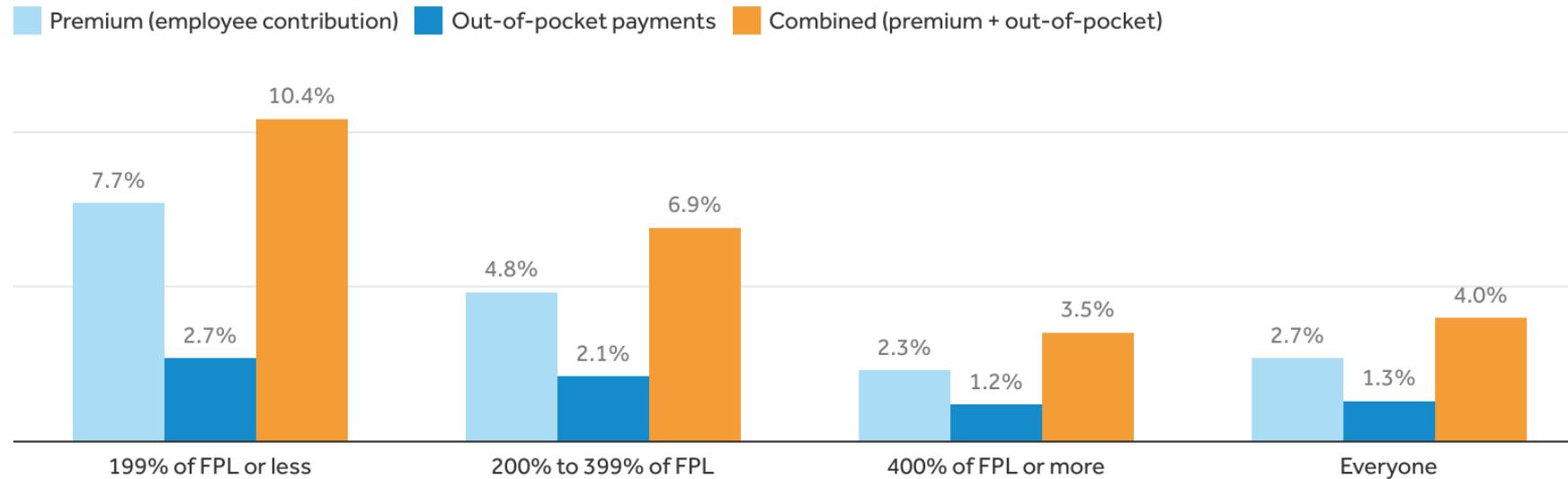


72% of covered with were in a plan with a deductible in 2012; 87% were in a plan with a deductible in 2022

Source: KFF Employer Health Benefits Survey, 2012-2022.

ESI Enrollees in Low and Moderate-Income Families on Average Spend Substantial Shares of Family Income for Premiums and Cost-Sharing

Average share of family income going toward employer-based health insurance premium contributions and out-of-pocket costs, 2020



Note: This analysis is among non-elderly people with employer-based coverage in households with a full-time worker and a policy holder. FPL stands for Federal Poverty Level. In 2020, the poverty level for a family of four was \$26,200.

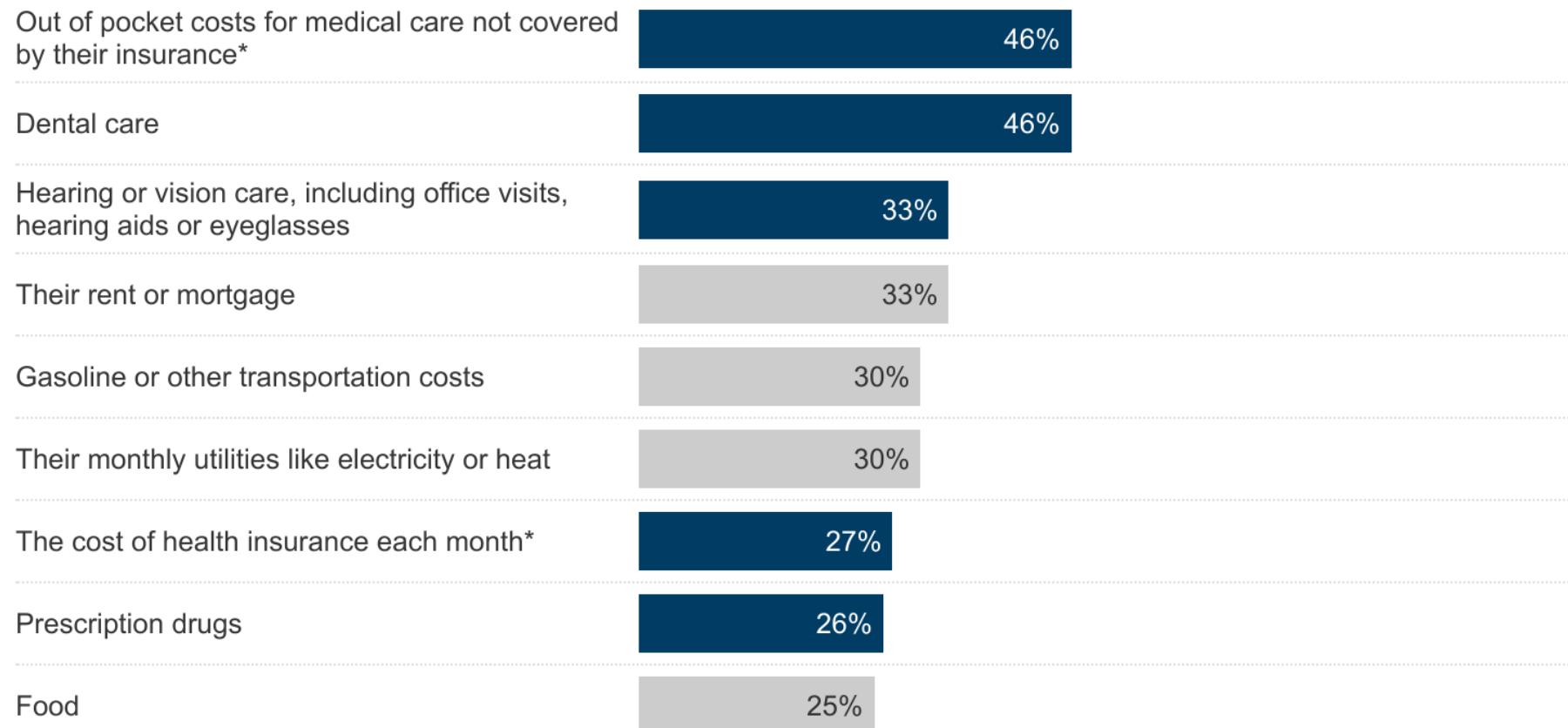
Source: KFF analysis of Current Population Survey

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Many Adults Struggle to Afford Health Care Costs

Percent who say it is very or somewhat difficult for them to afford to pay for each of the following:

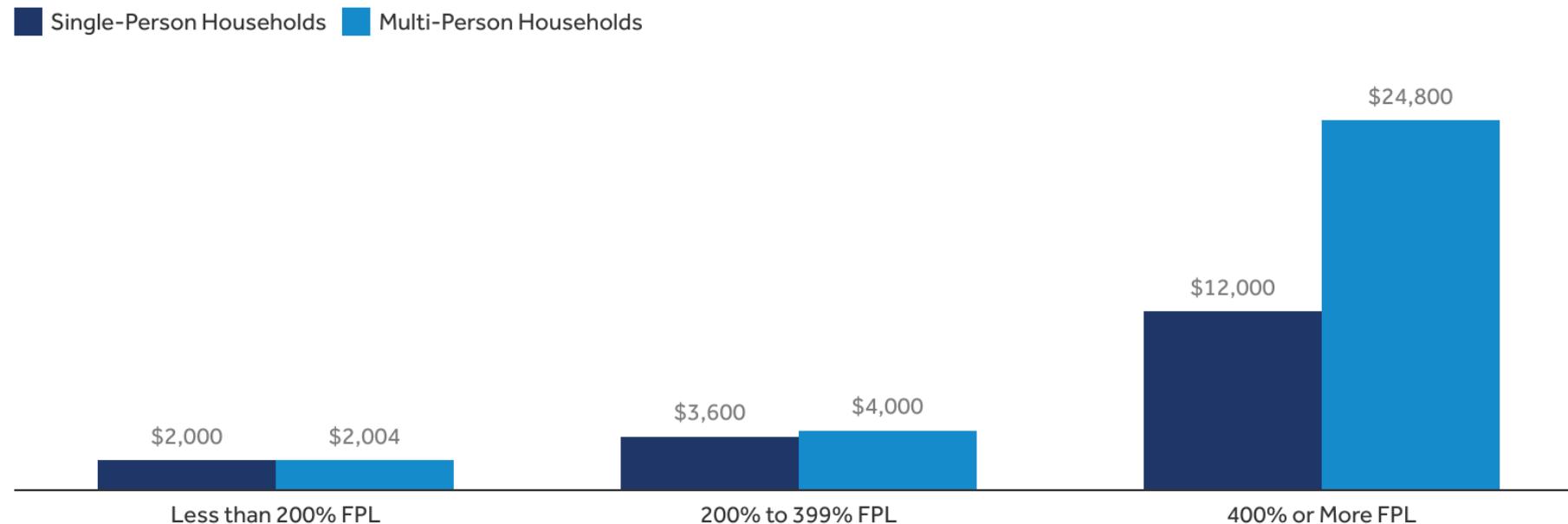


NOTE: *Items asked only of those who are insured. See topline for full question wording.

SOURCE: KFF Health Tracking Poll (Sept. 23-Oct. 4, 2021)

Many People in Low and Moderate-Income Households May Not Have the Resources on Hand to Meet Cost-Sharing in Employer-Sponsored Plans

Median liquid household assets for people with employer-sponsored coverage, 2020



Liquid Assets includes the sum of checking and saving accounts, money market accounts, certificates of deposit, savings bonds, non-retirement mutual funds, stocks and bonds. Among people in households with at least one enrollee age 19-64 with employer-sponsored coverage.

Source: KFF analysis of the 2021 Survey of Income Program Participation

At Least Half of ESI Enrollees Cannot Meet the Maximum Allowed Out-of-Pocket Amounts With the Household Assets on Hand

Median household liquid assets for people with employer-sponsored coverage and maximum out-of-pocket limits allowed in private plans, by household size, 2020

Median liquid assets, 2020



Maximum out-of-pocket limit in private plans (for in-network services), 2020



Liquid Assets includes the sum of checking and saving accounts, money market accounts, certificates of deposit, savings bonds, non-retirement mutual funds, stocks and bonds. Among people in households with at least one enrollee age 19-64 with employer-sponsored coverage.

Source: KFF analysis of 2021 Survey of Income and Program Participation

Four in Ten Adults Currently Have Some Form of Debt Due to Medical or Dental Bills

Percent who say they have each of the following types of debt due to medical or dental bills for themselves or for someone else's care, such as a child, spouse or parent:

Medical or dental bills that are past due or that they are unable to pay

24%

Medical or dental bills they are paying off over time directly to a provider

21%

Debt they owe to a bank, collection agency, or other lender that includes debt or loans used to pay medical or dental bills

17%

Medical or dental bills they have put on a credit card and are paying off over time

17%

Debt they owe to a family member or friend for money they borrowed to pay medical or dental bills

10%

Yes to any of the above

41%



Higher among:

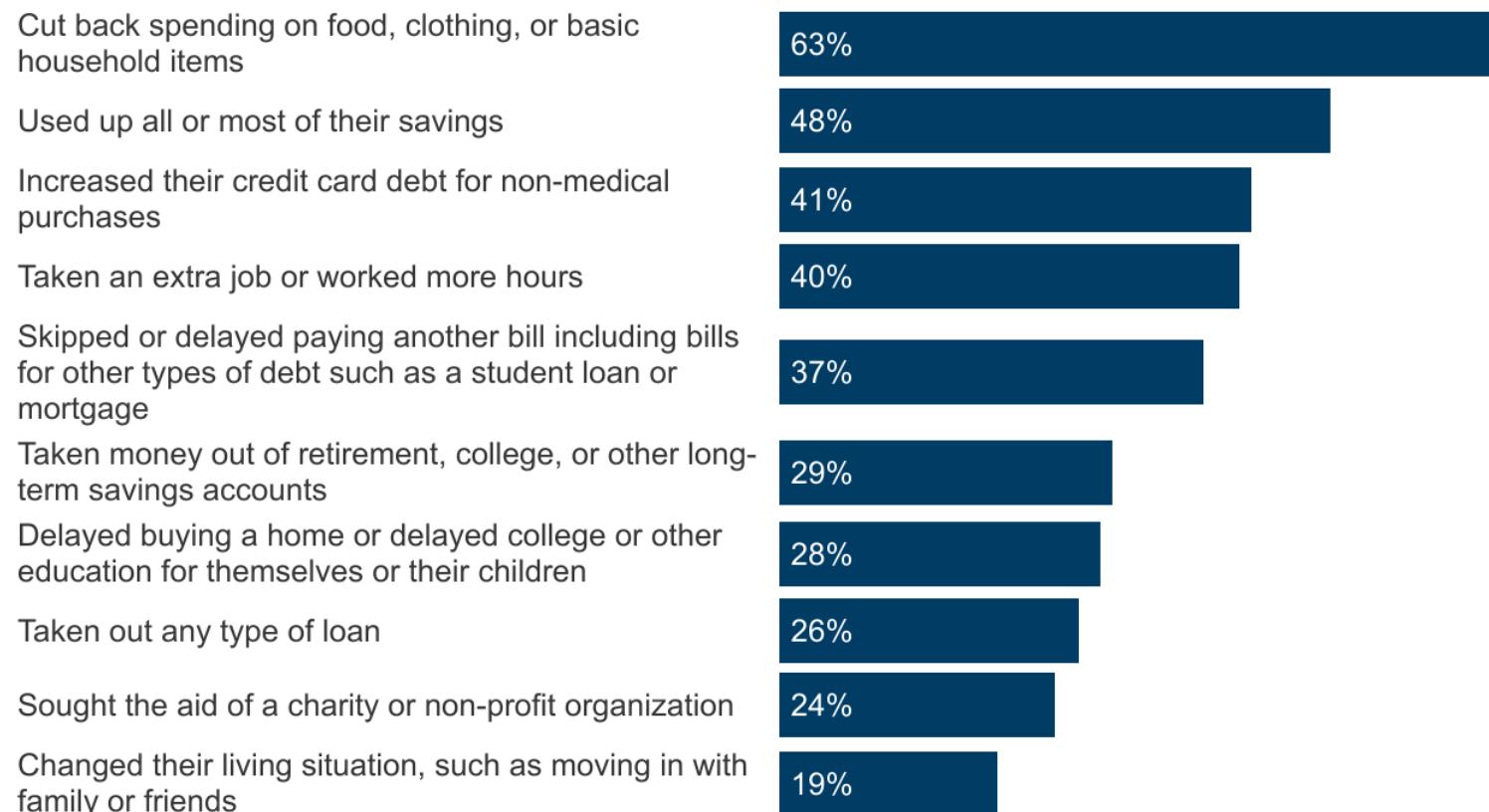
- Uninsured: 62%
- Parents: 58%
- HH income <\$40K: 57%
- Black: 56%
- Hispanic: 50%
- Women: 48%
- South: 48%
- Non-college: 47%

NOTE: See topline for full question wording.

SOURCE: KFF Health Care Debt Survey (Feb. 25-Mar. 20, 2022)

Six in Ten Adults With Health Care Debt Say They Have Had to Cut Back Spending on Necessities, Half Have Used Up Savings

Percent who say in the past five years, they or someone else in their household has...as a result of their health care debt:

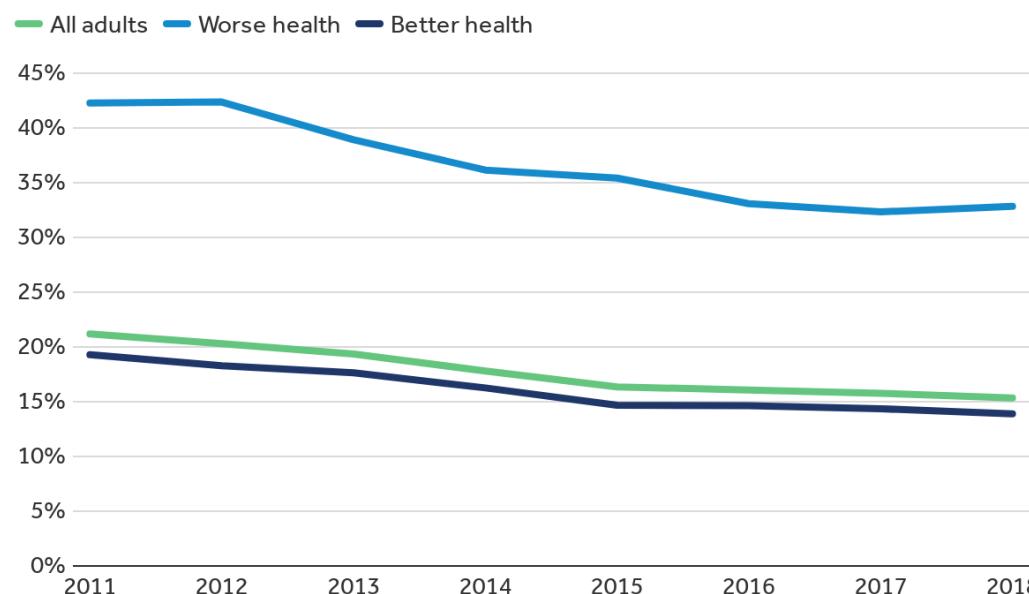


NOTE: Among those with health care debt. See topline for full question wording.

SOURCE: KFF Health Care Debt Survey (Feb. 25-Mar. 20, 2022)

However, Ability to Afford Bills Has Improved Since ACA Implementation

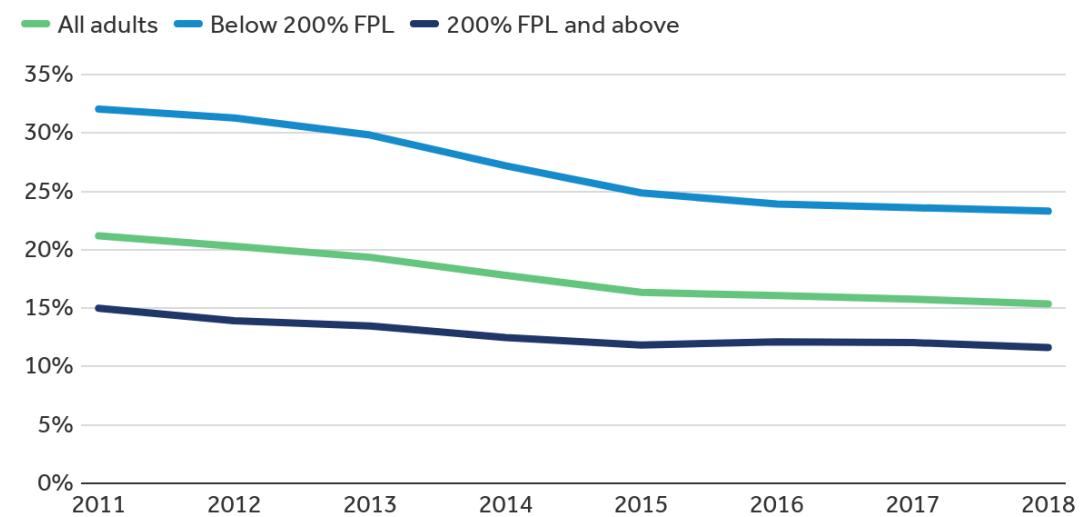
Percent of non-elderly adults with difficulty paying medical bills, by health status, 2011-2018



Source: KFF analysis of National Health Interview Survey

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Percent of non-elderly adults with difficulty paying medical bills, by income, 2011-2018



Source: KFF analysis of National Health Interview Survey

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Conclusions

1. Connecticut health costs are higher than most other states'
2. The U.S. spends far more on health care than most of its peers
 - High prices, more so than utilization drive the difference
 - The U.S. spends more on almost all types of services than its peers,
 - Including insurer overhead, prescription drugs
 - But particularly more on inpatient and outpatient care
3. Health prices tend to grow faster than inflation in the rest of the economy
4. The pandemic has disrupted long-term trends in health spending in the U.S.
 - Its effects continue to play out, only time will tell what long-term impact is
5. High health costs are straining American's household budgets and sending many people into debt, even those with insurance



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