



BASELINE REPORTS ON CURRENT HEALTH CARE COSTS IN CONNECTICUT

Health Care Cabinet, September 18, 2018

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Office of Policy and Management*



Public Act 17-151: Addition to Health Care Cabinet Charge

(c) The Health Care Cabinet shall advise the Governor regarding the development of an integrated health care system for Connecticut and shall:

(5) Advise the Governor on matters relating to: (A) The design, implementation, actionable objectives and evaluation of state and federal health care policies, priorities and objectives relating to the state's efforts to improve access to health care, (B) the quality of such care and the affordability and sustainability of the state's health care system, and **(C) total state-wide health care spending, including methods to collect, analyze and report health care spending data.**

State Health Expenditure Accounts (SHEA)

- Calculated every five years by the Centers for Medicare and Medicaid Services (CMS) Office of the Actuary
 - *Most recent data was published in June 2017 for calendar year 2014*
 - *Represents a consistent set of estimates that utilizes the same methodology for all states and all years included in the time series*
- Based on the National Health Expenditure Accounts (NHEA) data, the official government estimates of health spending in the United States
- Used in Kaiser Family Foundation “State Health Facts” Health Costs and Budgets data

Data Methodology and Assumptions

- Includes data at the **Personal Health Care (PHC)** level:
 - *Includes spending for all health care goods and services consumed*
 - *Excludes administration costs, government public health activity spending, and investment in certain research, structures, and equipment*
- Step One – Develop service-sector estimates by state of provider
- Step Two – Develop payer estimates
- Step Three – Develop estimates by state of residence
 - *Adjust estimates to account for crossing state lines to receive health care (e.g. individual living near the border of state or specialized care is not available locally)*

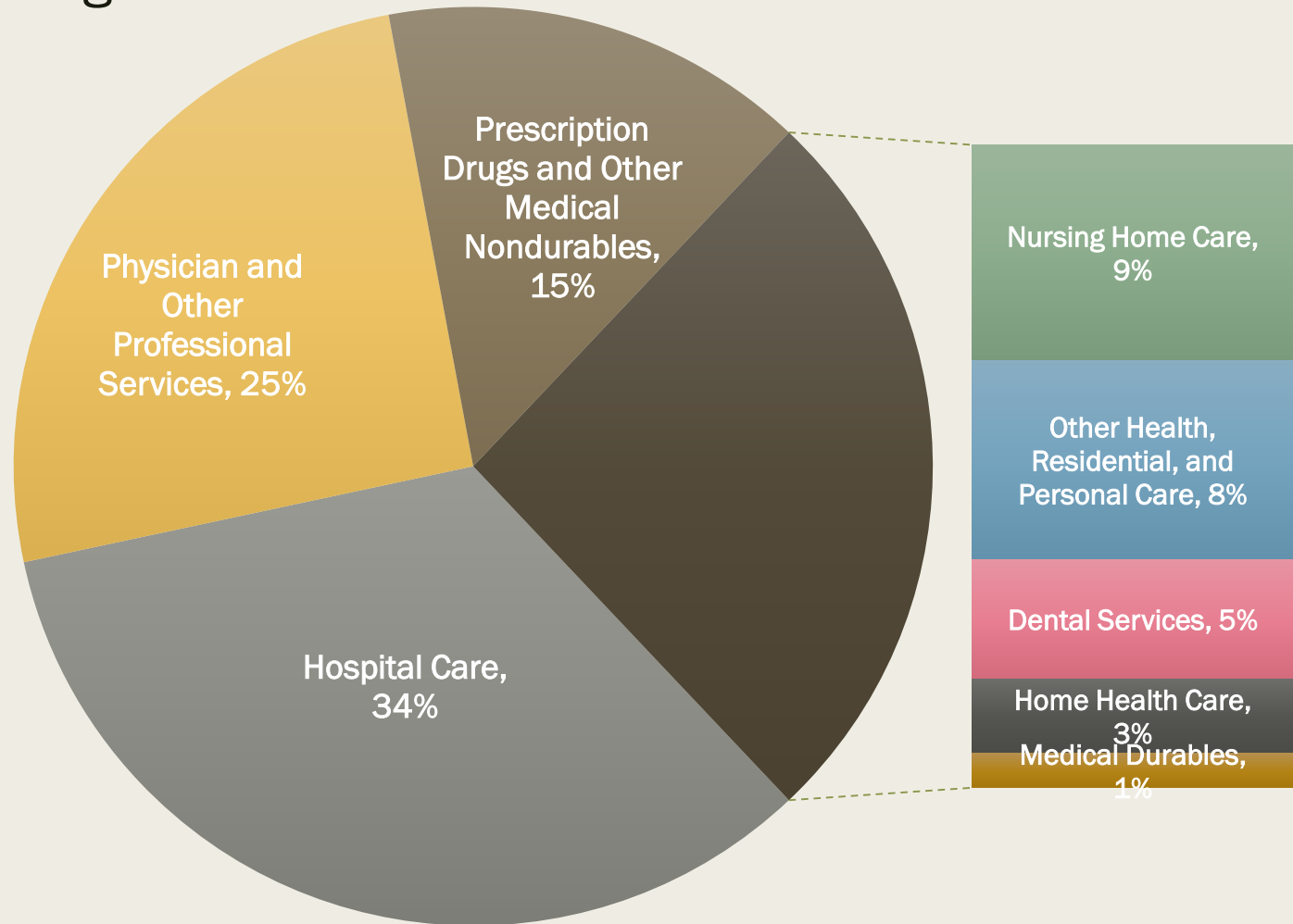
National Overview

- National economic activity within the health sector is the largest single share of the economy at 17.9% gross domestic product (GDP)
- Projections show that national health spending will grow at an average rate of 5.5% per year and reach \$5.7 trillion by 2026
- Per Capita Personal Health Care Spending:
 - *National Average: \$8,045*
 - *Connecticut: \$9,859*
 - *Ranged from \$5,982 in Utah to \$11,064 in Alaska*
- 2010-2014, National Average Growth Rate Per Year – 3.1%
 - *Connecticut: 2.6%*
 - *Ranged from 1.9% in Arizona to 4.8% per year in Alaska*

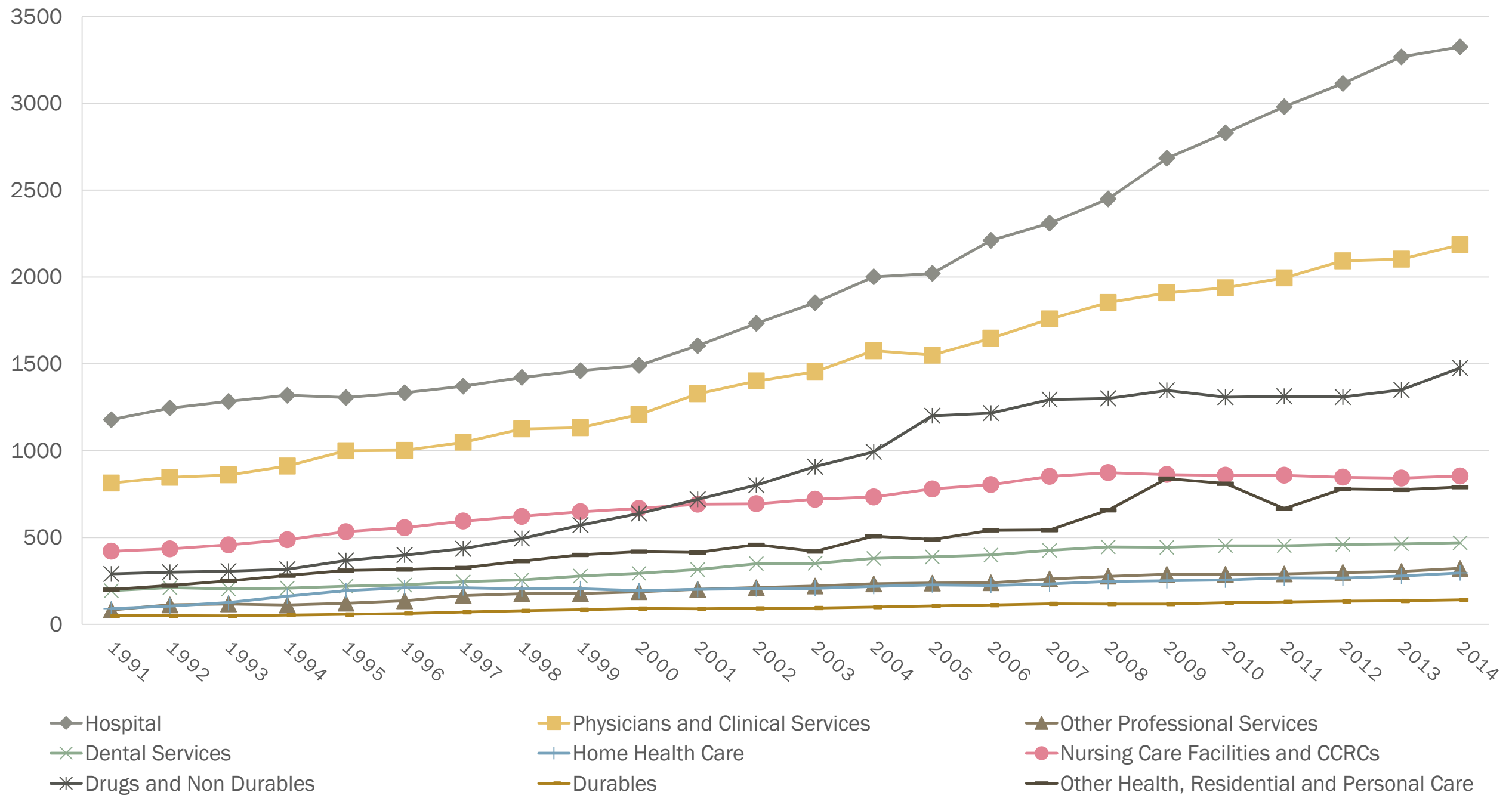
Connecticut Snapshot: 2014

- Total Personal Health Care Spending: \$35.4 billion
- Per Capita: \$9,859

	\$ in Millions	Per Capita
Hospital Care	\$11,947	\$3,326
Physician/Professional Services	\$9,008	\$2,508
Drugs & Nondurables	\$5,300	\$1,476
Nursing Home Care	\$3,067	\$854
Dental Services	\$1,684	\$469
Home Health Care	\$1,062	\$296
Medical Durables	\$480	\$141
Other	\$2,839	\$790
TOTAL	\$35,413	\$9,859



CONNECTICUT PERSONAL HEALTH CARE EXPENDITURES PER CAPITA BY SERVICE



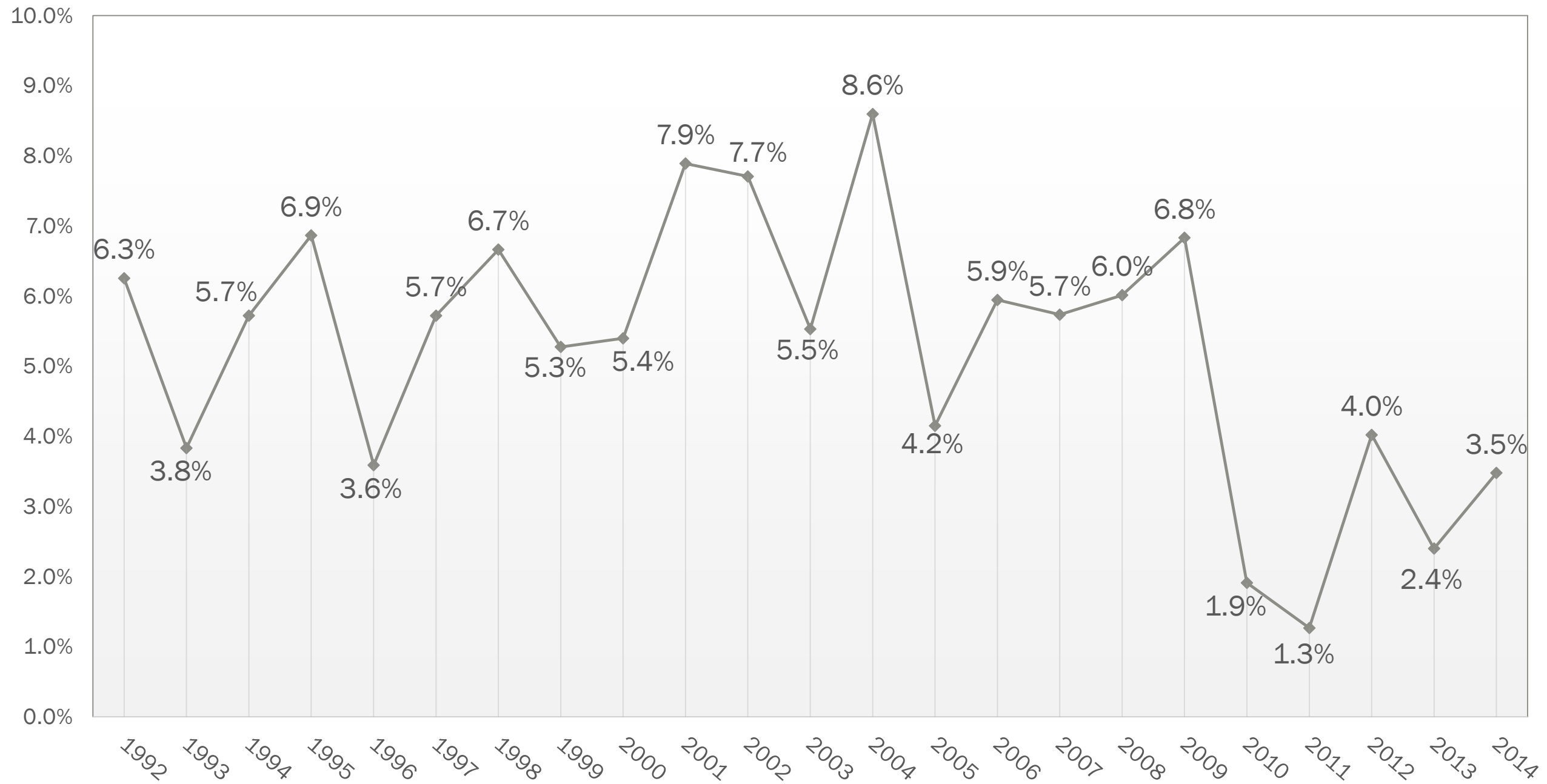
Regional Comparison: Largest Service Sectors, 2014 Per Capita

2014 Per Capita All Payers Estimates	Hospitals		Physician and Clinical Services		Drugs/ Nondurables		Total Personal Health Care
	\$	%	\$	%	\$	%	
United States	\$3,079	38%	\$1,874	23%	\$1,114	14%	\$8,045
New England	3,780	37%	2,138	21%	1,302	13%	10,119
Massachusetts	3,933	37%	2,264	21%	1,250	12%	10,559
Vermont	4,670	46%	1,750	17%	1,158	11%	10,190
Connecticut	3,326	34%	2,186	22%	1,476	15%	9,859
New York	3,633	37%	1,873	19%	1,435	15%	9,778
New Hampshire	3,771	39%	2,227	23%	1,222	13%	9,589
Rhode Island	3,617	38%	1,855	19%	1,411	15%	9,551
Maine	3,953	41%	1,684	18%	1,159	12%	9,531
New Jersey	2,915	33%	2,369	27%	1,355	15%	8,859

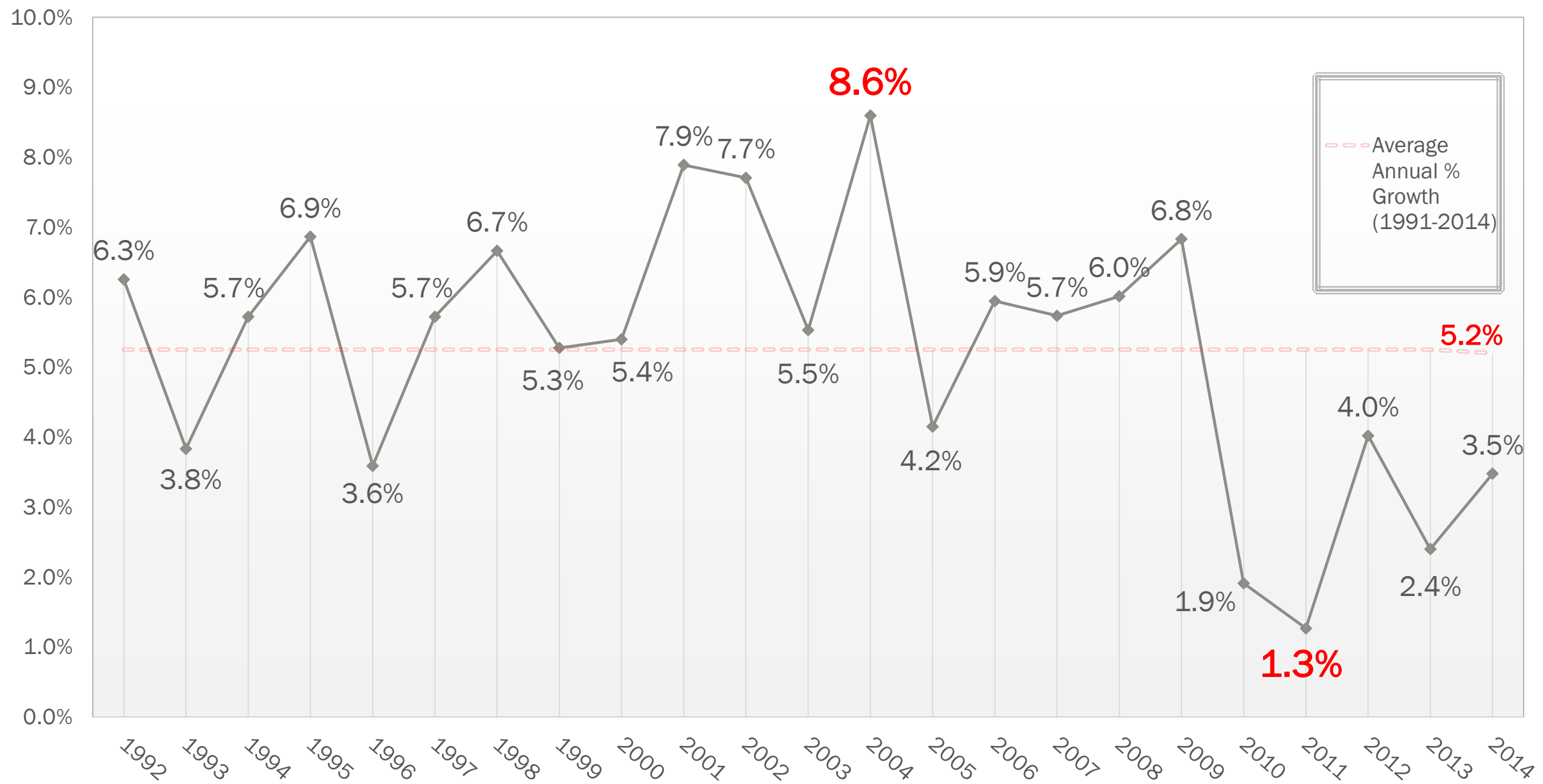
Regional Comparison: Per Capita Personal Health Care Expenditures 2010-2014

	2010	2011	2012	2013	2014	5-Yr Average Growth Rate
United States	\$7,094	\$7,292	\$7,535	\$7,703	\$8,045	3.1%
New England	9,102	9,301	9,578	9,807	10,119	2.6%
Vermont	8,488	8,874	9,302	9,919	10,190	4.7%
New Jersey	7,778	7,947	8,269	8,444	8,859	3.3%
New Hampshire	8,466	8,766	9,048	9,369	9,589	2.8%
Maine	8,539	8,824	9,001	9,133	9,531	2.7%
Rhode Island	8,569	8,782	8,961	9,160	9,551	2.7%
Connecticut	8,863	8,950	9,300	9,517	9,859	2.6%
New York	8,795	9,016	9,076	9,351	9,778	2.4%
Massachusetts	9,619	9,818	10,071	10,273	10,559	2.3%

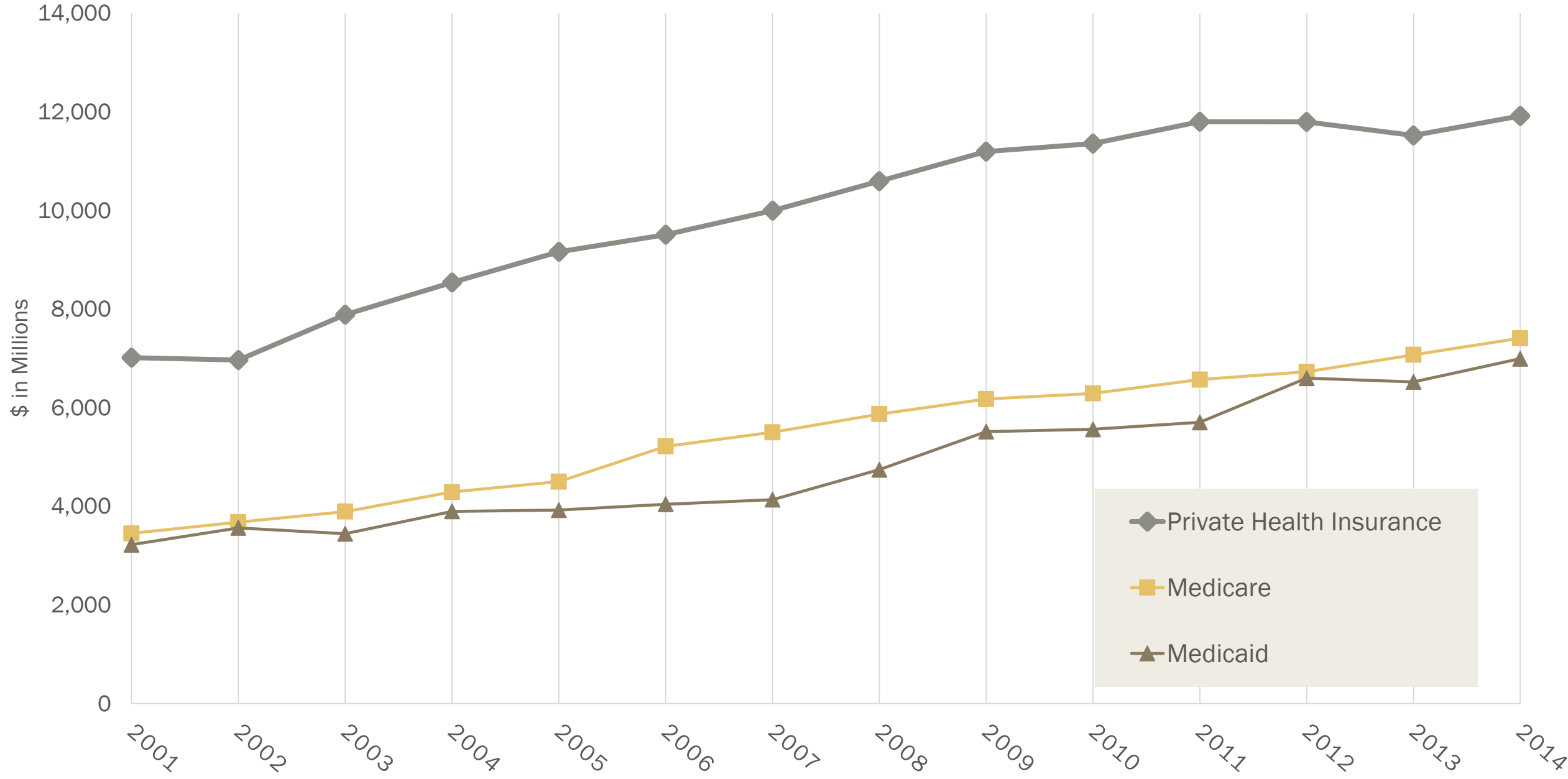
Connecticut All Payers Personal Health Care Expenditures Annual Growth Rate: 1991-2014



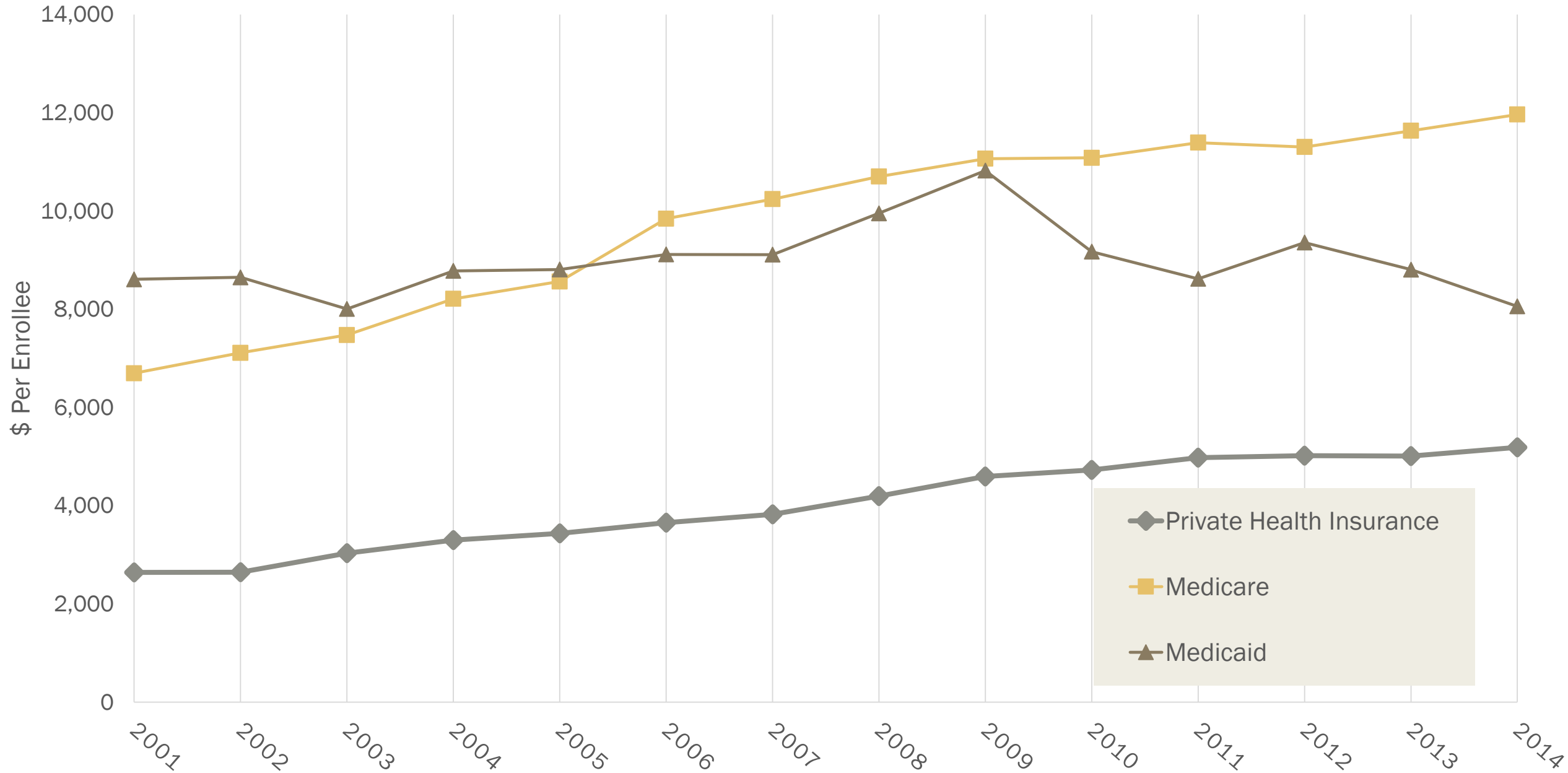
Connecticut All Payers Personal Health Care Expenditures Annual Growth Rate: 1991-2014



2001-2014 CONNECTICUT PERSONAL HEALTH CARE EXPENDITURES IN MILLIONS: PRIVATE HEALTH INSURANCE, MEDICARE, AND MEDICAID



2001-2014 CONNECTICUT PERSONAL HEALTH CARE EXPENDITURES PER ENROLLEE: PRIVATE HEALTH INSURANCE, MEDICARE, AND MEDICAID



2014 Connecticut Per Capita Payer Estimates

- Connecticut's Medicaid program led the nation in controlling cost trends on a per enrollee basis for the 2010-2014 period.
- Connecticut is in the middle of the pack for five-year average Medicare growth rate ranking 22nd highest, with a range of 4.1% in North Dakota to 0.2% in Louisiana.
- Connecticut has a low five-year average private insurance growth rate, ranking at 37 out of the 50 states plus DC, with a range of 7% in Kansas to -3.3% in Nevada.

	Medicaid	Medicare	Private Insurance
2010	\$9,172	\$11,083	\$4,727
2011	\$8,618	\$11,390	\$4,978
2012	\$9,357	\$11,302	\$5,018
2013	\$8,806	\$11,633	\$5,011
2014	\$8,058	\$11,964	\$5,187
5-Yr Average Growth Rate	-5.4%	1.6%	2.5%

Future Data Considerations and Sources

■ Available Data:

- *Comparisons across states*
- *Aggregate health care expenditures*
- *Per capita health expenditures*
- *By service sector*
- *By payer*
- *By time period*

SOURCES:

- Centers for Medicare & Medicaid Services (2017). *Health Expenditures by State of Residence*. Retrieved at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/resident-state-estimates.zip>
- [The Kaiser Family Foundation State Health Facts](#)