



MiHIA YEAR 8 COST OF CARE 2019 DATA SUMMARY

WHAT IS COST OF CARE?

Cost of care is comprised of all direct and indirect costs related to the delivery of medical care, including but not limited to and physicians' services and hospital services.

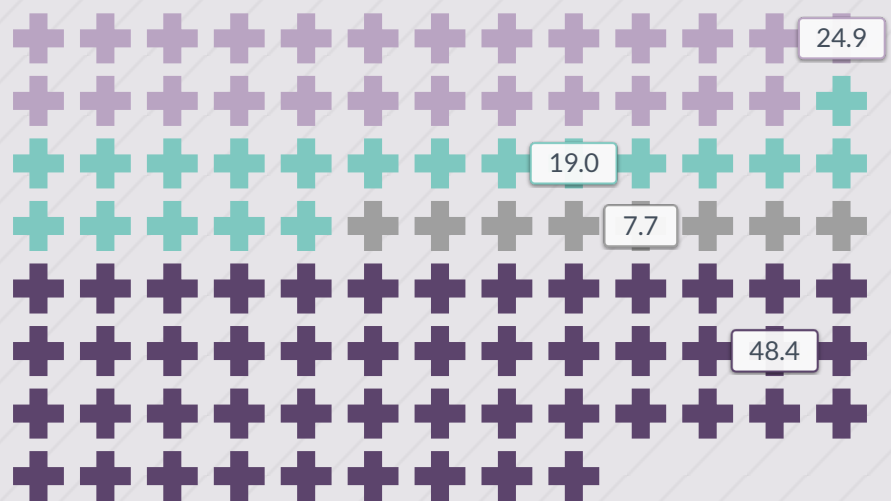
2019 Region Population

753,225

2018	
Region Population	Percent Change
755,009	0.24% ▼

* The downward trend in the Regional Population is due to the result of an aging population.

Data Source: Michigan Dept of Health and Human Services



■ Medicare (24.9%)
 ■ Medicaid (19%)
 ■ Uninsured (7.7%)
 ■ Employer Paid Coverage (48.4%)

Data Source: U.S. Census Bureau, 2018 estimates

WHY DOES COST OF CARE MATTER?

Efficient and effective health and health systems across the region promotes growth throughout the community, improving quality of life for citizens in the region, leading to:

- increased business growth through a stronger workforce
- lower absenteeism
- decreased health care costs on employers, state and local budgets, and individuals
- stronger support in the community to control healthcare costs
- enhanced ability to meet tough health reform challenges related to improving quality and cost of care

WHAT IMPACTS COST OF CARE?

Some factors that impact cost of care include wasteful healthcare spending, such as unnecessary medical tests, high cost of prescription drugs, increases in obesity and chronic health conditions, consolidation of service providers, and an aging population, which will increase the cost of Medicare, Medicaid, and health care, and require increased levels of care, creating demand.



MIHIA YEAR 8 COST OF CARE 2019 DATA SUMMARY

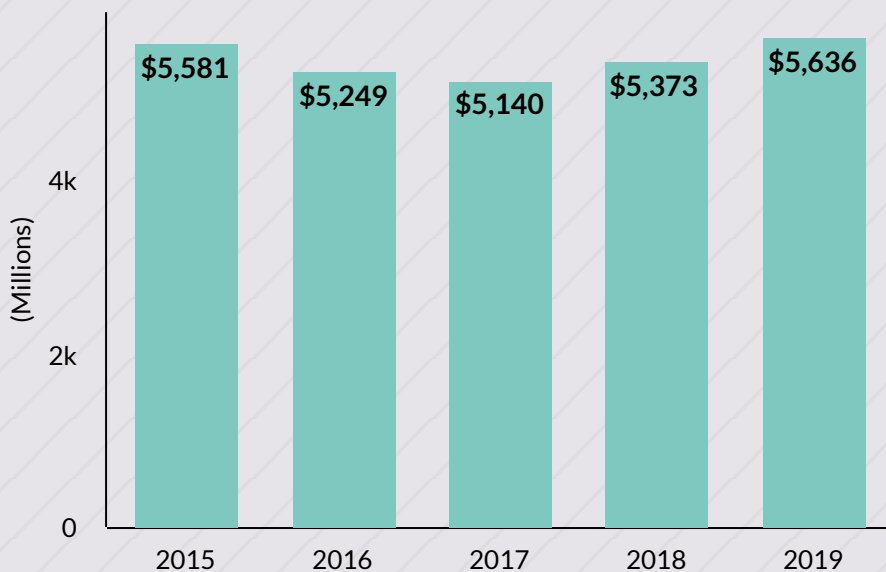
Year 8 Summary

MIHIA's annual Cost of Care report is a high level assessment that aims to measure the cost trends in the region. By analyzing and presenting the best data available, this report serves as a tool to estimate the impact of regional efforts.

Data Sources utilized in this report include the Bureau of Labor Statistics, Centers for Medicare & Medicaid Services, Michigan Department of Community Health, Kaiser Family Foundation, and local health insurers in the region (e.g. Aetna, Blue Cross, HealthPlus of Michigan), unless otherwise noted.

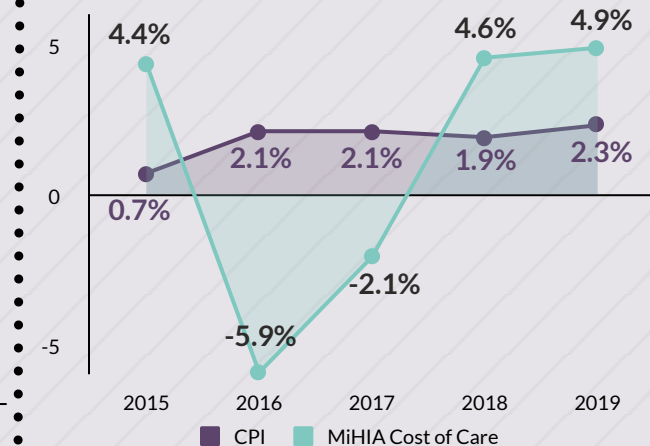
GOAL: MiHIA's Quadruple Aim Cost of Care strategic goal is that the Cost of Care inflation trend for the MiHIA region will not exceed the Consumer Price Index (CPI).

Cost of Care for MiHIA Region (Millions)



2.3%

INCREASE IN CONSUMER PRICE INDEX
CONSUMER PRICE INDEX AND COST OF CARE TREND (% INCREASE)



4.9%

**COST OF CARE INCREASE
IN MIHIA REGION**

- The Cost of Care Trend for 2019 shows a **4.9% increase** in total cost of care expenditures in the MiHIA region between 2018 and 2019 while the population trend continues to **decrease by 0.24%**.
- MiHIA's cost of care increase is greater than both the 2018 to 2019 **overall CPI (2.3%)** and CPI for all medical commodities (2.5%) increases.



MiHIA YEAR 8 COST OF CARE 2019 DATA SUMMARY

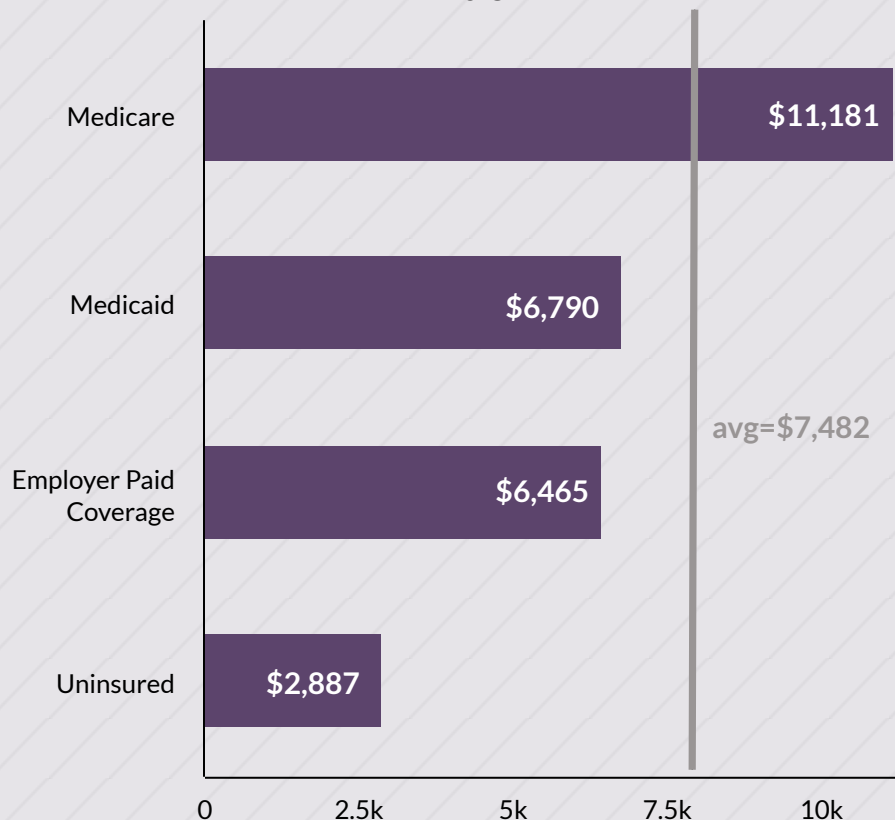
CHANGE IN PER CAPITA COST BY PAYMENT TYPE: 2018-2019



Overall, cost of care is trending upwards in the MiHIA Region. Between 2018 and 2019, per capita spending for medical costs increased for all payment types. Those covered by **Medicare** saw the largest increase (**6.7%**) in spending between 2018-2019.

- Estimated **average** per capita medical spending for the MiHIA region in 2019 is **\$7,482**.
- Estimated **Medicare** expenditures are above average for the MiHIA Region, averaging **\$11,181** per person. This group also experienced the highest percent increase in cost from 2018-2019.
- Estimated expenditures for the **Uninsured population** are well below average at **\$2,887** per person.
- Those covered by **Employer** and **Medicaid** health insurance policies experienced the lowest increase in per capita spending from 2018-2019. Estimated per capita spending for these health insurance policies are also below average for the MiHIA Region.

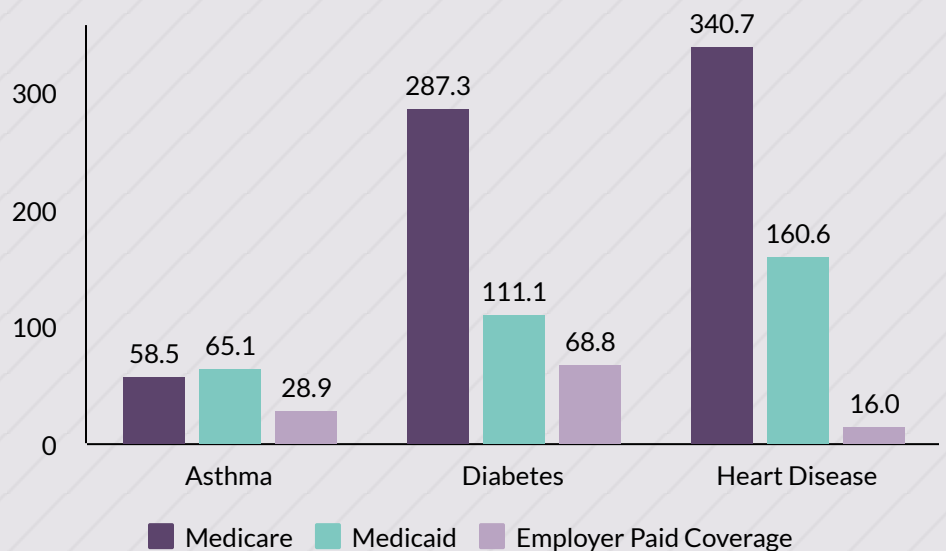
ESTIMATED PER CAPITA SPENDING BY PAYMENT TYPE: 2019





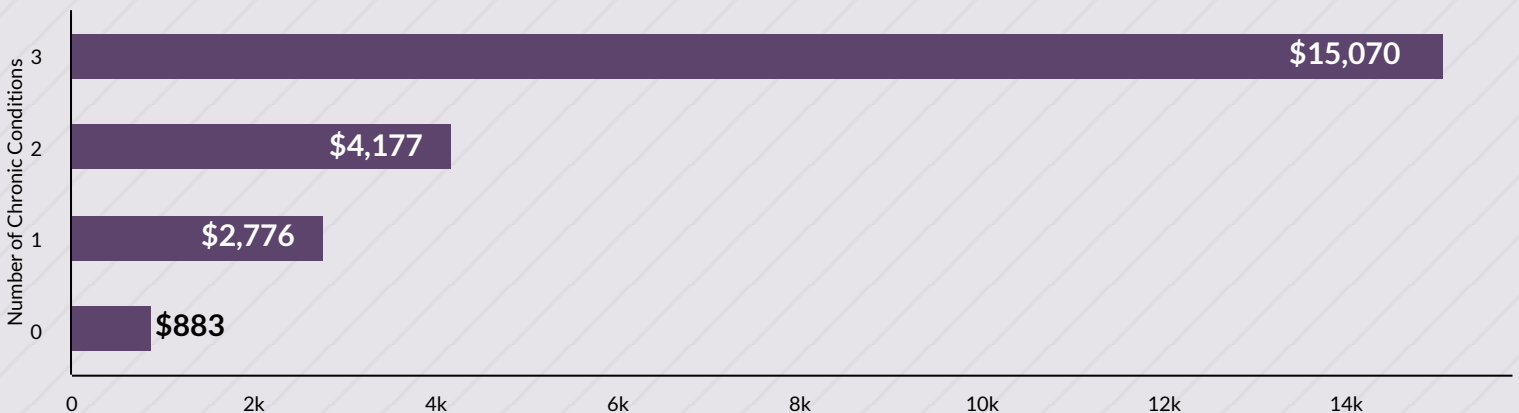
MiHIA YEAR 8 COST OF CARE 2019 DATA SUMMARY

CHRONIC CONDITION PREVALENCE: 2018 (PATIENTS PER 1,000 POPULATION)

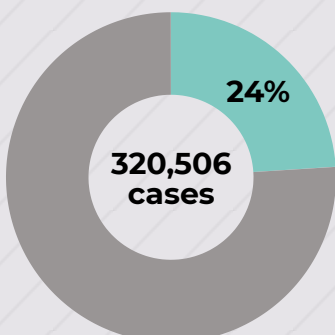


- The **Medicare Population** has the highest prevalence of **Diabetes** and **Heart Disease** compared to other payer categories. This is due to the age of the population.
- On average, the total cost per Medicare beneficiary with **3 chronic conditions** is **17x more** than those with no chronic conditions.

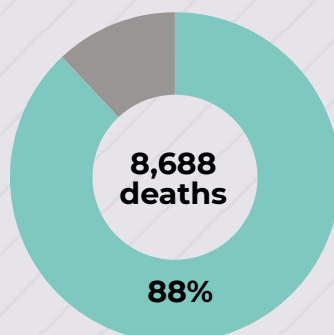
AVERAGE COST PER MEDICARE BENEFICARY WITH CHRONIC CONDITIONS: 2018



COVID-19 CASES: 2020



COVID-19 Deaths: 2020



- On March 13, 2020, a US national emergency was declared over a novel coronavirus (COVID-19) outbreak. Data shows a higher risk of severe infection, including death, for those over 60 years of age and who have underlying chronic conditions. Many of these individuals are covered by public health insurance options.
- In Michigan, **adults over 60** account for **24% of COVID-19 cases** and **88% of deaths** (as of Nov, 2020).