



MiHIA YEAR 9 COST OF CARE 2020 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 physicians' services and hospital services.

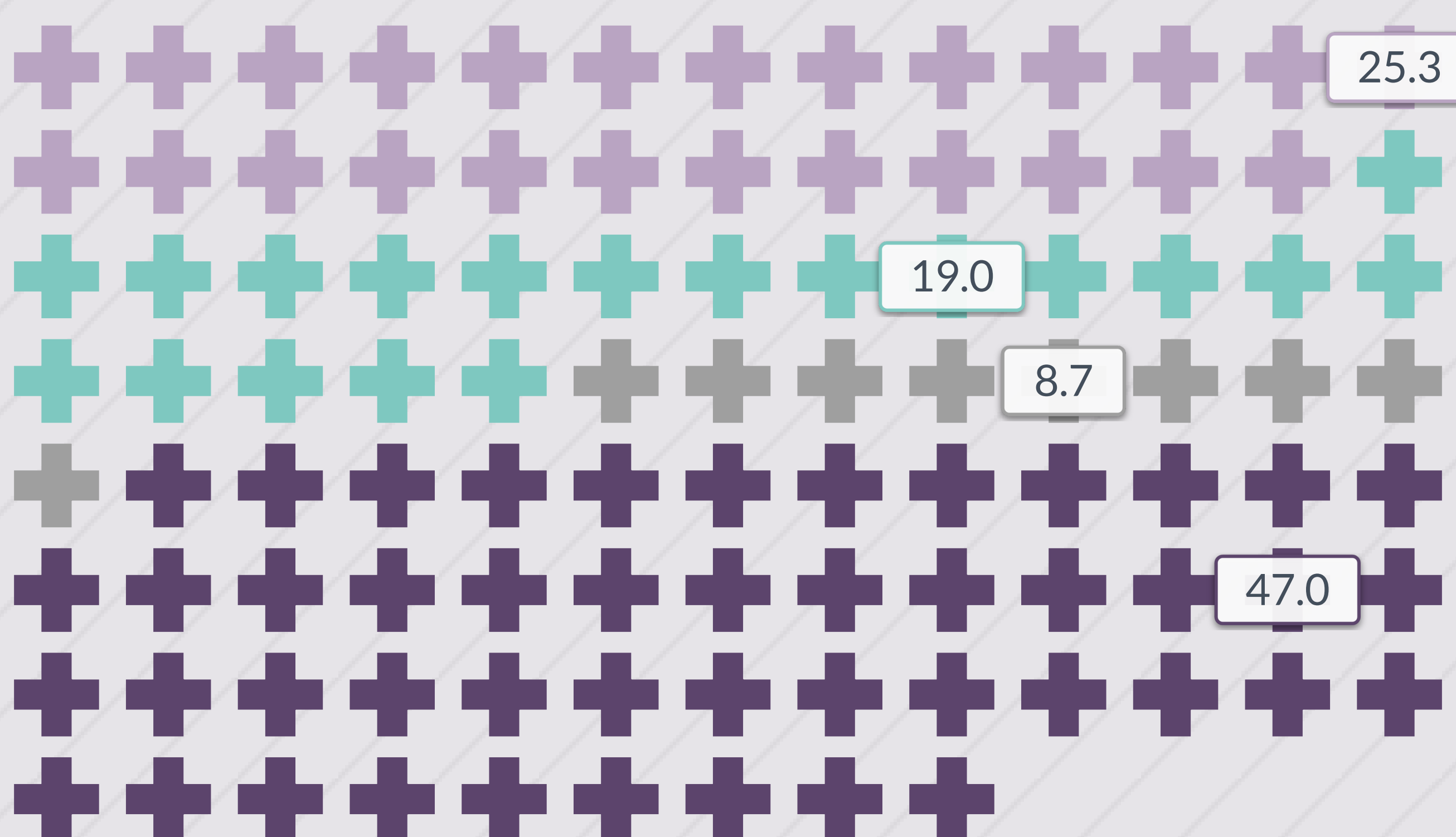
2020 Region Population

748,726

2019 Region Population	Percent Change
753,225	0.6% ▼

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

Data Source: U.S. Census Bureau Population and Housing Unit Estimates



Legend: Medicare (25.3%) Medicaid (19%) Uninsured (8.7%) Employer Paid Coverage (47%)

Data Source: 2019 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.



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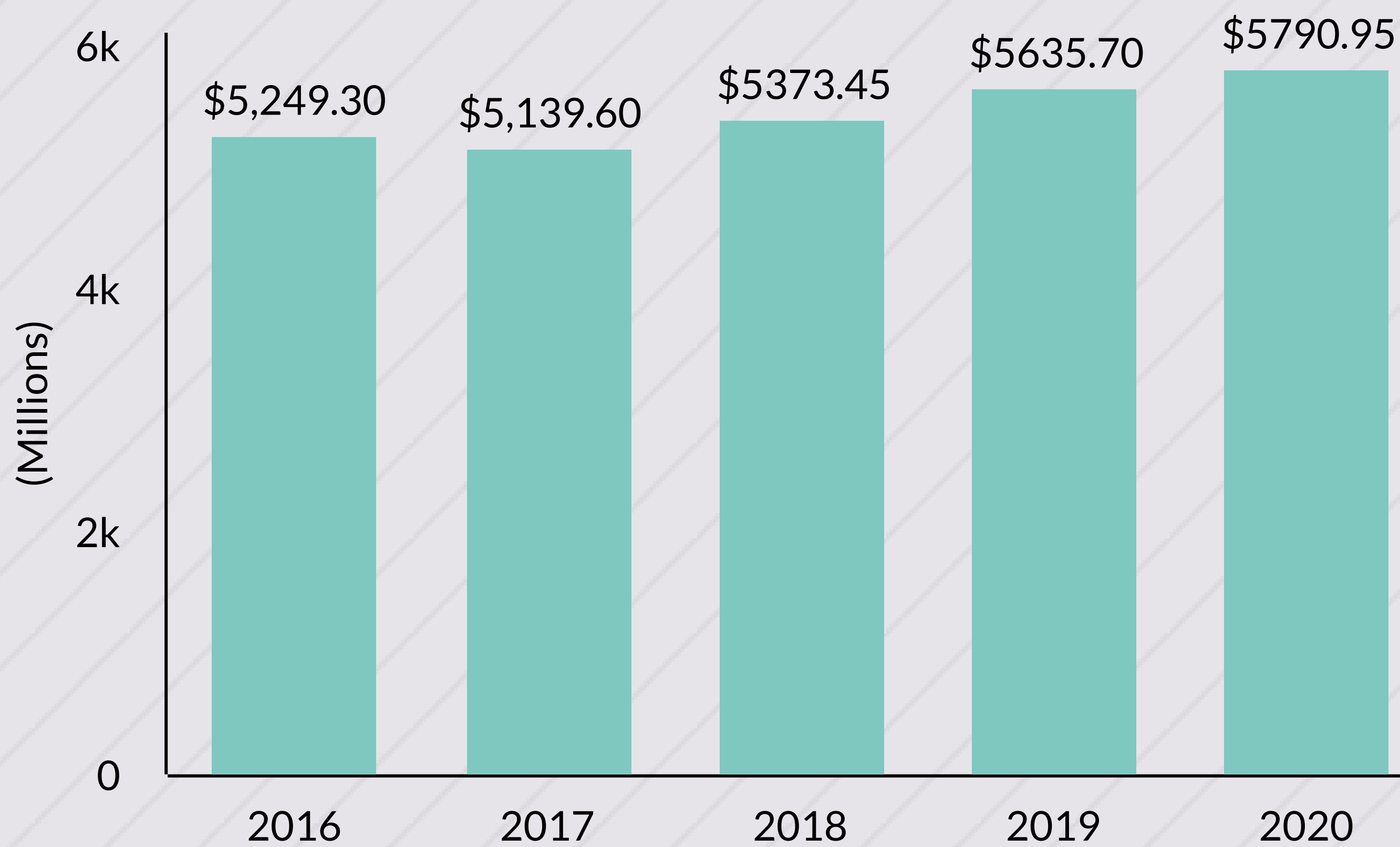
Year 9 Summary

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).

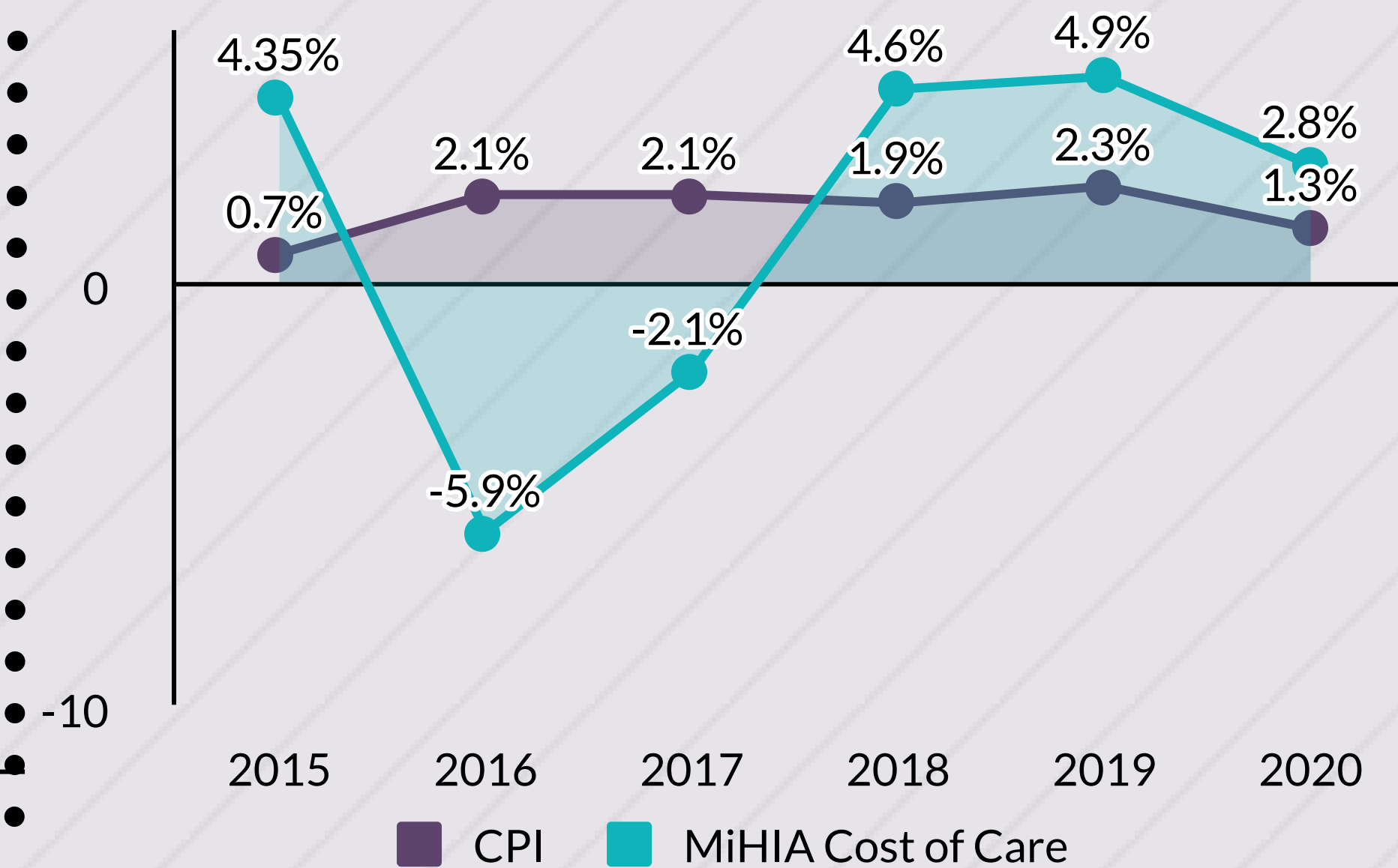
COST OF CARE TREND (MILLIONS)



1.3%

2020 CONSUMER PRICE INDEX

CONSUMER PRICE INDEX AND COST OF CARE TREND



2.8%

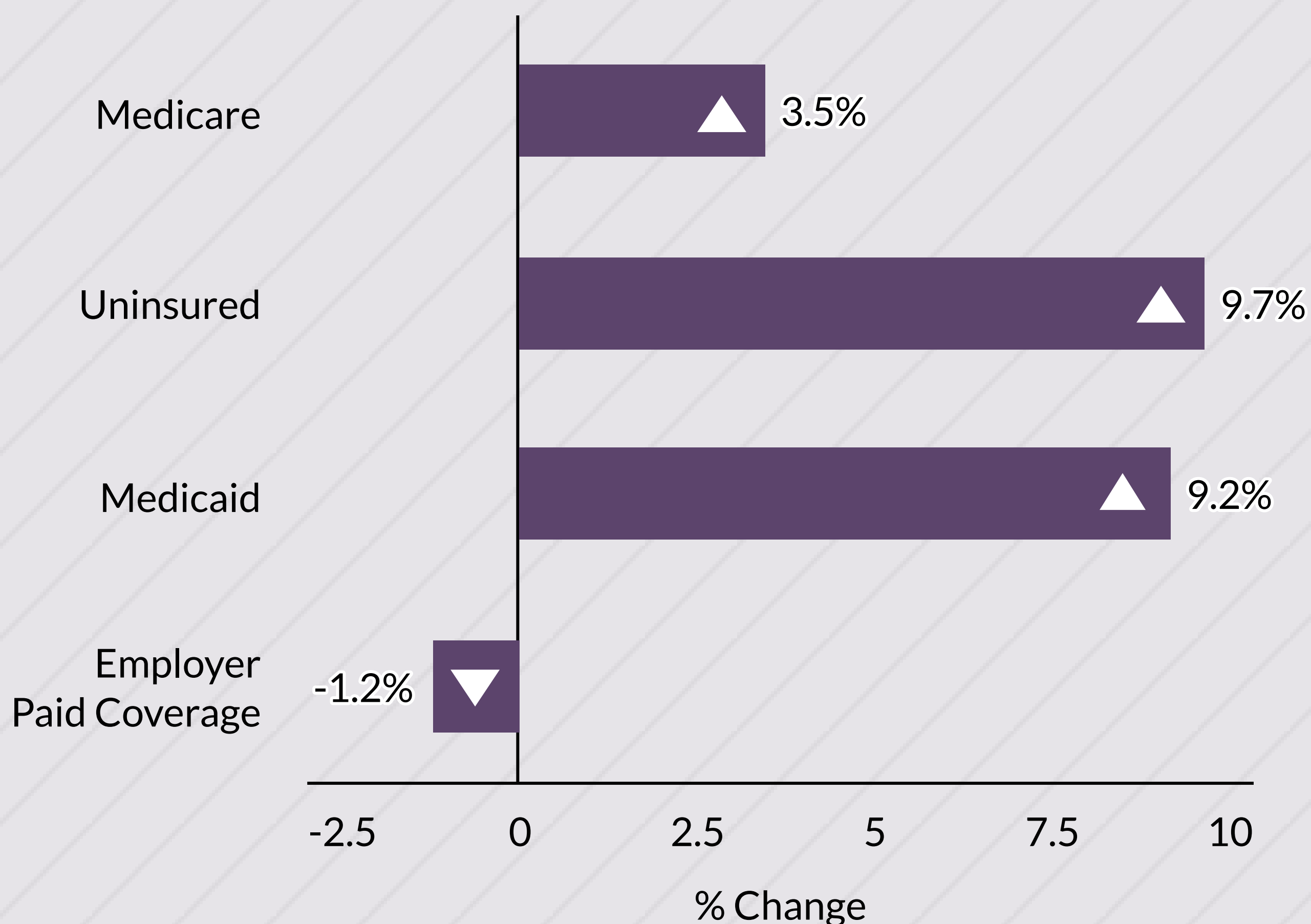
**COST OF CARE INCREASE
 IN MIHIA REGION**

The Cost of Care Trend for 2020 shows a **2.8% increase** in total cost of care expenditures in the MiHIA region between 2019 and 2020 while the population trend continues to **decrease by 0.6%**. MiHIA's cost of care is greater than the **2020 CPI of 1.3%** and greater than the CPI for all medical commodities, with a **downward trend of 2.5%**



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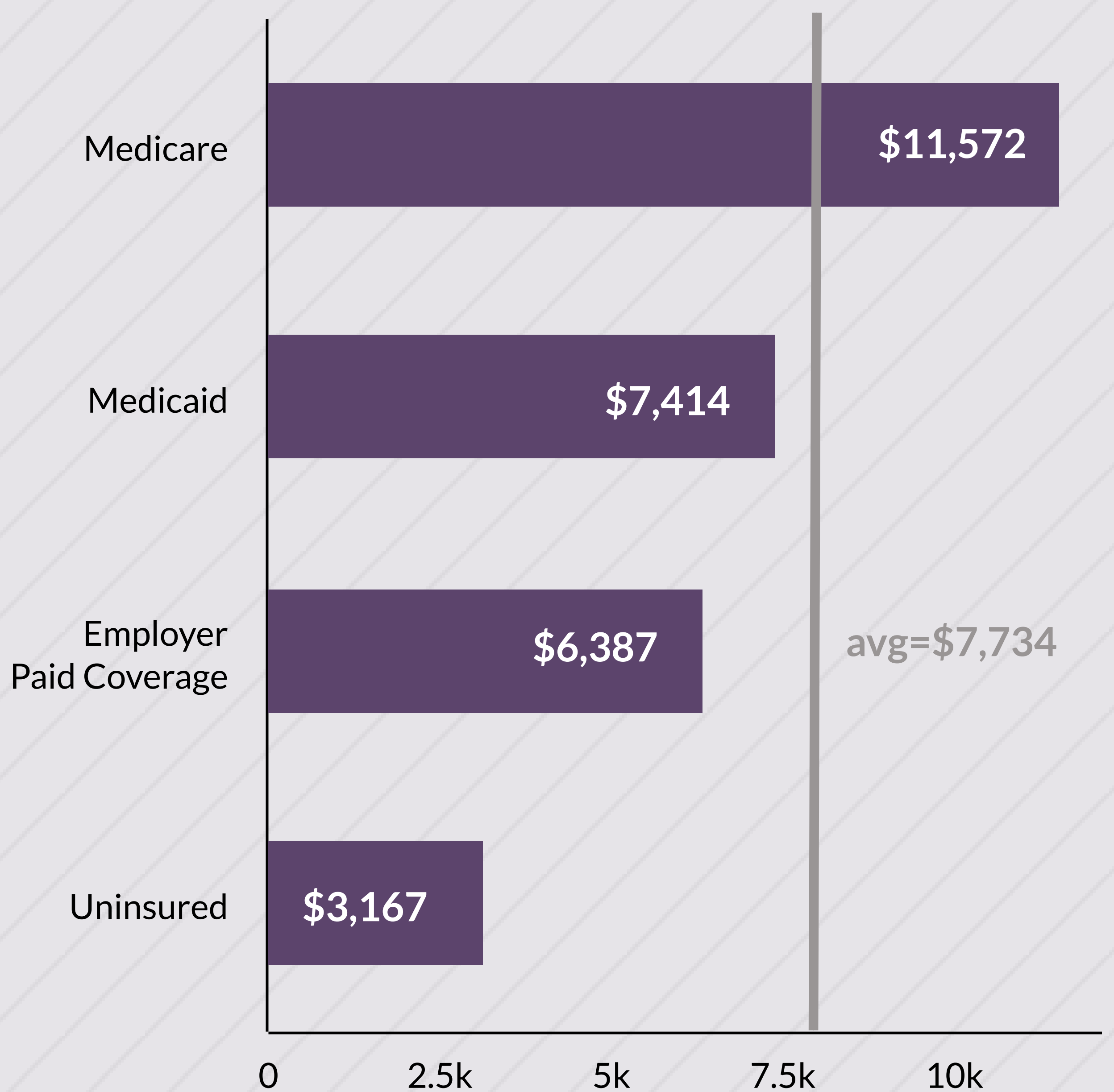
CHANGE IN PER CAPITA COST BY PAYMENT TYPE; 2019-2020



The Cost of Care presents a significant change in the MiHIA Region between 2019 and 2020 with a **3.5% increase** in Medicare Per Capita Payments, **9.2% increase** in Medicaid Per Capita Payments, **9.7% increase** in Uninsured Per Capita Payments, and **1.2% decrease** in Employer Paid Coverage and Individual Market Per Capita Costs.

- Estimated **average** per capita medical spending for the MiHIA region in 2020 is **\$7,734**.
- Estimated **Medicare** expenditures are above average for the MiHIA Region, averaging **\$11,572** per person.
- Estimated expenditures for the **Uninsured population** are well below average at **\$3,167** per person. This group also experienced the highest percent increase in cost from 2019-2020.
- Those covered by **Employer** and **Medicaid** health insurance policies experienced a decrease in per capita spending from 2019-2020. Estimated per capita spending for these health insurance policies are also below average for the MiHIA Region.

ESTIMATED PER CAPITA SPENDING BY PAYMENT TYPE: 2020

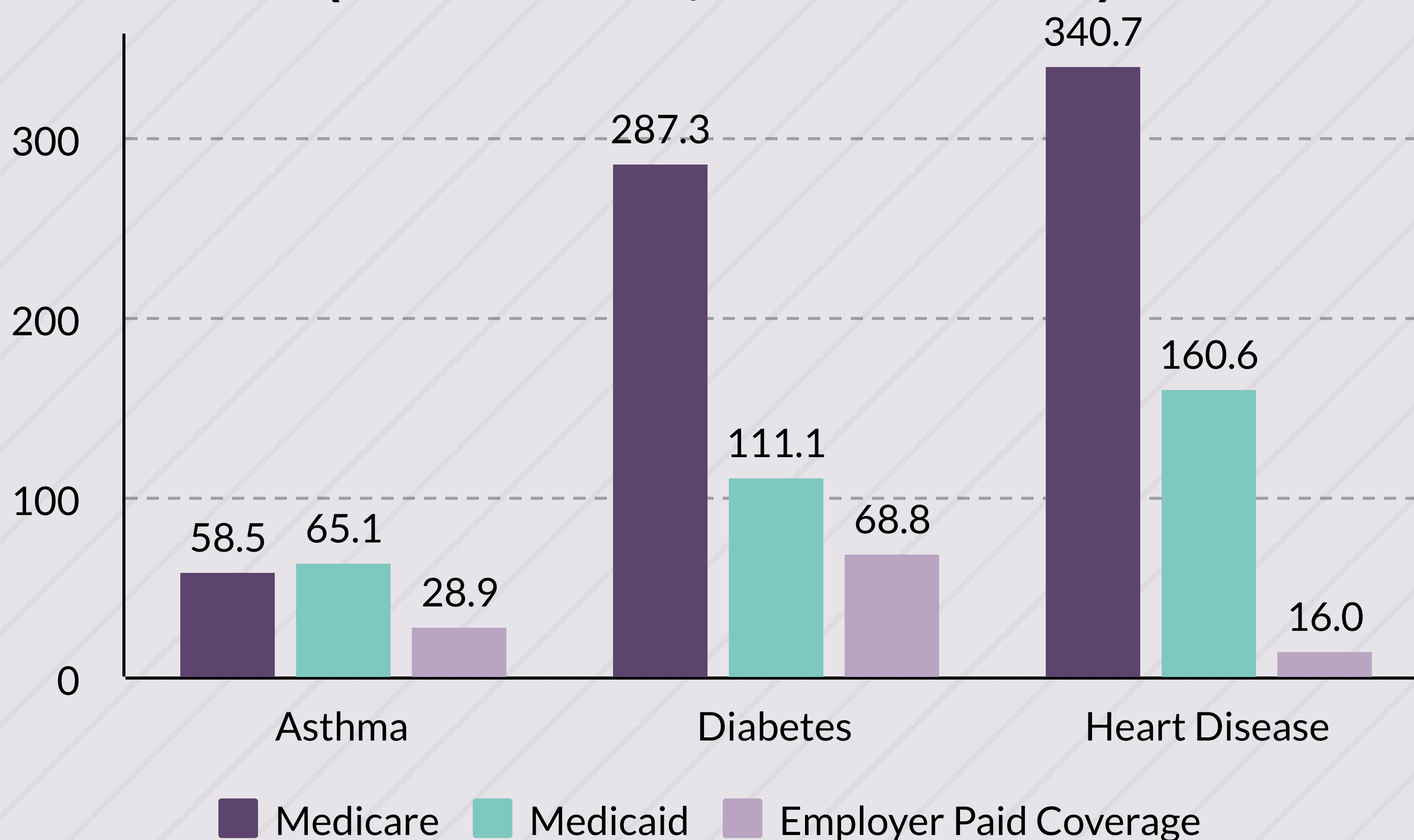




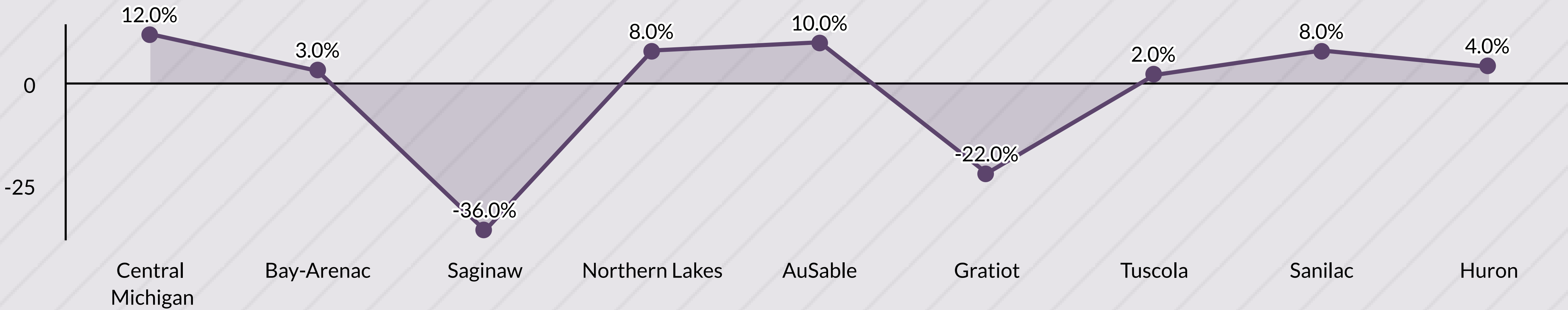
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- The **Medicare Population** has the highest prevalence of Diabetes and Heart Disease compared to other payer categories. This is due to the age of the population.
- **Heart Disease** has the highest prevalence in Medicare and Medicaid populations. **Diabetes** has the greatest prevalence within the Employer Paid Coverage population.
- Prevalence for each condition **remained stable** in comparison to prior years.

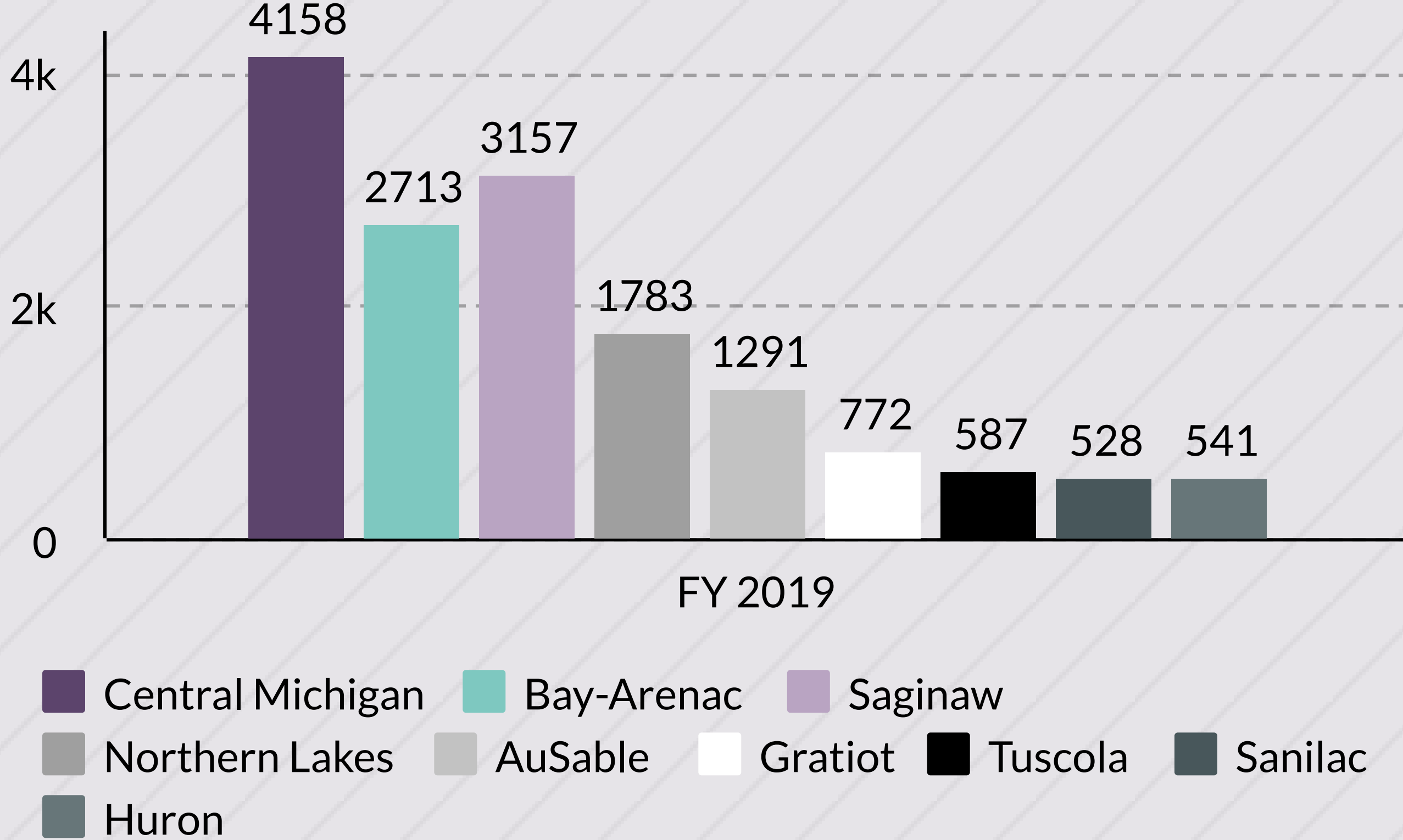
CHRONIC CONDITION PREVALENCE: 2018 (PATIENTS PER 1,000 POPULATION)



COST PER ADULT WITH MENTAL ILLNESS: PERCENT CHANGE FY 2018 TO FY 2019



ADULT MEDICAID POPULATION WITH MENTAL ILLNESS RECEIVING SERVICES BY CMHSP



- **Northern Lakes CMH** experienced a **10.5% decrease** in the Adult Medicaid population with mental illness receiving services, from 1992 in FY 2018 to 1783 in FY 2019.
- **Saginaw** had the greatest percent change in costs associated with mental illness, with a **36.0% decrease**. Costs decreased from \$10,695.40 in 2018 to \$6,895.72 in 2019.

*As of June 2022, this is the latest data for the indicators presented on this report