

MIHIA YEAR 6 COST OF CARE 2017 DATA SUMMARY

WHAT IS COST OF CARE?

Cost of Care is comprised of actual costs of providing services related to the delivery of health care, including the costs of procedures, therapies, and medications.

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).



2.8 trillion
is spent annually in the U.S. on healthcare

5%
is spent on chronic disease prevention

70-75%
is spent on treating preventable conditions

WHAT IMPACTS COST OF CARE?

- Low value healthcare spending including redundant, inappropriate, or unnecessary tests.
- Increase cost in Prescription drugs
- Increase in obesity and chronic health conditions
- Consolidation of service providers
- An aging population, which will increase the cost of Medicare, Medicaid, and health care, and require increased levels of care, creating demand.

WHY DOES COST OF CARE MATTER?

High value, efficient and effective health and health systems across the region lead to:

- Increased appeal for business attracted and growth
- Decreased health care burden on employers, state and local budgets, and individuals
- Improved quality of life for citizens
- Healthier and more productive communities
- Enhanced ability for health systems and providers to meet tough health reform challenges for improved quality and cost containment/cost reduction
- Reduction of accidents and work-related ill health in companies with good health among workers
- Lower absenteeism

YEAR 6 SUMMARY

Goal: Cost of Care inflation trend for the MiHIA region will not exceed the Consumer Price Index (CPI)

Status: Goal met

While we achieved the Macro Metric Goal for 2017, based on past trends MiHIA is remaining vigilant in addressing overall cost of care for our region.

- Medical care commodities for the **MiHIA region decreased by 2.09%**, CPI increased 2.3%
- **Employer Paid and Individual Market is the primary payer** for the MiHIA region
- Employer Paid and Individual Markets coverage is **lower compared to both Michigan and the National Average**
- **Medicare is the second highest payer**, followed by Medicaid, and the uninsured
- The **uninsured population in the MiHIA region is lower than the US Total**
- Both the **MiHIA region and State of Michigan experienced decreases in Medicaid population**, while US Medicaid population remained stable
- **MiHIA Region payment per capita remained stable compared to Year-5**
- Decrease in Employer and Paid Coverage & Individual Market payments
- The **Medicaid population had the highest increase** in per capita spending.
- The **Medicare population is the highest** (35% greater than the next) in terms of per capita spending over the Uninsured, Medicaid, and Employer Paid/Individual Market populations respectively.

MIHIA YEAR 6 COST OF CARE 2017 DATA SUMMARY

MiHIA's annual Cost of Care report was established to provide a system of measuring cost trends in the region by way of analyzing and presenting a high level assessment using the best data available which can be used as a tool to estimate the impact of the regional efforts going forward.

Health care payments for the MiHIA service area (primarily the 14 mid-Michigan counties) have been determined by MiHIA's Cost Measurement Group and broken down into cost of care per population segment (i.e. through Employers, Medicare, Medicaid, or for the Uninsured population in the area). Data comes from the Dartmouth Atlas Medicare data for the Saginaw Hospital Referral region (which represents about 88% of the MiHIA population, and 11 of the 14 counties); Michigan Department of Community Health, and local health insurers in the region (i.e. Aetna, Blue Cross, HealthPlus of Michigan.)

TOTAL POPULATION = 757,948 PEOPLE

0.24% DECREASE FROM 2016

As a result of an aging population regional population is trending down



Employer Paid Coverage & Individual Market	366,544 People (48.4%)	\$7,886/person
Medicare	184,444 People (24.3%)	\$9,895/person
Medicaid	155,385 People (20.5%)	\$6,394/person
Uninsured	51,575 People (6.8%)	\$2,646/person

PER CAPITA COST TRENDS BY PAYER MIX COMPARISON

Payer	MiHIA Region 2016	MiHIA Region 2017	Percent Change
Medicare	\$9,815	\$ 9,895	0.87%
Uninsured	\$2,527	\$2,646	4.7%
Medicaid	\$6,139	\$6,394	4.1%
Employers Paid Coverage & Individual Market	\$5,644	\$5,960	5.6%

To learn more please contact admin@mihia.org

2017 SUMMARY

UNINSURED POPULATION

Percent Change 2016 to 2017



MEDICARE POPULATION

Percent Change 2016 to 2017



HEALTHCARE EXPENDITURES PER CAPITA

Percent Change 2012 to 2017



2.09% COST OF CARE DECREASE COST OF CARE AND POPULATION TREND (MILLIONS)

