Chartbook: Connecticut health care spending

November 2017
Earlier this year, the US Centers for Medicare and Medicaid Services released updated State Health Expenditures through the National Health Expenditure Accounts. The data includes aggregate and per capita personal health care spending by state by the type of good or service (hospital care, physician and clinical services, retail prescription drugs, etc.) and by source of funding (Medicare and Medicaid). The new data release covers spending from 1991 to 2014. Analysis of the data was also published in July 2017 -- D Lassman, et. al., Health Spending by State 1991 – 2014: Measuring Per Capita Spending by Payers and Programs, Health Affairs.

The CT Health Policy Project’s analysis of the data focuses on health spending in Connecticut to provide insight into how resources are used and to support informed policymaking.
Key Findings

• Connecticut residents spend more per person on health care across payers than most Americans.
• However, per person health costs are rising more slowly in Connecticut than in most states, particularly for Medicaid members.
• In 2014 Connecticut devoted 14.4% of the state’s economy to personal health care services, very close to the national average of 14.8%
• Over half of health spending in Connecticut is consumed by hospitals, physicians and clinics.
• Drug costs are the main driver of rising health costs in Connecticut, growing faster than any other sector.
• Since 2003, drug costs have grown faster in Connecticut than the rest of the nation
• Beginning in 2009, Medicare and Medicaid’s combined share of Connecticut’s health spending outpaced private health insurance. And the gap is growing.
• Medicare and Medicaid pay for the majority of home health and nursing home care in Connecticut, as well as almost half of hospital bills.
Per capita health spending

Key Findings
Health spending is rising for both Connecticut residents and all Americans
Key Findings

In 2014 Connecticut devoted 14.4% of its economy to health care, slightly below the US rate of 14.8%.
Per capita health spending, 2014

Key Findings

Connecticut residents spend more on health care across payers than most Americans.
Per capita spending, average annual growth
2001 to 2014

Key Findings
Connecticut Medicaid per person spending from 2001 through 2014 decreased while nationally costs have risen.
Key Findings

Private insurance is the main payer of health care in Connecticut.
Key Findings

Medicare per person health costs for Connecticut residents are similar to the national average.
Key Findings

Until 2009 Connecticut Medicaid costs were much higher than the US average

Since then the gap has narrowed
Private health insurance spending per capita

Key Findings

Costs of care for privately insured Connecticut residents are higher than for most Americans and are rising slightly faster.
Key Findings

In 2014, private health insurance’s share of total Connecticut health spending was 34%

Medicaid’s share was 20%

Medicare’s share was 21%
Key Findings

In 2009, public coverage programs’ share of total CT health spending began to outpace private insurance.

And that gap is growing.
Key Findings

While Connecticut’s relative per capita health care costs are high among states, the rate of growth is much lower, particularly for Medicaid.

Per capita – 2014

Average annual growth – 1991 to 2014
Per capita spending by service
Connecticut, 2014

Key Findings
Over half of Connecticut health spending goes to hospitals and physicians, clinics

DME 1.43%
Drugs, nondurable products 14.97%
Nursing homes 8.66%
Home health care 3.00%
Dental 4.76%
Other professionals 3.27%
Physicians, clinics 22.17%
Other 8.01%
Hospital 33.74%

Share of Connecticut per capita spending by service

Key Findings

Drugs consume a growing share of Connecticut’s health care spending, surpassing nursing home care in 2001
Per capita average annual growth by service
Connecticut, 1991 to 2014

Key Findings

Drugs and other nondurable products are the main driver of growing health costs in Connecticut.
Share of total spending by service
Connecticut, 2014

Key Findings

Medicare and Medicaid pay for the majority of home health and nursing home care in Connecticut and almost half of hospital bills in our state.
Drug, nondurable product spending per capita

Key Findings

Drug and other nondurable product spending is higher for Connecticut residents than most Americans

And the gap is growing
Drugs, nondurable products share of total per capita spending

Key Findings

Since 2003 spending on drugs and other nondurable products have grown faster in Connecticut than nationally.
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