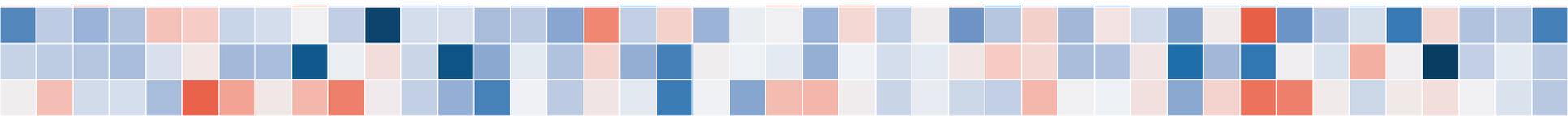




## HCCI Webinar:

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# 2017 Health Care Cost and Utilization Report



*A review of trends in health care spending, utilization, and price among Americans with employer-sponsored insurance*



# HCCI's 2017 Health Care Cost and Utilization Report

## Today's Speakers:

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**Niall Brennan, MPP**  
President and CEO, HCCI

**Jeannie Fuglesten Biniek, PhD**  
Senior Researcher, HCCI

**John Hargraves, MPP**  
Senior Researcher, HCCI



[healthcostinstitute.org/research/hccur](http://healthcostinstitute.org/research/hccur)



If you only remember 3 things we say today....



Health care spending is continuing to grow



Rising prices are driving growth overall



Variation across service categories and sub-groups provide insight into areas to focus reform efforts



## Executive Summary



**In 2017, per-person spending reached a new all-time high of \$5,641.** This total includes amounts paid for medical and pharmacy claims (including discounts but excluding rebates).



**Spending per-person grew at a rate above 4% for the second year in a row,** rising 4.2% from 2016 to 2017 - slower than the 2015 to 2016 rate of 4.9%.



**The overall use of health care changed very little** over the 2013 to 2017 period, declining 0.2%. In 2017, utilization grew 0.5% compared to 2016.



**Prices increased 3.6% in 2017.** Year-over-year price growth decelerated throughout the five-year period, rising 4.8% between 2013 and 2014 and slowing to 3.6% in 2016 and 2017.



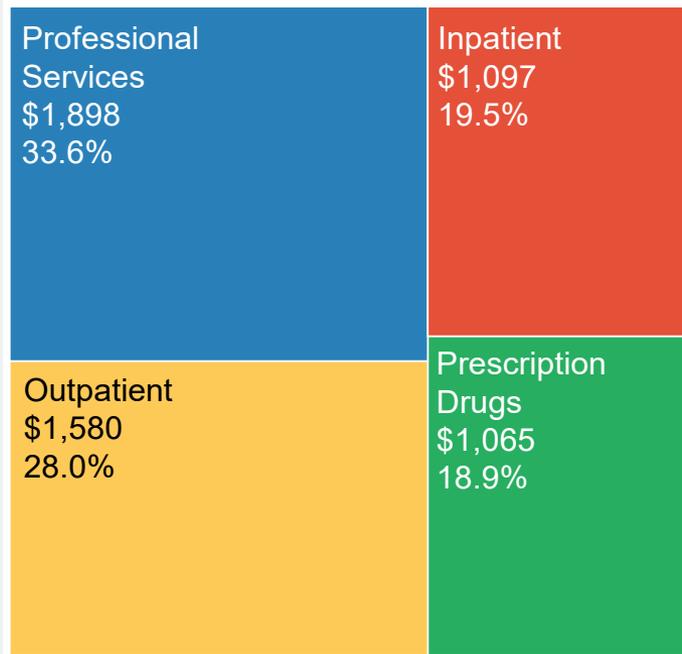
**Out-of-pocket spending per-person increased 2.6% in 2017.** The growth was slower than the rise in total spending, so out-of-pocket costs comprised a smaller share of spending by 2017.



# Per-person spending reached new all-time high

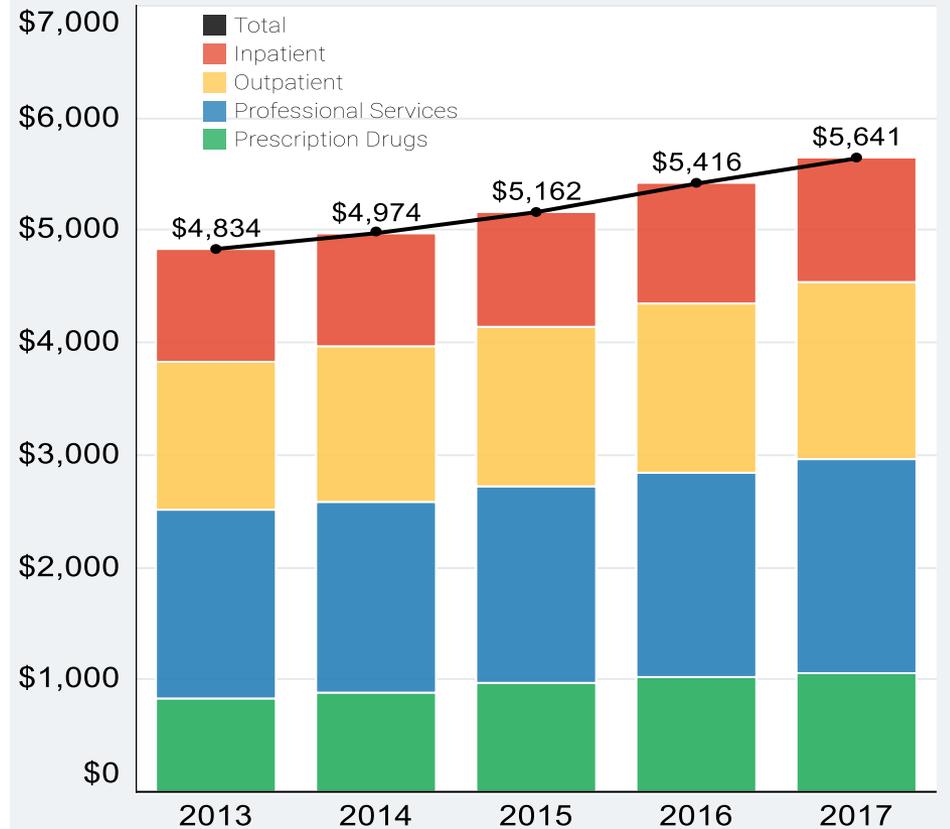
## Spending per Person in 2017

Total \$5,641



Note: Prescription drug spending is amount paid on pharmacy claim, which reflects discounts from wholesale price, but not manufacturer rebates paid in separate transactions.

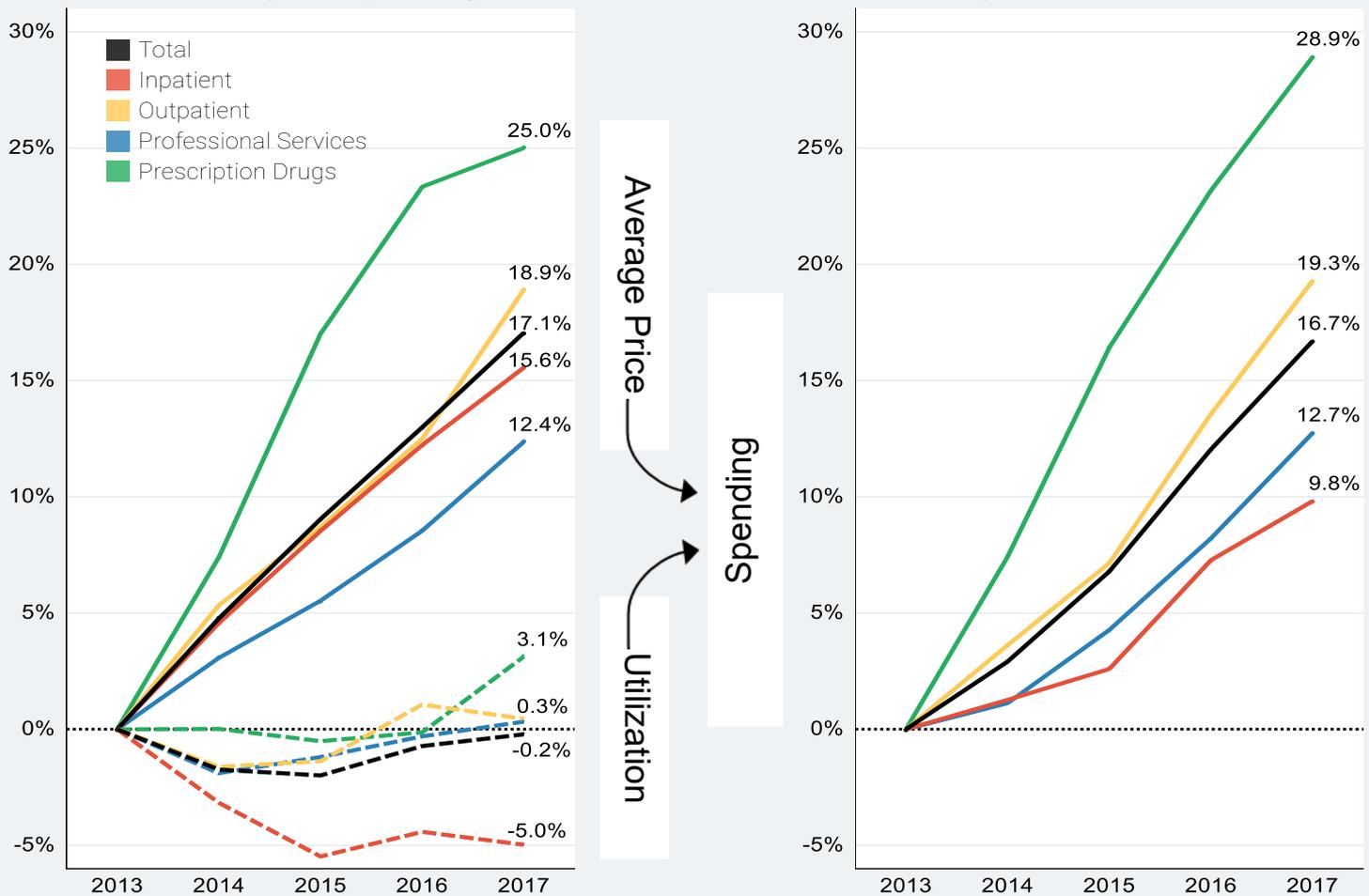
## Annual Spending per-person





# Increasing prices drive health care spending growth

Cumulative Change in Spending per-person, Utilization, and Average Price since 2013  HCCI

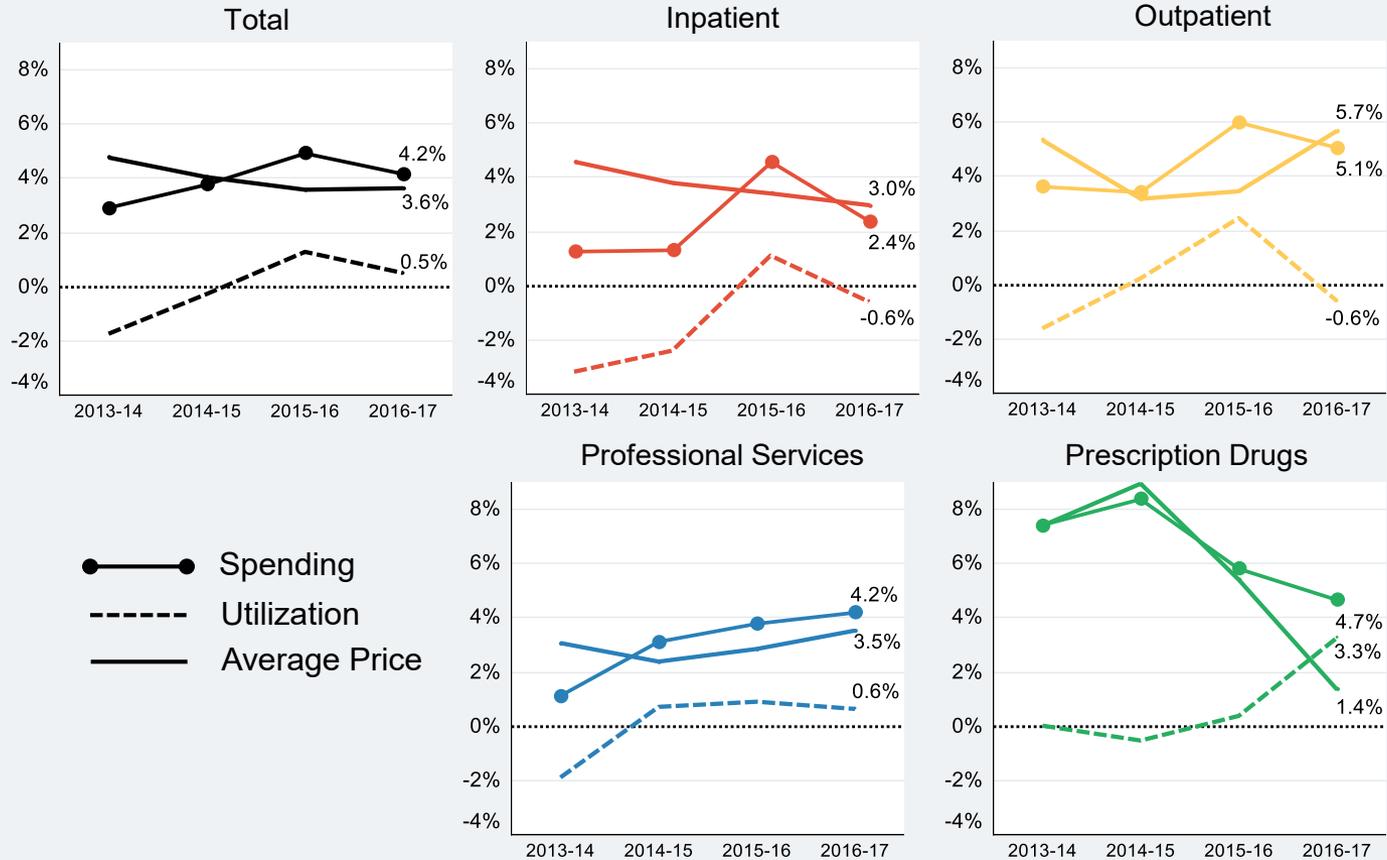


Note: Except for prescription drugs, utilization reflects volume and service-mix intensity. Thus, the prices presented factor out changes in the mix of services used for these three categories. Additionally, prescription drug spending is the amount paid on the pharmacy claim, which reflects discounts from the wholesale price, but not manufacturer rebates paid in separate transactions.



# Use and price trends vary across service categories

## Annual Percent Change in Spending per-person, Utilization, and Average Price

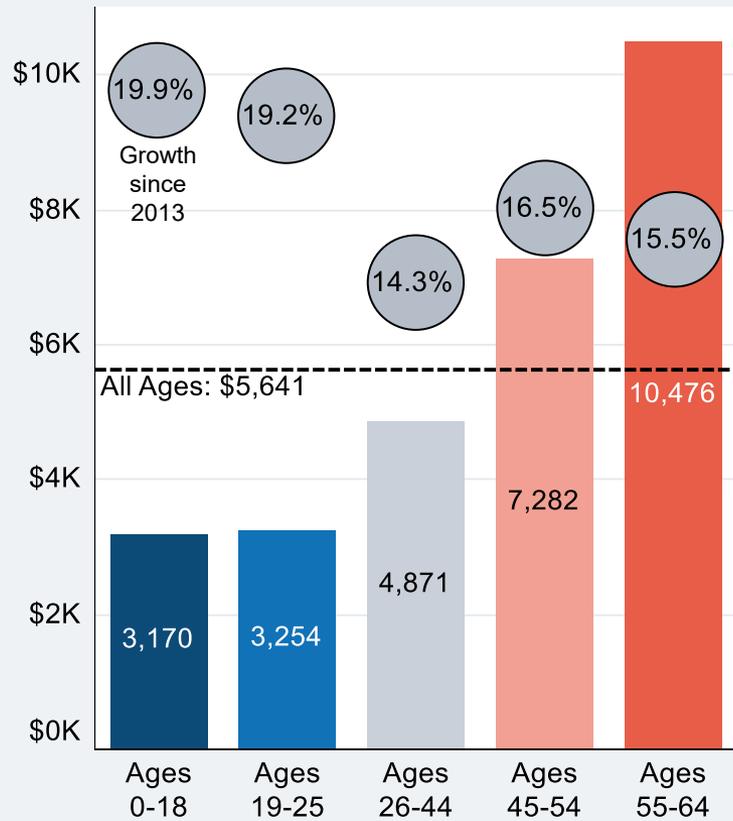


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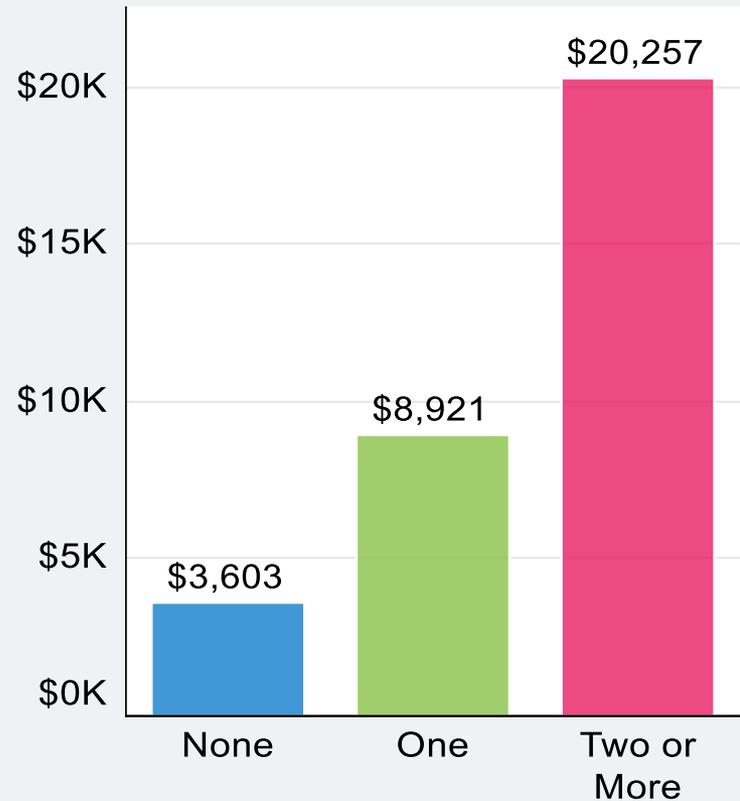


# Spending levels and growth vary by population sub-groups

### 2017 Spending per person by Age



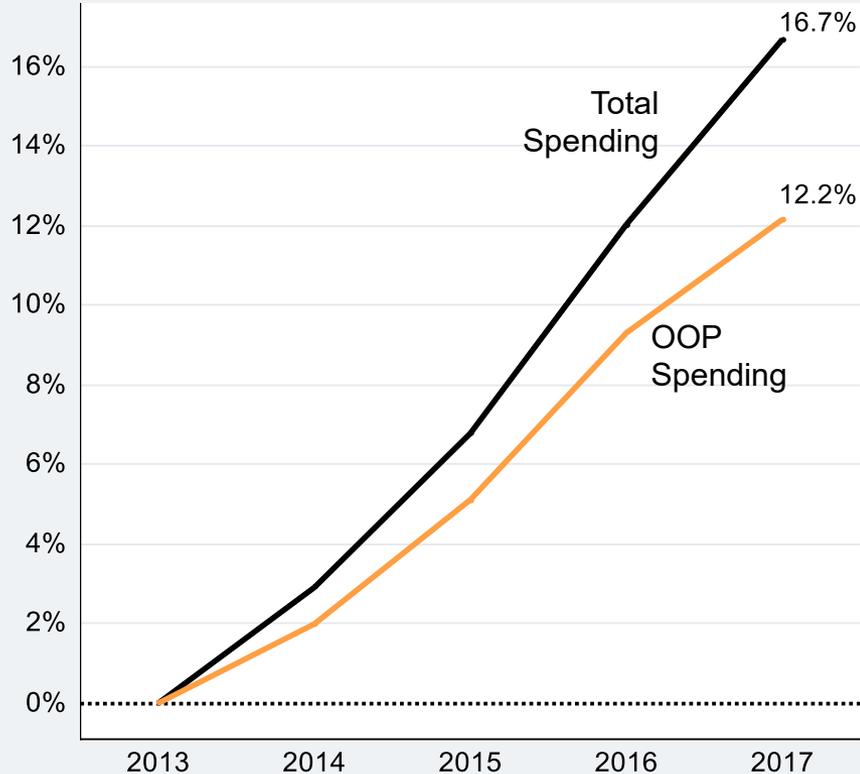
### 2017 Spending per person by Number of Chronic Conditions



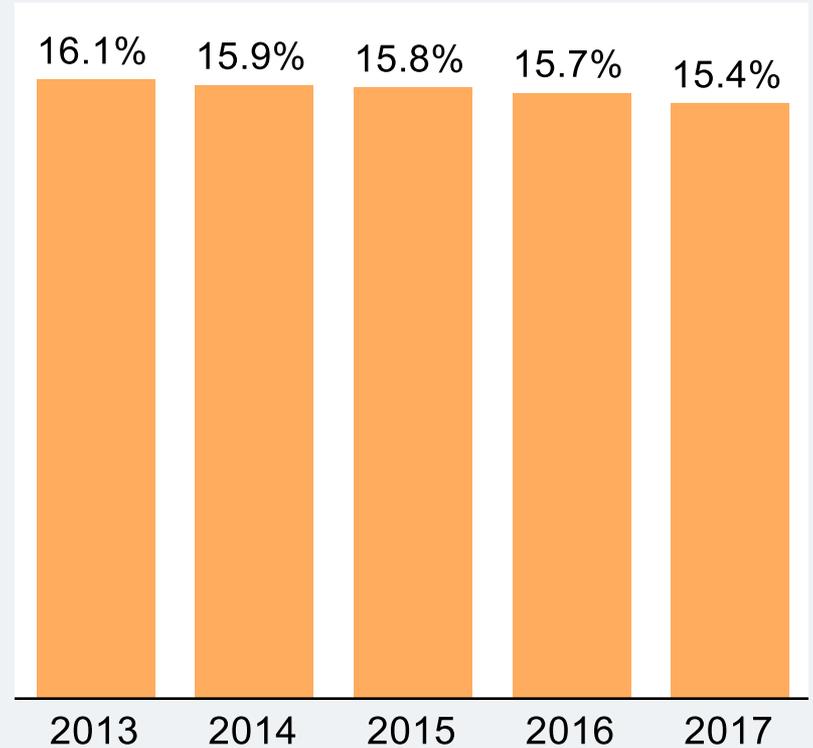


# Out-of-pocket spending increased steadily, but slower than total spending

Cumulative Change in Out-of-Pocket and Total Spending per member since 2013



Share of Spending Paid Out of Pocket





# Annual spending growth varied by service

Annual Percent Change in Spending per Person, 2016-2017

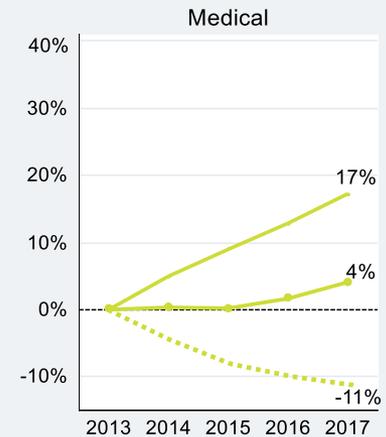
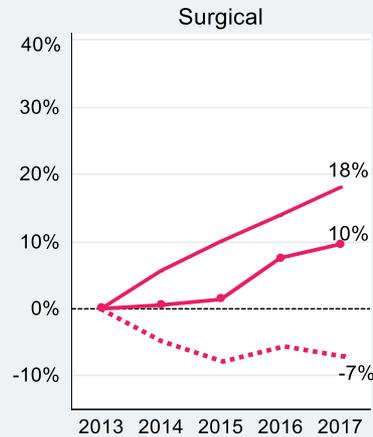
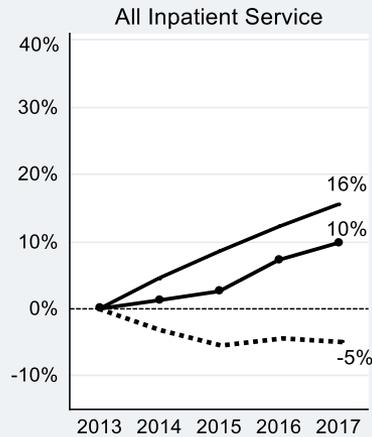


There's more to it than just the average

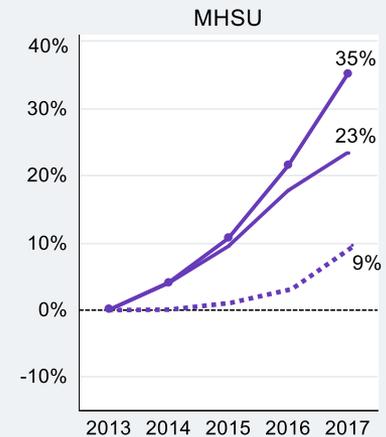
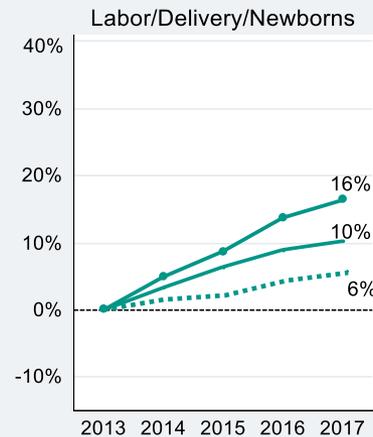


# Inpatient spending increased despite declines in admissions

## Cumulative Change in Inpatient Spending per Person, Utilization, and Average Price since 2013



- Spending
- - - Utilization
- Average Price

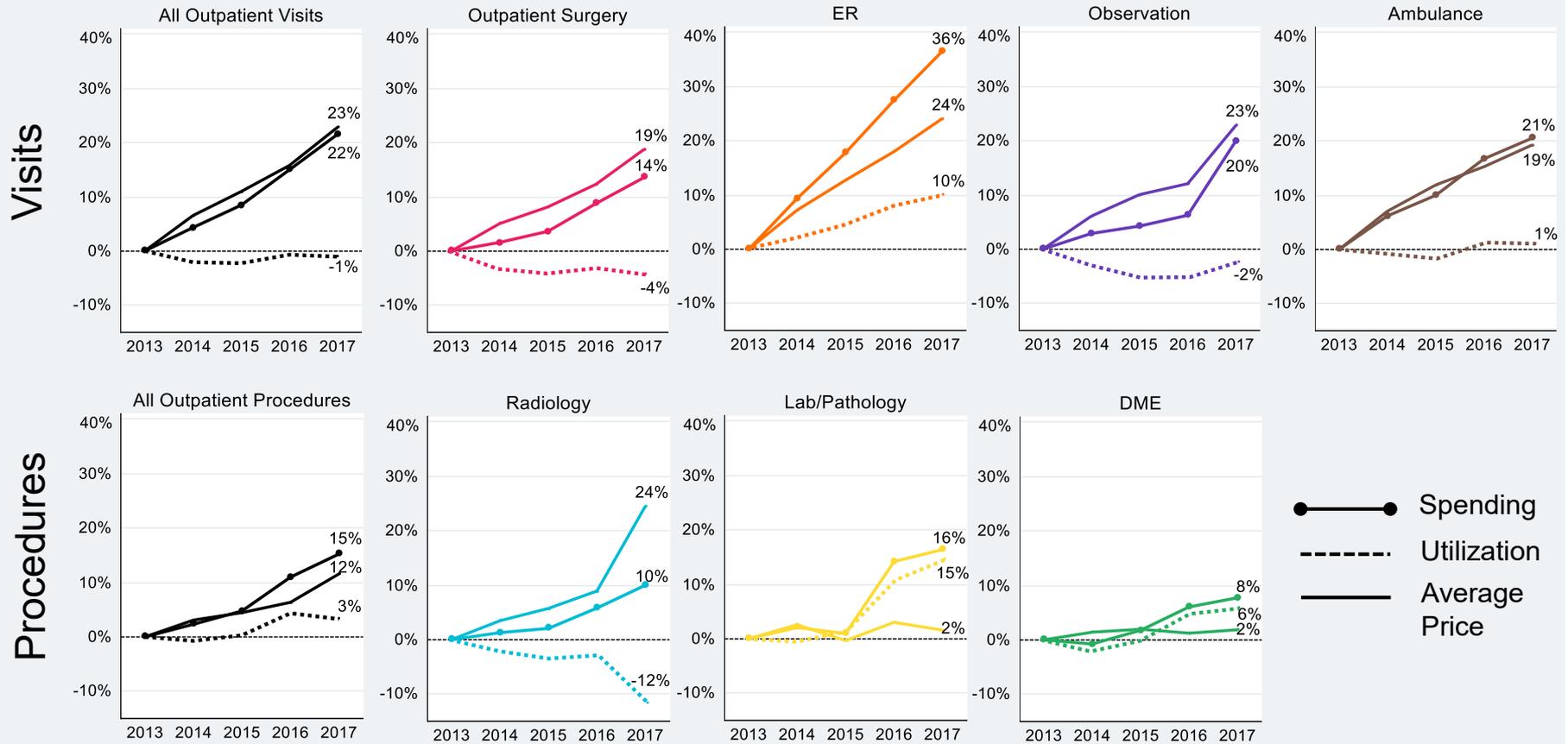


Note: Utilization reflects volume and service-mix intensity. Thus, the prices presented factor out changes in the mix of services used for these categories.



# Spending and average price grew for more expensive outpatient services – Surgery and ER

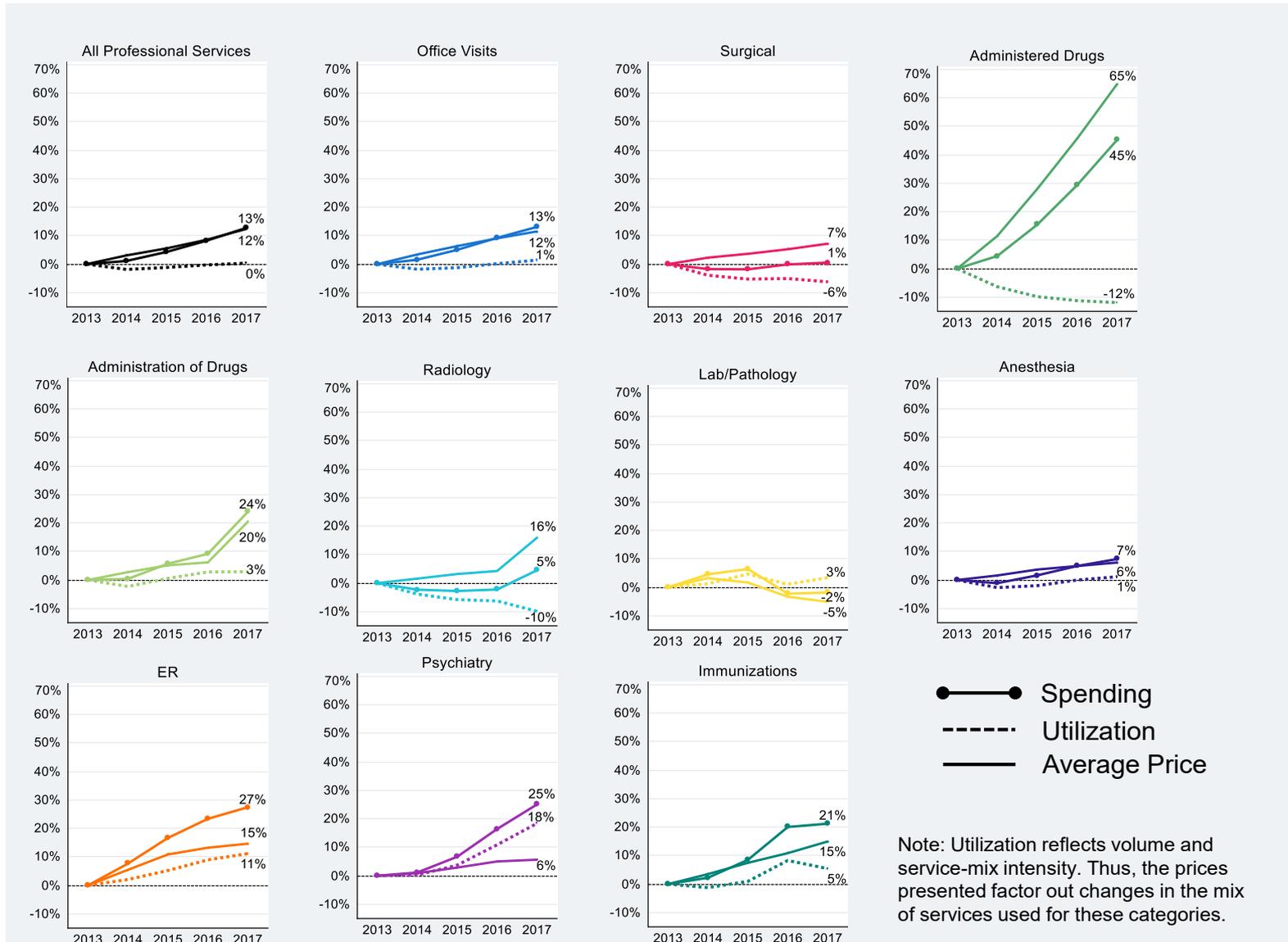
Cumulative Change in Outpatient Spending per Person, Utilization, and Average Price since 2013



Note: Utilization reflects volume and service-mix intensity. Thus, the prices presented factor out changes in the mix of services used for these categories.



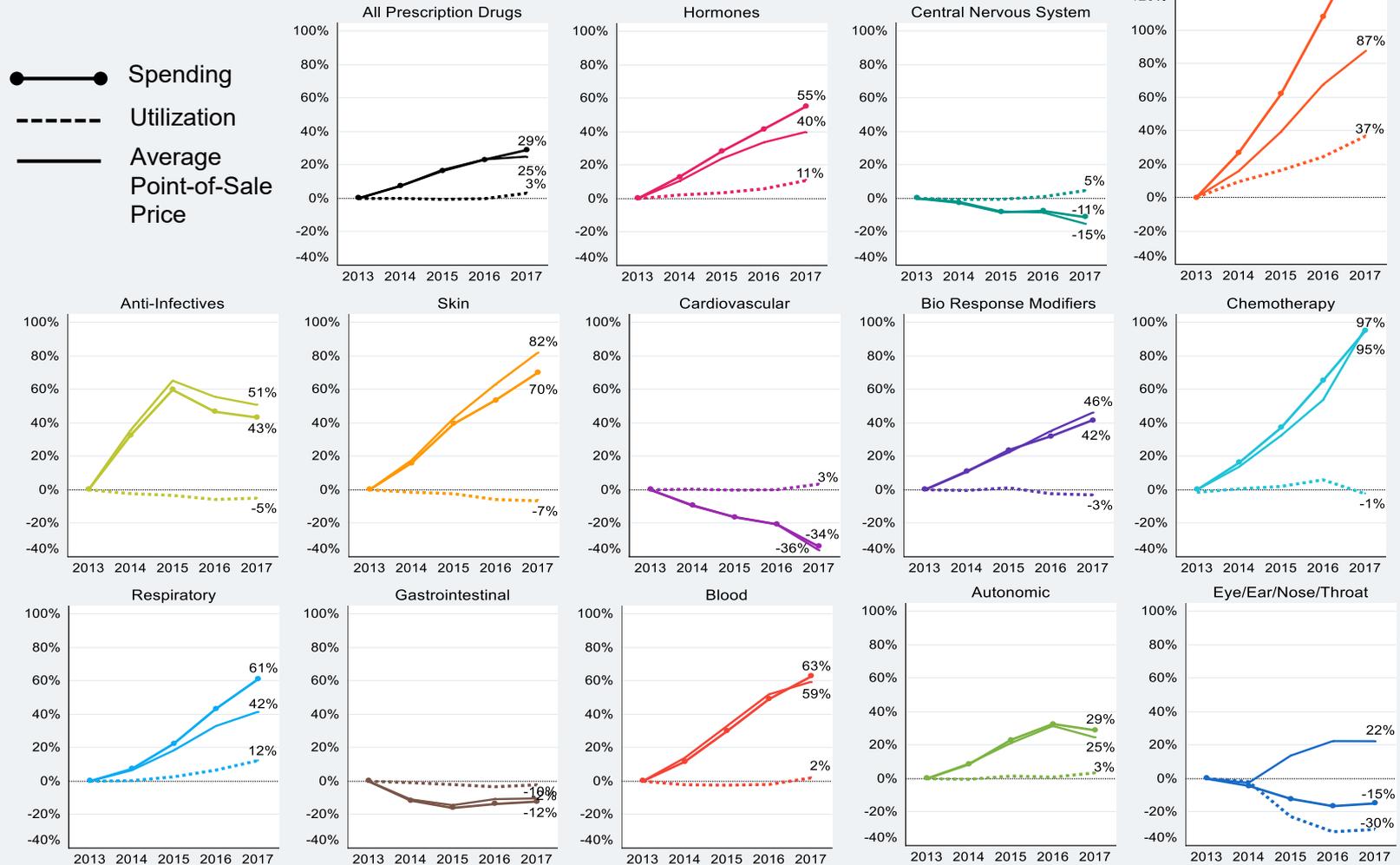
# Professional services spending increased while overall utilization remained constant from 2013 to 2017





# Overall prescription point-of-sale price growth slowed in 2017, but trends differed substantially across subcategories

## Cumulative Change in Prescription Drug Spending per Person, Utilization, and Average Point-of-Sale Price since 2013



Note: Prescription drug spending is the amount paid on the pharmacy claim, which reflects discounts from the wholesale price, but not manufacturer rebates paid in separate transactions.



# Research Resources and State Level Interactive Tool

**HEALTH CARE COST INSTITUTE** DATA RESEARCH BLOG NEWS

## Data

ER Procedure Code Spending, Utilization, and Price 2009–2016  
[HCCI ER machine readable data](#) ⬇

MS Spending – Specialty Drugs  
[HCCI MS formatted excel tables](#) 📄  
[HCCI MS machine readable data](#) ⬇

Share of ESI with Annual Spending over Threshold Amounts by Age and Gender  
[HCCI spending threshold machine readable data](#) ⬇

Health Care Cost and Utilization Report 2016  
[Health Care Cost and Utilization Report 2016 Appendix Tables](#) 📄  
[Health Care Cost and Utilization Report 2016 machine readable data](#) 📄

## Crosswalks

HCCI Inpatient Service Categories – DRG and MDC  
[HCCUR 2016 Appendix Section 4.1 and 4.2 Methodology](#) ⬇

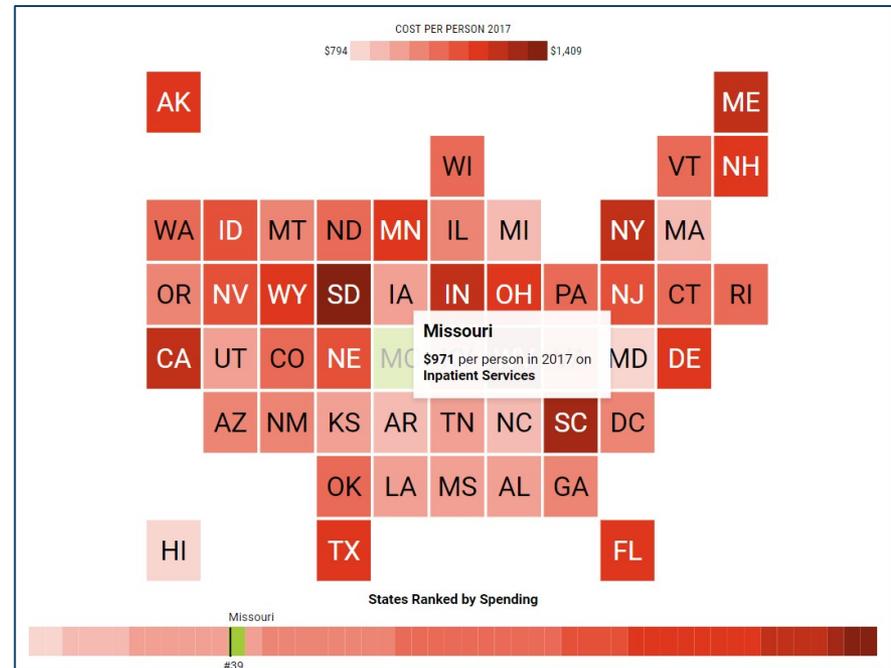
HCCI Outpatient Service Categories – CPT Procedure Codes  
[HCCUR 2016 Appendix Section 4.3 Methodology](#) ⬇

HCCI Professional Service Categories – CPT Procedure Codes  
[HCCUR2016 Appendix Section 4.4 Methodology](#) ⬇

HCCI Prescription Drug Categories – AHFS Drug Classification  
[HCCUR2016 Appendix Section 4.5 Methodology](#) ⬇

<https://healthcostinstitute.org/research/research-resources>

## Interactive State-Level Data Tool





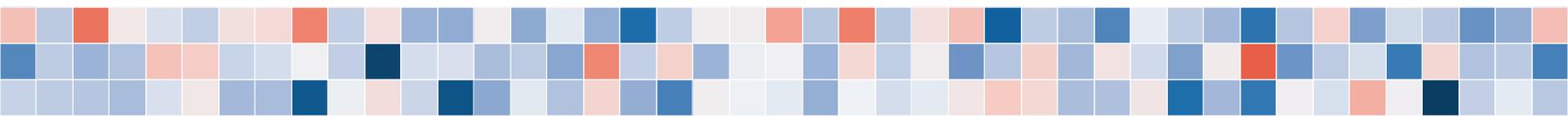
## Final Thought

People are spending more because prices are rising, but what are those higher costs buying us?



Q & A

# Questions?



Find the report and resources at:  
[healthcostinstitute.org/research/annual-reports](https://healthcostinstitute.org/research/annual-reports)

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