



# Healthy Marketplace Index

January 2023

## A Closer Look at Springfield, IL

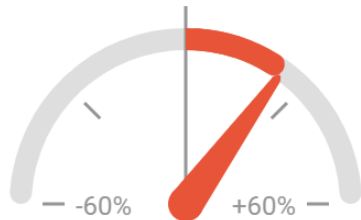
### Springfield, IL

Springfield, IL

#### Overall Spending

**+24%**

relative to national median



#### Price

+14%

#### Use

+26%

#### Service Mix

-8%

Below Median

Above Median

#### Hospital Market Concentration

4,544 HHI

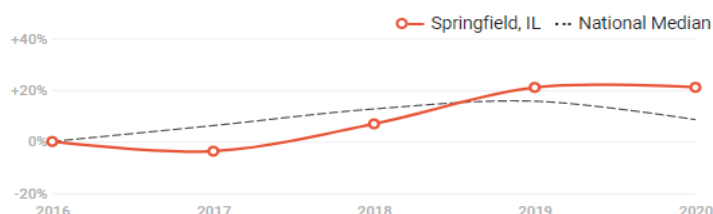
Each year, HCCI creates the Healthy Marketplace Index (HMI) to measure how health care spending varies across the United States. The HMI shows local health care spending, prices, and use compared to the national median. By describing how health care spending varies geographically, HMI is a starting point in understanding what is causing high and rising health care costs in a particular metropolitan area. Across the country, a range of factors drive health care spending. High spending on health care, in turn, forces families, businesses, and governments to make difficult tradeoffs between needed care and other priorities such as housing, education, and food.

This case study begins to broaden HMI’s exploration of health care spending in specific areas by describing some of the factors contributing to spending, use, and prices in one area—Springfield, Illinois—including social determinants of health, prevalence of disease, health care providers, and health care markets. The HMI shows that health care spending in Springfield was 24% higher than the national median with higher prices and use, but a slightly lower cost mix of services provided. Spending in Springfield grew at a higher rate than the national median—about 21%—from 2016-2020, with most of the increase in recent years. Springfield’s HMI includes the greater Springfield metro area; in this case study, we discuss Springfield as well as broader Sangamon County, where Springfield is located.

#### Overall Spending

**+21%**

Change in per person spending since 2016



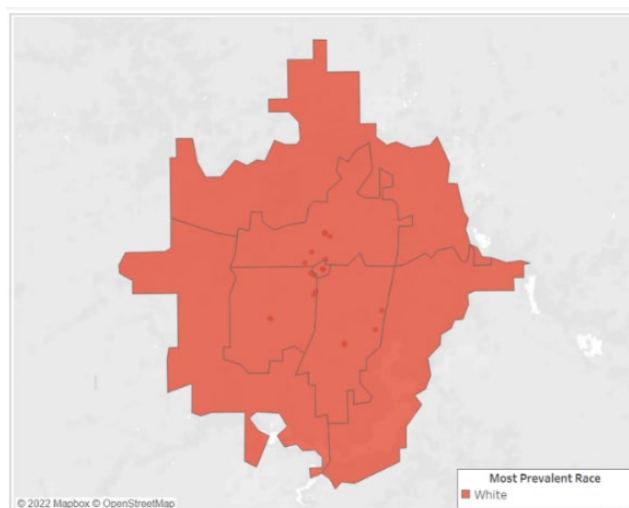
Founded in 1821, Springfield, Illinois is home to a just over 113,000 residents.<sup>1</sup> Springfield is located in Sangamon County, a county with one of the nation's lowest costs of living. Springfield is known for its prosperous health care and research facilities, as well as local resources aimed at improving access to community health services. It is home to Springfield Memorial and Hospital Sisters System, two world-class health care facilities.

As shown in Table 1 and reflected in Figure 1, nearly three-quarters of Springfield's population is White (72%), while 20% of the population is Black. Only 3% of Springfield's population is Hispanic, compared to 19% of the US population overall. As we discuss throughout this report, there are substantial disparities between Black and White populations in Springfield, likely reflecting the lasting impacts of events that took place in the 20<sup>th</sup> century. In 1908, Springfield

experienced race riots in which violence was targeted at Black neighborhoods after two Black men accused of crimes in prison were relocated. To control the riots, the governor brought in the National Guard. This traumatic event caused many Black families to move out of Springfield. Years later, only 20% of the city's population is Black.<sup>2</sup>

The median household income in Springfield (\$50,000) was \$10,000 (16%) below the national median, and the poverty rate was 18%, 7 percentage points above the national rate. A smaller share of Springfield's residents (5%) is uninsured compared to the overall U.S. population (9%). Over half of Springfield's residents receive health insurance through work, which is particularly important for HMI as the data used to generate HMI are representative of people with employer-sponsored insurance.

**Figure 1. Racial/Ethnic Prevalence in Springfield by Zip Code, 2020**



Notes: Map was created using five-year estimates from the 2020 U.S. Census American Community Survey Database. All zip codes that are partially within the city's boundaries are included.

**Table 1. Demographic Characteristics of the Population in Springfield, 2020**

	<b>Springfield</b>	<b>U.S.</b>
Total Population	113,394	331,893,745
Race/Ethnicity		
Black/African American	20%	14%
White	72%	76%
Hispanic or Latino	3%	19%
Asian	3%	6%
American Indian/Alaska Native	Less Than 1%	Less Than 1%
Female	53%	51%
Age		
Under 18 Years	22%	22%
Over 65 Years	18%	17%
Education*		
High School Graduate or Higher	92%	89%
Bachelor's Degree or Higher	35%	33%
Employment <sup>^</sup>		
In Civilian Labor Force	61%	63%
Unemployment Rate	8%	8%
Median Household Income	\$54,164	\$64,994
Poverty	18%	11%
Health Insurance		
Uninsured	5%	9%
Employer-Sponsored Insurance	52%	50%
Medicare	20%	14%
Medicaid	21%	20%

Notes: All measures are five-year estimates from the 2020 U.S. Census American Community Survey Database.<sup>3</sup>

\*Includes persons of age 25 and older. <sup>^</sup>Includes civilians of age 16 and older.

## Social Determinants of Health

It is well established that the conditions in which people live, play, grow, and work affect health outcomes.<sup>4</sup> Therefore, understanding these conditions is important for understanding health spending, though the interaction between them and spending is complex and could be influenced by a range of local and systemic factors.

The CDC identified five key areas of social determinants of health: health care access and quality; education access and quality; social and community context; economic stability; and neighborhood and built environment.<sup>5</sup> Table 1 provides some insight into how people in Springfield experience many of these social

determinants, including economic stability, education, and health care access.

Food security and housing stability have received increasing attention in recent years due to their impact on people's health. In 2019, 14% of Sangamon County residents experienced severe housing problems, including overcrowding, high costs, lack of kitchen facilities, and lack of plumbing and 12% spent 50% or more of their income on housing, compared to 14% of people across the U.S.<sup>6</sup> In 2019, 11% of Springfield residents experienced food insecurity, a rate similar to that of neighboring counties but higher than the state of Illinois overall (9%).

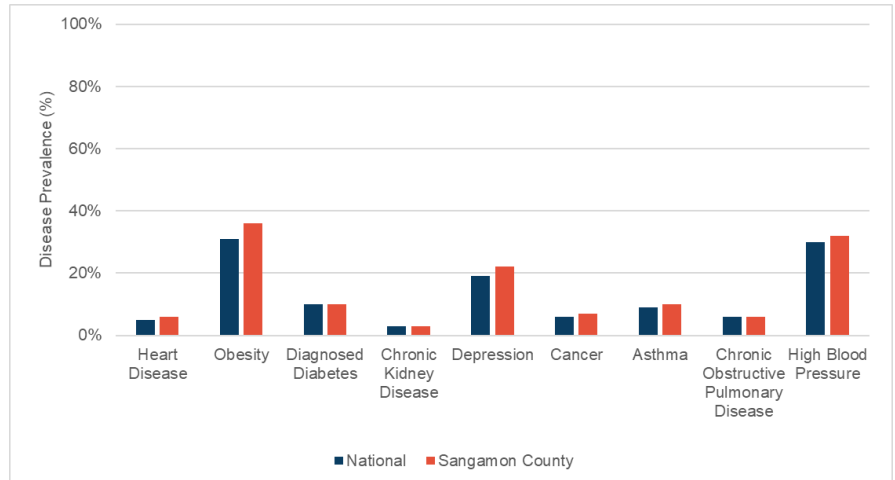
## Prevalence of Disease, Life Expectancy, and Health Status

Rates of chronic diseases (including heart disease, diagnosed diabetes, chronic kidney disease, asthma, and chronic obstructive pulmonary disease) are similar in Springfield to national rates (Figure 2), though people living in Springfield have slightly higher rates of depression than the general U.S. population (22% vs. 19%, respectively).<sup>7</sup>

In Springfield, 12% of residents reported 14 or more days of poor physical health days in the past month (equal to the national rate) and 15% reported 14 or more poor mental health days in the past month (compared to 14% nationally).<sup>8</sup>

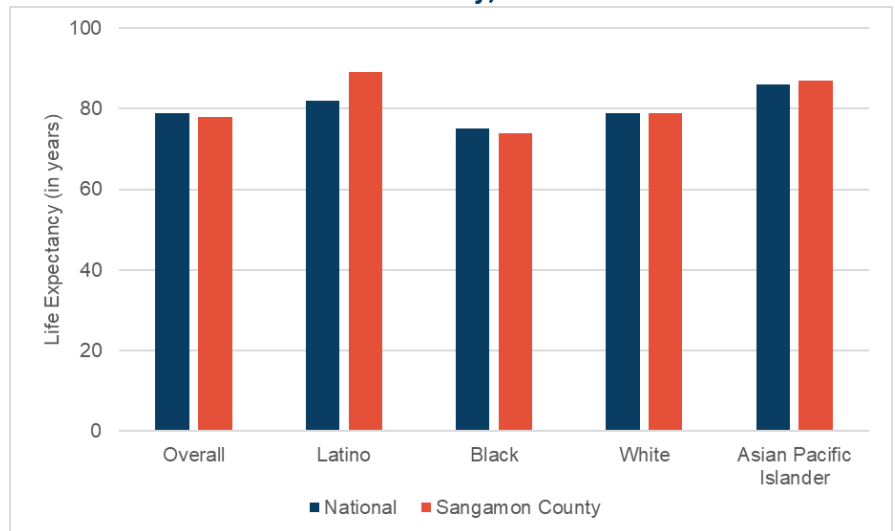
Life expectancy in Springfield is also generally consistent with national levels (Figure 3), including the disparity between Black and White individuals (74 years among Black Springfield residents compared to 79 among White residents).<sup>9</sup>

**Figure 2. Prevalence of Disease in Sangamon County, 2020**



Notes: All measures are from the Centers for Disease Control and Prevention's PLACES 2020 Database at the county level.

**Figure 3. Life Expectancy in Sangamon County by Race/Ethnicity, 2020**



Notes: All measures are from the Institute for Health Metrics and Evaluation 2021 Life Expectancy Database at the county level.

## Health Care Providers in Springfield

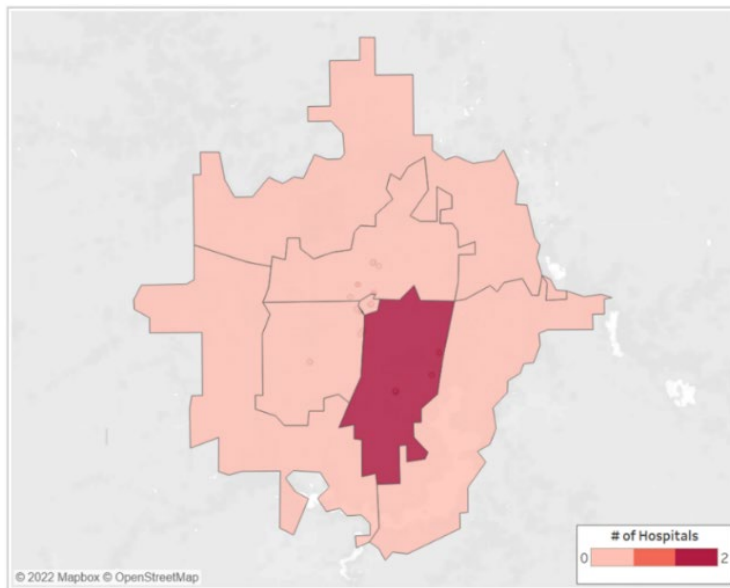
Sangamon County, where Springfield is located, has only four hospitals. This is significantly fewer than the 11 hospitals in nearby St. Louis but similar to nearby Champaign, IL. The hospitals are concentrated in the center of the metro area, as can be seen in Figure 4.<sup>10</sup>

Only about 40% of hospital care among Springfield residents occurs within Springfield. The other 60% is provided in

other areas, such as Salt Lake City, Chicago, and St. Louis.

Sangamon county also has fewer physicians per capita than St. Louis (about 6 per 1,000 population in Sangamon compared to 11 in St. Louis) and far fewer Federally Qualified Health Centers and Community Health Centers than St. Louis.<sup>11</sup>

**Figure 4. Number of Hospitals in Springfield by Zip Code, 2020**



Notes: Map was created using the 2020 American Hospital Association Survey. All zip codes that are partially within the city's boundaries are included.

## Health Care Infrastructure and Market

Health care prices in commercial insurance markets are the result of negotiations between insurance companies and health care providers, including hospitals and physicians. These negotiations are influenced by how much market power each side has. For example, if a hospital is the only or dominant provider of a certain type of care (e.g., cancer care) in an area, that hospital may have leverage in negotiations because the insurers in the area need to have that hospital in their provider network to attract enrollees.

When insurance companies exercise market power, it can result in higher premiums or lower plan quality for consumers, or lower payments to providers. On the other hand, when hospitals and other providers exercise market power, it generally results in higher prices which make health care services less affordable and accessible for people who live in the area.

The standard measure of market concentration is the Herfindahl-Hirschman Index (HHI). This measure captures the relative sizes of firms in a market and ranges from 0 (perfectly competitive, i.e., many firms of relatively equal size) to 10,000 (a monopoly, where one firm captures the whole market). Above a certain threshold (2,500), federal regulators consider a market to be highly

concentrated. Above this level, there is significant concern that market power may distort price negotiations.

Health care prices in Springfield are 14% higher than the national median. This is likely in part related to the fact that the hospital market in Springfield was highly concentrated with an HHI of 4,544 in 2020. Hospital concentration has not changed meaningfully in Springfield over the past five years. The insurance market is also highly concentrated, with an HHI of 3,006 and Health Care Service Corporation (a Blue Cross-Blue Shield plan) capturing almost half of the commercially insured market.<sup>12</sup>

### Health Care Prices

To look more closely at hospital prices in Springfield, we examined data submitted in response to the federal requirement that, as of January 1, 2021, hospitals make public prices for a variety of services, including prices for patients with and without health insurance. Below, we show cash and private insurer prices (the minimum and maximum rates reported) for an abdominal ultrasound during the first trimester of pregnancy in the two biggest hospitals in Springfield (which account for over 90% of admissions). Prices varied considerably across hospitals and across payers within hospitals despite being in the same metro area for the same service.

**Table 2. Variation in Prices for an Abdominal Ultrasound in Springfield's Two Largest Hospitals**

Hospital	Cash Price	Minimum Reported Negotiated Rate	Maximum Reported Negotiated Rate
Memorial Medical Center	\$1,175	\$376	\$1,175
HSHS St. John's Hospital	\$1,196	\$126	\$1,840

Notes: All price data from Turquoise Health.

## Conclusion

Across the country, health care costs are high, growing, and increasingly unaffordable for businesses, government, and families.

The burden of health care costs has tangible effects. For example, 30% of adults nationally reported problems paying a medical bill and 15% reported needing to change their way of life to pay their medical bills.<sup>13</sup> In Sangamon County, recent data show that 13% of residents had some share of medical debt in collections.<sup>14</sup> This is similar to rates in the state of Illinois and the U.S. overall (14% and 13%, respectively). In Illinois, the share of people experiencing medical debt in communities of color was almost twice as high as in white communities (20% compared to 11%).<sup>15</sup> This disparity exceeds the gap in medical debt between communities of color and white communities in the U.S. overall (15% vs. 11%).<sup>16</sup> The burdens and stress of paying medical bills often mean that people delay or forego care that is needed.

High spending on health care for individuals with health insurance through their job also raises costs for employers, who cover, on

average, over 70% of the premium associated with health care coverage for their workers.<sup>17</sup> In turn, higher spending on health insurance often means that wages and other forms of compensation are less generous. For state governments, rising health care spending threatens health care access for their residents, increases costs for businesses, and burdens state budgets.

HCCI's Healthy Marketplace Index highlights how health care costs uniquely present themselves in metro areas throughout the United States. This case study begins to add dimension to HMI with the goal of increasing understanding of what drives spending locally and nationally. Understanding the range of factors that result in an area's health care spending, and the mix of use, price, and composition of health care services that drives spending, is important for any efforts to lower prices or improve the value of spending. In turn, public and private decisionmakers can identify potential policy interventions to control and optimize health care spending that are most appropriate to the local area.

## About the Healthy Marketplace Index

HCCI created the [Healthy Marketplace Index \(HMI\)](#) by analyzing more than 4.2 billion claims for people with employer-sponsored insurance between 2016 and 2020. We computed health care spending, prices, and use [indices](#) for 186 [metro areas](#) across 44 states. The HMI is calculated for spending overall, and separately for hospital inpatient, outpatient, and physician services. See our [technical documentation](#) and [downloadable data](#) for more information on HMI.

## Endnotes

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<sup>1</sup> University of Wisconsin Population Health Institute. How Healthy is your County? | County Health Rankings. County Health Rankings & Roadmaps. Published 2021. Accessed January 4, 2023. <https://www.countyhealthrankings.org/>

<sup>2</sup> US Census Bureau. U.S. Census Bureau QuickFacts: Springfield city, Illinois. www.census.gov. Published 2021. <https://www.census.gov/quickfacts/springfieldcityillinois>

<sup>3</sup> US Census Bureau. American Community Survey (ACS). Census.gov. Published 2020. <https://www.census.gov/programs-surveys/acs>

<sup>4</sup> Social Determinants of Health. Centers for Disease Control and Prevention. Published October 13, 2022. Accessed January 4, 2023. <https://www.cdc.gov/about/sdoh/index.html>

<sup>5</sup> Social Determinants of Health. Centers for Disease Control and Prevention. Published October 13, 2022. Accessed January 4, 2023. <https://www.cdc.gov/about/sdoh/index.html>

<sup>6</sup> University of Wisconsin Population Health Institute. How Healthy is your County? | County Health Rankings. County Health Rankings & Roadmaps. Published 2021. Accessed January 4, 2023. <https://www.countyhealthrankings.org/>

<sup>7</sup> PLACES: Local Data for Better Health, County Data 2022 release | Chronic Disease and Health Promotion Data & Indicators. Centers for Disease Control and Prevention. [chronicdata.cdc.gov](https://chronicdata.cdc.gov). Updated December 6, 2022. Accessed January 4, 2023. <https://chronicdata.cdc.gov/500-Cities-Places/PLACES-Local-Data-for-Better-Health-County-Data-20/swc5-untb>

<sup>8</sup> PLACES: Local Data for Better Health, County Data 2022 release | Chronic Disease and Health Promotion Data & Indicators. Centers for Disease Control and Prevention. [chronicdata.cdc.gov](https://chronicdata.cdc.gov). Updated December 6, 2022. Accessed January 4, 2023. <https://chronicdata.cdc.gov/500-Cities-Places/PLACES-Local-Data-for-Better-Health-County-Data-20/swc5-untb>

<sup>9</sup> US Health Map | IHME Viz Hub. Healthdata.org. Published 2013. Accessed January 4, 2023. <https://vizhub.healthdata.org/subnational/usa>

<sup>10</sup> American Hospital Association. AHA Annual Survey Database. 2020.

<sup>11</sup> Health Resources and Services Administration. Area Health Resources File. Updated 2021. Accessed January 4, 2023. <https://data.hrsa.gov/data/download>.



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<sup>12</sup> American Medical Association. Competition in Health Insurance: A comprehensive study of U.S. markets. 2021. Accessed January 4, 2023. <https://www.ama-assn.org/system/files/competition-health-insurance-us-markets.pdf>.

<sup>13</sup> Collins S, Haynes L, Masitha R. The State of U.S. Health Insurance in 2022. [www.commonwealthfund.org](http://www.commonwealthfund.org). Published September 29, 2022. Accessed January 4, 2023. <https://www.commonwealthfund.org/publications/issue-briefs/2022/sep/state-us-health-insurance-2022-biennial-survey>

<sup>14</sup> Urban Institute. Debt in America: An Interactive Map. Updated June 23, 2022. Accessed January 4, 2023. <https://apps.urban.org/features/debt-interactive-map/?type=medical&variable=medcoll>

<sup>15</sup> Urban Institute. Debt in America: An Interactive Map. Updated June 23, 2022. Accessed January 4, 2023. <https://apps.urban.org/features/debt-interactive-map/?type=medical&variable=medcoll>

<sup>16</sup> Urban Institute. Debt in America: An Interactive Map. Updated June 23, 2022. Accessed January 4, 2023. <https://apps.urban.org/features/debt-interactive-map/?type=medical&variable=medcoll>

<sup>17</sup> Kaiser Family Foundation. 2022 Employer Health Benefits Survey - Summary of Findings. KFF. Published October 27, 2022. Accessed January 4, 2023. <https://www.kff.org/report-section/ehbs-2022-summary-of-findings/>