

STATISTICAL BRIEF #414

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Estimates of Health Care Expenditures for the 10 Largest States, 2010

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Introduction

The Household Component of the Medical Expenditure Panel Survey (MEPS-HC) is designed to produce estimates of health care use, expenditures, sources of payment, and insurance coverage among the U.S. civilian noninstitutionalized population. While the MEPS-HC was designed primarily to ensure reliable estimates at the national and regional level for a large variety of population subgroups, the survey design permits estimation with reasonable precision for certain measures in many states.

Many factors can influence health care expenses in a particular state, including the demographic, socioeconomic, and health status characteristics of the population. Further, the prevalence and types of health insurance coverage in a state can impact access to care, the level of expenditures, and the extent to which different sources finance health care services.

This Statistical Brief presents variations from the national average in health care expenses for the 10 most populous states in 2010. The Brief examines selected spending measures for the U.S. population, including 1) the proportion of the population with selected types of expenses, 2) the average amount of expenses, and 3) the distribution of payments for health care expenses across various sources. The 10 states presented in this Brief together comprised just over half of the U.S. population in 2010 and accounted for a similar share of the nation's health care expenses. Only those estimates with statistically significant differences from the national average using a multiple comparison procedure at the .05 significance level are noted in the text.

Findings

Percentages with health care expenses (figure 1):

- In 2010, 84.6 percent of the U.S. civilian noninstitutionalized population had expenses for health care. This percentage was lower in California (75.8 percent), Texas (74.7 percent), and New York (79.2 percent), and it was higher in Illinois (88.9 percent).
- Nationally, 74.4 percent had expenses for ambulatory service care in 2010. This percentage was lower in California (63.5 percent), Texas (63.0 percent), New York (69.1 percent), and Georgia (69.9 percent).
- Overall, 61.3 percent had expenses for prescribed medicines. The percentage with this type of expense was lower in California (47.7 percent), Texas (53.1 percent), New York (53.4 percent), and Florida (58.1 percent).
- Dental care expenses were incurred by 40.4 percent of the U.S. civilian noninstitutionalized population in 2010. This percentage was

Highlights

- In 2010, 84.6 percent of the U.S. civilian noninstitutionalized population had expenses for health care. The percentage with an expense (overall or by type) was generally lower in California, Texas, and New York, and higher in Illinois.
- The national average health care expenses per person and the average among persons with an expense were \$4,094 and \$4,839, respectively in 2010. Both of these averages were lower in California and Georgia.
- The proportion of health care expenses paid by different sources varied by state. Compared to the U.S., Illinois and Pennsylvania had a higher percentage of expenses paid by private insurance and a lower percentage paid either by Medicare (Illinois) or by Medicaid (Pennsylvania). New York had a higher percentage paid by Medicaid and a lower percentage paid out of pocket. The percentage paid by Medicaid was also lower in Georgia, compared to the U.S. average.

lower in California (35.5 percent) and Texas (29.1 percent); and it was higher in Illinois (47.3 percent) and Michigan (45.9 percent).

- Nationally, 7.1 percent of the population had expenses for one or more inpatient stays. This percentage was lower in California (4.5 percent) and Georgia (5.4 percent).

Average health care expenses (figure 2):

- In 2010, the average per capita expenditure amount in the U.S. was \$4,094. Among those with an expense, the average amount was \$4,839.
- Relative to the U.S. as a whole, both of these averages were lower in California (\$2,992 per person and \$3,946 per person with an expense) and Georgia (\$3,050 and \$3,715, respectively).

Distribution by source of payment (figure 3):

- Nationally, 40.1 percent of total health care expenditures in 2010 were paid by private insurance. This percentage was higher in Illinois (50.7 percent) and Pennsylvania (46.9 percent).
- In 2010, 25.7 percent of health care expenditures were paid by Medicare. Illinois (15.9 percent) had a lower percentage than the U.S.
- Medicaid paid 10.4 percent of expenses in the U.S. in 2010. This percentage was higher in New York (16.4 percent), and lower in Pennsylvania (6.4 percent) and Georgia (6.5 percent).
- Of total expenses in 2010, 14.2 percent were paid out of pocket. The percentage in New York (9.4 percent) was lower.

Data Source

The estimates shown in this Statistical Brief are drawn from analyses conducted by the MEPS staff from the following public use files: 2010 Full Year Consolidated Files, HC-138.

Definitions

Population

Estimates in this Brief are based on expenses for persons who were living in the U.S. civilian noninstitutionalized population for all or part of 2010. Persons in the military, those in prison, nursing homes, or other institutions for the entire year are not included.

Expenses

Expenses include total payments from all sources to hospitals, physicians, other health care providers (including dental care and home health), pharmacies, and providers of other medical equipment for services reported by respondents in the MEPS-HC. Sources include direct payments from individuals, private insurance (including TRICARE), Medicare, Medicaid, and various other sources (including the Department of Veterans Affairs, Workers' Compensation, and miscellaneous public sources). The percentages paid by these other sources are not reported in table 3; therefore, this table does not total to 100 percent.

Ambulatory care expenses

This subcategory of expenses encompasses those incurred for visits to office-based medical providers as well as for hospital-based outpatient and emergency room services.

Prescribed medicine expenses

This subcategory of expenses includes those for all prescribed medications initially purchased or otherwise obtained during the year, as well as any refills.

Dental expenses

This subcategory of expenditures includes expenses for any type of dental care.

Hospital inpatient stay expenses

This subcategory includes room and board and all hospital diagnostic and laboratory expenses associated with the basic facility charge, payments for separately billed physician inpatient services, and emergency room expenses incurred immediately prior to inpatient stays. Expenses for hospital stays with the same admission and discharge dates (i.e., zero-night stays) are also included.

About MEPS-HC

MEPS-HC is a nationally representative longitudinal survey that collects detailed information on health care utilization and expenditures, health insurance, and health status, as well as a wide variety of social, demographic, and economic characteristics of the U.S. civilian noninstitutionalized population. It is cosponsored by the Agency for Healthcare Research and Quality and the National Center for Health Statistics.

For more information about MEPS, call the MEPS information coordinator at AHRQ (301-427-1406) or visit the MEPS Web site at <http://www.meps.ahrq.gov>.

References

For a detailed description of the MEPS-HC survey design, sample design, and methods used to minimize sources of nonsampling error, see the following publications:

Cohen, J. *Design and Methods of the Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 1. AHCPR Pub. No 97-0026. Rockville, MD. Agency for Health Care Policy and Research, 1997. http://meps.ahrq.gov/mepsweb/data_files/publications/mr1/mr1.pdf

Cohen, S. *Sample Design of the 1996 Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 2. AHCPR Pub. No. 97-0027. Rockville, MD. Agency for Health Care Policy and Research, 1997. http://meps.ahrq.gov/mepsweb/data_files/publications/mr2/mr2.pdf

Cohen, S. Design Strategies and Innovations in the Medical Expenditure Panel Survey. *Medical Care*, July 2003: 41(7) Supplement: III-5–III-12.

Sommers, J.P. *Producing State Estimates with the Medical Expenditure Panel Survey-Household Component*. Agency for Healthcare Research and Quality Working Paper No. 05011, March 2005.

Ezzati-Rice, T.M., Rohde, F., Greenblatt, J. *Sample Design of the Medical Expenditure Panel Survey Household Component, 1998–2007*. Methodology Report No. 22. March 2010. Agency for Healthcare Research and Quality, Rockville, MD.
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http://www.meps.ahrq.gov/mepsweb/data_files/publications/st414/stat414.pdf

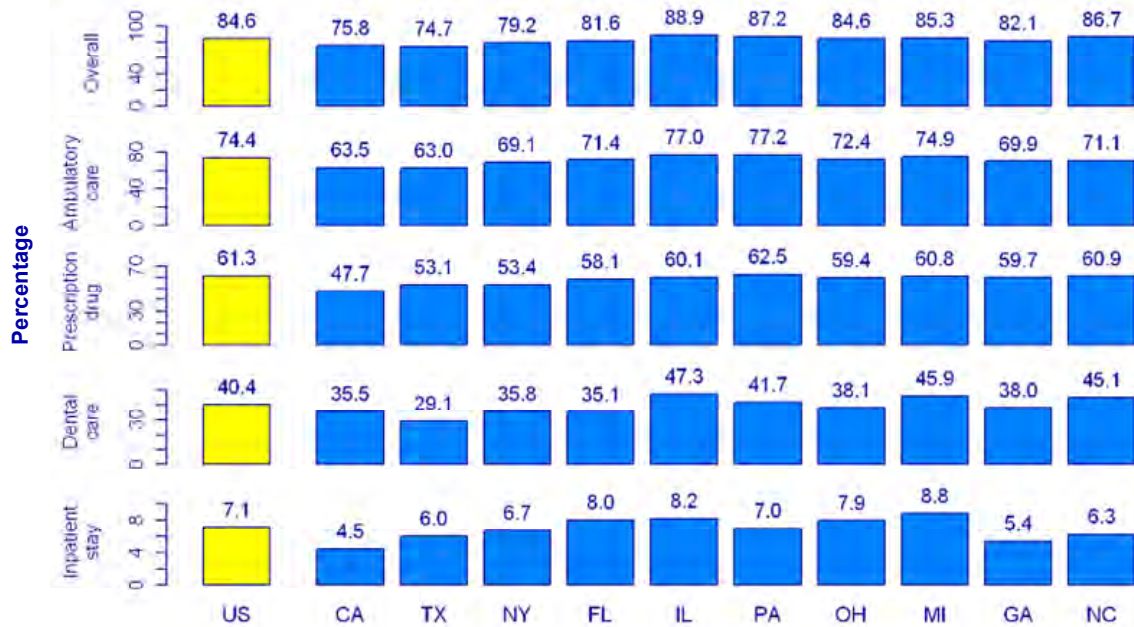
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, costs, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please email us at MEPSProjectDirector@ahrq.hhs.gov or send a letter to the address below:

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Figure 1. Percentage of persons with selected expenses in 2010, U.S. and largest 10 states



Source: Center for Financing, Access, and Cost Trends, Household Component of the Medical Expenditure Panel Survey, 2010



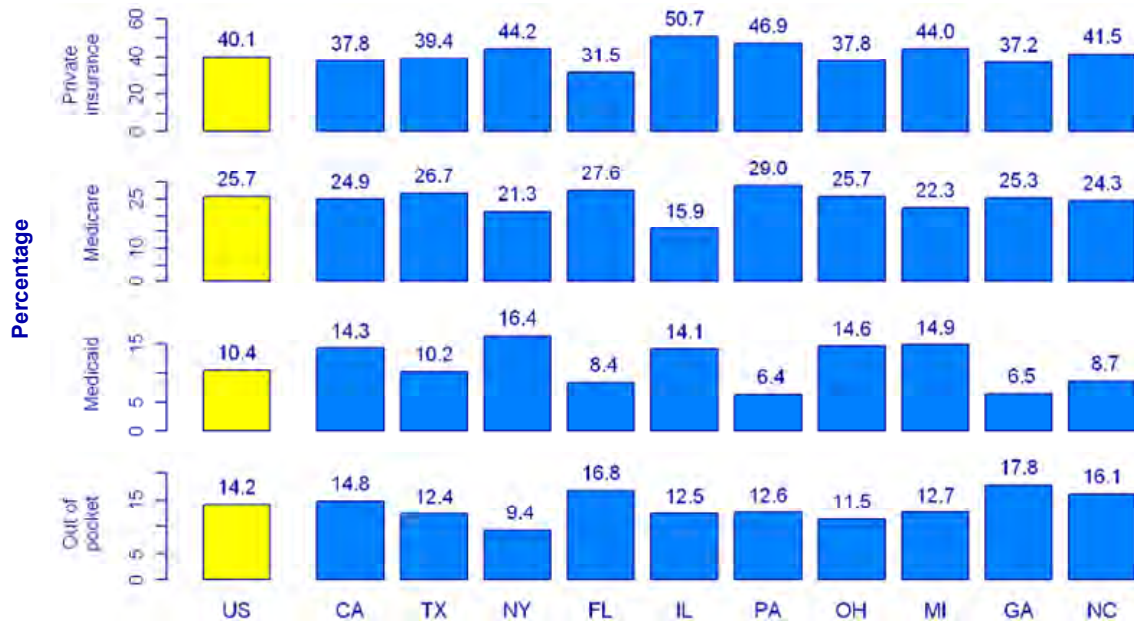
Figure 2. Average health care expenses in 2010, U.S. and largest 10 states



Source: Center for Financing, Access, and Cost Trends, Household Component of the Medical Expenditure Panel Survey, 2010



Figure 3. Percentage of health care expenses by source of payment in 2010, U.S. and largest 10 states



Source: Center for Financing, Access, and Cost Trends, Household Component of the Medical Expenditure Panel Survey, 2010