

Insurance Times: Health spending highest in Northeast states, urban areas

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by Janelle Carter

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WASHINGTON, D.C. (AP) — Residents in the Northeast spend more on personal health care than those in Western states like Utah, Idaho and Arizona, the government says, due to higher incomes and greater costs in cities.

Per capita health spending was 15 percent higher in Massachusetts, New York, Connecticut and Rhode Island than in the rest of the country in 1998, according to the survey by the Department of Health and Human Services' Centers for Medicare and Medicaid Services.

"Urban areas in general tend to be higher-priced than rural areas," said Anne Martin, one of the report's authors. "There's also more concentration of population that can support teaching hospitals and other specialized facilities that can cost more."

Katie Levit, who is in charge of national health statistics for the agency, cautioned that the numbers cannot be used to determine if residents of one state are getting better health care than those of another.

"People in lower-spending states may be younger, may be healthier, may live in lower-cost areas," Levit said. "It doesn't necessarily mean they're not getting adequate or effective care. More research needs to be done to unravel all of these effects."

Personal health care spending includes amounts that a person and his health plan pay for such things as hospital care, physician services and prescription drugs.

Agency economists conducted the study by examining Internal Revenue Service receipts for for-profit health care businesses, the American Hospital Association's Annual Survey of Hospitals and other data on population, wages and salaries. The study appeared in the journal *Health Affairs*.

In 1998, personal health care spending in the United States totaled \$1 trillion. The national average per resident was \$3,759.

In Massachusetts, which led all states, spending was \$4,810 per resident. The average in New York was \$4,706; Connecticut, \$4,656; and Rhode Island, \$4,497.

Washington, D.C., had spending of \$6,656 per resident.

On the other end, Utah had the lowest health spending for 1998 — just \$2,731 per resident. Idaho spending was \$3,035 per resident; Arizona, \$3,100; Nevada, \$3,147; and New Mexico, \$3,209.

Colorado had spending of \$3,331 per resident.

The last time the Centers for Medicare and Medicaid Services examined state health spending figures was in 1991.

The report showed that the slowest growth in spending was in the West. California's health spending per resident rose at average annual rate of 3.5 percent, from \$2,690 in 1991 to \$3,429 in 1998.

Some states saw huge growth. Maine's health spending per resident rose 7.3 percent annually, from \$2,464 in 1991 to \$4,025 in 1998.

Overall, however, the Plains region — which includes Kansas, Minnesota and Missouri — had the fastest average annual growth, 5.9 percent.

Nationwide, Medicare enrollees represented 14 percent of the total population in 1998.