

STATISTICAL BRIEF #264

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Estimates of Health Care Expenditures for the 10 Largest States, 2006

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Introduction

The Household Component of the Medical Expenditure Panel Survey (MEPS-HC) is designed to produce estimates of the 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 2006. The Brief examines selected 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 2006 and accounted for a similar share of the nation's health care expenses. The states are displayed in the order of population size.

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 of the U.S. civilian population with health care expenses (figure 1):

- In 2006, 84.6 percent had some expenses for health care. This proportion was lower in California (77.1 percent), Texas (79.3 percent), Florida (81.3 percent), and Georgia (80.0 percent); and it was higher in New York (87.5 percent), Illinois (87.5 percent), Ohio (89.4 percent), and Michigan (87.8 percent).

Highlights

- In 2006, 84.6 percent of the U.S. noninstitutionalized civilian population had some expense for health care. This percentage varied significantly by state.
- The national average health care expenses per capita and the average among persons with an expense were \$3,452 and \$4,078, respectively in 2006. These amounts were lower in California and Florida, and were higher in Ohio.
- Relative to the entire U.S., the proportion of health care expenses paid by private insurance in 2006 was lower in California, New York, and Florida; and was higher in Michigan and New Jersey.
- The proportion of health care expense paid by Medicare was not significantly different by state in 2006.
- The proportion of health care expenses paid by Medicaid in 2006 was lower than the national average in New Jersey and higher in New York.
- The proportion of expenses paid out of pocket in 2006 was lower in Michigan than it was for the entire U.S. population.

- 74.1 percent had an expense for ambulatory service care in 2006. This was lower in California (65.6 percent), Texas (68.5 percent), Florida (70.5 percent), and Georgia (67.5 percent); it was higher in New York (78.0 percent), Illinois (77.9 percent), Pennsylvania (80.8 percent), Ohio (79.7 percent), and Michigan (77.7 percent).
- Overall, 62.6 percent had an expense for prescribed medicines. This was lower in California (51.5 percent), and higher in Pennsylvania (67.1 percent) and Ohio (70.2 percent).
- 42.0 percent had a dental care expense. This was lower in California (36.2 percent), Texas (30.4 percent), Florida (34.3 percent) and Georgia (34.9 percent); and it was higher in Michigan (52.5 percent).
- Nationally, 7.2 percent had an expense for an inpatient stay. This was lower in California (5.2 percent) and higher in Ohio (8.9 percent), and Georgia (9.3 percent). Due to its large standard error, the estimate for Pennsylvania (9.4 percent) was not found to be statistically different than the national estimate.

Average health care expenses among the U.S. civilian population (figure 2):

- In 2006, the average per person expenditure amount was \$3,452 nationally. Among those with an expense, the average amount was \$4,078.
- The average expenditure amounts were lower in California (\$2,673 per person and \$3,468 among those with an expense) and Florida (\$2,874 and \$3,536, respectively); and they were higher in Ohio (\$4,093 and \$4,577, respectively). Though they appear to be similar to Ohio, the estimates for Michigan and Pennsylvania were not found to be statistically different than the national estimates due to their large standard errors.

Distribution by source of payment (figure 3):

- Nationally, 41.7 percent of total health care expenditures in 2006 were paid by private insurance. The amount paid by private insurance was lower in California (33.9 percent), New York (34.8 percent), and Florida (34.4 percent), and higher in Michigan (50.9 percent) and New Jersey (49.2 percent).
- In 2006, 23.5 percent of health care expenditures were paid by Medicare. This percentage was not significantly different in any of the 10 largest states.
- 8.7 percent of expenses were paid by Medicaid in 2006. This share was higher in New York (14.2 percent) and lower in New Jersey (3.6 percent).
- 19.0 percent of total expenses were paid out of pocket in 2006. This percentage was lower in Michigan (15.3 percent).

Data Source

The estimates shown in this Statistical Brief are drawn from analyses conducted by the MEPS staff from the following public use file, MEPS HC-105: 2006 Full Year Consolidated Data File, November 2008.

Definitions

Population

Estimates in this Brief are based on expenses for persons who were living in the U.S. noninstitutionalized civilian population for all or part of 2006. 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 figure 3; therefore, the data shown in the figure do not total to 100 percent within states or the U.S.

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 those 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 for 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://www.meps.ahrq.gov/mepsweb/data_files/publications/mr1/mr1.shtml

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://www.meps.ahrq.gov/mepsweb/data_files/publications/mr2/mr2.shtml

Cohen, S. Design Strategies and Innovations in the Medical Expenditure Panel Survey. *Medical Care*, July 2005: 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 2008. Agency for Healthcare Research and Quality, Rockville, MD. http://www.meps.ahrq.gov/mepsweb/data_files/publications/mr22/mr22.pdf

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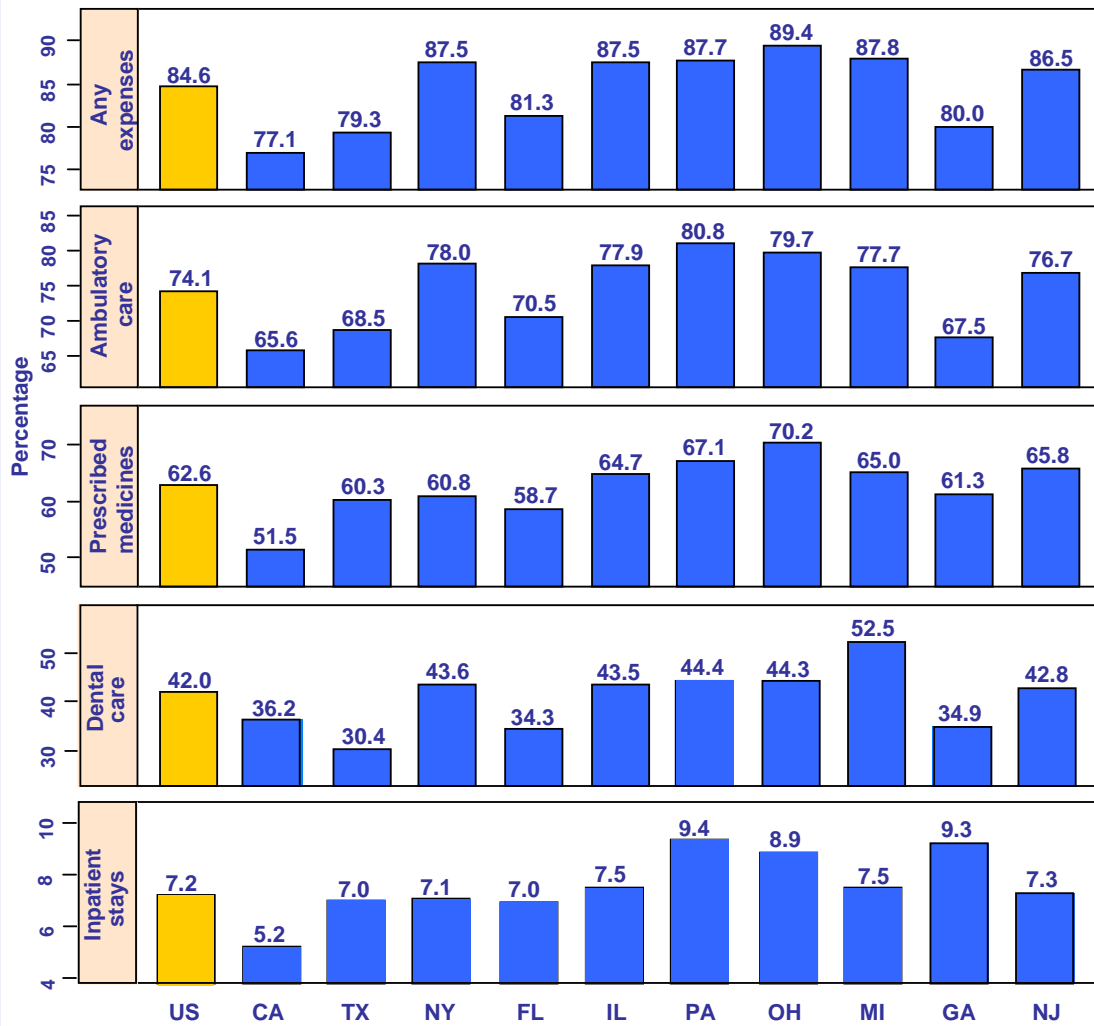
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, costs, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using 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 e-mail us at mepspd@ahrq.gov or send a letter to the address below:

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Figure 1. Percentage of persons with selected expenses in U.S. and 10 largest states, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2006



Figure 2. Average health care expenses (dollars) in U.S. and 10 largest states, 2006

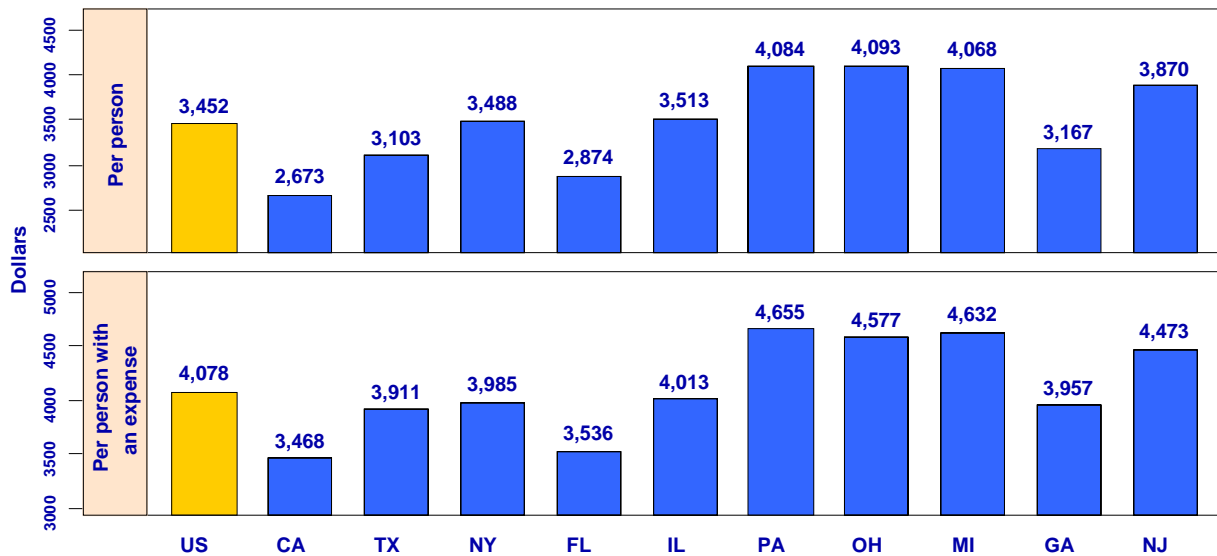


Figure 3. Health care expenses by source of payment in U.S. and 10 largest states, 2006

