



# Maryland Healthcare Expenditure Report (2017 – 2020)

COMMISSION MEETING JULY 20, 2023



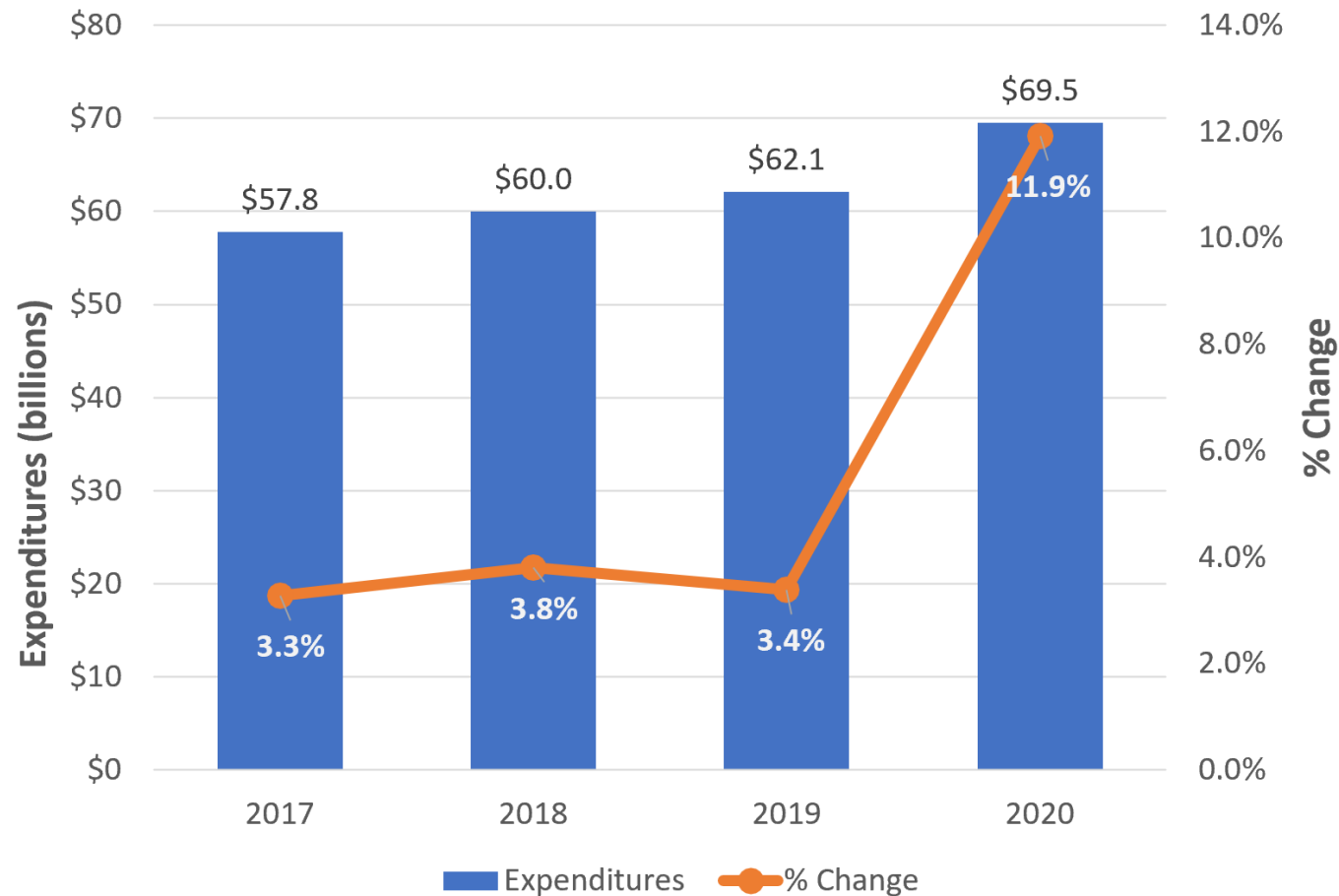
# Background

- ❑ MHCC is required to report annually on healthcare expenditures using the Medical Care Data Base (MCDB).
- ❑ This study provides estimates of Personal Health Care expenditures for Maryland residents for calendar years 2017 to 2020.
- ❑ Populations used in this study include the privately insured, Medicare, Medicaid/CHIP, Department of Defense Health Program, Department of Veteran Affairs, Other Third Party Payers and Programs, and the Uninsured.
- ❑ Data sources include Centers for Medicare and Medicaid Services National Health Expenditure Accounts (NHE) for all Maryland residents, Kaiser Family Foundation's (KFF) State Health Facts, National Academy for State Health Policy (NASHP) Hospital Cost Tool, Maryland Hospital Casemix data, the Committee for a Responsible Federal Budget, U.S. Bureau of Economic Analysis and the Medical Care Data Base (MCDB).
- ❑ The study excludes Administration and Net Cost of Private Health Insurance, Public Health Activities (except for COVID-19 related — CARES Act, PPP), and Investments.



# Maryland Healthcare Expenditures top \$69.5B in 2020

□ Maryland spent about \$69.5 billion in 2020 on personal health care including COVID-19



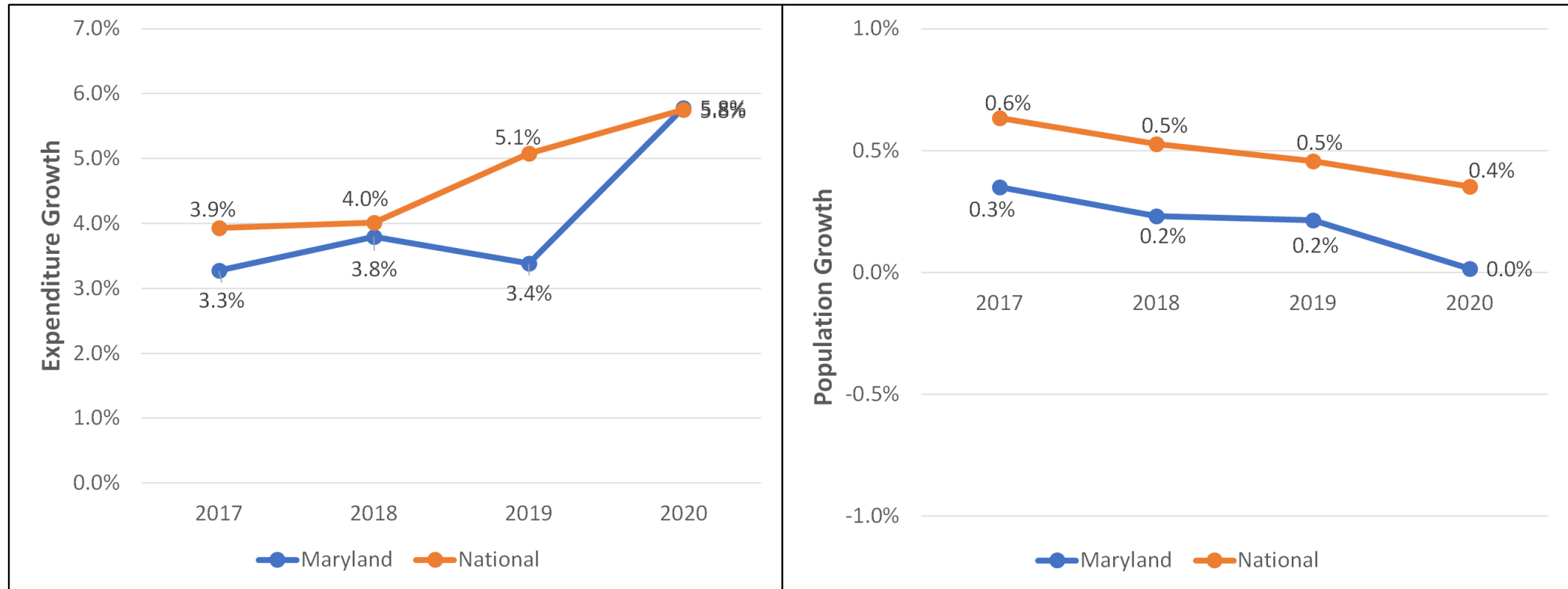
## Share of Expenditures in 2020

- Hospital — 33.8%
- Professional (includes Dental) — 33.3%
- Prescription Drugs — 8.5%
- Other Personal Health — 6.4%
- Nursing Home Care — 6.2%
- Other — 6.2%
- COVID-19 — 5.6%

# Rate of Growth in Total Healthcare Expenditures and Populations, Maryland v. National, 2017 - 2020



- Maryland's expenditure and population growth are always less than the Nation

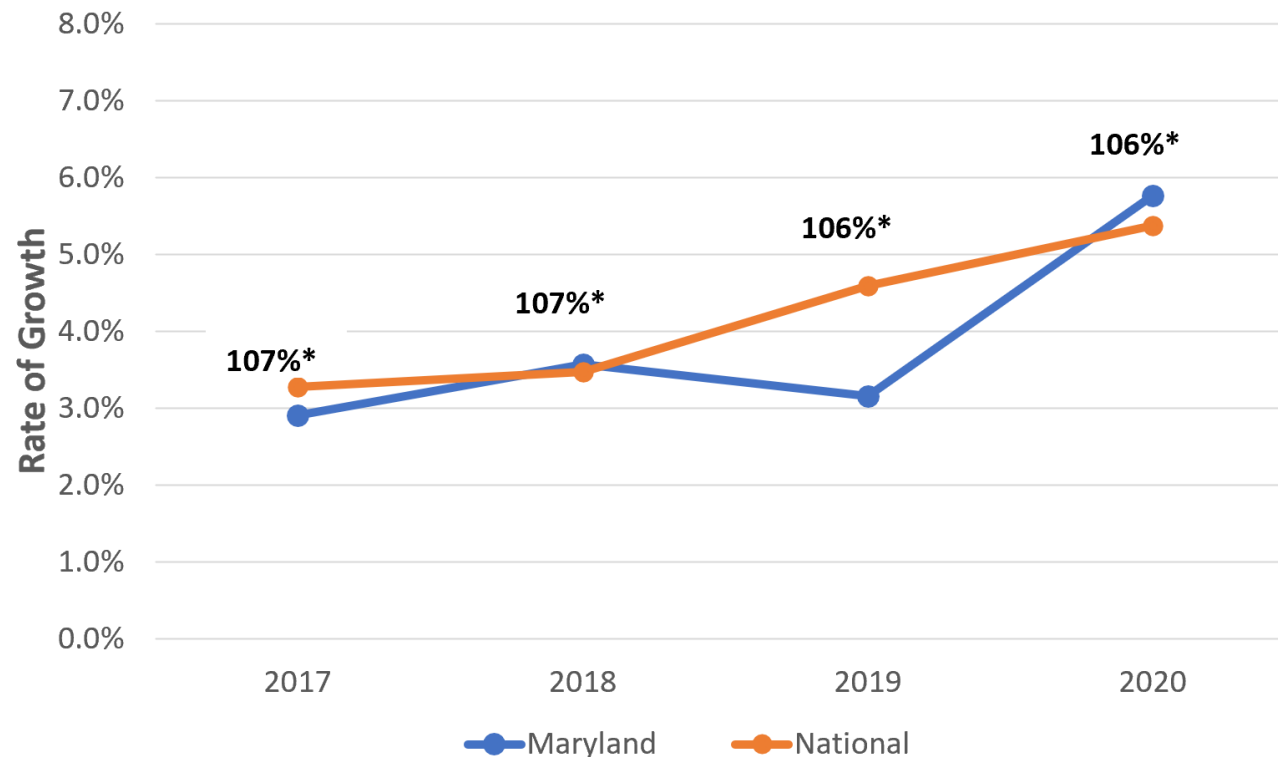


Excludes COVID-19

# Growth in Per Capita Personal Health Care Expenditures, Maryland v. National, 2017 - 2020



## □ Maryland's Per Capita Spending Continues to mostly trail the Nation



Excludes COVID-19

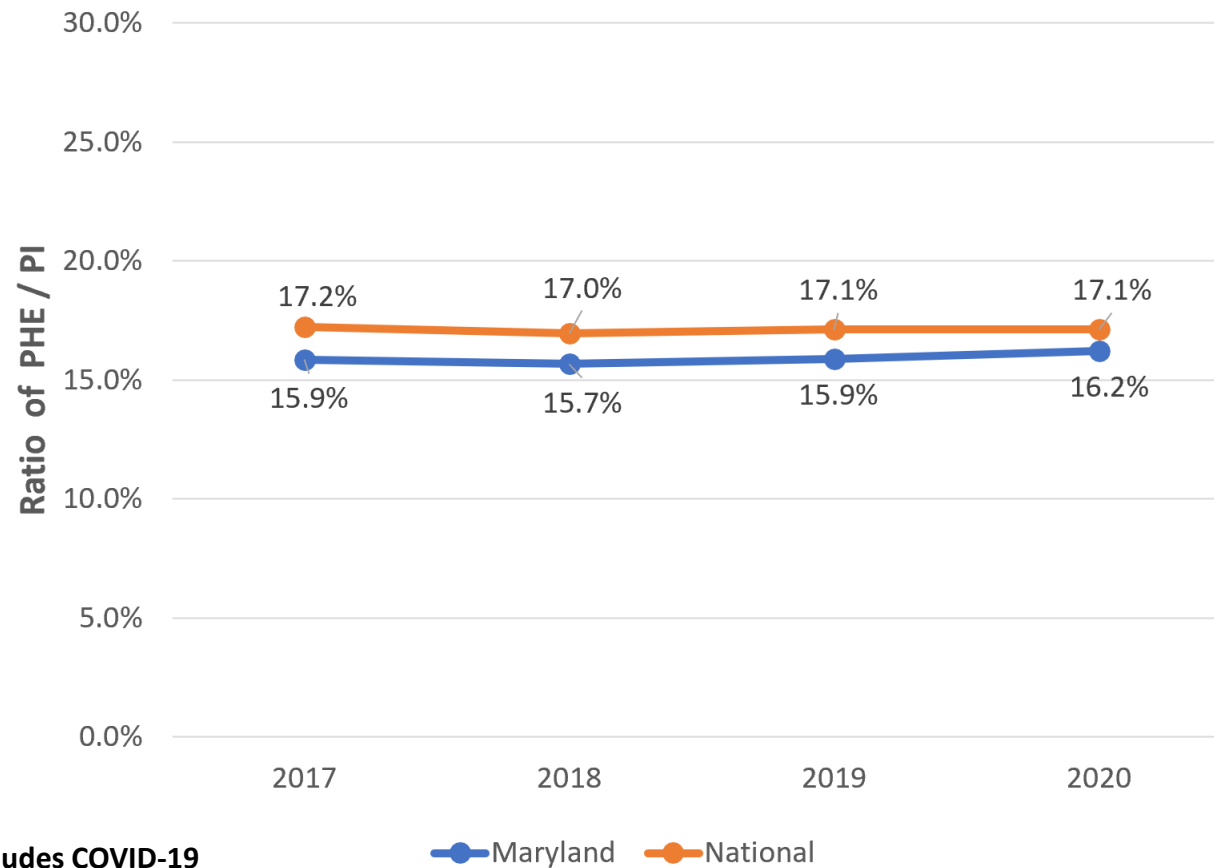
\*Percentage Ratio: Maryland-to-U.S. Spending

- In 2020, the rate in per capita spending for Maryland (5.8%) was higher than the nation (5.4%).
- From 2019 to 2020, Maryland's per capita spending grew faster than the nation during the same period.
- Maryland's per capita mostly tracks close to the nation except for 2019 where Maryland trails the nation considerably. (See smoother results in the Appendix)
- The ratio of per capita spending in Maryland to the Nation decrease slightly from about 107% in 2017 to 106% in 2020.

# Ratio of Per Capita Personal Health Care Expenditures (PHE) to Personal Income (PI), Maryland v. National, 2017 - 2020



## □ Marylanders Earn More, but Spend a Lower Proportion of Income on Healthcare



- In 2020, Maryland residents spent an average of 16.2% of their personal income on healthcare, compared with 17.1% spent nationally.
- Both per capita spending and income were higher for Maryland than for the Nation, but the income gap was larger.
- In 2020, personal income per capita in Maryland was about 12.2% higher than it was nationally, while healthcare per capita spending was about 6.4% higher. Therefore, the share of income set aside for healthcare spending in Maryland was lower than the Nation.

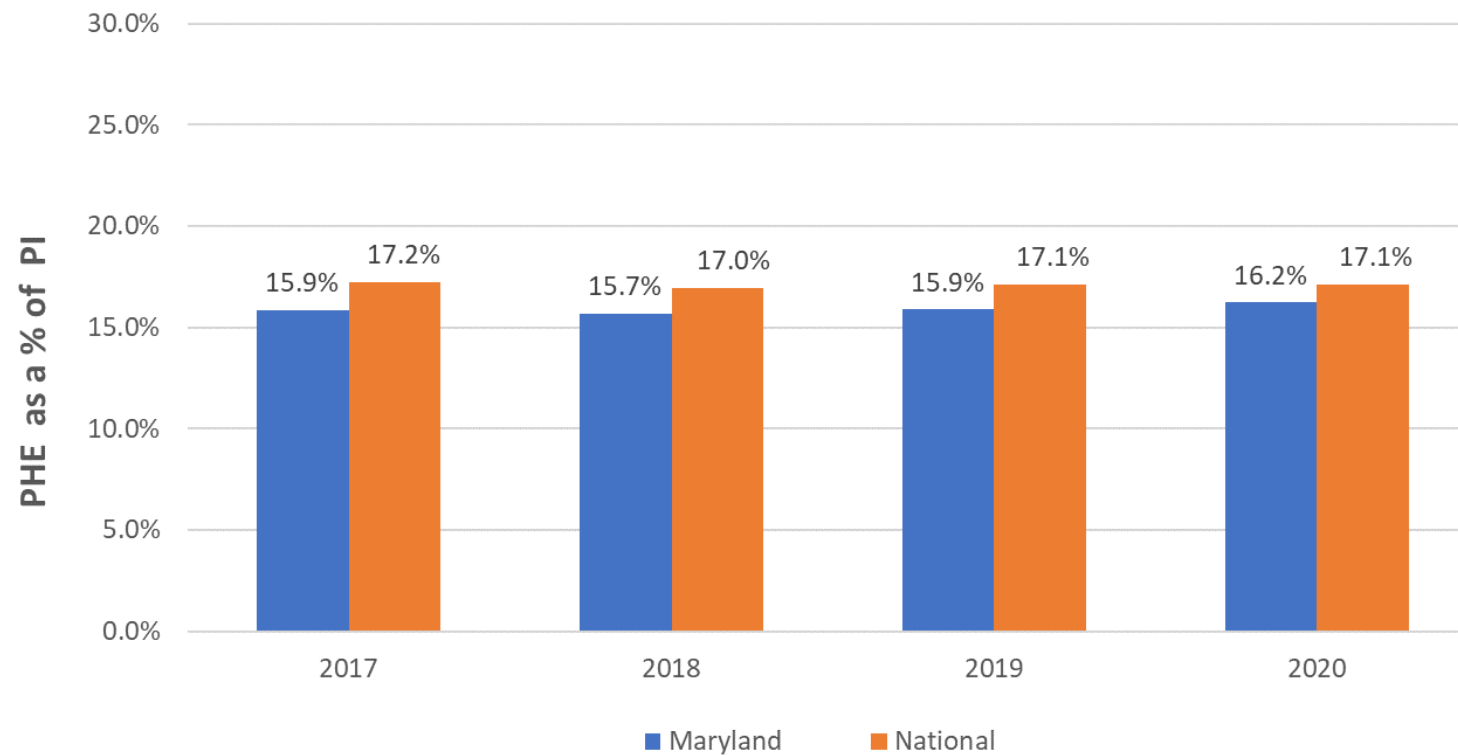
Excludes COVID-19

● Maryland ● National

# Total Personal Health Care Expenditures (PHE) as a Percent of Personal Income (PI), Maryland v. National, 2017 - 2020

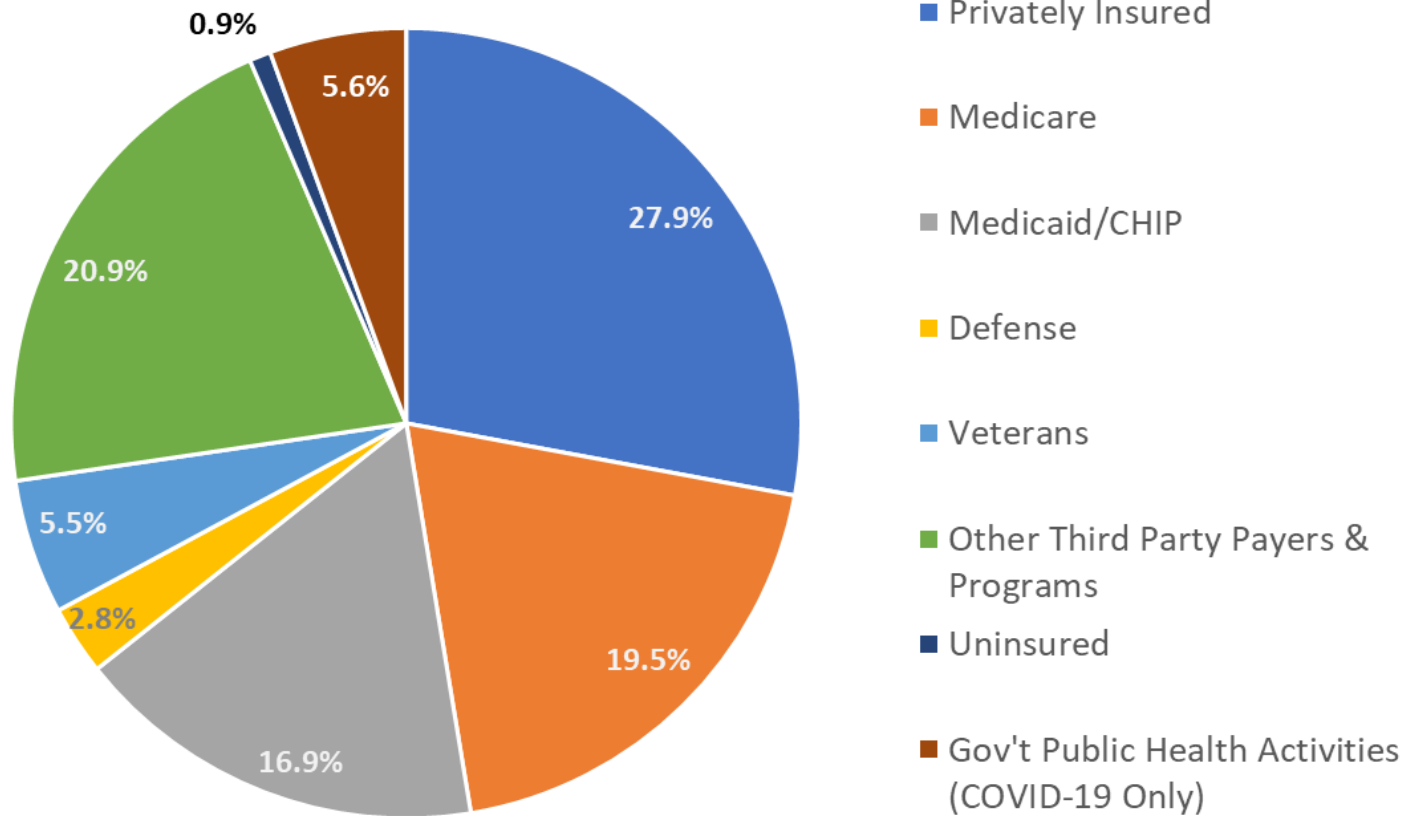


- Maryland's PHE as a percent of PI is lower than the Nation



Excludes COVID-19

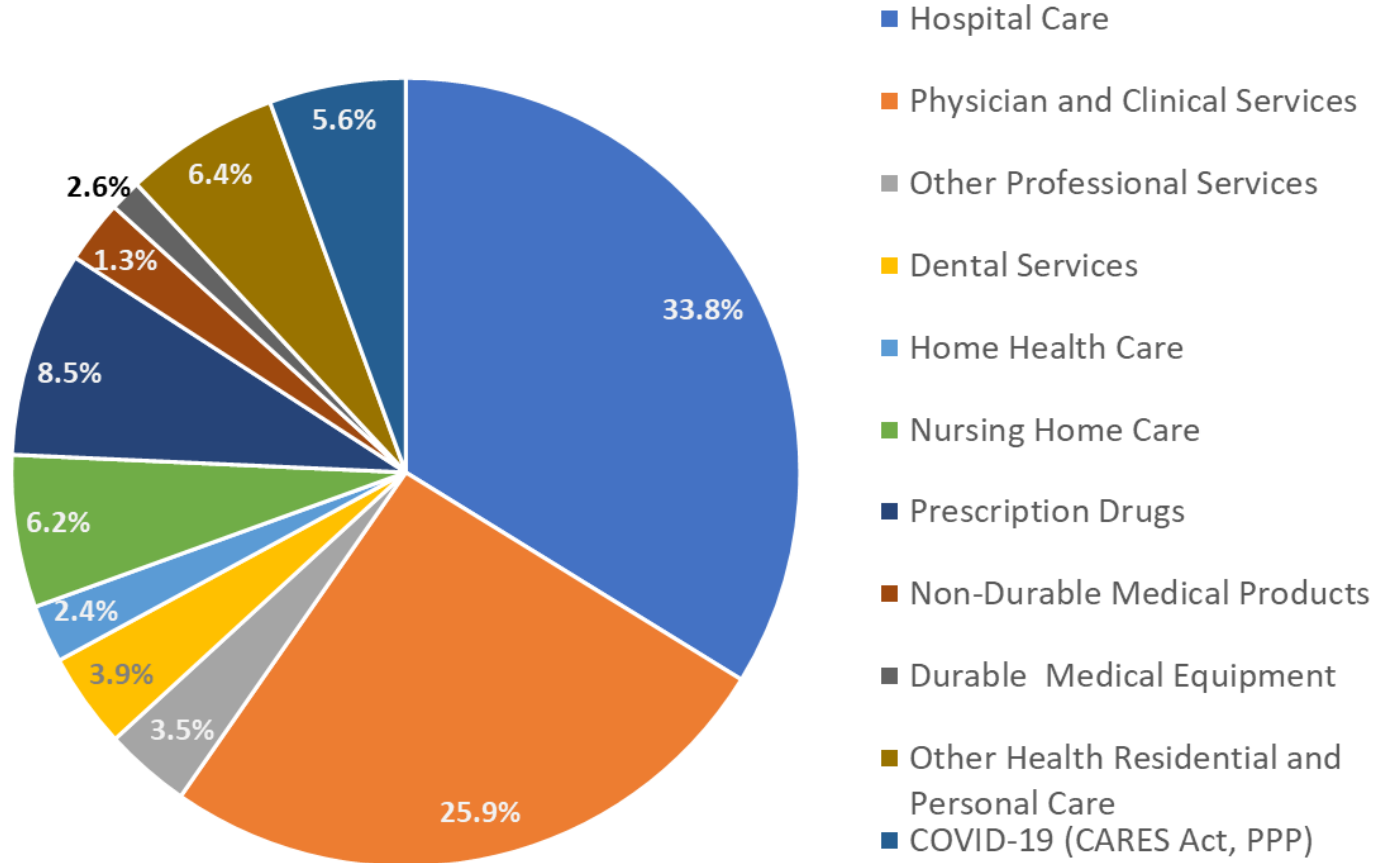
# Maryland's Total Personal Health Care Expenditures, including COVID-19 (\$69.5 Billion), Calendar Year 2020: Where It Came From



## Other Third Party Payers & Programs includes

- Worksite Health Care
- Other Private Revenues
- Indian Health Services
- Workers' Compensation
- General Assistance
- Maternal/Child Health
- Vocational Rehabilitation
- Other Federal Programs
- SAMHSA
- Other State and Local Programs
- School Health

# Maryland's Total Personal Health Care Expenditures, including COVID-19 (\$69.5 Billion), Calendar Year 2020: Where It Went



## Most of Maryland's Healthcare Dollars Go Toward Hospital Care

- Hospital Care includes both IP and OP — 34%
- Physician and Clinical Services — 26%
- Prescription Drugs and Non-Durable Medical Products — 10%
- Long-term care (Nursing Home and Home health) — 9%
- Dental and Other health, residential, and personal care — 3.9% and 6.4% respectively
- COVID-19 — 6%



# Takeaways

- ❑ In 2020, Maryland spent an estimated \$69.5 billion on personal health care, including hospital care, professional services, prescription drugs, long-term care, and COVID-19
- ❑ The rate of growth in total personal health care expenditures between 2019 and 2020 rose faster (3.4% to 5.8%) than the Nation ( 5.1% to 5.8%) during the same period (*excluding COVID-19*).
- ❑ On a per capita basis, which accounts for changes in population, Maryland’s healthcare spending was mostly below or at the national per capita except for 2020 where Maryland’s per capita trended slightly above than the national per capita (5.8% v. 5.4%). In 2020, Maryland’s per capita was \$10,839 which was about 6.4% higher than the national average at \$10,191 (*excluding COVID-19*).
- ❑ Marylanders earn more but spend a lower proportion of income on healthcare. In 2020, residents spent an average of about 16.2% of personal income on healthcare, compared with 17.1% spent nationally (*excluding COVID-19*).

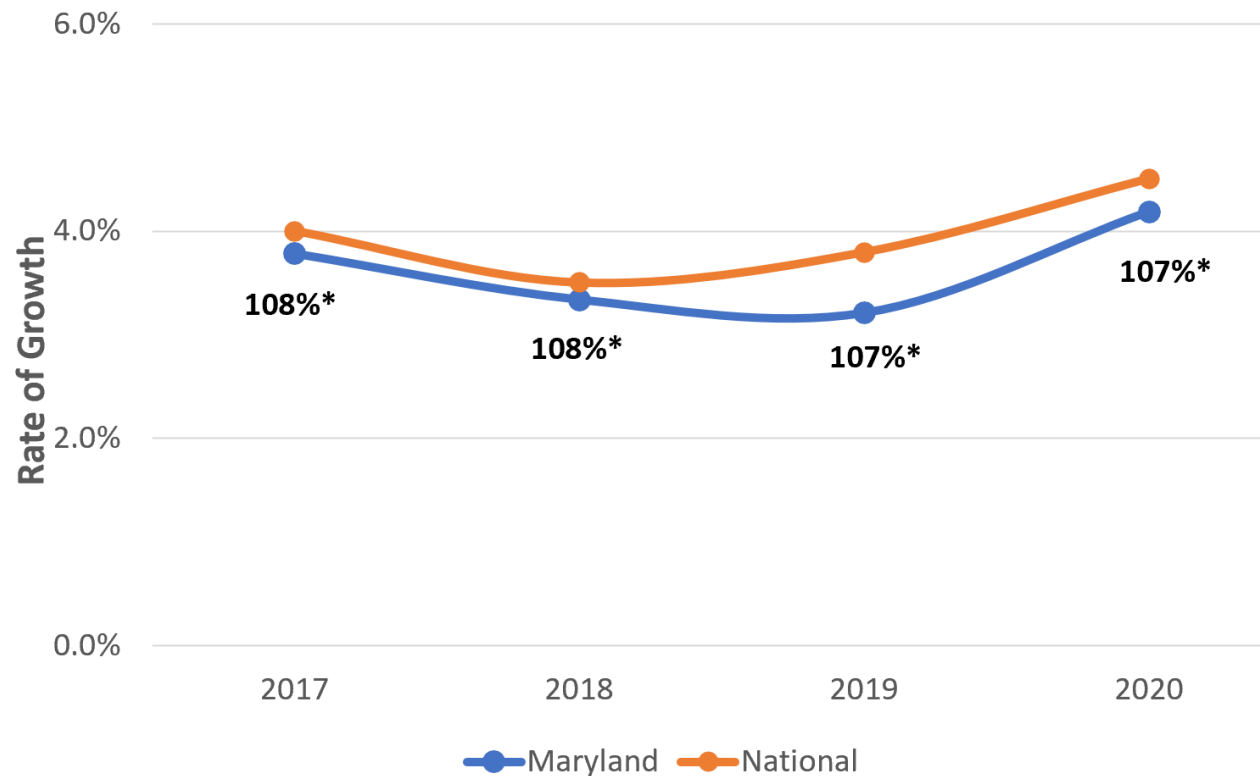


# Appendix

# Growth in Per Capita Personal Health Care Expenditures, Maryland v. National, 2017 - 2020



□ Results after data smoothing show Maryland's Per Capita Spending trails the Nation over time



- Three-year rolling average growth rates show that Maryland's per capita spending trails the nation.
- Rolling averages are used here to reduce the effect of short-term volatilities to more easily observe the underlying data trends.
- The ratio of per capita spending in Maryland to the Nation decrease slightly from about 108% in 2017 to 107% in 2020.

Excludes COVID-19

\*Percentage Ratio: Maryland-to-U.S. Spending