



MIHIA YEAR 10 COST OF CARE 2021 DATA SUMMARY

WHAT IS COST OF CARE?

Cost of care is comprised of all direct and indirect costs related to the delivery of medical care, including but not limited to physicians' services and hospital services.

2021 Region Population [↗]

748,318

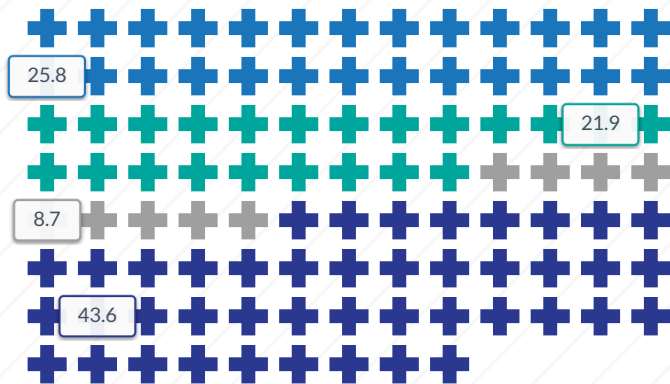
2020 Region Population
 Percent Change

748,726 0.05% [↓]

* An aging population in the region has contributed to the population decline.

Data Source: U.S. Census Bureau Population and Housing Unit Estimates

Insurance Coverage



■ Medicare (25.8%) ■ Medicaid (21.9%) ■ Uninsured (8.7%)
 ■ Employer Paid Coverage (43.6%)

Data Source: 2020 estimates

WHY DOES COST OF CARE MATTER?

Efficient and effective healthcare and healthcare systems across the region promotes growth throughout the community, improving quality of life for citizens in the region, leading to:

- increased business growth through a stronger workforce
- lower absenteeism
- decreased health care costs on employers, state and local budgets, and individuals
- stronger support in the community to control healthcare costs
- enhanced ability to meet tough health reform challenges related to improving quality and cost of care
- potentially fewer instances of personal medical debt and bankruptcy

WHAT IMPACTS COST OF CARE?

Some factors that impact cost of care include wasteful healthcare spending, such as unnecessary medical tests, unnecessary or dangerous low value care, high cost of prescription drugs, increases in obesity and chronic health conditions, consolidation of service providers, and an aging population, which will increase the cost of Medicare, Medicaid, and health care, and require increased levels of care, creating demand.

SPECIAL CONSIDERATIONS FOR 2020 / 2021

The year 2020 brought several external factors that may have contributed to data anomalies. The expansion of Medicaid in Michigan brought more services and thus increased cost. The beginning of the COVID-19 pandemic in March of 2020 may have dramatically changed the nature of services people were securing and had an outsized impact on the results of the analysis.



MIHIA YEAR 10 COST OF CARE 2021 DATA SUMMARY

Year 10 Summary

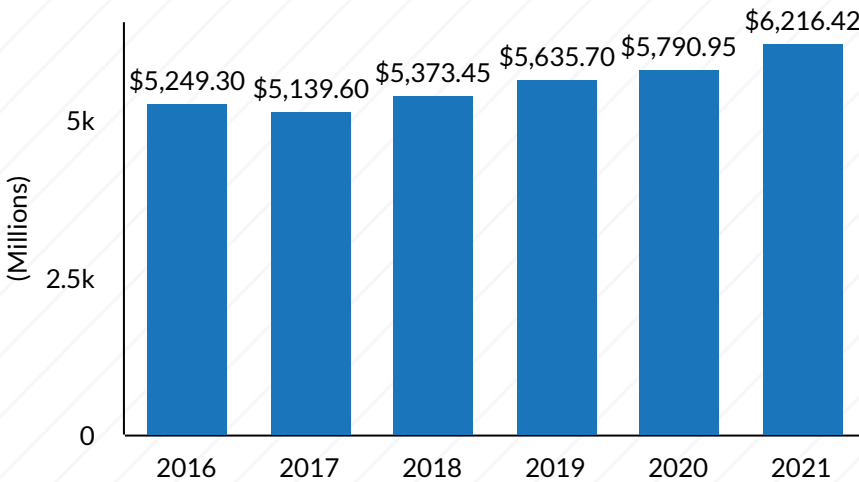
MiHIA's annual Cost of Care report is a high level assessment that aims to measure the cost trends in the region. By analyzing and presenting the best data available, this report serves as a tool to estimate the impact of regional efforts.

Data Sources utilized in this report include the Bureau of Labor Statistics, Centers for Medicare & Medicaid Services, Michigan Department of Community Health, Kaiser Family Foundation, and local health insurers in the region (e.g. Aetna, Blue Cross, HealthPlus of Michigan), unless otherwise noted.

Data for 2021 is used when available from the source. Not all sources had updated data at the time of this report in June 2023.

GOAL: MiHIA's Quadruple Aim Cost of Care strategic goal is that the Cost of Care inflation trend for the MiHIA region will not exceed the Consumer Price Index (CPI).

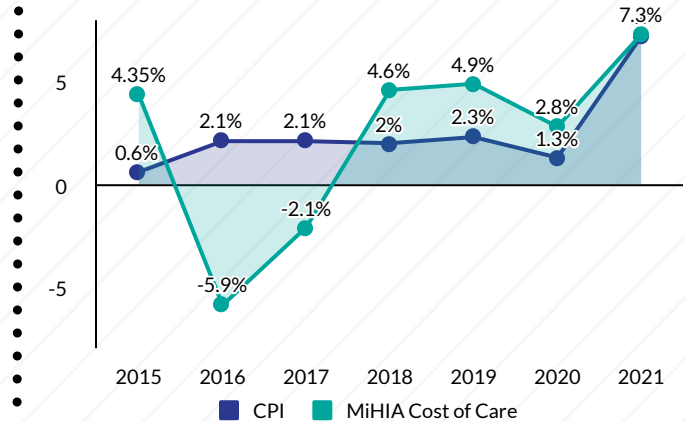
COST OF CARE TREND (MILLIONS)



7.3%

2021 CONSUMER PRICE INDEX

CONSUMER PRICE INDEX AND COST OF CARE TREND



7.3%

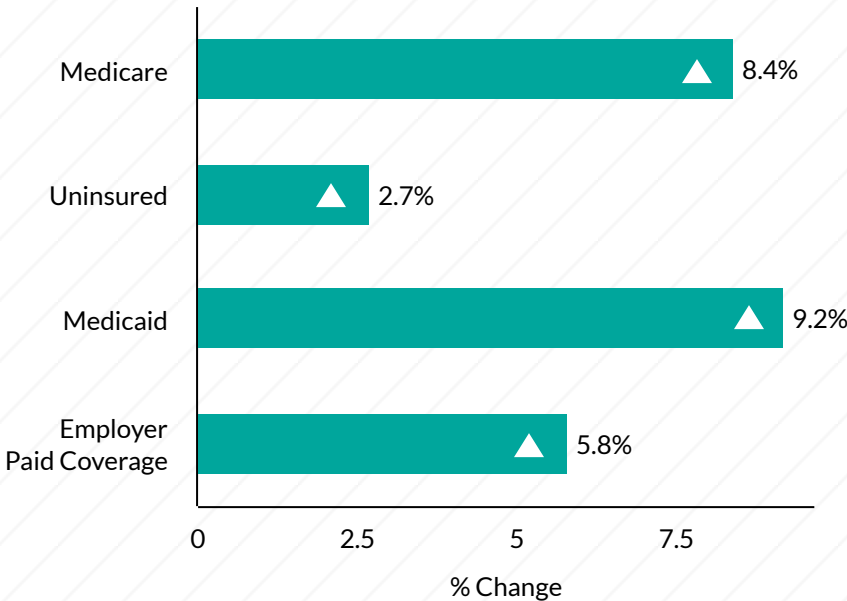
**COST OF CARE INCREASE
 IN MIHIA REGION**

- The Cost of Care Trend for 2021 shows a **7.3% increase** in total cost of care expenditures in the MiHIA region between 2020 and 2021 while the population trend continues to **decrease by 0.05%**.
- MiHIA's cost of care is greater than the **2021 CPI of 7.2%** and greater than the CPI for all medical commodities, which was **0.4%**.



MIHIA YEAR 9 COST OF CARE 2020 DATA SUMMARY

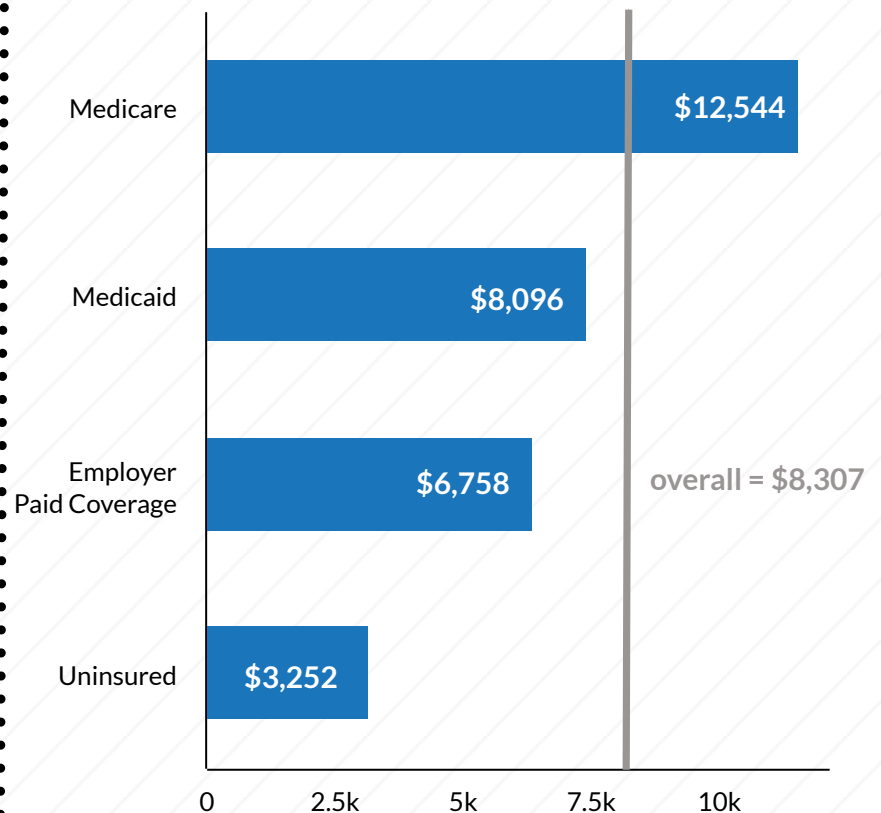
**CHANGE IN PER CAPITA COST BY PAYMENT TYPE;
 2010-2020**



The Cost of Care presents a significant change in the MiHIA Region between 2010 and 2020 with a **8.4% increase** in Medicare Per Capita Payments, **9.2% increase** in Medicaid Per Capita Payments, **2.7% increase** in Uninsured Per Capita Payments, and **5.8% increase** in Employer Paid Coverage and Individual Market Per Capita Costs.

- Estimated **overall** per capita medical spending for the MiHIA region in 2021 is **\$8,307**.
- Estimated **Medicare** expenditures are above average for the MiHIA Region, averaging **\$12,544** per person.
- Estimated expenditures for the **Uninsured population** are well below average at **\$3,252** per person.
- Those covered by **Medicaid** health insurance policies experienced the highest percent increase in cost from 2020-2021.

**ESTIMATED PER CAPITA SPENDING BY
 PAYMENT TYPE: 2021**

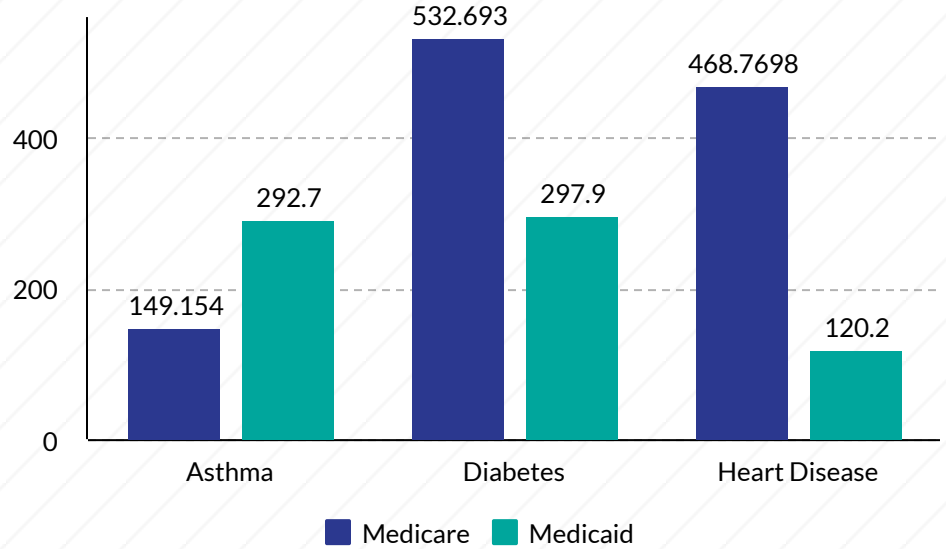




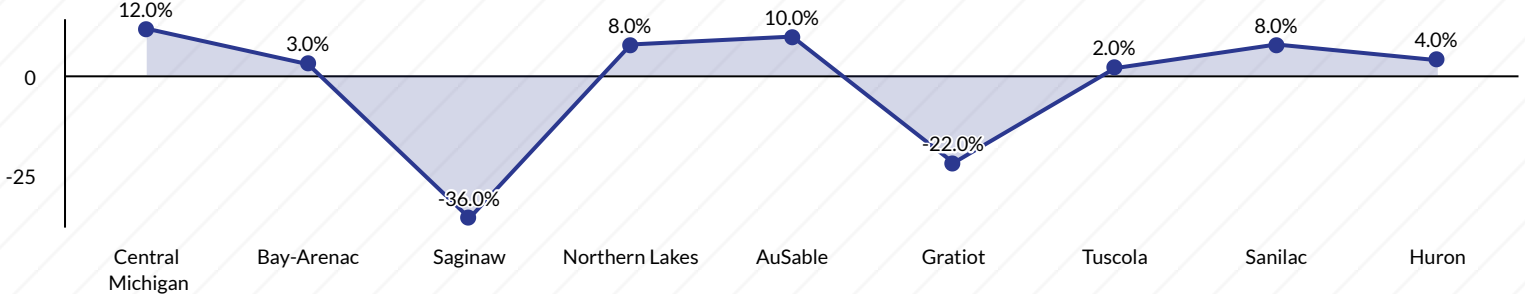
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- The **Medicare Population** has the highest prevalence of Diabetes and Heart Disease compared to other payer categories. This is likely due to the age of the population.
- **Diabetes** has the highest prevalence in the **Medicare and Medicaid** population.
- Prevalence for each condition **has steadily increased** over time.

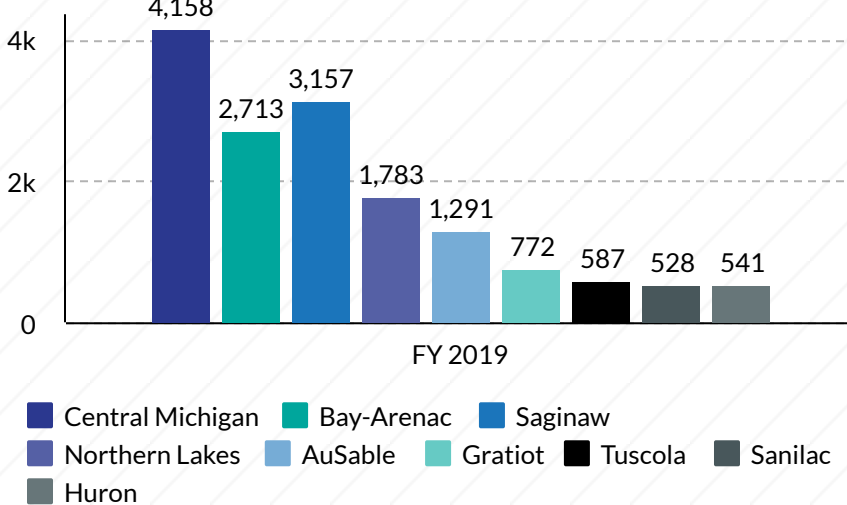
CHRONIC CONDITION PREVALENCE: 2021⁸⁰ (PATIENTS PER 1,000 POPULATION)



COST PER ADULT WITH MENTAL ILLNESS: PERCENT CHANGE FY 2018 TO FY 2019⁸⁰



ADULT MEDICAID POPULATION WITH MENTAL ILLNESS RECEIVING SERVICES BY CMHSP⁸⁰



- **Northern Lakes CMH** experienced a **10.5% decrease** in the Adult Medicaid population with mental illness receiving services, from 1992 in FY 2018 to 1783 in FY 2019.
- **Saginaw** had the greatest percent change in costs associated with mental illness, with a **36.0% decrease**. Costs decreased from \$10,695.40 in 2018 to \$6,895.72 in 2019.

*As of June 2023, this is the latest data for the indicators presented on this report