

TOTAL HEALTH CARE SPENDING

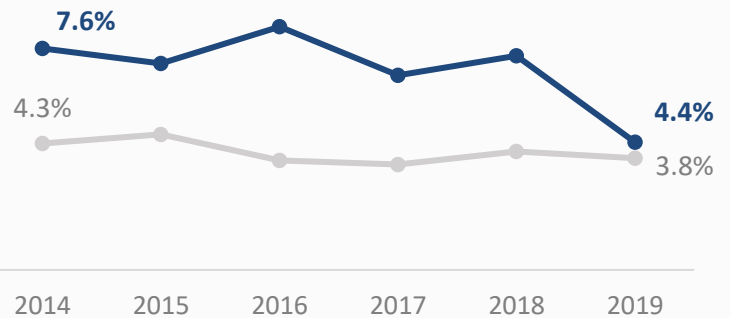
Supplemental Analysis of Total Spending in Oregon, 2013-2019

Introduction

The [Health Care Cost Trends report](#) presented data (see chart) about per person cost growth and other data. Per person cost growth, however, fails to capture how much in dollars is spent on health care for Oregon residents.

This supplemental data brief presents total health care spending data in Oregon from 2013 to 2019.

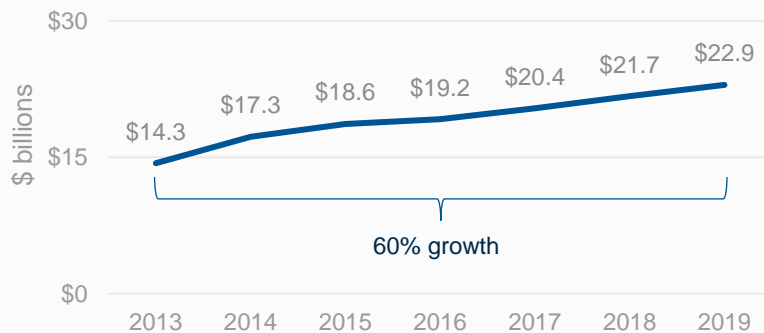
% Per person annual health care cost growth **in Oregon** is higher than the national average



Total Spending Growth

Health care spending in Oregon increased by more than \$1 billion per year from 2017 to 2019.¹ This is the same as the cell phone bill for every Oregon resident increasing by \$25 per month in 2017, then increasing by \$27 more per month in 2018, then increasing again by \$25 more per month in 2019.

Total health care spending in Oregon increased **more than \$1 billion** every year from 2013 to 2019



Although Oregon's population increased by 7% from 2013 to 2019, total health care spending increased by 60%. For comparison, the average wage in Oregon grew less than 22% and per person income grew 32% over the same period. National medical inflation grew 17%.² All of these growth rates are less than Oregon's total health care spending growth of 60%.³

The data in this document are not adjusted for inflation, changes in Oregon's population, or any other factor.

¹ Total health care spending includes all claims-based spending by commercial insurance companies, Medicaid, and Medicare. This does not include administrative costs, insurance company and other payers' profits, or non-claims payments such as value-based payments (also known as alternative payment methodologies).

² Per person income and average wage data from the Oregon Economic Forecast data tables.

<https://www.oregon.gov/das/OEA/Pages/forecastcorev.aspx>. Inflation is reported as the consumer price index (CPI) – all urban consumers, and CPI- medical care. <https://fred.stlouisfed.org/series/CPIMEDSL#0>. Data pulled March 14, 2022.

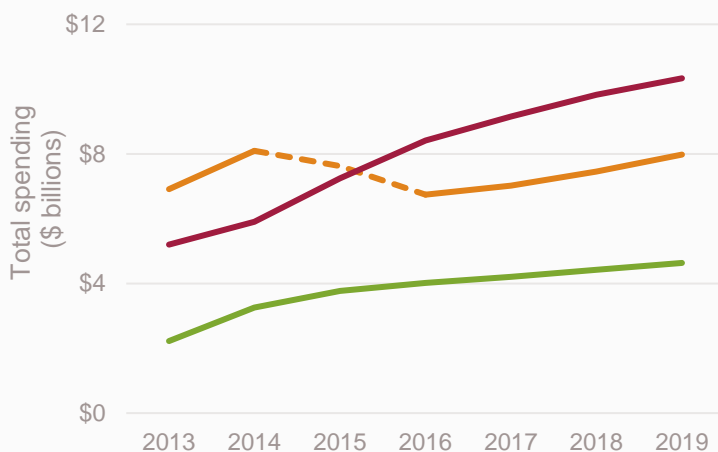
³ Total spending grew 60% from 2013 to 2019. *Per person* health care spending grew 49% over the same time, as reported in the Health Care Cost Trends report. Total spending includes changes in state population. Both total and per person spending include changes in utilization and prices.

Total Spending and Enrollment by Market

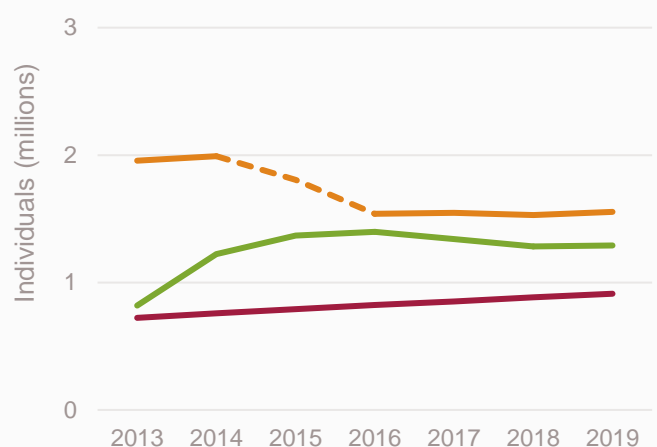
Total health care spending in Oregon increased in all three markets – commercial, Medicare and Medicaid – from 2013 to 2019 except for two years of commercial spending. Commercial insurance data for 2015 and 2016 should be interpreted with caution. Due to a Supreme Court decision ([Gobeille v. Liberty Mutual Insurance Company](#)), OHA saw a drop in data submissions to APAC because some commercial health plans were no longer required to submit data.⁴

The reduction in total spending – as seen in the graph on the left – is artificial and due to the reduction in the number of individuals with commercial health insurance reported to APAC – as seen in the graph on the right. The drop in enrollment data is not because fewer people had commercial coverage.

Commercial spending decreased in 2015 and 2016 while **Medicare** and **Medicaid** increased.



Fewer **individuals** with **commercial insurance** were reported in 2015 and 2016. There were fewer individuals with **Medicaid** in 2017 and 2018.



The number of individuals with Medicaid decreased in 2017 and 2018 due to a process that required the redetermination of many individuals' eligibility for Medicaid benefits. For more information, see the recently published Health Care Cost Trends report and the section titled [A Closer Look at Medicaid Cost Growth](#).

From 2013 to 2019, Medicare total payments and total enrollment steadily increased. This trend is expected as more individuals reached the age of eligibility (65 years) during this period.

⁴ This ruling resulted in states' claims databases, like Oregon's, receiving less commercial health care data. Specifically, the court ruling stated that self-insured plans regulated by the federal Employment Retirement Income Security Act of 1974 (ERISA) are exempt from mandatory data submission to APAC and other all payer claims databases across the country.