

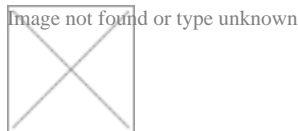


Weekly Checkup

Long-Term Care Drives High Costs

CONOR RYAN | JUNE 5, 2014

The crisis of American health care cost involves an abundance of moving parts with varying degrees of responsibility. Researchers and policy makers struggle to identify the primary cost culprits, to say nothing of identifying solutions. However, one sector of the health care system that has been frequently implicated is long-term care—providing medical and non-medical care for people who suffer from chronic illness or disability. With extended hospital stays, expensive medications, and frequent re-admissions, these patients require a disproportionately large amount of health care spending, not only out of their personal pocket-books, but also from insurance companies, hospitals, and the federal government. The chart below plots every state's average expenditures on Medicaid, a federal health insurance program for the poor, with respect to the portion of total dollars spent on long-term care. The simple regression line demonstrates that states with high long-term care liabilities have generally higher total costs per beneficiary.



Sources:

Kaiser Family Foundation, Medicaid Payments per Enrollee, FY2010, available at: <http://kff.org/medicaid/state-indicator/medicaid-payments-per-enrollee/>

Eiken, Steve et al, Medicaid Expenditures For Long-Term Services and Supports in FFY 2012, Truven Health Analytics, April 28, 2014, available at: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Supports/Downloads/LTSS-Expenditures-2012.pdf>