

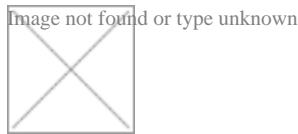


Weekly Checkup

Medicare Beneficiaries Using More Appropriate Care Settings

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As policymakers look for ways to “[bend the health care cost curve](#),” proposals inevitably focus on various methods to increase use of more efficient/higher-value products and services. This may include the use of cheaper and/or more effective services, or the use of more appropriate care settings (i.e. not going to the emergency room for non-emergent care). While total spending per beneficiary has not declined, [data](#) shows that over the last decade or so, there has been a noticeable shift in where Medicare beneficiaries receive care, and it points in the right direction.[\[1\]](#) Spending on inpatient hospital services, as a percentage of total spending per Medicare beneficiary, decreased 26 percent between 1999-2012.[\[2\]](#) At the same time, spending on outpatient hospital services increased 71 percent and spending on [home health](#) care increased 12 percent. While spending on hospice care in 2012 was still only 4 percent of total spending per beneficiary, that is nearly triple the share of spending on hospice in 1999. With [10,000 baby boomers](#) retiring each day and [beneficiaries living longer](#), it is imperative that we continue to build upon this trend of treating individuals in the most appropriate setting.



[\[1\]](#) The chart below only includes spending on services covered by Medicare Part A and Part B; it does not include prescription drug spending covered by Part D.