

# Research finds Medicare and private insurance spending similar throughout Texas

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Variations in health care spending by Medicare and Blue Cross Blue Shield of Texas (BCBSTX) are similar throughout the state despite previous research, which found significant spending differences between the private and commercial sector in McAllen, Texas. The latest research results from the University of Texas Health e Center at Houston (UTHealth), the Commonwealth Fund, and the Brookings Institution are published in the December issue of the *American Journal of Managed Care*.

Researchers compared variations in spending and inpatient admissions in 32 Texas regions between Medicare and Blue Cross Blue Shield of Texas, the state's largest health insurer, and did not find significant differences.

"This research was based on aggregate data and leaves many questions unanswered about the causes of the variation in Medicare and private insurance spending" said Luisa Franzini, Ph.D., professor and director of the Division of Management, Policy and Community Health at The University of Texas School of Public Health, a part of UTHealth.

Recently, BCBSTX provided a gift to UTHealth to form The University of Texas School of Public Health/Blue Cross and Blue Shield of Texas Research Program in Payment Systems and Policy, a research program to foster research about cost and utilization of [health care services](#) in Texas.

"The funds and data provided by BCBSTX will allow us to investigate sources of variations in medical spending so that we can develop specific policies to control variations and lower [healthcare expenditures](#)," said Franzini. "We are in the process of conducting research in order to provide more definitive explanations and recommendations for the public and commercial sectors."

Previous research by Franzini and collaborators had compared Medicare and Blue Cross Blue Shield of Texas spending levels in McAllen and El Paso and found significant differences. "The results for the entire state of Texas indicate that high Medicare spending rates in the McAllen are an outlier," said Franzini.

Provided by University of Texas Health Science Center at Houston

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