

Tracking spending among the commercially insured

August 27 2014

Recent growth in health care spending for commercially insured individuals is due primarily to increases in prices for medical services, rather than increased use, according to a new study led by researchers at The Dartmouth Institute for Health Policy & Clinical Practice, published in the August issue of the *American Journal of Managed Care*.

There is increasing concern that consolidation in the [health care](#) marketplace will lead to increased prices faced by payers and, ultimately, consumers," said Carrie Colla, PhD, assistant professor at The Dartmouth Institute and the study's lead author. "Our study provides a mechanism for promoting provider accountability on prices through increased transparency and facilitates research on interventions designed to reduce the total cost of care."

The Dartmouth-led research team found that increases in health care spending for commercially insured beneficiaries were principally the result of increases in [prices](#) (how much [medical services](#) cost) – especially for outpatient services – rather than increases in utilization (how much medical care is received).

The study involved an analysis of health care spending and utilization among all commercially insured beneficiaries in Maine, New Hampshire and Vermont (2008-10), along with beneficiaries of Blue Cross Blue Shield of Michigan (2009-10) and Blue Cross Blue Shield of Texas (2008-10).

The researchers relied on a novel method for aggregating data from multiple data providers in which data were stripped of protected health information and a standardized approach for measuring utilization was applied before data were transmitted for analysis.

The study provides an avenue for evaluating the effects of [health care reform](#) efforts in the commercial insurance marketplace, as well as for understanding the sources of changes in health care spending and utilization of medical services across local communities.

"We believe we have developed a model that will make it cost-effective and safe for commercial insurance companies to share their data with researchers on an ongoing basis," Colla said. "Our hope is that with this methodology we can engage in reporting of timely, relevant health care spending and utilization data at the local level."

The study represents a pilot effort to extend The Dartmouth Atlas of Health Care, which since 1996 has focused on variation in care among Medicare beneficiaries, to the commercially insured population.

"We are actively working to build a comprehensive, national dataset to make it easier for researchers, policymakers, and local communities to examine trends in [health care spending](#) and utilization among people with commercial insurance," said Elliott Fisher, MD, MPH, director of The Dartmouth Institute and the study's senior author. "The study was an important first step."

Provided by The Geisel School of Medicine at Dartmouth

Citation: Tracking spending among the commercially insured (2014, August 27) retrieved 10 May 2024 from <https://medicalxpress.com/news/2014-08-tracking-commercially.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.