

## US health care spending up five percent in 2015

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(HealthDay)—Privately insured Americans spent nearly 5 percent more



on health care last year than in 2014, largely because of escalating prices, new research shows.

The 4.6 percent increase was significantly more than that of previous years, and reflects higher costs for prescription drugs, ER visits and hospitalizations, according to the nonprofit Health Care Cost Institute.

"Using data from four of the nation's largest health insurers, we're able to look closely at the changes in <u>health care</u> use and prices over time to understand what is driving costs," said the institute's executive director, David Newman.

"Year after year we see one constant: Rising prices that are accelerating spending growth," Newman said in a news release from the organization.

The Washington, D.C.-based group analyzed 3.7 billion insurance claims for nearly 40 million Americans covered by the insurers Aetna, Humana, Kaiser Permanente and UnitedHealthcare. Patients lived in 18 states and the District of Columbia.

Spending increased just 2.6 percent in 2014 and 3 percent the year before that, the report found. But prices for prescription medications, hospitalizations and outpatient care jumped between 3.5 and 9 percent in 2015.

According to researcher Amanda Frost, "Spending grew faster than we might have expected in 2015, given the low growth of previous years. The combination of people using more <u>health care services</u> and faster growth in prices pushed up spending, with <u>prices</u> playing the biggest role."

Prescription medication was the fastest growing health care expense, the researchers found. In 2015, spending on brand-name prescriptions



increased more than 11 percent from the year before, and spending on generic drugs rose about 3 percent.

Anti-infective drugs, including hepatitis C and HIV medications, more than doubled in price from 2012 to 2015, the report noted.

And chemotherapy and other drugs administered by a health care practitioner vaulted 12.5 percent over the previous year, the findings showed.

Other 2015 findings in the Nov. 22 report:

- Spending among Americans younger than 65 covered by employer-sponsored insurance averaged \$5,141 a person.
- Out-of-pocket expenses, including deductibles, co-pays and coinsurance, rose 3 percent, averaging \$813 a person.
- People older than 45 spent more than \$1,000 on average on outof-pocket expenses. These expenditures were higher among women, who spent \$236 more than men.
- On average, Texans had the highest out-of-pocket expenses—\$983 a person—of all the areas studied. The lowest were reported in the District of Columbia and Maryland—less than \$690 a person.

The steady decline in ER visits continued in 2015, but the cost of an emergency department visit jumped 10.5 percent, according to the report.

The analysis also showed the average price for an acute hospital admission was nearly \$20,000 in 2015.

**More information:** USA.gov has more about <u>health insurance</u>.



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