



MN House of Representatives, HHS Finance Committee Coverage and Spending in Minnesota Health Care

Stefan Gildemeister, State Health Economist

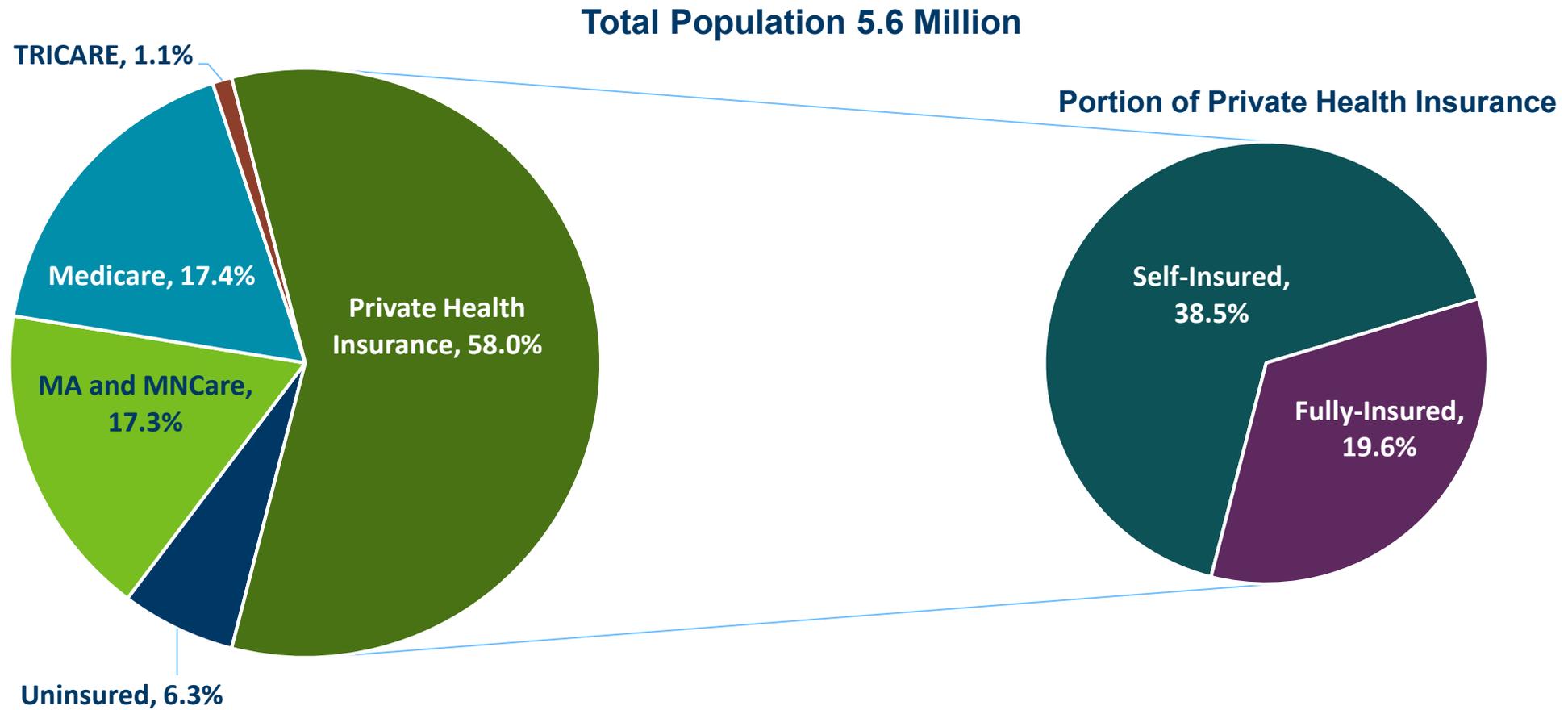
January 28, 2019

- Health insurance coverage in Minnesota
- Trends in uninsurance
- Health care spending trends & impact
- Closing thoughts



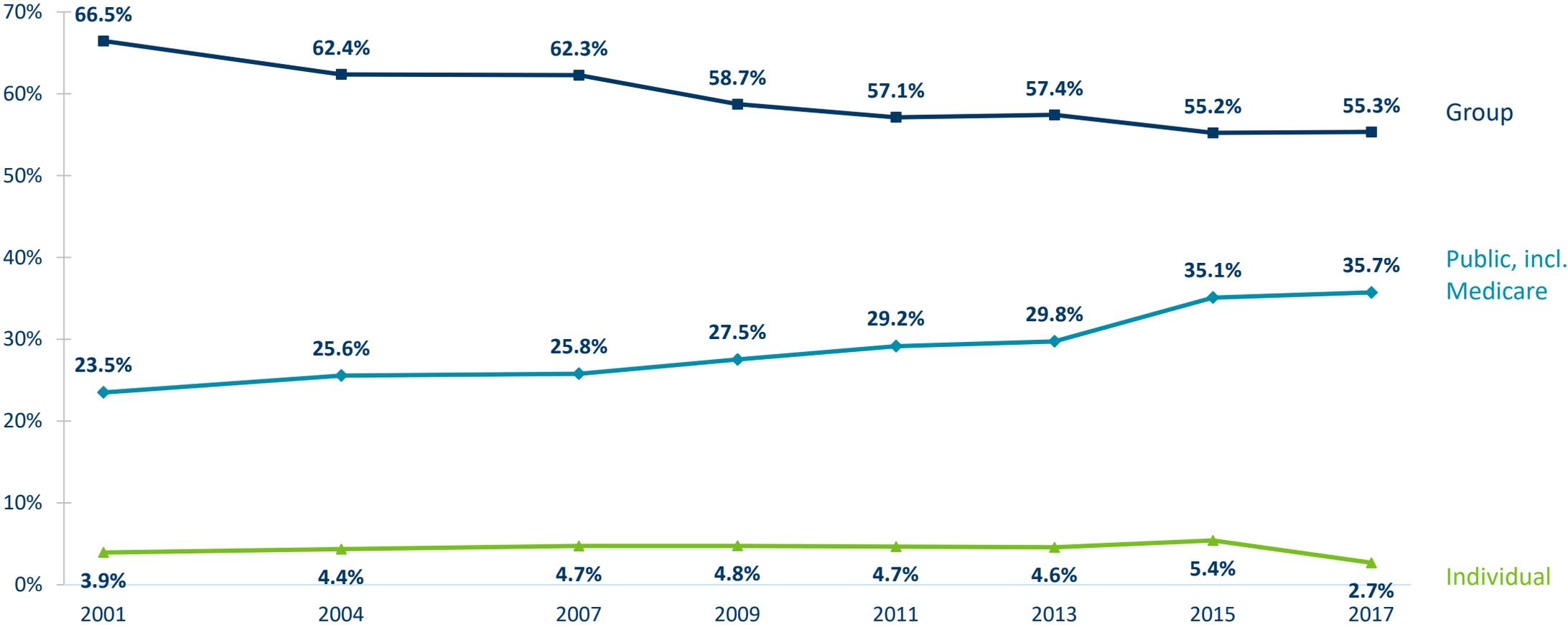
Health Insurance Coverage in Minnesota

Distribution of Minnesota Population by Primary Source of Insurance Coverage, 2017



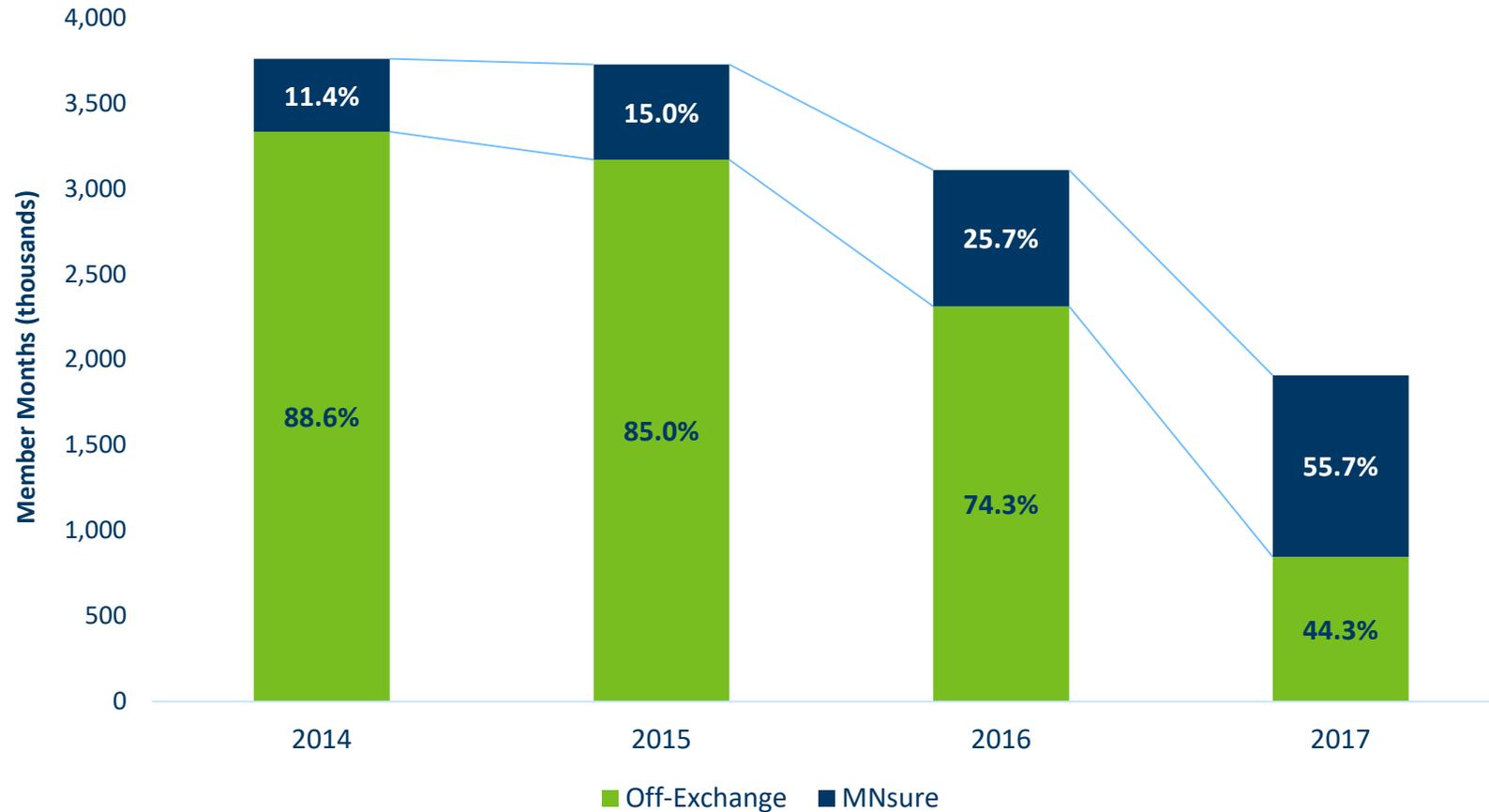
Sources: MDH Health Economics Program; U.S. Census Bureau, Annual Estimates of the Population for July 1, 2018.
MA and MNCare includes Medical Assistance (MA) and MinnesotaCare (MNCare).
[Summary of graph](#)

Sources of Insurance Coverage in Minnesota



Source: Minnesota Department of Health, Health Economics Program analysis of Administrative Enrollment data and Minnesota Health Access Surveys, 2001 to 2017

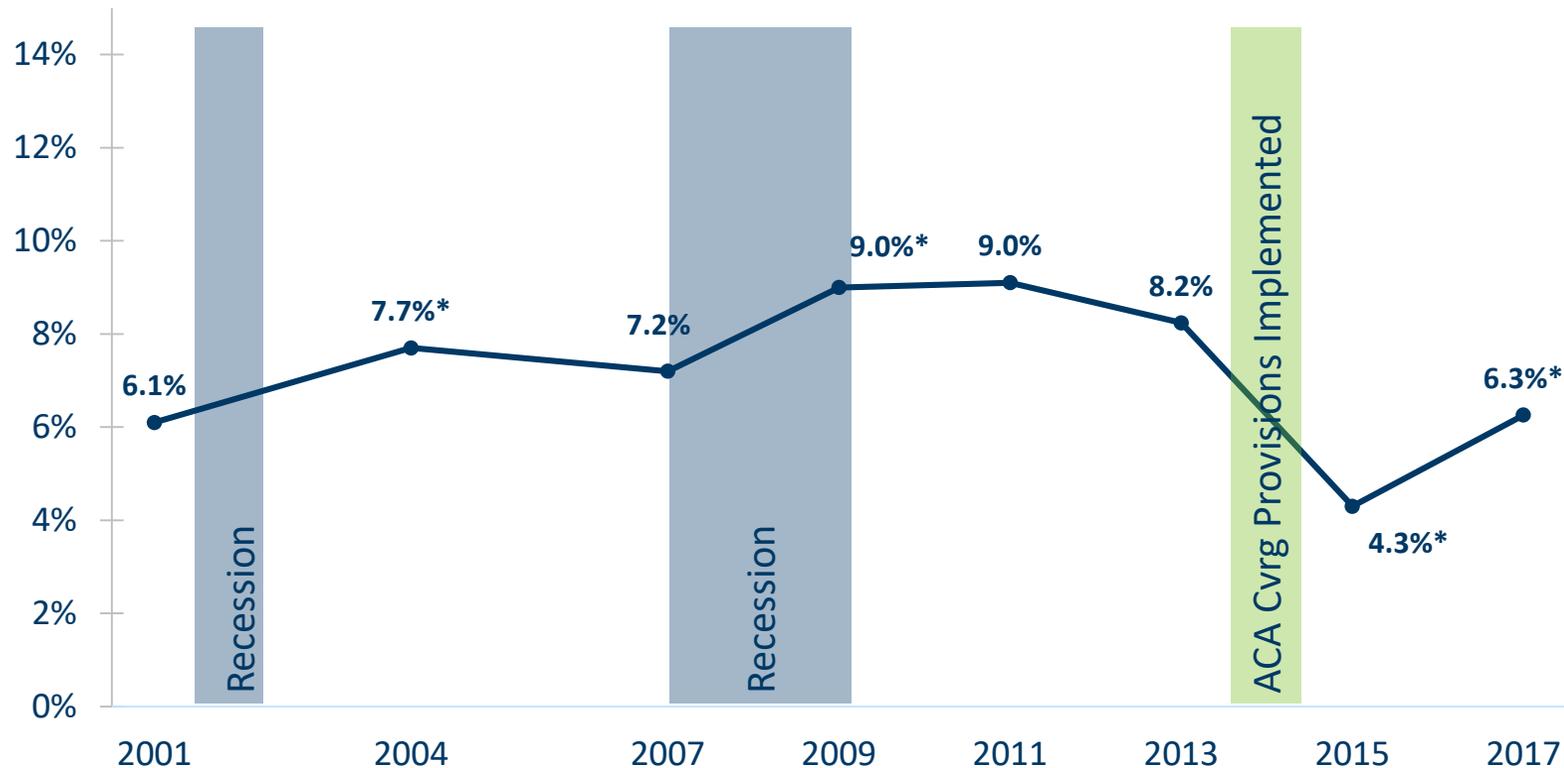
Changes in Member Months in Minnesota's Individual Market, Select Years



Source: Source: MDH Health Economics Program analysis of member months from National Association of Insurance Commissioners (NAIC) and MNsure, Minnesota's Health Insurance Exchange.

[Summary of Graph](#)

Trend in Minnesota's Rate of Uninsurance

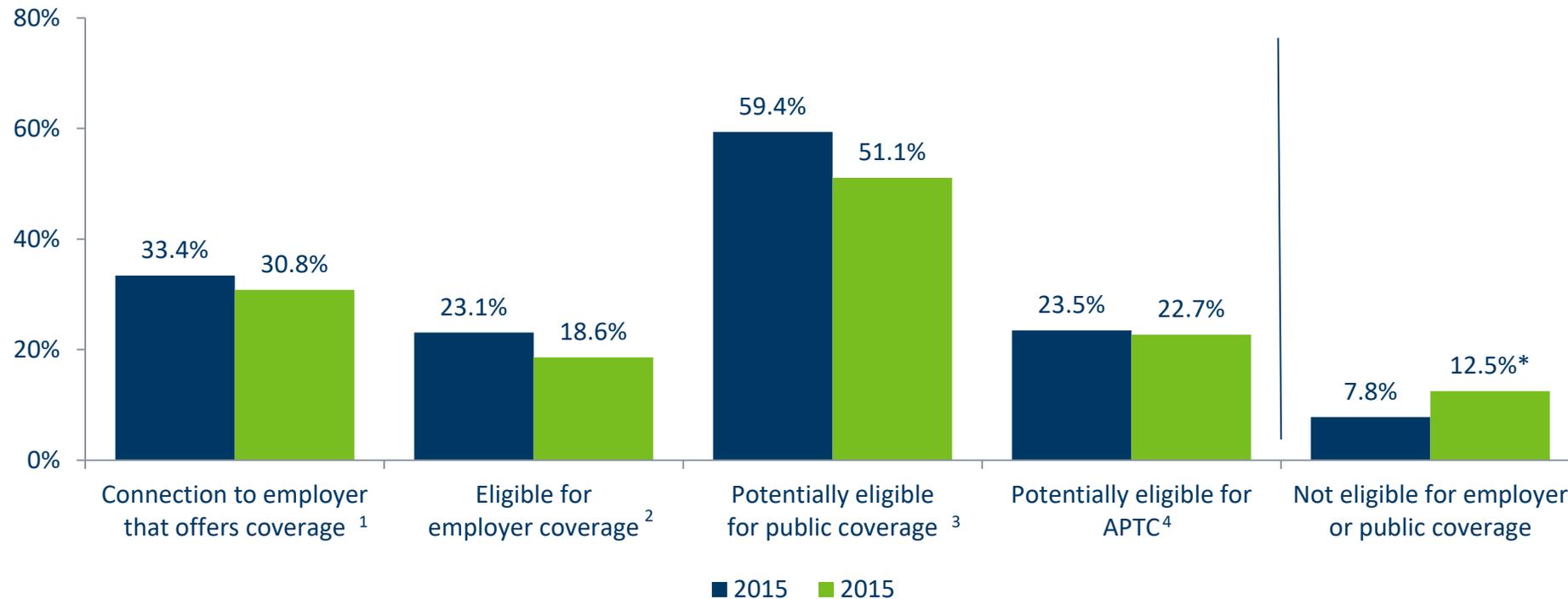


- More than half are long-term uninsured (one year or longer)
- Minnesota's uninsured are not homogeneous
- Rates of uninsurance differs by demographic characteristics:
 - Age
 - Income
 - Race/ethnicity
 - Education
- Most uninsured are adults, but about 50k children remain w/o health insurance coverage
- Most uninsured have some path to subsidized coverage

* Indicates statistically significant difference from previous year shown at the 95% level

Source: Minnesota Department of Health, Health Economics Program, 2001, 2004, 2007, 2009, 2011, 2013 , 2015 and 2017 Minnesota Health Access Survey.

Potential Access to Subsidized Coverage for Minnesota's Uninsured



* Indicates statistically different from 2015 at 95% level.

¹ Employer offer: percent of uninsured who work for or have a family member who works for an employer offering coverage. ² Employer eligible: percent of uninsured who are eligible for coverage through an employer. ³ Potentially public eligible: based on family structure, income, and eligibility for employer coverage. Income limits changed between 2013 and 2014. ⁴ Advance Premium Tax Credits (APTC). Potential eligibility is based on income and eligibility for employer coverage only, and does not consider premiums.

Note: The employer eligible, potentially public eligible, and not eligible for employer or public coverage categories add to more than 100 percent because some of the uninsured are potentially eligible for both employer or public coverage.

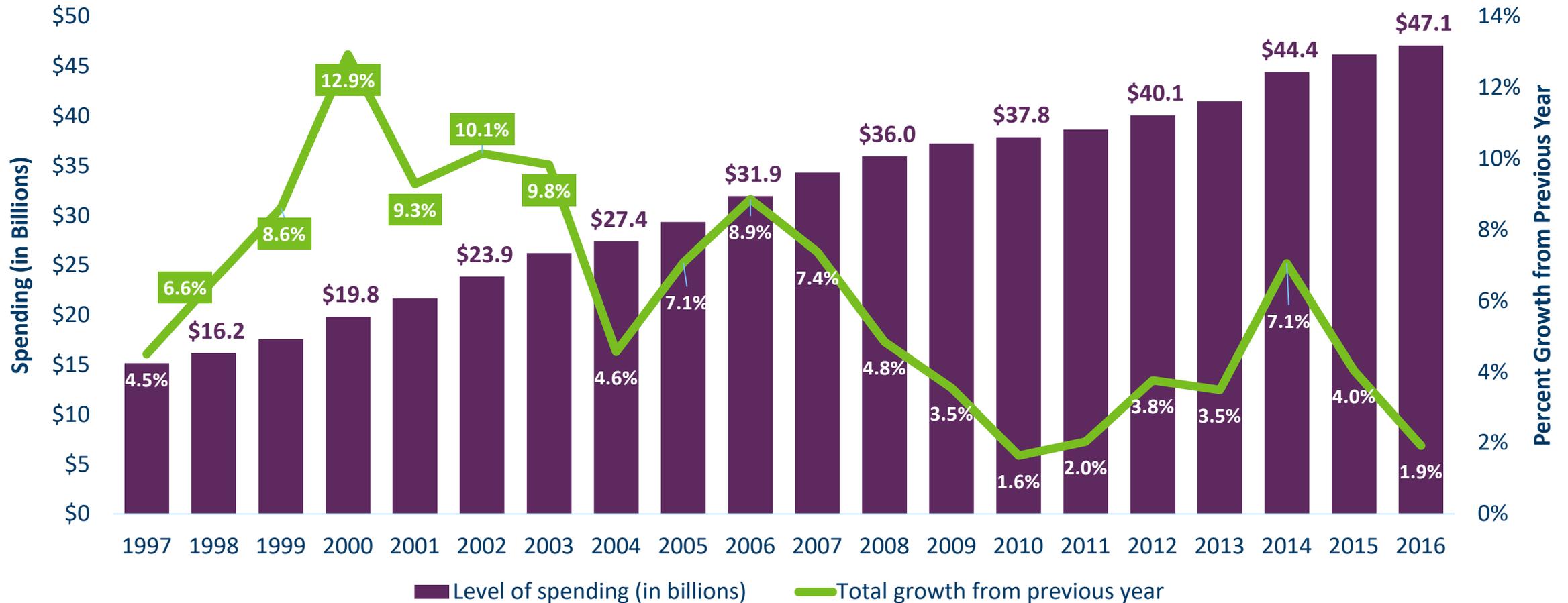
Source: Minnesota Health Access Surveys, 2015 and 2017

[Summary of graph](#)



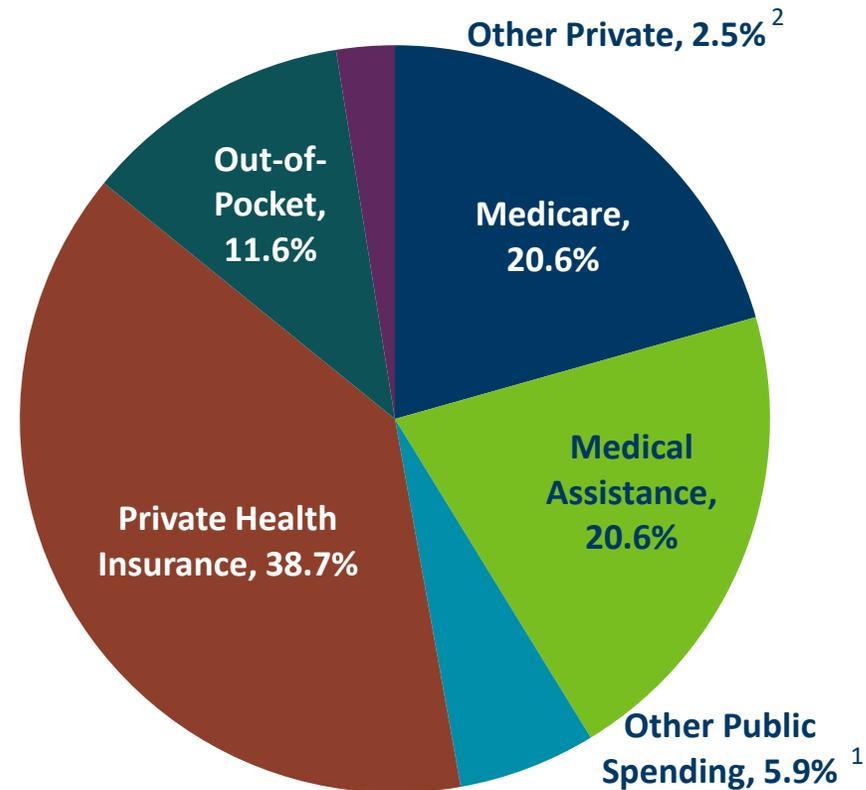
Trends in Minnesota Health Care Spending

Health Care Spending Reached \$47.1 Billion in 2016



Who Paid Minnesota Health Care in 2016?

Total Spending: \$47.1 billion



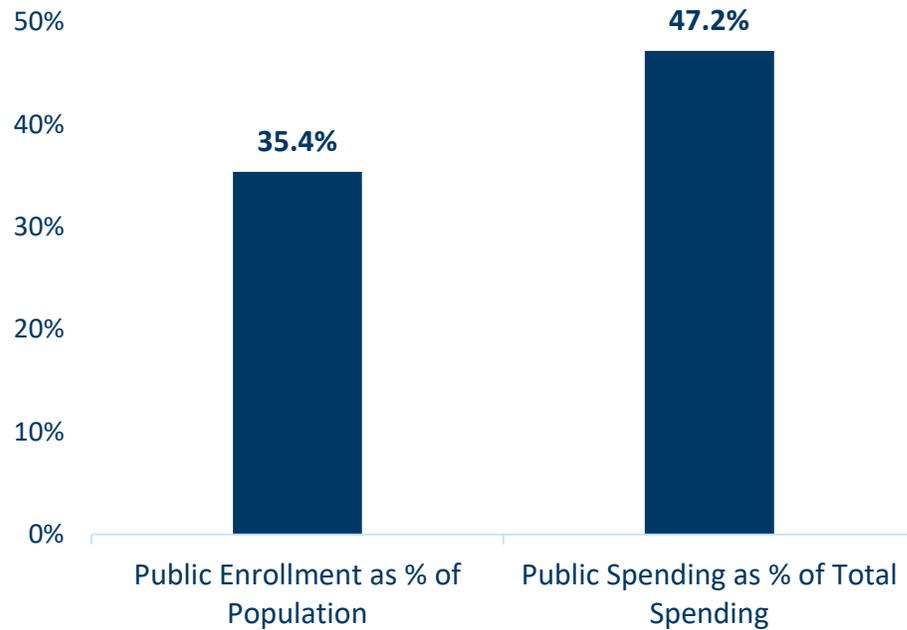
Source: MDH, Health Economics Program, "Minnesota Health Care Spending: 2015 & 2016 Estimates and Ten-Year Projections," forthcoming legislative report. Numbers may not sum to total due to rounding.

¹Other public spending includes government workers' compensation, and Veterans Affairs.

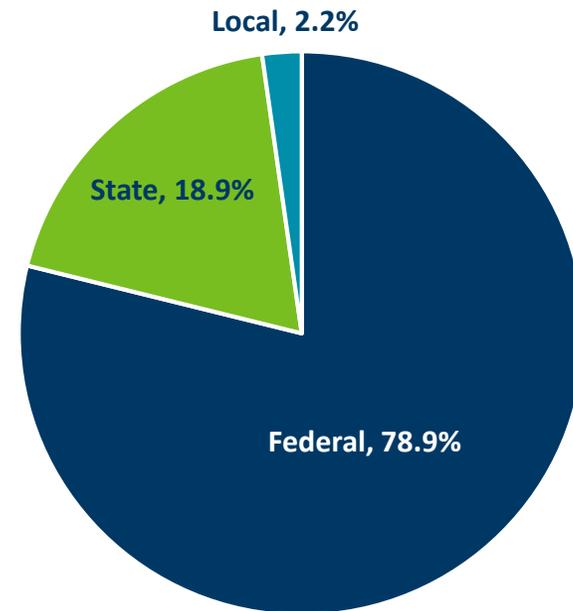
²Other major private payers include private workers' compensation and auto medical insurance.

Public Spending: Source and Relative to Enrollment

Public Programs' Share of Population vs. Share of Health Care Spending

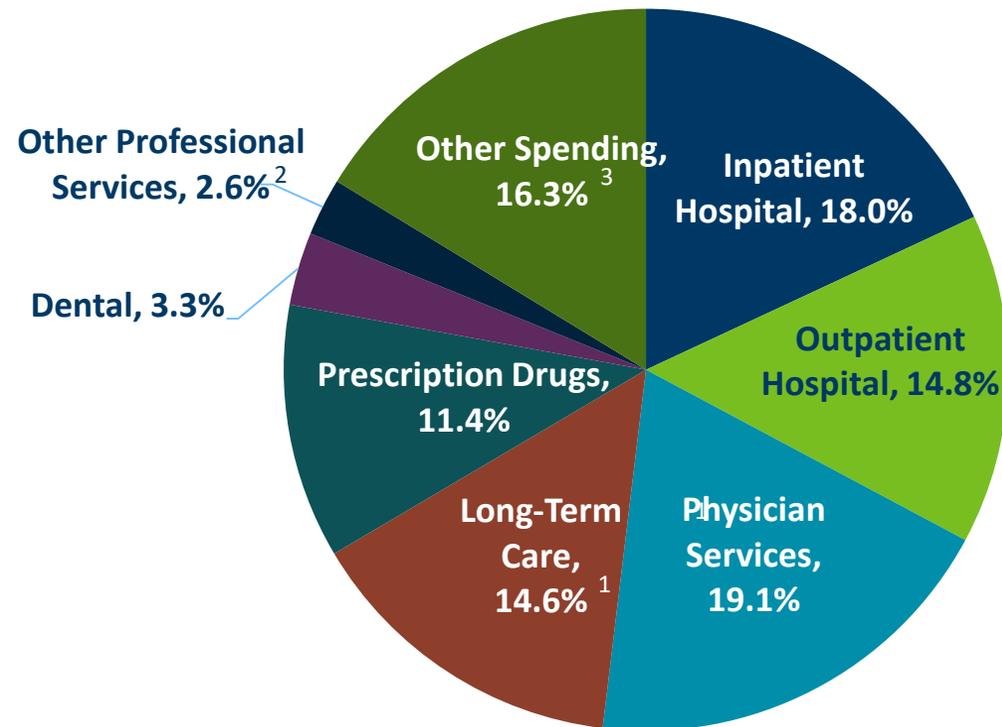


Total Public Spending \$22.5 Billion



Who Paid and Where did Health Care Spending go in 2016?

Total Spending: \$47.1 billion



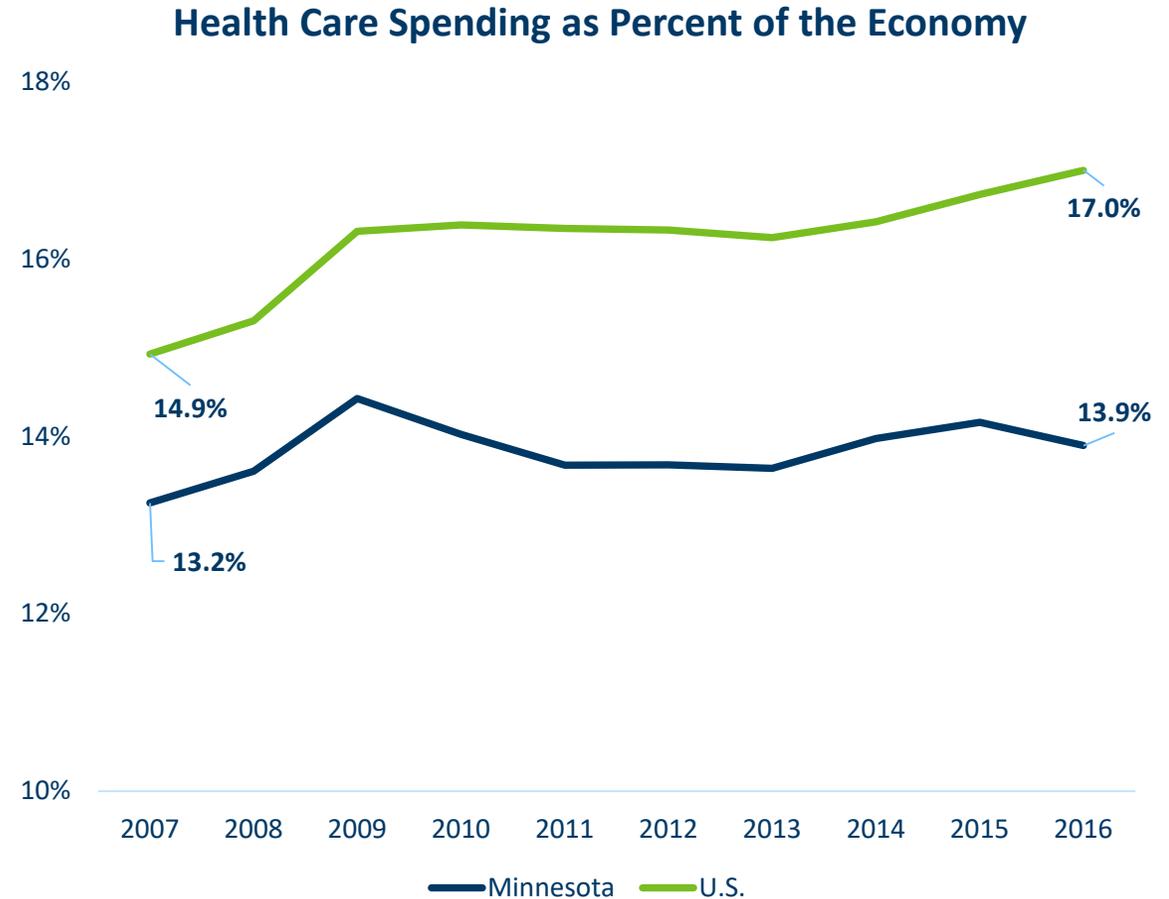
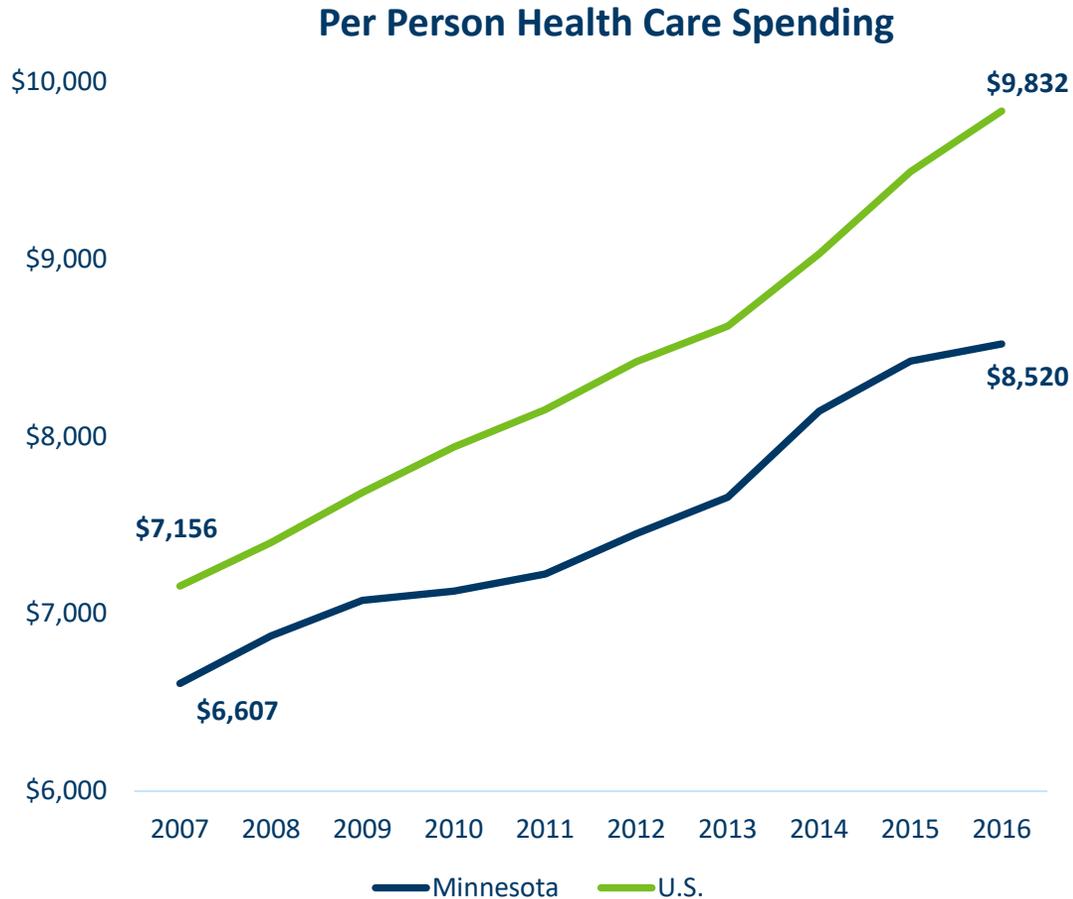
Source: MDH, Health Economics Program, "Minnesota Health Care Spending: 2015 & 2016 Estimates and Ten-Year Projections," forthcoming legislative report. Numbers may not sum to total due to rounding.

¹Includes home health care services.

²Includes services provided by health practitioners who are not physicians or dentists.

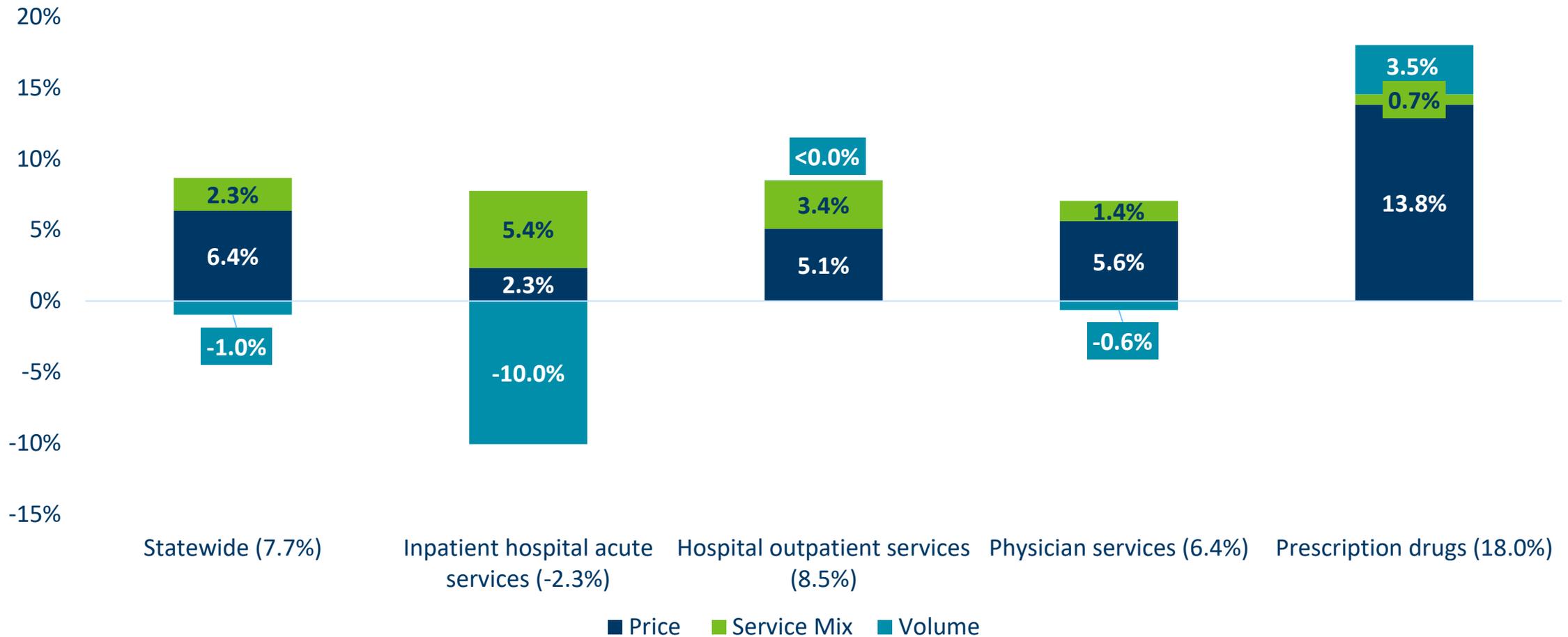
³Includes chemical/mental health, other medical spending (includes not itemized and durable medical equipment), health plan administrative expenses and revenues in excess of expenses, and uncategorized spending (for spending such as public health spending, correctional facility health spending, Indian Health Services, school based spending).

How does Minnesota Compare to National Trends?



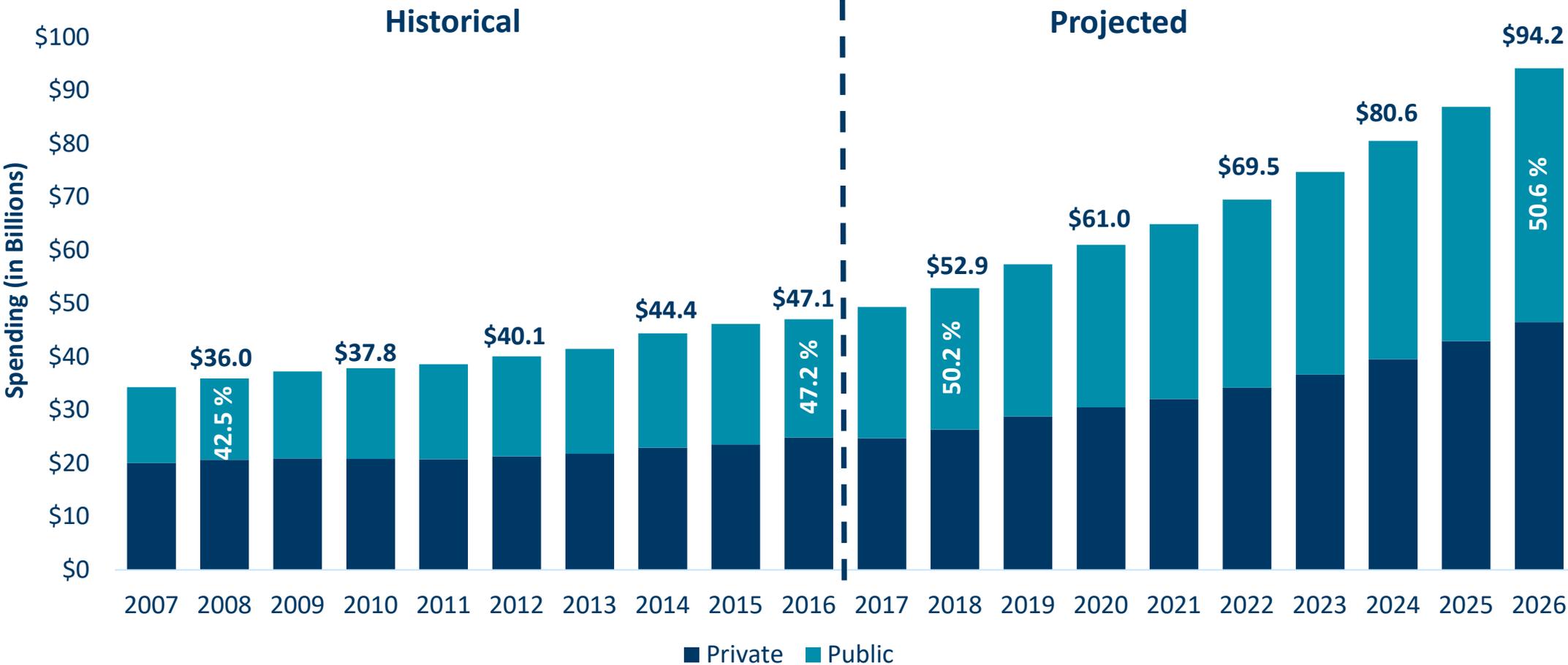
Source: MDH, Health Economics Program, "Minnesota Health Care Spending: 2015 & 2016 Estimates and Ten-Year Projections," forthcoming legislative report; CMS National Health Expenditure Account Summary

Drivers of Spending Growth for People with Commercial Health Insurance Spending, by Category of Service, 2012 to 2014

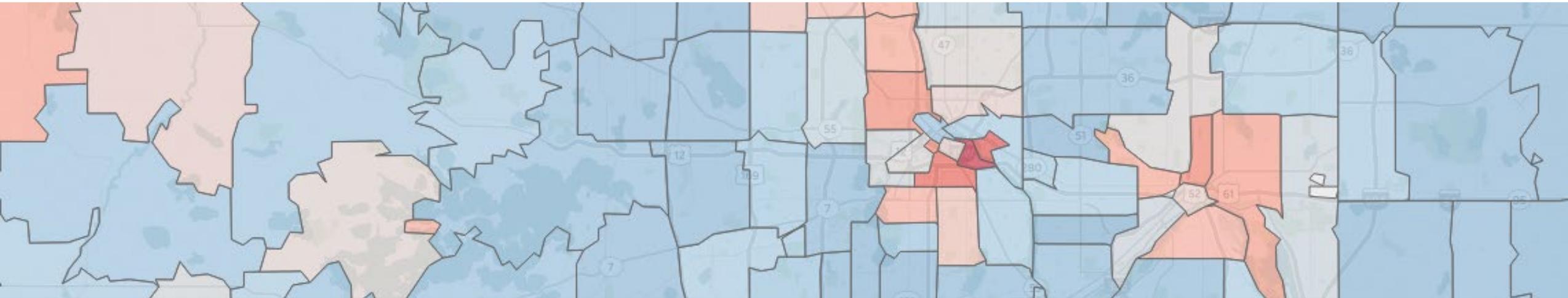


Source: MDH, Health Economics Program; Mathematica Policy Research, Cost Drivers Analysis for Privately Insured Health Care Services in Minnesota from 2012 to 2014. Excludes other professional and freestanding outpatient surgical centers.

Health Care Spending is Projected to Double by 2026



Sources: MDH, Health Economics Program, "Minnesota Health Care Spending: 2015 & 2016 Estimates and Ten-Year Projections," forthcoming legislative report. Historical spending estimates from MDH, Health Economics Program; projections from Mathematica Policy Research.



Impact of Spending Trends

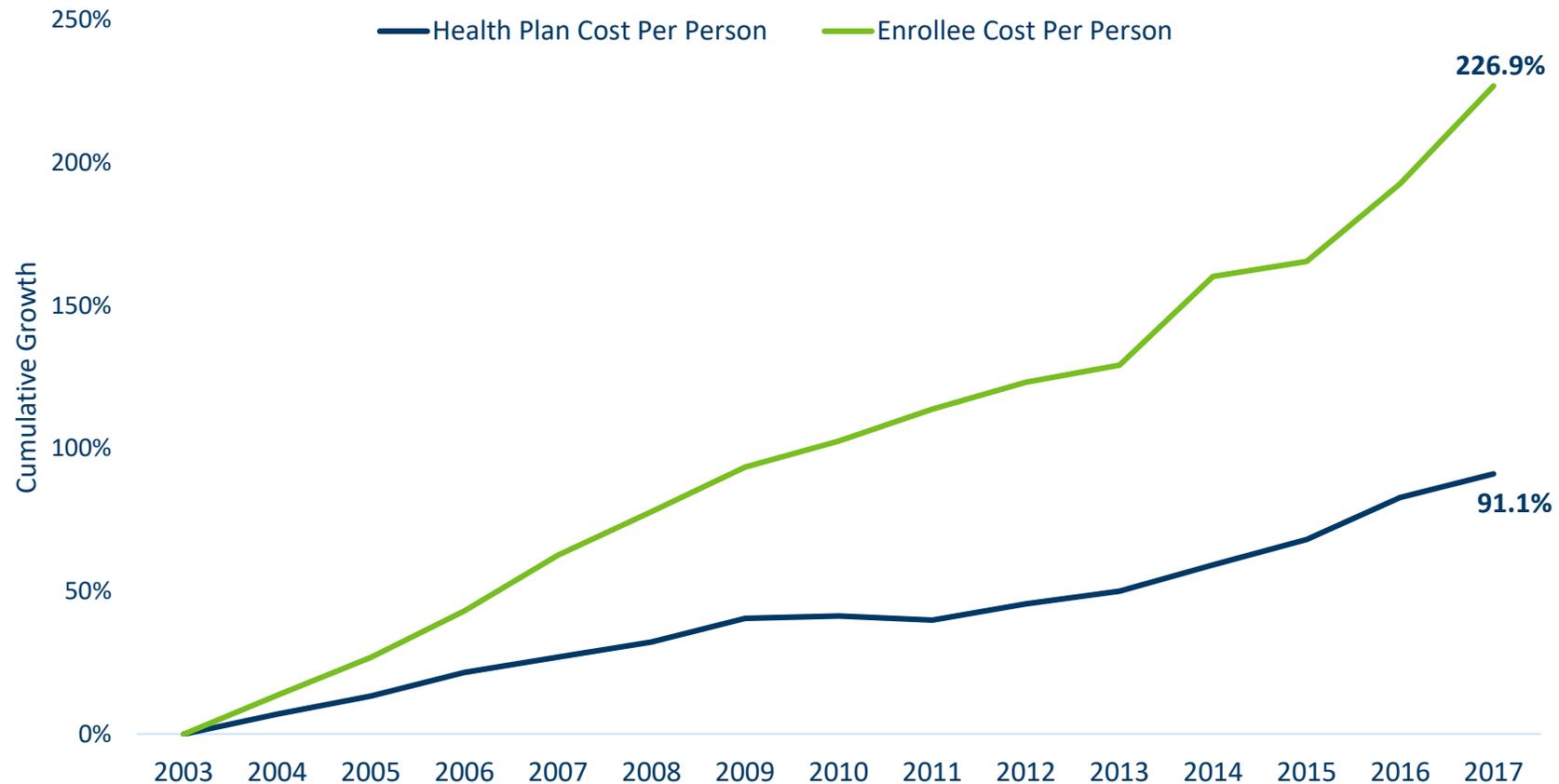
Payments Made by Individuals and Sponsors of Health Insurance Coverage (2019)



Notes: Employer sponsored coverage based on average single premiums for Minnesota in 2017; premiums were estimated for 2019 using the average growth between 2015 and 2017. Willmar, Minnesota was selected as it has premiums close to the state average. High risk pool coverage is estimated by using 2012 monthly premiums and assessment amounts, and then using the average growth from 2010 through 2012 to estimate costs in 2019.

Source: Minnesota Department of Health, Health Economics Program Analysis of Medical Expenditure Panel Survey – Insurance Component (MEPS-IC), Individual market premiums, and Minnesota Comprehensive Health Association (MCHA, Minnesota’s high risk pool that ended in 2014) Writing Carrier reports.

Cumulative Growth in Health Plan & Enrollee Shares



Fully-insured commercial market only.

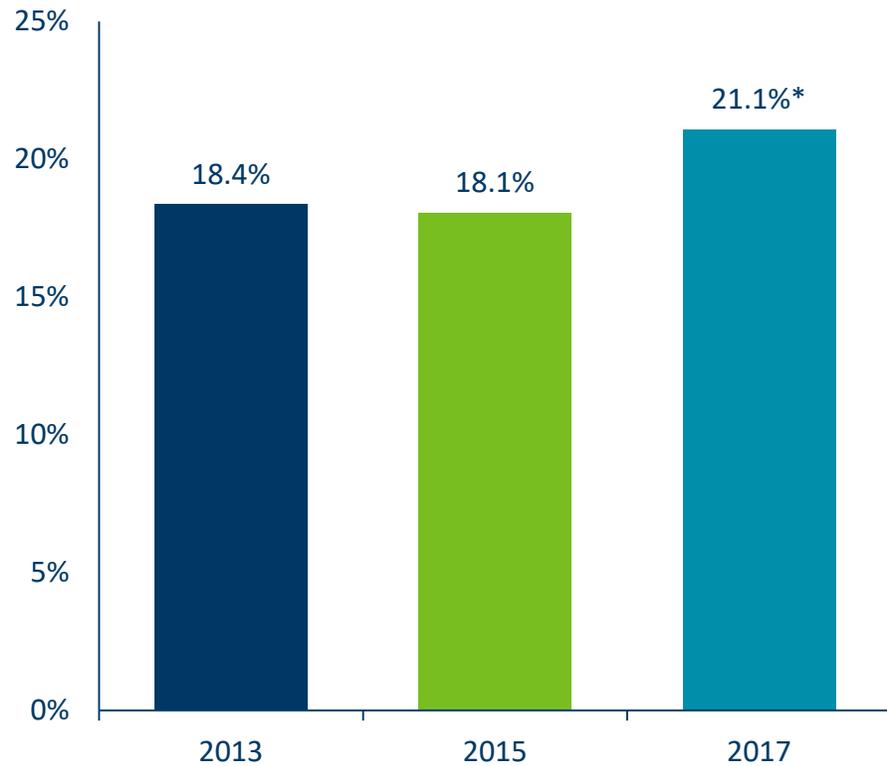
Source: MDH Health Economics Program, analysis of annual medical-only reports from health plan companies.

Revisions to historic time series may lead to slight variation from previously published estimates.

[Summary of graph](#)

Forgone Care Due to Cost Among Minnesotans

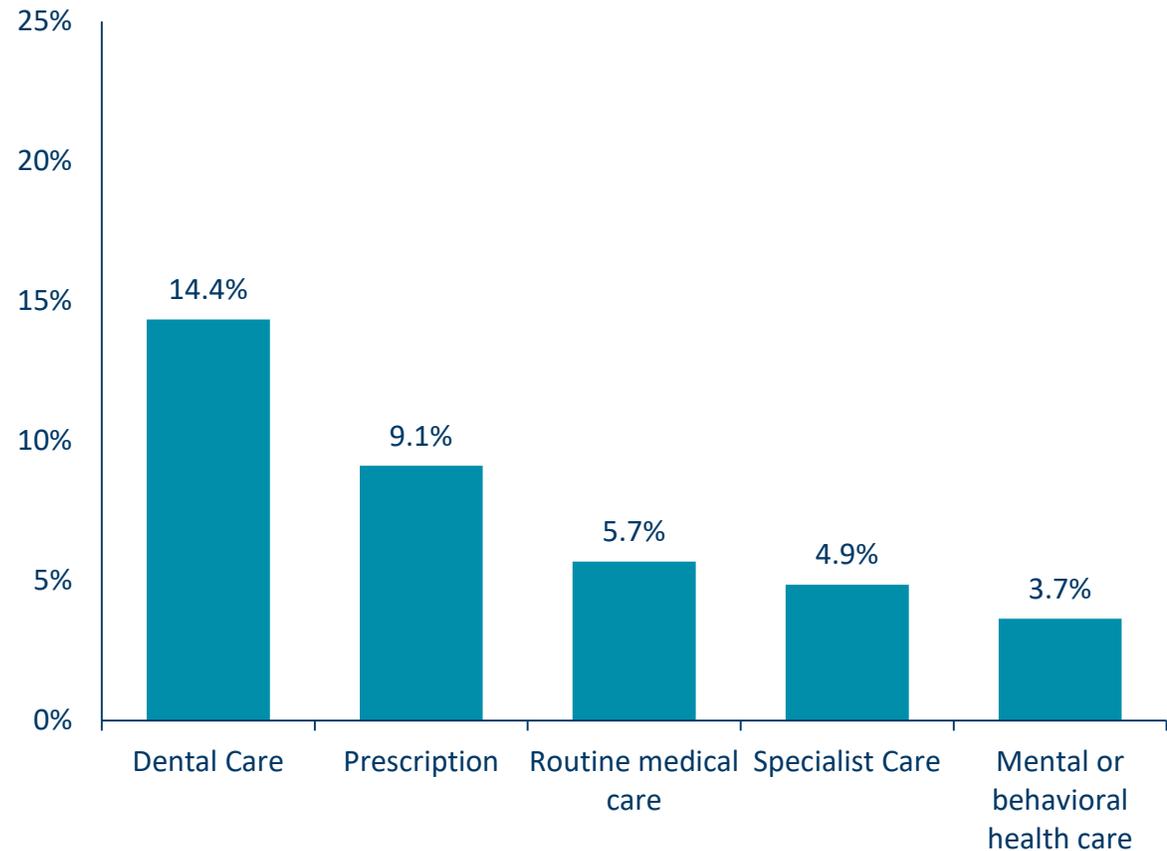
Rates of Forgone Care



Source: Minnesota Department of Health, Health Economics Program, 2013, 2015 and 2017 Minnesota Health Access Survey.

*Indicates statistically significant difference from previous year at 95% level.

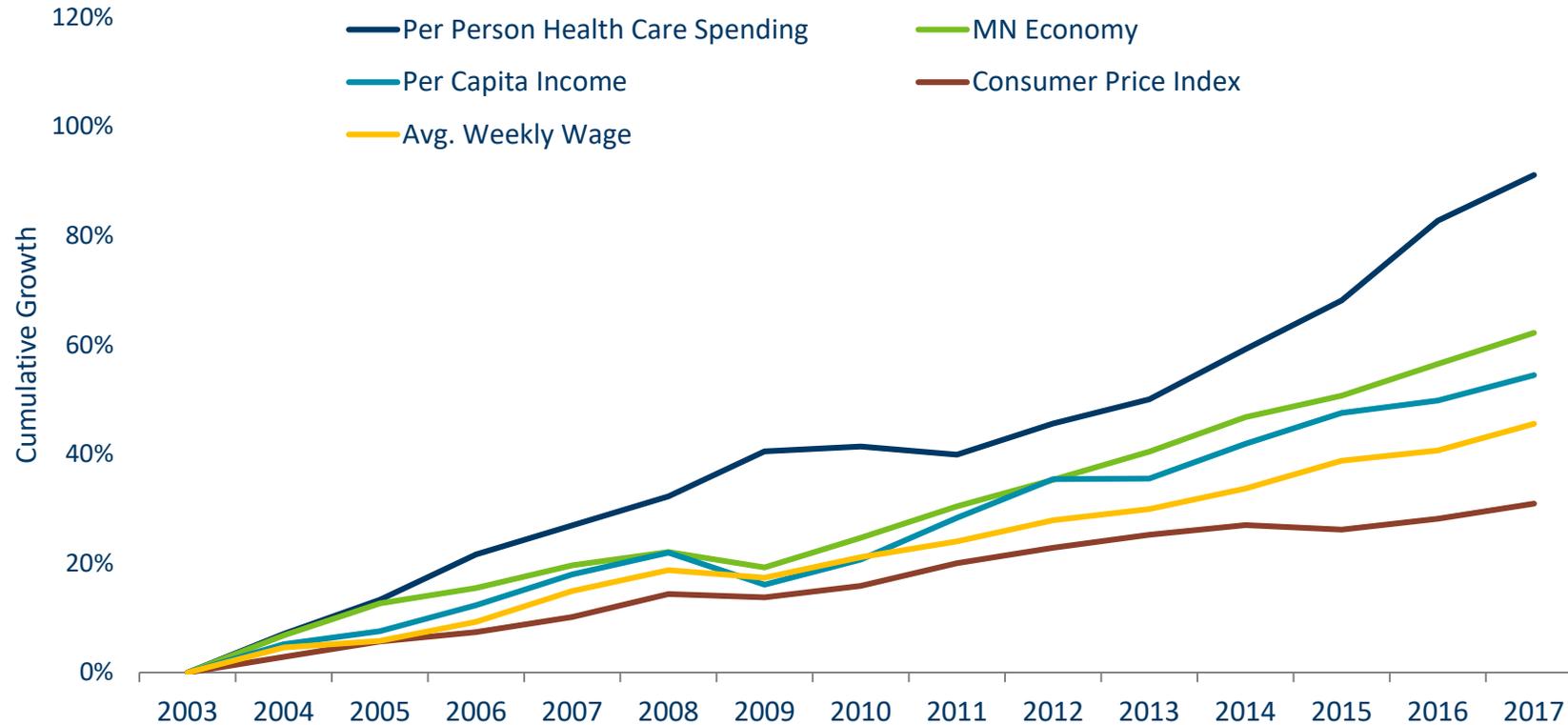
2017 Rates of Forgone Care by Type



Source: Minnesota Department of Health, Health Economics Program, 2017 Minnesota Health Access Survey.

Concluding Thoughts

Cumulative Growth in Key Minnesota Health Care Cost and Economic Indicators, 2003 to 2017



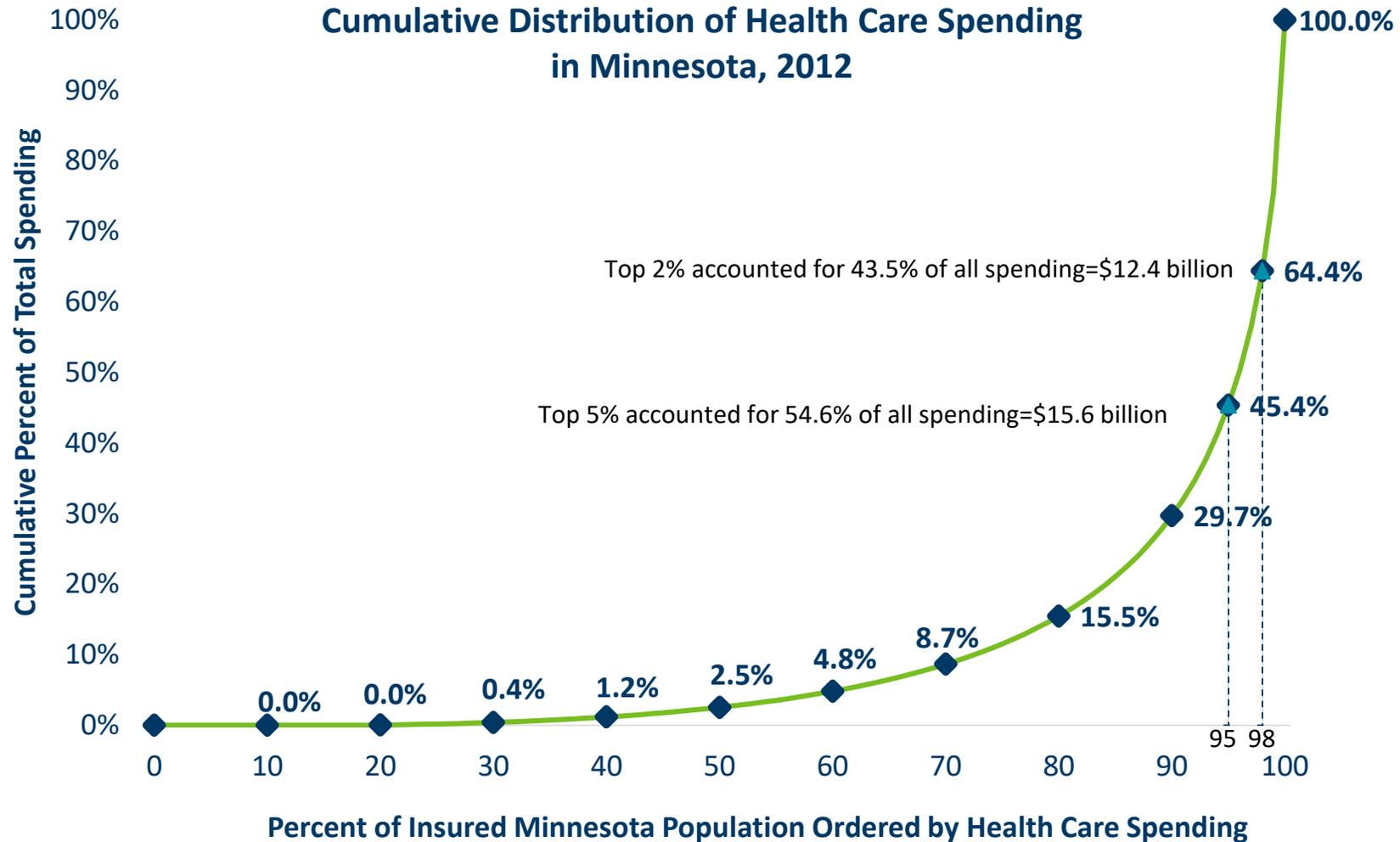
Health care spending is Minnesota fully-insured commercial spending per person and does not include enrollee out-of-pocket spending for deductibles, copayments/coinsurance, and services not covered by insurance.

Fully-insured commercial market only.

Sources: MDH Health Economics Program, analysis of annual medical-only reports from health plan companies; per capita income and Gross State Product (MN Economy) from U.S. Department of Commerce, Bureau of Economic Analysis; Consumer Price Index (All Urban Consumers (CPI-U), Minneapolis-St. Paul) and Per Capita Income from U.S. Department of Labor, Bureau of Labor and Statistics, as of October 8, 2018; average weekly workers' wages from Minnesota Department of Employment and Economic Development as of October 8, 2018.

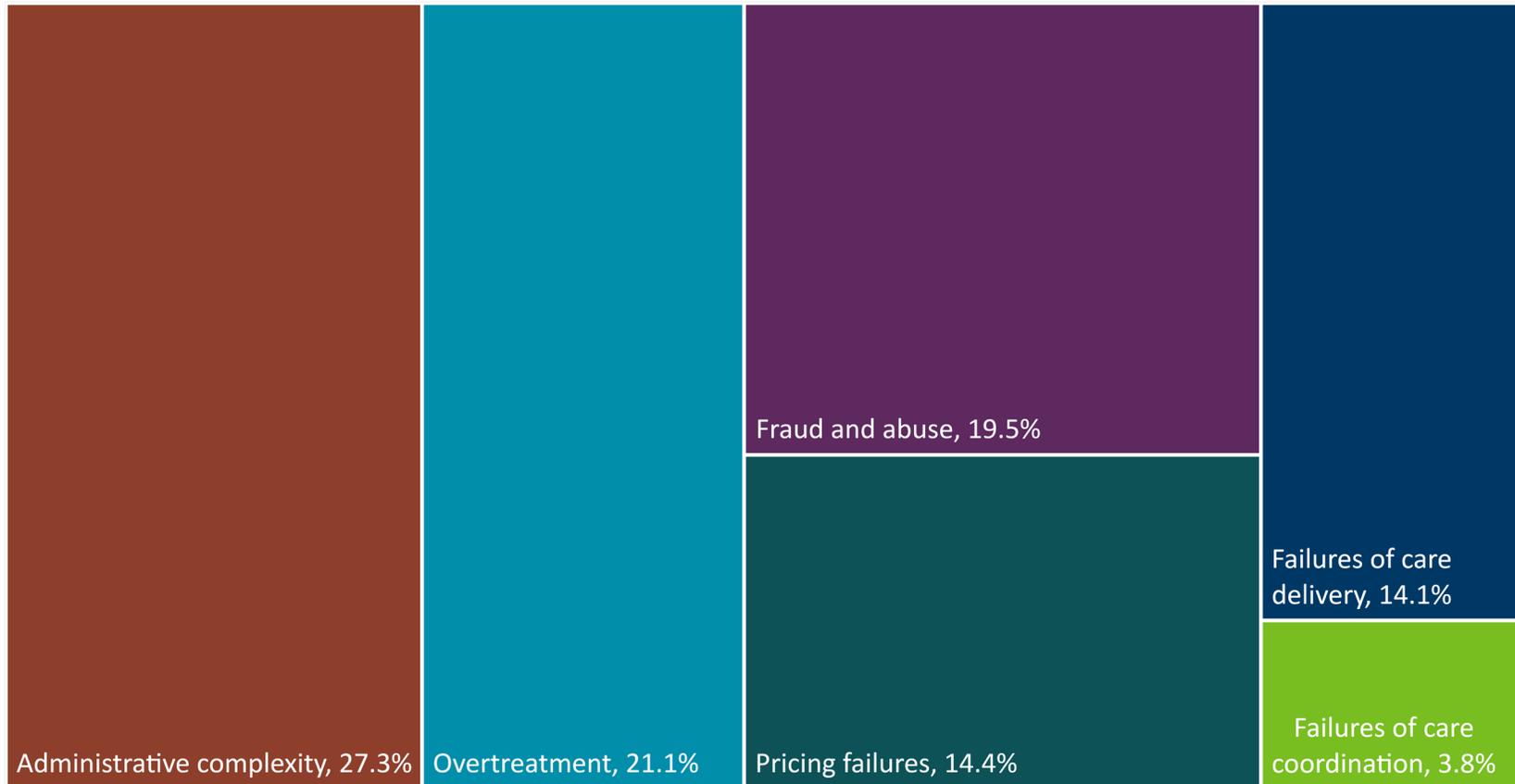
[Summary of graph](#)

Concentration in Spending

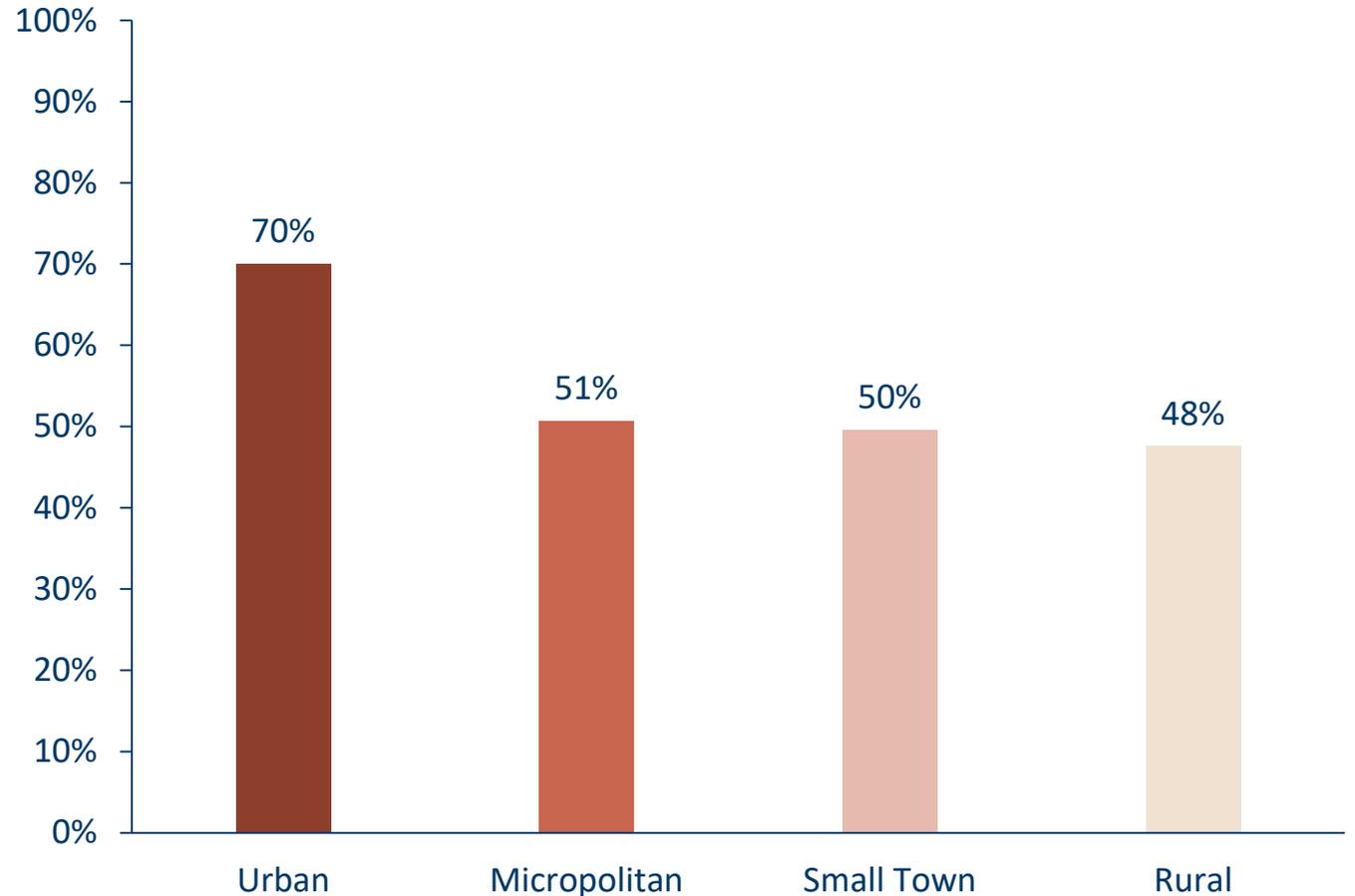
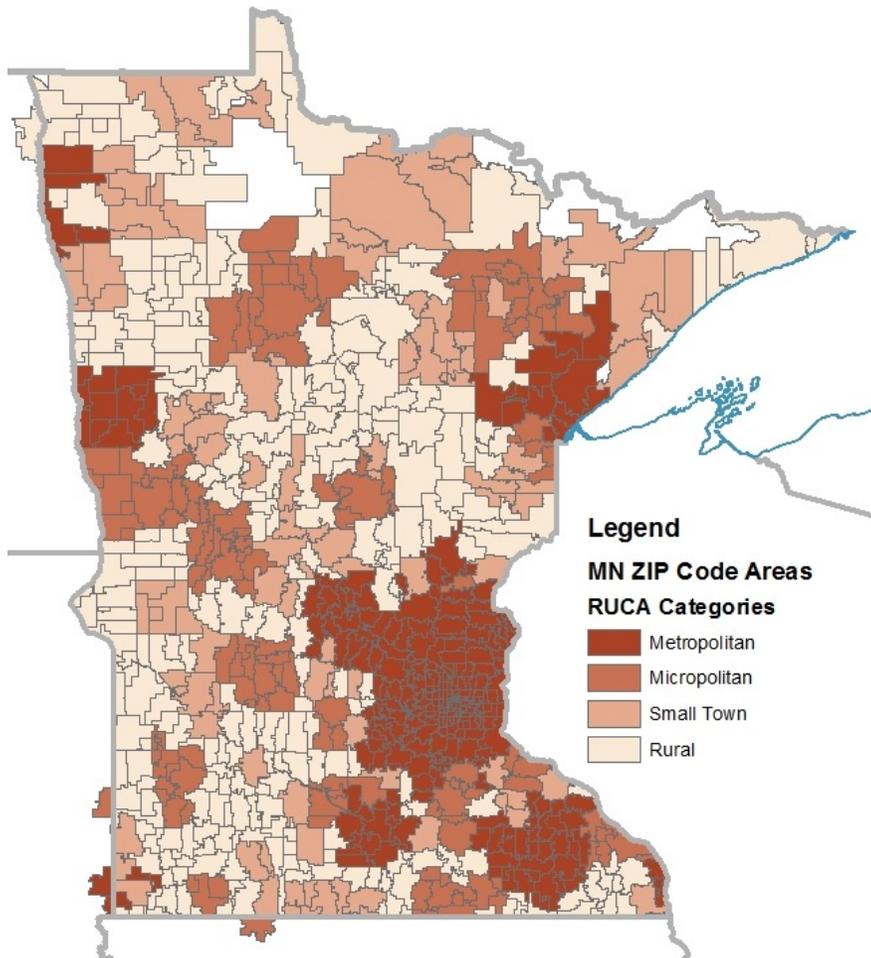


Waste, Fraud, and Abuse Account for an Estimated 30 Percent of National Health Care Spending

Components Adds to 100 Percent)



Adolescent Mental Health and/or Depression Screening, by Rurality



RUCA codes from U.S. Department of Agriculture Economic Research Service & Federal Office of Rural Health Policy. 2013. *2010 Rural-urban commuting area codes*. Retrieved from <https://www.ers.usda.gov/data-products/rural-urban-commuting-area-codes.aspx>

Source: MDH Health Economics Program analysis of Quality Reporting System data; 2015 service dates.

Thank you.

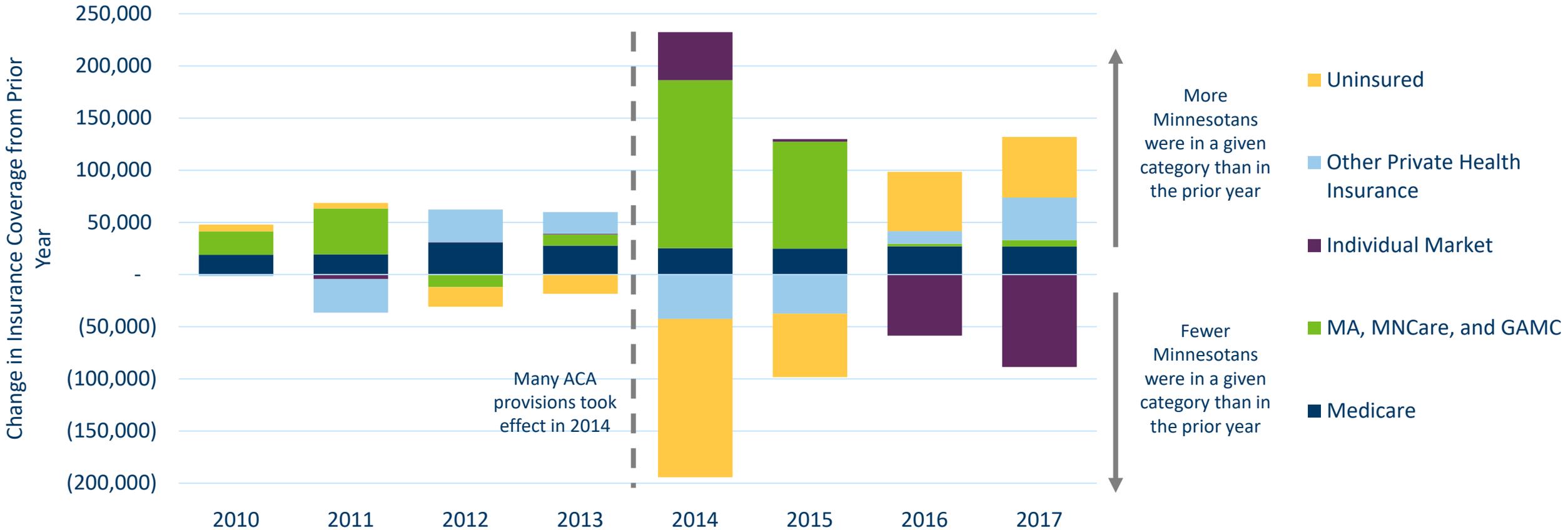
Health Economics Program: www.health.state.mn.us/healthconomics

MN Health Care Market Information: www.health.state.mn.us/divs/hpsc/hep/chartbook

MN All Payer Claims Data: www.health.state.mn.us/healthreform/allpayer

Contact: Stefan.Gildemeister@state.mn.us 651.201.3550

Change in Minnesota Enrollment by Primary Source of Insurance Coverage

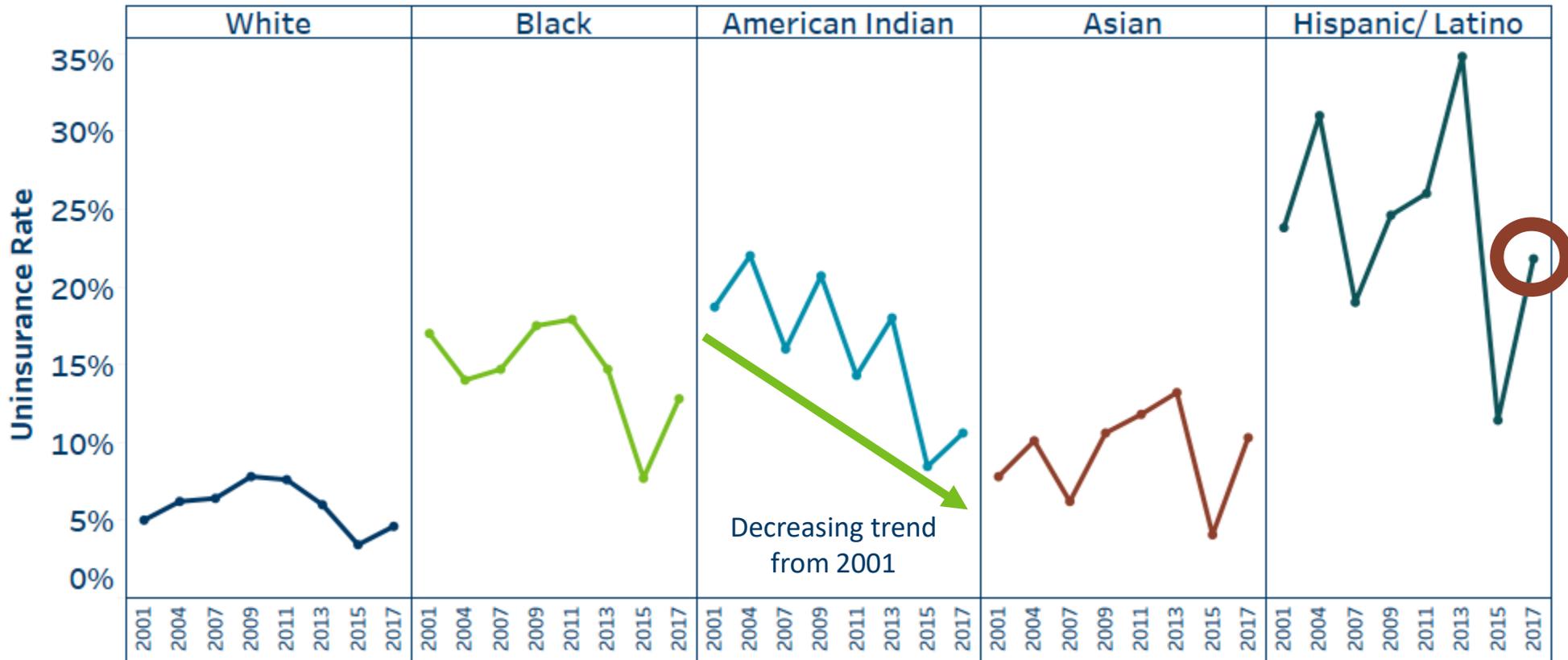


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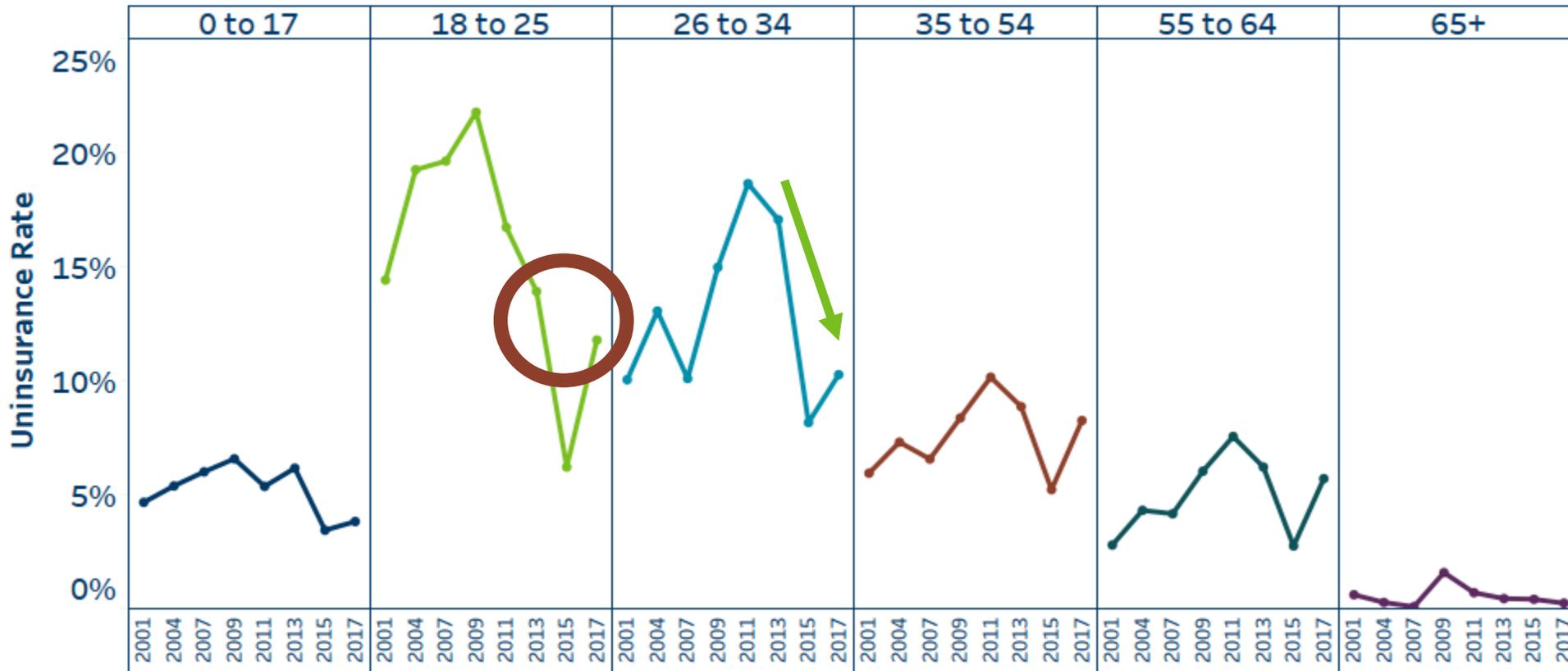
[Summary of graph](#)

Uninsurance Rates by Race and Ethnicity



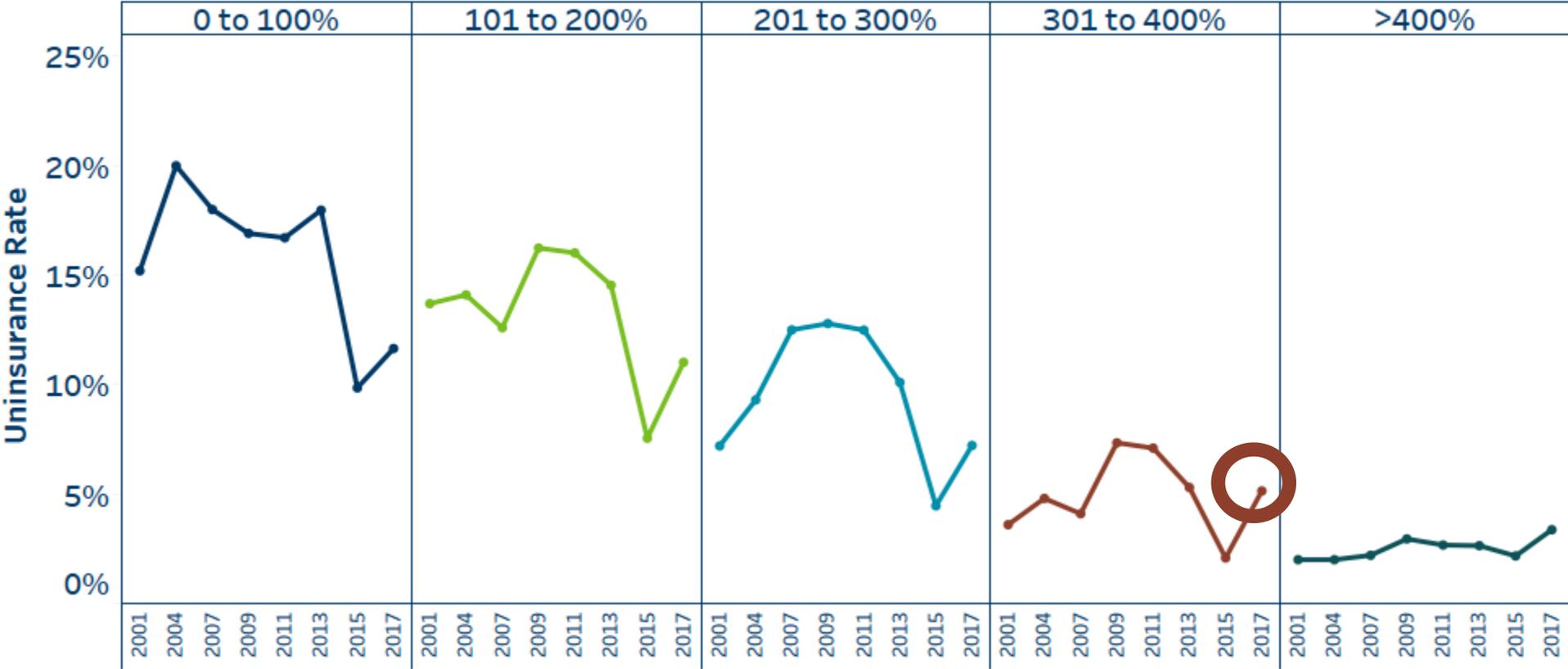
Source: Minnesota Department of Health, Health Economics Program, 2001, 2004, 2007, 2009, 2011, 2013, 2015 and 2017 Minnesota Health Access Survey.

Uninsurance Rates by Age



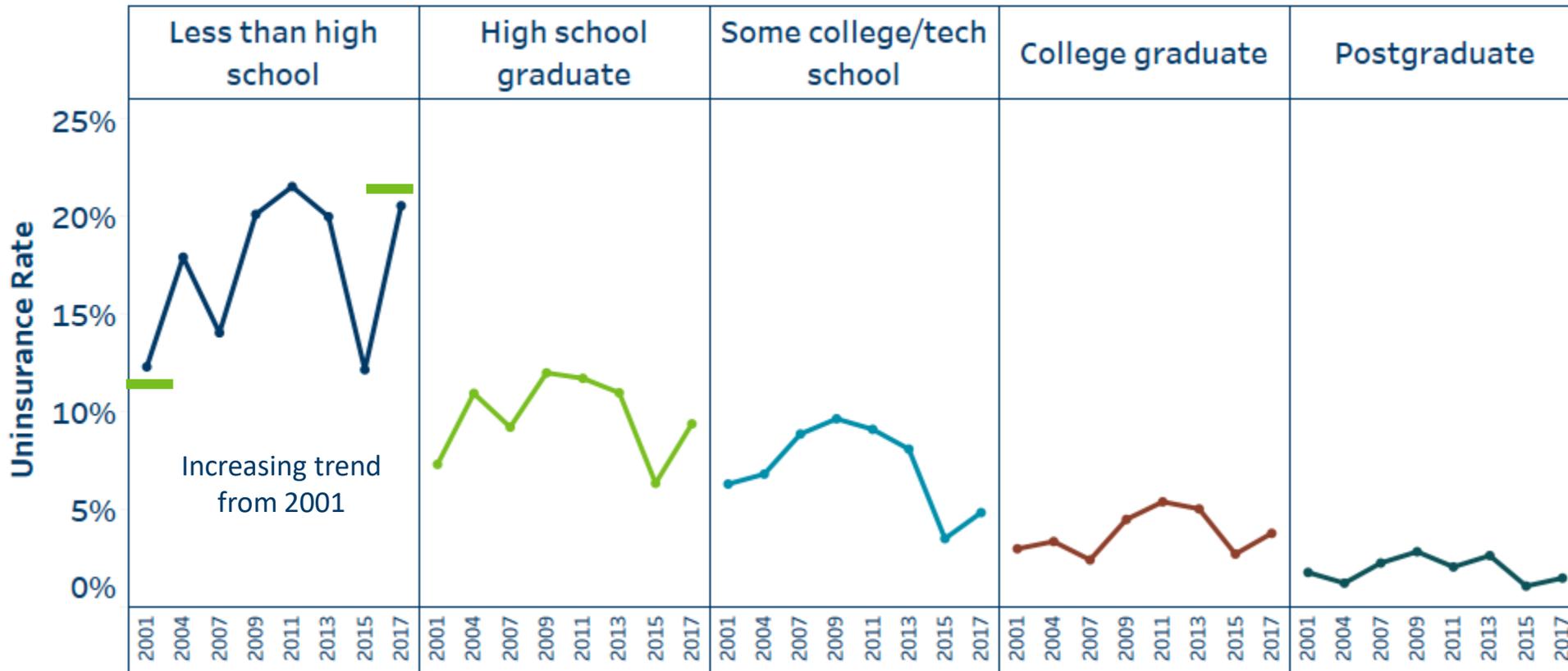
Source: Minnesota Department of Health, Health Economics Program, 2001, 2004, 2007, 2009, 2011, 2013, 2015 and 2017 Minnesota Health Access Survey.

Uninsurance Rates by Income



Source: Minnesota Department of Health, Health Economics Program, 2001, 2004, 2007, 2009, 2011, 2013, 2015 and 2017 Minnesota Health Access Survey.

Uninsurance Rates by Education



Source: Minnesota Department of Health, Health Economics Program, 2001, 2004, 2007, 2009, 2011, 2013, 2015 and 2017 Minnesota Health Access Survey.