



S E C T I O N

# HEALTH CARE SPENDING GROWTH IN NEW YORK STATE

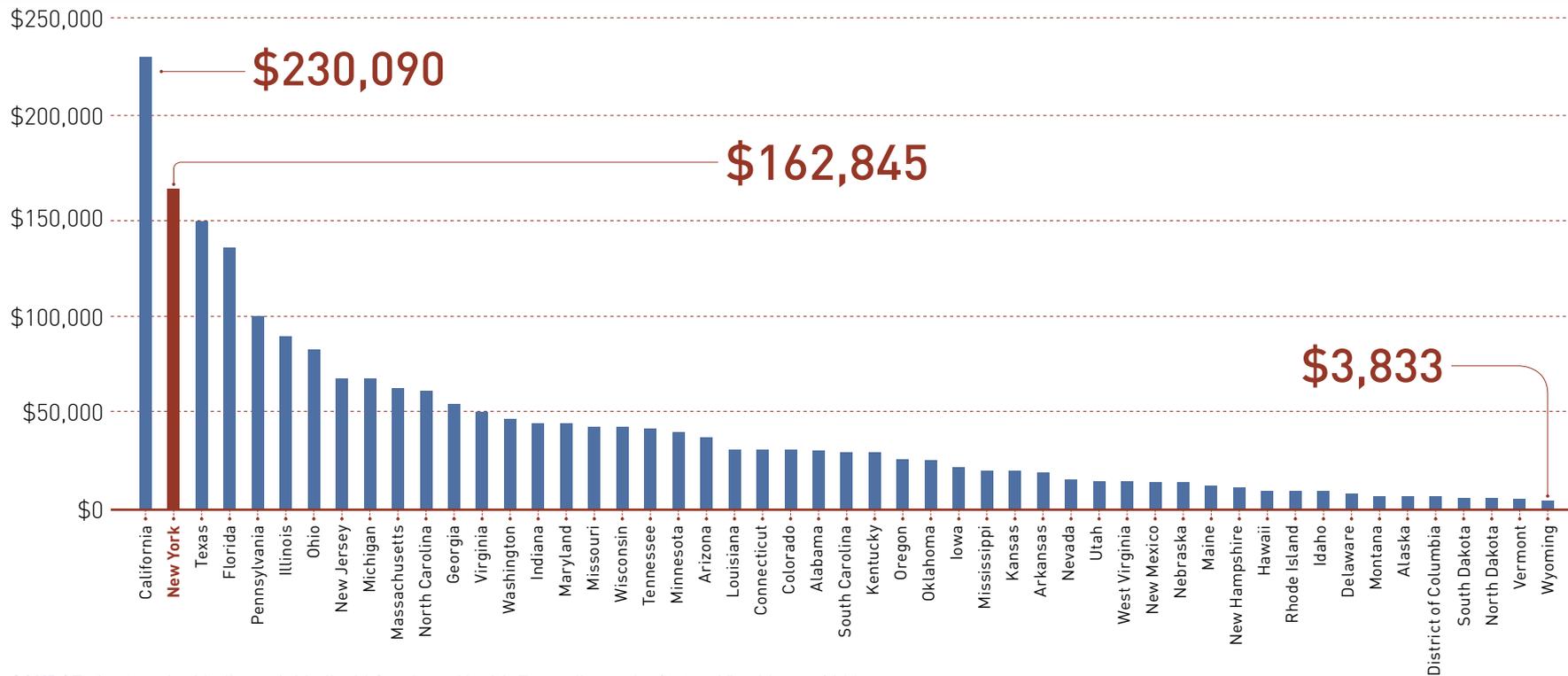
HEALTH CARE COSTS AND SPENDING IN NEW YORK STATE

# Health Care Spending Growth in New York State

- Health care expenditures in New York totaled \$163 billion in 2009, the second highest in the country.
- New York is ranked sixth highest in the nation for per capita health care expenditures as of 2009.
- New York health care expenditures have grown rapidly in recent years.
- Total health care spending in New York is projected to rise by more than \$100 billion from 2013 to 2020, or about 53%.

# New York Is Ranked Second Highest in the Nation for Total Health Care Expenditures

Health Care Expenditures by State of Residence (in Millions), 2009

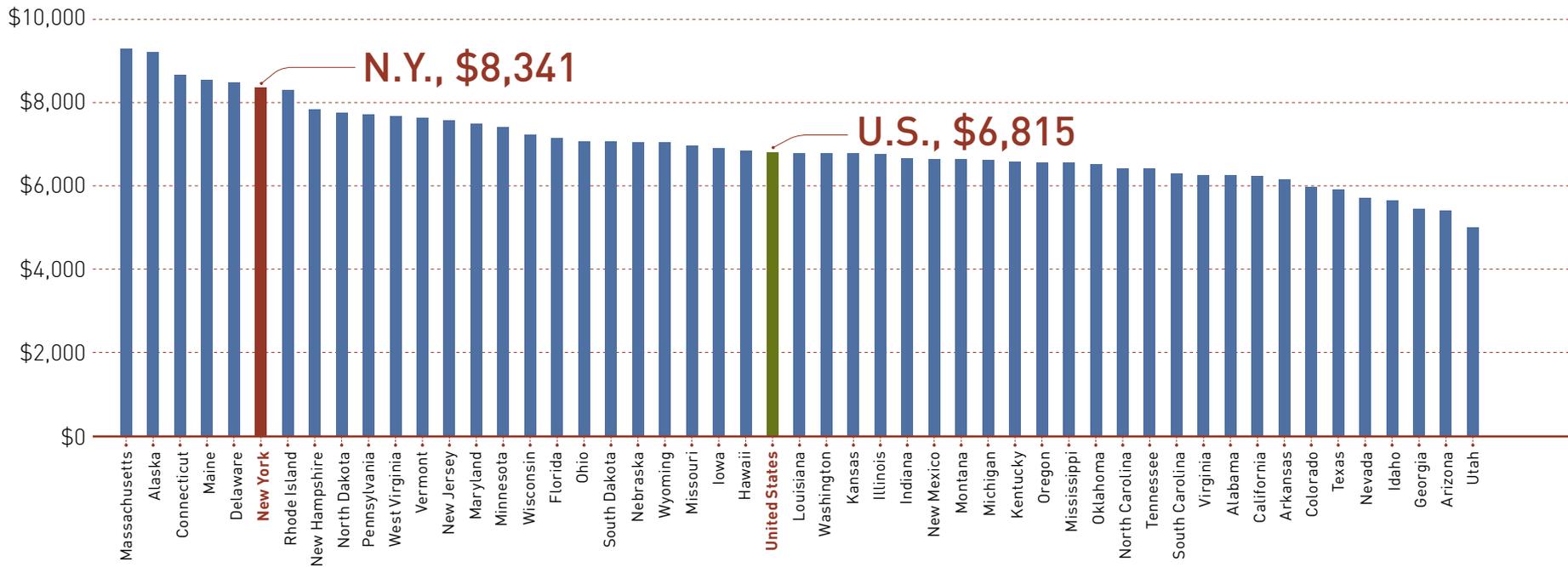


SOURCE: Centers for Medicare & Medicaid Services, *Health Expenditures by State of Residence*, 2011.

NOTE: Data are for 2009.

# New York Is Ranked Sixth Highest in the Nation for per Capita Health Care Expenditures

Per Capita Personal Health Care Expenditures, 2009

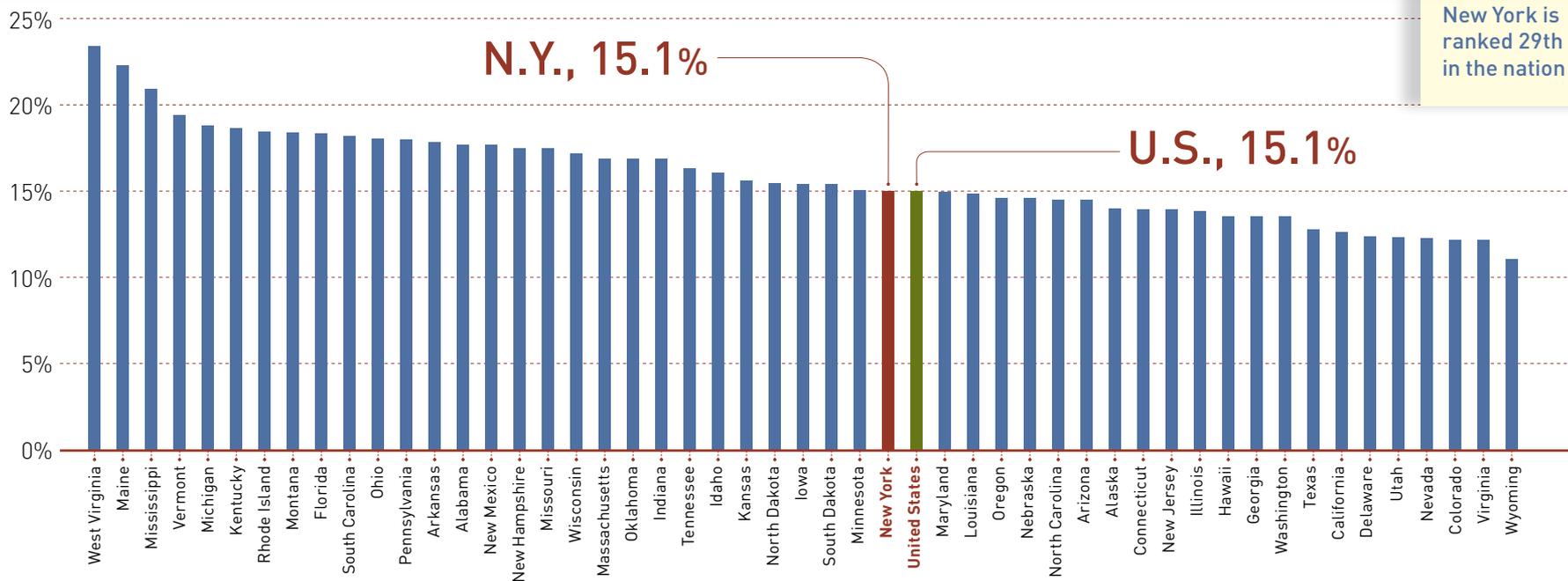


SOURCE: Centers for Medicare & Medicaid Services, *Health Expenditures by State of Residence*, 2011.

NOTE: Personal health care expenditures include all spending on a wide range of services to treat individuals with specific medical conditions, but exclude other types of health care-related spending, such as health care-related research, government public health activity, and government administration and the net cost of health insurance. District of Columbia is not included.

# New York's Total Health Expenditures as a Percent of Gross State Product (GSP) Are in Line with the National Average

## Total Health Expenditures as a Percent of GSP, 2009

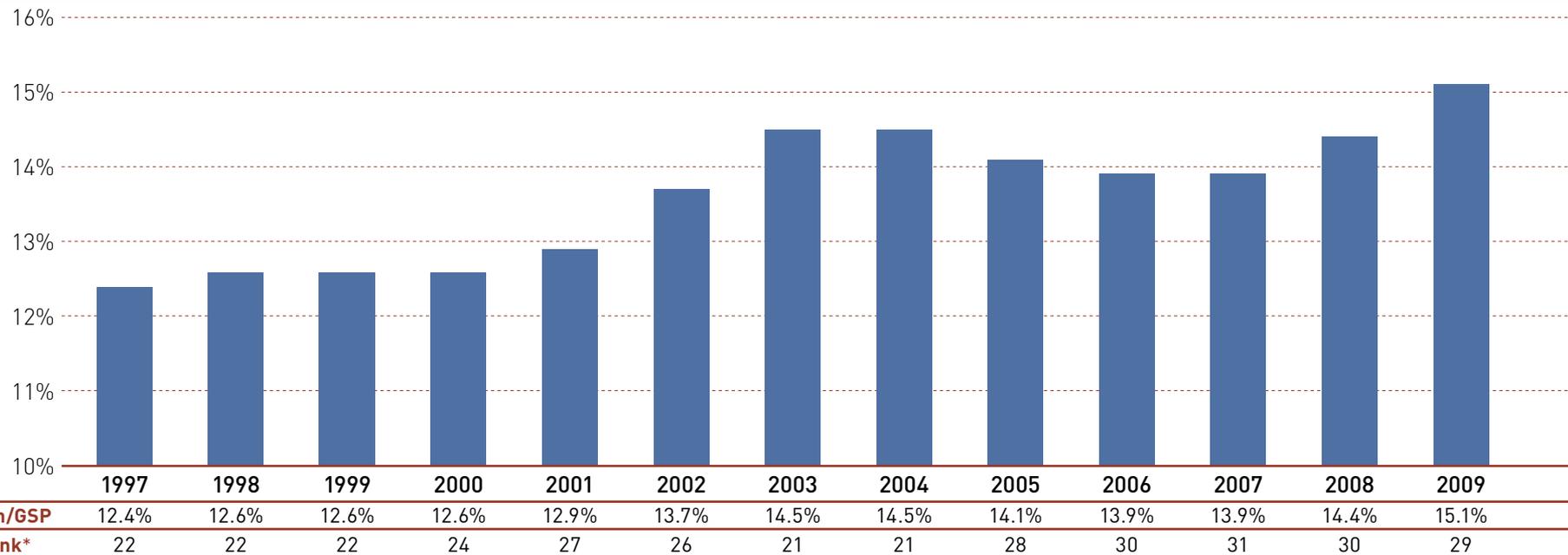


**SOURCE:** Centers for Medicare & Medicaid Services (CMS), *Health Expenditures by State of Residence*, 2011. U.S. Bureau of Economic Analysis, <http://www.bea.gov/regional/index.htm>, 2013.

**NOTE:** GSP is the state-level equivalent of gross domestic product (GDP), and is the sum of the GDP originating in all of the industries in a state. State-level GSP data are available from 1997 through 2012. The time period over which state health expenditures are reported on the CMS website is 1991 through 2009. The U.S. amount is the weighted average among the 50 states. District of Columbia is not included.

# New York's Health Care Expenditures as a Share of Gross State Product (GSP) Have Grown

## New York's Health Care Spending as a Percent of GSP

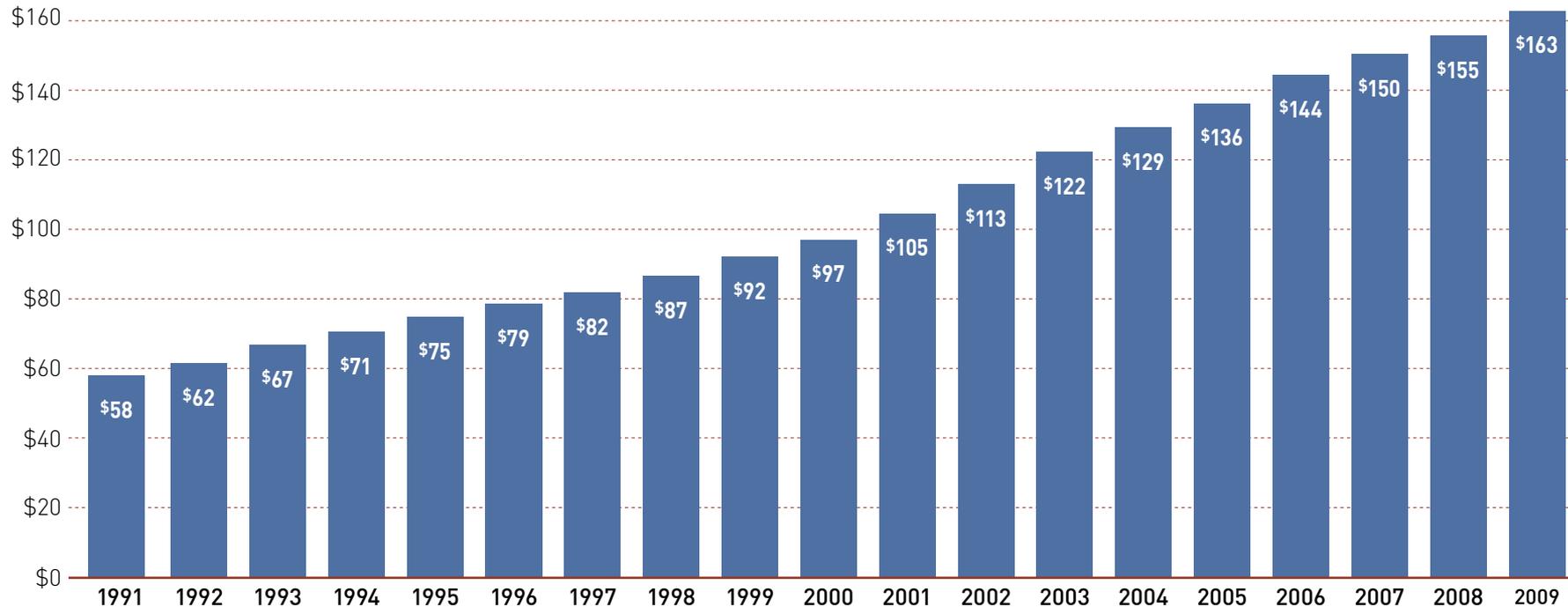


\*Even though New York's health care share of GSP increased from 1997 to 2009, it did not increase as much as in other states. Therefore, its ranking was more favorable in 2009 (29th) than in 1997 (22nd).

**SOURCE:** Centers for Medicare & Medicaid Services, *Health Expenditures by State of Residence*, 2011. U.S. Bureau of Economic Analysis, <http://www.bea.gov/regional/index.htm>, 2013.

# Health Care Expenditures in New York Nearly Tripled Over 18 Years

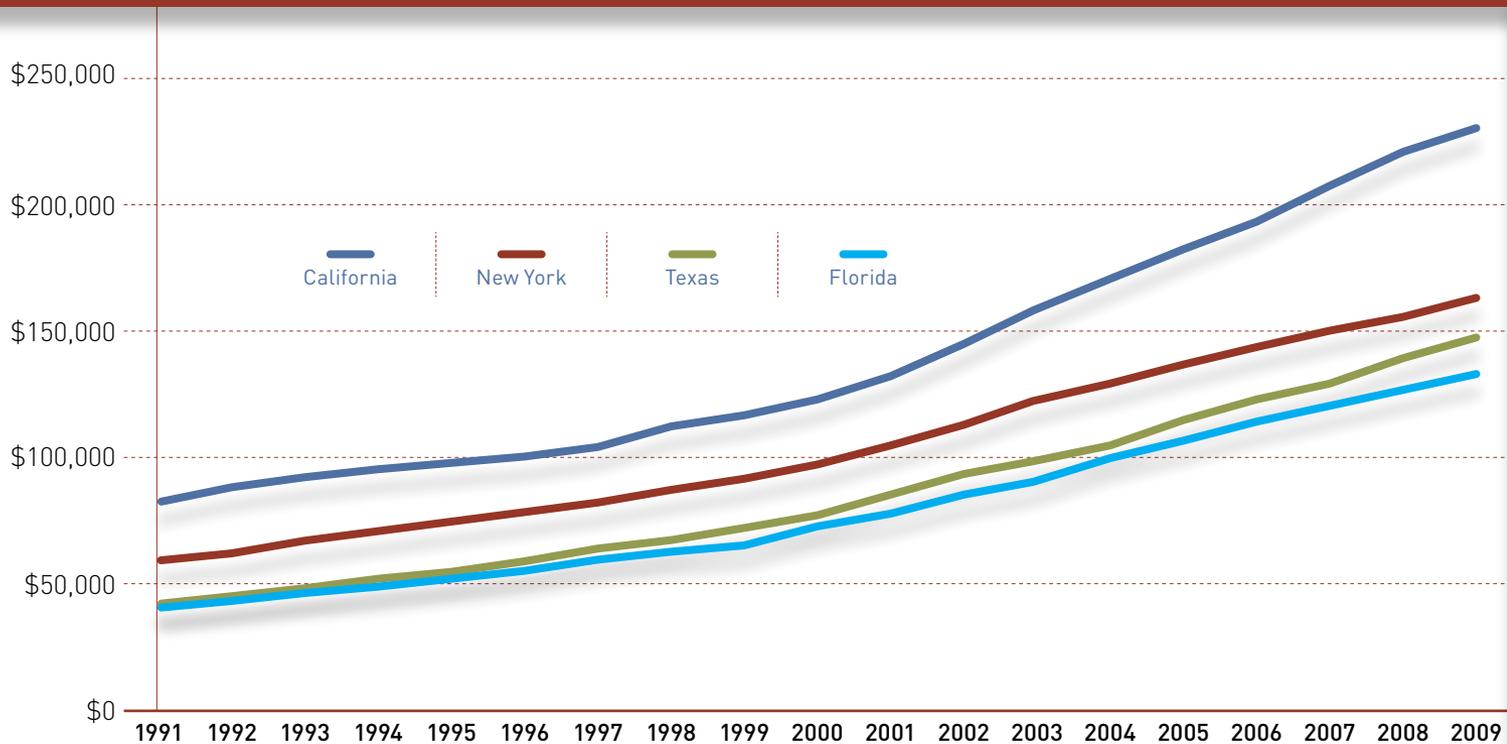
New York Total Health Care Expenditures, Actual (in Billions), 1991–2009



SOURCE: Centers for Medicare & Medicaid Services, *Health Expenditures by State of Residence*, 2011.

# New York Has Been Among the Highest-Spending States in Total Health Care Expenditures Since 1991

Health Care Expenditures by State of Residence (in Millions), 1991–2009



The average rate of growth of total health care spending in New York between 1991 and 2009 is relatively low among states at 5.9%, compared to the U.S. average of 6.5%.

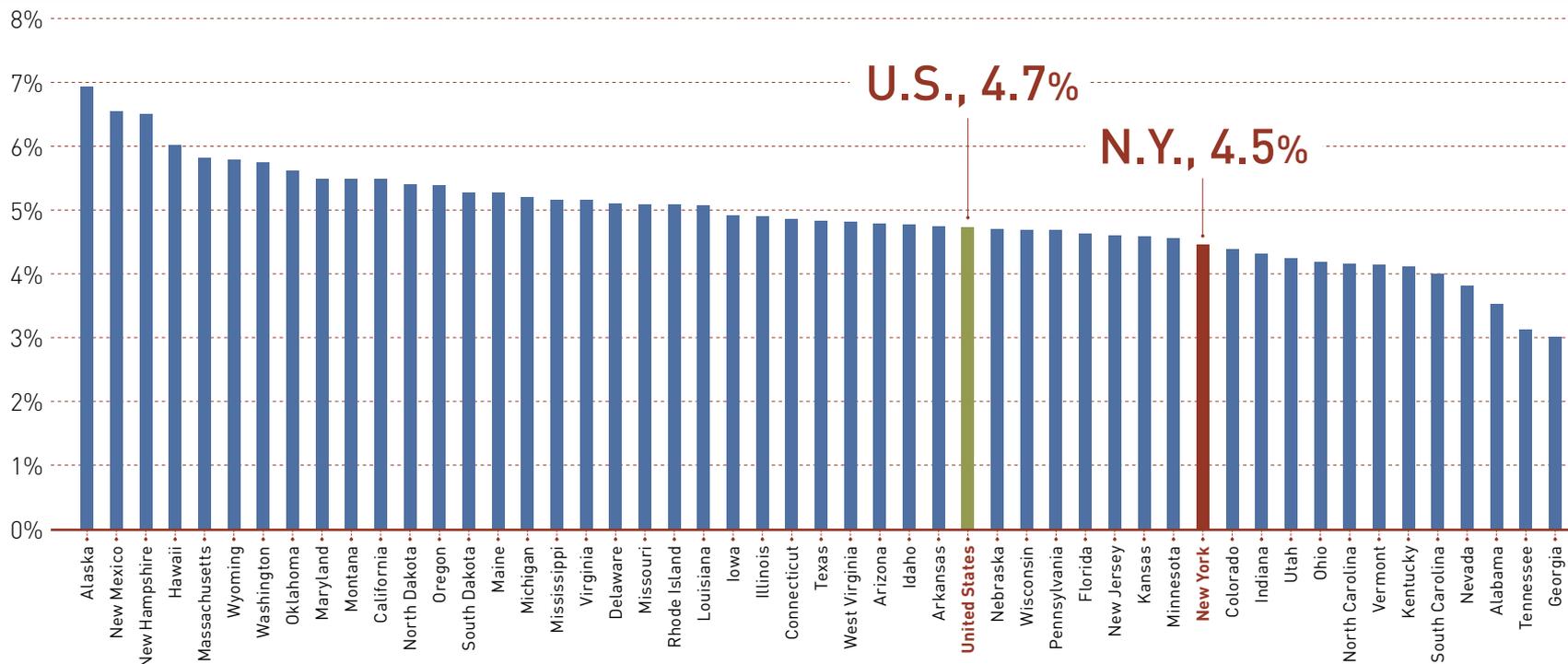
However, over nearly two decades, the spending gap has widened among a set of states, in particular California, New York, Texas, and Florida. The four highest-spending states are shown here; all others have spending below \$100 billion.

**SOURCE:** The Kaiser Family Foundation State Health Facts.

**NOTE:** Centers for Medicare & Medicaid Services, *Health Expenditures by State of Residence*, 2011.

# New York's Compounded Rate of Growth in per Capita Total Health Spending Has Been Modest in Recent Years

Compound Annual Growth Rate of Total Health Care Expenditures per Capita, 2004–2009

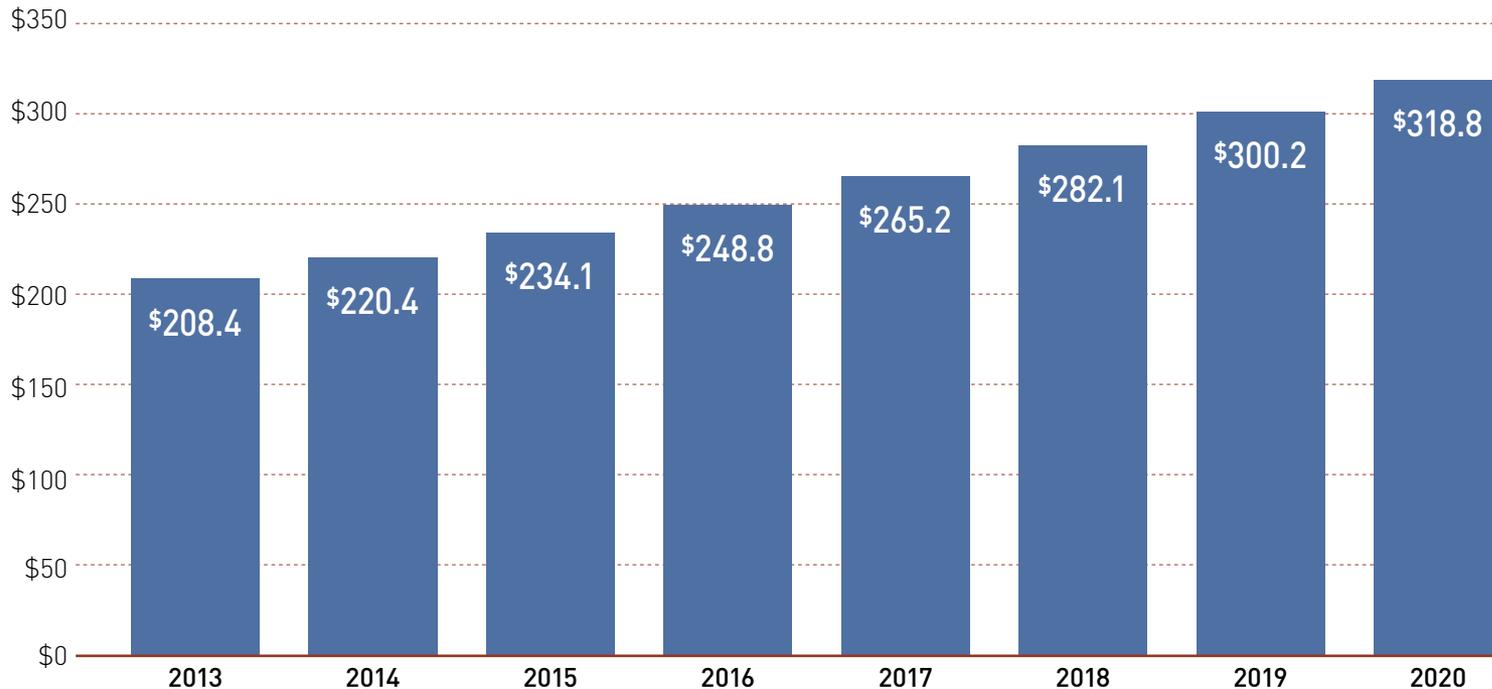


SOURCE: Centers for Medicare & Medicaid Services, *Health Expenditures by State of Residence*, 2011.

NOTE: Data are for 2009. The U.S. amount is the weighted average among the 50 states. District of Columbia is not included.

# New York Health Care Spending Growth Is Projected to Continue

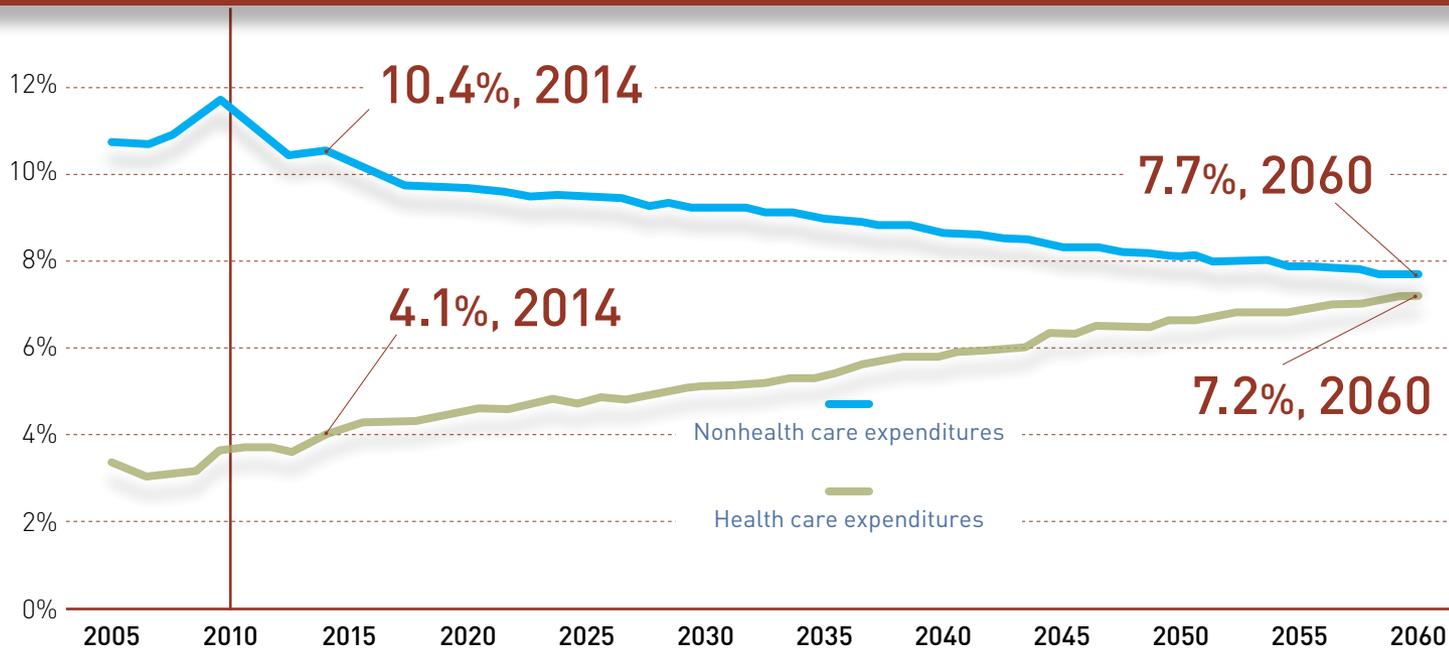
Projected New York Spending (in Billions), 2013–2020



SOURCE: The Lewin Group for the New York State Health Foundation, "Bending the Health Care Cost Curve in New York State: Options for Saving Money and Improving Care," July 2010.

# Nationally, Health Spending Absorbs a Growing Share of State and Local Government Spending

## Health and Nonhealth Expenditures of State and Local Governments as a Percentage of Gross Domestic Product (GDP)



Nationally, state and local spending on Medicaid and health benefits for state and local government employees and retirees is projected to grow faster than the GDP.

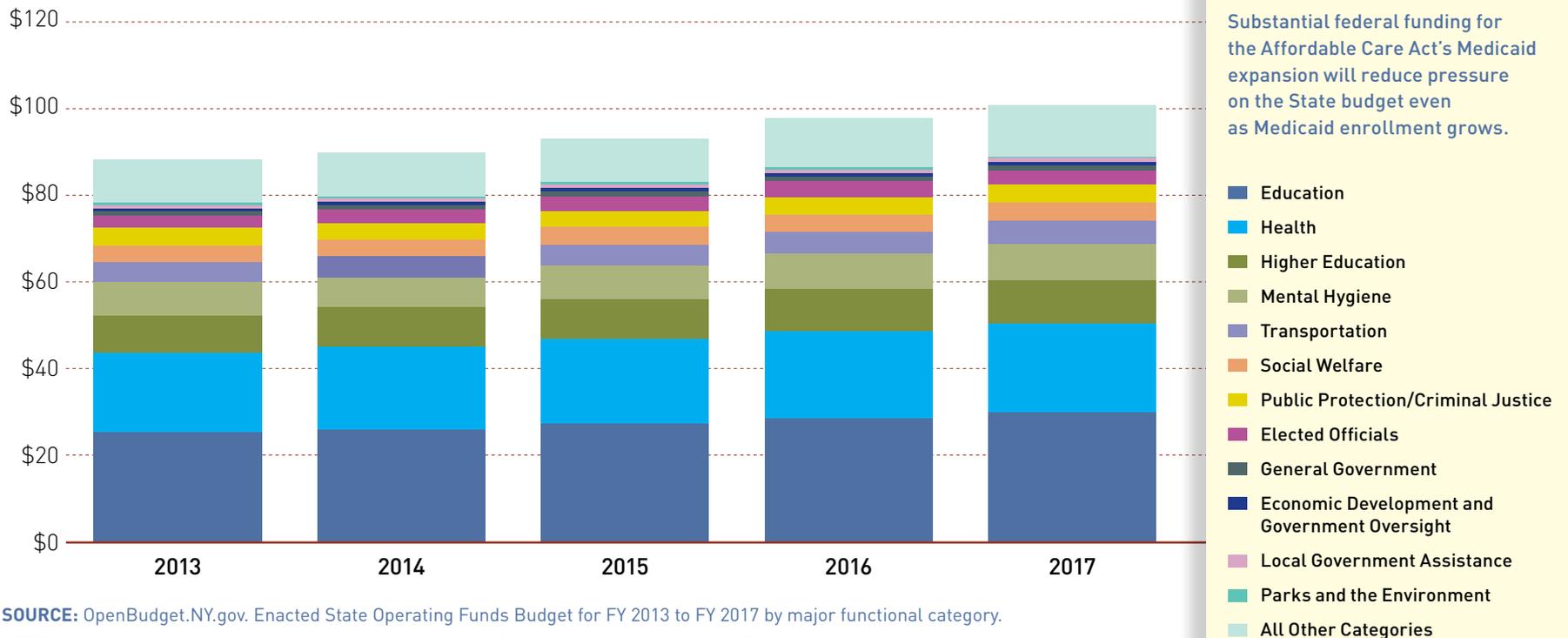
The U.S. Government Accountability Office (GAO) projects that nonhealth-related state and local government spending, such as on education, will decline as a percentage of the GDP.

**SOURCE:** U.S. Government Accountability Office, State and Local Governments' Fiscal Outlook, April 2012 update.

**NOTE:** Historical data are from the U.S. Bureau of Economic Analysis's National Income and Product Accounts. Data in 2011 are GAO estimates aligned with published data where available. GAO simulations are from 2012 to 2060, using many Congressional Budget Office projections and assumptions, particularly for the next 10 years.

# Health Spending Is Projected to Remain the Second-Largest Segment of New York State's Budget

## Spending by Function of State Operating Funds (in Millions)



**SOURCE:** OpenBudget.NY.gov. Enacted State Operating Funds Budget for FY 2013 to FY 2017 by major functional category.

**NOTE:** Disbursements include grants to local governments, State operations, and general State charges. Health spending summarized here includes not only Medicaid benefits and administration, but also public health spending, the Office for the Aging, and State funding for certain medical research. The mental hygiene category includes all mental and behavioral health, and developmental disabilities agency budgets.



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