

Health care spending grows, but Utahns still spend the least

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By Daphne Chen, Deseret News

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SALT LAKE CITY — Utahns spent less on health care than any other state last year, according to new federal data released this week.

The U.S. Bureau of Economic Analysis says Utah spent \$4,498 per capita on health care in 2014.

"This is multifaceted," said Natalie Gouchnor, the director of the Kem C. Gardner Policy Institute at the University of Utah.

She attributed the data to the state's young population, its high-quality integrated hospital systems and healthy personal habits such as avoidance of alcohol and tobacco.

Expenditures on health care per person last year averaged \$6,128 in the U.S., ranging from a high of \$9,303 in Alaska to a low of \$4,498 in Utah.

But peel that back, said some experts, and the story becomes more complicated.

"Oftentimes we in the state want to rush to elevate our position above the other states," said Norman Waitzman, the co-director of the Health, Society and Policy Program at the U.

He said the bureau's data doesn't adjust for the low cost of medical care in the region, for the type of treatment that patients are receiving or for age.

"The problem with public health is you can't really escape it unless you live in a hermetically sealed bottle," Stevenson said, mentioning infectious disease concerns such as measles and whooping cough. "If we keep maintaining a certain population that doesn't have access to this very efficient, high-quality health care, there's still going to be a lot of spillover effects."

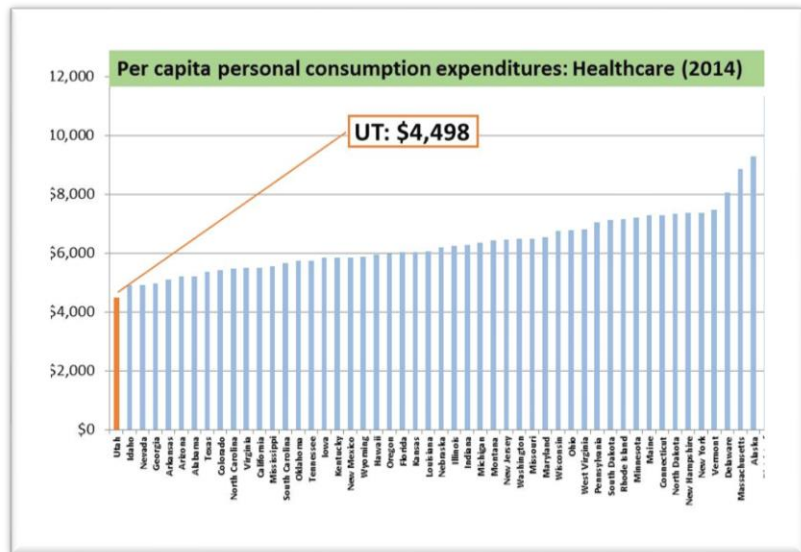
Jason Stevenson
UHPP

Health care expenditures increase as people get older. Utah, which boasts a median age of 29.2, remains the most youthful state in the nation.

When you control for those factors, Waitzman said, inpatient costs in Utah "are not too far from the national average."

"Utah is not a standout," he said.

Jason Stevenson of the Utah Health Policy Project said Utah's historically low health care expenditures can be attributed to its homegrown advantages — a young, healthy population, highly efficient hospital systems and a concentration of the population in one geographic area.



But he warned against "resting on our laurels."

"The thing that's buried in there ... is that this system works great for people who have access to health care," Stevenson said. "But if you start looking at other factors, like the fact we have a huge percentage of uninsured — now higher than the national average — that's a challenge."

Utah's uninsured rate last year was about [12 percent](#). Nationally, the uninsured rate is about 10 percent.

Compared to the national average, a higher share of children in Utah — about [9.4 percent](#), or 85,000 kids — are also uninsured.

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The Bureau of Economic Analysis figures come amid a new report from the Centers for Medicare and Medicaid Wednesday showing that health care spending accelerated again last year after reaching historic lows.

Spending increased 5.3 percent in 2014, according to the report. Economists with the Centers for Medicare and Medicaid Services attributed the growth to more people enrolling in insurance plans and costly specialty drugs like the \$1,000-per-pill hepatitis C drug Sovaldi.

The jump is likely to add fuel to critics of the Affordable Care Act.

The Bureau of Economic Analysis also reported health care expenditures in the U.S. jumped from 2013 to 2014. It was fastest in Delaware, the District of Columbia and Hawaii. Missouri, Kentucky and Mississippi saw the slowest growth.

Utah saw high growth as well, with health care expenditures growing 3.6 percent between 2013 and 2014.

Waitzman cautioned that it's not known what's driving growth in health care spending in Utah. It could be a sign the economy is improving and people are able to devote more money to needed medical care. Or, he said, it could be the actual cost of medical services is increasing.

"You have to have this level of precision," Waitzman said.

The bureau's report also shows that total U.S. household spending grew by 4.2 percent last year, more than 3.1 percent the year before. Growth was largely driven by housing, utilities and health care spending.

North Dakota, Colorado and Texas were the fastest-growing states. West Virginia, Missouri and Kentucky were the slowest growing states, although they still showed a jump compared to the previous year.

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