



Hospital Cost Drivers in California

March 15, 2011
California State Legislature
Joint Information Hearing

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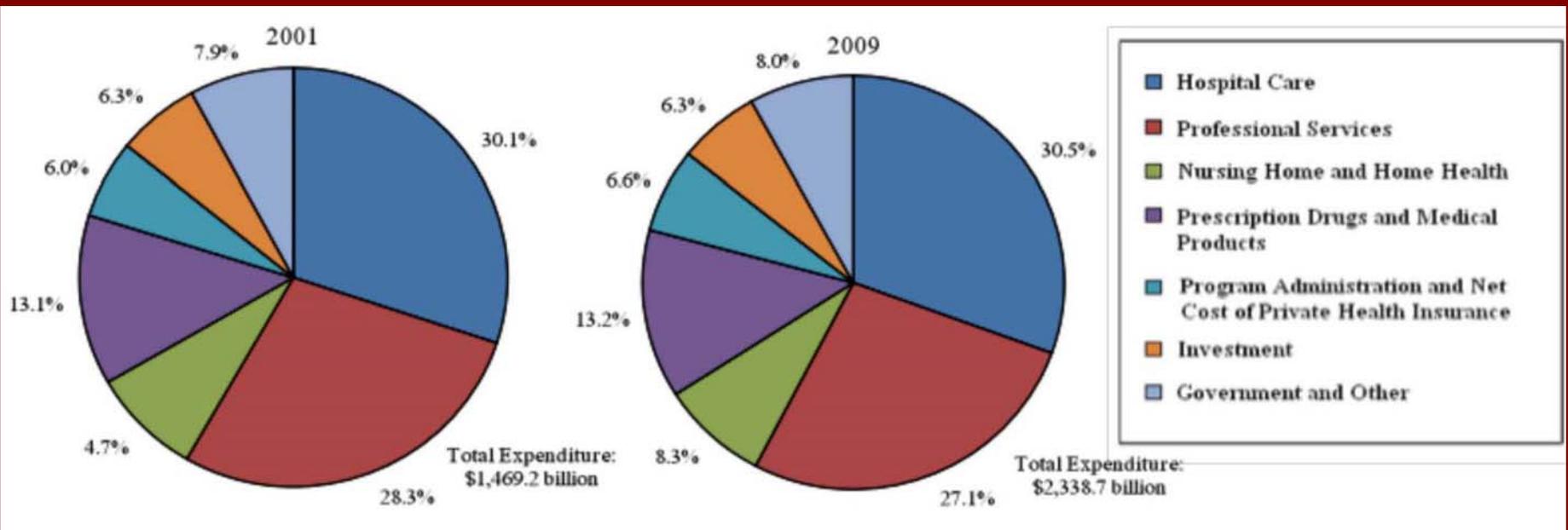
Hospital Cost Drivers

- Prices directly related to the costs of providing services to patients and communities
- Prices reflect:
 - Wages
 - Capital Investment
 - Level and specialization of care
 - Increasing uncompensated care



Hospital Costs

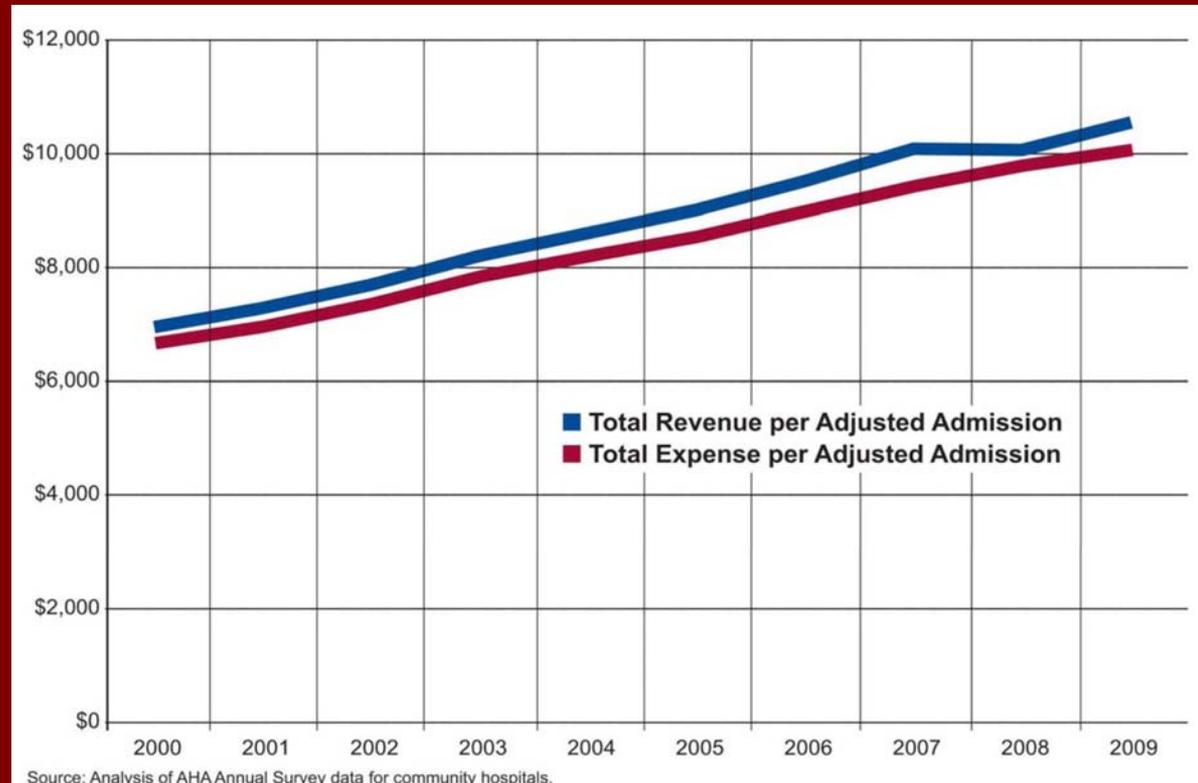
Hospital costs have accounted for a steady proportion of national/state healthcare expenditures





Hospital Costs

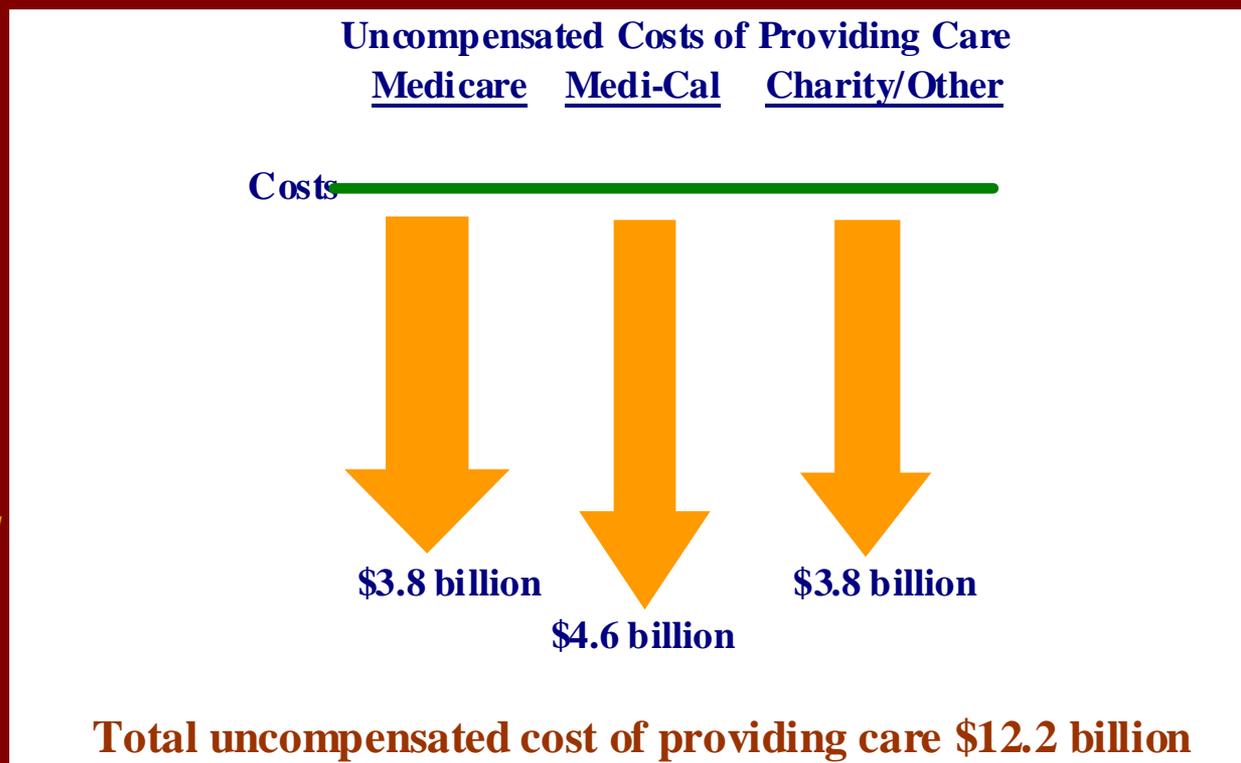
Hospital costs are directly related to the cost of providing health care to patients





Hospital Costs

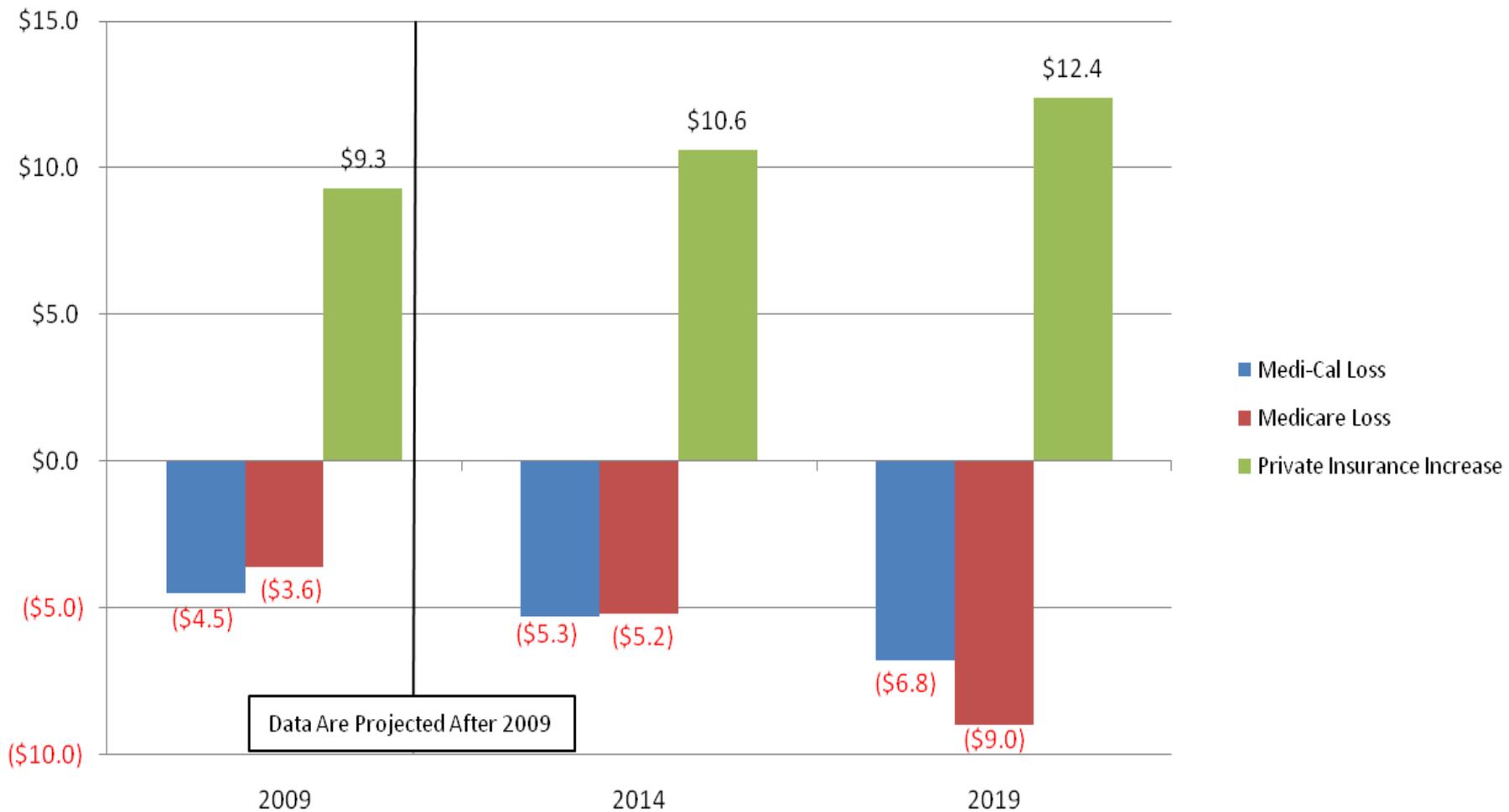
Medicare and Medi-Cal account for over \$8 billion of the \$12.2 billion in uncompensated care costs for hospitals





Hospital Costs

Impact of Medicare and Medicaid Shortfalls on Hospitals, 2009-2019





Hospital Costs

- California has led the nation in cost-effectiveness
- History of payment and care delivery innovation
- Lower per capital health care costs
- Health care reform will move more patients to Medicare and Medi-Cal
- Costs are driven by cost inputs



Hospital Costs

Thank you - Questions?