



# Hospital Cost Drivers in California

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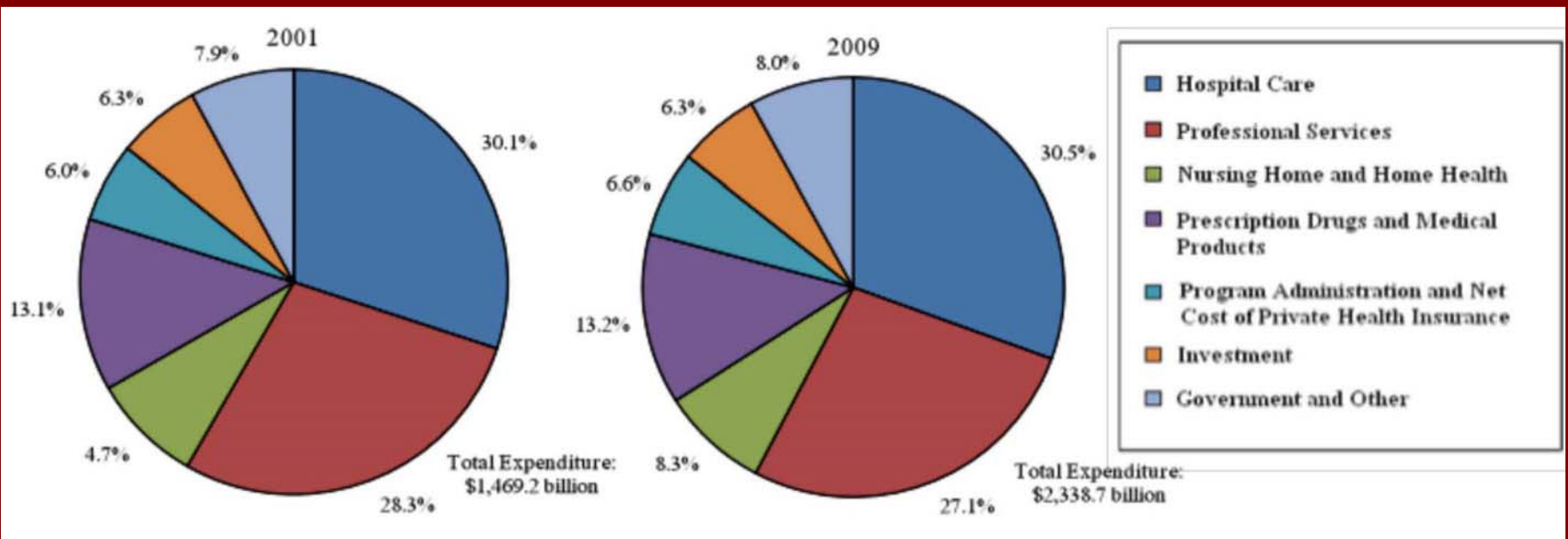
# Hospital Cost Drivers

- 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

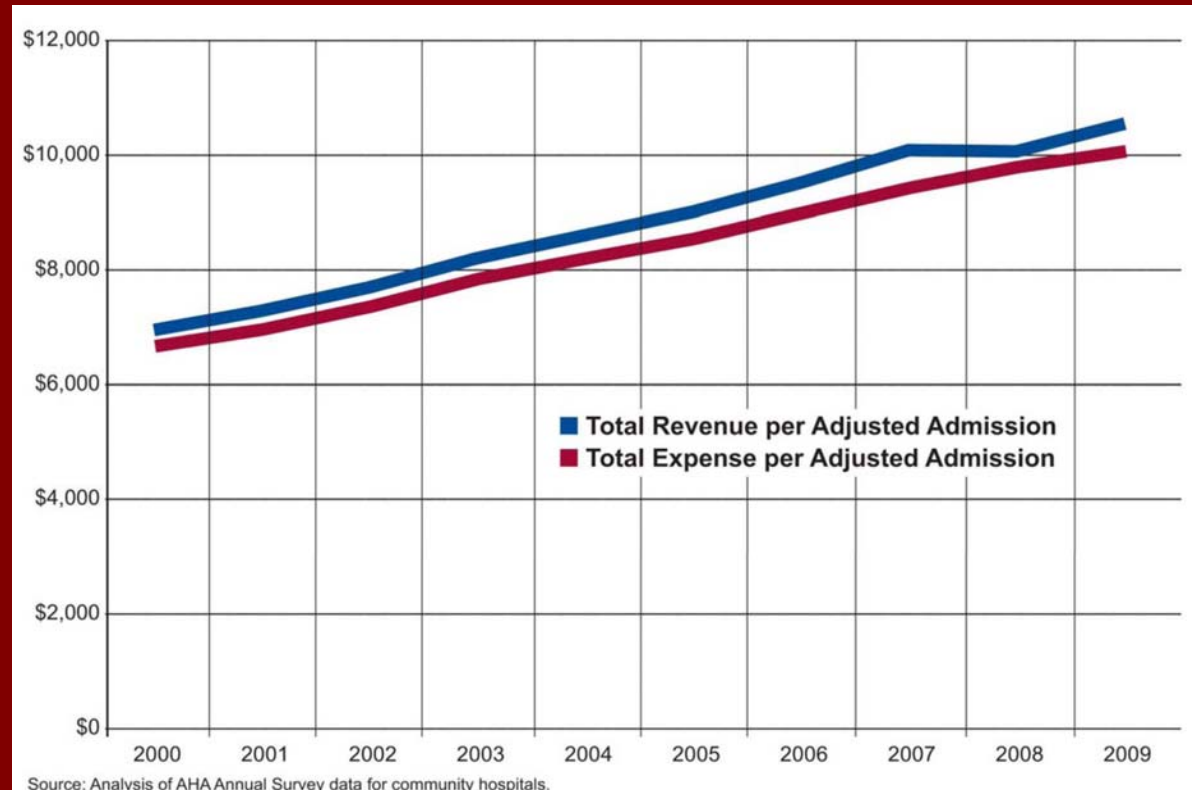
*Hospital costs have accounted for a steady proportion of national/state healthcare expenditures*





# Hospital Costs

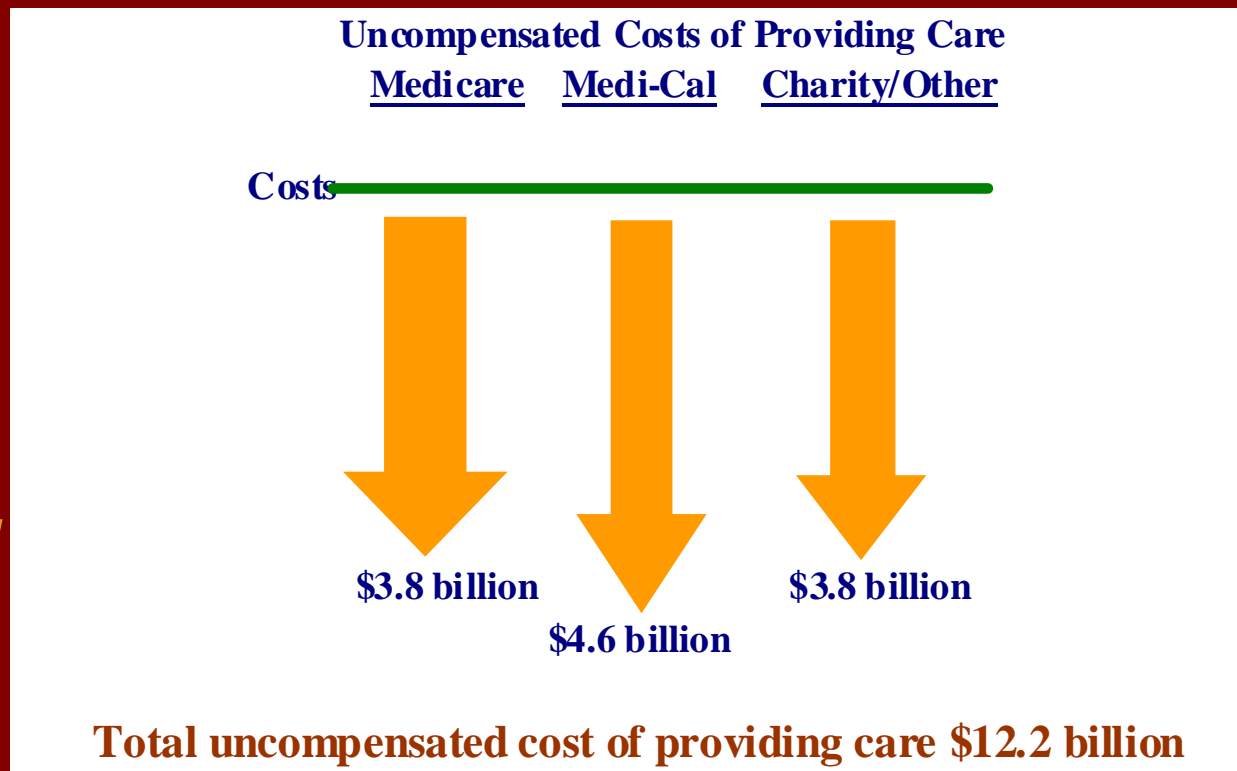
*Hospital costs are directly related to the cost of providing health care to patients*





# Hospital Costs

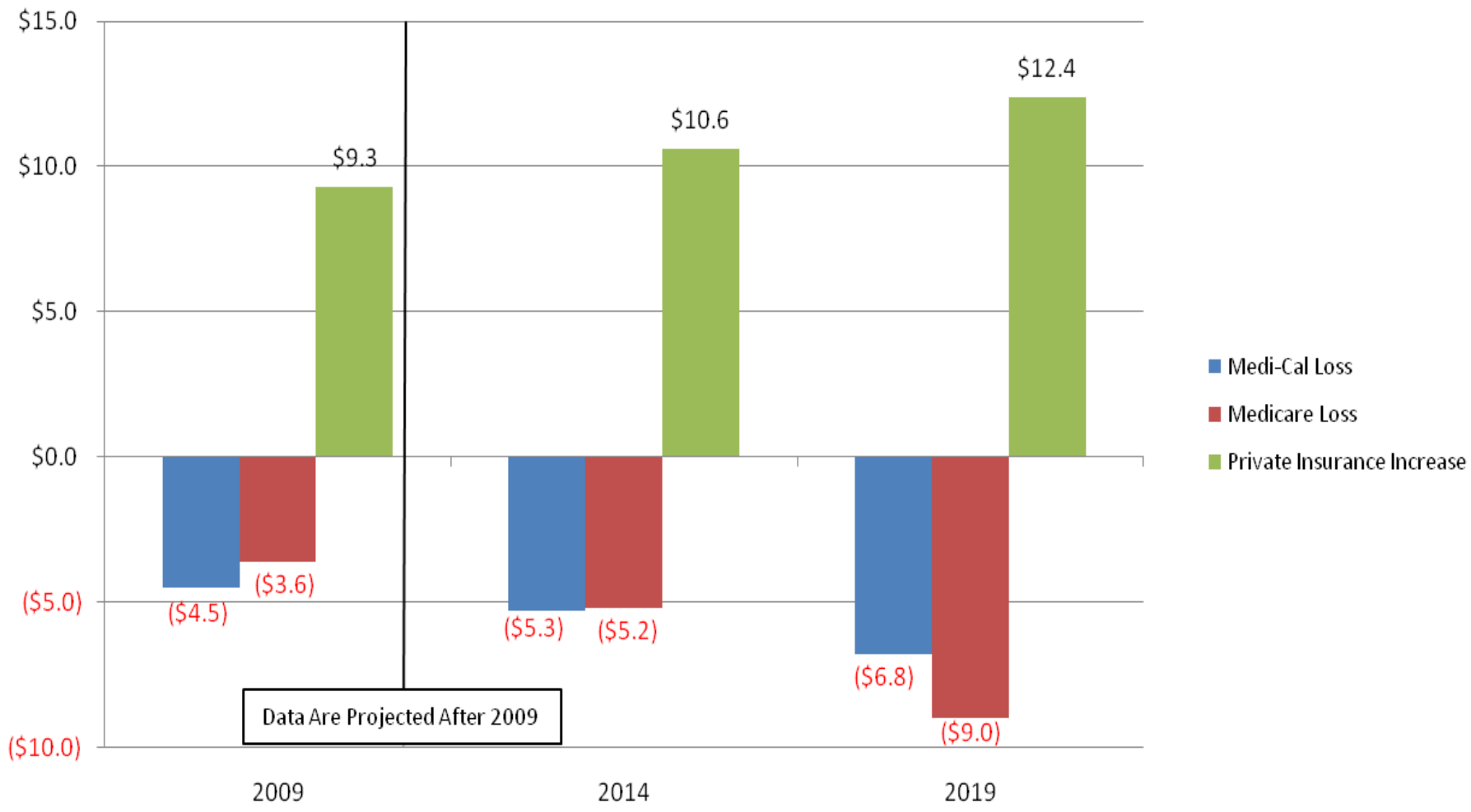
**Medicare and Medi-Cal account for over \$8 billion of the \$12.2 billion in uncompensated care costs for hospitals**





# 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?*