

# Rising Health Cost Projections

## **CMS: National Health Expenditure Projections 2022-2031, 9/6/23: Major Findings for National Health Expenditure Projections: 2022-2031**

- Over 2022-31 average National Health Expenditures (NHE) growth (5.4 percent) is projected to outpace that of average GDP growth (4.6 percent) resulting in an increase in the health spending share of Gross Domestic Product (GDP) from 18.3 percent in 2021 to 19.6 percent in 2031.

## **Peterson-KFF Health System Tracker, 7/26/23**

Since 2000, the price of medical care, including services provided as well as insurance, drugs, and medical equipment, has increased by 114.3%. In contrast, prices for all consumer goods and services rose by 80.8% in the same period...

Generally, prices paid by private insurance are higher and rise more quickly than prices paid by public payers. Prices for private insurers are the result of negotiations between health systems and the insurance companies, while public payer prices are set administratively. The private insurance health services PPI has risen by 24.9% since June of 2014, compared to 13.8% for Medicare and 17.2% for Medicaid in the same period. The overall health services PPI increased by 20.9% since June 2014.

## **Health-Insurance Costs Are Taking Biggest Jumps in Years -Anna Wilde Mathews, The Wall Street Journal, 9/7/23**

Employers and workers are expected to see an increase of about 6.5% or higher in health-plan costs next year.

## **State Strategies for Slowing Health Care Cost Growth in the Commercial Market - Commonwealth Fund Issue Brief, February 24, 2022**

State policymakers also have become more focused on the issue of rising costs in the commercial market. In less than 20 years, from 2000 to 2019, [premiums for employer-sponsored health insurance have more than tripled](#), far outpacing inflation; in 37 states, [premium contributions and deductibles now consume 10 percent or more](#) of the median income. High health care cost growth directly affects business profitability and worker wages, too. Meanwhile, rising health care costs for state employees, dependents, and retirees squeeze out other state budget priorities, such as education and social services.

## **High U.S. Health Care Spending: Where Is It All Going? - Commonwealth Fund, Issue Brief, October 14, 2023**

**Administrative Costs: About 30 Percent** We estimate that higher administrative costs associated with health insurance — for example, those related to eligibility, coding, submission, and rework — represent approximately 15 percent of excess U.S. health spending. Higher administrative burden on providers — for example, general administration, human resources, and quality reporting and accreditation — represents an additional 15 percent of the excess. This makes administrative complexity the single biggest component of excess U.S. spending estimated in this study.

## **Selected Quotes from New Mexico Health Professionals**

**Selections from letter sent to NM House and Senate Leadership and Chairs of House and Senate finance committees, 1/28/22, signed by 60 New Mexico physicians from around the state, requesting continuation of research to address the following issues:**

The current health care system has failed us as providers. It creates inefficiency and bureaucratic chaos, leading to an untenable administrative burden for our practices, and daily hurdles and challenges to our decisions on behalf of our patients. **The administrative costs of our complicated coding and billing are untenable for many small practices, and physicians spend hours of their day on extensive documentation for purposes of reimbursement, justifying orders for routine services and equipment, and insurance-related activities like obtaining preauthorization for tests and treatments...**

There are many complicated issues to consider, including benefits covered, integration with federal programs, bulk purchasing of drugs, payment models for providers and health care facilities, and the needs and concerns of multiple stakeholders. These must be solved in a way that does not add costly administrative layers, but simplifies our system for patients and providers.

**Sara Pikaart, RN, Gallup, NM, Public Comment - LHHSC - Farmington, NM, July 11, 2023**

I decided to become an obstetric nurse 20 years ago because I was so moved by the kind and competent care I received as a young pregnant woman... When COVID hit three years ago, my department was already undergoing some instability. A new outside management company took over management of RMCHCS. I went with my colleagues to this new leadership and we asked for concrete measures to reinvigorate recruitment, to improve retention, and to make it possible for us to continue to work.

Rather than listening to our concerns, we received a brusque, dismissive email: "I am well aware of the circumstances you describe. If you could convince your coworkers to get back to work, all of these problems would be solved." Not a single suggestion we made to make things better was considered, or adopted.

Understanding that with this administration there would be no room for dialogue, I, along with several long-time nurses, tendered our resignations. The executive leadership emailed us and demanded that we rescind our resignations by 3 pm the next day. As no additional dialogue or outreach had occurred, we declined.

**Kathy Mezoff, MD, Gallup, NM, Public Comment - LHHSC - Farmington, NM, July 10,, 2023**

Clinicians have experienced the "burnout" of exhaustion and cynicism prior to the pandemic. However, a deeper systemic issue is now becoming evident, as health professionals retire early in large numbers. Statistics show that physicians are even committing suicide at alarming rates. Moreover, the term "burnout" implies an element of self-blame, in that we are partly to blame for not having the courage and stamina to deal with the stresses of medicine.

However, **the stark reality is that our broken medical system does not allow clinicians to practice as we were trained, to be responsible for the best care of our patients. We are dealing with MORAL INJURY. We do not have enough time to deeply connect with our patients, keep relevant medical records, and deal with different requirements of numerous insurance plans. In fact, we feel betrayed by a system which interferes with our professional integrity. Corporate interests are now undermining our ability to deliver the care that our patients expect and deserve.**