

Are Health Care Costs in Alaska spiraling out of control?

An overview

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Outline

- 1 General Overview
 - What do we know?
 - Is our spending growing fast?

- 2 Where is the money actually being spent?
 - Health Expenditures

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Some Basics

- In spite of attempts to bend the cost curve, health expenditures have grown inexorably. This health "crisis" affects governments, employers, workers and the uninsured.
- Much of the debate centers on what single factor is driving this issue.
The reality is however slightly more complicated in that Administrative Overhead, Technology, Cost of Dying, Underfunding of Public Health, Physician Incomes, Prescription Drugs are all thought to contribute to the cost and its rate of growth.

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How big of a problem is this ?

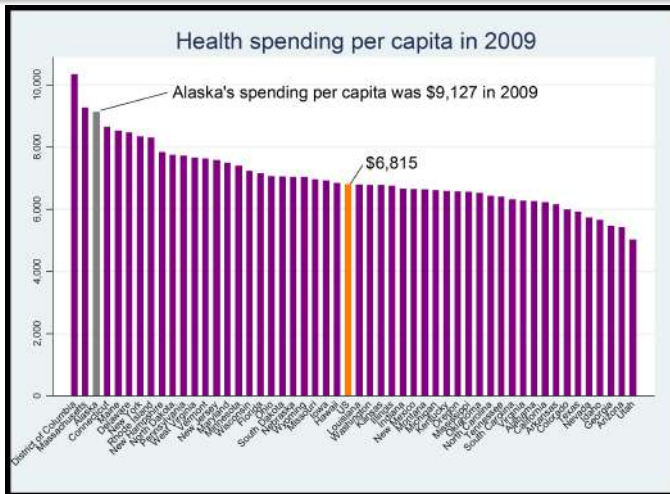
Why do we care?

Health care costs take up a significant portion of Gross Domestic Product.

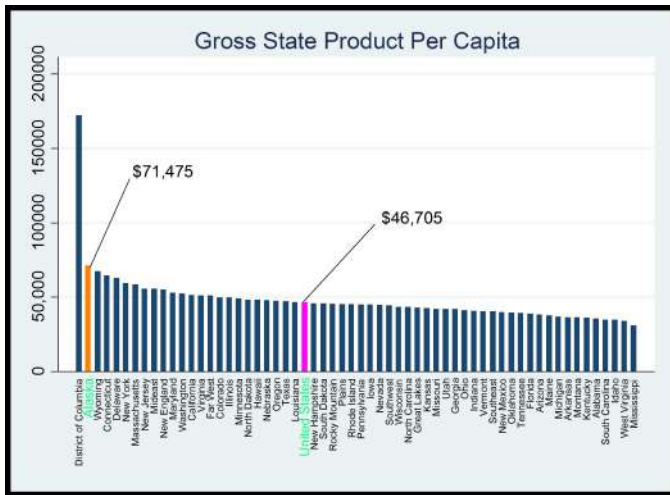
As of 2010, 18 percent of the U.S economy was devoted to health care.

More importantly, Health care spending is consuming an increasing share of economic activity over time and has exceeded economic growth in every recent decade.

Let's talk Alaska (How much are we actually spending?)



Could wealth explain the spending differences?

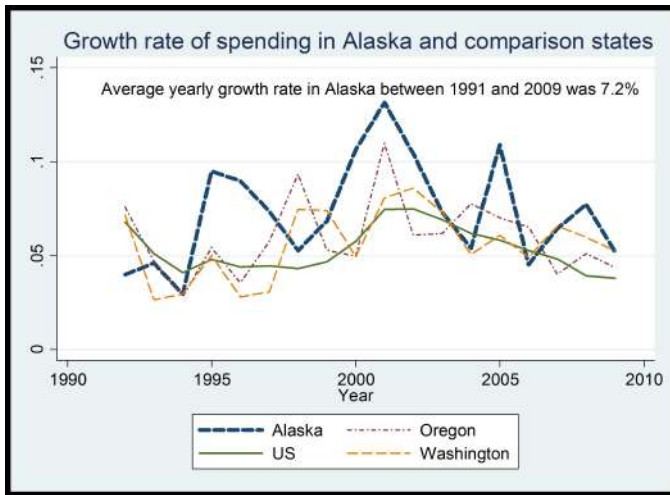


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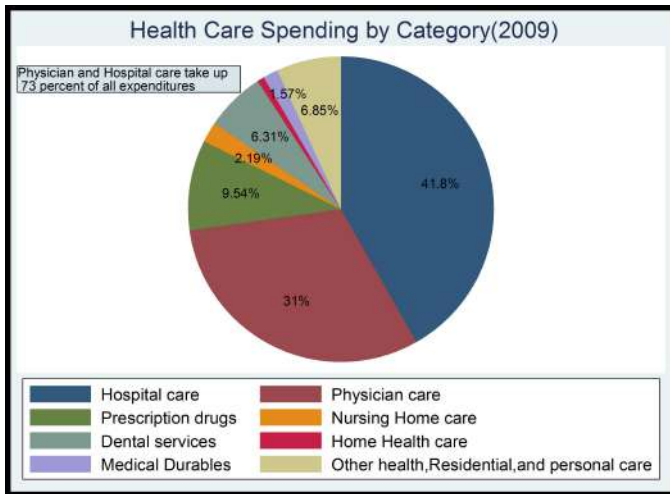
Yes?



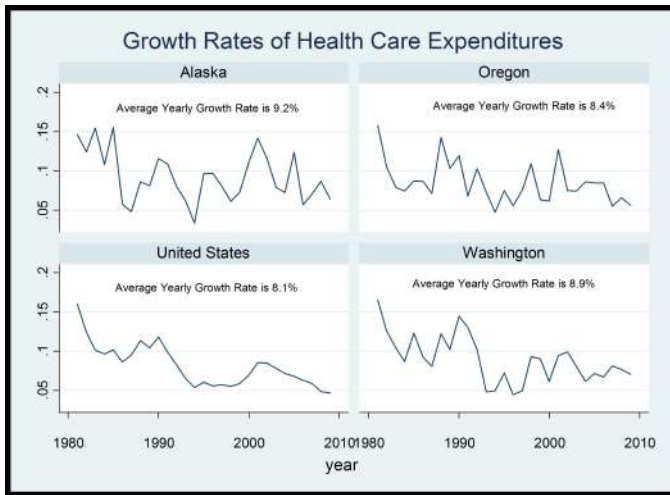
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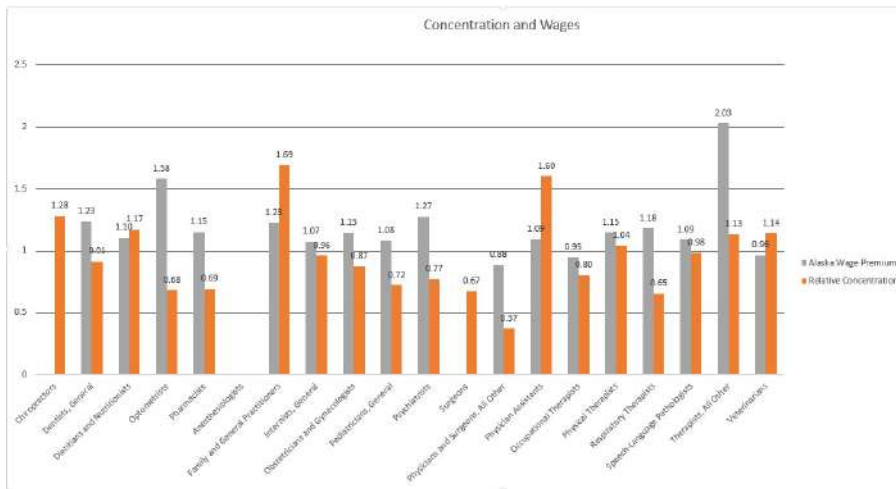
Categories of Health spending



Growth Rate of Total Health Care Spending

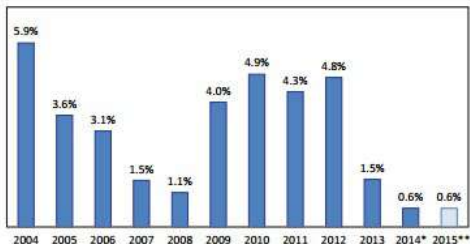


Occupational Wages and Concentration



Healthcare and the economy

- An aging state means continued spending in this sector.
 - In 2013, the industry provided 37,242 jobs and had payroll of 1.85 billion dollars.
 - Medicaid expansion coupled with the changing demographics and the dispersed population indicate expenditure growth.



Some rigidities to keep in mind

- **The spending conversation cannot be decoupled from the characteristics of the state's residents.**
 - **Medicaid** enrollment in 2010 was 127,853 at a cost of about 1.4 billion dollars.
 - **A small portion** of users are responsible for a large portion of the expenditures.
 - **The cost** of other commodities is also higher in Alaska .

Thank you

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