**Factfile**

**Medicare Spend per Beneficiary**

Medicare spend per beneficiary (MSPB) information is a Centers for Medicare & Medicaid Services metric that reflects the average cost of an episode of care for Medicare patients. This measure is important to consider as part of a hospital’s national balanced scorecard, as it reflects executives’ efforts to transform the healthcare delivery system and manage the full continuum of care, including the prominent shift from inpatient to outpatient utilization.

### MSPB and Expenses and Margin

Hospitals with lower MSPB have higher expenses and decreased margin.

![Graph showing MSPB and Expenses and Margin](image)

**Methodology Information**

Here is additional information on the methodology and meaning of the information in this report.

- Included is this analysis were 2,560 hospitals from the Truven Health Analytics 100 Top Hospitals study, representing nearly 5.3 million discharges for which MSPB data were available.
- An MSPB episode includes all Medicare Part A and Part B claims paid during the period from 3 days prior to a hospital admission through 30 days after discharge.
- In this analysis, higher percentile point performance indicates lower MSPB.
- References to MSPB alone refers to the spend amount itself, not the performance percentile.
- Performance measures are from the Truven Health 100 Top Hospitals studies and are used to fit measure-specific models for evaluation of the extent to which MSPB is or is not associated with various performance measures. Higher percentile is better, with regard to percentile point measures.
- The average MSPB across hospitals was $36,461, with a standard deviation of $5,528.
- Reviewing the results, higher percentile performance is equivalent to “better” or “more desirable” performance. Only significant findings are reported.

**Notes**

Data reflect Medicare spending on personal healthcare services and products (hospital care, physician services, nursing home care, prescription drugs, etc.) by state of residence. State of residence estimates account for the flow of individuals between states in order to consume healthcare services and present health spending based on where individuals reside rather than where they receive care.

**Sources**


**Upcoming Topic:**

Patient Safety
**FACT FILE**

**MSPB BY REGION**

There is significant variation by U.S. Census division and MSPB. A higher MSPB percentile means lower MSPB.

![MSPB by Region Graph]

**MSPB AND READMISSIONS**

MSPB is significantly associated with various hospital performance measures. Overall performance is associated with lower MSPB (or higher MSPB percentile). Hospitals with lower MSPB have better readmission rates.

![MSPB and Readmissions Graph]

**MSPB AND PATIENT SAFETY, PATIENT SATISFACTION, AND LENGTH OF STAY**

Hospitals with lower MSPB have better patient safety performance, higher patient satisfaction, and shorter length of stay.

![MSPB and Patient Safety, Satisfaction, and Length of Stay Graph]

**MSPB AND MORTALITY**

Mortality rates are higher at hospitals with lower MSPB.

![MSPB and Mortality Graph]