

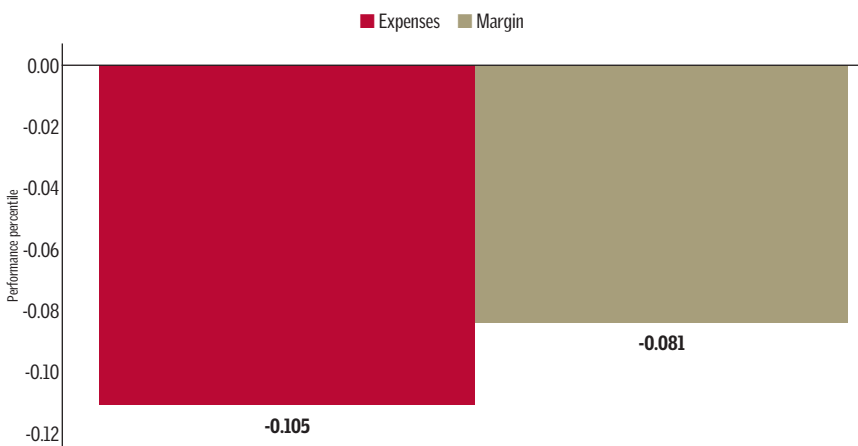
# FACTFILE

## 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 health-care 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.



SOURCE: Truven Health Analytics.

### Methodology Information

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

- Included in 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.

SOURCE: Truven Health Analytics.

**ABOUT THE DATA:** Truven Health Analytics has a database of short-term, acute care, nonfederal U.S. hospitals that treat a broad spectrum of patients with data from the Medicare Provider Analysis and Review (MEDPAR) patient claims dataset, the Centers for Medicare & Medicaid Services Hospital Compare performance dataset, and the Hospital Cost Report Information System (HCRIS) Medicare cost report file.

For more information email [info@truvenhealth.com](mailto:info@truvenhealth.com); call 1-800-525-9083, option 4; or visit [www.truvenhealth.com](http://www.truvenhealth.com)

### Medicare Spending Growth

From 1991 to 2009, Medicare spending grew by 8.0% in the United States. There was considerable variation from state to state, with 11.1% growth in Nevada and just 5.3% in the District of Columbia.

Location	Spending Growth, 1991–2009
1. Nevada	11.1%
2. Alaska	10.6%
3. South Carolina	10.4%
4. North Carolina	9.9%
4. Texas	9.9%
6. Idaho	9.8%
7. Utah	9.7%
8. New Hampshire	9.3%
9. New Mexico	9.2%
10. Arizona	9.0%
10. Vermont	9.0%
12. Colorado	8.9%
13. Maine	8.8%
14. Florida	8.6%
14. Georgia	8.6%
16. Delaware	8.5%
16. Mississippi	8.5%
16. Tennessee	8.5%
16. Virginia	8.5%
16. Wyoming	8.5%
21. Indiana	8.4%
22. Hawaii	8.3%
22. Kentucky	8.3%
22. Nebraska	8.3%
22. Oklahoma	8.3%
22. Oregon	8.3%
27. Minnesota	8.2%
27. Washington	8.2%
29. Wisconsin	8.1%
30. Maryland	8.0%
30. Michigan	8.0%
United States	8.0%
32. Alabama	7.9%
32. Montana	7.9%
32. New Jersey	7.9%
35. California	7.8%
35. South Dakota	7.8%
37. Missouri	7.7%
38. Arkansas	7.6%
38. Ohio	7.6%
38. West Virginia	7.6%
41. Louisiana	7.5%
42. Connecticut	7.4%
42. Illinois	7.4%
42. Kansas	7.4%
45. New York	7.3%
46. Iowa	7.2%
47. Rhode Island	7.1%
48. Massachusetts	7.0%
48. North Dakota	7.0%
50. Pennsylvania	5.8%
51. District of Columbia	5.3%

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: Kaiser State Health Facts, Average Annual Percent Growth in Medicare Spending, by State. <http://kff.org/medicare/state-indicator/avg-annual-growth-in-spending-21-09/>; Centers for Medicare & Medicaid Services (2011). Health Expenditures by State of Residence. Retrieved (December 2011); <http://www.cms.gov/NationalHealthExpendData/downloads/resident-state-estimates.zip>.

### Upcoming Topic:

> Patient Safety

### FACT FILE PARTNER:

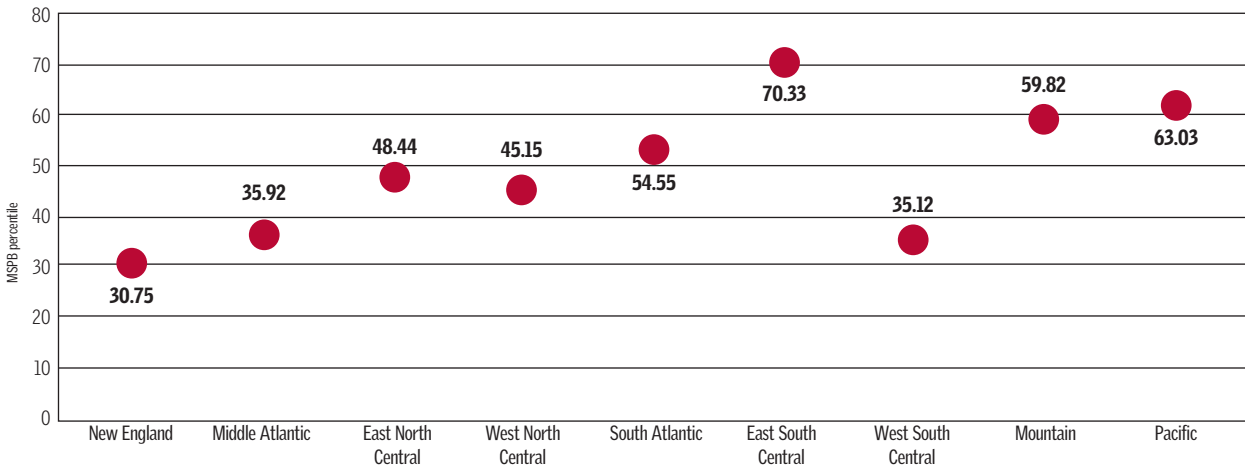


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### MSPB BY REGION

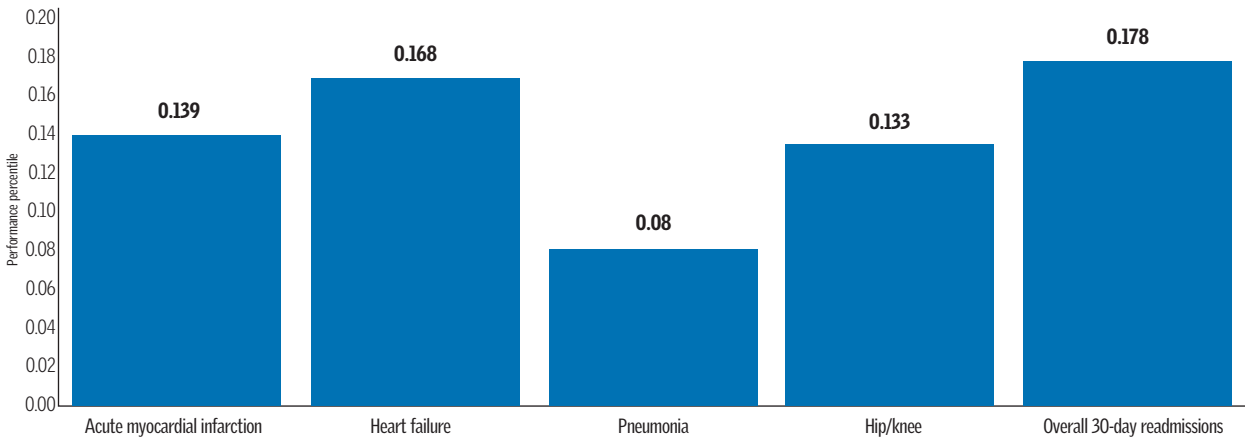
There is significant variation by U.S. Census division and MSPB. A higher MSPB percentile means lower MSPB.



SOURCE: Truven Health Analytics.

### MSPB AND READMISSIONS

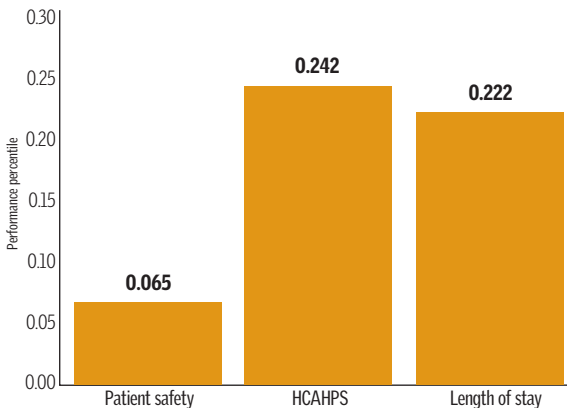
MSPB is significantly associated with various hospital performance measures. Overall performance is associated with lower MSPB (or higher MSPB percentile). Hospitals with lower MSPB have better readmission rates.



SOURCE: Truven Health Analytics.

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

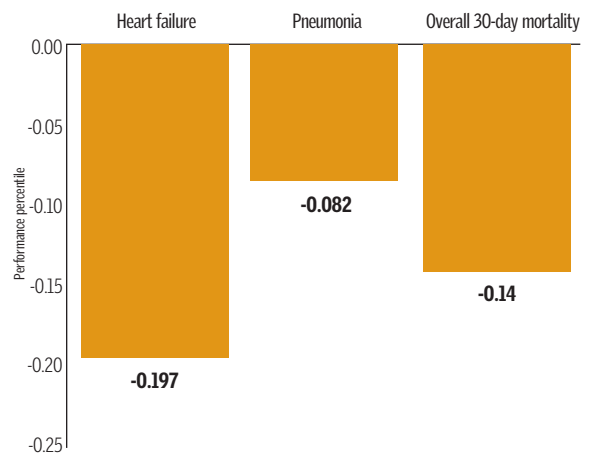
Hospitals with lower MSPB have better patient safety performance, higher patient satisfaction, and shorter length of stay.



SOURCE: Truven Health Analytics.

### MSPB AND MORTALITY

Mortality rates are higher at hospitals with lower MSPB.



SOURCE: Truven Health Analytics.

