SECTION

HEALTH CARE SPENDING GROWTH IN NEW YORK STATE

HEALTH CARE COSTS AND SPENDING IN NEW YORK STATE
Health Care Spending Growth in New York State

- Health care expenditures in New York totaled $163 billion in 2009, the second highest in the country.

- New York is ranked sixth highest in the nation for per capita health care expenditures as of 2009.

- New York health care expenditures have grown rapidly in recent years.

- Total health care spending in New York is projected to rise by more than $100 billion from 2013 to 2020, or about 53%.
New York Is Ranked Second Highest in the Nation for Total Health Care Expenditures

Health Care Expenditures by State of Residence (in Millions), 2009

New York is ranked second highest in the nation for total health care expenditures. The chart shows the distribution of health care expenditures by state, with New York having the highest expenditure at $230,090 million, followed by California with $162,845 million. Other notable states include Florida, Pennsylvania, Illinois, and Ohio. The chart also highlights states with lower expenditures, such as Wyoming and Alaska.


NOTE: Data are for 2009.
New York Is Ranked Sixth Highest in the Nation for per Capita Health Care Expenditures

Per Capita Personal Health Care Expenditures, 2009

$10,000
$8,000
$6,000
$4,000
$2,000
$0

N.Y., $8,341
U.S., $6,815

NOTE: Personal health care expenditures include all spending on a wide range of services to treat individuals with specific medical conditions, but exclude other types of health care-related spending, such as health care-related research, government public health activity, and government administration and the net cost of health insurance. District of Columbia is not included.
New York’s Total Health Expenditures as a Percent of Gross State Product (GSP) Are in Line with the National Average

**Total Health Expenditures as a Percent of GSP, 2009**

New York is ranked 29th in the nation

**N.Y., 15.1%**

**U.S., 15.1%**


**NOTE:** GSP is the state-level equivalent of gross domestic product (GDP), and is the sum of the GDP originating in all of the industries in a state. State-level GSP data are available from 1997 through 2012. The time period over which state health expenditures are reported on the CMS website is 1991 through 2009. The U.S. amount is the weighted average among the 50 states. District of Columbia is not included.
Even though New York’s health care share of GSP increased from 1997 to 2009, it did not increase as much as in other states. Therefore, its ranking was more favorable in 2009 (29th) than in 1997 (22nd).

Health Care Expenditures in New York
Nearly Tripled Over 18 Years


New York Has Been Among the Highest-Spending States in Total Health Care Expenditures Since 1991

The average rate of growth of total health care spending in New York between 1991 and 2009 is relatively low among states at 5.9%, compared to the U.S. average of 6.5%.

However, over nearly two decades, the spending gap has widened among a set of states, in particular California, New York, Texas, and Florida. The four highest-spending states are shown here; all others have spending below $100 billion.

SOURCE: The Kaiser Family Foundation State Health Facts.
New York’s Compounded Rate of Growth in per Capita Total Health Spending Has Been Modest in Recent Years

Compound Annual Growth Rate of Total Health Care Expenditures per Capita, 2004–2009

U.S., 4.7%
N.Y., 4.5%

NOTE: Data are for 2009. The U.S. amount is the weighted average among the 50 states. District of Columbia is not included.
New York Health Care Spending Growth Is Projected to Continue

Projected New York Spending (in Billions), 2013–2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Spending (in Billions)</th>
</tr>
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<tbody>
<tr>
<td>2013</td>
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<tr>
<td>2014</td>
<td>$220.4</td>
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<td>2015</td>
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<td>2020</td>
<td>$318.8</td>
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</tbody>
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**SOURCE:** The Lewin Group for the New York State Health Foundation, "Bending the Health Care Cost Curve in New York State: Options for Saving Money and Improving Care," July 2010.
Nationally, Health Spending Absorbs a Growing Share of State and Local Government Spending

**Health and Nonhealth Expenditures of State and Local Governments as a Percentage of Gross Domestic Product (GDP)**

- **Nonhealth care expenditures**
- **Health care expenditures**

**Sources and Notes**:


Note: Historical data are from the U.S. Bureau of Economic Analysis’s National Income and Product Accounts. Data in 2011 are GAO estimates aligned with published data where available. GAO simulations are from 2012 to 2060, using many Congressional Budget Office projections and assumptions, particularly for the next 10 years.
Health Spending Is Projected to Remain the Second-Largest Segment of New York State’s Budget

Substantial federal funding for the Affordable Care Act’s Medicaid expansion will reduce pressure on the State budget even as Medicaid enrollment grows.

Spending by Function of State Operating Funds (in Millions)


NOTE: Disbursements include grants to local governments, State operations, and general State charges. Health spending summarized here includes not only Medicaid benefits and administration, but also public health spending, the Office for the Aging, and State funding for certain medical research. The mental hygiene category includes all mental and behavioral health, and developmental disabilities agency budgets.