

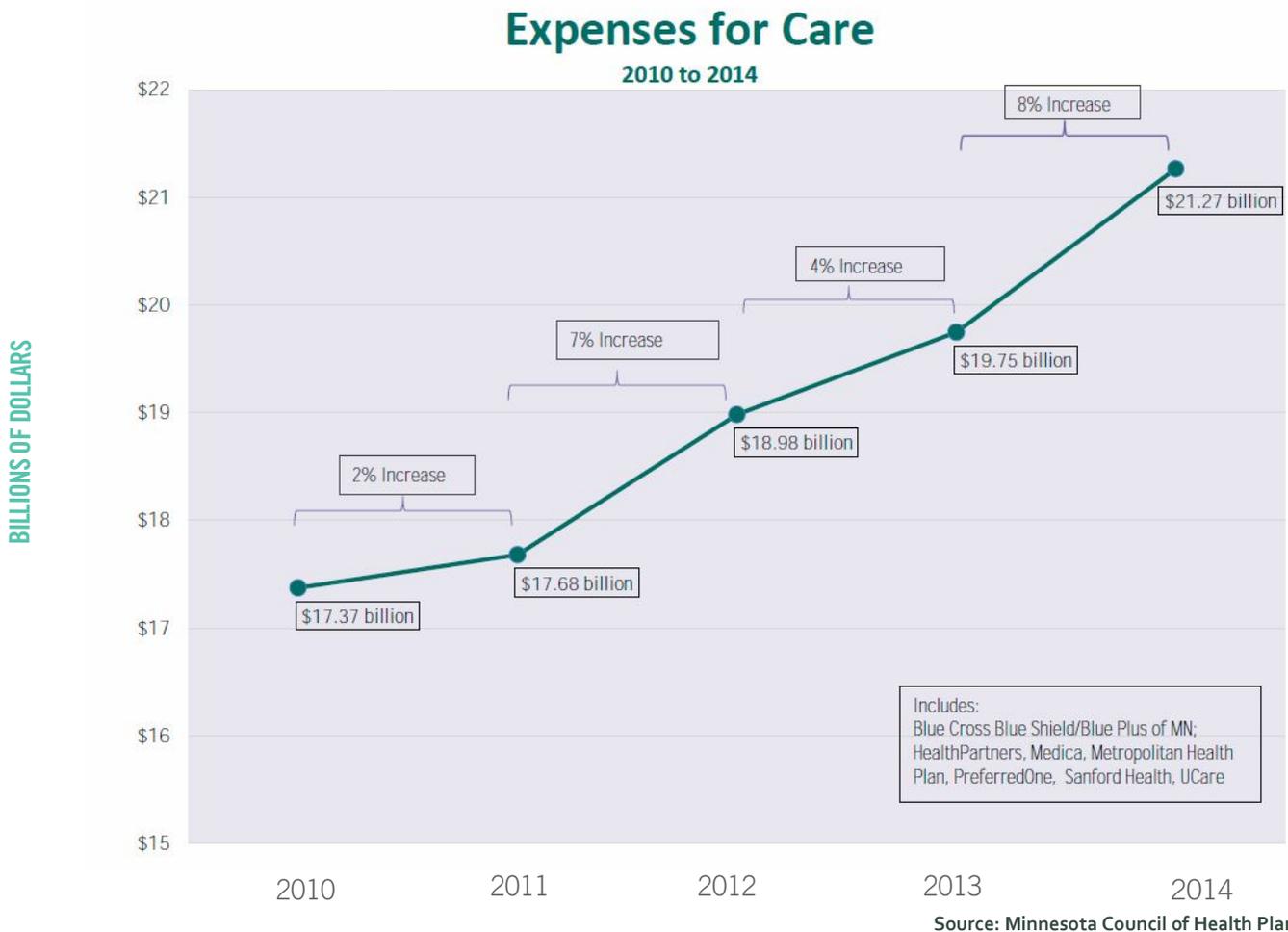
WHY ARE PREMIUMS GOING UP?

MINNESOTA COUNCIL OF HEALTH PLANS

\$674 EVERY SECOND.

That's how much the Council's seven member health insurers paid for our medical bills in 2014—\$58.3 million every single day of the year. Health insurance premiums directly correspond to the total cost of our medical expenses: 90 cents of every premium dollar goes straight to paying for the care we need. Simply put, health insurance premiums are so expensive because health care is so expensive.

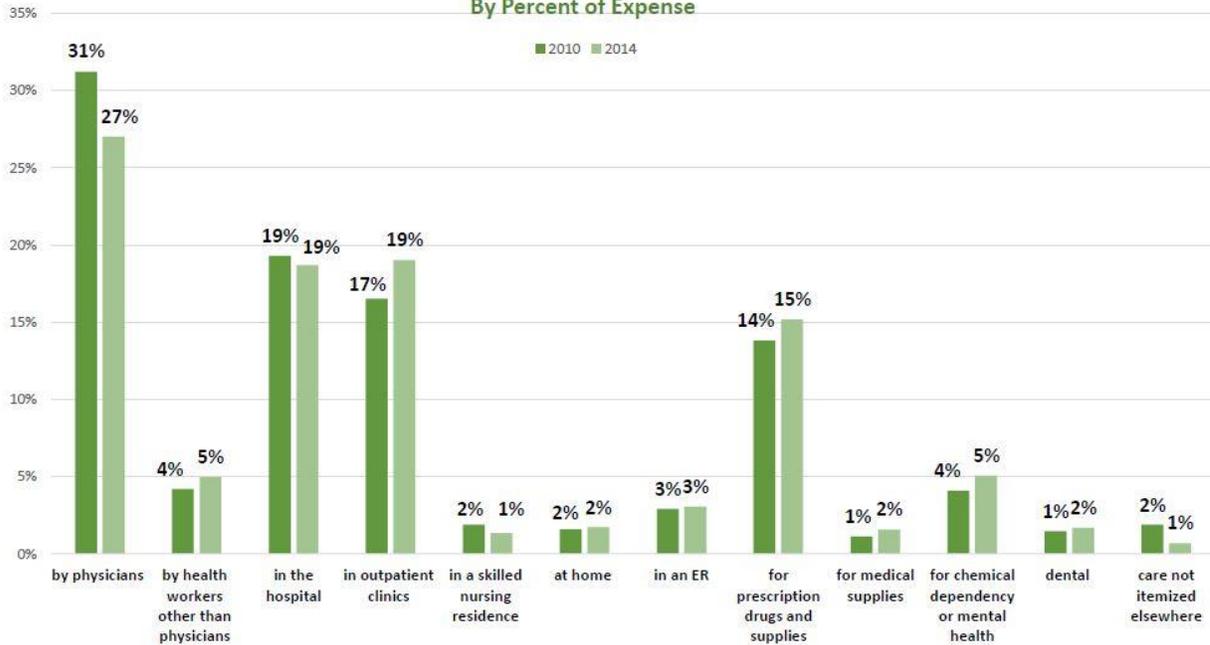
In all, expenses for our care in 2014 totaled \$21.3 billion. The amount we've spent on our medical bills increased more than 20 percent between 2010 and 2014. Our premiums are increasing because the medical care Minnesotans need keeps getting more expensive. To understand the problem, it helps to understand why our medical care costs so much.



WHERE DID THE MONEY GO?

As overall expenses for care continue to increase, Minnesotans are spending less of their health care dollar on care provided by physicians and in hospitals and more on care provided by other health professionals and in outpatient clinics. We're also spending more on prescription medication and supplies. (For more about what's happening with Minnesota's prescription drug expenses, read [Why Are Prescription Drugs So Expensive?](#))

Comparing Care 2010 vs 2014 By Percent of Expense



Source: Minnesota Council of Health Plans

THE EXPENSE OF CARE VARIES DRAMATICALLY

While the overall amount of our medical bills is steadily increasing, the expense for the same care can vary dramatically from place to place. Take outpatient clinics, for example—where Minnesotans are getting more and more of our medical care. According to [MN Community Measurement](#), overall care at the most expensive clinics can cost \$1,700 more per person each year than at the least expensive clinics. Depending on the clinic we visit, testing for strep throat can cost as little as \$19 or as much as \$86. An office visit can cost \$76—or \$157. The fact that medical attention can cost many times more at one clinic than another means there is likely room to lower costs.

WHAT'S NEXT

There seems to be almost no limit to what medicine can do and yet there is a limit on what people can afford—how do we balance the two? Minnesota continues to lead the nation in providing excellent medical care and working toward universal health insurance coverage. Still, some of us don't get the medical care we need because it is expensive. According to [Minnesota's Health Care Performance Scorecard: Putting the state's health care system in national perspective](#), care in Minnesota is simply more expensive than it is in 28 other states—and that expense is directly responsible for the health insurance premiums we pay. To keep our premiums from going up, we have to bring down the expense of our medical care. It's a difficult problem Minnesotans are working together to solve.

- **Health care professionals are reducing expenses.** For example, Minnesotans have saved more than \$110 million in medical bills, thanks to more than [100 organizations working together](#) to keep people who've been admitted to the hospital from having to go back.
- **Health insurance plans are making sure you get insurance.** By actively supporting the state's health insurance exchange, MNsure, health plans are giving Minnesotans options. Despite MNsure technology problems, health plans ensure Minnesotans get the health insurance they purchased.
- **Minnesotans are making informed decisions** about where we get the care we need. To help us decide where we go for our medical care, MN Community Measurement compares the quality and expense at clinics around the state at mnhealthscores.org.