

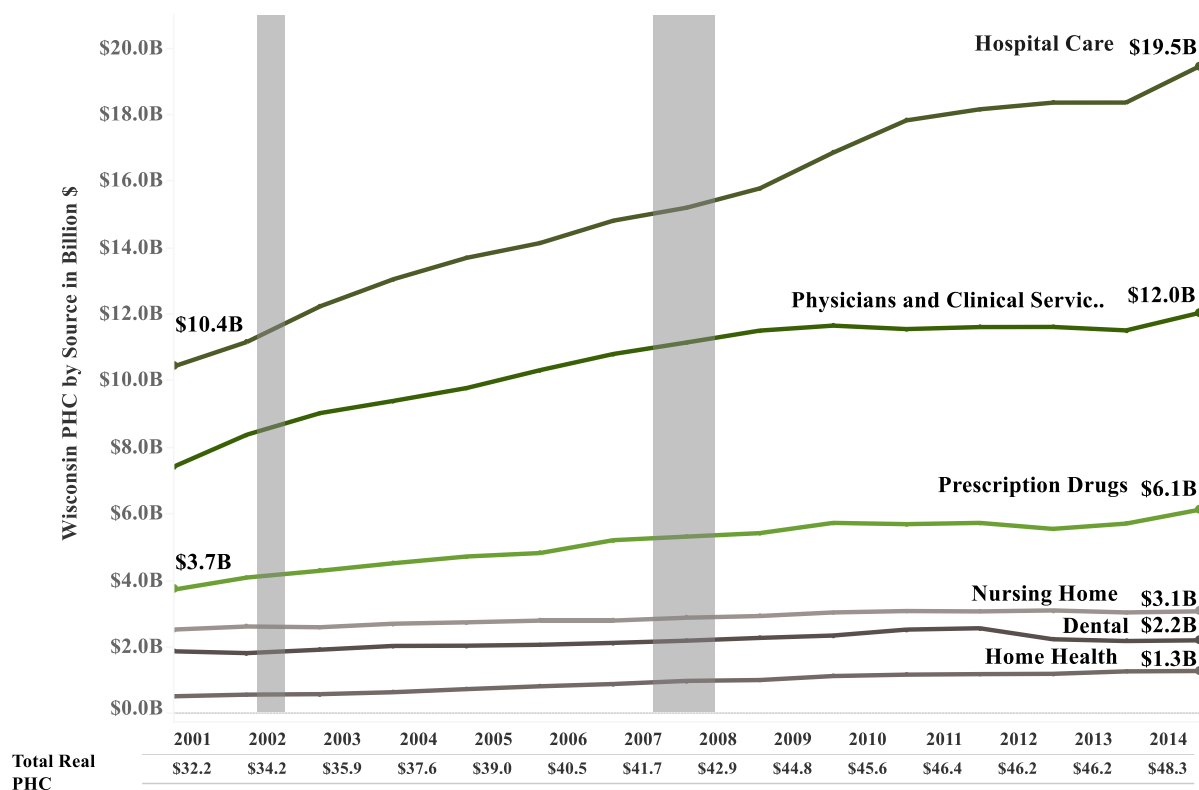
Wisconsin Personal Health Care Expenditures

We keep hearing in the news that health care costs are rising—that prescription drug prices, hospital prices, and out of pocket bills just keep going up. Rising health care costs affect how much we spend each month. It would be helpful to know which expenditures are going up in Wisconsin, and which expenditures aren't. Before we answer these questions, let's look at some definitions:

Real dollars: What the dollars were worth when we take inflation into account. This measure is usually tied to a “price index” — the worth of the dollars in a specific year, which makes it easier to compare health expenses across many years.

Gross Domestic Product (GDP) is the total value of goods and services provided in Wisconsin in one year. (The term GDP is usually used when talking about a country.)

1. **How much of GDP does Wisconsin spend on health care?** Wisconsin's total expenditures were 18.8% of GDP in 2014. This means that almost one fifth of the state's goods and services came from health care expenditures.
2. **Where are health care expenditures rising the most?** There are three areas that seem to be rising the most: hospital care, physicians and clinical services, and prescription drugs. For example, in the figure below, we see that hospital care in 2014 was \$19.5 billion, up from \$10.4 billion in 2001. This tells us that as a population, we are consuming more health care and it is expensive. We can also clearly see an increase in spending on prescriptions, from \$3.7 billion in 2001, to \$6.1 billion in 2014. However, expenditures in other areas, like nursing homes, dental and home health care, have remained fairly flat.



Source: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsStateHealthAccountsResidence>

