

Regional variation in Medicare Part A, Part B, and Part D spending and service use

ISSUE: There is substantial geographic variation in both per capita Medicare spending and per capita use of services. This regional variation has been an issue of interest among policymakers and health service researchers. There is little evidence that higher service use results in higher quality of care. Moreover, it is plausible that health care service use and spending could be substantially reduced without harming quality if service use patterns of high-use areas were reduced to the level of low-use areas.

KEY POINTS: Previously, the Commission used data from 2006 through 2008 to evaluate variation in spending and service use among Medicare beneficiaries. We updated our analysis using data from 2013 and 2014. In this session, we will review our findings from this new analysis.

ACTION: Commissioners should review and comment on this updated analysis.