



## **WHERE DO OUR HEALTH CARE DOLLARS GO**

*WASHINGTON, D.C.*— As health care costs take a bigger bite out of consumers' wallets year over year, Americans deserve more information about where their health care dollars go. That's why America's Health Insurance Plans (AHIP) tapped research firm Milliman to take a closer look at the dollars spent on health care premiums. Milliman and AHIP researchers examined 2014-2016 data gathered from commercial health plans – coverage that people get through their jobs, or buy on their own in the individual market. Here are some highlights from what we found about how those premium dollars are invested:

- The greatest percentage – 23.2 cents – goes to pay for prescription drugs. 22.2 cents goes to pay your doctors, while another 20.2 cents pays for all other costs at your doctors' offices and clinics.
- 16.1 cents pays for hospital stays.
- 4.7 cents goes to pay federal, state, and local taxes.
- 1.8 cents pays for customer engagement, including customer service operations, while another 1.6 cents pays for care management, including disease management and wellness programs.
- 1.6 cents pays for activities related to claims, including programs to battle fraud, waste and abuse.
- Only 2.3 cents of every health care dollar goes to health insurance provider profits.

“Americans value services that deliver real results – improving health and wellness, coordinating care with doctors and nurses, eliminating fraud and abuse. Plans use a meaningful part of premiums to make coverage more efficient and effective,” observed

Matt Eyles, incoming president and CEO of AHIP. “But as prescription drug prices and medical costs continue to rise, it forces premiums higher for hardworking American families. Health plans work hard to negotiate lower costs and premiums for their members. We need to come together to find new ways to provide people with the care they need at a price they can afford.

“We support a lot of the great work being undertaken by Congress, the Administration and the states to improve health care costs and benefits, including more support for services that help people stay healthy. And insurance providers have invested in many new approaches to improve their members’ health – as well as the prices they pay. We will continue to work hard toward the goal of affordable coverage and care, so that every American can have the peace of mind of knowing that a health care emergency won’t break the bank.”

## About AHIP

America’s Health Insurance Plans (AHIP) is the national trade association representing the health insurance community. AHIP’s members provide health and supplemental benefits to millions of Americans through employer-provided coverage, the individual insurance market, and public programs such as Medicare and Medicaid. AHIP advocates for solutions that expand access to affordable health care coverage to all Americans through a competitive marketplace that fosters choice, quality, and innovation.