Regional Variation in Medicare Expenditures for the SSDI Population

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Policy Abstract

In past studies of the age-eligible Medicare population (those over age 65), medical expenditures have been found to vary widely across geographic locations of the United States. Little is known, however, about regional variations in Medicare expenditures for those enrollees under age 65, most of whom are enrolled in Medicare through the Social Security Disability Insurance (SSDI) program. There are reasons to expect greater variation in spending by the under-65 population, as compared with the over-65 population; there are fewer “low variation” diseases such as hip fractures and heart attacks, and more “high variation” conditions such as mental illness and musculoskeletal disease. In this paper, we take a first look at regional variations in Medicare expenditures for the under-65 population. We find substantial variation across regions in age-sex adjusted expenditures, ranging from $3,923 per enrollee in Dubuque IA to $19,854 in Miami, or a nearly five-fold difference. Average per enrollee spending was $8,320. Miami was a considerable outlier in the data, and we compared in greater detail spending in Miami and San Francisco, as illustration of how spending can vary across regions. While Part A expenditures in Miami are high – roughly double expenditures in San Francisco – the largest differences between Miami and elsewhere arise from Part B expenditures, nearly four times those in San Francisco. In examining the clinical conditions that account for high Miami Part B expenditures, we observed an extraordinarily high prevalence of primary thrombocytopenia (low platelets in the blood) and associated use of immunoglobulin injection.