

Cross-State Variation in Health Care Utilization of the DI Population: Evidence from Medicare Claims

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Key Findings and Policy Implications

This paper examines cross-state variation in physician and hospital outpatient visits by SSDI beneficiaries. The data consist of 2012 Medicare Part B claims records for all beneficiaries under age 65. The paper finds that:

- Across the United States, the average number of office and outpatient visits per capita was about 24 in 2012, or 2 per month. There was substantial cross-state variation, however, with the average number of visits ranging from 14 in Hawaii to almost 39 in Vermont.
- The greatest cross-state variation was associated with mental health conditions, which averaged 2.4 visits per beneficiary nationally, but ranged from 1.0 in Arizona to 7.4 in Massachusetts. Visits for musculoskeletal impairments averaged 3.4 per capita, and ranged from 1.4 in Hawaii to 5.6 in Delaware.
- Factors such as the share of a state's population who are obese, the share of a state's Medicare population with Medicare Advantage plans, and drug prescribing rates help to explain a sizable portion of the variation in health care utilization across states.

A better understanding of differing health conditions and health care utilization across states, and the potential causes of cross-state variation, may be particularly useful in informing policies that facilitate early intervention and return-to-work strategies both nationally and tailored to state-specific needs.

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