



Strengthening New England's Rural Economies

New England Community Development Advisory Council's 2013 Regional Convening

Join the Federal Reserve Bank of Boston in Newport, Vermont

Monday, September 9, 2013

The Boston Fed, with its New England Community Development Advisory Council, is planning a regional economic convening in Vermont's Northeast Kingdom. Learn about the impact of the EB-5 visa program on New England's rural and urban development landscape.

Authorized by the Immigration Act of 1990, the EB-5 visa for immigrant investors provides a green card for foreign nationals who invest \$1 million in the United States (or \$500,000 in a "targeted employment area"), creating or preserving at least 10 jobs for U.S. workers.

More details on the event at www.bostonfed.org/commdev/necdac.

Mapping New England

Average Acute Inpatient Charges, by County

Kaili Mauricio

FEDERAL RESERVE BANK OF BOSTON

In 2013, a study was published that looked at medical spending by older adults in the last five years of their lives. It found that "25% of subjects' expenditures exceeded baseline total household assets."¹ It reinforced the cost conclusions of a 2009 study by David Himmelstein and colleagues showing that "62.1% of all bankruptcies in 2007 were medical; 92% of these medical debtors had medical debts over \$5,000, or 10% of pretax family income."² Himmelstein's study also noted that "most medical debtors were well educated, owned homes, and had middle-class occupations."

It is possible to get a picture of how costs billed to the general population diverge by looking at what different hospitals charge Medicare.

The map displays the cost differences among hospitals involved in the Medicare Inpatient Prospective Payment System and offers useful insights into the relative costs around New England.

The dataset covers about 60% of all Medicare-covered inpatient visits by recording the charges for the 100 most common acute inpatient services. The map shows each county's weighted difference in charges relative to the regional average. The weighted average cost per inpatient visit in New England is \$24,099, about \$11,000 less than the national average. (Eighteen counties lacked a medical center that reported to Medicare.) New Haven County had inpatient procedures costing on average \$10,947 more than the rest of the region. Barnstable County in Massachusetts had the most affordable procedures, which cost an average of \$9,172 less than the regional benchmark.

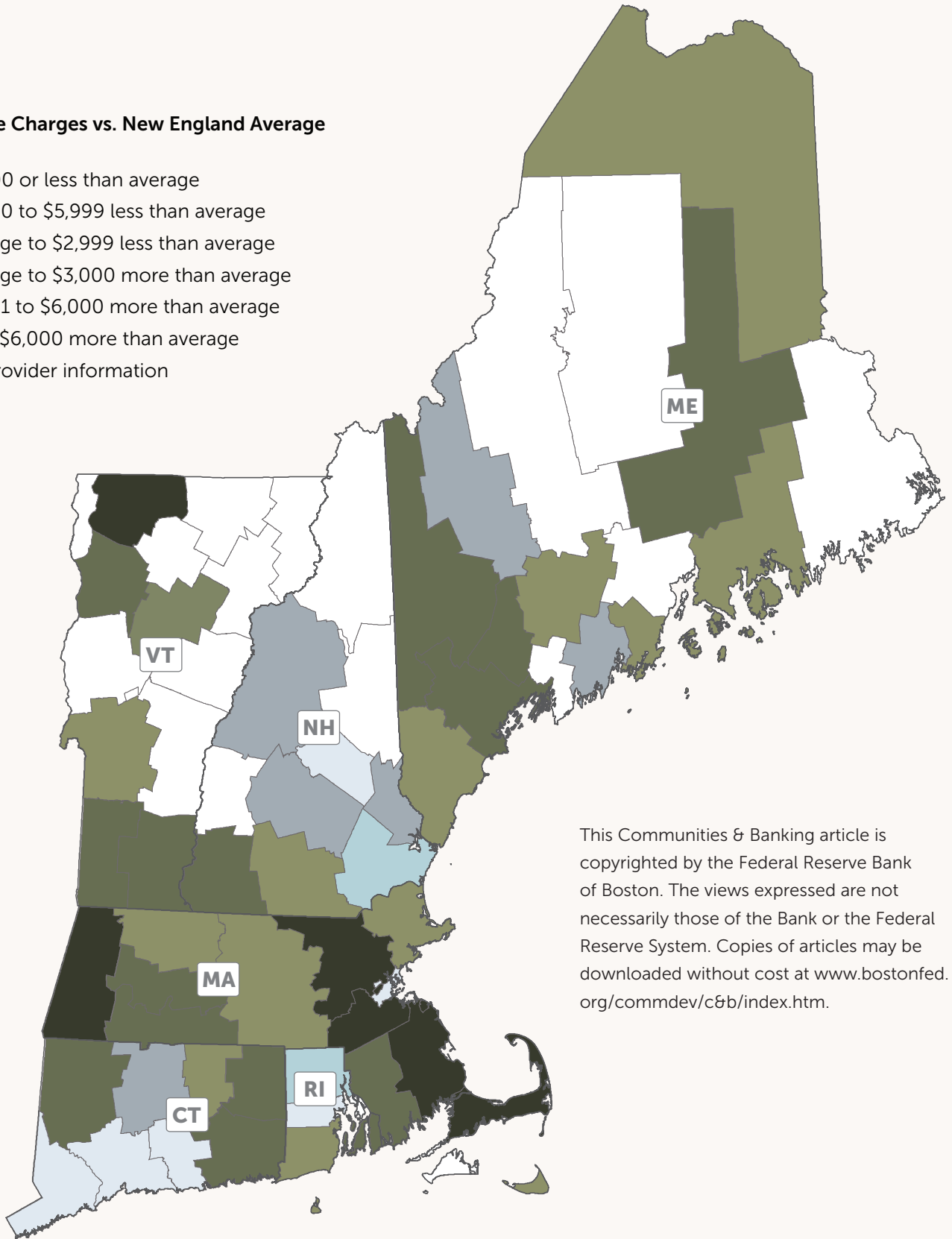
Source: Centers for Medicare & Medicaid Services, www.cms.gov.

¹ Amy S. Kelley et al., "Out-of-Pocket Spending in the Last Five Years of Life," *Journal of General Internal Medicine* 4 (September 5, 2012).

² David Himmelstein, Deborah Thorne, Elizabeth Warren, and Steffie Woolhandler, "Medical Bankruptcy in the United States, 2007: Results of a National Study," *American Journal of Medicine* (March 2009).

Medicare Charges vs. New England Average

- \$6,000 or less than average
- \$3,000 to \$5,999 less than average
- Average to \$2,999 less than average
- Average to \$3,000 more than average
- \$3,001 to \$6,000 more than average
- Over \$6,000 more than average
- No provider information



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