## **Medicare spending per patient (USA)**

## Introduction

## What is Medicare Spending Per Beneficiary/ Patient?

- The Medicare Spending Per Beneficiary (MSPB) measure shows whether Medicare spends more, less, or about the same for an episode of patient care at a specific hospital compared to all hospitals nationally.
- It is the ratio of the amount Medicare spent per patient for an episode of patient care at the hospital divided by the median amount Medicare spent across all hospitals nationally.
- Payments considered to calculate the ratio are price standardized (removes sources of variations due to geographic payment differences) and risk-adjusted (variation due to patient age and health status)

#### What does the ratio indicate?

MSPB ratio less than 1: Hospital spends less than the average amount across all inpatient hospitals nationally

MSPB ratio equal to 1: Hospital spends about the same as the average amount across all inpatient hospitals nationally

MSPB ratio greater than 1: Hospital spends greater than the average amount across all inpatient hospitals nationally

#### Who calculates the MSPB ratio?

All the relevant data is maintained and published by CMS (Centers for Medicare & Medicaid Services), which is a federal agency within the United States Department of Health and Human Services that works in partnership with state government and administers different healthcare programs of the United States.

### **Advantages of MSPB measure:**

To evaluate the hospital's efficiency relative to the efficiency of the national median hospital

To reward hospitals that can provide efficient care at a lower cost

To understand and evaluate the states based on the Medicare spending

The given report explores the State-wise count of hospitals based on the Medicare spending ratio

# Analysis Dashboard on Medicare spending per patient (USA)

