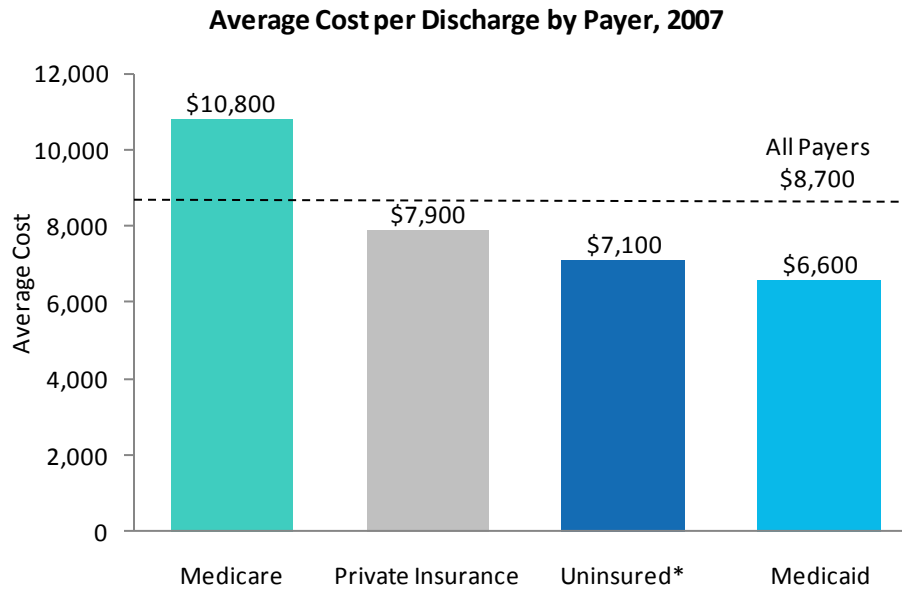


## EXHIBIT 5.5 Costs by Payer



\*Includes discharges classified as self-pay or no charge.

Note: Excludes other payers such as Workers' Compensation, TRICARE, CHAMPUS, CHAMPVA, Title V, and other government programs.

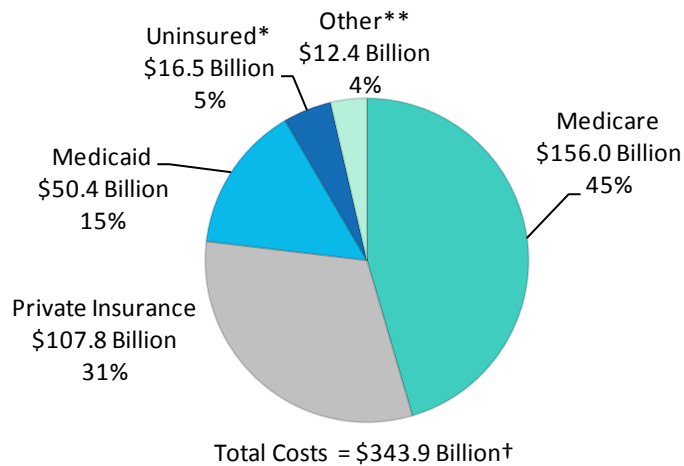
Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 2007.

Costs reflect the actual expense of producing hospital services. In HCUP, costs are estimated from charges using a hospital-wide cost-to-charge ratio<sup>3</sup> developed from Medicare Cost Reports submitted by the hospitals themselves.

- The average cost of a hospital stay for all payers was \$8,700.
- Medicare discharges had the highest average cost (\$10,800).
- The average cost per discharge billed to private insurance (\$7,900), the uninsured (\$7,100), and Medicaid (\$6,600) was lower than the all payer average cost per discharge.

<sup>3</sup> For more information, see <http://www.hcup-us.ahrq.gov/db/state/costtocharge.jsp>.

### Distribution of Aggregate Costs by Payer, 2007



\*Includes discharges classified as self-pay or no charge.

\*\*Includes other payers such as Workers' Compensation, TRICARE, CHAMPUS, CHAMPVA, Title V, and other government programs.

†Includes a small number of discharges (less than 84,000 or 0.2 percent) with missing expected primary payer designation.

Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 2007.

In 2007, the total aggregate cost of hospital stays for all payers was \$343.9 billion.

- Medicare was the single largest expected payer for hospitalizations. Costs for Medicare stays amounted to \$156.0 billion in 2007—45 percent of all costs.
- Medicaid stays accounted for \$50.4 billion in hospital costs.
- In total, Medicare and Medicaid were responsible for about 60 percent of aggregate hospital costs.
- Discharges billed to private insurance accounted for 31 percent of total aggregate costs (\$107.8 billion), while the uninsured accounted for a much smaller share (5 percent, or \$16.5 billion).