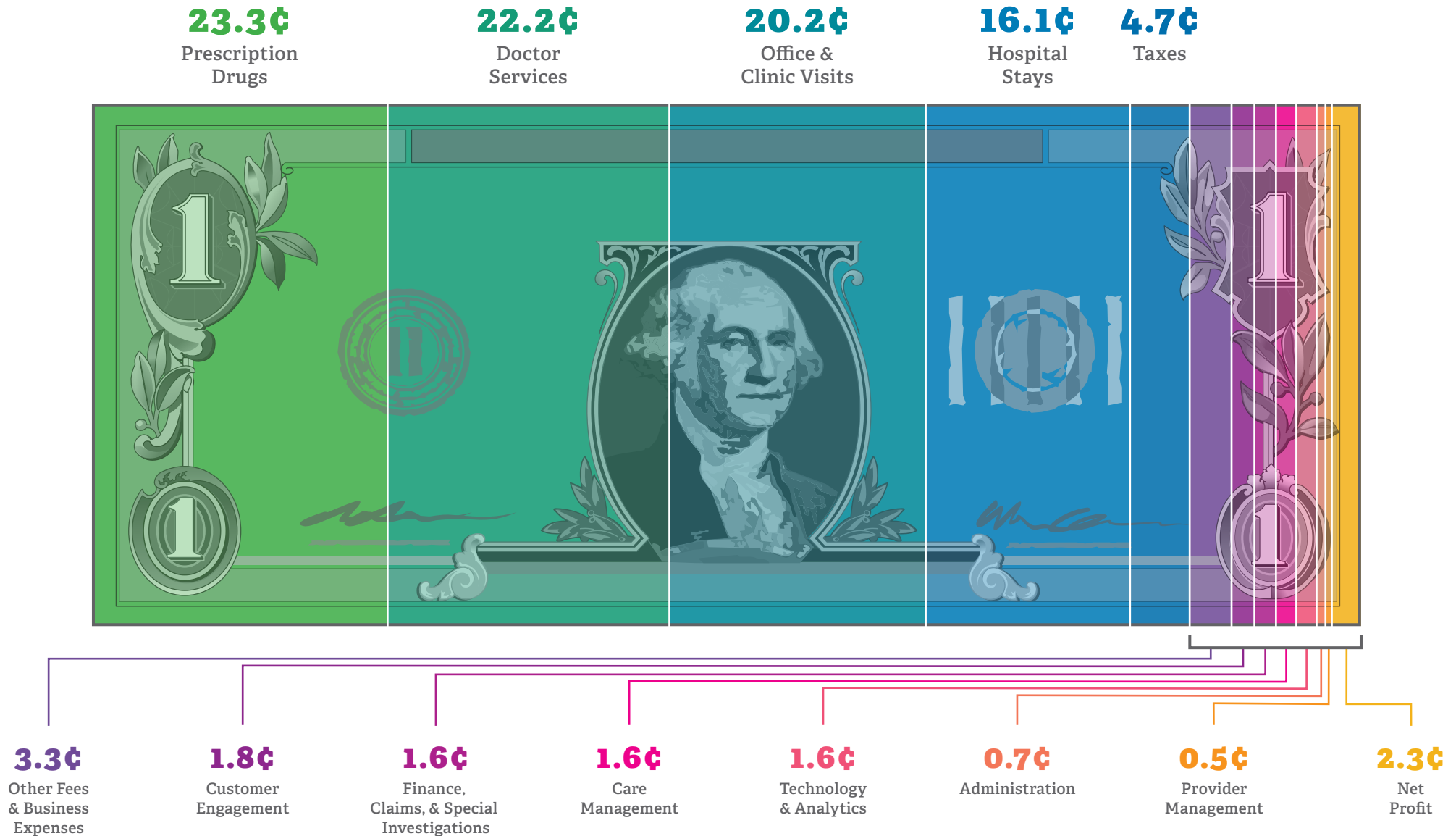


Where Does Your Health Care Dollar Go?

Your premium—how much you pay for your health insurance coverage each month—helps cover the costs of the medications and care you receive. It also helps to improve health care quality and affordability for all Americans. Here is where your health care dollar really goes.



Expenditure estimates above produced by AHIP. Distribution of spending among administrative categories and taxes. based on analysis by Milliman, Inc. Milliman's analysis is available upon request.

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CATEGORIES	WHAT THIS INCLUDES	EXAMPLES
Prescription Drugs	Payments for outpatient prescription medications (mostly self-administered drugs), and for prescription medications administered in a physician's office or clinic.	Medications you pick up from your local pharmacist or receive through the mail, like antibiotics or pills to lower blood pressure. Injectable drugs that are administered by a nurse or doctor either at their office or your home.
Doctor Services	Payments for all non-drug related inpatient and outpatient services provided by a physician.	Doctors' time and expertise in diagnosing and recommending treatment in an initial or follow-up visit. The time and skill of surgeons who perform an operation or other medical procedure during your hospital stay. The contributions of other specialists, like radiologists, pathologist, and anesthesiologists.
Office & Clinic Visits	Payments for all non-drug related outpatient services provided, excluding doctor services.	The costs of using equipment or supplies during your office or clinic visit. Salaries of nursing staff and other assistants. General overhead costs of running a physician's office or clinic, like rent and electricity.
Hospital Stays	Payments for all services provided during a hospital stay, including the administration of prescription drugs, but excluding payments to physicians.	The costs for your hospital room and board, including equipment or supplies used during your hospital stay. Salaries of nursing staff and all other hospital personnel. General overhead costs of running a hospital, such as utilities and land.
Taxes	All taxes paid by the health plan.	All the usual federal, state, and local taxes paid by any business, like income taxes, property taxes, payroll taxes. But also taxes that are unique to a health plan, like taxes paid on insurance premiums.
Other Fees & Business Expenses	Broker commissions, regulatory licensing and fees, depreciation, insurance premium rebates, debt service.	Expenses required to run any insurance business, like costs associated with government licensing requirements or paying back loans. Also includes money paid back to customers as insurance premium rebates.

CATEGORIES	WHAT THIS INCLUDES	EXAMPLES
Customer Engagement	Customer service, new product development, market research, marketing, advertising, and account management.	Staffing 24/7 customer service centers. Developing new benefits, like coverage for newly approved drugs, improved access to chiropractors, or discounting premiums when you receive certain preventive care services. Customer research to better understand their needs, priorities, and expectations. Member communications and education.
Finance, Claims, & Special Investigations	Fraud and abuse monitoring and detection, benefit coordination, billing preparations, processing payments, eligibility and benefit verification, adjudication, auditing, training, and education.	Finance and accounting. Prevention of fraud, waste, and abuse by doctors and patients. Processing payments to doctors and hospitals. Making payment more timely and efficient. Costs associated with required reporting to federal and state government agencies.
Care Management	Payments to hire nurses and case managers. Operate disease management, health coaching, behavioral health, community affairs, and wellness programs. Review medical quality and utilization management, develop medical policy, and invest in medical informatics.	Preventive care programs to keep you healthy, like weight management plans or helping people to quit smoking. Programs to better manage chronic conditions and coordinate care between doctors, to ensure that the right treatment is provided to the right patient at the right time. Services to improve health in communities, like sponsoring local health fairs and providing free disease screenings and other educational events.
Technology & Analytics	Investments in cybersecurity, programming, analytics, and data exchange to protect and improve patient care. IT infrastructure.	Developing apps and technologies to serve customers. Analyzing data to learn effectiveness. Integrating data to better coordinate care.
Administration	Human resources, legal, facilities, purchasing, compliance and risk management, executive offices, public policy, and communications.	Managing employee benefits and retirement plans. Reviewing contracts or conducting legal research. Maintaining office space. Determining health care improvement strategies.
Provider Management	Provider education, provider service calls and appeals, contracting and credentialing.	Answering questions from doctors and hospitals. Helping providers with best practices. Ensuring proper credentialing for quality care.