

STATISTICAL BRIEF #157

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Regional Differences in Total and Out-of-Pocket Expenditures for Selected Types of Office-Based Visits, 2004

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Introduction

As consumers of U.S. health care become accountable for more of their health care costs, they are growing more cognizant of the cost and quality of the health care they choose to receive. To date, however, little data have been available on the cost of health care services to allow consumers to make informed choices when purchasing health care.

Using data from the Household Component of the Medical Expenditure Panel Survey (MEPS-HC), this Statistical Brief presents overall and regional estimates for the U.S. adult civilian noninstitutionalized population on mean and median expenditures for three common types of office-based health care visits: general checkup, diagnosis or treatment, and psychotherapy or mental health treatment. Almost 145 million individuals or two-thirds of all adults had one of these three types of physician visits in 2004.

The estimates shown in this brief are for total and out-of-pocket payments. Unless otherwise noted, all differences between estimates discussed in the text are statistically significant at the .05 level or better.

Findings

Overall average and median total expenses (from table 1):

In 2004, the average total expense for a general checkup for a person 18 or older was \$133.86. A visit related to diagnosis or treatment of a medical condition was \$155.28, and a mental health visit was \$106.08.

In general, for all three services the median total cost (the cost at which half of the events had payments less than or equal to, and half had payments more than) was substantially less than the means (averages). The averages were substantially larger than the median expenses because a small proportion of events had extremely large expenses.

Regional variations in average total expenses (from table 1):

The average total expenditure for a general checkup was significantly less in the Northeast (\$119.12) than in the Midwest, South, and West (\$142.13, \$139.98, and \$132.76, respectively).

Highlights

- In 2004, for the three common types of office-based health care visits—general checkup, diagnosis or treatment, and psychotherapy or mental health treatment—the median total cost and out-of-pocket costs were substantially less than the average costs across all regions.
- The average total expenditure for a general checkup was significantly less in the Northeast than in the Midwest, South, and West, and the average total expenditure for an office visit for diagnosis or treatment of a condition was less in the Northeast than in the South.
- The average out-of-pocket expense for a general checkup was similar in the Midwest and South and less in the Northeast and West; the mean out-of-pocket expense for a visit related to the diagnosis or treatment of a condition was slightly lower in the Northeast than in the Midwest, South, or West; and the mean out-of-pocket expense for a mental health visit was lower in the Midwest than the Northeast, South, or West.

The average total expenditures for an office visit for diagnosis or treatment of a condition were less in the Northeast (\$139.82) than in the South (\$159.79).

There were no significant differences by region in the average total expense of a mental health visit.

Overall average and median out-of-pocket expenses (from table 2):

In 2004, the overall average out-of-pocket expense for a general checkup for a person age 18 or older in the U.S. was \$19.29. A visit related to diagnosis or treatment of a medical condition had a mean out-of-pocket expense of \$22.09, and a mental health visit had an average out-of-pocket cost of \$30.82.

Similar to the findings for the total expenses, for all three event types median out-of-pocket expenses were significantly less than the means, due to a skewed distribution.

Regional variations in average out-of-pocket expenses (from table 2):

The average out-of-pocket expense for a general checkup was similar in the Midwest and South (\$21.01 and \$21.48, respectively) and less in the Northeast and West (\$16.06 and \$17.50, respectively).

The mean out-of-pocket expense for a visit related to the diagnosis or treatment of a condition was slightly lower in the Northeast (\$17.06) than in the Midwest, South, or West (\$20.88, \$23.90, and \$25.11, respectively).

The mean out-of-pocket expense for a mental health visit was lower in the Midwest than the Northeast, South, or West (\$13.52 versus \$23.09, \$36.69, and \$47.43, respectively).

Definitions

Total expenses/out-of-pocket expenses

MEPS total expenses include payments from all sources (including third-party payers and other miscellaneous sources) to hospitals, physicians, other health care providers (including dental care), and pharmacies for services reported by respondents in the MEPS-HC. Out-of-pocket expenses comprise the portion of total payments made by individuals and families for services received during the year.

Census region

Each MEPS event was classified as being in one of the following four regions as defined by the U.S. Census Bureau:

- Northeast: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania
- Midwest: Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas
- South: Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas
- West: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, California, Alaska, and Hawaii

Reason for event

Reason for event was based on a household respondent's stated reason for visit. This Statistical Brief reports expenses for medical office visits that were reported to be for a general checkup, diagnosis or treatment of a condition, or psychotherapy or mental health care.

About MEPS-HC

MEPS-HC is a nationally representative longitudinal survey that collects detailed information on health care utilization and expenditures, health insurance, and health status, as well as a wide variety of social, demographic, and economic characteristics for the civilian noninstitutionalized population. It is cosponsored by the Agency for Healthcare Research and Quality and the National Center for Health Statistics.

For more information about MEPS, call the MEPS information coordinator at AHRQ (301-427-1656) or visit the MEPS Web site at <http://www.meps.ahrq.gov/>.

References

For a detailed description of the MEPS survey design, sample design, and methods used to minimize sources of nonsampling error, see the following publications:

Cohen, J. *Design and Methods of the Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 1. AHCPR Pub. No. 97-0026. Rockville, Md.: Agency for Health Care Policy and Research, 1997.

Cohen, S. *Sample Design of the 1996 Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 2. AHCPR Pub. No. 97-0027. Rockville, Md.: Agency for Health Care Policy and Research, 1997.

Cohen, S. Design Strategies and Innovations in the Medical Expenditure Panel Survey. *Medical Care*, July 2003: 41(7) Supplement: III-5–III-12.

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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please e-mail us at mepsd@ahrq.gov or send a letter to the address below:

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Table 1. Mean and median total payments for adults 18+, by selected types of physician office visits and census region, 2004

Type of visit and region	Mean of total payment	Median of total payment
United States		
General checkup	\$133.86	\$74.99
Diagnosis or treatment	\$155.28	\$66.48
Psychotherapy/mental health counseling	\$106.08	\$84.73
Northeast		
General checkup	\$119.12	\$71.89
Diagnosis or treatment	\$139.82	\$61.88
Psychotherapy/mental health counseling	\$95.07	\$75.68
Midwest		
General checkup	\$142.13	\$76.98
Diagnosis or treatment	\$157.16	\$61.56
Psychotherapy/mental health counseling	\$108.52	\$79.26
South		
General checkup	\$139.98	\$72.82
Diagnosis or treatment	\$159.79	\$73.85
Psychotherapy/mental health counseling	\$97.15	\$82.90
West		
General checkup	\$132.76	\$79.99
Diagnosis or treatment	\$160.74	\$69.98
Psychotherapy/mental health counseling	\$124.89	\$94.10

Source: Center for Financing, Access, and Cost Trends, AHRQ, Household component of the Medical Expenditure Panel Survey, 2004

Table 2. Mean and median out-of-pocket payments for adults 18+, by selected types of physician office visits and census region, 2004

Type of visit and region	Mean out-of-pocket payment	Median out-of-pocket payment
United States		
General checkup	\$19.29	\$9.73
Diagnosis or treatment	\$22.09	\$8.98
Psychotherapy/mental health counseling	\$30.82	\$10.87
Northeast		
General checkup	\$16.06	\$9.98
Diagnosis or treatment	\$17.06	\$8.76
Psychotherapy/mental health counseling	\$23.09	\$9.55
Midwest		
General checkup	\$21.01	\$9.96
Diagnosis or treatment	\$20.88	\$7.97
Psychotherapy/mental health counseling	\$13.52	\$0
South		
General checkup	\$21.48	\$6.35
Diagnosis or treatment	\$23.90	\$6.21
Psychotherapy/mental health counseling	\$36.69	\$19.78
West		
General checkup	\$17.50	\$9.97
Diagnosis or treatment	\$25.11	\$9.98
Psychotherapy/mental health counseling	\$47.43	\$14.49

Source: Center for Financing, Access, and Cost Trends, AHRQ, Household component of the Medical Expenditure Panel Survey, 2004