



American Hospital  
Association

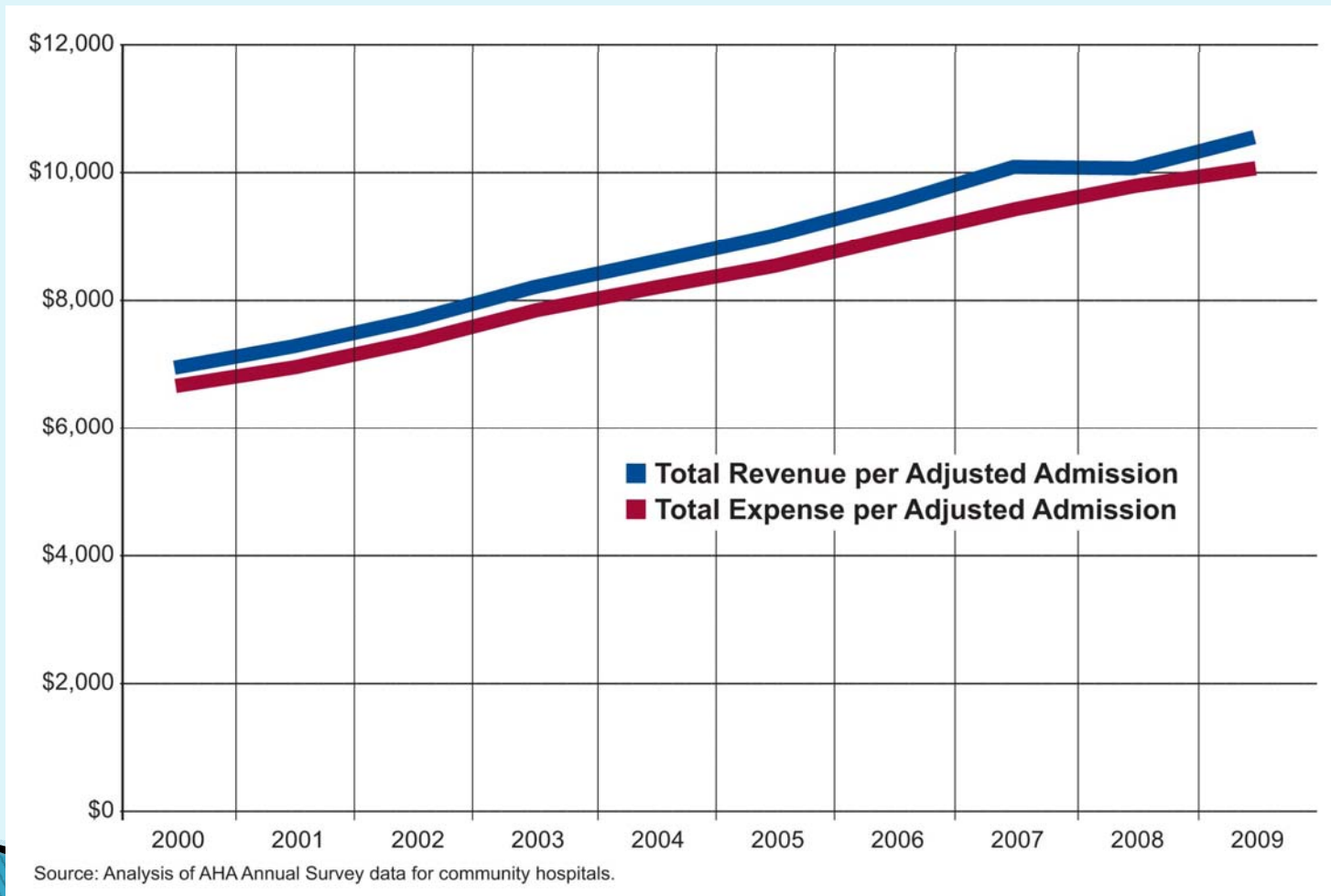
# Cost Trends & Price Differences

Assessment of Cost Trends and Price Differences for U.S. Hospitals  
Refutes Unsupported Claims of Market Power

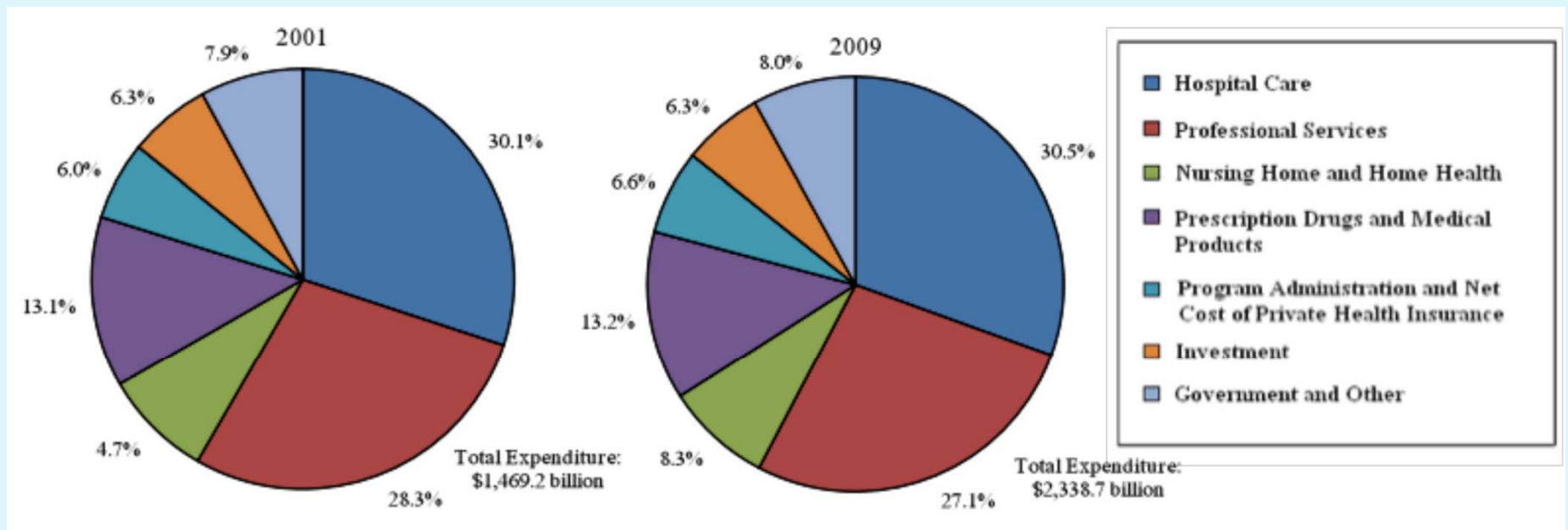
# Key Findings

- ▶ Hospital prices are directly related to the cost of care.
- ▶ Over the last decade, increased expenditures on labor explain a substantial proportion of overall costs to hospitals.
- ▶ Up to 72% of the differences in hospital prices for non-Medicare services can be explained by how sick patients are and costs of care.
- ▶ There is no data to show that remaining differences is due to market power.

# Hospital prices are directly related to the cost of care

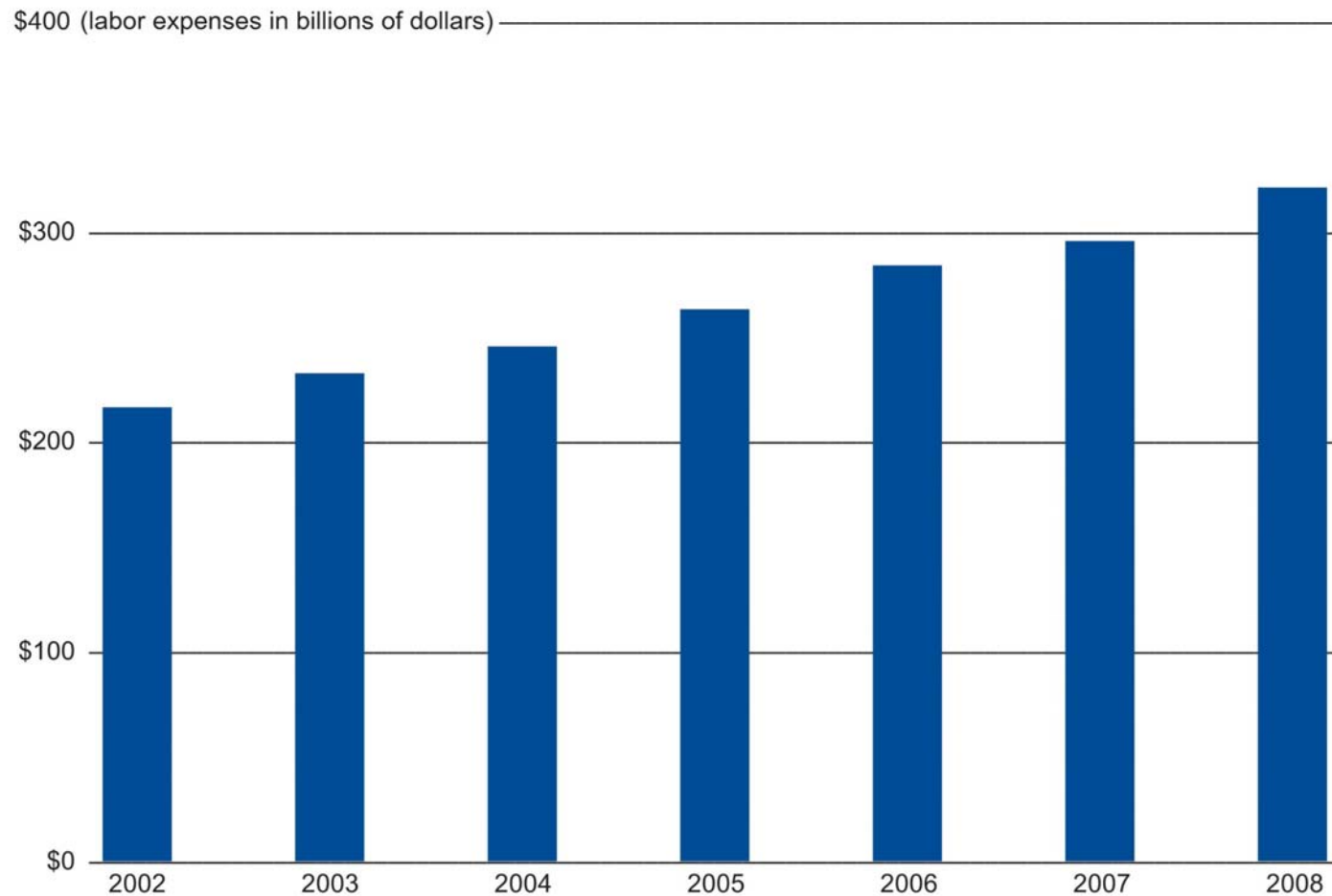


# Hospitals are a stable portion of the nation's health care tab



Source: CMS, Office of the Actuary, National Health Statistics Group.

# Hospitals face rapidly growing costs for labor



Source: Health Forum, AHA Annual Survey of Hospitals 2002-2008. Data for registered community hospitals (includes estimated data). Labor expense is the sum of payroll expense and employee benefits.