



Inflation and WC Medical Costs: A Regional Perspective

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RESIDUAL MARKET
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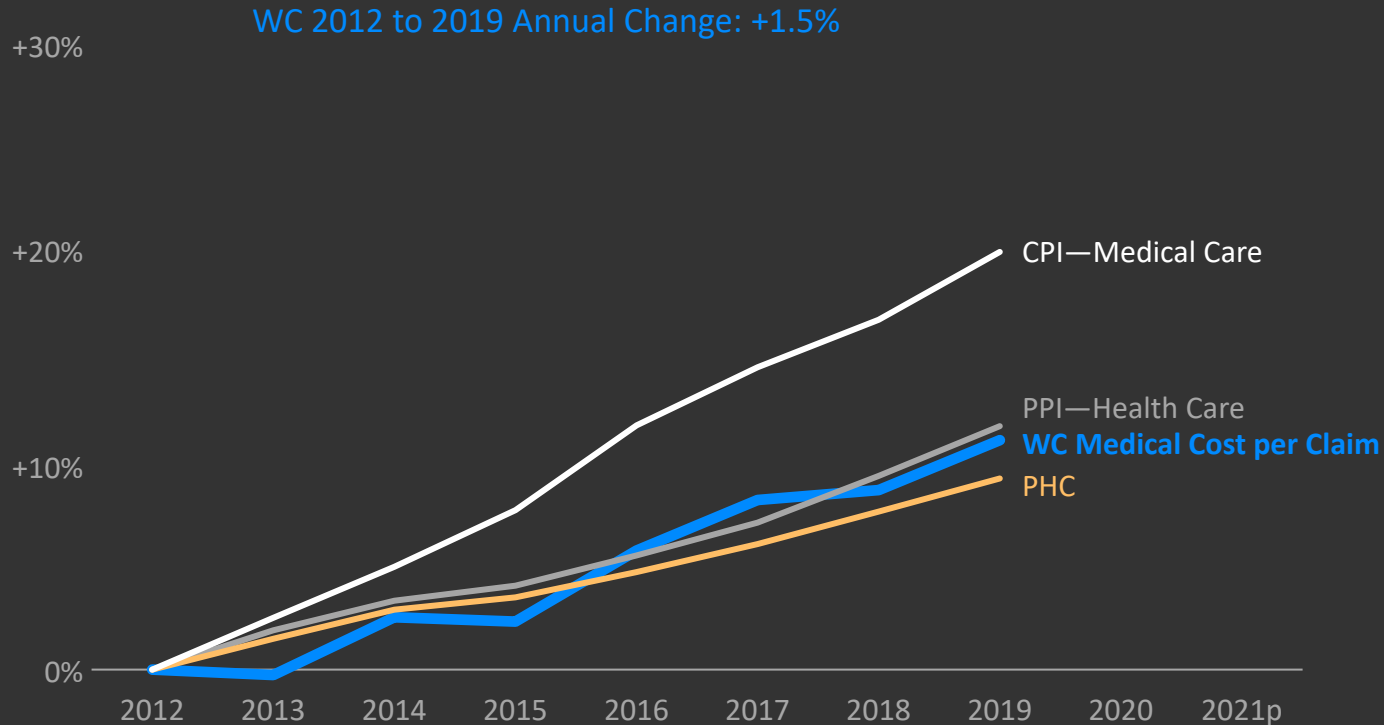
A Tale of Three Perspectives

Consumer Price Index (CPI)—
Consumer's perspective

Producer Price Index (PPI) —
Provider's perspective

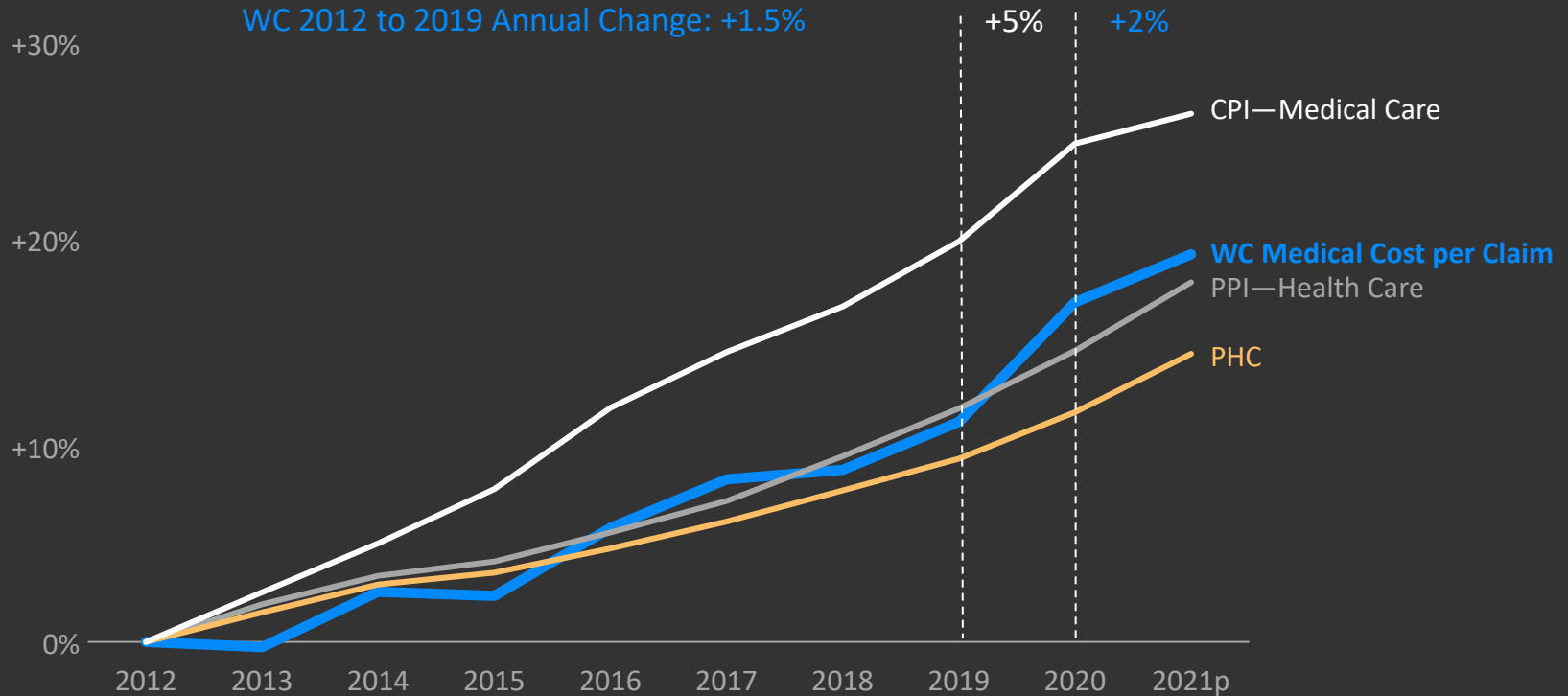
Personal Health Care (PHC)
Index—A blend of the two

Price Indices Compared to WC Medical Costs



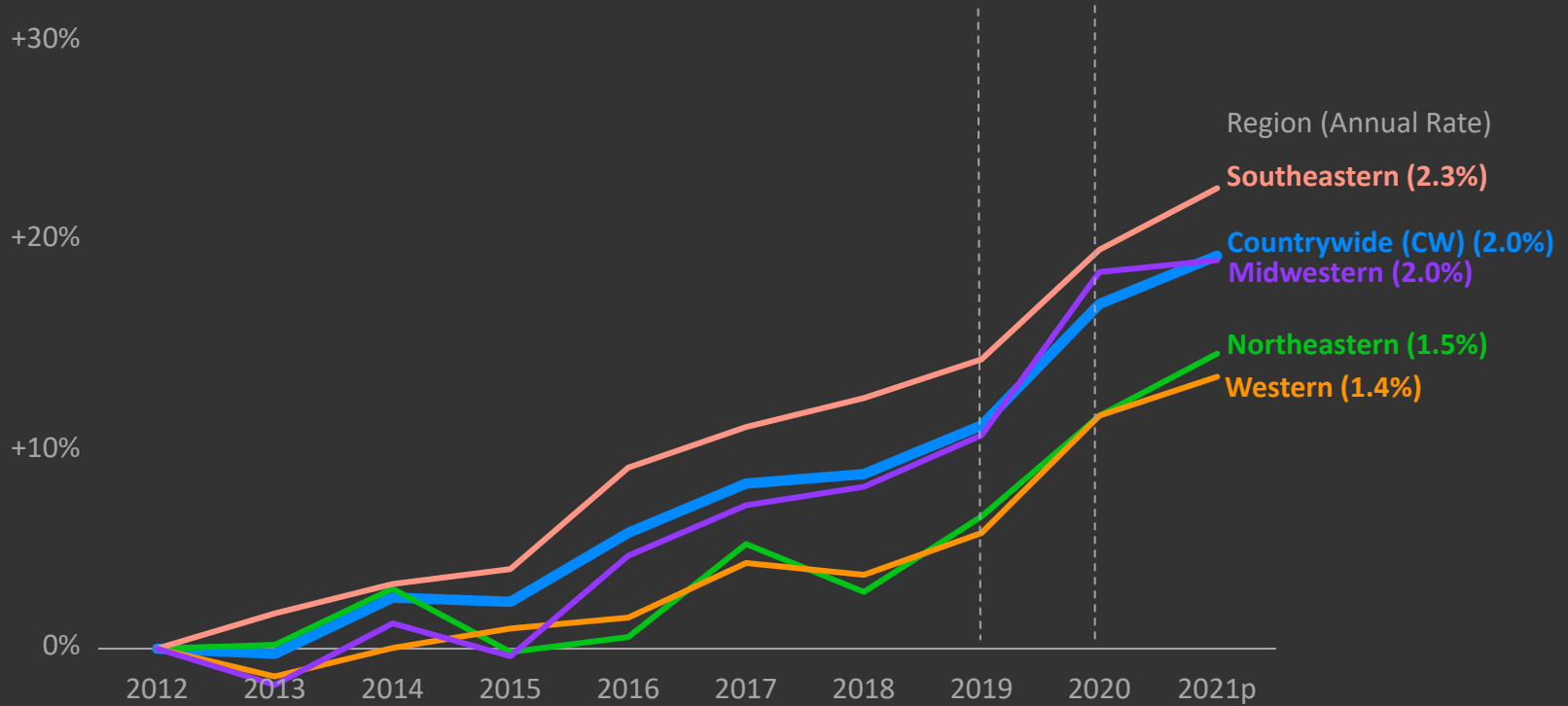
Sources: NCCI Medical Data Call, Bureau of Labor Statistics (Average Annual), and Centers for Medicare & Medicaid Services. p Preliminary.

Price Indices Compared to WC Medical Costs



Sources: NCCI Medical Data Call, Bureau of Labor Statistics (Average Annual), and Centers for Medicare & Medicaid Services. p Preliminary.

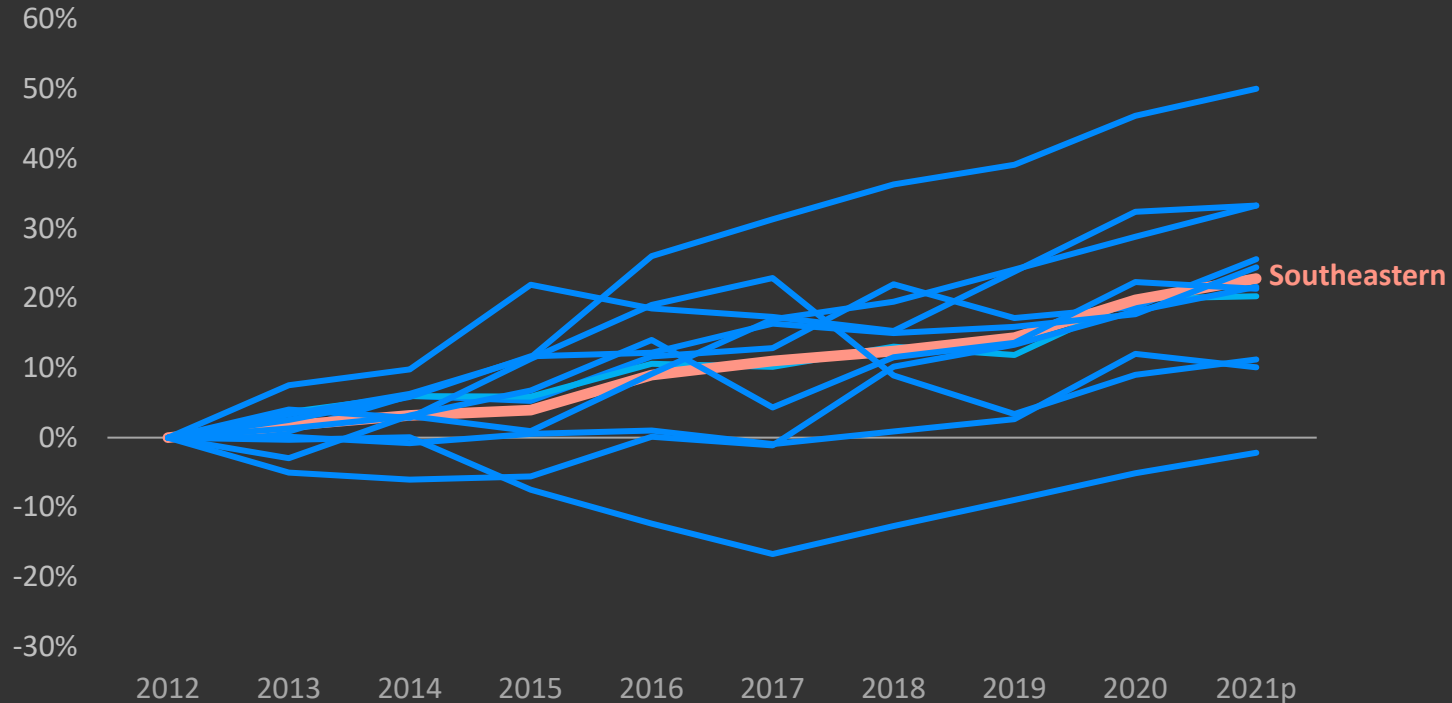
Cumulative Change in WC Medical Costs



Source: NCCI Medical Data Call. p Preliminary.

Cumulative Change in Overall WC Medical Costs

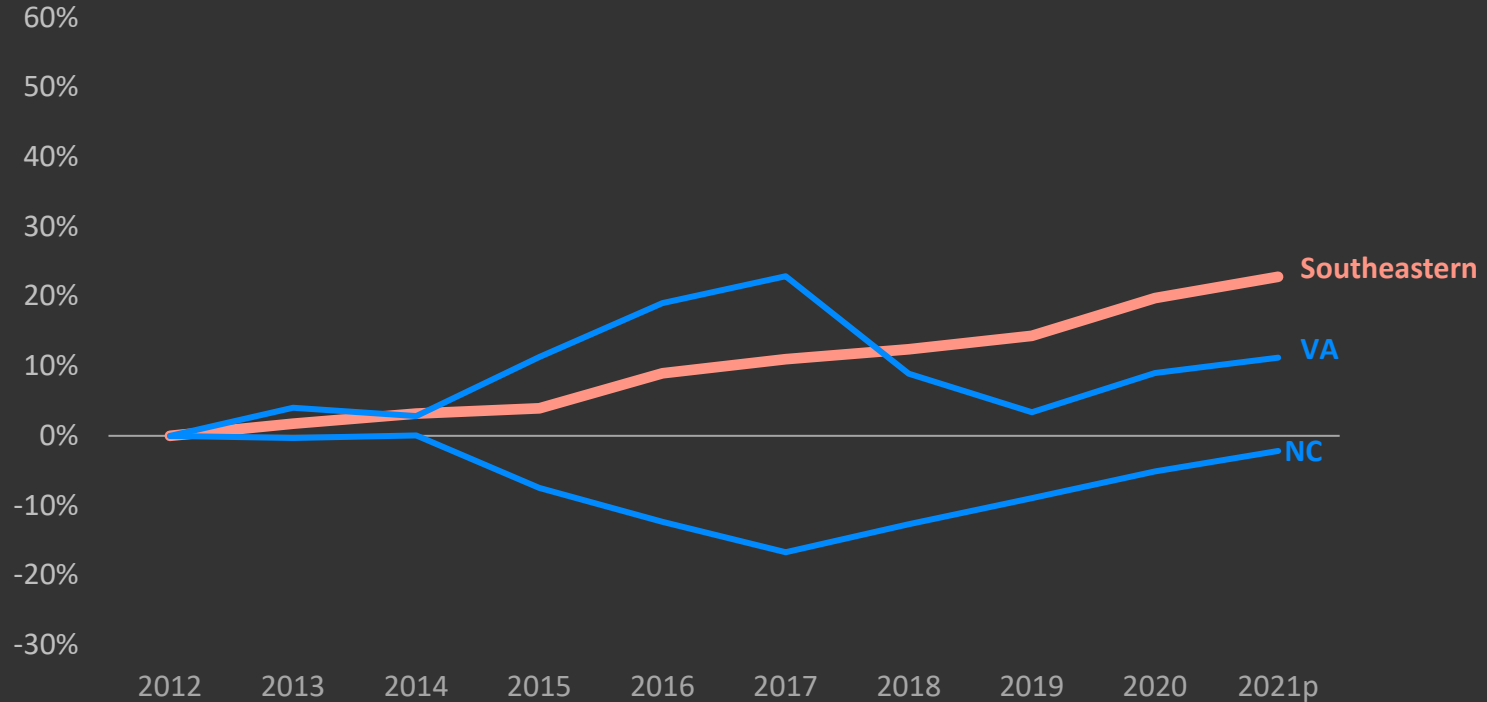
Individual States vs. Regional Average



Source: NCCI Medical Data Call. p Preliminary.

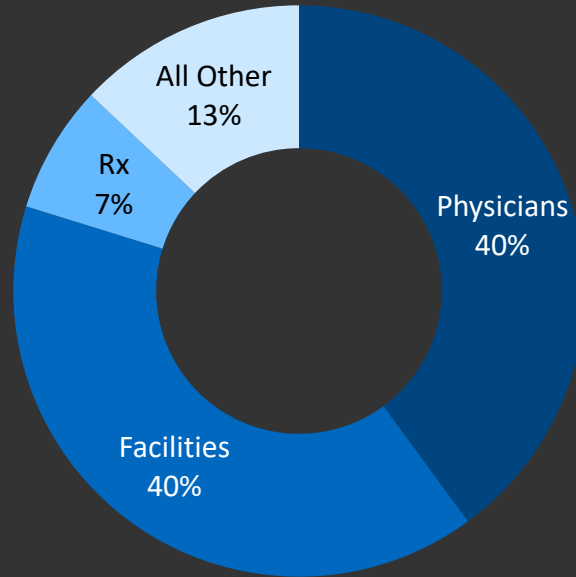
Cumulative Change in Overall WC Medical Costs

Individual States vs. Regional Average



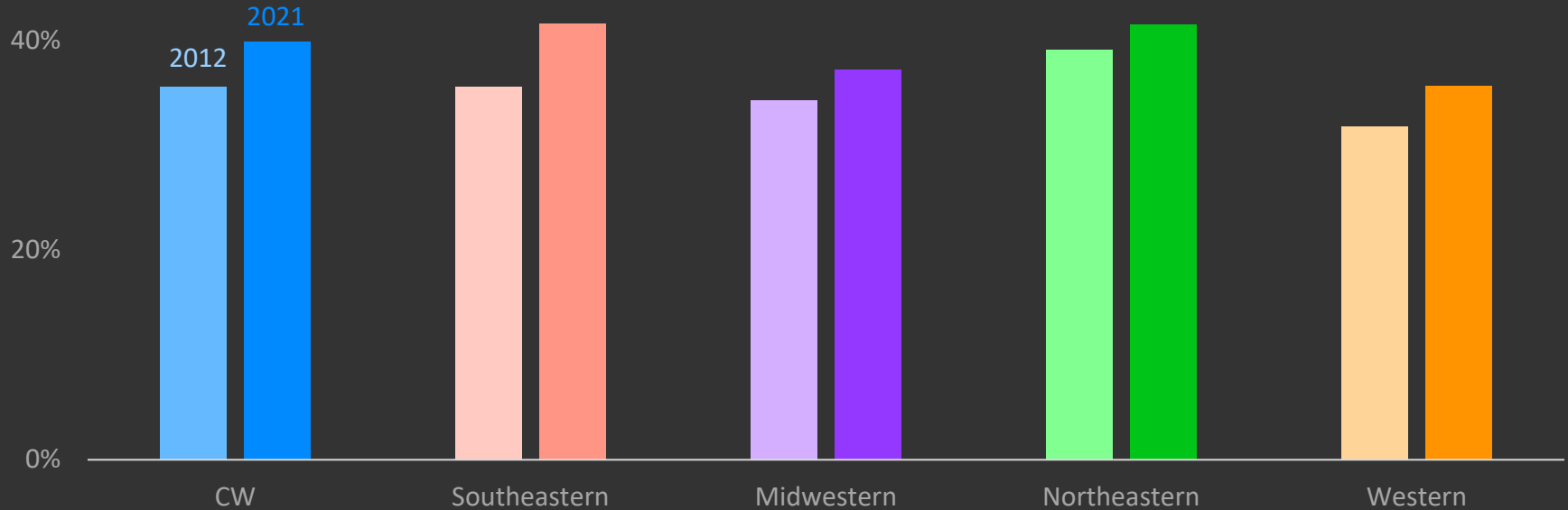
Source: NCCI Medical Data Call. p Preliminary.

Distribution of Medical Costs



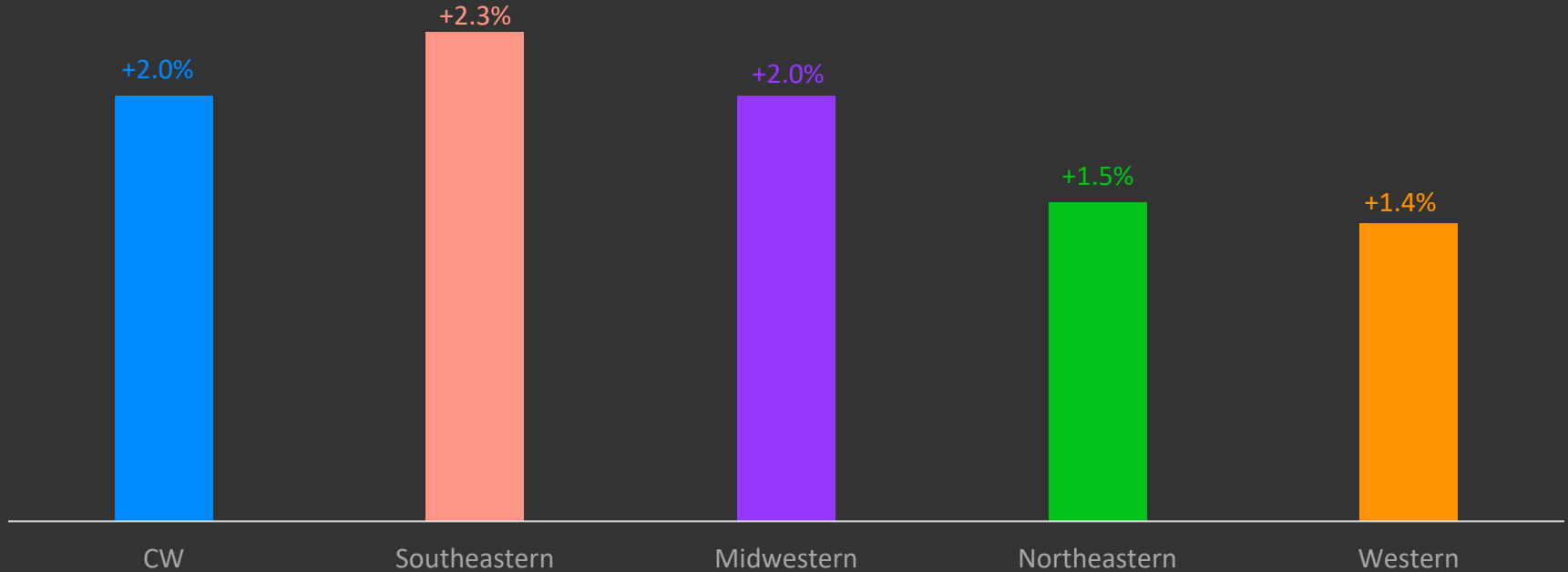
Source: NCCI Medical Data Call.

Facility Share Payments in 2012 Compared to 2021



Source: NCCI Medical Data Call.

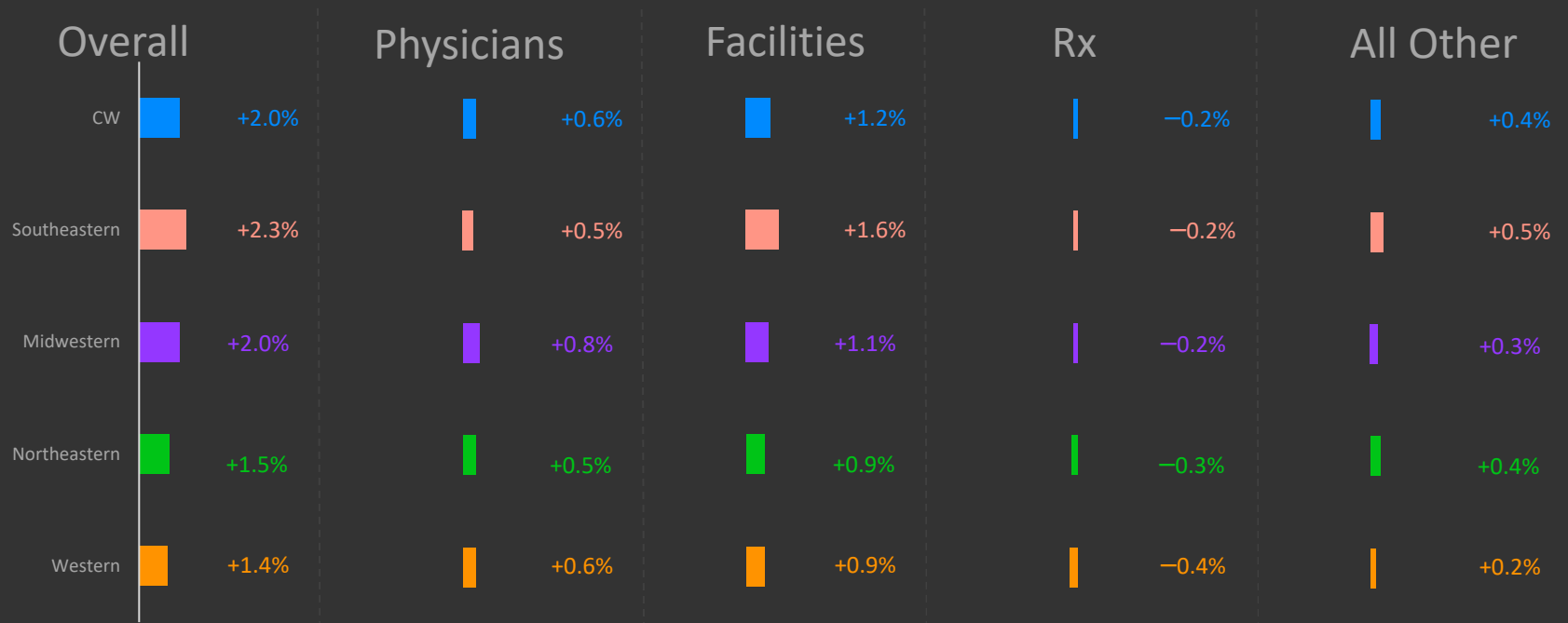
Overall Annual Change in Medical Costs (2012 to 2021)



Source: NCCI Medical Data Call.

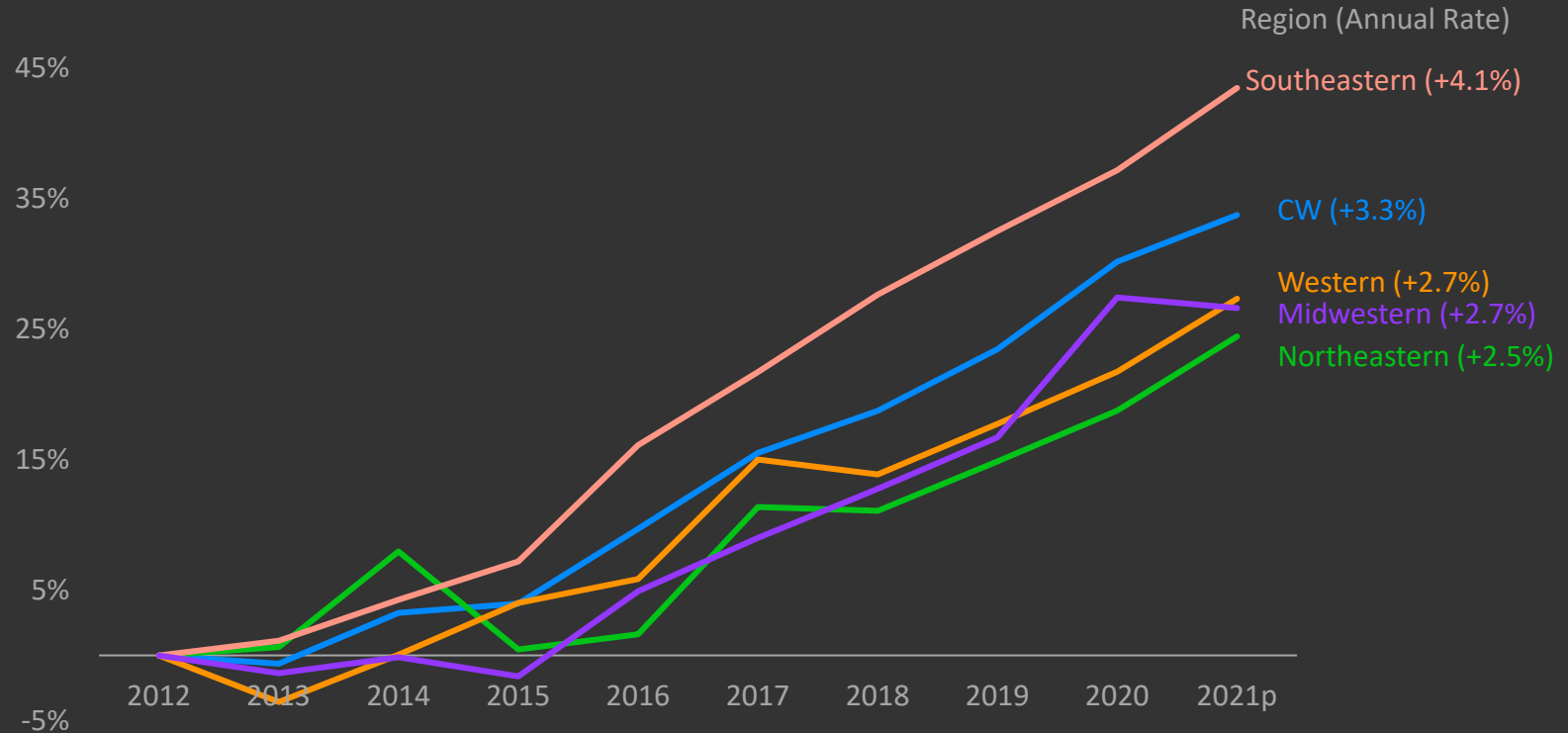
Contribution to Change in Cost per Claim

2012 to 2021



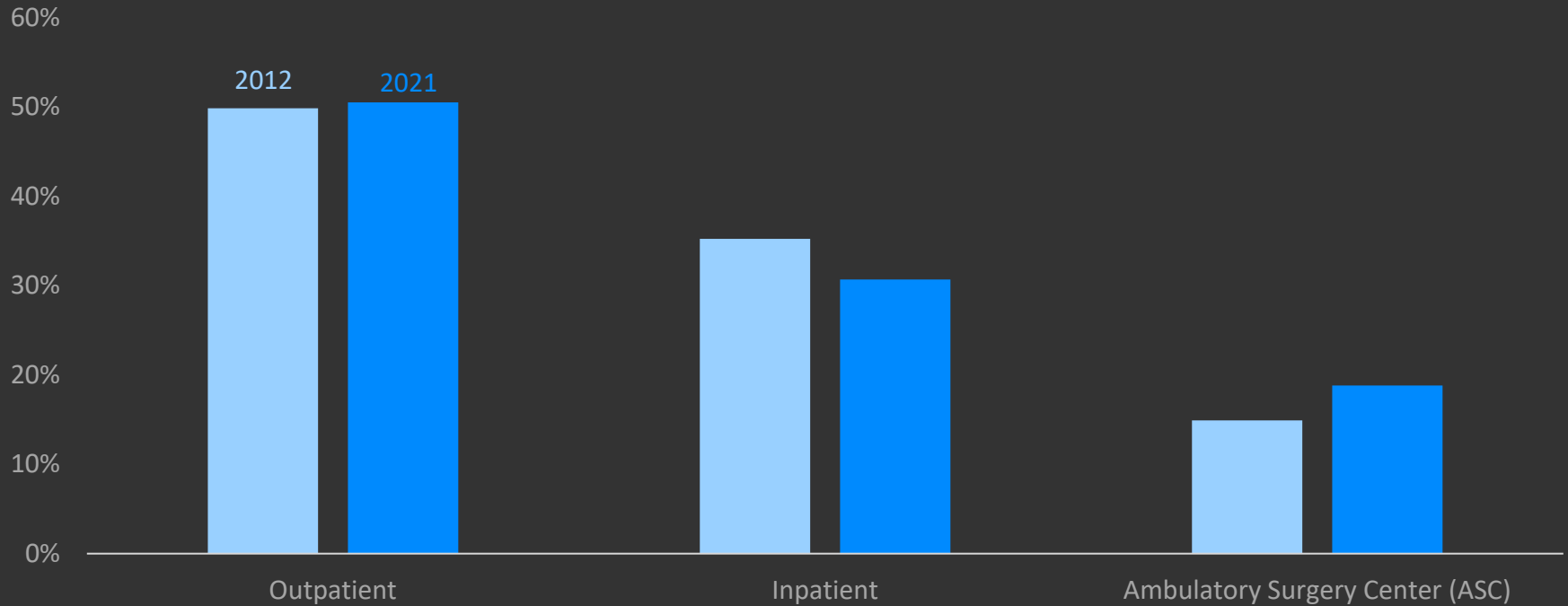
Source: NCCI Medical Data Call.

Cumulative Change in Facility Medical Costs



Source: NCCI Medical Data Call. p Preliminary

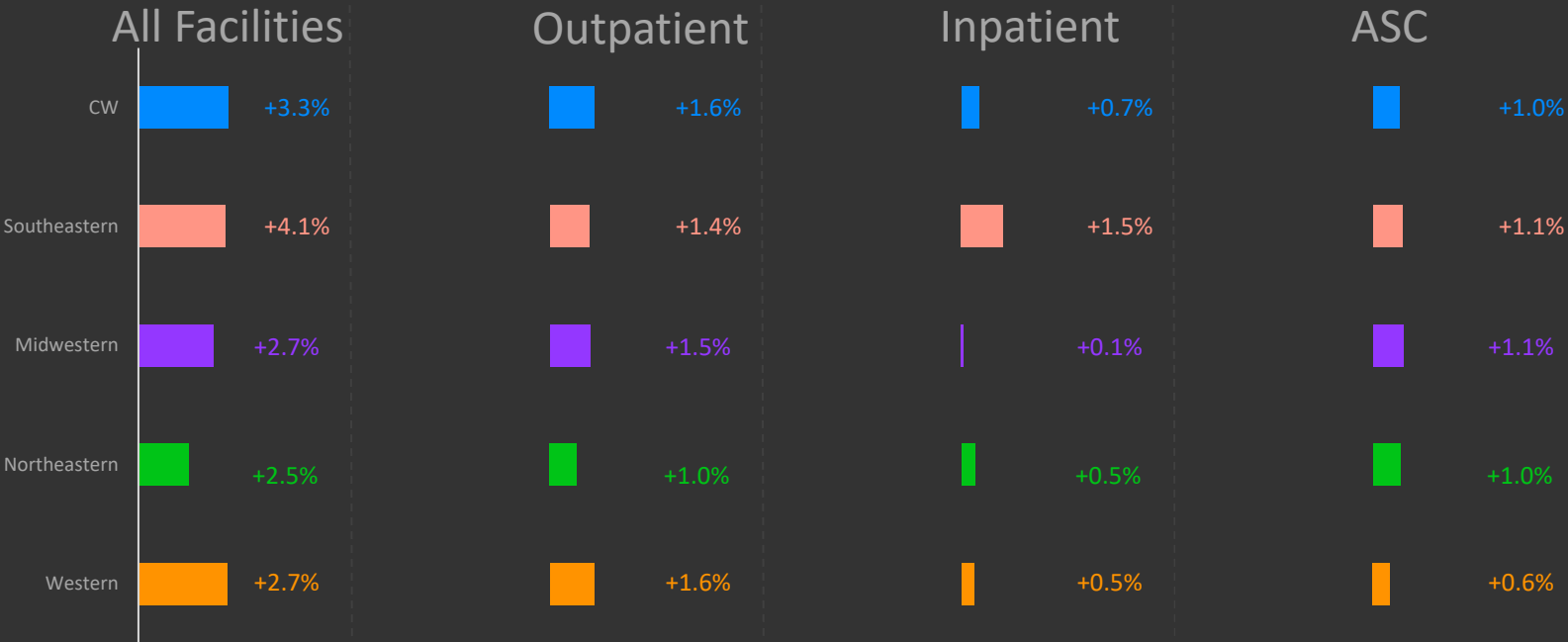
Distribution of Facility Costs



Source: NCCI Medical Data Call. p Preliminary

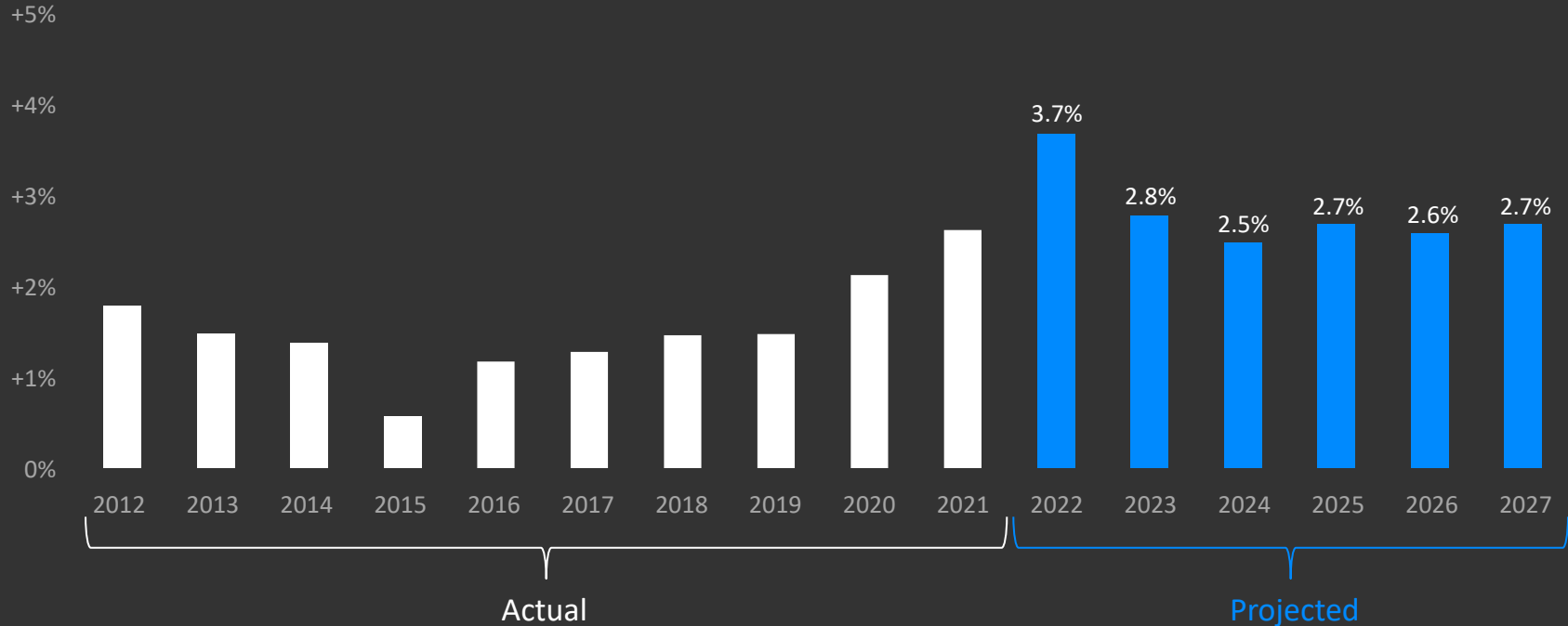
Contribution to Change in Facility Medical Costs

2012 to 2021



Source: NCCI Medical Data Call. p Preliminary

PHC Index Projections



Sources: Centers for Medicare & Medicaid Services.

Key Takeaways

Be aware of medical inflation, but don't be scared

WC medical cost variation between regions is driven by facility costs

The ASC share of medical costs has grown between 2012 and 2021

Decreases in Rx costs have helped slow medical cost growth