



**Wisconsin Taxpayers Alliance**  
401 North Lawn Avenue • Madison, WI 53704-5033  
www.wistax.org • 608.241.9789 • fax: 608.241.5807

**NEWS**

Contact: Penny Durham or Todd A. Berry  
608.241.9789 or [wistax@wistax.org](mailto:wistax@wistax.org)  
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## **Wisconsin's Highly Ranked Health Care System Comes at a Price** State Spending Outpaced the Nation

MADISON— Wisconsin per capita spending on health care was 6.0% below the U.S. average in 1985 but climbed to 6.2% above average by 2004. That year, Wisconsin spent \$5,610 per person, 16th highest in the nation. A new report from the Wisconsin Taxpayers Alliance (WISTAX) details how Wisconsin health care spending outpaced the nation over the last 20 years. Now in its 76th year, WISTAX is a nonprofit, nonpartisan public-policy research organization dedicated to citizen education.

According to the report, two categories contributed to the above-average increase in Wisconsin health spending: hospitals and physician/clinical services. In 1985, per capita hospital spending in the Badger State was 16.2% below average. By 2004, per capita hospital care expenditures (\$2,090) were 8.3% higher than the U.S. average (\$1,931). Physician and clinical services per capita also grew, from 2.8% below average in 1985 to 12.4% above in 2004 (\$1,507 per person).

Despite rising spending, Wisconsin managed to increase its health insurance coverage, in contrast to national trends. In 2006, 15.8% of the U.S. was uninsured, up from 14.0% in 1999. The state's uninsured rate during that time fell from 9.5% in 1999 to 8.8% in 2006. The state ranked second highest nationally for its low rate—tied with Hawaii and trailing only Rhode Island (8.6%).

Much of the difference in coverage was due to a higher rate of employer-sponsored insurance in Wisconsin, 67.1% compared to 59.7% nationally. In addition to more businesses covering their employees, the state's expanding health insurance programs helped keep the rate of uninsured low. The BadgerCare program, covering low-income children and their parents, had enrollments rise 254% between 1999 and 2006. And traditional Medicaid for those in poverty or with specific needs saw an 86% increase in enrollments.

Although health insurance coverage increased in the face of growing spending, Wisconsin was not immune to larger pressures. Population growth and general inflation, mostly outside of the health care industry's control, generated 35% of the health care spending increase between 1985 and 2005. Had population and general inflation been the only pressures on health care, national spending in 2005 would have been \$980.8 billion, or less than half of actual (\$2.0 trillion). Medical inflation contributed another 36% of the growth. Other factors, such as consumer demand, an aging population, and higher-priced technology also contributed to the spending increase. As the rapid increase in spending shows, Wisconsin was hit harder by these factors than other states.

A free copy of *The Wisconsin Taxpayer* report "The Complexities of Wisconsin Health Care" is available by contacting WISTAX at 401 North Lawn Ave., Madison, WI 53704-5033; e-mailing [wistax@wistax.org](mailto:wistax@wistax.org); visiting [www.wistax.org](http://www.wistax.org); or phoning 608.241.9789. □

The Wisconsin Taxpayers Alliance, founded in 1932, is the state's oldest and most respected private government-research organization. Through its research, publications, civic lectures, and school talks, WISTAX aims to improve Wisconsin government through citizen education. Nonprofit, nonpartisan, and independently funded, WISTAX is not affiliated with any group—national, state, or local—and receives no government support.