

State Health Expenditure Accounts by Provider Location Highlights

The State Health Expenditure Accounts (SHEA) by state of provider reflect personal health care¹ expenditures based on the location of the provider for 1980–2020. Provider based estimates are useful for measuring the demand for health care in each state and as such, the trends here should not be interpreted as a reflection of the spending trends of residents of these states. As a result, per capita estimates of spending by state of provider are not appropriate and are instead reported in the State Health Expenditure Accounts by state of residence. The District of Columbia is excluded from this analysis because it tends to be an outlier compared to the states.

Total Personal Health Care

Between 2015 and 2020, U.S. personal health care spending grew, on average, 4.7 percent per year, with spending in Arizona growing the fastest (6.6 percent) and spending in Vermont growing the slowest (2.5 percent).

In 2020, California’s personal health care spending was highest in the nation (\$410.9 billion), representing 12.2 percent of total U.S. personal health care spending. Comparing historical state rankings through 2020, California consistently had the highest level of total personal health care spending, together with the highest total population in the nation. Other large states, New York, Texas, Florida, and Pennsylvania, also were among the states with the highest total personal health care spending.

Wyoming’s personal health care spending was lowest in the nation (as has been the case historically) at \$4,943 billion, representing just 0.1 percent of total U.S. personal health care spending in 2020. Vermont, North Dakota, Alaska, Montana and South Dakota were also among the states with the lowest total personal health care spending. All these states have smaller populations.

Gross State Product (GSP) measures the value of goods and services produced in each state. Provider-based personal health care spending as a share of a state’s GSP shows the importance of the health care sector in a state’s economy. As a share of GSP, West Virginia ranked the highest (28.7 percent) and Washington ranked the lowest (11.7 percent) in 2020. The national average was 16.1 percent.

Hospital Care

In 2020, the Plains region had the highest share of total personal health care expenditures accounted for by hospital care (41.1 percent) compared to the U.S. average (37.8 percent). Among states, South Dakota (57.8 percent), Montana (45.3 percent), West Virginia (45.3 percent), and Wyoming (44.8 percent) had the highest shares of hospital spending of their state’s total personal health care spending.

Average annual growth for hospital services from 2015 to 2020 was fastest in the Midwest region, increasing 5.9 percent compared to 5.1 percent nationally. Growth in this region

was influenced by growth in hospital spending for New York (7.8 percent) and New Jersey (6.2 percent).

Physician and Clinical Services

In 2020, the share of total personal health care expenditures accounted for by physician and clinical services spending was highest in the Far West region at 26.4 percent compared to the national average of 24.1 percent. Among states, Alaska (37.1 percent), Florida (28.8 percent), Georgia (28.5 percent), and Nevada (27.9 percent) had the highest shares of physician and clinical services spending of their state's total personal health care spending.

From 2015 to 2020, average annual growth for physician and clinical services was fastest in the Rocky Mountains region, increasing 5.9 percent compared to 4.9 percent nationally. In this region, spending in Colorado (5.7 Percent), Idaho (8.9 percent), Montana (6.1 percent), and Utah (5.0 percent) increased faster than the US average.

Retail Prescription Drugs

In 2020, the share of total personal health care expenditures accounted for by retail prescription drugs was highest in the Southeast region at 12.5 percent compared to 10.4 percent nationally. Among states, Alabama (16.0 percent), South Carolina (13.9 percent), Mississippi (13.6 percent), Hawaii (13.6) and North Carolina (13.4) had the highest shares of prescription drug spending of their state's total personal health care spending.

Average annual growth for prescription drugs from 2015 to 2020 was fastest in the Southwest region, increasing 4.5 percent compared to 2.2 percent nationally. Growth in this region was influenced by growth in prescription drug spending for Texas (4.8 percent), which accounted for 73 percent of prescription drug spending for the Southwest in 2020.

¹ Personal Health Care (PHC) level. PHC is the component of total national health care spending that includes all health care goods and services consumed and excludes administration and the net cost of private health insurance, government public health activities, and investment in research and structures & equipment.