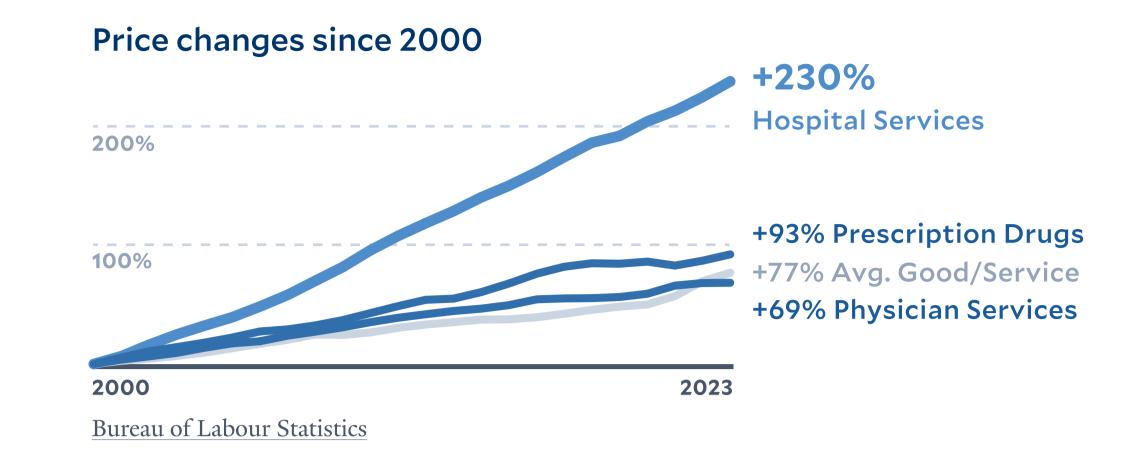
### Yale Tobin Center for Economic Policy

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# Who Pays For Rising Health Care Prices?

Health care prices in the U.S. have increased dramatically since 2000. Price growth for Hospital services have been a primary driver of this increase and middle and low-income workers outside the health sector are paying for it.



#### HEALTH CARE'S CONNECTION TO LOCAL ECONOMIES

Employer sponsored insurance (ESI) creates a direct link between what happens in the health care sector and the jobs and wages of **workers outside the health care sector.** 



Health Care Spending Health Insurance Premiums

Health insurance premiums rise in step with health care spending.



Non-health sector **Employers** 

Insurers pass the increases to employers, as most adults receive health insurance through ESI plans.



Non-health sector Wages Jobs

Employers pay for the ESI increases by reducing both payroll and employment.

#### MARKET CONSOLIDATION IS A FACTOR



**Hospital mergers that lessen competition** are one of the significant factors driving up health care spending, yet relatively few are challenged by the FTC.

#### **>1,000** mergers since 2000

#### WHO IS MOST IMPACTED?

Those most impacted are middleand low-income workers.

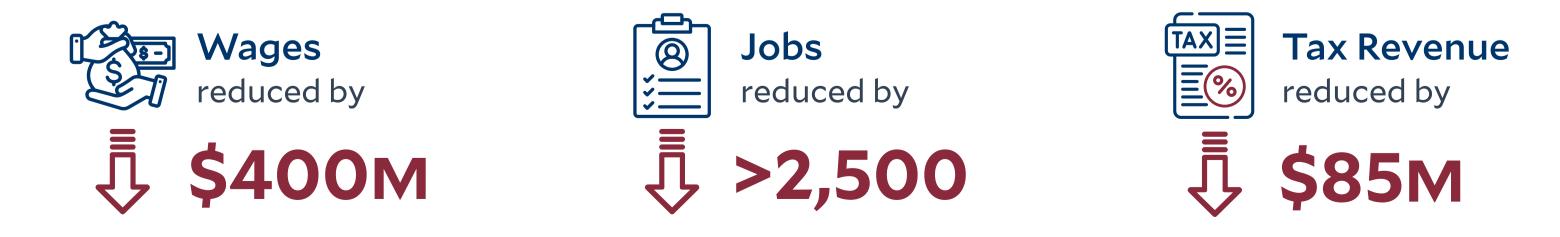
Change in wages and unemployment primarily hits those **earning** 

## \$20K to 100K/yr

~20% (238) <sup>5</sup> 1% (13)
resulted in price increases of >5% challenged by the FTC

#### THE ESTIMATED ANNUAL IMPACT OF MERGERS

Our estimates measure the scale of the damage hospital mergers do to local economies. Those that the FTC could have flagged, but didn't, likely resulted in:



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