



Medicaid Reform in Virginia

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Secretary of Health and Human Resources
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Total Health Care Spending

National

\$2.5 Trillion spent on Health Care in the U.S. in 2009



Virginia

\$49 Billion spent on Health Care in Virginia in 2009



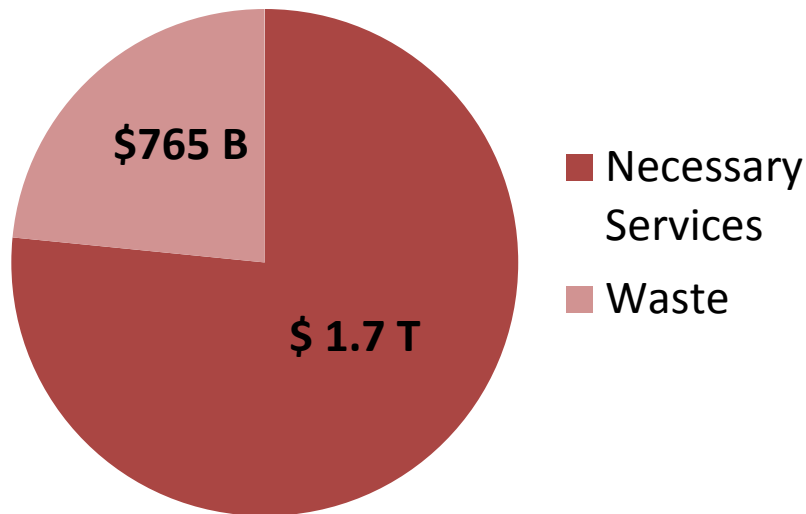
Virginia's share of national health care spending is roughly 2% of the national total

Estimated Amount of Waste in Health Care

(includes public and private funding for 2009)

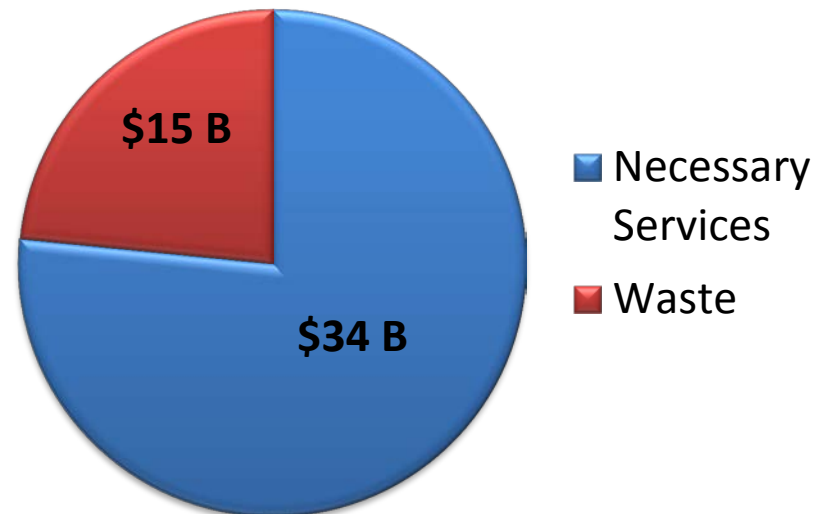
National

**Estimated Waste:
\$765 Billion or 30% of total
health care spending**



Virginia

**Estimated Waste:
\$15 Billion or 30% of total
health care spending**



Types of Waste in Health Care

(Based on National Studies)



Types of Waste	27%	25%	17%	14%	10%	7%
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Projected Waste Expenditures

(includes public and private funding)

Type of Waste	% of total	National	Virginia*
Unnecessary Services	27%	\$ 210,000,000,000	\$ 4,117,647,059
Excessive Administrative Costs	25%	\$ 190,000,000,000	\$ 3,725,490,196
Inefficiently Delivered Services	17%	\$ 130,000,000,000	\$ 2,549,019,608
Prices that are Too High	14%	\$ 105,000,000,000	\$ 2,058,823,529
Fraud	10%	\$ 75,000,000,000	\$ 1,470,588,235
Missed Prevention Opportunities	7%	\$ 55,000,000,000	\$ 1,078,431,373
TOTAL	100%	\$765,000,000,000	\$15,000,000,000

Source: Institute of Medicine: *The Healthcare Imperative: lowering costs and improving outcomes*

*Virginia's estimate is based on Virginia's 2009 statewide spending of \$49B.