Geographic variation in health care utilization has been of concern to health planners. Some has been explained by differences in prices and some by levels of illness, but little has been attributed to poverty. Yet poverty is strongly associated with poor health status. However, while health care spending has generally been assessed in large units, such as hospital referral regions (HRRs), health status has generally been examined at the level of ZIP codes or census tracts. This presentation will describe a study which examined hospital utilization at both levels in two cities, Milwaukee and Los Angeles, where hospital utilization is the highest within their states. The fundamental observation was that virtually all of the excess utilization in these two regions could be accounted for by high utilization within their poorest ZIP codes. The inescapable conclusion is that, if the US is to control future increases in health care spending, it must address the high health care needs of the poor as well as the underlying social condition of poverty.

Richard A. Cooper, M.D. is an Adjunct Senior Fellow in the Leonard Davis Institute of Health Economics at the University of Pennsylvania. He received his medical education at Washington University School of Medicine, the Harvard Medical Unit of the Boston City Hospital, and the National Cancer Institute. Following several years on the faculty at Harvard, Cooper moved to Penn, where he served as Chief of Hematology-Oncology and subsequently Director of Penn's Cancer Center, which he co-founded. After fourteen years at Penn, he joined the Medical College of Wisconsin where, over the next 20 years, he served as Executive Vice President and Dean and subsequently Director of the College’s Health Policy Institute. In 2005, he returned to Penn as a Professor of Medicine in the Leonard Davis Institute of Health Economics.

Dr. Cooper has been a national leader on issues related to the supply of physicians and nonphysician clinicians and the dimensions of the health care system. His recent research has examined the contributions of wealth and poverty to geographic differences in health care utilization and outcomes. This led him to develop a conceptual model of health care, “the Affluence-Poverty Nexus,” and to call for greater attention to the impact of poverty on the utilization of health care resources.