

Table 3.1

**Growth in Personal Health Care Expenditures (PHCE) and Medicare Program Payments: Selected Calendar Years 1967-2004**

Year	Medicare Program Payments			Total <sup>3</sup>	PHCE		Physician and Clinic	
	Total <sup>1</sup>	Inpatient Hospital	Physician/ Supplier <sup>2</sup>		Hospital		Physician and Clinic	
					Total	Medicare <sup>4</sup>	Total	Medicare <sup>5</sup>
Amount in Billions								
1967	\$4.2	\$2.7	\$1.2	\$43.6	\$18.1	\$3.2	\$10.1	\$1.2
1983	53.4	34.5	13.7	308.2	146.3	41.2	67.8	13.7
1990	101.4	56.7	30.2	609.4	253.9	67.8	157.5	30.2
1993	129.4	68.2	34.7	775.8	320.0	90.1	201.2	34.7
1994	146.5	75.7	38.5	816.5	332.4	98.9	210.5	37.9
1995	159.0	78.9	41.6	865.7	343.6	107.0	220.5	41.7
1996	167.1	79.9	42.5	911.9	355.9	115.1	229.4	44.3
1997	175.4	82.3	43.6	959.2	367.5	121.4	241.0	47.1
1998	168.2	83.0	44.2	1,009.9	379.2	119.9	256.8	51.3
1999	166.7	83.9	46.5	1,062.6	392.2	120.4	270.2	55.3
2000	174.3	85.2	51.5	1,130.4	412.1	125.7	286.4	59.6
2001	197.5	93.0	59.1	1,231.3	444.3	137.2	315.1	65.1
2002	215.4	99.4	64.3	1,342.9	484.2	148.6	340.8	69.0
2003	232.8	104.3	71.8	1,445.7	525.5	154.0	367.0	73.7
2004	255.3	110.5	79.3	1,560.2	570.8	163.4	399.9	81.8
Average Annual Rate of Change								
1967-1983	17.2	17.3	16.4	13.0	14.0	17.3	12.6	16.4
1983-2004	7.7	5.7	8.7	8.0	6.7	6.8	8.8	8.9
1967-2004	11.7	10.6	12.0	10.2	9.8	11.2	10.5	12.1
2003-2004	9.7	5.9	10.4	7.9	8.6	6.1	9.0	11.0

<sup>1</sup>Includes Medicare program payments for other types of services not shown separately.

<sup>2</sup>Includes program payments for physicians, practitioners, durable medical equipment, supplies and other medical services.

<sup>3</sup>Includes other types of expenditures not shown separately.

<sup>4</sup>Includes total benefit payments for inpatient hospital, facility-based skilled nursing facilities, facility-based home health agencies, facility-based hospices, and, for certain years, facility-based physicians.

<sup>5</sup>Includes total benefit payments for physicians, laboratory services performed in a physician's office, independent laboratory services, and freestanding end stage renal disease facilities.

NOTES: Medicare program payments represent unadjusted amounts paid for covered services incurred during a calendar year under Medicare fee-for-service only and exclude payments for managed care services. Program payments differ from PHCE, which reflect estimates of interim and retroactive adjustments made to institutional providers as well as prorated shares of payments for managed care. Refer to glossary for definitions of and differences between program payments and benefit payments. In addition, the PHCE defines hospital and physician and clinic services differently than Medicare defines inpatient hospital and physician/supplier. Because of these differences in methodology and completeness, the Medicare payment amounts under the PHCE categories will differ from the corresponding amounts under the Medicare categories.

SOURCES: Centers for Medicare & Medicaid Services, Office of Information Services: Medicare program payments from the Medicare Decision Support Access Facility. Effective 2002 Medicare program payments from the Medicare Data Extract System; data development by the Office of Research, Development, and Information. PHCE developed by the Office of the Actuary, National Health Statistics Group.