

Table 1

## Personal Health Care Expenditures, by Source of Funds: Selected Calendar Years 1960-2002

Year	Total PHCE <sup>1</sup>		Direct Patient Payments		Third Parties					
					All Third Parties		Private			
	Amount	Percent of GDP	Amount	Percent of PHCE	Amount	Percent of PHCE	Amount	Percent of PHCE	Health Insurance	Other Private Funds
	Amount in Billions									
1960	\$23.4	4.4	\$12.9	55.1	\$10.5	44.9	\$5.5	23.5	\$5.0	\$0.5
1970	63.3	6.1	25.1	39.7	38.2	60.3	15.9	25.1	14.1	1.8
1980	214.6	7.7	58.2	27.1	156.4	72.9	69.8	32.5	60.6	9.2
1985	372.3	8.8	95.5	25.7	276.8	74.3	130.1	34.9	111.3	18.8
1990	609.4	10.5	137.3	22.5	472.1	77.5	234.2	38.4	203.6	30.6
1991	672.0	11.2	142.1	21.1	529.9	78.9	257.6	38.3	224.5	33.1
1992	728.9	11.5	145.9	20.0	583.0	80.0	278.3	38.2	242.6	35.7
1993	775.7	11.7	146.9	18.9	628.8	81.1	298.3	38.5	259.9	38.4
1994	816.4	11.6	143.8	17.6	672.6	82.4	311.5	38.2	271.4	40.1
1995	865.7	11.7	146.5	16.9	719.2	83.1	333.0	38.5	288.8	44.2
1996	911.2	11.7	151.9	16.7	759.3	83.3	349.5	38.4	302.2	47.3
1997	959.3	11.5	162.1	16.9	797.2	83.1	370.6	38.6	319.2	51.4
1998	1,009.6	11.5	175.3	17.4	834.3	82.6	396.4	39.3	342.0	54.4
1999	1,065.0	11.5	184.5	17.3	880.5	82.7	422.6	39.7	366.4	56.2
2000	1,135.3	11.6	192.6	17.0	942.7	83.0	452.9	39.9	398.7	54.2
2001	1,231.3	12.2	200.5	16.3	1,030.8	83.7	490.9	39.9	437.2	53.7
2002	1,340.2	12.8	212.5	15.9	1,127.7	84.1	535.5	40.0	479.3	56.2
	Average Annual Rate of Change									
1960-2002	10.1	---	6.9	---	11.8	---	11.5	---	11.5	11.9
1970-2002	10.0	---	6.9	---	11.2	---	11.6	---	11.6	11.4
1980-2002	8.7	---	6.1	---	9.4	---	9.7	---	9.9	8.6
1970-1980	13.0	---	8.8	---	15.1	---	15.9	---	15.7	17.7
1980-1990	11.0	---	9.0	---	11.7	---	12.9	---	12.9	12.8
1990-2002	6.8	---	3.7	---	7.5	---	7.1	---	7.4	5.2
2000-2001	8.5	---	4.1	---	9.3	---	8.4	---	9.7	-0.9
2001-2002	8.8	---	6.0	---	9.4	---	9.1	---	9.6	4.7

<sup>1</sup>Represents total expenditures aggregated on an incurred basis. Because of differences in methodology, definition, and completeness, the PHCE for Medicare services are somewhat higher than the corresponding Medicare program payments shown elsewhere in this publication. PHCE excludes health expenditures for construction, program administration, government public health activities, and research.

<sup>2</sup>Subset of Federal funds.

<sup>3</sup>Subset of Federal, State and local funds.

<sup>4</sup>Excludes State Children's Health Insurance Program and Medicaid expansion.

NOTES: PHCE is personal health care expenditures. GDP is gross domestic product. Numbers may not add to totals due to rounding. Refer to "Health Accounts," for National Health Expenditures data files and category definitions <[www.cms.hhs.gov/statistics/nhe](http://www.cms.hhs.gov/statistics/nhe)>.

SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

**Table 1—Continued**  
**Personal Health Care Expenditures, by Source of Funds: Selected Calendar Years 1960-2002**

Total		Government					
Amount	Percent of PHCE	Federal	State and Local	Medicare <sup>2</sup>		Medicaid <sup>3,4</sup>	
				Amount	Percent of PHCE	Amount	Percent of PHCE
Amount in Billions							
\$5.0	21.4	\$2.0	\$3.0	---	---	---	---
22.3	35.2	14.5	7.8	\$7.3	11.5	\$5.0	7.9
86.6	40.4	62.8	23.8	36.3	16.9	24.7	11.5
146.7	39.4	109.7	37.0	69.8	18.7	38.8	10.4
237.9	39.0	174.2	63.7	107.3	17.6	69.7	11.4
272.3	40.5	201.5	70.8	117.6	17.5	89.0	13.2
304.7	41.8	229.2	75.5	132.8	18.2	103.4	14.2
330.5	42.6	250.6	79.9	144.4	18.6	115.7	14.9
361.1	44.2	273.5	87.6	162.1	19.9	126.2	15.5
386.2	44.6	295.4	90.8	178.6	20.6	135.3	15.6
409.8	45.0	316.5	93.3	193.1	21.2	144.5	15.9
426.6	44.5	329.8	96.8	203.6	21.2	151.7	15.8
437.9	43.4	334.7	103.2	204.0	20.2	160.0	15.8
457.9	43.0	347.7	110.2	206.2	19.4	173.7	16.3
489.8	43.1	372.0	117.8	217.5	19.2	188.3	16.6
539.9	43.8	412.1	127.8	239.2	19.4	207.5	16.9
592.2	44.2	450.5	141.7	259.1	19.3	232.4	17.3
12.0	---	13.8	9.6	---	---	---	---
10.8	---	11.3	9.5	11.8	---	12.7	---
9.1	---	9.4	8.4	9.3	---	10.7	---
14.5	---	15.8	11.8	17.4	---	17.3	---
10.6	---	10.7	10.3	11.4	---	10.9	---
7.9	---	8.2	6.9	7.6	---	10.6	---
10.2	---	10.8	8.5	10.0	---	10.2	---
9.7	---	9.3	10.9	8.3	---	12.0	---

**Table 2**  
**Gross Domestic Product (GDP), Total Personal Health Care Expenditures (PHCE), Physician PHCE, Total Medicare PHCE,**  
**and Medicare Physician PHCE: Selected Calendar Years 1960-2002**

Year	Medicare PHCE <sup>1</sup>															
	GDP in Billions	PHCE <sup>1</sup>						Physician and Clinical Services <sup>2</sup>								
		Total		Physician and Clinical Services				Total			Physician and Clinical Services <sup>2</sup>					
		Amount in Billions	Percent of GDP	Amount in Billions	Per- cent of GDP	Per- cent of PHCE	Index <sup>3</sup>	Amount in Billions	Per- cent of GDP	Percent of PHCE	Amount in Billions	Per- cent of GDP	Per- cent of PHCE	Per- cent of Medicare PHCE	Index <sup>3</sup>	
1960	\$527	\$23.4	4.4	\$5.4	1.0	23.1	---	---	---	---	---	---	---	---	---	
1970	1,040	63.2	6.1	14.0	1.3	22.2	100	\$7.3	0.7	11.6	\$1.6	0.2	2.5	21.9	100	
1980	2,796	214.6	7.7	47.1	1.7	21.9	336	36.3	1.3	16.9	8.2	0.3	3.8	22.6	513	
1990	5,803	609.4	10.5	157.5	2.7	25.8	1,125	107.3	1.8	17.6	30.2	0.5	5.0	28.1	1,888	
1991	5,986	672.0	11.2	175.0	2.9	26.0	1,250	117.6	2.0	17.5	31.8	0.5	4.7	27.0	1,988	
1992	6,319	728.9	11.5	189.7	3.0	26.0	1,355	132.8	2.1	18.2	33.0	0.5	4.5	24.8	2,063	
1993	6,642	775.8	11.7	201.2	3.0	25.9	1,437	144.4	2.2	18.6	34.7	0.5	4.5	24.0	2,169	
1994	7,054	816.5	11.6	210.5	3.0	25.8	1,504	162.1	2.3	19.9	38.4	0.5	4.7	23.7	2,400	
1995	7,401	865.7	11.7	220.5	3.0	25.5	1,575	178.6	2.4	20.6	41.9	0.6	4.8	23.5	2,619	
1996	7,813	911.1	11.7	229.4	2.9	25.2	1,639	193.1	2.5	21.2	44.2	0.6	4.9	22.9	2,763	
1997	8,318	959.2	11.5	241.0	2.9	25.1	1,721	203.6	2.4	21.2	47.1	0.6	4.9	23.1	2,944	
1998	8,782	1,009.6	11.5	256.8	2.9	25.4	1,834	204.0	2.3	20.2	50.5	0.6	5.0	24.8	3,156	
1999	9,274	1,065.0	11.5	270.9	2.9	25.4	1,935	206.2	2.2	19.4	54.5	0.6	5.1	26.4	3,406	
2000	9,825	1,135.3	11.6	290.3	3.0	25.6	2,074	217.5	2.2	19.2	59.4	0.6	5.2	27.3	3,713	
2001	10,082	1,231.4	12.2	315.1	3.1	25.6	2,251	239.2	2.4	19.4	65.1	0.6	5.3	27.2	4,069	
2002	10,446	1,340.2	12.8	339.5	3.2	25.3	2,425	259.1	2.5	19.3	68.8	0.7	5.1	26.6	4,300	
Average Annual Rate of Change																
1960-2002	7.4	10.1	---	10.4	---	---	---	---	---	---	---	---	---	---	---	
1970-2002	7.5	10.0	---	10.5	---	---	---	11.8	---	---	12.5	---	---	---	---	
1980-2002	6.2	8.7	---	9.4	---	---	---	9.3	---	---	10.2	---	---	---	---	
1970-1980	10.4	13.0	---	12.9	---	---	---	17.4	---	---	17.8	---	---	---	---	
1980-1990	7.6	11.0	---	12.8	---	---	---	11.4	---	---	13.9	---	---	---	---	
1990-2002	5.0	6.8	---	6.6	---	---	---	7.6	---	---	7.1	---	---	---	---	
1999-2000	5.9	6.6	---	7.2	---	---	---	5.5	---	---	9.0	---	---	---	---	
2000-2001	2.6	8.5	---	8.5	---	---	---	10.0	---	---	9.6	---	---	---	---	
2001-2002	3.6	8.8	---	7.7	---	---	---	8.3	---	---	5.7	---	---	---	---	

<sup>1</sup>Represents total expenditures aggregated on an incurred basis. Because of differences in methodology, definition, and completeness, the total Medicare Physician and Clinical Services are somewhat higher than the corresponding Medicare Program payments for Physician and Clinical Services shown elsewhere in this publication. PHCE excludes health expenditures for construction, program administration, government, public health activities, and research.

<sup>2</sup>Excludes expenditures for supplier services; includes expenditures for group practice prepayment plans and independent laboratories.

<sup>3</sup>This index compares the relative aggregate expenditures for this category in each given year relative to the aggregate expenditures for this category in 1970. Expenditures are in current dollars.

NOTES: Numbers may not add to totals due to rounding. Refer to "CMS Data and Statistics," for National Health Expenditures data files and category definitions <[www.cms.hhs.gov/statistics/nhe](http://www.cms.hhs.gov/statistics/nhe)>.

SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

**Table 3**  
**Gross Domestic Product (GDP), Total Personal Health Care Expenditures (PHCE), Hospital PHCE, Total Medicare PHCE,**  
**and Medicare Hospital PHCE: Selected Calendar Years 1960-2002**

Year	GDP in Billions	Medicare PHCE <sup>1</sup>													
		PHCE <sup>1</sup>						Hospital							
		Total		Hospital				Total			Percent of Medicare				
		Amount in Billions	Per- cent of GDP	Amount in Billions	Per- cent of GDP	Per- cent of PHCE	Index <sup>2</sup>	Amount in Billions	Per- cent of GDP	Per- cent of PHCE	Amount in Billions	Per- cent of GDP	Per- cent of PHCE	PHCE	Index <sup>2</sup>
1960	\$527	\$23.4	4.4	\$9.2	1.7	39.3	---	---	---	---	---	---	---	---	---
1970	1,040	63.2	6.1	27.6	2.7	43.7	100	\$7.3	0.7	11.6	\$5.4	0.5	8.5	74.0	100
1980	2,796	214.6	7.7	101.5	3.6	47.3	368	36.3	1.3	16.9	26.4	0.9	12.3	72.7	489
1990	5,803	609.4	10.5	253.9	4.4	41.7	920	107.3	1.8	17.6	67.8	1.2	11.1	63.2	1,256
1991	5,986	672.0	11.2	279.5	4.7	41.6	1,013	117.6	2.0	17.5	73.8	1.2	11.0	62.8	1,367
1992	6,319	728.9	11.5	302.3	4.8	41.5	1,095	132.8	2.1	18.2	84.1	1.3	11.5	63.3	1,557
1993	6,642	775.8	11.7	320.0	4.8	41.2	1,159	144.4	2.2	18.6	90.1	1.4	11.6	62.4	1,669
1994	7,054	816.5	11.6	332.4	4.7	40.7	1,204	162.1	2.3	19.9	98.8	1.4	12.1	61.0	1,830
1995	7,401	865.7	11.7	343.6	4.6	39.7	1,245	178.6	2.4	20.6	107.2	1.4	12.4	60.0	1,985
1996	7,813	911.1	11.7	355.2	4.5	39.0	1,287	193.1	2.5	21.2	116.0	1.5	12.7	60.1	2,148
1997	8,318	959.2	11.5	367.6	4.4	38.3	1,332	203.6	2.4	21.2	122.5	1.5	12.8	60.2	2,269
1998	8,782	1,009.6	11.5	378.5	4.3	37.5	1,371	204.0	2.3	20.2	121.6	1.4	12.0	59.6	2,252
1999	9,274	1,065.0	11.5	393.5	4.2	36.9	1,426	206.2	2.2	19.4	122.6	1.3	11.5	59.5	2,270
2000	9,825	1,135.3	11.6	413.2	4.2	36.4	1,497	217.5	2.2	19.2	126.9	1.3	11.2	58.3	2,350
2001	10,082	1,231.4	12.2	444.3	4.4	36.1	1,610	239.2	2.4	19.4	137.2	1.4	11.1	57.4	2,541
2002	10,446	1,340.2	12.8	486.5	4.7	36.3	1,763	259.1	2.5	19.3	149.2	1.4	11.1	57.6	2,763
Average Annual Rate of Change															
1960-2002	7.4	10.1	---	9.9	---	---	---	---	---	---	---	---	---	---	---
1970-2002	7.5	10.0	---	9.4	---	---	---	11.8	---	---	10.9	---	---	---	---
1980-2002	6.2	8.7	---	7.4	---	---	---	9.3	---	---	8.2	---	---	---	---
1970-1980	10.4	13.0	---	13.9	---	---	---	17.4	---	---	17.2	---	---	---	---
1980-1990	7.6	11.0	---	9.6	---	---	---	11.4	---	---	9.9	---	---	---	---
1990-2002	5.0	6.8	---	5.6	---	---	---	7.6	---	---	6.8	---	---	---	---
2000-2001	2.6	8.5	---	7.5	---	---	---	10.0	---	---	8.1	---	---	---	---
2001-2002	3.6	8.8	---	9.5	---	---	---	8.3	---	---	8.7	---	---	---	---

<sup>1</sup>Represents total expenditures aggregated on an incurred basis. Because of differences in methodology, definition, and completeness, the PHCE for Medicare hospital services are somewhat higher than the corresponding Medicare Program payments for all hospital services shown elsewhere in this publication. PHCE excludes health expenditures for construction, program administration, government public health activities, and research.

<sup>2</sup>This index compares the relative aggregate expenditures for this category in each given year relative to the aggregate expenditures for this category in 1970. Expenditures are in current dollars.

NOTES: Numbers may not add to totals due to rounding. Refer to "CMS Data and Statistics," for National Health Expenditures data files and category definitions <[www.cms.hhs.gov/statistics/nhe](http://www.cms.hhs.gov/statistics/nhe)>.

SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Table 4

## Total Personal Health Care Expenditures (PHCE), by Type of Service: Selected Calendar Years 1960-2002

Type of Service	1960		1990		2001		2002		Average Annual Rate of Change		
	Amount in Billions	Percent	Amount in Billions	Percent	Amount in Billions	Percent	Amount in Billions	Percent	1960-2002	1990-2002	2001-2002
Personal Health Care <sup>1</sup>	\$23.4	100.0	\$609.4	100.0	\$1,231.4	100.0	\$1,340.2	100.0	10	7	9
Hospital Care	9.2	39.3	253.9	41.7	444.3	36.1	486.5	36.3	10	6	9
Physician and Clinical Services	5.4	23.1	157.5	25.8	315.1	25.6	339.5	25.3	10	7	8
Dental Services	2.0	8.5	31.5	5.2	65.6	5.3	70.3	5.2	9	7	7
Other Professional Services	0.4	1.7	18.2	3.0	42.6	3.5	45.9	3.4	12	8	8
Home Health Care <sup>2</sup>	0.1	0.4	12.6	2.1	33.7	2.7	36.1	2.7	15	9	7
Prescription Drugs	2.7	11.5	40.3	6.6	140.8	11.4	162.4	12.1	10	12	15
Other Non-Durable Medical Products	1.6	6.8	22.5	3.7	31.0	2.5	31.7	2.4	7	3	2
Durable Medical Equipment	0.7	3.0	10.6	1.7	18.2	1.5	18.8	1.4	8	5	3
Nursing Home Care <sup>3</sup>	0.8	3.4	52.7	8.6	99.1	8.0	103.2	7.7	12	6	4
Other Personal Health Care	0.6	2.6	9.6	1.6	40.9	3.3	45.8	3.4	11	14	12

<sup>1</sup>Represents estimates of total benefit payments (fee-for-service and managed care) aggregated on an incurred basis.

<sup>2</sup>Excludes PHCE for home health agency services and supplies furnished by hospital-based and skilled nursing facility-based home health agencies.

<sup>3</sup>Excludes PHCE for skilled nursing facility services and supplies furnished by hospital-based skilled nursing facilities.

NOTES: Numbers may not add to totals due to rounding. National Health Expenditures data files and category definitions are found at <[www.cms.hhs.gov/statistics/nhe](http://www.cms.hhs.gov/statistics/nhe)>.

SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.