

**Table 1**  
**Personal Health Care Expenditures, by Source of Funds: Selected Calendar Years 1960-2003**

Year	Total PHCE <sup>1</sup>		Direct Patient Payments		Third Parties					
					All Third Parties		Private			Other Private Funds
	Amount	Percent of GDP	Amount	Percent of PHCE	Amount	Percent of PHCE	Amount	Percent of PHCE	Health Insurance	
Amount in Billions										
1960	\$23.4	4.4	\$12.9	55.2	\$10.5	44.8	\$5.5	23.4	\$5.0	\$0.5
1970	63.2	6.1	25.1	39.7	38.1	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	25.6	276.9	74.4	130.2	35.0	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	775.8	11.7	146.9	18.9	628.8	81.1	298.3	38.5	259.9	38.4
1994	816.5	11.5	143.8	17.6	672.7	82.4	311.6	38.2	271.4	40.1
1995	865.7	11.7	146.4	16.9	719.3	83.1	332.9	38.5	288.7	44.2
1996	911.1	11.7	151.8	16.7	759.4	83.3	349.1	38.3	301.9	47.2
1997	959.2	11.6	162.0	16.9	797.2	83.1	370.8	38.7	319.4	51.4
1998	1,009.8	11.5	175.6	17.4	834.2	82.6	397.8	39.4	343.4	54.4
1999	1,065.6	11.5	184.7	17.3	880.9	82.7	423.3	39.7	367.0	56.3
2000	1,136.1	11.6	193.1	17.0	943.0	83.0	453.8	39.9	399.3	54.4
2001	1,235.5	12.2	202.0	16.3	1,033.5	83.7	491.9	39.8	437.6	54.3
2002	1,342.9	12.8	214.2	16.0	1,128.7	84.0	535.4	39.9	479.1	56.2
2003	1,440.8	13.1	230.5	16.0	1,210.3	84.0	578.8	40.2	518.7	60.0
Average Annual Rate of Change										
1960-2003	10.1	---	6.9	---	11.7	---	11.5	---	11.4	12.0
1970-2003	9.9	---	7.0	---	11.0	---	11.5	---	11.5	11.3
1980-2003	8.6	---	6.2	---	9.3	---	9.6	---	9.8	8.5
1970-1980	13.0	---	8.8	---	15.2	---	16.0	---	15.7	17.9
1980-1990	11.0	---	9.0	---	11.7	---	12.9	---	12.9	12.8
1990-2003	6.8	---	4.1	---	7.5	---	7.2	---	7.5	5.3
2000-2001	8.7	---	4.6	---	9.6	---	8.4	---	9.6	-0.3
2001-2002	8.7	---	6.0	---	9.2	---	8.8	---	9.5	3.6
2002-2003	7.3	---	7.6	---	7.2	---	8.1	---	8.3	6.7

<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

Total		Government					
		State and Local		Medicare <sup>2</sup>		Medicaid <sup>3,4</sup>	
Amount	Percent of PHCE	Federal	Local	Amount	Percent of PHCE	Amount	Percent of PHCE
Amount in Billions							
\$5.0	21.4	\$2.0	\$3.0	---	---	---	---
22.2	35.2	14.5	7.8	\$7.3	11.5	\$5.0	8.0
86.6	40.3	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	19.8	126.2	15.5
386.4	44.6	295.6	90.8	178.9	20.7	135.3	15.6
410.3	45.0	317.0	93.3	193.6	21.3	144.5	15.9
426.4	44.5	329.6	96.8	203.4	21.2	151.7	15.8
436.4	43.2	333.2	103.2	202.5	20.1	160.0	15.8
457.6	42.9	347.2	110.4	205.7	19.3	173.7	16.3
489.2	43.1	371.5	117.8	216.9	19.1	188.3	16.6
541.6	43.8	413.9	127.7	241.5	19.5	206.9	16.7
593.3	44.2	452.3	141.0	259.7	19.3	232.3	17.3
631.5	43.8	479.8	151.7	274.9	19.1	248.5	17.3
11.9	---	13.5	9.6	---	---	---	---
10.7	---	11.2	9.4	11.6	---	12.5	---
9.0	---	9.2	8.4	9.2	---	10.6	---
14.6	---	15.8	11.8	17.4	---	17.2	---
10.6	---	10.7	10.4	11.5	---	10.9	---
7.8	---	8.1	6.9	7.5	---	10.3	---
10.7	---	11.4	8.4	11.3	---	9.9	---
9.5	---	9.3	10.4	7.6	---	12.3	---
6.4	---	6.1	7.6	5.8	---	7.0	---

Table 2

**Gross Domestic Product (GDP), Total Personal Health Care Expenditures (PHCE), Physician PHCE, Total Medicare PHCE,  
and Medicare Physician PHCE: Selected Calendar Years 1960-2003**

Year	PHCE <sup>1</sup>							Medicare PHCE <sup>1</sup>							
	GDP in Billions	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	Percent of Medicare	
														PHCE	PHCE
1960	\$526	\$23.4	4.4	\$5.4	1.0	22.9	---	---	---	---	---	---	---	---	---
1970	1,039	63.2	6.1	14.0	1.3	22.1	100	7.3	0.7	11.5	\$1.6	0.2	2.6	22.6	100
1980	2,790	214.6	7.7	47.1	1.7	21.9	337	36.3	1.3	16.9	8.2	0.3	3.8	22.6	499
1990	5,803	609.4	10.5	157.5	2.7	25.9	1,127	107.3	1.8	17.6	30.2	0.5	4.9	28.1	1,835
1995	7,398	865.7	11.7	220.5	3.0	25.5	1,577	178.9	2.4	20.7	41.9	0.6	4.8	23.4	2,549
1996	7,817	911.1	11.7	229.4	2.9	25.2	1,641	193.6	2.5	21.3	44.2	0.6	4.8	22.8	2,689
1997	8,304	959.2	11.6	241.0	2.9	25.1	1,724	203.4	2.4	21.2	47.0	0.6	4.9	23.1	2,858
1998	8,747	1,009.8	11.5	256.8	2.9	25.4	1,837	202.5	2.3	20.1	49.8	0.6	4.9	24.6	3,029
1999	9,268	1,065.6	11.5	270.9	2.9	25.4	1,938	205.7	2.2	19.3	54.1	0.6	5.1	26.3	3,295
2000	9,817	1,136.1	11.6	290.2	3.0	25.5	2,076	216.9	2.2	19.1	59.3	0.6	5.2	27.3	3,609
2001	10,128	1,235.5	12.2	315.1	3.1	25.5	2,254	241.5	2.4	19.5	65.3	0.6	5.3	27.0	3,974
2002	10,487	1,342.9	12.8	340.8	3.2	25.4	2,438	259.7	2.5	19.3	69.0	0.7	5.1	26.6	4,199
2003	11,004	1,440.8	13.1	369.7	3.4	25.7	2,645	274.9	2.5	19.1	73.8	0.7	5.1	26.8	4,489
Average Annual Rate of Change															
1960-2003	7.3	10.1	---	10.4	---	---	---	---	---	---	---	---	---	---	---
1970-2003	7.4	9.9	---	10.4	---	---	---	11.6	---	---	12.2	---	---	---	---
1980-2003	6.1	8.6	---	9.4	---	---	---	9.2	---	---	10.0	---	---	---	---
1990-2003	5.0	6.8	---	6.8	---	---	---	7.5	---	---	7.1	---	---	---	---
2000-2001	3.2	8.7	---	8.6	---	---	---	11.3	---	---	10.1	---	---	---	---
2001-2002	3.5	8.7	---	8.2	---	---	---	7.6	---	---	5.7	---	---	---	---
2002-2003	4.9	7.3	---	8.5	---	---	---	5.8	---	---	6.9	---	---	---	---

<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 1960-2003**

Year	Medicare PHCE <sup>1</sup>															
	PHCE <sup>1</sup>							Hospital								
	GDP in Billions	Total		Hospital				Total			Hospital			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	\$526	\$23.4	4.4	\$9.2	1.7	39.3	---	---	---	---	---	---	---	---	---	
1970	1,039	63.2	6.1	27.6	2.7	43.7	100	\$7.3	0.7	11.5	\$5.4	0.5	8.5	73.6	100	
1980	2,790	214.6	7.7	101.5	3.6	47.3	368	36.3	1.3	16.9	26.4	0.9	12.3	72.8	492	
1990	5,803	609.4	10.5	253.9	4.4	41.7	919	107.3	1.8	17.6	67.8	1.2	11.1	63.2	1,266	
1995	7,398	865.7	11.7	343.6	4.6	39.7	1,244	178.9	2.4	20.7	107.4	1.5	12.4	60.1	2,005	
1996	7,817	911.1	11.7	355.2	4.5	39.0	1,286	193.6	2.5	21.3	116.6	1.5	12.8	60.2	2,175	
1997	8,304	959.2	11.6	367.6	4.4	38.3	1,330	203.4	2.4	21.2	122.7	1.5	12.8	60.3	2,289	
1998	8,747	1,009.8	11.5	378.5	4.3	37.5	1,370	202.5	2.3	20.1	121.1	1.4	12.0	59.8	2,260	
1999	9,268	1,065.6	11.5	393.4	4.2	36.9	1,424	205.7	2.2	19.3	122.6	1.3	11.5	59.6	2,288	
2000	9,817	1,136.1	11.6	413.1	4.2	36.4	1,495	216.9	2.2	19.1	126.4	1.3	11.1	58.3	2,358	
2001	10,128	1,235.5	12.2	446.4	4.4	36.1	1,616	241.5	2.4	19.5	138.9	1.4	11.2	57.5	2,591	
2002	10,487	1,342.9	12.8	484.2	4.6	36.1	1,752	259.7	2.5	19.3	148.6	1.4	11.1	57.2	2,773	
2003	11,004	1,440.8	13.1	515.9	4.7	35.8	1,867	274.9	2.5	19.1	156.4	1.4	10.9	56.9	2,919	
Average Annual Rate of Change																
1960-2003	7.3	10.1	---	9.8	---	---	---	---	---	---	---	---	---	---	---	
1970-2003	7.4	9.9	---	9.3	---	---	---	11.6	---	---	10.8	---	---	---	---	
1980-2003	6.1	8.6	---	7.3	---	---	---	9.2	---	---	8.0	---	---	---	---	
1990-2003	5.0	6.8	---	5.6	---	---	---	7.5	---	---	6.6	---	---	---	---	
2001-2002	3.5	8.7	---	8.5	---	---	---	7.6	---	---	7.0	---	---	---	---	
2002-2003	4.9	7.3	---	6.5	---	---	---	5.8	---	---	5.3	---	---	---	---	

<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 1960-2003**

Type of Service	1960		1990		2002		2003		Average Annual Rate of Change		
	Amount in Billions	Percent	Amount in Billions	Percent	Amount in Billions	Percent	Amount in Billions	Percent	1960-2003	1990-2003	2002-2003
Personal Health Care <sup>1</sup>	\$23.4	100.0	\$609.4	100.0	\$1,342.9	100.0	\$1,440.8	100.0	10	7	7
Hospital Care	9.2	39.3	253.9	41.7	484.2	36.1	515.9	35.8	10	6	7
Physician and Clinical Services	5.4	22.9	157.5	25.9	340.8	25.4	369.7	25.7	10	7	9
Dental Services	2.0	8.4	31.5	5.2	70.9	5.3	74.3	5.2	9	7	5
Other Professional Services	0.4	1.7	18.2	3.0	46.1	3.4	48.5	3.4	12	8	5
Home Health Care <sup>2</sup>	0.1	0.2	12.6	2.1	36.5	2.7	40.0	2.8	16	9	10
Prescription Drugs	2.7	11.4	40.3	6.6	161.8	12.1	179.2	12.4	10	12	11
Other Non-Durable Medical Products	1.6	7.0	22.5	3.7	31.1	2.3	32.5	2.3	7	3	4
Durable Medical Equipment	0.7	2.8	10.6	1.7	19.6	1.5	20.4	1.4	8	5	4
Nursing Home Care <sup>3</sup>	0.8	3.6	52.7	8.6	106.6	7.9	110.8	7.7	12	6	4
Other Personal Health Care	0.6	2.7	9.6	1.6	45.3	3.4	49.5	3.4	11	13	9

<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.