

**Table 1.1**  
**Personal Health Care Expenditures, by Source of Funds: Selected Calendar Years 1960-2007**

| Year                          | Total PHCE <sup>1</sup> |                | Direct Patient Payments |                 | Third Parties     |                 |        |                 |                  |                     |
|-------------------------------|-------------------------|----------------|-------------------------|-----------------|-------------------|-----------------|--------|-----------------|------------------|---------------------|
|                               |                         |                |                         |                 | All Third Parties |                 | Total  |                 | Private          |                     |
|                               | Amount                  | Percent of GDP | Amount                  | Percent of PHCE | Amount            | Percent of PHCE | Amount | Percent of PHCE | Health Insurance | Other Private Funds |
|                               |                         |                |                         |                 |                   |                 |        |                 |                  |                     |
| 1960                          | \$23.3                  | 4.4            | \$12.9                  | 55.2            | \$10.4            | 44.8            | \$5.5  | 23.4            | \$5.0            | \$0.5               |
| 1970                          | 62.9                    | 6.1            | 24.9                    | 39.6            | 38.0              | 60.4            | 15.8   | 25.1            | 14.1             | 1.7                 |
| 1980                          | 214.8                   | 7.7            | 58.1                    | 27.1            | 156.6             | 72.9            | 70.4   | 32.8            | 61.2             | 9.2                 |
| 1985                          | 371.7                   | 8.8            | 95.2                    | 25.6            | 276.5             | 74.4            | 130.6  | 35.1            | 111.8            | 18.8                |
| 1990                          | 607.6                   | 10.5           | 136.2                   | 22.4            | 471.4             | 77.6            | 235.1  | 38.7            | 204.6            | 30.5                |
| 1991                          | 669.2                   | 11.2           | 140.1                   | 20.9            | 529.1             | 79.1            | 258.2  | 38.6            | 225.1            | 33.1                |
| 1992                          | 725.9                   | 11.5           | 143.3                   | 19.7            | 582.6             | 80.3            | 279.2  | 38.5            | 243.5            | 35.8                |
| 1993                          | 773.6                   | 11.6           | 145.1                   | 18.8            | 628.5             | 81.2            | 295.7  | 38.2            | 257.5            | 38.2                |
| 1994                          | 814.2                   | 11.5           | 142.8                   | 17.5            | 671.4             | 82.5            | 309.6  | 38.0            | 269.6            | 40.0                |
| 1995                          | 863.5                   | 11.7           | 146.1                   | 16.9            | 717.4             | 83.1            | 330.6  | 38.3            | 286.5            | 44.1                |
| 1996                          | 909.9                   | 11.6           | 151.8                   | 16.7            | 758.1             | 83.3            | 349.2  | 38.4            | 301.9            | 47.3                |
| 1997                          | 959.3                   | 11.6           | 162.1                   | 16.9            | 797.2             | 83.1            | 371.1  | 38.7            | 319.5            | 51.6                |
| 1998                          | 1,010.0                 | 11.5           | 175.2                   | 17.3            | 834.8             | 82.7            | 399.7  | 39.6            | 344.4            | 55.3                |
| 1999                          | 1,067.8                 | 11.5           | 183.7                   | 17.2            | 884.1             | 82.8            | 428.5  | 40.1            | 371.0            | 57.5                |
| 2000                          | 1,139.2                 | 11.6           | 192.6                   | 16.9            | 946.6             | 83.1            | 459.7  | 40.4            | 402.8            | 57.0                |
| 2001                          | 1,238.3                 | 12.2           | 199.5                   | 16.1            | 1,038.8           | 83.9            | 497.4  | 40.2            | 441.0            | 56.4                |
| 2002                          | 1,340.3                 | 12.8           | 211.2                   | 15.8            | 1,129.1           | 84.2            | 540.6  | 40.3            | 482.3            | 58.3                |
| 2003                          | 1,447.5                 | 13.2           | 224.6                   | 15.5            | 1,222.9           | 84.5            | 585.3  | 40.4            | 521.5            | 63.8                |
| 2004                          | 1,550.2                 | 13.3           | 234.9                   | 15.2            | 1,315.4           | 84.8            | 625.6  | 40.4            | 560.6            | 65.0                |
| 2005                          | 1,655.1                 | 13.3           | 247.0                   | 14.9            | 1,408.2           | 85.1            | 668.0  | 40.4            | 598.9            | 69.0                |
| 2006                          | 1,765.5                 | 13.4           | 255.0                   | 14.4            | 1,510.5           | 85.6            | 711.7  | 40.3            | 637.9            | 73.8                |
| 2007                          | 1,878.3                 | 13.6           | 268.6                   | 14.3            | 1,609.7           | 85.7            | 759.1  | 40.4            | 680.3            | 78.8                |
| Average Annual Rate of Change |                         |                |                         |                 |                   |                 |        |                 |                  |                     |
| 1960-2007                     | 9.8                     | ---            | 6.7                     | ---             | 11.3              | ---             | 11.1   | ---             | 11.0             | 11.6                |
| 1970-2007                     | 9.6                     | ---            | 6.6                     | ---             | 10.7              | ---             | 11.0   | ---             | 11.1             | 10.8                |
| 1980-2007                     | 8.4                     | ---            | 5.8                     | ---             | 9.0               | ---             | 9.2    | ---             | 9.3              | 8.3                 |
| 1970-1980                     | 13.1                    | ---            | 8.8                     | ---             | 15.2              | ---             | 16.1   | ---             | 15.8             | 18.1                |
| 1980-1990                     | 11.0                    | ---            | 8.9                     | ---             | 11.6              | ---             | 12.8   | ---             | 12.8             | 12.7                |
| 1990-2007                     | 6.9                     | ---            | 4.0                     | ---             | 7.5               | ---             | 7.2    | ---             | 7.4              | 5.7                 |
| 2000-2001                     | 8.7                     | ---            | 3.6                     | ---             | 9.7               | ---             | 8.2    | ---             | 9.5              | -0.9                |
| 2001-2002                     | 8.2                     | ---            | 5.8                     | ---             | 8.7               | ---             | 8.7    | ---             | 9.4              | 3.3                 |
| 2002-2003                     | 8.0                     | ---            | 6.4                     | ---             | 8.3               | ---             | 8.3    | ---             | 8.1              | 9.5                 |
| 2003-2004                     | 7.1                     | ---            | 4.6                     | ---             | 7.6               | ---             | 6.9    | ---             | 7.5              | 1.9                 |
| 2004-2005                     | 6.8                     | ---            | 5.2                     | ---             | 7.1               | ---             | 6.8    | ---             | 6.8              | 6.2                 |
| 2005-2006                     | 6.7                     | ---            | 3.3                     | ---             | 7.3               | ---             | 6.6    | ---             | 6.5              | 6.9                 |
| 2006-2007                     | 6.4                     | ---            | 5.3                     | ---             | 6.6               | ---             | 6.7    | ---             | 6.6              | 6.8                 |

<sup>1</sup>Represents total expenditures aggregated on an incurred basis. Because of differences in methodology, definition, and completeness, PHCE for Medicare services is 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 because of rounding. Expenditures are in current dollars. National Health Expenditures data files and category definitions are found at [http://www.cms.hhs.gov/NationalHealthExpendData/02\\_NationalHealthAccountsHistorical.asp#TopOfPage](http://www.cms.hhs.gov/NationalHealthExpendData/02_NationalHealthAccountsHistorical.asp#TopOfPage)

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

**Table 1.1—Continued**

**Personal Health Care Expenditures, by Source of Funds: Selected Calendar Years 1960-2007**

| Total                         |                 | Third Parties |                 |                       |                 |                         |                 |
|-------------------------------|-----------------|---------------|-----------------|-----------------------|-----------------|-------------------------|-----------------|
|                               |                 | 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           | ---                   | ---             | ---                     | ---             |
| 22.2                          | 35.3            | 14.4          | 7.8             | \$7.3                 | 11.6            | \$5.0                   | 8.0             |
| 86.2                          | 40.1            | 62.3          | 23.9            | 36.1                  | 16.8            | 24.7                    | 11.5            |
| 145.9                         | 39.2            | 108.7         | 37.1            | 69.4                  | 18.7            | 38.8                    | 10.4            |
| 236.3                         | 38.9            | 172.8         | 63.5            | 106.6                 | 17.5            | 69.7                    | 11.5            |
| 270.9                         | 40.5            | 200.4         | 70.5            | 117.3                 | 17.5            | 88.9                    | 13.3            |
| 303.3                         | 41.8            | 228.0         | 75.3            | 132.4                 | 18.2            | 103.4                   | 14.2            |
| 332.8                         | 43.0            | 251.6         | 81.1            | 146.2                 | 18.9            | 116.5                   | 15.1            |
| 361.8                         | 44.4            | 274.1         | 87.7            | 163.4                 | 20.1            | 126.9                   | 15.6            |
| 386.8                         | 44.8            | 295.6         | 91.1            | 179.9                 | 20.8            | 136.2                   | 15.8            |
| 408.9                         | 44.9            | 315.9         | 93.1            | 193.6                 | 21.3            | 144.5                   | 15.9            |
| 426.1                         | 44.4            | 329.4         | 96.7            | 204.2                 | 21.3            | 150.6                   | 15.7            |
| 435.1                         | 43.1            | 332.3         | 102.8           | 202.4                 | 20.0            | 158.2                   | 15.7            |
| 455.6                         | 42.7            | 346.4         | 109.2           | 205.7                 | 19.3            | 171.3                   | 16.0            |
| 486.9                         | 42.7            | 369.7         | 117.1           | 215.9                 | 18.9            | 187.0                   | 16.4            |
| 541.4                         | 43.7            | 411.7         | 129.7           | 238.8                 | 19.3            | 208.9                   | 16.9            |
| 588.6                         | 43.9            | 448.3         | 140.3           | 256.0                 | 19.1            | 230.7                   | 17.2            |
| 637.6                         | 44.0            | 486.5         | 151.1           | 274.1                 | 18.9            | 250.9                   | 17.3            |
| 689.8                         | 44.5            | 527.6         | 162.1           | 300.6                 | 19.4            | 269.9                   | 17.4            |
| 740.2                         | 44.7            | 563.3         | 176.9           | 327.4                 | 19.8            | 288.8                   | 17.4            |
| 798.7                         | 45.2            | 620.6         | 178.1           | 382.8                 | 21.7            | 285.4                   | 16.2            |
| 850.6                         | 45.3            | 663.0         | 187.6           | 409.6                 | 21.8            | 303.9                   | 16.2            |
| Average Annual Rate of Change |                 |               |                 |                       |                 |                         |                 |
| 11.6                          | ---             | 13.1          | 9.2             | ---                   | ---             | ---                     | ---             |
| 10.4                          | ---             | 10.9          | 9.0             | 11.5                  | ---             | 11.7                    | ---             |
| 8.8                           | ---             | 9.2           | 7.9             | 9.4                   | ---             | 9.7                     | ---             |
| 14.5                          | ---             | 15.7          | 11.9            | 17.4                  | ---             | 17.2                    | ---             |
| 10.6                          | ---             | 10.7          | 10.3            | 11.4                  | ---             | 10.9                    | ---             |
| 7.9                           | ---             | 8.3           | 6.7             | 8.3                   | ---             | 9.2                     | ---             |
| 11.2                          | ---             | 11.3          | 10.7            | 10.6                  | ---             | 11.7                    | ---             |
| 8.7                           | ---             | 8.9           | 8.2             | 7.2                   | ---             | 10.4                    | ---             |
| 8.3                           | ---             | 8.5           | 7.7             | 7.1                   | ---             | 8.8                     | ---             |
| 8.2                           | ---             | 8.5           | 7.3             | 9.7                   | ---             | 7.6                     | ---             |
| 7.3                           | ---             | 6.8           | 9.1             | 8.9                   | ---             | 7.0                     | ---             |
| 7.9                           | ---             | 10.2          | 0.7             | 16.9                  | ---             | -1.2                    | ---             |
| 6.5                           | ---             | 6.8           | 5.3             | 7.0                   | ---             | 6.5                     | ---             |

**Table 1.2**  
**Gross Domestic Product (GDP), Total Personal Health Care Expenditures (PHCE), Physician PHCE, Total Medicare PHCE,**  
**and Medicare Physician PHCE: Selected Calendar Years 1960-2007**

| Year                          | Medicare PHCE <sup>1</sup> |                          |                   |                                 |                   |                    |                          |  |                    |                          |  |                    |                                   |  |
|-------------------------------|----------------------------|--------------------------|-------------------|---------------------------------|-------------------|--------------------|--------------------------|--|--------------------|--------------------------|--|--------------------|-----------------------------------|--|
|                               | GDP<br>in<br>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<br>in<br>Billions | Percent<br>of GDP | Amount<br>in<br>Billions        | Percent<br>of GDP | Percent<br>of PHCE | Amount<br>in<br>Billions | Percent<br>of GDP                            | Percent<br>of PHCE | Amount<br>in<br>Billions | Percent<br>of GDP                            | Percent<br>of PHCE | Percent<br>of<br>Medicare<br>PHCE |  |
| 1960                          | \$526.4                    | \$23.3                   | 4.4               | \$5.4                           | 1.0               | 23.0               | ---                      | ---  | ---                | ---                      | ---  | ---                | ---                               |  |
| 1970                          | 1,038.5                    | 62.9                     | 6.1               | 14.0                            | 1.3               | 22.2               | 7.3                      | 0.7  | 11.6               | \$1.6                    | 0.2  | 2.6                | 22.6                              |  |
| 1980                          | 2,789.5                    | 214.8                    | 7.7               | 47.1                            | 1.7               | 21.9               | 36.1                     | 1.3  | 16.8               | 8.0                      | 0.3  | 3.7                | 22.2                              |  |
| 1990                          | 5,803.1                    | 607.6                    | 10.5              | 157.6                           | 2.7               | 25.9               | 106.6                    | 1.8  | 17.5               | 29.4                     | 0.5  | 4.8                | 27.5                              |  |
| 1991                          | 5,995.9                    | 669.2                    | 11.2              | 175.0                           | 2.9               | 26.2               | 117.3                    | 2.0  | 17.5               | 31.5                     | 0.5  | 4.7                | 26.9                              |  |
| 1992                          | 6,337.7                    | 725.9                    | 11.5              | 189.7                           | 3.0               | 26.1               | 132.4                    | 2.1  | 18.2               | 33.1                     | 0.5  | 4.6                | 25.0                              |  |
| 1993                          | 6,657.4                    | 773.6                    | 11.6              | 201.2                           | 3.0               | 26.0               | 146.2                    | 2.2  | 18.9               | 34.7                     | 0.5  | 4.5                | 23.7                              |  |
| 1994                          | 7,072.2                    | 814.2                    | 11.5              | 210.5                           | 3.0               | 25.9               | 163.4                    | 2.3  | 20.1               | 38.1                     | 0.5  | 4.7                | 23.3                              |  |
| 1995                          | 7,397.7                    | 863.5                    | 11.7              | 220.5                           | 3.0               | 25.5               | 179.9                    | 2.4  | 20.8               | 41.4                     | 0.6  | 4.8                | 23.0                              |  |
| 1996                          | 7,816.9                    | 909.9                    | 11.6              | 229.4                           | 2.9               | 25.2               | 193.6                    | 2.5  | 21.3               | 43.7                     | 0.6  | 4.8                | 22.6                              |  |
| 1997                          | 8,304.3                    | 959.3                    | 11.6              | 241.0                           | 2.9               | 25.1               | 204.2                    | 2.5  | 21.3               | 46.3                     | 0.6  | 4.8                | 22.7                              |  |
| 1998                          | 8,747.0                    | 1,010.0                  | 11.5              | 256.4                           | 2.9               | 25.4               | 202.4                    | 2.3  | 20.0               | 49.1                     | 0.6  | 4.9                | 24.3                              |  |
| 1999                          | 9,268.4                    | 1,067.8                  | 11.5              | 269.7                           | 2.9               | 25.3               | 205.7                    | 2.2  | 19.3               | 53.0                     | 0.6  | 5.0                | 25.8                              |  |
| 2000                          | 9,817.0                    | 1,139.2                  | 11.6              | 288.6                           | 2.9               | 25.3               | 215.9                    | 2.2  | 18.9               | 58.2                     | 0.6  | 5.1                | 27.0                              |  |
| 2001                          | 10,128.0                   | 1,238.3                  | 12.2              | 313.2                           | 3.1               | 25.3               | 238.8                    | 2.4  | 19.3               | 63.4                     | 0.6  | 5.1                | 26.5                              |  |
| 2002                          | 10,469.6                   | 1,340.3                  | 12.8              | 337.9                           | 3.2               | 25.2               | 256.0                    | 2.4  | 19.1               | 67.4                     | 0.6  | 5.0                | 26.3                              |  |
| 2003                          | 10,960.8                   | 1,447.5                  | 13.2              | 366.7                           | 3.3               | 25.3               | 274.1                    | 2.5  | 18.9               | 73.5                     | 0.7  | 5.1                | 26.8                              |  |
| 2004                          | 11,685.9                   | 1,550.2                  | 13.3              | 393.6                           | 3.4               | 25.4               | 300.6                    | 2.6  | 19.4               | 80.9                     | 0.7  | 5.2                | 26.9                              |  |
| 2005                          | 12,421.9                   | 1,655.1                  | 13.3              | 422.2                           | 3.4               | 25.5               | 327.4                    | 2.6  | 19.8               | 86.4                     | 0.7  | 5.2                | 26.4                              |  |
| 2006                          | 13,178.4                   | 1,765.5                  | 13.4              | 449.7                           | 3.4               | 25.5               | 382.8                    | 2.9  | 21.7               | 91.9                     | 0.7  | 5.2                | 24.0                              |  |
| 2007                          | 13,807.5                   | 1,878.3                  | 13.6              | 478.8                           | 3.5               | 25.5               | 409.6                    | 3.0  | 21.8               | 96.1                     | 0.7  | 5.1                | 23.5                              |  |
| Average Annual Rate of Change |                            |                          |                   |                                 |                   |                    |                          |  |                    |                          |  |                    |                                   |  |
| 1960-2007                     | 7.2                        | 9.8                      | ---               | 10.0                            | ---               | ---                | ---                      | ---  | ---                | ---                      | ---  | ---                | ---                               |  |
| 1970-2007                     | 7.2                        | 9.6                      | ---               | 10.0                            | ---               | ---                | 11.5                     | ---  | ---                | 11.6                     | ---  | ---                | ---                               |  |
| 1980-2007                     | 6.1                        | 8.4                      | ---               | 9.0                             | ---               | ---                | 9.4                      | ---  | ---                | 9.6                      | ---  | ---                | ---                               |  |
| 1970-1980                     | 10.4                       | 13.1                     | ---               | 12.9                            | ---               | ---                | 17.4                     | ---  | ---                | 17.2                     | ---  | ---                | ---                               |  |
| 1980-1990                     | 7.6                        | 11.0                     | ---               | 12.8                            | ---               | ---                | 11.4                     | ---  | ---                | 13.9                     | ---  | ---                | ---                               |  |
| 1990-2007                     | 5.3                        | 6.9                      | ---               | 6.8                             | ---               | ---                | 8.3                      | ---  | ---                | 7.4                      | ---  | ---                | ---                               |  |
| 1999-2000                     | 5.9                        | 6.7                      | ---               | 7.0                             | ---               | ---                | 5.0                      | ---  | ---                | 9.8                      | ---  | ---                | ---                               |  |
| 2000-2001                     | 3.2                        | 8.7                      | ---               | 8.5                             | ---               | ---                | 10.6                     | ---  | ---                | 8.9                      | ---  | ---                | ---                               |  |
| 2001-2002                     | 3.4                        | 8.2                      | ---               | 7.9                             | ---               | ---                | 7.2                      | ---  | ---                | 6.4                      | ---  | ---                | ---                               |  |
| 2002-2003                     | 4.7                        | 8.0                      | ---               | 8.5                             | ---               | ---                | 7.1                      | ---  | ---                | 9.0                      | ---  | ---                | ---                               |  |
| 2003-2004                     | 6.6                        | 7.1                      | ---               | 7.3                             | ---               | ---                | 9.7                      | ---  | ---                | 10.1                     | ---  | ---                | ---                               |  |
| 2004-2005                     | 6.3                        | 6.8                      | ---               | 7.3                             | ---               | ---                | 8.9                      | ---  | ---                | 6.8                      | ---  | ---                | ---                               |  |
| 2005-2006                     | 6.1                        | 6.7                      | ---               | 6.5                             | ---               | ---                | 16.9                     | ---  | ---                | 6.3                      | ---  | ---                | ---                               |  |
| 2006-2007                     | 4.8                        | 6.4                      | ---               | 6.5                             | ---               | ---                | 7.0                      | ---  | ---                | 4.6                      | ---  | ---                | ---                               |  |

<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.

NOTES: Numbers may not add to totals because of rounding. Expenditures are in current dollars. National Health Expenditures data files and category definitions are found at <[http://www.cms.hhs.gov/NationalHealthExpendData/02\\_NationalHealthAccountsHistorical.asp#TopOfPage](http://www.cms.hhs.gov/NationalHealthExpendData/02_NationalHealthAccountsHistorical.asp#TopOfPage)>.

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

**Table 1.3**  
**Gross Domestic Product (GDP), Total Personal Health Care Expenditures (PHCE), Hospital PHCE, Total Medicare PHCE,**  
**and Medicare Hospital PHCE: Selected Calendar Years 1960-2007**

| Year                          | GDP<br>in<br>Billions | PHCE <sup>1</sup>        |                        |                          |                        |                         |                          | Medicare PHCE <sup>1</sup> |                         |                          |                        |                         |                                   |  |
|-------------------------------|-----------------------|--------------------------|------------------------|--------------------------|------------------------|-------------------------|--------------------------|----------------------------|-------------------------|--------------------------|------------------------|-------------------------|-----------------------------------|--|
|                               |                       | Total                    |                        | Hospital                 |                        |                         | Total                    |                            |                         | Hospital                 |                        |                         | Percent<br>of<br>Medicare<br>PHCE |  |
|                               |                       | Amount<br>in<br>Billions | Per-<br>cent of<br>GDP | Amount<br>in<br>Billions | Per-<br>cent of<br>GDP | Per-<br>cent of<br>PHCE | Amount<br>in<br>Billions | Per-<br>cent of<br>GDP     | Per-<br>cent of<br>PHCE | Amount<br>in<br>Billions | Per-<br>cent of<br>GDP | Per-<br>cent of<br>PHCE |                                   |  |
| 1960                          | \$526.4               | \$23.3                   | 4.4                    | \$9.2                    | 1.7                    | 39.4                    | ---                      | ---                        | ---                     | ---                      | ---                    | ---                     | ---                               |  |
| 1970                          | 1,038.5               | 62.9                     | 6.1                    | 27.6                     | 2.7                    | 43.8                    | \$7.3                    | 0.7                        | 11.6                    | \$5.4                    | 0.5                    | 8.5                     | 73.6                              |  |
| 1980                          | 2,789.5               | 214.8                    | 7.7                    | 101.0                    | 3.6                    | 47.0                    | 36.1                     | 1.3                        | 16.8                    | 26.4                     | 0.9                    | 12.3                    | 73.2                              |  |
| 1990                          | 5,803.1               | 607.6                    | 10.5                   | 251.6                    | 4.3                    | 41.4                    | 106.6                    | 1.8                        | 17.5                    | 67.8                     | 1.2                    | 11.2                    | 63.6                              |  |
| 1991                          | 5,995.9               | 669.2                    | 11.2                   | 277.0                    | 4.6                    | 41.4                    | 117.3                    | 2.0                        | 17.5                    | 73.8                     | 1.2                    | 11.0                    | 62.9                              |  |
| 1992                          | 6,337.7               | 725.9                    | 11.5                   | 299.8                    | 4.7                    | 41.3                    | 132.4                    | 2.1                        | 18.2                    | 83.7                     | 1.3                    | 11.5                    | 63.2                              |  |
| 1993                          | 6,657.4               | 773.6                    | 11.6                   | 317.1                    | 4.8                    | 41.0                    | 146.2                    | 2.2                        | 18.9                    | 92.2                     | 1.4                    | 11.9                    | 63.0                              |  |
| 1994                          | 7,072.2               | 814.2                    | 11.5                   | 329.7                    | 4.7                    | 40.5                    | 163.4                    | 2.3                        | 20.1                    | 100.6                    | 1.4                    | 12.4                    | 61.6                              |  |
| 1995                          | 7,397.7               | 863.5                    | 11.7                   | 340.7                    | 4.6                    | 39.5                    | 179.9                    | 2.4                        | 20.8                    | 109.1                    | 1.5                    | 12.6                    | 60.7                              |  |
| 1996                          | 7,816.9               | 909.9                    | 11.6                   | 352.1                    | 4.5                    | 38.7                    | 193.6                    | 2.5                        | 21.3                    | 116.6                    | 1.5                    | 12.8                    | 60.2                              |  |
| 1997                          | 8,304.3               | 959.3                    | 11.6                   | 364.7                    | 4.4                    | 38.0                    | 204.2                    | 2.5                        | 21.3                    | 122.0                    | 1.5                    | 12.7                    | 59.7                              |  |
| 1998                          | 8,747.0               | 1,010.0                  | 11.5                   | 376.2                    | 4.3                    | 37.2                    | 202.4                    | 2.3                        | 20.0                    | 120.1                    | 1.4                    | 11.9                    | 59.4                              |  |
| 1999                          | 9,268.4               | 1,067.8                  | 11.5                   | 394.8                    | 4.3                    | 37.0                    | 205.7                    | 2.2                        | 19.3                    | 122.2                    | 1.3                    | 11.4                    | 59.4                              |  |
| 2000                          | 9,817.0               | 1,139.2                  | 11.6                   | 416.9                    | 4.2                    | 36.6                    | 215.9                    | 2.2                        | 18.9                    | 124.4                    | 1.3                    | 10.9                    | 57.6                              |  |
| 2001                          | 10,128.0              | 1,238.3                  | 12.2                   | 451.2                    | 4.5                    | 36.4                    | 238.8                    | 2.4                        | 19.3                    | 136.4                    | 1.3                    | 11.0                    | 57.1                              |  |
| 2002                          | 10,469.6              | 1,340.3                  | 12.8                   | 488.4                    | 4.7                    | 36.4                    | 256.0                    | 2.4                        | 19.1                    | 145.3                    | 1.4                    | 10.8                    | 56.8                              |  |
| 2003                          | 10,960.8              | 1,447.5                  | 13.2                   | 527.4                    | 4.8                    | 36.4                    | 274.1                    | 2.5                        | 18.9                    | 153.2                    | 1.4                    | 10.6                    | 55.9                              |  |
| 2004                          | 11,685.9              | 1,550.2                  | 13.3                   | 566.8                    | 4.9                    | 36.6                    | 300.6                    | 2.6                        | 19.4                    | 165.5                    | 1.4                    | 10.7                    | 55.1                              |  |
| 2005                          | 12,421.9              | 1,655.1                  | 13.3                   | 607.5                    | 4.9                    | 36.7                    | 327.4                    | 2.6                        | 19.8                    | 179.5                    | 1.4                    | 10.8                    | 54.8                              |  |
| 2006                          | 13,178.4              | 1,765.5                  | 13.4                   | 649.3                    | 4.9                    | 36.8                    | 382.8                    | 2.9                        | 21.7                    | 187.6                    | 1.4                    | 10.6                    | 49.0                              |  |
| 2007                          | 13,807.5              | 1,878.3                  | 13.6                   | 696.5                    | 5.0                    | 37.1                    | 409.6                    | 3.0                        | 21.8                    | 196.2                    | 1.4                    | 10.4                    | 47.9                              |  |
| Average Annual Rate of Change |                       |                          |                        |                          |                        |                         |                          |                            |                         |                          |                        |                         |                                   |  |
| 1960-2007                     | 7.2                   | 9.8                      | ---                    | 9.6                      | ---                    | ---                     | ---                      | ---                        | ---                     | ---                      | ---                    | ---                     | ---                               |  |
| 1970-2007                     | 7.2                   | 9.6                      | ---                    | 9.1                      | ---                    | ---                     | 11.5                     | ---                        | ---                     | 10.2                     | ---                    | ---                     | ---                               |  |
| 1980-2007                     | 6.1                   | 8.4                      | ---                    | 7.4                      | ---                    | ---                     | 9.4                      | ---                        | ---                     | 7.7                      | ---                    | ---                     | ---                               |  |
| 1970-1980                     | 10.4                  | 13.1                     | ---                    | 13.9                     | ---                    | ---                     | 17.4                     | ---                        | ---                     | 17.3                     | ---                    | ---                     | ---                               |  |
| 1980-1990                     | 7.6                   | 11.0                     | ---                    | 9.6                      | ---                    | ---                     | 11.4                     | ---                        | ---                     | 9.9                      | ---                    | ---                     | ---                               |  |
| 1990-2007                     | 5.2                   | 6.9                      | ---                    | 6.2                      | ---                    | ---                     | 8.2                      | ---                        | ---                     | 6.4                      | ---                    | ---                     | ---                               |  |
| 2001-2002                     | 3.4                   | 8.2                      | ---                    | 8.2                      | ---                    | ---                     | 7.2                      | ---                        | ---                     | 6.5                      | ---                    | ---                     | ---                               |  |
| 2002-2003                     | 4.7                   | 8.0                      | ---                    | 8.0                      | ---                    | ---                     | 7.1                      | ---                        | ---                     | 5.4                      | ---                    | ---                     | ---                               |  |
| 2003-2004                     | 6.6                   | 7.1                      | ---                    | 7.5                      | ---                    | ---                     | 9.7                      | ---                        | ---                     | 8.0                      | ---                    | ---                     | ---                               |  |
| 2004-2005                     | 6.3                   | 6.8                      | ---                    | 7.2                      | ---                    | ---                     | 8.9                      | ---                        | ---                     | 8.5                      | ---                    | ---                     | ---                               |  |
| 2005-2006                     | 6.1                   | 6.7                      | ---                    | 6.9                      | ---                    | ---                     | 16.9                     | ---                        | ---                     | 4.5                      | ---                    | ---                     | ---                               |  |
| 2006-2007                     | 4.8                   | 6.4                      | ---                    | 7.3                      | ---                    | ---                     | 7.0                      | ---                        | ---                     | 4.6                      | ---                    | ---                     | ---                               |  |

<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

NOTES: Numbers may not add to totals because of rounding. Expenditures are in current dollars. National Health Expenditures data files and category definitions are found at <[http://www.cms.hhs.gov/NationalHealthExpendData/02\\_NationalHealthAccountsHistorical.asp#TopOfPage](http://www.cms.hhs.gov/NationalHealthExpendData/02_NationalHealthAccountsHistorical.asp#TopOfPage)>

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

**Table 1.4**  
**Total Personal Health Care Expenditures (PHCE), by Type of Service: Selected Calendar Years 1980-2007**

| Type of Service                       | 1980                     |         | 1990                     |         | 2000                     |         | 2007                     |         | Average Annual Rate of Change |           |           |
|---------------------------------------|--------------------------|---------|--------------------------|---------|--------------------------|---------|--------------------------|---------|-------------------------------|-----------|-----------|
|                                       | Amount<br>in<br>Billions | Percent | Amount<br>in<br>Billions | Percent | Amount<br>in<br>Billions | Percent | Amount<br>in<br>Billions | Percent | 1980-2007                     | 1990-2007 | 2000-2007 |
| Personal Health Care <sup>1</sup>     | \$214.8                  | 100.0   | \$607.6                  | 100.0   | \$1,139.2                | 100.0   | \$1,878.3                | 100.0   | 8.4                           | 6.9       | 7.4       |
| Hospital Care                         | 101.0                    | 47.0    | 251.6                    | 41.4    | 416.9                    | 36.6    | 696.5                    | 37.1    | 7.4                           | 6.2       | 7.6       |
| Physician and Clinical Services       | 47.1                     | 21.9    | 157.6                    | 25.9    | 288.6                    | 25.3    | 478.8                    | 25.5    | 9.0                           | 6.8       | 7.5       |
| Dental Services                       | 13.3                     | 6.2     | 31.5                     | 5.2     | 62.0                     | 5.4     | 95.2                     | 5.1     | 7.6                           | 6.7       | 6.3       |
| Other Professional Services           | 3.6                      | 1.7     | 18.2                     | 3.0     | 39.1                     | 3.4     | 62.0                     | 3.3     | 11.1                          | 7.5       | 6.8       |
| Home Health Care <sup>2</sup>         | 2.4                      | 1.1     | 12.6                     | 2.1     | 30.5                     | 2.7     | 59.0                     | 3.1     | 12.6                          | 9.5       | 9.9       |
| Prescription Drugs                    | 12.0                     | 5.6     | 40.3                     | 6.6     | 120.6                    | 10.6    | 227.5                    | 12.1    | 11.5                          | 10.7      | 9.5       |
| Other Non-Durable<br>Medical Products | 9.8                      | 4.6     | 22.5                     | 3.7     | 29.8                     | 2.6     | 37.4                     | 2.0     | 5.1                           | 3.0       | 3.3       |
| Durable Medical Equipment             | 3.8                      | 1.8     | 11.3                     | 1.9     | 19.4                     | 1.7     | 24.5                     | 1.3     | 7.1                           | 4.7       | 3.4       |
| Nursing Home Care <sup>3</sup>        | 18.5                     | 8.6     | 52.6                     | 8.7     | 95.3                     | 8.4     | 131.3                    | 7.0     | 7.5                           | 5.5       | 4.7       |
| Other Personal Health Care            | 3.3                      | 1.5     | 9.6                      | 1.6     | 37.1                     | 3.3     | 66.2                     | 3.5     | 11.8                          | 12.1      | 8.6       |

<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.

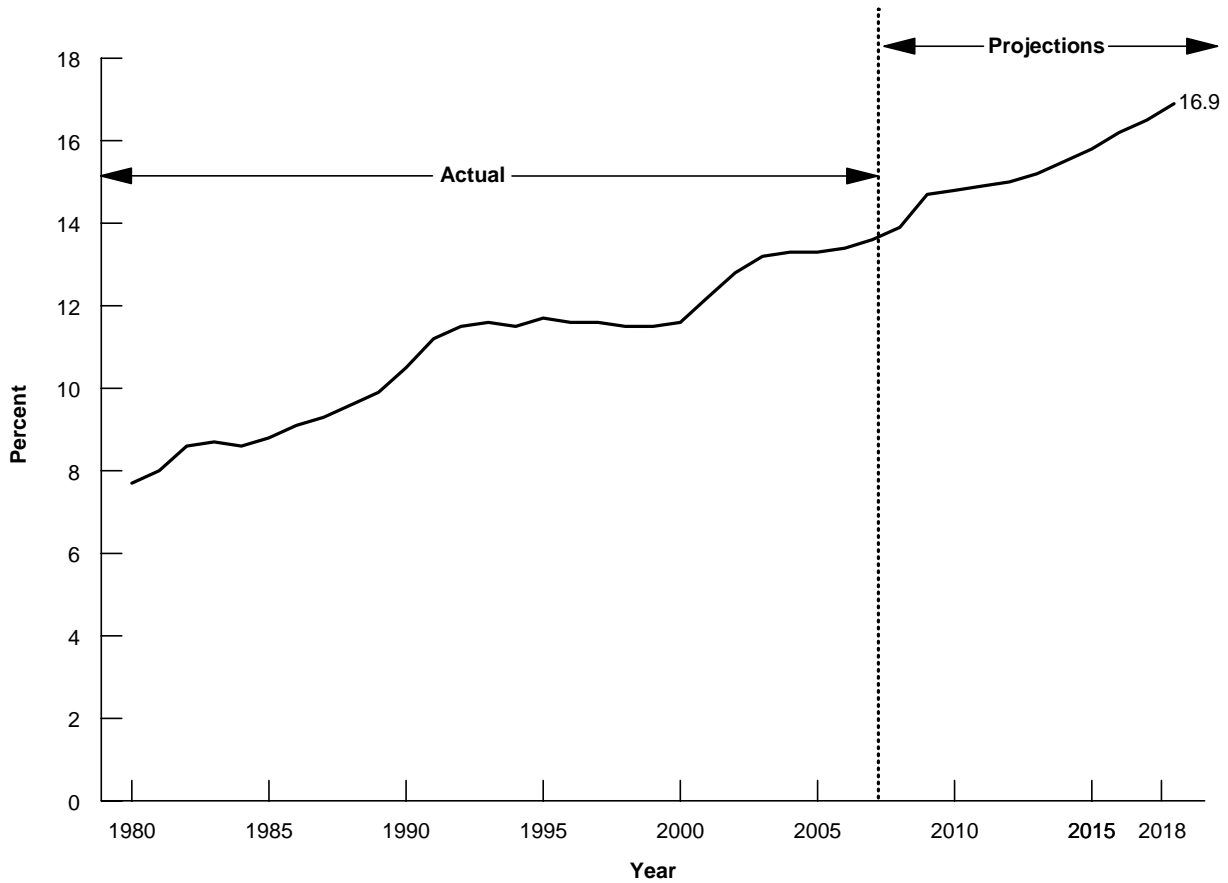
<sup>3</sup>Excludes PHCE for skilled nursing facility services and supplies furnished by hospital-based skilled nursing facilities.

NOTES: Numbers may not add to totals because of rounding. Expenditures are in current dollars. National Health Expenditures data files and category definitions are found at <[http://www.cms.hhs.gov/NationalHealthExpendData/02\\_NationalHealthAccountsHistorical.asp#TopOfPage](http://www.cms.hhs.gov/NationalHealthExpendData/02_NationalHealthAccountsHistorical.asp#TopOfPage)>.

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

### Figure 1.1

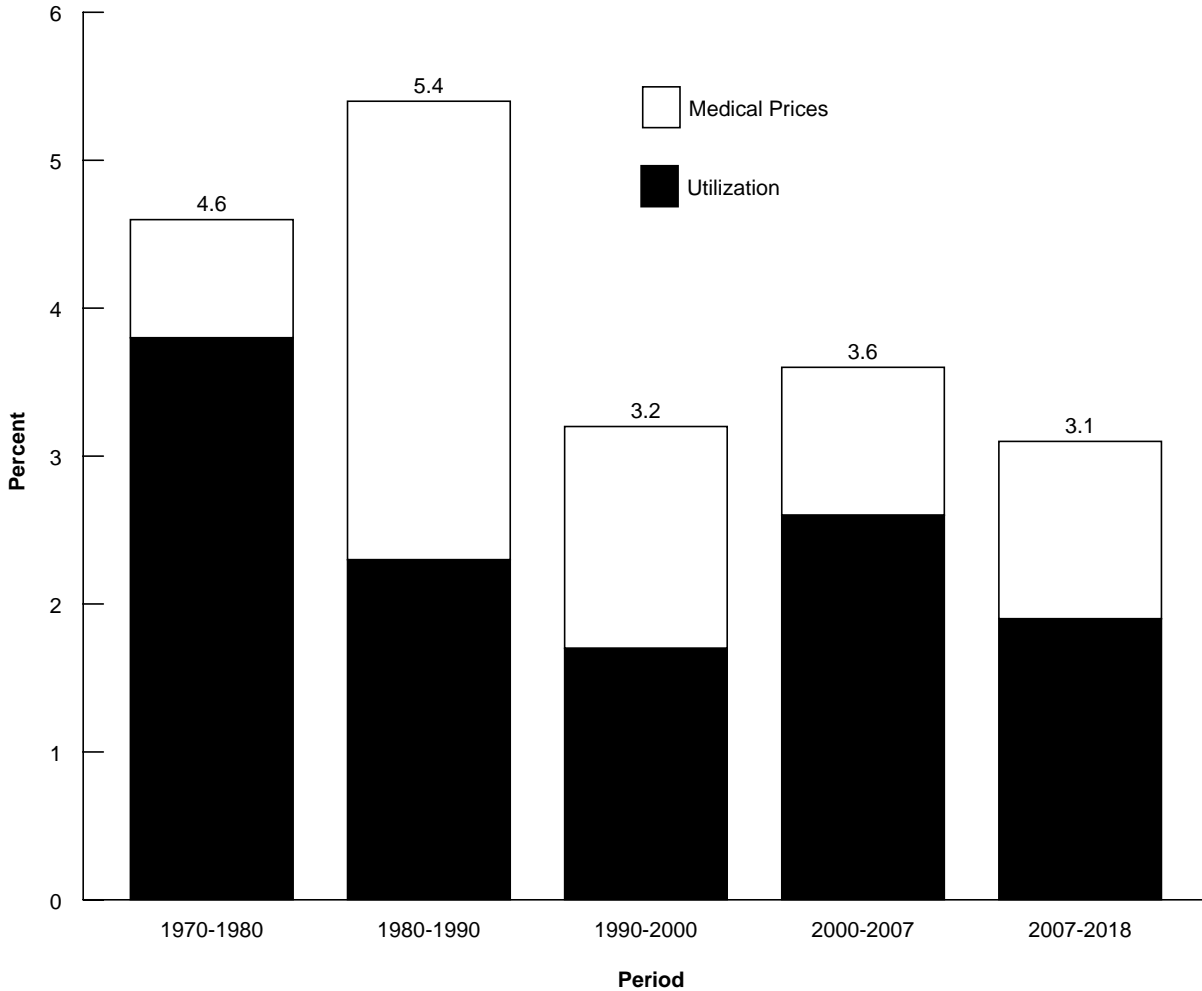
## Personal Health Care Expenditures as a Percent of Gross Domestic Product: Calendar Years 1980-2018



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

### Figure 1.2

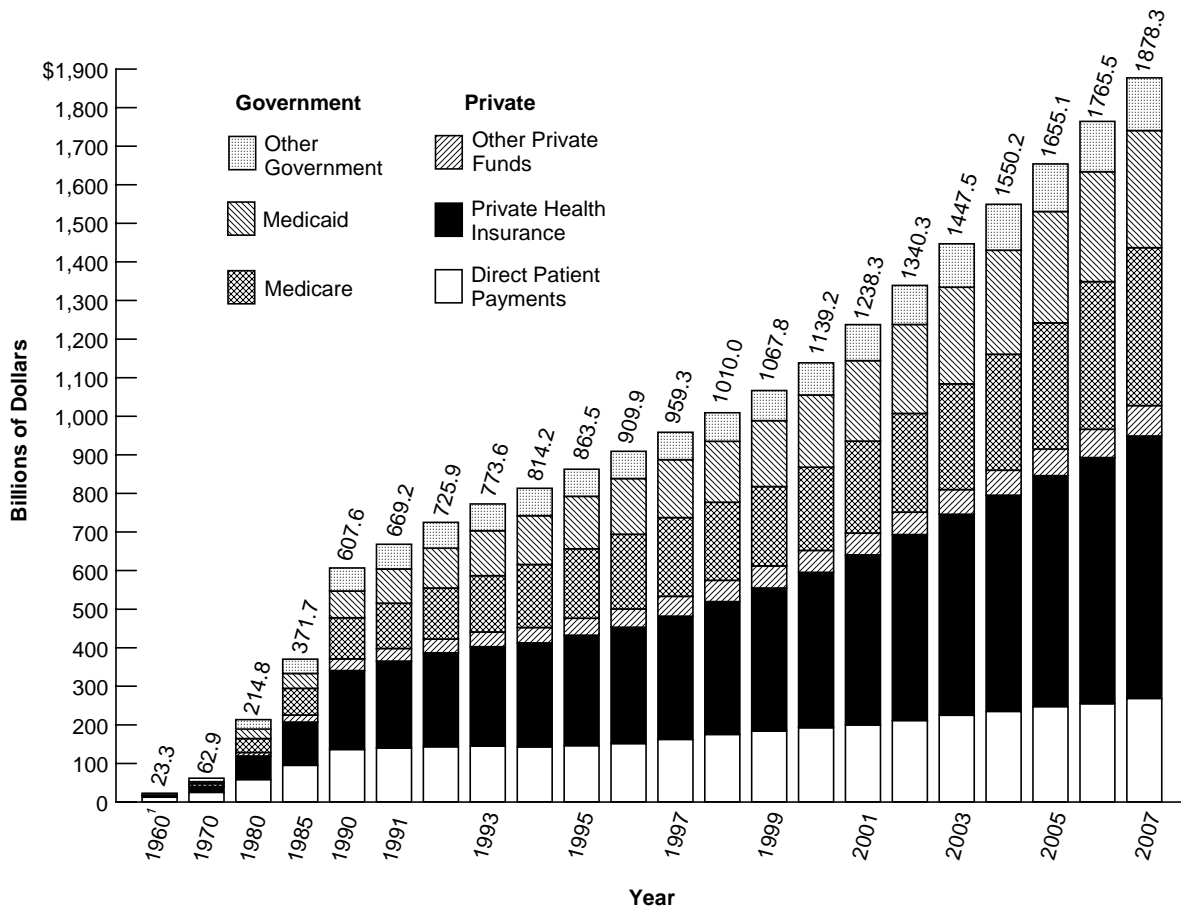
## Factors Accounting for Average Annual Growth in Selected Types of Personal Health Care Expenditures: Selected Periods 1970-2018



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

## Figure 1.3

### Personal Health Care Expenditures, by Source of Funds: Selected Calendar Years 1960-2007



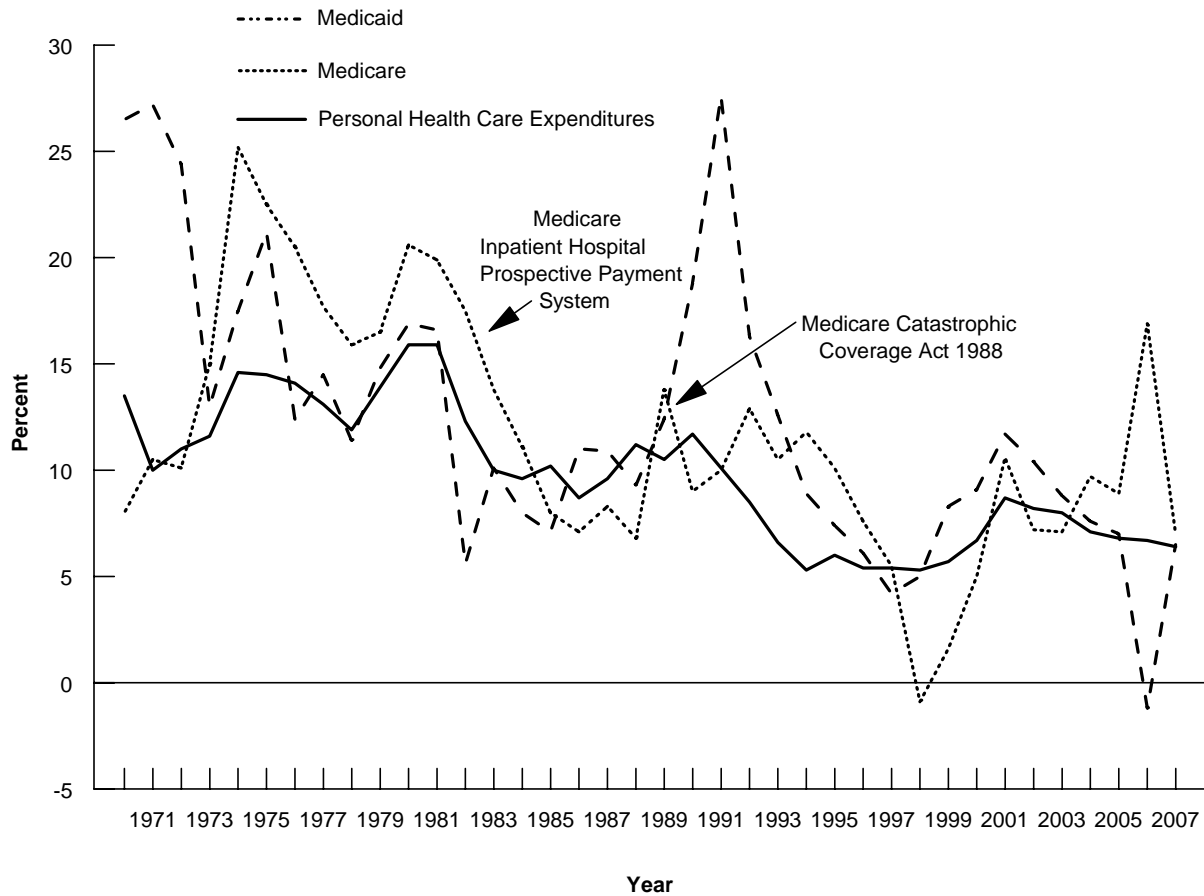
<sup>1</sup> Total personal health care expenditures for 1960 were \$23.3 billion (\$12.9 billion in direct-patient payments and \$10.5 billion in third-party payments).

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



### Figure 1.4

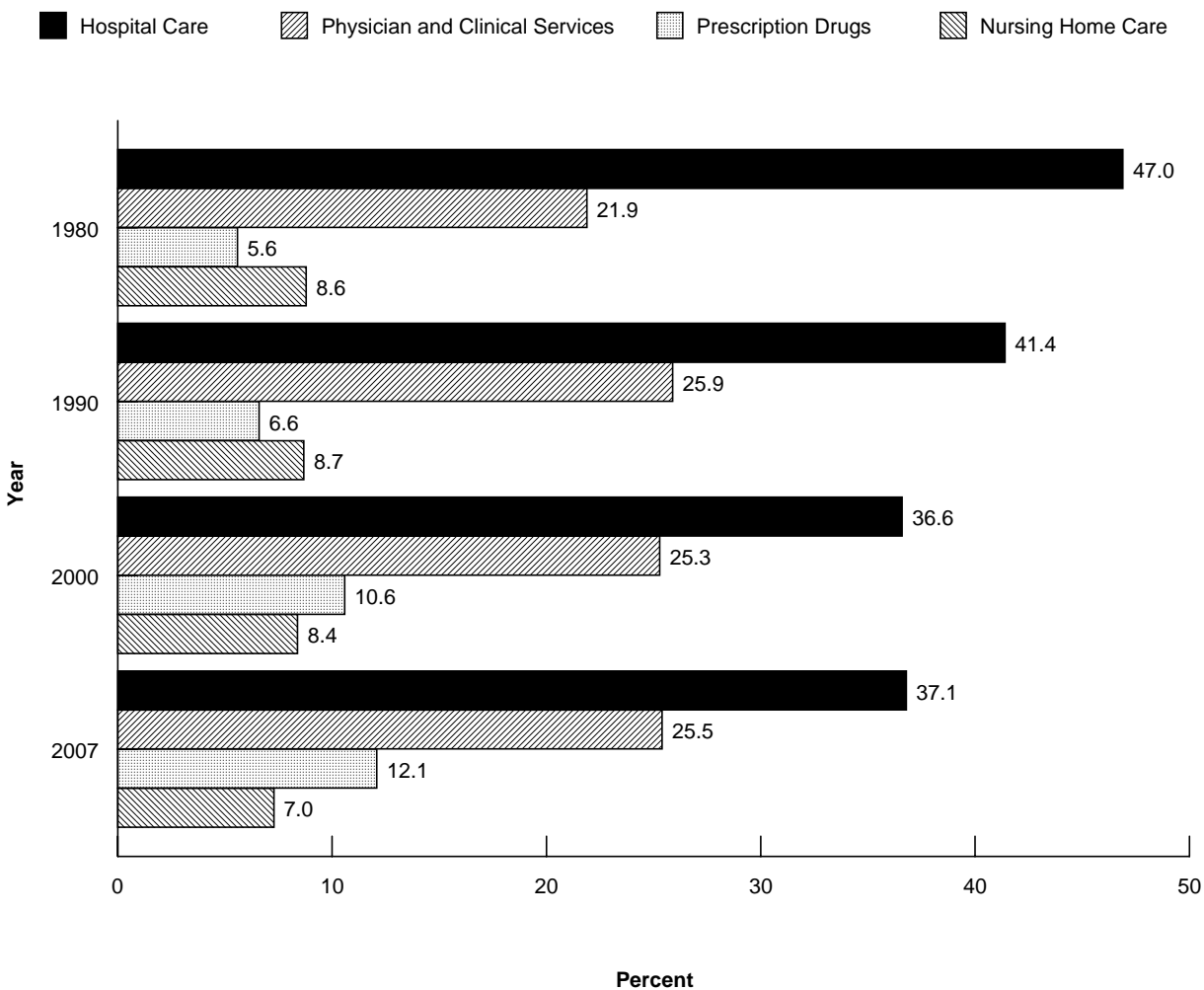
## Percent Change in Medicare, Medicaid, and Personal Health Care Expenditures: Calendar Years 1970-2007



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

### Figure 1.5

## Distribution of Personal Health Care Expenditures, by Type of Service: Selected Calendar Years 1980, 1990, 2000, and 2007



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