

Table 1.1
Personal Health Care Expenditures, by Source of Funds: Selected Calendar Years 1960-2008

Year	Total PHCE ¹		Direct Patient Payments		Third Parties						
					All Third Parties		Total		Health Insurance	Other Private Funds	
	Amount	Percent of GDP	Amount	Percent of PHCE	Amount	Percent of PHCE	Amount	Percent of PHCE			
	Amount in Billions										
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	607.5	10.5	136.1	22.4	471.4	77.6	235.2	38.7	204.7	30.5	
1991	669.1	11.2	140.1	20.9	529.1	79.1	258.2	38.6	225.1	33.1	
1992	725.9	11.4	143.3	19.7	582.5	80.3	279.3	38.5	243.5	35.8	
1993	773.5	11.6	145.1	18.8	628.4	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	863.4	11.6	146.1	16.9	717.4	83.1	330.6	38.3	286.4	44.1	
1996	909.9	11.6	151.8	16.7	758.1	83.3	349.2	38.4	301.9	47.4	
1997	959.3	11.5	162.1	16.9	797.2	83.1	371.1	38.7	319.5	51.6	
1998	1,010.0	11.5	175.2	17.4	834.8	82.6	399.8	39.6	344.4	55.4	
1999	1,067.8	11.4	183.7	17.2	884.1	82.8	428.5	40.1	371.0	57.5	
2000	1,139.2	11.4	192.6	16.9	946.6	83.1	459.8	40.4	402.8	57.0	
2001	1,238.3	12.0	199.5	16.1	1,038.8	83.9	497.5	40.2	441.1	56.4	
2002	1,340.3	12.6	211.2	15.8	1,129.1	84.2	540.7	40.3	482.4	58.3	
2003	1,447.5	13.0	224.7	15.5	1,222.8	84.5	585.4	40.4	522.0	63.5	
2004	1,549.9	13.1	234.8	15.2	1,315.1	84.8	625.6	40.4	560.3	65.3	
2005	1,655.2	13.1	247.5	15.0	1,407.7	85.0	668.5	40.4	599.8	68.7	
2006	1,762.9	13.2	254.9	14.5	1,508.0	85.5	709.2	40.2	634.6	74.6	
2007	1,866.4	13.3	270.3	14.5	1,596.1	85.5	746.0	40.0	665.1	81.0	
2008	1,952.3	13.5	277.8	14.2	1,674.5	85.8	766.7	39.3	691.2	75.5	
			Average Annual Rate of Change								
1960-2008	9.7	---	6.6	---	11.2	---	10.9	---	10.8	11.2	
1970-2008	9.5	---	6.6	---	10.5	---	10.8	---	10.8	10.4	
1980-2008	8.2	---	5.7	---	8.8	---	8.9	---	9.0	7.8	
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	
1990-2008	6.7	---	4.0	---	7.3	---	6.8	---	7.0	5.2	
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	3.2	
2002-2003	8.0	---	6.4	---	8.3	---	8.3	---	8.2	8.9	
2003-2004	7.1	---	4.5	---	7.5	---	6.9	---	7.3	2.9	
2004-2005	6.8	---	5.4	---	7.0	---	6.8	---	7.0	5.1	
2005-2006	6.5	---	3.0	---	7.1	---	6.1	---	5.8	8.7	
2006-2007	5.9	---	6.0	---	5.8	---	5.2	---	4.8	8.5	
2007-2008	4.6	---	2.8	---	4.9	---	2.8	---	3.9	-6.7	

¹Represents 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.

²Subset of Federal funds.

³Subset of Federal, State, and local funds.

⁴Excludes 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>.

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 1960-2008

Total		Government					
		Third Parties		Medicare ²		Medicaid ^{3,4}	
Amount	Percent of PHCE	Federal	State and Local	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	108.8	37.1	69.4	18.7	38.8	10.4
236.2	38.9	172.8	63.4	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
332.7	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	295.7	91.1	179.9	20.8	136.2	15.8
408.9	44.9	315.8	93.0	193.6	21.3	144.5	15.9
426.1	44.4	329.4	96.6	204.2	21.3	150.6	15.7
435.0	43.1	332.3	102.7	202.4	20.0	158.2	15.7
455.5	42.7	346.4	109.1	205.7	19.3	171.3	16.0
486.8	42.7	369.8	117.1	215.9	18.9	187.0	16.4
541.3	43.7	411.7	129.6	238.8	19.3	208.9	16.9
588.4	43.9	448.3	140.2	256.0	19.1	230.7	17.2
637.3	44.0	486.2	151.1	273.8	18.9	250.9	17.3
689.4	44.5	527.3	162.1	300.3	19.4	269.9	17.4
739.3	44.7	562.3	176.9	326.3	19.7	288.8	17.4
798.8	45.3	620.1	178.7	382.1	21.7	285.9	16.2
850.1	45.5	661.3	188.7	408.2	21.9	303.4	16.3
907.8	46.5	718.0	189.8	444.3	22.8	316.7	16.2
Average Annual Rate of Change							
11.5	---	13.0	9.1	---	---	---	---
10.3	---	10.8	8.8	11.4	---	11.5	---
8.8	---	9.1	7.7	9.4	---	9.5	---
14.5	---	15.7	11.9	17.4	---	17.2	---
10.6	---	10.7	10.3	11.4	---	10.9	---
7.8	---	8.2	6.3	8.3	---	8.8	---
11.2	---	11.3	10.7	10.6	---	11.7	---
8.7	---	8.9	8.2	7.2	---	10.4	---
8.3	---	8.5	7.8	6.9	---	8.8	---
8.2	---	8.5	7.2	9.7	---	7.6	---
7.2	---	6.6	9.2	8.7	---	7.0	---
8.1	---	10.3	1.0	17.1	---	-1.0	---
6.4	---	6.6	5.6	6.8	---	6.1	---
6.8	---	8.6	0.6	8.9	---	4.4	---

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 1960-2008

Year	GDP in Billions	PHCE ¹						Medicare PHCE ¹						
		Total			Physician and Clinical Services			Total			Physician and Clinical Services ²			
		Amount in Billions	Percent of GDP	Percent of PHCE	Amount in Billions	Percent of GDP	Percent of PHCE	Amount in Billions	Percent of GDP	Percent of PHCE	Amount in Billions	Percent of GDP	Percent of PHCE	Percent of Medicare PHCE
1960	\$526.4	\$23.3	4.4	\$5.4	1.0	23.0	---	---	---	---	---	---	---	
1970	1,038.3	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	2,788.1	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	5,800.5	607.5	10.5	157.5	2.7	25.9	106.6	1.8	17.5	29.4	0.5	4.8	27.5	
1991	5,992.1	669.1	11.2	175.0	2.9	26.2	117.3	2.0	17.5	31.5	0.5	4.7	26.9	
1992	6,342.3	725.9	11.4	189.7	3.0	26.1	132.4	2.1	18.2	33.1	0.5	4.6	25.0	
1993	6,667.4	773.5	11.6	201.2	3.0	26.0	146.2	2.2	18.9	34.7	0.5	4.5	23.7	
1994	7,085.2	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	7,414.7	863.4	11.6	220.5	3.0	25.5	179.9	2.4	20.8	41.4	0.6	4.8	23.0	
1996	7,838.5	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	8,332.4	959.3	11.5	241.0	2.9	25.1	204.2	2.5	21.3	46.3	0.6	4.8	22.7	
1998	8,793.5	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	9,353.5	1,067.8	11.4	269.6	2.9	25.3	205.7	2.2	19.3	53.0	0.6	5.0	25.8	
2000	9,951.5	1,139.2	11.4	288.6	2.9	25.3	215.9	2.2	18.9	58.2	0.6	5.1	27.0	
2001	10,286.2	1,238.3	12.0	313.2	3.0	25.3	238.8	2.3	19.3	63.4	0.6	5.1	26.5	
2002	10,642.3	1,340.3	12.6	337.9	3.2	25.2	256.0	2.4	19.1	67.4	0.6	5.0	26.3	
2003	11,142.1	1,447.5	13.0	366.7	3.3	25.3	273.8	2.5	18.9	73.5	0.7	5.1	26.9	
2004	11,867.8	1,549.9	13.1	393.6	3.3	25.4	300.3	2.5	19.4	80.8	0.7	5.2	26.9	
2005	12,638.4	1,655.2	13.1	422.4	3.3	25.5	326.3	2.6	19.7	86.0	0.7	5.2	26.4	
2006	13,398.9	1,762.9	13.2	446.5	3.3	25.3	382.1	2.9	21.7	91.3	0.7	5.2	23.9	
2007	14,077.6	1,866.4	13.3	472.6	3.4	25.3	408.2	2.9	21.9	95.3	0.7	5.1	23.3	
2008	14,441.4	1,952.3	13.5	496.2	3.4	25.4	444.3	3.1	22.8	102.7	0.7	5.3	23.1	
Average Annual Rate of Change														
1960-2008	7.1	9.7	---	9.9	---	---	---	---	---	---	---	---	---	
1970-2008	7.2	9.5	---	9.8	---	---	11.4	---	---	11.5	---	---	---	
1980-2008	6.1	8.2	---	8.8	---	---	9.4	---	---	9.5	---	---	---	
1970-1980	10.4	13.1	---	12.9	---	---	17.4	---	---	17.2	---	---	---	
1980-1990	7.6	11.0	---	12.8	---	---	11.4	---	---	13.9	---	---	---	
1990-2008	5.2	6.7	---	6.6	---	---	8.3	---	---	7.2	---	---	---	
1999-2000	6.4	6.7	---	7.0	---	---	5.0	---	---	9.8	---	---	---	
2000-2001	3.4	8.7	---	8.5	---	---	10.6	---	---	8.9	---	---	---	
2001-2002	3.5	8.2	---	7.9	---	---	7.2	---	---	6.4	---	---	---	
2002-2003	4.7	8.0	---	8.5	---	---	6.9	---	---	9.1	---	---	---	
2003-2004	6.5	7.1	---	7.3	---	---	9.7	---	---	9.9	---	---	---	
2004-2005	6.5	6.8	---	7.3	---	---	8.7	---	---	6.4	---	---	---	
2005-2006	6.0	6.5	---	5.7	---	---	17.1	---	---	6.2	---	---	---	
2006-2007	5.1	5.9	---	5.8	---	---	6.8	---	---	4.3	---	---	---	
2007-2008	2.6	4.6	---	5.0	---	---	8.9	---	---	7.8	---	---	---	

¹Represents 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.

²Excludes 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>.

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 1960-2008

Year	GDP in Billions	Medicare PHCE ¹											
		PHCE ¹					Hospital						
		Total Amount in Billions	Per- cent of GDP	Amount in Billions	Per- cent of GDP	Per- cent of PHCE	Total Amount in Billions	Per- cent of GDP	Per- cent of PHCE	Amount in Billions	Per- cent of GDP	Per- cent of PHCE	Percent of Medi- care PHCE
1960	\$526.4	\$23.3	4.4	\$9.2	1.7	39.4	---	---	---	---	---	---	---
1970	1,038.3	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	2,788.1	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	5,800.5	607.5	10.5	251.6	4.3	41.4	106.6	1.8	17.5	67.8	1.2	11.2	63.6
1991	5,992.1	669.1	11.2	277.0	4.6	41.4	117.3	2.0	17.5	73.8	1.2	11.0	62.9
1992	6,342.3	725.9	11.4	299.8	4.7	41.3	132.4	2.1	18.2	83.7	1.3	11.5	63.2
1993	6,667.4	773.5	11.6	317.1	4.8	41.0	146.2	2.2	18.9	92.2	1.4	11.9	63.0
1994	7,085.2	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	7,414.7	863.4	11.6	340.7	4.6	39.5	179.9	2.4	20.8	109.1	1.5	12.6	60.7
1996	7,838.5	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	8,332.4	959.3	11.5	364.7	4.4	38.0	204.2	2.5	21.3	122.0	1.5	12.7	59.7
1998	8,793.5	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	9,353.5	1,067.8	11.4	394.8	4.2	37.0	205.7	2.2	19.3	122.2	1.3	11.4	59.4
2000	9,951.5	1,139.2	11.4	416.9	4.2	36.6	215.9	2.2	18.9	124.4	1.3	10.9	57.6
2001	10,286.2	1,238.3	12.0	451.2	4.4	36.4	238.8	2.3	19.3	136.4	1.3	11.0	57.1
2002	10,642.3	1,340.3	12.6	488.4	4.6	36.4	256.0	2.4	19.1	145.3	1.4	10.8	56.8
2003	11,142.1	1,447.5	13.0	527.4	4.7	36.4	273.8	2.5	18.9	152.9	1.4	10.6	55.8
2004	11,867.8	1,549.9	13.1	566.5	4.8	36.5	300.3	2.5	19.4	165.3	1.4	10.7	55.0
2005	12,638.4	1,655.2	13.1	607.5	4.8	36.7	326.3	2.6	19.7	179.1	1.4	10.8	54.9
2006	13,398.9	1,762.9	13.2	649.4	4.8	36.8	382.1	2.9	21.7	187.4	1.4	10.6	49.1
2007	14,077.6	1,866.4	13.3	687.6	4.9	36.8	408.2	2.9	21.9	196.2	1.4	10.5	48.1
2008	14,441.4	1,952.3	13.5	718.4	5.0	36.8	444.3	3.1	22.8	211.3	1.5	10.8	47.6
Average Annual Rate of Change													
1960-2008	7.1	9.7	---	9.5	---	---	---	---	---	---	---	---	---
1970-2008	7.2	9.5	---	9.0	---	---	11.4	---	---	10.2	---	---	---
1980-2008	6.1	8.2	---	7.3	---	---	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	---	---	---
1990-2008	5.2	6.7	---	6.0	---	---	8.3	---	---	6.5	---	---	---
2001-2002	3.5	8.2	---	8.2	---	---	7.2	---	---	6.5	---	---	---
2002-2003	4.7	8.0	---	8.0	---	---	6.9	---	---	5.2	---	---	---
2003-2004	6.5	7.1	---	7.4	---	---	9.7	---	---	8.1	---	---	---
2004-2005	6.5	6.8	---	7.2	---	---	8.7	---	---	8.4	---	---	---
2005-2006	6.0	6.5	---	6.9	---	---	17.1	---	---	4.7	---	---	---
2006-2007	5.1	5.9	---	5.9	---	---	6.8	---	---	4.7	---	---	---
2007-2008	2.6	4.6	---	4.5	---	---	8.9	---	---	7.7	---	---	---

¹Represents 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>.

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 1980-2008

Type of Service	1980		1990		2000		2008		Average Annual Rate of Change		
	Amount in Billions	Percent	Amount in Billions	Percent	Amount in Billions	Percent	Amount in Billions	Percent	1980-2008	1990-2008	2000-2008
Personal Health Care ¹	\$214.8	100.0	\$607.6	100.0	\$1,139.2	100.0	\$1,952.3	100.0	8.2	6.7	7.0
Hospital Care	101.0	47.0	251.6	41.4	416.9	36.6	718.4	36.8	7.3	6.0	7.0
Physician and Clinical Services	47.1	21.9	157.6	25.9	288.6	25.3	496.2	25.4	8.8	6.6	7.0
Dental Services	13.3	6.2	31.5	5.2	62.0	5.4	101.2	5.2	7.5	6.7	6.3
Other Professional Services	3.6	1.7	18.2	3.0	39.1	3.4	65.7	3.4	10.9	7.4	6.7
Home Health Care ²	2.4	1.1	12.6	2.1	30.5	2.7	64.7	3.3	12.5	9.5	9.8
Prescription Drugs	12.0	5.6	40.3	6.6	120.6	10.6	234.1	12.0	11.2	10.3	8.6
Other Non-Durable Medical Products	9.8	4.6	22.5	3.7	29.8	2.6	39.0	2.0	5.1	3.1	3.4
Durable Medical Equipment	3.8	1.8	11.3	1.9	19.4	1.7	26.6	1.4	7.2	4.9	4.0
Nursing Home Care ³	18.5	8.6	52.6	8.7	95.3	8.4	138.4	7.1	7.5	5.5	4.8
Other Personal Health Care	3.3	1.5	9.6	1.6	37.1	3.3	68.1	3.5	11.5	11.5	7.9

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

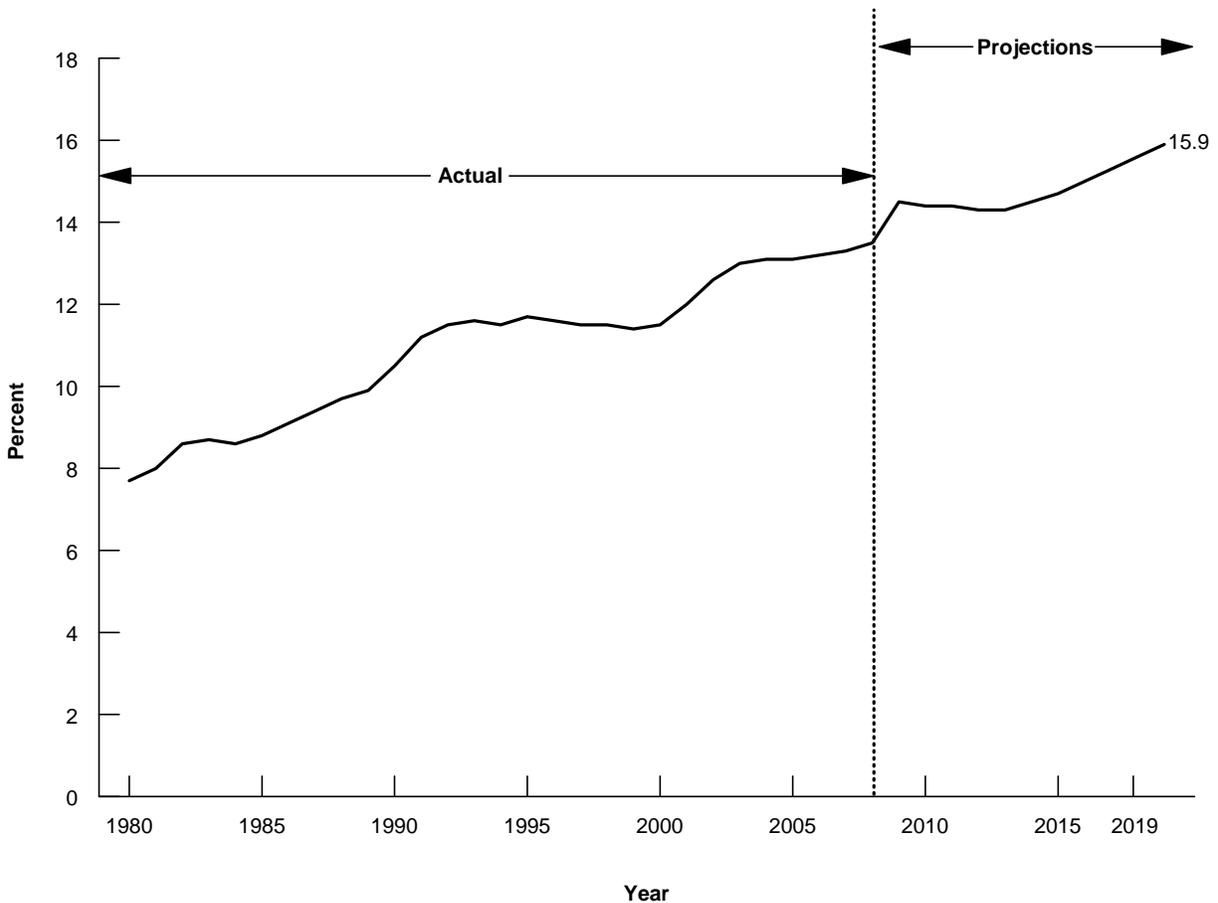
²Excludes PHCE for home health agency services and supplies furnished by hospital-based and skilled nursing facility-based home health agencies.

³Excludes 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>.

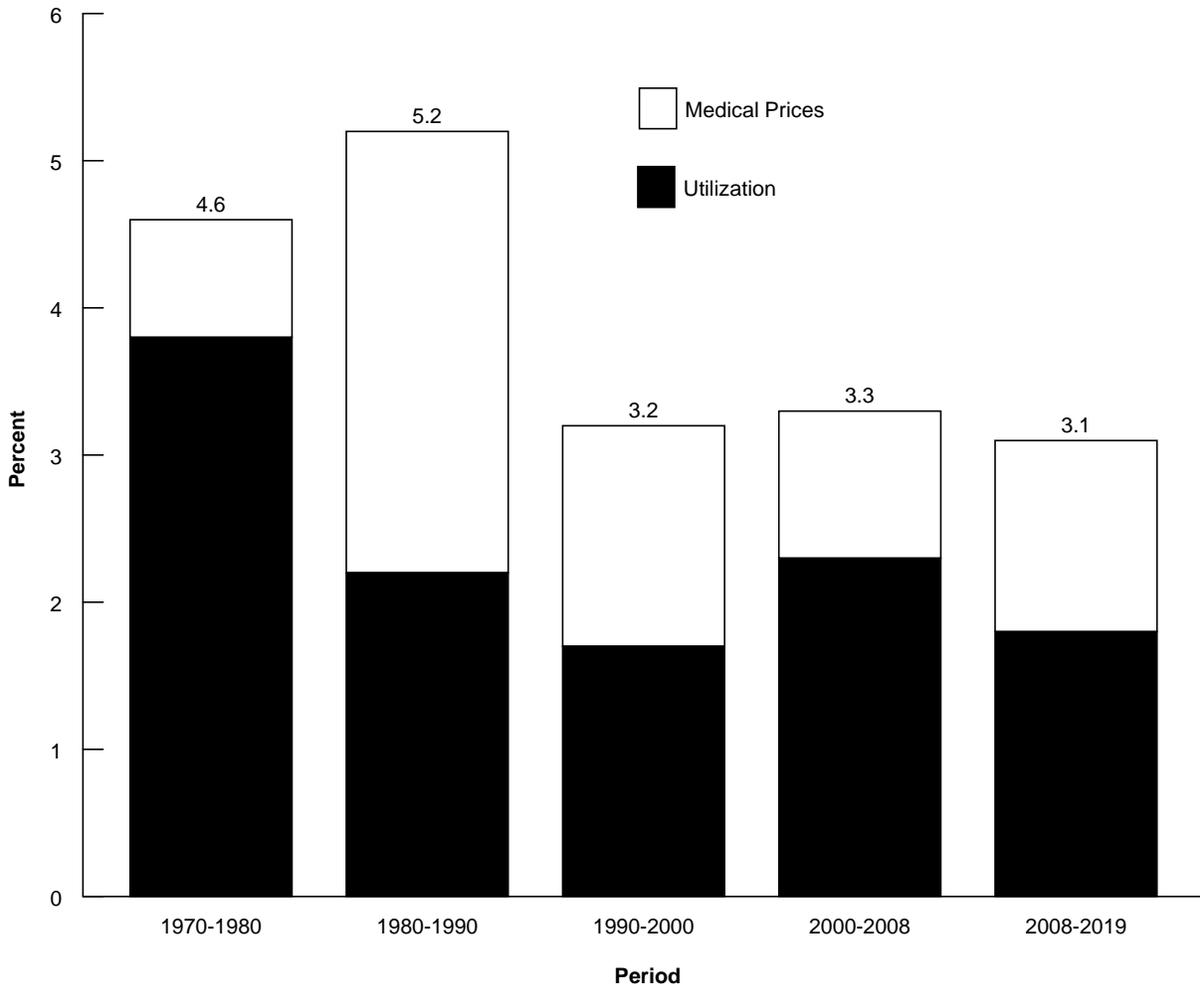
SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Figure 1.1
Personal Health Care Expenditures as a Percent of
Gross Domestic Product: Calendar Years 1980-2019



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

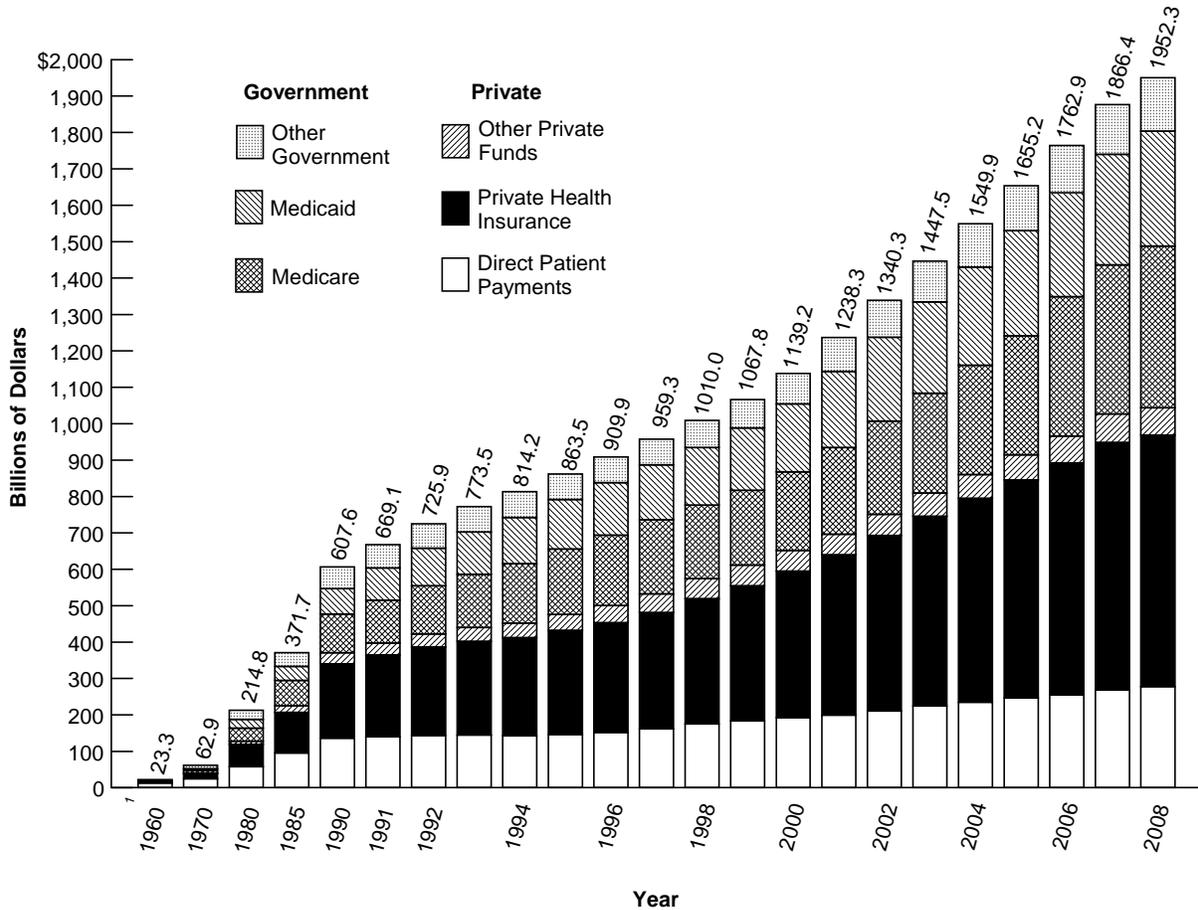
Figure 1.2
Factors Accounting for Average Annual Growth in
Selected Types of Personal Health Care Expenditures:
Selected Periods 1970-2019



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 1960-2008

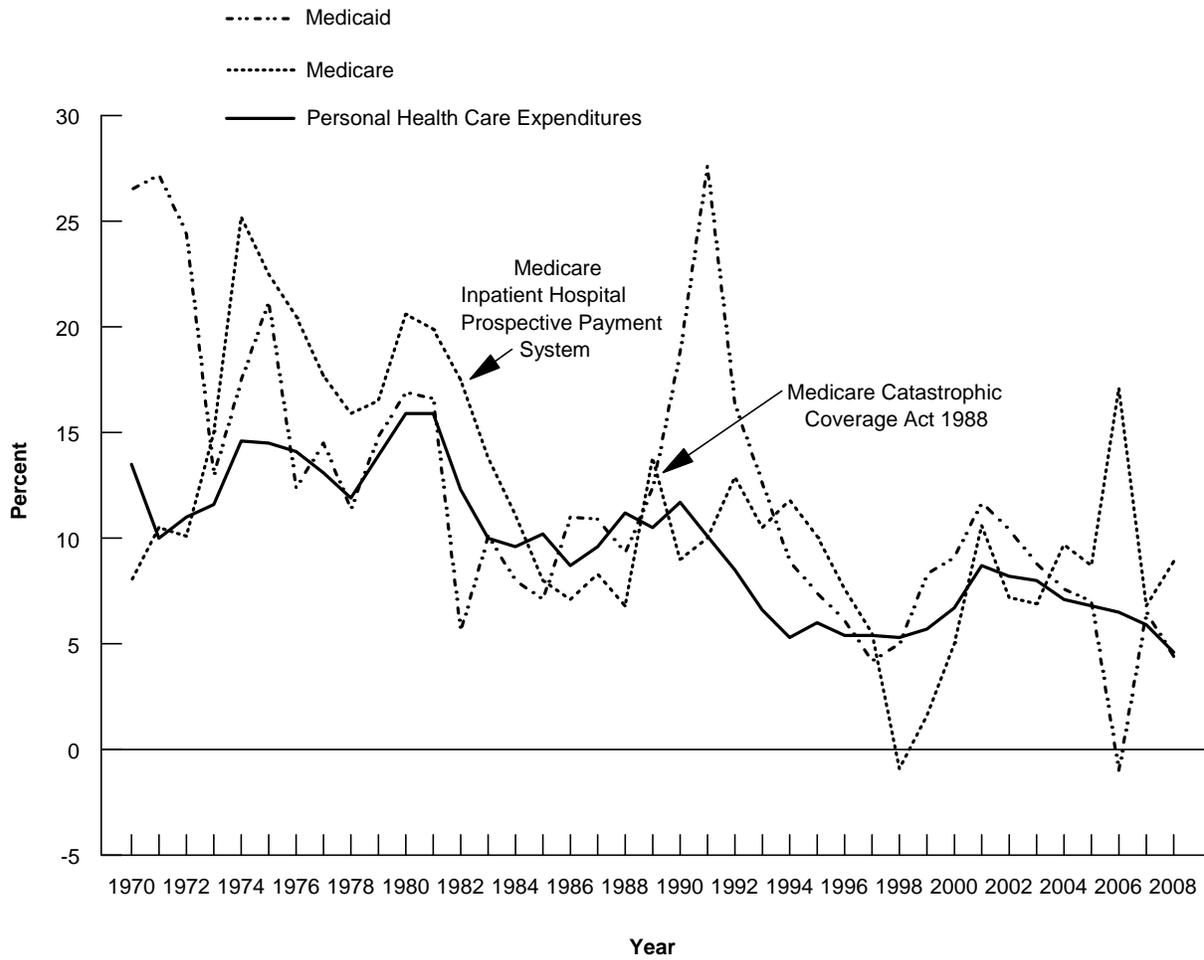


¹Total personal health care expenditures for 1960 were \$23.3 billion (\$12.9 billion in direct-patient payments and \$10.5 billion in third-party payments).

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

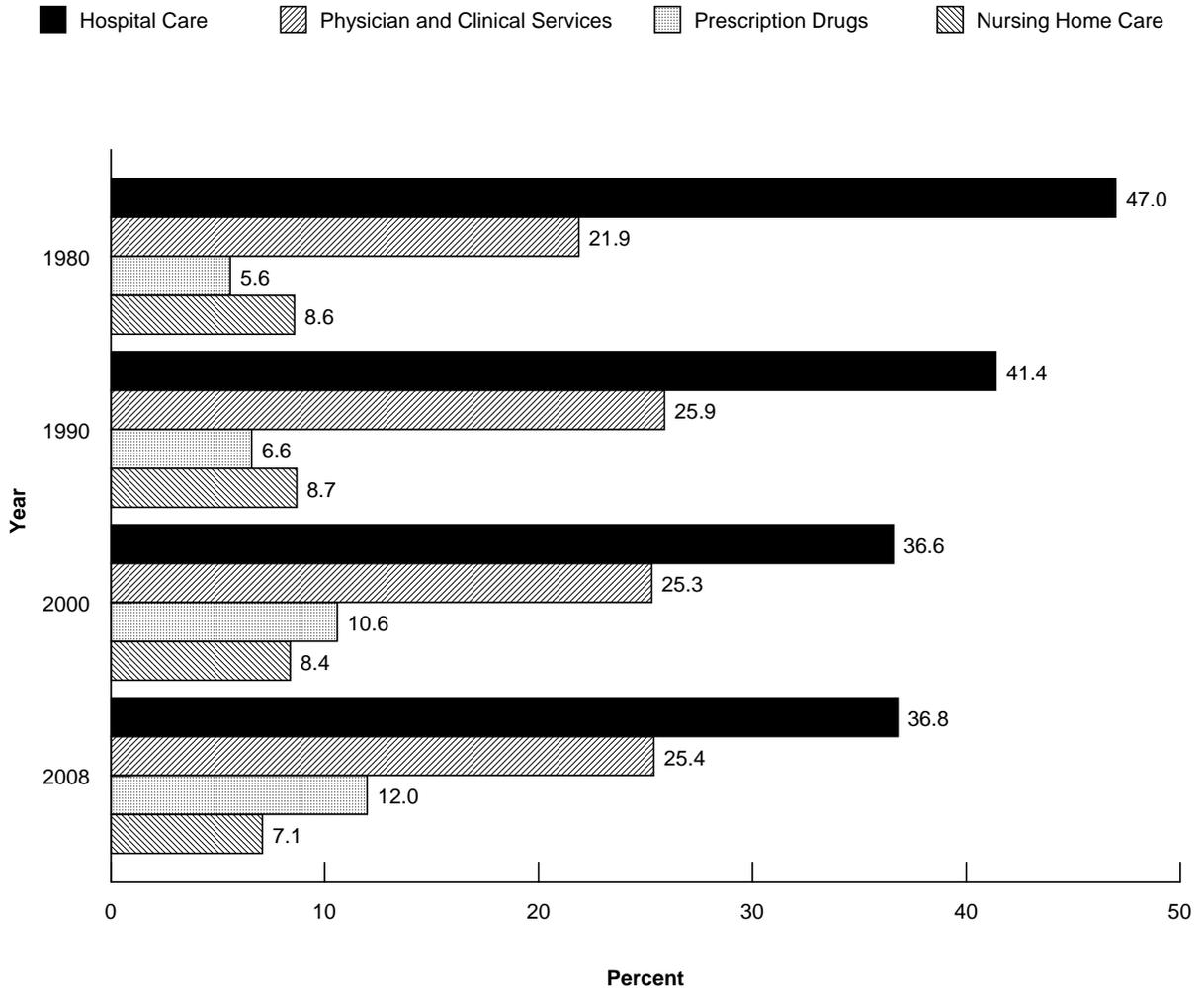
Figure 1.4

Percent Change in Medicare, Medicaid, and Personal Health Care Expenditures: Calendar Years 1970-2008



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 2008



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