

National Health Expenditures 2010: Sponsor Highlights

Introduction

The financial burden for the nation's health bill resides with those entities that sponsor the final payments, which include private businesses, households, and governments. These sponsors pay insurance premiums and out-of-pocket expenses, or finance health care through dedicated taxes or general revenues. In addition, they decide what types of health care plans to offer, who is eligible to participate in plans, what cost-sharing arrangements to impose (premiums, co-payments, and deductibles), and how much coverage will be made available. These health care sponsors are also responsible for collecting funds and for financing payers or programs (for example, private health insurance, Medicare, and Medicaid).

In 2010, National Health Expenditures (NHE) reached \$2.6 trillion and grew 3.9 percent—similar to the rate of growth in 2009 of 3.8 percent (Tables 1 & 2). Since 2007, the economic recession and legislative changes led to a noticeable change in the shares of national health expenditures that were financed by businesses, households, and governments. The federal government financed the largest share of total health spending in 2010—29 percent—a substantial increase from its share of 23 percent in 2007 (Table 3). Meanwhile, the shares of the total health care bill financed by households (28 percent), private businesses (21 percent), and state and local governments (16 percent) declined slightly during the same time period.

Private Businesses

Spending on health care by private businesses includes employers' contributions to private health insurance premiums, employers' contributions to the Medicare Hospital Insurance Trust Fund through payroll taxes, workers' compensation insurance, temporary disability insurance, and worksite health care.

The proportion of national health spending sponsored by private businesses has gradually decreased—from 24 percent in 1987 to 21 percent in 2010. Private business' health spending increased 0.9 percent in 2010, following a decline of 0.3 percent in 2009.

Employer contributions to private health insurance premiums accounted for the largest proportion of private business' health spending in 2010 (77 percent), increasing from a share of 74 percent in 2000. Although employer contributions to private health insurance premiums have accounted for a larger and larger share of private business' health care costs over the last decade, their share of employer-sponsored private health insurance premiums (versus the employee's share) has gradually declined, from 75 percent in 2000 to 70 percent in 2010 (Table 4).

Private business' employers' contributions to private health insurance premiums increased only 0.5 percent following growth of 1.8 percent in 2009. This deceleration was more than offset by an increase in employers' payroll-tax contributions to the Medicare Hospital Insurance Trust Fund (accounting for 15 percent of private business' health spending), which grew 2.5 percent in 2010 following a decline of 6.2 percent in 2009. Overall low growth in private business' health spending in both 2009 and 2010 resulted from recession-related job losses coupled with declines in private health insurance enrollment.

Households

Household spending for health care includes contributions to health insurance premiums (for private health insurance, Medicare Hospital Insurance (Part A), and Medicare Supplementary Medical Insurance (Part B)) and out-of-pocket costs (such as co-payments, deductibles, and any amount not covered by insurance).

In 1987, households paid a 37-percent share of national health care spending and were the largest sponsors of health care. By 2010, the household share fell to 28 percent. The decline in households' share of health spending can be partially explained by the continued decline in the proportion of health care costs paid directly by consumers. Consumer out-of-pocket payments accounted for 41 percent of total household spending on health in 2010, compared to a 58 percent share in 1987. The introduction of Medicare Part D in 2006, which reduced out-of-pocket spending for prescription drugs, contributed to the gradual decline in the out-of-pocket share of household spending.

In 2010, health care spending by households grew 2.8 percent, accelerating from growth of 0.3 percent in 2009. Faster growth in individuals' payroll tax contributions, self-employment contributions, and voluntary premiums paid to the Medicare Hospital Insurance (HI) Trust Fund (together accounting for a 16 percent share of household health care spending in 2010) were the primary drivers of faster overall household health care spending in 2010. These contributions to the HI Trust Fund increased 3.7 percent in 2010 after declining 3.5 percent in 2009.

Also contributing to the faster rate of growth in household health care spending in 2010 was acceleration in consumer out-of-pocket payments, which increased 1.8 percent following growth of only 0.2 percent in 2009. Finally, growth in employee contributions to private health insurance premiums and individual policy premiums (representing a 36 percent share of household health spending in 2010) accelerated to 2.7 percent in 2010 following 1.5-percent growth in 2009.

Governments

Government health spending includes health spending by both federal and state and local governments. Specifically, this includes contributions to private health insurance

premiums and contributions to the Medicare Hospital Insurance Trust Fund through payroll taxes, Medicare program expenditures,¹ Medicaid program expenditures,² and expenditures of other government programs.³

The proportion of national health spending sponsored by both federal and state and local governments increased from 32 percent in 1987 to 45 percent in 2010. Health care spending by governments increased 6.5 percent in 2010—a slowdown from growth of 9.7 percent in 2009.

Federal government. Federal government health care spending growth slowed from 17.4 percent in 2009 to 8.6 percent in 2010—the result of slowdowns in the rates of growth in Medicare and Medicaid spending. Medicare spending growth slowed in 2010 primarily due to a steep deceleration in Medicare Advantage spending, and Medicaid spending growth slowed primarily due to slower growth in enrollment.

Despite the slower growth, the federal share of national health expenditures increased from 27 percent in 2009 to 29 percent in 2010. This occurred at the same time as households, private businesses, and state and local governments accounted for smaller shares of total health spending.

Since 1990, the federal share of Medicaid has accounted for the largest share of federal government spending on health. In 1999 and 2000, Medicaid's share increased to 45 and 46 percent, respectively. During the 2001 recession, growth in federal Medicaid spending accelerated as Congress temporarily increased the federal government share of Medicaid spending in an effort to aid states. By 2002, growth in federal government health spending began to decelerate and was accompanied by a steady decrease in the Medicaid share of federal government health spending. As a result of the recent recession that began in December 2007, the federal government again increased the federal share of the Medicaid program through enhanced federal matching rates mandated by the American Recovery and Reinvestment Act of 2009. This legislation increased the Federal Medical Assistance Percentages (FMAPs) beginning in the last quarter of 2008 and extended through 2010, causing the Medicaid share of federal health care spending to increase in both 2009 and 2010 to 37 percent.

Medicare represented the second largest share of health spending by the federal government in 2010—at 35 percent.⁴ Medicare's share of federal health spending jumped from 27 percent in 2005 to 33 percent in 2006 when the Medicare Part D prescription drug program became fully effective. In 2010, federal Medicare expenditures grew 6.9 percent—a much slower rate of growth than in 2009 when they grew 19.2 percent (Table 5).

State and local governments. In 2010, health spending by state and local governments increased 2.9 percent following a decline of 1.1 percent in 2009. State and local

governments accounted for a 16 percent share of total health spending in 2010. This share has continued to fall since 2007, when it was 18 percent.

Medicaid spending accounted for a 32-percent share of state and local government health spending in 2010. This share has declined substantially from 2005, when it was 39 percent. Provisions associated with the American Recovery and Reinvestment Act of 2009 affected both federal and state Medicaid expenditures. However, while enhanced FMAPs resulting from the Recovery Act increased the federal share of Medicaid spending, they concurrently lowered the states' share of Medicaid spending. After declining 10.2 percent in 2009, states' Medicaid spending increased 4.2 percent in 2010.

Other state and local government health care programs (excluding Medicaid) accounted for the second largest share of total state and local government spending on health in 2010 (33 percent). Spending by these programs experienced negligible growth in 2010 (0.1 percent) following growth of 2.5 percent in 2009.

Burden of Health Costs

The burden of health care spending on the sponsors of that care can be evaluated using the ratio of each sponsor's health spending relative to their available resources.

For private businesses, burden is analyzed using their health spending relative to total compensation or wages and salaries. In 2010, health care spending by private businesses accounted for 8.5 percent of total employee compensation and 10.2 percent of private wages and salaries (Figure 1). Both of these shares fell slightly in 2010 after peaking in 2009.

The burden of health spending on households is analyzed relative to adjusted personal income.⁵ Household spending for health care as a share of adjusted personal income remained fairly stable between 2003 and 2008—at approximately 6.0 percent (Figure 2). In 2009, this share increased to 6.3 percent, and in 2010 it decreased slightly to 6.2 percent. The slightly smaller burden for households in 2010 was the result of a larger increase in personal income than in household health spending.

For governments (both federal and state and local), the burden of health care spending is analyzed as a share of revenues.^{6,7} The share of federal revenue that funded federal government spending on health care jumped from 38 percent in 2008 to 53 percent in 2009 as federal government spending for Medicare and Medicaid increased while revenues received by the federal government declined due to the recent economic recession that began in December 2007 (Figure 3). In 2010, this share was 51 percent as federal revenues rebounded and grew faster than government spending on Medicare and Medicaid, which both decelerated. State and local governments' health spending as a share of revenues was 28 percent in both 2009 and 2010 as both revenues and health care spending declined in 2009 and rebounded in 2010.

¹ Excludes Medicare Hospital Trust Fund payroll taxes and premiums, Medicare Supplementary Medical Insurance premiums, and Medicaid premium payments. Includes Retiree Drug Subsidies paid to private and state and local government employers.

² Includes Medicaid buy-in premiums for Medicare.

³ Other state & local government programs include: other public and general assistance, maternal and child health, vocational rehabilitation, public health activities, state phase down payments to the Medicare program under Part D, and the Children's Health Insurance Program (CHIP). Other federal government programs include: maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, Indian Health Service, federal workers' compensation, other miscellaneous general hospital and medical programs, public health activities, Department of Defense, Department of Veterans Affairs, the Children's Health Insurance Program (CHIP), and COBRA reduction payments.

⁴ Federal Medicare expenditures represent Medicare program expenditures (see endnote 1) plus federal government employer contributions to the Medicare Hospital Insurance Trust Fund.

⁵ Adjustments to personal income include the addition of contributions to social insurance for Medicare, since they are included in individuals' health spending, and the exclusion of health benefit paid by government programs.

⁶ Federal revenues are federal receipts minus contributions for government social insurance.

⁷ State and local revenues are state and local receipts minus contributions for government social insurance, plus federal grants-in-aid.

Table 1
National Health Expenditures, by Type of Sponsor: United States,
Calendar Years 1987-2010

Type of Sponsor	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
	Amount in Billions											
National Health Expenditures	\$519.1	\$581.7	\$647.5	\$724.3	\$791.5	\$857.9	\$921.5	\$972.7	\$1,027.5	\$1,081.9	\$1,142.6	\$1,209.0
Business, Households and Other Private Revenues	354.1	402.0	444.4	488.2	521.7	553.2	582.2	607.2	642.3	675.6	715.9	775.4
Private Business	122.3	138.9	158.8	178.3	192.1	207.6	220.3	231.1	243.6	260.3	268.5	289.1
Employer Contribution to Private Health Insurance Premiums ¹	84.4	97.3	113.7	129.5	138.6	150.1	159.8	166.2	176.2	190.0	194.2	210.2
Employer Contribution to Medicare Hospital Insurance Trust Fund	24.6	26.2	28.0	29.4	32.7	34.4	35.8	40.5	43.1	45.8	49.5	53.8
Workers compensation and temporary disability insurance and Worksite health care	13.4	15.3	17.2	19.3	20.8	23.1	24.6	24.3	24.3	24.5	24.7	25.1
Household	189.9	214.0	233.1	253.0	268.9	279.2	290.9	301.5	319.0	329.9	354.7	383.9
Employee Contribution to Private Health Insurance Premiums and Individual Policy Premiums ²	44.0	52.9	60.8	68.5	77.0	81.9	88.9	92.8	100.3	103.2	112.4	119.7
Employee and Self-Employment Contributions and Voluntary Premiums Paid to Medicare Hospital Insurance Trust Fund ³	29.5	31.5	33.7	35.6	39.8	41.9	43.7	50.7	56.0	59.3	63.0	69.2
Premiums Paid by Individuals to Medicare Supplementary Medical Insurance Trust Fund and Preexisting Condition Insurance Plan	6.2	8.8	11.3	10.2	10.4	11.2	13.0	14.5	16.4	15.2	15.5	15.5
Out-of-pocket Health Spending	110.2	120.8	127.3	138.7	141.7	144.2	145.3	143.5	146.4	152.2	163.8	179.4
Other Private Revenues	41.9	49.1	52.4	56.9	60.7	66.5	71.0	74.6	79.7	85.4	92.8	102.5
Governments	165.0	179.7	203.1	236.1	269.8	304.7	339.3	365.5	385.1	406.3	426.7	433.6
Federal government	86.1	92.3	105.5	125.3	146.5	172.3	193.7	205.0	217.2	231.8	240.4	236.4
Employer Contribution to Private Health Insurance Premiums	4.9	6.4	8.1	9.9	9.8	10.7	11.5	11.9	11.4	11.3	11.4	11.4
Employer Contribution to Medicare Hospital Insurance Trust Fund	1.7	1.8	1.9	2.0	2.2	2.2	2.3	2.4	2.3	2.4	2.4	2.5
Adjusted Medicare ⁴	17.4	16.6	21.5	27.7	29.5	39.8	47.9	51.5	57.6	66.6	69.9	57.7
Health Program Expenditures (Excluding Medicare)	62.1	67.5	74.0	85.7	105.0	119.6	132.0	139.3	145.9	151.5	156.7	164.8
Medicaid ⁵	28.2	31.4	35.6	43.3	57.8	69.7	78.3	82.7	87.9	93.2	97.1	100.9
Other Programs ⁶	33.9	36.1	38.3	42.5	47.2	49.9	53.7	56.5	58.1	58.3	59.5	63.9
State and local government	78.9	87.4	97.6	110.8	123.3	132.4	145.6	160.5	167.9	174.4	186.3	197.2
Employer Contribution to Private Health Insurance Premiums	16.0	19.3	22.5	26.4	30.2	32.9	36.1	38.6	38.9	41.3	44.5	46.8
Employer Contribution to Medicare Hospital Insurance Trust Fund	3.1	3.4	3.8	4.1	4.5	4.8	5.0	5.3	5.6	5.9	6.2	6.6
Health Expenditures by Program	59.8	64.7	71.4	80.3	88.6	94.8	104.5	116.6	123.3	127.2	135.6	143.9
Medicaid ⁵	22.7	24.4	27.3	31.5	37.0	40.3	46.3	54.5	60.3	62.5	67.5	72.0
Other Programs ⁷	37.1	40.3	44.1	48.8	51.6	54.5	58.1	62.1	63.1	64.7	68.1	71.9

¹ Excludes Medicare Retiree Drug Subsidy payments to private plans beginning in 2006.

² Excludes subsidized COBRA payments in 2009 and 2010.

³ Includes one-half of self-employment contribution to Medicare Hospital Insurance Trust Fund and taxation of Social Security benefits.

⁴ Excludes Medicaid buy-in premiums for Medicare. Includes Retiree Drug Subsidy payments to private and state and local plans beginning in 2006.

⁵ Includes Medicaid buy-in premiums for Medicare.

⁶ Includes maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, Indian Health Service, Office of Economic Opportunity (1965-74), Federal workers' compensation, and other federal programs, public health activities, Department of Defense, Department of Veterans Affairs, Children's Health Program (CHIP), investment (research, structures and equipment) and COBRA subsidies.

⁷ Includes other public and general assistance, maternal and child health, vocational rehabilitation, public health activities, hospital subsidies, other state and local programs, state phase-down payments and investment (research, structures and equipment).

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

Table 1 (continued)
National Health Expenditures, by Type of Sponsor: United States,
Calendar Years 1987-2010

Type of Sponsor	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	Amount in Billions											
National Health Expenditures	\$1,286.6	\$1,377.2	\$1,494.1	\$1,636.4	\$1,774.3	\$1,900.0	\$2,029.1	\$2,162.4	\$2,297.1	\$2,403.9	\$2,495.8	\$2,593.6
Business, Households and Other Private Revenues	830.2	888.5	936.5	1010.2	1087.0	1152.6	1226.8	1289.0	1364.3	1407.8	1402.8	1429.9
Private Business	315.6	346.3	372.0	399.7	432.6	459.1	487.7	502.4	523.5	531.4	529.8	534.5
Employer Contribution to Private Health Insurance Premiums ¹	231.3	254.9	276.0	300.2	327.0	348.0	370.4	379.9	397.3	404.9	412.0	414.1
Employer Contribution to Medicare Hospital Insurance Trust Fund	57.6	62.3	63.3	63.0	64.6	68.7	72.6	77.3	81.3	82.8	77.7	79.7
Workers compensation and temporary disability insurance and Worksite health care	26.7	29.1	32.7	36.5	40.9	42.4	44.7	45.2	44.9	43.7	40.1	40.7
Household	406.1	434.3	457.2	494.3	528.7	561.4	596.7	633.3	668.9	703.1	705.5	725.5
Employee Contribution to Private Health Insurance Premiums and Individual Policy Premiums ²	124.2	133.6	147.0	167.8	183.7	196.2	207.6	220.9	231.8	252.5	256.2	263.1
Employee and Self-Employment Contributions and Voluntary Premiums Paid to Medicare Hospital Insurance Trust Fund ³	75.1	82.6	83.0	84.3	86.3	91.5	96.5	103.5	109.2	112.1	108.2	112.2
Premiums Paid by Individuals to Medicare Supplementary Medical Insurance Trust Fund and Preexisting Condition Insurance Plan	16.3	16.4	18.1	19.9	21.8	24.8	29.3	36.9	40.6	44.6	46.7	50.6
Out-of-pocket Health Spending	190.5	201.8	209.1	222.2	236.8	248.9	263.4	271.9	287.3	294.0	294.4	299.7
Other Private Revenues	108.6	107.9	107.4	116.2	125.8	132.1	142.3	153.3	171.9	173.4	167.4	169.9
Governments	456.4	488.7	557.6	626.3	687.2	747.5	802.4	873.4	932.8	996.1	1093.1	1163.7
Federal government	245.2	261.0	306.3	347.4	388.8	425.1	451.8	498.1	529.8	582.4	684.0	742.7
Employer Contribution to Private Health Insurance Premiums	13.2	14.3	15.8	17.7	19.7	21.6	23.1	24.3	24.6	25.1	26.8	28.5
Employer Contribution to Medicare Hospital Insurance Trust Fund	2.5	2.7	2.7	2.9	3.1	3.3	3.3	3.4	3.6	3.8	3.9	4.0
Adjusted Medicare ⁴	50.1	48.8	67.3	80.8	91.9	106.5	119.4	160.9	173.8	198.7	237.4	254.0
Health Program Expenditures (Excluding Medicare)	179.3	195.3	220.5	246.0	274.1	293.7	305.9	309.4	327.8	354.8	415.8	456.2
Medicaid ⁵	109.6	119.3	134.9	148.3	164.2	176.3	182.3	179.4	191.6	209.2	254.8	278.1
Other Programs ⁶	69.7	75.9	85.5	97.7	109.8	117.4	123.6	130.0	136.2	145.7	161.1	178.0
State and local government	211.2	227.7	251.2	278.9	298.5	322.4	350.6	375.4	403.0	413.6	409.1	421.1
Employer Contribution to Private Health Insurance Premiums	51.2	56.8	64.3	74.8	84.1	93.1	101.8	111.3	118.6	121.4	127.9	134.1
Employer Contribution to Medicare Hospital Insurance Trust Fund	7.0	7.5	8.0	8.4	8.7	9.0	9.4	9.9	10.6	11.0	11.3	11.4
Health Expenditures by Program	153.0	163.4	178.9	195.7	205.7	220.2	239.4	254.2	273.8	281.3	269.9	275.5
Medicaid ⁵	78.1	85.3	93.9	105.1	110.5	121.2	135.4	136.8	144.9	145.3	130.5	135.9
Other Programs ⁷	74.9	78.0	85.0	90.6	95.3	99.0	104.0	117.3	128.9	136.0	139.4	139.6

¹ Excludes Medicare Retiree Drug Subsidy payments to private plans beginning in 2006.

² Excludes subsidized COBRA payments in 2009 and 2010.

³ Includes one-half of self-employment contribution to Medicare Hospital Insurance Trust Fund and taxation of Social Security benefits.

⁴ Excludes Medicaid buy-in premiums for Medicare. Includes Retiree Drug Subsidy payments to private and state and local plans beginning in 2006.

⁵ Includes Medicaid buy-in premiums for Medicare.

⁶ Includes maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, Indian Health Service, Office of Economic Opportunity (1965-74), Federal workers' compensation, and other federal programs, public health activities, Department of Defense, Department of Veterans Affairs, Children's Health Program (CHIP), investment (research, structures and equipment) and COBRA subsidies.

⁷ Includes other public and general assistance, maternal and child health, vocational rehabilitation, public health activities, hospital subsidies, other state and local programs, state phase-down payments and investment (research, structures and equipment).

Table 2
Annual Percent Change in National Health Expenditures, by Type of Sponsor: United States,
Calendar Years 1988-2010

Type of Sponsor	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
	Percent Change										
National Health Expenditures	12.1%	11.3%	11.9%	9.3%	8.4%	7.4%	5.6%	5.6%	5.3%	5.6%	5.8%
Business, Households and Other Private Revenues	13.5	10.6	9.9	6.9	6.0	5.2	4.3	5.8	5.2	6.0	8.3
Private Business	13.5	14.4	12.2	7.8	8.0	6.1	4.9	5.4	6.8	3.1	7.7
Employer Contribution to Private Health Insurance Premiums ¹	15.4	16.8	14.0	7.0	8.3	6.4	4.0	6.0	7.8	2.2	8.2
Employer Contribution to Medicare Hospital Insurance Trust Fund	6.5	6.7	5.0	11.4	5.0	4.2	13.0	6.6	6.1	8.2	8.7
Workers compensation and temporary disability insurance and Worksite health care	14.9	11.9	12.6	7.7	10.7	6.9	-1.2	-0.4	1.1	0.9	1.3
Household	12.7	8.9	8.5	6.3	3.8	4.2	3.6	5.8	3.4	7.5	8.2
Employee Contribution to Private Health Insurance Premiums and Individual Policy Premiums ²	20.2	14.9	12.6	12.5	6.4	8.5	4.4	8.0	2.9	8.9	6.5
Employee and Self-Employment Contributions and Voluntary Premiums Paid to Medicare Hospital Insurance Trust Fund ³	6.7	7.1	5.7	11.7	5.2	4.5	15.9	10.5	5.9	6.3	9.8
Premiums Paid by Individuals to Medicare Supplementary Medical Insurance Trust Fund and Preexisting Condition Insurance Plan	42.0	28.8	-9.6	1.4	7.9	16.4	11.9	12.8	-7.1	1.7	0.3
Out-of-pocket Health Spending	9.7	5.4	8.9	2.2	1.8	0.8	-1.3	2.0	4.0	7.6	9.5
Other Private Revenues	17.1	6.8	8.6	6.6	9.5	6.8	5.1	6.8	7.2	8.7	10.4
Governments	8.9	13.0	16.3	14.3	12.9	11.4	7.7	5.4	5.5	5.0	1.6
Federal government	7.3	14.2	18.8	16.9	17.6	12.4	5.8	6.0	6.7	3.7	-1.7
Employer Contribution to Private Health Insurance Premiums	32.1	26.0	22.1	-0.8	9.0	7.8	3.5	-4.4	-0.3	0.5	0.2
Employer Contribution to Medicare Hospital Insurance Trust Fund Adjusted Medicare ⁴	6.3	5.9	4.9	7.3	2.7	1.1	3.9	-0.1	1.6	1.7	1.1
Health Program Expenditures (Excluding Medicare)	8.7	9.5	15.9	22.5	13.9	10.4	5.5	4.8	3.8	3.4	5.2
Medicaid ⁵	11.4	13.5	21.4	33.6	20.6	12.4	5.6	6.2	6.0	4.3	3.9
Other Programs ⁶	6.5	6.1	10.8	11.2	5.6	7.7	5.2	2.7	0.5	2.0	7.4
State and local government	10.7	11.7	13.5	11.3	7.4	9.9	10.2	4.6	3.9	6.8	5.9
Employer Contribution to Private Health Insurance Premiums	20.5	16.5	17.4	14.6	8.7	9.9	6.8	0.9	6.1	7.8	5.1
Employer Contribution to Medicare Hospital Insurance Trust Fund	9.1	9.8	9.4	9.0	6.2	4.9	6.8	5.5	4.5	5.5	5.6
Health Expenditures by Program	8.2	10.4	12.5	10.4	7.0	10.2	11.6	5.8	3.1	6.6	6.1
Medicaid ⁵	7.4	11.9	15.5	17.5	8.9	14.9	17.7	10.6	3.7	7.9	6.7
Other Programs ⁷	8.7	9.4	10.6	5.8	5.6	6.7	6.8	1.6	2.6	5.3	5.6

¹ Excludes Medicare Retiree Drug Subsidy payments to private plans beginning in 2006.

² Excludes subsidized COBRA payments in 2009 and 2010.

³ Includes one-half of self-employment contribution to Medicare Hospital Insurance Trust Fund and taxation of Social Security benefits.

⁴ Excludes Medicaid buy-in premiums for Medicare. Includes Retiree Drug Subsidy payments to private and state and local plans beginning in 2006.

⁵ Includes Medicaid buy-in premiums for Medicare.

⁶ Includes maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, Indian Health Service, Office of Economic Opportunity (1965-74), Federal workers' compensation, and other federal programs, public health activities, Department of Defense, Department of Veterans Affairs, Children's Health Program (CHIP), investment (research, structures and equipment) and COBRA subsidies.

⁷ Includes other public and general assistance, maternal and child health, vocational rehabilitation, public health activities, hospital subsidies, other state and local programs, state phase-down payments and investment (research, structures and equipment).

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

Table 2 (continued)
Annual Percent Change in National Health Expenditures, by Type of Sponsor: United States,
Calendar Years 1988-2010

Type of Sponsor	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	Percent Change											
National Health Expenditures	6.4%	7.0%	8.5%	9.5%	8.4%	7.1%	6.8%	6.6%	6.2%	4.7%	3.8%	3.9%
Business, Households and Other Private Revenues	7.1	7.0	5.4	7.9	7.6	6.0	6.4	5.1	5.8	3.2	-0.4	1.9
Private Business	9.2	9.7	7.4	7.4	8.2	6.1	6.2	3.0	4.2	1.5	-0.3	0.9
Employer Contribution to Private Health Insurance Premiums ¹	10.0	10.2	8.2	8.8	8.9	6.4	6.4	2.6	4.6	1.9	1.8	0.5
Employer Contribution to Medicare Hospital Insurance Trust Fund	7.0	8.2	1.7	-0.4	2.5	6.3	5.6	6.5	5.2	1.9	-6.2	2.5
Workers compensation and temporary disability insurance and Worksite health care	6.5	8.9	12.5	11.6	12.2	3.4	5.6	1.1	-0.8	-2.7	-8.1	1.5
Household	5.8	6.9	5.3	8.1	7.0	6.2	6.3	6.1	5.6	5.1	0.3	2.8
Employee Contribution to Private Health Insurance Premiums and Individual Policy Premiums ²	3.8	7.5	10.0	14.2	9.4	6.8	5.8	6.4	4.9	8.9	1.5	2.7
Employee and Self-Employment Contributions and Voluntary Premiums Paid to Medicare Hospital Insurance Trust Fund ³	8.5	10.0	0.4	1.6	2.4	6.0	5.5	7.3	5.5	2.6	-3.5	3.7
Premiums Paid by Individuals to Medicare Supplementary Medical Insurance Trust Fund and Preexisting Condition Insurance Plan	5.2	0.1	10.9	9.9	9.5	13.6	18.0	26.1	10.1	9.6	4.8	8.3
Out-of-pocket Health Spending	6.2	5.9	3.6	6.3	6.6	5.1	5.8	3.3	5.6	2.3	0.2	1.8
Other Private Revenues	6.0	-0.6	-0.5	8.2	8.3	5.0	7.7	7.7	12.2	0.8	-3.4	1.5
Governments	5.2	7.1	14.1	12.3	9.7	8.8	7.3	8.9	6.8	6.8	9.7	6.5
Federal government	3.7	6.5	17.4	13.4	11.9	9.3	6.3	10.2	6.4	9.9	17.4	8.6
Employer Contribution to Private Health Insurance Premiums	15.7	8.2	10.2	12.1	11.6	9.4	7.3	5.0	1.5	2.0	6.5	6.3
Employer Contribution to Medicare Hospital Insurance Trust Fund	3.1	5.0	2.8	6.8	6.0	5.9	2.3	2.9	3.0	5.7	4.5	2.8
Adjusted Medicare ⁴	-13.1	-2.7	38.0	20.0	13.7	15.9	12.0	34.8	8.0	14.4	19.5	7.0
Health Program Expenditures (Excluding Medicare)	8.8	8.9	12.9	11.5	11.4	7.2	4.2	1.1	6.0	8.2	17.2	9.7
Medicaid ⁵	8.6	8.9	13.1	9.9	10.8	7.4	3.4	-1.6	6.8	9.1	21.8	9.2
Other Programs ⁶	9.1	9.0	12.7	14.2	12.4	6.9	5.3	5.2	4.8	7.0	10.6	10.5
State and local government	7.1	7.8	10.4	11.0	7.0	8.0	8.7	7.1	7.4	2.6	-1.1	2.9
Employer Contribution to Private Health Insurance Premiums	9.5	11.0	13.2	16.2	12.4	10.8	9.3	9.4	6.6	2.3	5.4	4.9
Employer Contribution to Medicare Hospital Insurance Trust Fund	6.7	6.9	6.9	5.2	3.0	4.2	4.3	5.4	6.9	4.0	2.2	1.0
Health Expenditures by Program	6.3	6.8	9.5	9.4	5.1	7.0	8.7	6.2	7.7	2.7	-4.0	2.1
Medicaid ⁵	8.4	9.3	10.0	11.9	5.1	9.7	11.7	1.0	5.9	0.3	-10.2	4.2
Other Programs ⁷	4.3	4.1	8.9	6.6	5.1	3.9	5.0	12.9	9.9	5.5	2.5	0.1

¹ Excludes Medicare Retiree Drug Subsidy payments to private plans beginning in 2006.

² Excludes subsidized COBRA payments in 2009 and 2010.

³ Includes one-half of self-employment contribution to Medicare Hospital Insurance Trust Fund and taxation of Social Security benefits.

⁴ Excludes Medicaid buy-in premiums for Medicare. Includes Retiree Drug Subsidy payments to private and state and local plans beginning in 2006.

⁵ Includes Medicaid buy-in premiums for Medicare.

⁶ Includes maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, Indian Health Service, Office of Economic Opportunity (1965-74), Federal workers' compensation, and other federal programs, public health activities, Department of Defense, Department of Veterans Affairs, Children's Health Program (CHIP), investment (research, structures and equipment) and COBRA subsidies.

⁷ Includes other public and general assistance, maternal and child health, vocational rehabilitation, public health activities, hospital subsidies, other state and local programs, state phase-down payments and investment (research, structures and equipment).

Table 3
 Percent Distribution of National Health Expenditures, by Type of Sponsor: United States,
 Calendar Years 1987-2010

Type of Sponsor	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
	Percent Distribution											
National Health Expenditures	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Business, Households and Other Private Revenues	68	69	69	67	66	64	63	62	63	62	63	64
Private Business	24	24	25	25	24	24	24	24	24	24	23	24
Employer Contribution to Private Health Insurance Premiums ¹	69	70	72	73	72	72	73	72	72	73	72	73
Employer Contribution to Medicare Hospital Insurance Trust Fund	20	19	18	16	17	17	16	18	18	18	18	19
Workers compensation and temporary disability insurance and Worksite health care	11	11	11	11	11	11	11	11	10	9	9	9
Household	37	37	36	35	34	33	32	31	31	30	31	32
Employee Contribution to Private Health Insurance Premiums and Individual Policy Premiums ²	23	25	26	27	29	29	31	31	31	31	32	31
Employee and Self-Employment Contributions and Voluntary Premiums Paid to Medicare Hospital Insurance Trust Fund ³	16	15	14	14	15	15	15	17	18	18	18	18
Premiums Paid by Individuals to Medicare Supplementary Medical Insurance Trust Fund and Preexisting Condition Insurance Plan	3	4	5	4	4	4	4	5	5	5	4	4
Out-of-pocket Health Spending	58	56	55	55	53	52	50	48	46	46	46	47
Other Private Revenues	8	8	8	8	8	8	8	8	8	8	8	8
Governments	32	31	31	33	34	36	37	38	37	38	37	36
Federal government	17	16	16	17	19	20	21	21	21	21	21	20
Employer Contribution to Private Health Insurance Premiums	6	7	8	8	7	6	6	6	5	5	5	5
Employer Contribution to Medicare Hospital Insurance Trust Fund	2	2	2	2	1	1	1	1	1	1	1	1
Adjusted Medicare ⁴	20	18	20	22	20	23	25	25	27	29	29	24
Health Program Expenditures (Excluding Medicare)	72	73	70	68	72	69	68	68	67	65	65	70
Medicaid ⁵	33	34	34	35	39	40	40	40	40	40	40	43
Other Programs ⁶	39	39	36	34	32	29	28	28	27	25	25	27
State and local government	15	15	15	15	16	15	16	17	16	16	16	16
Employer Contribution to Private Health Insurance Premiums	20	22	23	24	25	25	25	24	23	24	24	24
Employer Contribution to Medicare Hospital Insurance Trust Fund	4	4	4	4	4	4	3	3	3	3	3	3
Health Expenditures by Program	76	74	73	72	72	72	72	73	73	73	73	73
Medicaid ⁵	29	28	28	28	30	30	32	34	36	36	36	37
Other Programs ⁷	47	46	45	44	42	41	40	39	38	37	37	36

¹ Excludes Medicare Retiree Drug Subsidy payments to private plans beginning in 2006.

² Excludes subsidized COBRA payments in 2009 and 2010.

³ Includes one-half of self-employment contribution to Medicare Hospital Insurance Trust Fund and taxation of Social Security benefits.

⁴ Excludes Medicaid buy-in premiums for Medicare. Includes Retiree Drug Subsidy payments to private and state and local plans beginning in 2006.

⁵ Includes Medicaid buy-in premiums for Medicare.

⁶ Includes maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, Indian Health Service, Office of Economic Opportunity (1965-74), Federal workers' compensation, and other federal programs, public health activities, Department of Defense, Department of Veterans Affairs, Children's Health Program (CHIP), investment (research, structures and equipment) and COBRA subsidies.

⁷ Includes other public and general assistance, maternal and child health, vocational rehabilitation, public health activities, hospital subsidies, other state and local programs, state phase-down payments and investment (research, structures and equipment).

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

Table 3 (continued)
 Percent Distribution of National Health Expenditures, by Type of Sponsor: United States,
 Calendar Years 1987-2010

Type of Sponsor	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	Percent Distribution											
National Health Expenditures	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Business, Households and Other Private Revenues	65	65	63	62	61	61	60	60	59	59	56	55
Private Business	25	25	25	24	24	24	24	23	23	22	21	21
Employer Contribution to Private Health Insurance Premiums ¹	73	74	74	75	76	76	76	76	76	76	78	77
Employer Contribution to Medicare Hospital Insurance Trust Fund	18	18	17	16	15	15	15	15	16	16	15	15
Workers compensation and temporary disability insurance and Worksite health care	8	8	9	9	9	9	9	9	9	8	8	8
Household	32	32	31	30	30	30	29	29	29	29	28	28
Employee Contribution to Private Health Insurance Premiums and Individual Policy Premiums ²	31	31	32	34	35	35	35	35	35	36	36	36
Employee and Self-Employment Contributions and Voluntary Premiums Paid to Medicare Hospital Insurance Trust Fund ³	18	19	18	17	16	16	16	16	16	16	15	15
Premiums Paid by Individuals to Medicare Supplementary Medical Insurance Trust Fund and Preexisting Condition Insurance Plan	4	4	4	4	4	4	5	6	6	6	7	7
Out-of-pocket Health Spending	47	46	46	45	45	44	44	43	43	42	42	41
Other Private Revenues	8	8	7	7	7	7	7	7	7	7	7	7
Governments	35	35	37	38	39	39	40	40	41	41	44	45
Federal government	19	19	21	21	22	22	22	23	23	24	27	29
Employer Contribution to Private Health Insurance Premiums	5	5	5	5	5	5	5	5	5	4	4	4
Employer Contribution to Medicare Hospital Insurance Trust Fund	1	1	1	1	1	1	1	1	1	1	1	1
Adjusted Medicare ⁴	20	19	22	23	24	25	26	32	33	34	35	34
Health Program Expenditures (Excluding Medicare)	73	75	72	71	70	69	68	62	62	61	61	61
Medicaid ⁵	45	46	44	43	42	41	40	36	36	36	37	37
Other Programs ⁶	28	29	28	28	28	28	27	26	26	25	24	24
State and local government	16	17	17	17	17	17	17	17	18	17	16	16
Employer Contribution to Private Health Insurance Premiums	24	25	26	27	28	29	29	30	29	29	31	32
Employer Contribution to Medicare Hospital Insurance Trust Fund	3	3	3	3	3	3	3	3	3	3	3	3
Health Expenditures by Program	72	72	71	70	69	68	68	68	68	68	66	65
Medicaid ⁵	37	37	37	38	37	38	39	36	36	35	32	32
Other Programs ⁷	35	34	34	32	32	31	30	31	32	33	34	33

¹ Excludes Medicare Retiree Drug Subsidy payments to private plans beginning in 2006.

² Excludes subsidized COBRA payments in 2009 and 2010.

³ Includes one-half of self-employment contribution to Medicare Hospital Insurance Trust Fund and taxation of Social Security benefits.

⁴ Excludes Medicaid buy-in premiums for Medicare. Includes Retiree Drug Subsidy payments to private and state and local plans beginning in 2006.

⁵ Includes Medicaid buy-in premiums for Medicare.

⁶ Includes maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, Indian Health Service, Office of Economic Opportunity (1965-74), Federal workers' compensation, and other federal programs, public health activities, Department of Defense, Department of Veterans Affairs, Children's Health Program (CHIP), investment (research, structures and equipment) and COBRA subsidies.

⁷ Includes other public and general assistance, maternal and child health, vocational rehabilitation, public health activities, hospital subsidies, other state and local programs, state phase-down payments and investment (research, structures and equipment).

Table 4
Expenditures for Private Health Insurance, by Sponsor: United States, Calendar Years 1987-2010

Sponsor	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
	Amount in Billions											
Total Private Health Insurance Premiums ¹	\$149.2	\$175.9	\$205.0	\$234.3	\$255.6	\$275.6	\$296.3	\$309.5	\$326.8	\$345.8	\$362.5	\$388.1
Employer Sponsored Private Health Insurance Premiums	\$136.8	\$161.9	\$190.1	\$217.6	\$237.5	\$256.1	\$274.8	\$287.4	\$304.8	\$324.0	\$339.7	\$364.5
Employer Contribution to Private Health Insurance Premiums	\$105.2	\$123.0	\$144.2	\$165.8	\$178.6	\$193.7	\$207.4	\$216.7	\$226.5	\$242.7	\$250.1	\$268.4
Federal	\$4.9	\$6.4	\$8.1	\$9.9	\$9.8	\$10.7	\$11.5	\$11.9	\$11.4	\$11.3	\$11.4	\$11.4
Nonfederal	\$100.4	\$116.6	\$136.1	\$155.9	\$168.8	\$183.0	\$195.9	\$204.8	\$215.1	\$231.3	\$238.7	\$257.0
Private	\$84.4	\$97.3	\$113.7	\$129.5	\$138.6	\$150.1	\$159.8	\$166.2	\$176.2	\$190.0	\$194.2	\$210.2
State and Local	\$16.0	\$19.3	\$22.5	\$26.4	\$30.2	\$32.9	\$36.1	\$38.6	\$38.9	\$41.3	\$44.5	\$46.8
Employee Contribution to Private Health Insurance Premiums	\$31.6	\$38.8	\$45.8	\$51.8	\$58.9	\$62.5	\$67.4	\$70.7	\$78.3	\$81.4	\$89.6	\$96.1
Federal	\$2.4	\$2.9	\$3.3	\$2.6	\$3.3	\$3.5	\$3.8	\$3.9	\$3.9	\$4.0	\$4.1	\$5.2
Nonfederal	\$29.2	\$35.9	\$42.5	\$49.2	\$55.6	\$58.9	\$63.6	\$66.8	\$74.4	\$77.3	\$85.5	\$90.9
Private	\$24.9	\$30.6	\$36.1	\$41.9	\$47.3	\$50.3	\$54.3	\$57.0	\$63.4	\$66.1	\$72.9	\$77.6
State and Local	\$4.2	\$5.3	\$6.4	\$7.3	\$8.3	\$8.7	\$9.3	\$9.8	\$11.0	\$11.2	\$12.6	\$13.3
Individual Policy Premiums	\$12.4	\$14.1	\$15.0	\$16.6	\$18.1	\$19.5	\$21.5	\$22.1	\$22.0	\$21.8	\$22.8	\$23.6
Number of Enrollees	177.9	177.9	180.4	179.3	178.6	177.8	178.7	181.0	183.9	187.1	188.6	191.3
Per Enrollee Estimates of Private Health Insurance	\$839.0	\$988.9	\$1,136.2	\$1,306.8	\$1,431.5	\$1,550.0	\$1,658.4	\$1,710.6	\$1,777.2	\$1,848.5	\$1,922.2	\$2,028.4
Total Private Health Insurance Premiums		17.9%	16.5%	14.3%	9.1%	7.8%	7.5%	4.5%	5.6%	5.8%	4.8%	7.1%
Employer Sponsored Private Health Insurance Premiums		18.3	17.4	14.5	9.2	7.8	7.3	4.6	6.0	6.3	4.8	7.3
Employer Contribution to Private Health Insurance Premiums		16.9	17.2	14.9	7.7	8.4	7.1	4.5	4.5	7.1	3.1	7.3
Federal		32.1	26.0	22.1	-0.8	9.0	7.8	3.5	-4.4	-0.3	0.5	0.2
Nonfederal		16.2	16.7	14.5	8.3	8.4	7.1	4.5	5.0	7.5	3.2	7.7
Private		15.4	16.8	14.0	7.0	8.3	6.4	4.0	6.0	7.8	2.2	8.2
State and Local		20.5	16.5	17.4	14.6	8.7	9.9	6.8	0.9	6.1	7.8	5.1
Employee Contribution to Private Health Insurance Premiums		23.0	18.1	13.1	13.7	6.0	7.9	4.9	10.7	4.0	10.1	7.3
Federal		19.7	15.2	-21.4	27.2	6.7	7.4	3.3	-0.9	3.9	1.7	25.5
Nonfederal		23.3	18.3	15.7	13.0	5.9	8.0	5.0	11.4	4.0	10.5	6.4
Private		22.9	18.0	15.9	13.0	6.2	8.0	5.0	11.1	4.3	10.2	6.5
State and Local		25.4	20.0	14.9	12.8	4.6	7.6	4.7	12.9	2.2	12.2	5.5
Individual Policy Premiums		13.1	6.3	11.3	8.6	7.7	10.3	2.9	-0.5	-0.9	4.5	3.6
Number of Enrollees		0.0	1.4	-0.7	-0.4	-0.4	0.5	1.3	1.6	1.7	0.8	1.5
Per Enrollee Estimates of Private Health Insurance		17.9	14.9	15.0	9.5	8.3	7.0	3.1	3.9	4.0	4.0	5.5
	Percent of Premiums Paid by Employer											
Employer-Sponsored Private Health Insurance	76.9%	76.0%	75.9%	76.2%	75.2%	75.6%	75.5%	75.4%	74.3%	74.9%	73.6%	73.6%
Federal	66.9	69.0	70.9	79.1	74.7	75.1	75.2	75.2	74.5	73.7	73.5	68.9
Private	77.2	76.1	75.9	75.6	74.5	74.9	74.6	74.5	73.5	74.2	72.7	73.0
State and Local	79.1	78.4	77.9	78.2	78.5	79.1	79.5	79.8	77.9	78.6	77.9	77.8

¹ Excludes Medicare Retiree Drug Subsidy payments to private plans beginning in 2006, and COBRA subsidies in 2009 and 2010.

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

Table 4 (continued)
Expenditures for Private Health Insurance, by Sponsor: United States, Calendar Years 1987-2010

Sponsor	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	Amount in Billions											
Total Private Health Insurance Premiums ¹	\$419.9	\$459.6	\$503.0	\$560.5	\$614.5	\$658.9	\$702.9	\$736.3	\$772.3	\$803.8	\$822.9	\$839.8
Employer Sponsored Private Health Insurance Premiums	\$394.6	\$432.7	\$474.6	\$528.7	\$579.5	\$621.6	\$665.2	\$699.5	\$736.5	\$766.9	\$782.7	\$796.5
Employer Contribution to Private Health Insurance Premiums	\$295.7	\$326.1	\$356.1	\$392.6	\$430.8	\$462.7	\$495.3	\$515.5	\$540.6	\$551.4	\$566.7	\$576.7
Federal	\$13.2	\$14.3	\$15.8	\$17.7	\$19.7	\$21.6	\$23.1	\$24.3	\$24.6	\$25.1	\$26.8	\$28.5
Nonfederal	\$282.5	\$311.8	\$340.3	\$374.9	\$411.1	\$441.2	\$472.2	\$491.2	\$515.9	\$526.2	\$539.9	\$548.2
Private	\$231.3	\$254.9	\$276.0	\$300.2	\$327.0	\$348.0	\$370.4	\$379.9	\$397.3	\$404.9	\$412.0	\$414.1
State and Local	\$51.2	\$56.8	\$64.3	\$74.8	\$84.1	\$93.1	\$101.8	\$111.3	\$118.6	\$121.4	\$127.9	\$134.1
Employee Contribution to Private Health Insurance Premiums	\$98.8	\$106.6	\$118.5	\$136.0	\$148.7	\$158.9	\$169.9	\$184.0	\$196.0	\$215.6	\$216.0	\$219.8
Federal	\$4.9	\$5.3	\$5.9	\$6.6	\$7.3	\$8.0	\$8.4	\$9.2	\$9.3	\$9.8	\$10.7	\$11.7
Nonfederal	\$93.9	\$101.3	\$112.6	\$129.4	\$141.4	\$150.9	\$161.5	\$174.8	\$186.6	\$205.8	\$205.4	\$208.1
Private	\$80.1	\$86.5	\$95.9	\$110.4	\$121.1	\$132.0	\$139.9	\$152.1	\$162.4	\$180.5	\$179.3	\$180.5
State and Local	\$13.8	\$14.9	\$16.7	\$19.0	\$20.3	\$18.9	\$21.6	\$22.7	\$24.2	\$25.3	\$26.1	\$27.6
Individual Policy Premiums	\$25.4	\$26.9	\$28.5	\$31.8	\$35.0	\$37.3	\$37.7	\$36.9	\$35.8	\$36.9	\$40.2	\$43.2
Number of Enrollees	193.8	197.4	197.9	197.6	196.9	195.5	196.5	196.9	197.4	195.9	190.2	186.5
Per Enrollee Estimates of Private Health Insurance	\$2,166.8	\$2,328.4	\$2,542.4	\$2,837.1	\$3,121.0	\$3,369.6	\$3,577.8	\$3,740.2	\$3,912.8	\$4,102.7	\$4,326.2	\$4,502.5
Total Private Health Insurance Premiums	8.2%	9.5%	9.4%	11.4%	9.6%	7.2%	6.7%	4.8%	4.9%	4.1%	2.4%	2.1%
Employer Sponsored Private Health Insurance Premiums	8.2	9.7	9.7	11.4	9.6	7.3	7.0	5.1	5.3	4.1	2.1	1.8
Employer Contribution to Private Health Insurance Premiums	10.2	10.3	9.2	10.3	9.7	7.4	7.0	4.1	4.9	2.0	2.8	1.8
Federal	15.7	8.2	10.2	12.1	11.6	9.4	7.3	5.0	1.5	2.0	6.5	6.3
Nonfederal	9.9	10.4	9.1	10.2	9.6	7.3	7.0	4.0	5.0	2.0	2.6	1.5
Private	10.0	10.2	8.2	8.8	8.9	6.4	6.4	2.6	4.6	1.9	1.8	0.5
State and Local	9.5	11.0	13.2	16.2	12.4	10.8	9.3	9.4	6.6	2.3	5.4	4.9
Employee Contribution to Private Health Insurance Premiums	2.8	7.9	11.1	14.8	9.3	6.8	6.9	8.3	6.5	10.0	0.2	1.8
Federal	-4.4	7.2	12.3	11.4	11.2	8.3	5.6	9.0	2.1	4.4	9.3	10.2
Nonfederal	3.2	7.9	11.1	15.0	9.2	6.8	7.0	8.2	6.8	10.3	-0.2	1.3
Private	3.1	8.0	10.9	15.2	9.6	9.0	5.9	8.7	6.8	11.1	-0.7	0.7
State and Local	3.8	7.7	12.1	13.8	6.9	-6.9	14.3	5.1	6.5	4.7	3.1	5.5
Individual Policy Premiums	7.5	6.2	5.7	11.7	9.9	6.6	1.0	-2.0	-3.0	3.2	8.8	7.6
Number of Enrollees	1.3	1.9	0.2	-0.2	-0.3	-0.7	0.5	0.2	0.3	-0.7	-2.9	-1.9
Per Enrollee Estimates of Private Health Insurance	6.8	7.5	9.2	11.6	10.0	8.0	6.2	4.5	4.6	4.9	5.4	4.1
	Percent of Premiums Paid by Employer											
Employer-Sponsored Private Health Insurance	75.0%	75.4%	75.0%	74.3%	74.3%	74.4%	74.5%	73.7%	73.4%	71.9%	72.4%	72.4%
Federal	72.9	73.0	72.7	72.8	72.9	73.1	73.4	72.6	72.5	72.0	71.5	70.8
Private	74.3	74.7	74.2	73.1	73.0	72.5	72.6	71.4	71.0	69.2	69.7	69.6
State and Local	78.7	79.2	79.4	79.7	80.5	83.1	82.5	83.0	83.1	82.7	83.0	83.0

¹ Excludes Medicare Retiree Drug Subsidy payments to private plans beginning in 2006, and COBRA subsidies in 2009 and 2010.

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

Table 5
Expenditures For Medicare by Sponsor: United States, Calendar Years 1987-2010

Sponsor Category	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Medicare ¹ , Billions	\$82.5	\$88.3	\$100.2	\$109.1	\$119.0	\$134.2	\$147.7	\$164.8	\$181.1	\$195.2	\$206.6	\$205.3
Private Businesses-- Employer Medicare HI Trust Fund Payroll Taxes ²	24.6	26.2	28.0	29.4	32.7	34.4	35.8	40.5	43.1	45.8	49.5	53.8
Households	35.7	40.3	45.0	45.9	50.2	53.0	56.7	65.2	72.4	74.5	78.5	84.8
Employee Payroll Taxes and Voluntary Premiums Paid to HI Trust Fund ^{2,3}	29.5	31.5	33.7	35.6	39.8	41.9	43.7	50.7	56.0	59.3	63.0	69.2
Premiums paid by Individuals to Medicare SMI Trust Fund (includes Part-D)	6.2	8.8	11.3	10.2	10.4	11.2	13.0	14.5	16.4	15.2	15.5	15.5
Federal Government	19.1	18.4	23.4	29.7	31.7	42.0	50.2	53.8	59.9	69.0	72.3	60.2
Employer Medicare HI Trust Fund Payroll Taxes	1.7	1.8	1.9	2.0	2.2	2.2	2.3	2.4	2.3	2.4	2.4	2.5
Spending from General Revenues ⁴	17.4	16.6	21.5	27.7	29.5	39.8	47.9	51.5	57.6	66.6	69.9	57.7
State and Local Government--Employer Medicare HI Trust Fund Payroll Taxes	3.1	3.4	3.8	4.1	4.5	4.8	5.0	5.3	5.6	5.9	6.2	6.6
Percent Distribution												
Medicare ¹	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Private Businesses-- Employer Medicare HI Trust Fund Payroll Taxes ²	30	30	28	27	27	26	24	25	24	23	24	26
Households	43	46	45	42	42	40	38	40	40	38	38	41
Employee Payroll Taxes and Voluntary Premiums Paid to HI Trust Fund ^{2,3}	36	36	34	33	33	31	30	31	31	30	31	34
Premiums paid by Individuals to Medicare SMI Trust Fund (includes Part-D)	7	10	11	9	9	8	9	9	9	8	7	8
Federal Government	23	21	23	27	27	31	34	33	33	35	35	29
Employer Medicare HI Trust Fund Payroll Taxes	2	2	2	2	2	2	2	1	1	1	1	1
Spending from General Revenues ⁴	21	19	21	25	25	30	32	31	32	34	34	28
State and Local Government--Employer Medicare HI Trust Fund Payroll Taxes	4	4	4	4	4	4	3	3	3	3	3	3
Percent Growth from Previous Year Shown												
Medicare ¹		7.0%	13.5%	8.9%	9.1%	12.7%	10.1%	11.6%	9.9%	7.8%	5.8%	-0.6%
Private Businesses-- Employer Medicare HI Trust Fund Payroll Taxes ²		6.5%	6.7%	5.0%	11.4%	5.0%	4.2%	13.0%	6.6%	6.1%	8.2%	8.7%
Households		12.8%	11.8%	1.9%	9.4%	5.7%	7.0%	15.0%	11.0%	3.0%	5.3%	7.9%
Employee Payroll Taxes and Voluntary Premiums Paid to HI Trust Fund ^{2,3}		6.7%	7.1%	5.7%	11.7%	5.2%	4.5%	15.9%	10.5%	5.9%	6.3%	9.8%
Premiums paid by Individuals to Medicare SMI Trust Fund (includes Part-D)		42.0%	28.8%	-9.6%	1.4%	7.9%	16.4%	11.9%	12.8%	-7.1%	1.7%	0.3%
Federal Government		-3.8%	27.4%	26.9%	6.6%	32.6%	19.3%	7.3%	11.4%	15.2%	4.8%	-16.8%
Employer Medicare HI Trust Fund Payroll Taxes		6.3%	5.9%	4.9%	7.3%	2.7%	1.1%	3.9%	-0.1%	1.6%	1.7%	1.1%
Spending from General Revenues ⁴		-4.8%	29.8%	28.9%	6.5%	34.8%	20.4%	7.4%	11.9%	15.7%	4.9%	-17.4%
State and Local Government--Employer Medicare HI Trust Fund Payroll Taxes		9.1%	9.8%	9.4%	9.0%	6.2%	4.9%	6.8%	5.5%	4.5%	5.5%	5.6%

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

¹ Medicaid buy-ins for Medicare eligibles are allocated to Medicaid. In the traditional National Health Expenditure Accounts (NHEA), they are included with Medicare. State phase-down payments are reallocated from Medicare to state and local governments.

² Includes one-half of self-employment contribution to Medicare Hospital Insurance Trust Fund.

³ Includes Trust Fund revenues from the income taxation of Social Security benefits.

⁴ Equal to the difference between total outlays and the dedicated financing sources of Medicare. Includes the Retiree Drug Subsidy (RDS) payments to private and state and local employer plans.

Table 5 (continued)
Expenditures For Medicare by Sponsor: United States, Calendar Years 1987-2010

Sponsor Category	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Medicare ¹ , Billions	\$208.7	\$220.1	\$242.5	\$259.5	\$276.4	\$303.9	\$330.5	\$392.1	\$419.1	\$452.9	\$485.2	\$511.8
Private Businesses-- Employer Medicare HI Trust Fund Payroll Taxes ²	57.6	62.3	63.3	63.0	64.6	68.7	72.6	77.3	81.3	82.8	77.7	79.7
Households	91.4	98.9	101.1	104.3	108.1	116.3	125.8	140.4	149.9	156.6	154.9	162.7
Employee Payroll Taxes and Voluntary Premiums Paid to HI Trust Fund ^{2,3}	75.1	82.6	83.0	84.3	86.3	91.5	96.5	103.5	109.2	112.1	108.2	112.2
Premiums paid by Individuals to Medicare SMI Trust Fund (includes Part-D)	16.3	16.4	18.1	19.9	21.8	24.8	29.3	36.9	40.6	44.6	46.7	50.5
Federal Government	52.7	51.4	70.1	83.8	95.0	109.8	122.7	164.4	177.3	202.5	241.3	258.0
Employer Medicare HI Trust Fund Payroll Taxes	2.5	2.7	2.7	2.9	3.1	3.3	3.3	3.4	3.6	3.8	3.9	4.0
Spending from General Revenues ⁴	50.1	48.8	67.3	80.8	91.9	106.5	119.4	160.9	173.8	198.7	237.4	254.0
State and Local Government--Employer Medicare HI Trust Fund Payroll Taxes	7.0	7.5	8.0	8.4	8.7	9.0	9.4	9.9	10.6	11.0	11.3	11.4
Percent Distribution												
Medicare ¹	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Private Businesses-- Employer Medicare HI Trust Fund Payroll Taxes ²	28	28	26	24	23	23	22	20	19	18	16	16
Households	44	45	42	40	39	38	38	36	36	35	32	32
Employee Payroll Taxes and Voluntary Premiums Paid to HI Trust Fund ^{2,3}	36	38	34	32	31	30	29	26	26	25	22	22
Premiums paid by Individuals to Medicare SMI Trust Fund (includes Part-D)	8	7	7	8	8	8	9	9	10	10	10	10
Federal Government	25	23	29	32	34	36	37	42	42	45	50	50
Employer Medicare HI Trust Fund Payroll Taxes	1	1	1	1	1	1	1	1	1	1	1	1
Spending from General Revenues ⁴	24	22	28	31	33	35	36	41	41	44	49	50
State and Local Government--Employer Medicare HI Trust Fund Payroll Taxes	3	3	3	3	3	3	3	3	3	2	2	2
Percent Growth from Previous Year Shown												
Medicare ¹	1.6%	5.5%	10.2%	7.0%	6.5%	9.9%	8.8%	18.6%	6.9%	8.1%	7.1%	5.5%
Private Businesses-- Employer Medicare HI Trust Fund Payroll Taxes ²	7.0%	8.2%	1.7%	-0.4%	2.5%	6.3%	5.6%	6.5%	5.2%	1.9%	-6.2%	2.5%
Households	7.9%	8.2%	2.2%	3.1%	3.7%	7.6%	8.2%	11.6%	6.7%	4.5%	-1.1%	5.1%
Employee Payroll Taxes and Voluntary Premiums Paid to HI Trust Fund ^{2,3}	8.5%	10.0%	0.4%	1.6%	2.4%	6.0%	5.5%	7.3%	5.5%	2.6%	-3.5%	3.7%
Premiums paid by Individuals to Medicare SMI Trust Fund (includes Part-D)	5.2%	0.1%	10.9%	9.9%	9.5%	13.6%	18.0%	26.1%	10.1%	9.6%	4.8%	8.3%
Federal Government	-12.5%	-2.3%	36.2%	19.5%	13.4%	15.6%	11.8%	33.9%	7.9%	14.2%	19.2%	6.9%
Employer Medicare HI Trust Fund Payroll Taxes	3.1%	5.0%	2.8%	6.8%	6.0%	5.9%	2.3%	2.9%	3.0%	5.7%	4.5%	2.8%
Spending from General Revenues ⁴	-13.1%	-2.7%	38.0%	20.0%	13.7%	15.9%	12.0%	34.8%	8.0%	14.4%	19.5%	7.0%
State and Local Government--Employer Medicare HI Trust Fund Payroll Taxes	6.7%	6.9%	6.9%	5.2%	3.0%	4.2%	4.3%	5.4%	6.9%	4.0%	2.2%	1.0%

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

¹ Medicaid buy-ins for Medicare eligibles are allocated to Medicaid. In the traditional National Health Expenditure Accounts (NHEA), they are included with Medicare. State phase-down payments are reallocated from Medicare to state and local governments.

² Includes one-half of self-employment contribution to Medicare Hospital Insurance Trust Fund.

³ Includes Trust Fund revenues from the income taxation of Social Security benefits.

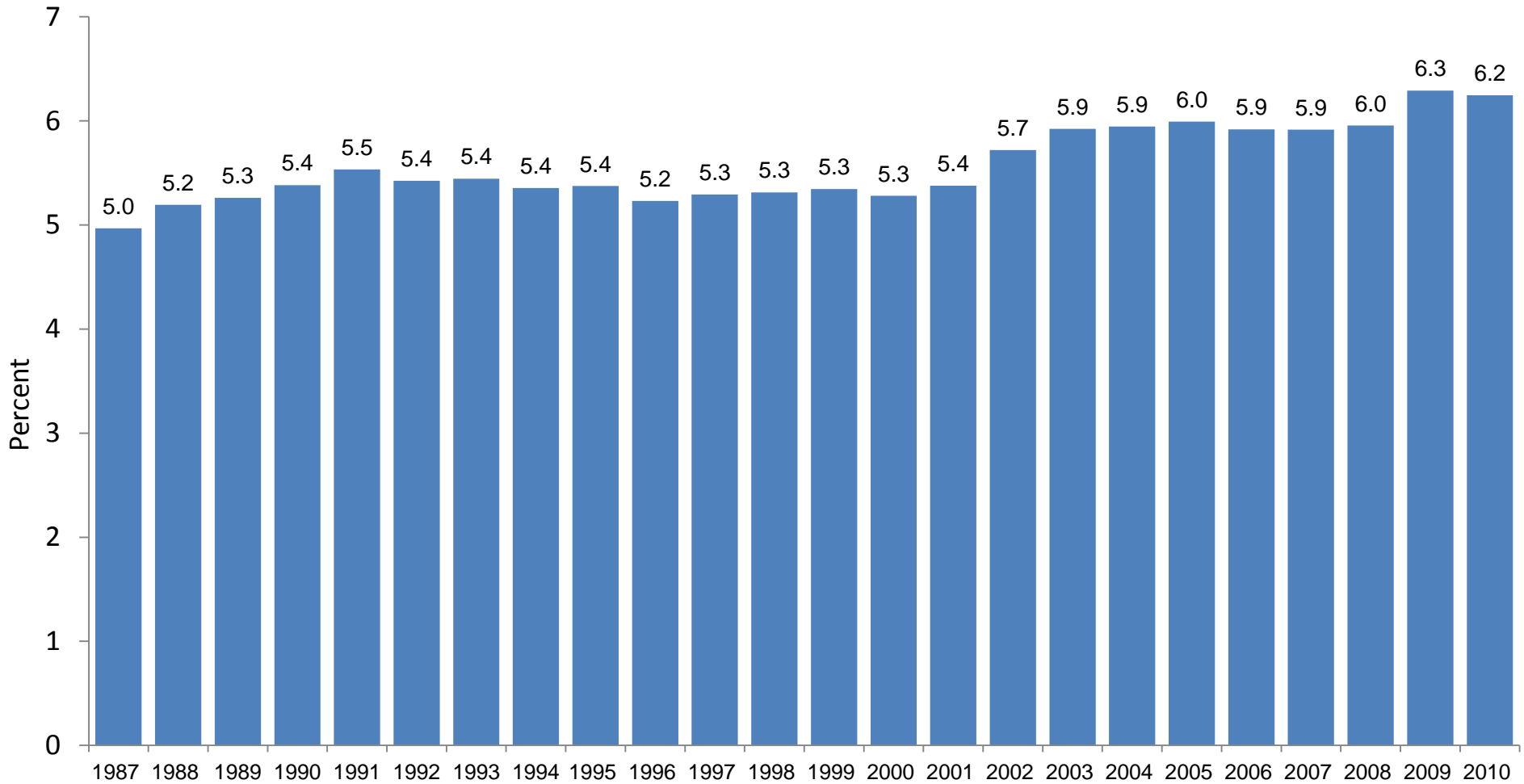
⁴ Equal to the difference between total outlays and the dedicated financing sources of Medicare. Includes the Retiree Drug Subsidy (RDS) payments to private and state and local employer plans.

Figure 1
Business Health Spending as a Percent of Compensation, and
Wages and Salaries: Calendar Years 1987 -2010



Sources: Centers for Medicare & Medicaid Services, Office of the Actuary: Data from the National Health Statistics Group, 1987-2010; U.S. Department of Commerce, Bureau of Economic Analysis, September 2011

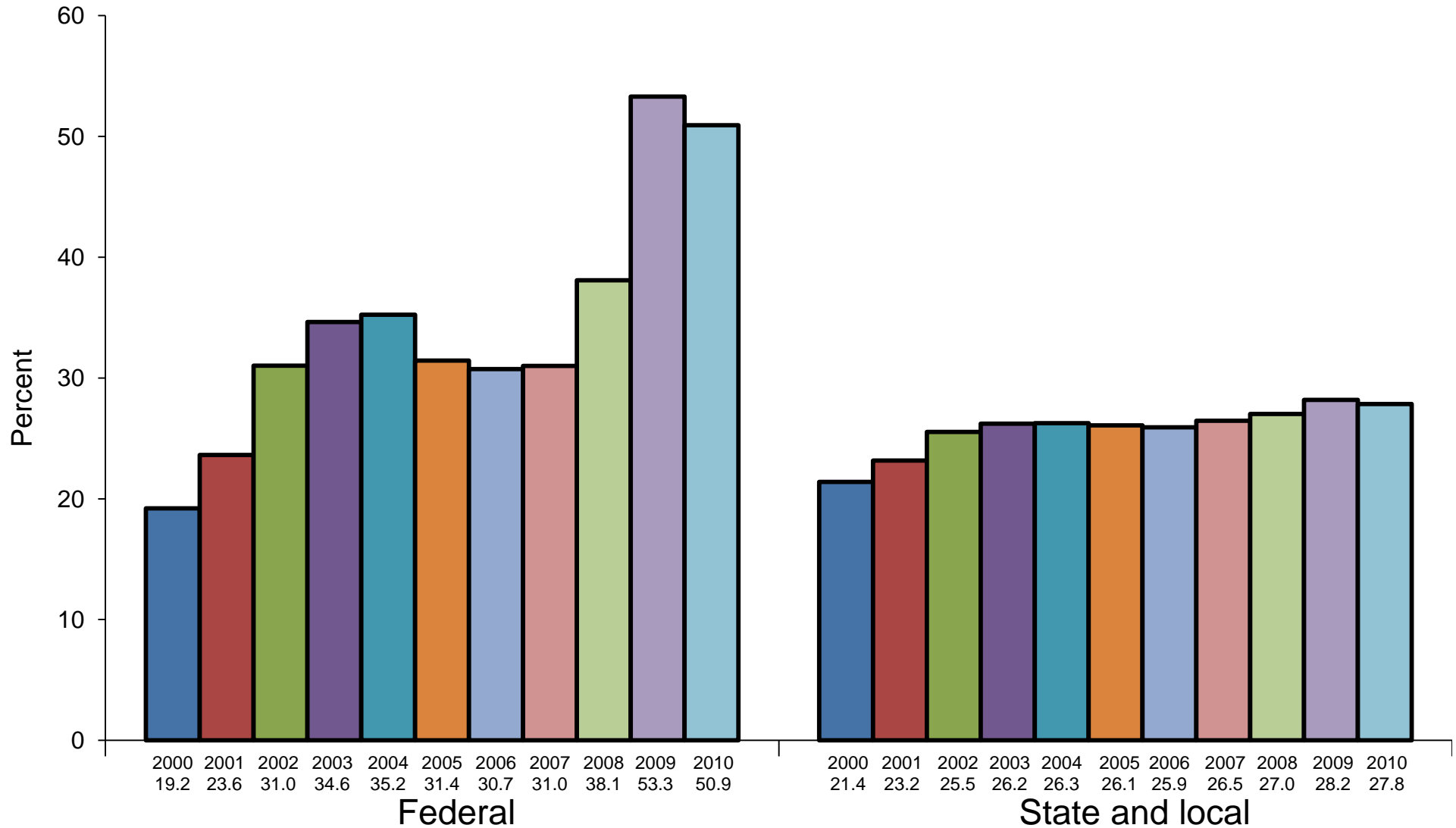
Figure 2
Household Health Spending as a Percent of Personal Income¹:
Calendar Years 1987-2010



¹ Adjustments to personal income include the addition of contributions to social insurance for Medicare, since they are included in individuals' health spending, and the exclusion of health benefit payments

Sources: Centers for Medicare & Medicaid Services, Office of the Actuary; Data from the National Health Statistics Group, 1987-2010; U.S. Department of Commerce, Bureau of Economic Analysis, September 2011.

Figure 3
Government Health Spending as a Percent of Revenues,
Calendar Years 2000-2010



Sources: Centers for Medicare & Medicaid Services, Office of the Actuary: Data from the National Health Statistics Group, 1987-2010 and Bureau of Economic Analysis, September 2011.