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CHAPTER 1
Trends in the Overall Health Care Market
Chart 1.1: Total National Health Expenditures, 1980 – 2005


(1) CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.

(2) Expressed in 1980 dollars; adjusted using the overall Consumer Price Index for Urban Consumers.
Chart 1.2: Percent Change in Total National Health Expenditures, 1981 – 2005


(1) CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.
Chart 1.3: Per Capita National Health Expenditures, 1980 – 2005


(1) CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.

(2) Expressed in 1980 dollars; adjusted using the overall Consumer Price Index for Urban Consumers.
Chart 1.4: National Health Expenditures as a Percentage of Gross Domestic Product, 1980 – 2005


CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.
Chart 1.5: National Expenditures for Health Services and Supplies(1) by Category, 1980 and 2005(2)

- **Hospital Care, 43.2%**
- **Physician Services, 20.1%**
- **Other Professional(4), 7.2%**
- **Other(3), 9.4%**
- **Nursing Home Care, 8.1%**
- **Other Medical Durables and Non-durables, 5.8%**
- **Prescription Drugs, 5.1%**
- **Home Health Care, 1.0%**

1980: $234.0B

2005: $1,860.9B


(1) Excludes medical research and medical facilities construction.
(2) CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.
(3) “Other” includes net cost of insurance and administration, government public health activities, and other personal health care.
(4) “Other professional” includes dental and other non-physician professional services.
Chart 1.6: Percent Change in National Expenditures for Health Services and Supplies\(^{(1)}\) by Category, 2004 – 2005\(^{(2)}\)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Health Care</td>
<td>11.1%</td>
</tr>
<tr>
<td>Hospital Care</td>
<td>7.9%</td>
</tr>
<tr>
<td>Other</td>
<td>7.5%</td>
</tr>
<tr>
<td>Physician Services</td>
<td>7.0%</td>
</tr>
<tr>
<td>Other Professional</td>
<td>6.9%</td>
</tr>
<tr>
<td>Nursing Home Care</td>
<td>6.0%</td>
</tr>
<tr>
<td>Prescription Drugs</td>
<td>5.8%</td>
</tr>
<tr>
<td>Admin. &amp; Net Cost of Private Health Insurance</td>
<td>5.7%</td>
</tr>
<tr>
<td>Other Medical Durables and Non-durables</td>
<td>3.9%</td>
</tr>
</tbody>
</table>


\(^{(1)}\) Excludes medical research and medical facilities construction.

\(^{(2)}\) CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.

\(^{(3)}\) “Other” includes government public health activities and other personal health care.

\(^{(4)}\) “Other professional” includes dental and other non-physician professional services.
Chart 1.7: Percent Change in National Expenditures for Selected Health Services and Supplies, 1995 – 2005(1)


(1) CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.
Chart 1.8: National Health Expenditures,\(^{(1)}\) 1980 – 2016\(^{(2)}\)


\(^{(1)}\) Years 2006 – 2016 are projections.

\(^{(2)}\) CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.


CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.
Chart 1.10: Total Prescription Drug Spending, 1980 – 2005


(1) CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.

(2) Expressed in 1980 dollars; adjusted using the overall Consumer Price Index for All Urban Consumers.
Chart 1.11: Growth in Total Prescription Drug Spending as a Percentage of Total Growth in National Health Expenditures, 1980 – 2005\(^{(1)}\)


\(^{(1)}\) CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.
Chart 1.12: Consumer Out-of-pocket Spending vs. Private Health Insurance Spending for Prescription Drugs, 1980 – 2005


(1) CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.


(1) CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.

Table H101. Health Insurance Coverage Status and Type of Coverage by Selected Characteristics: 2005, All Races.

(1) 2004 data were updated in 2005 to reflect a correction to weights in the 2005 Annual Social and Economic Supplements.
Chart 1.15: Number and Percent Uninsured, 1985 – 2005


(1) 2004 and 2005 figures reflect revised estimates released by the Census Bureau on March 23, 2007.
Chart 1.16: Average Percent Uninsured by State, 2003 – 2005

Chart 1.17: Medicare Enrollees,\(^{(1)}\) 1981 – 2005


\(^{(1)}\) Hospital insurance (Part A) enrollees and/or Supplementary Medical Insurance (Part B) enrollees; includes all persons (aged and disabled).


\(^{(1)}\) Does not include SCHIP Enrollees.
Chart 1.19: National SCHIP Enrollment,\(^{(1)}\) FY 1999 – FY 2005

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 1999</td>
<td>1,959,330</td>
</tr>
<tr>
<td>FY 2000</td>
<td>3,333,879</td>
</tr>
<tr>
<td>FY 2001</td>
<td>4,622,204</td>
</tr>
<tr>
<td>FY 2002</td>
<td>5,353,812</td>
</tr>
<tr>
<td>FY 2003</td>
<td>5,984,772</td>
</tr>
<tr>
<td>FY 2004</td>
<td>6,102,784</td>
</tr>
<tr>
<td>FY 2005</td>
<td>6,114,018</td>
</tr>
</tbody>
</table>

FY 2005 Number of Children Ever Enrolled Year – SCHIP by Program Type.
\(^{(1)}\) Number of children enrolled at any point in the year.
Chart 1.20: Percent Change in SCHIP Enrollment by State, FY 2004 – FY 2005

FY 2005 Number of Children Ever Enrolled Year – SCHIP by Program Type.


(1) Conventional plans refer to traditional indemnity plans.
(2) Point-of-service plans not separately identified in 1988.
(3) In 2006, the survey began asking about HDHP/SO, high deductible health plans with a savings option.
Chart 1.22: Distribution of Employer-sponsored Health Insurance Enrollment by Type of Plan, 1988 – 2006

(1) Conventional plans refer to traditional indemnity plans.
(2) Point-of-service plans not separately identified in 1988.
(3) In 2006, the survey began asking about HDHP/SO, high deductible health plans with a savings option.
Chart 1.23: Percentage of Medicare Beneficiaries Enrolled in Medicare Managed Care,\(^{(1)}\) 1991 – 2006

Source: Centers for Medicare & Medicaid Services, Office of the Actuary.
\(^{(1)}\) Email correspondence with CMS staff in February 2007.
Chart 1.24: Percent Growth in Medicare Spending per Beneficiary vs. Private Health Insurance Spending per Enrollee, 1980 – 2005(1)


(1) CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf.
Chart 1.25: Percentage of Medicaid Beneficiaries Enrolled in Medicaid Managed Care, 1992 – 2005

Chart 1.26: Percentage of Medicaid Beneficiaries Enrolled in Medicaid Managed Care by State, 2005

Link: http://www.cms.hhs.gov/MedicaidDataSourcesGenInfo/Downloads/mmcer05.pdf.
Chart 1.27: Annual Change in Health Insurance Premiums, 1988 – 2006

Chart 1.28: HMO Plan Median Operating Margins, 1990 – 2005


* Due to changes in the financial reporting requirements that took effect in many states in 2001, Interstudy recalculated the ratios for 2001 and 2002 according to the formulas used with the current HMO Financial Database, to ensure that data over the past three years is trended according to a consistent methodology.
Chart 1.29: Operating Margins of the Top Insurers, 2003 – 2005


(1) 2004 operating margin data for WellPoint include both pre- and post-merger data for the merger with Anthem in November 2004