



TRENDWATCH

CHARTBOOK 2008



Trends Affecting Hospitals and Health Systems

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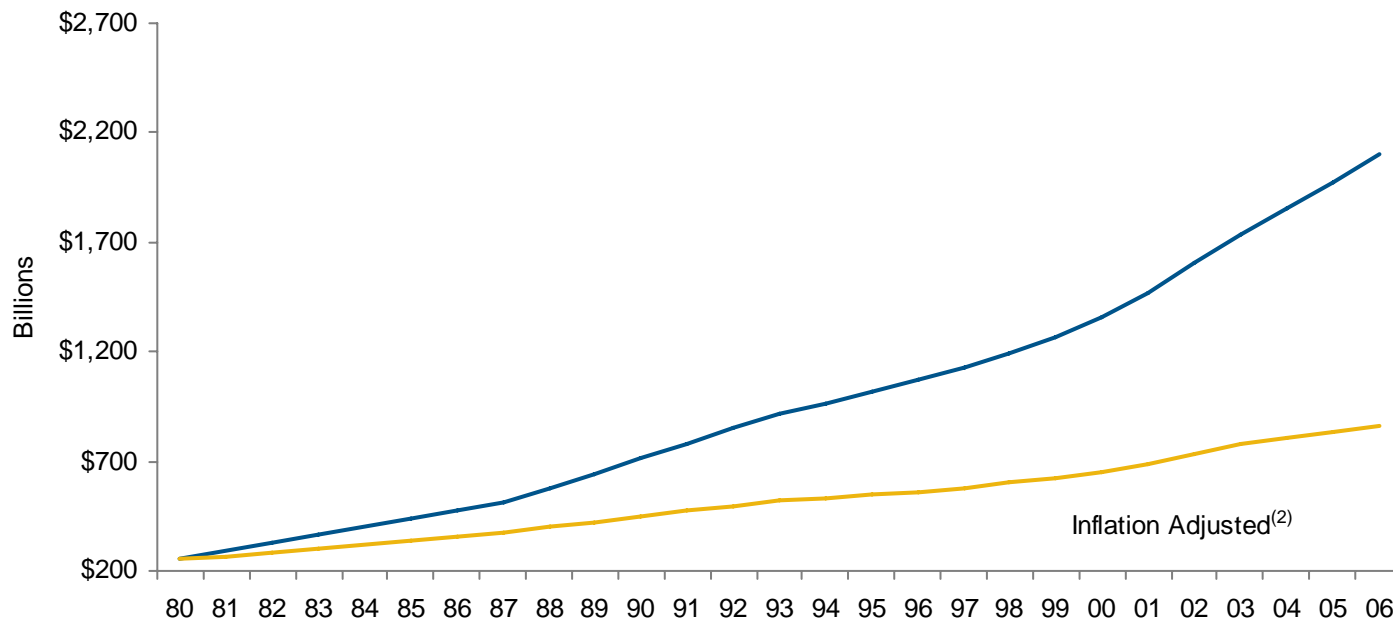
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CHAPTER 1

Trends in the Overall
Health Care Market

Chart 1.1: Total National Health Expenditures, 1980 – 2006⁽¹⁾

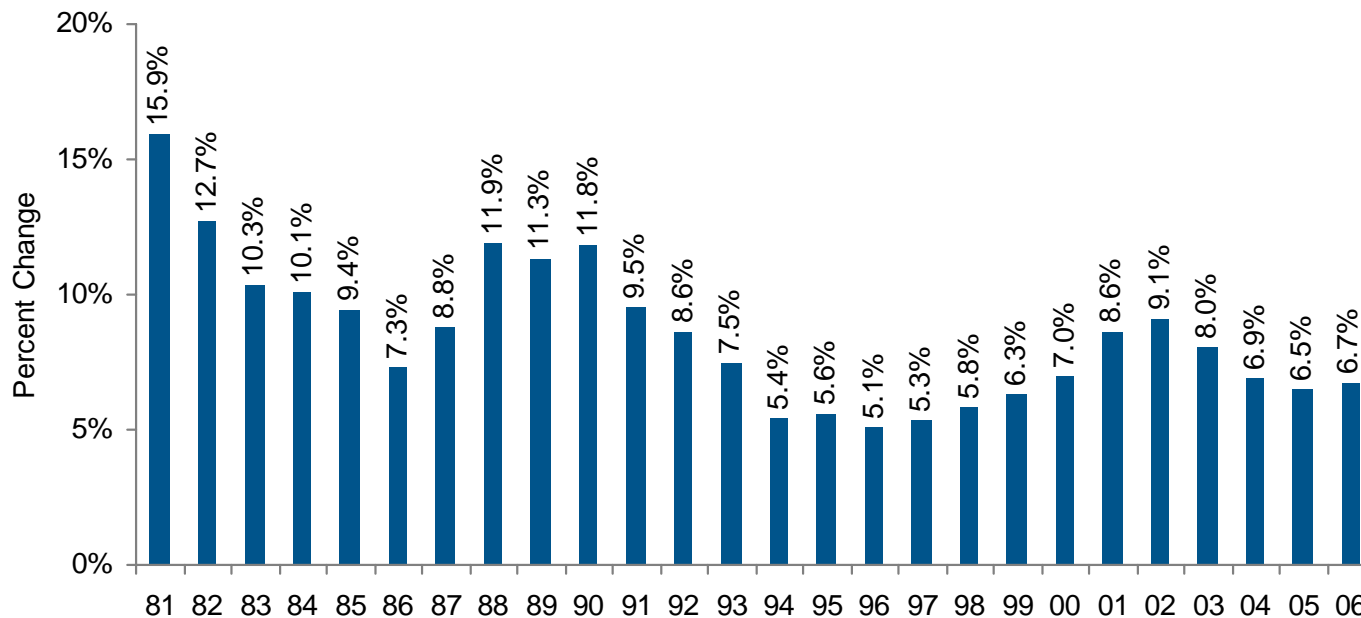


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

⁽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.

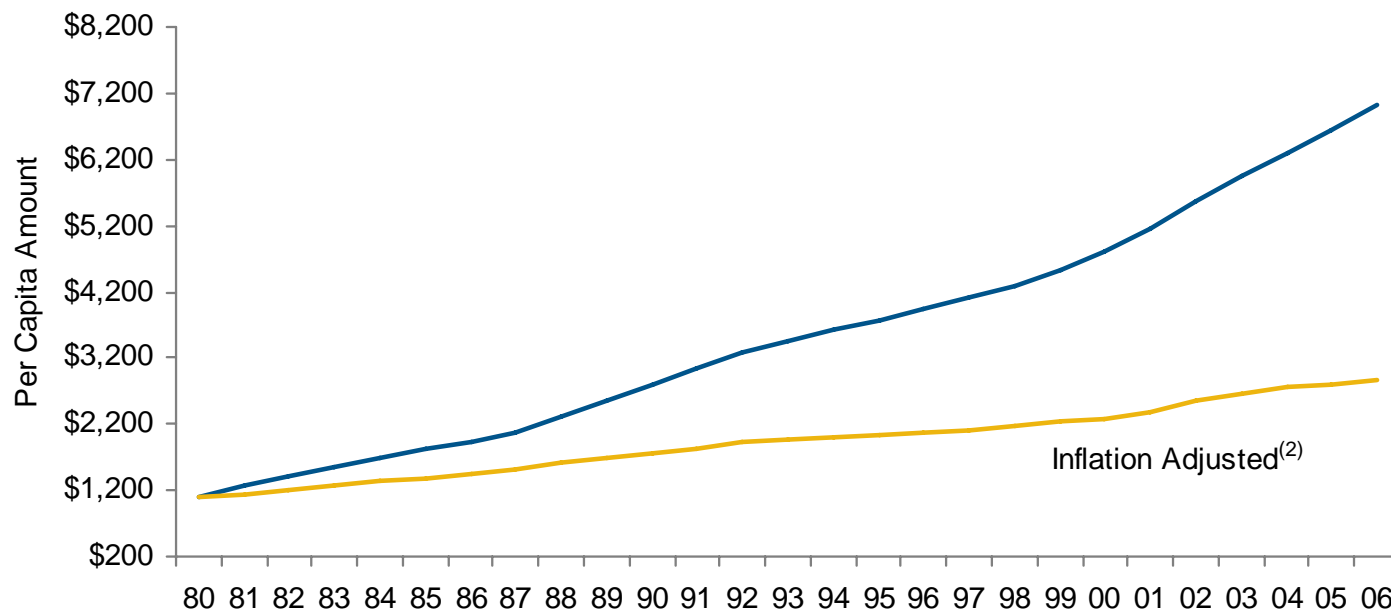
Chart 1.2: Percent Change in Total National Health Expenditures, 1981 – 2006⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

⁽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 – 2006⁽¹⁾

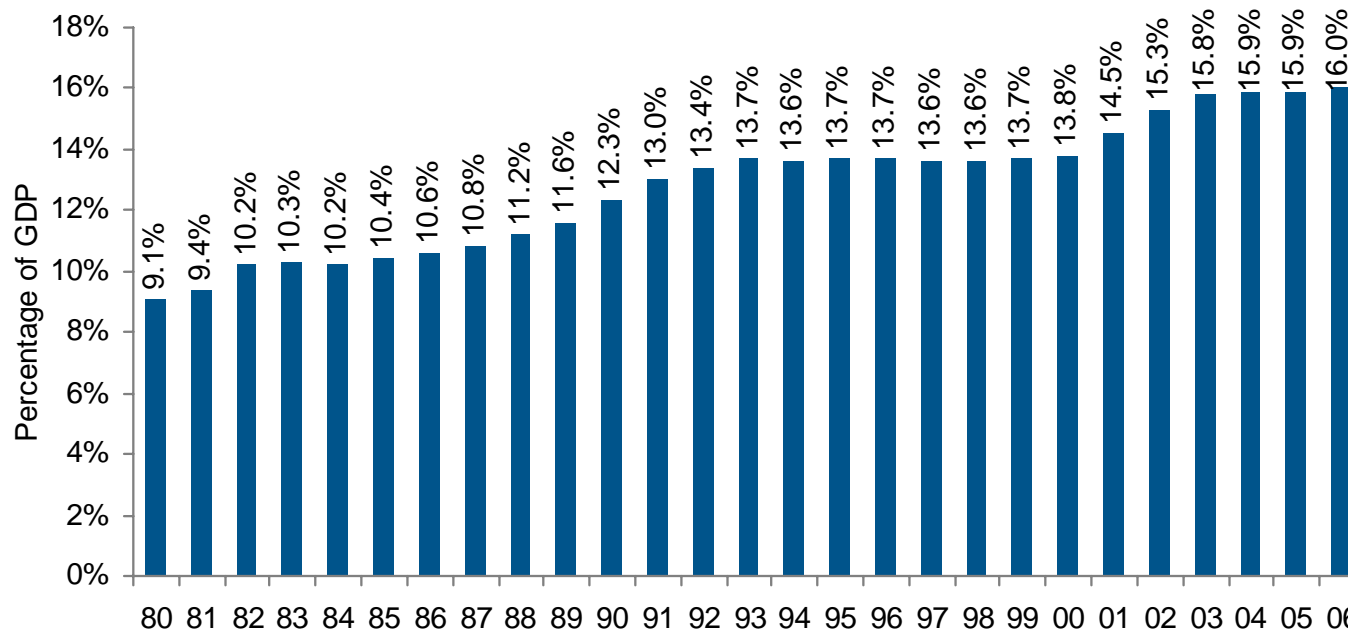


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

⁽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.

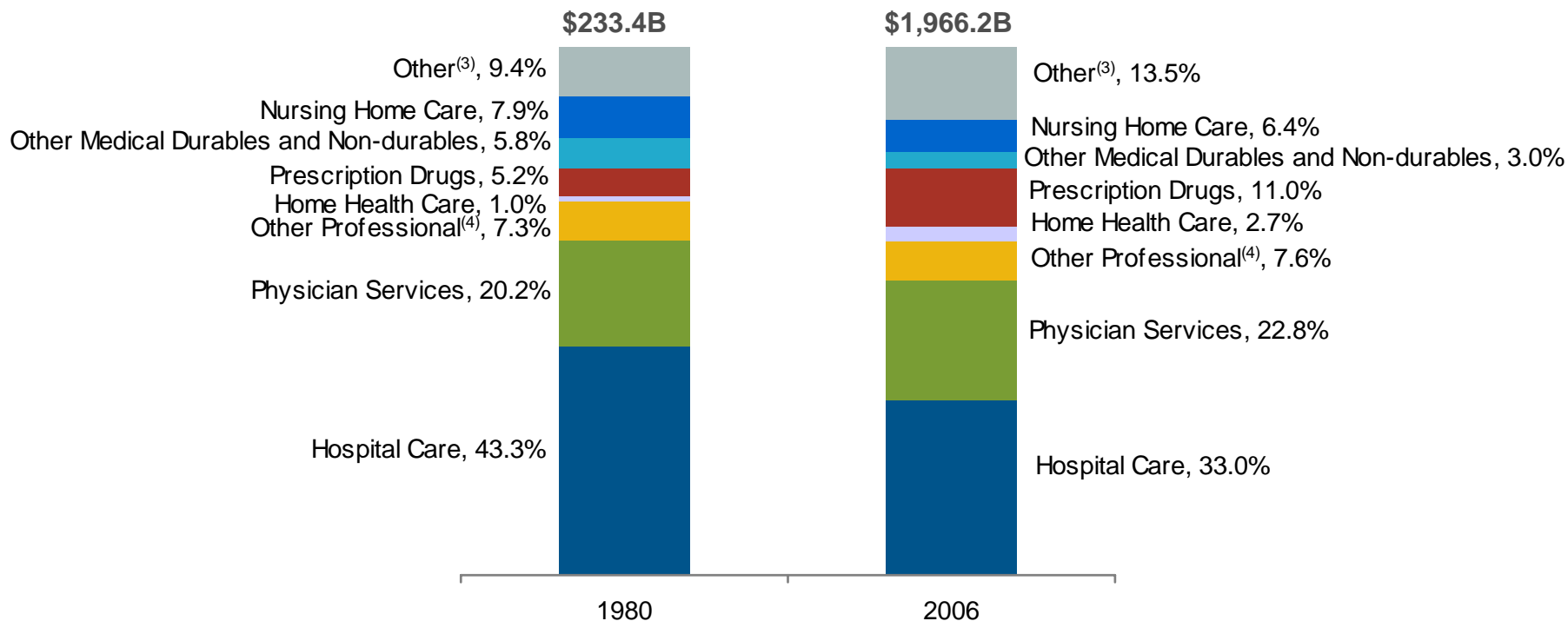
Chart 1.4: National Health Expenditures as a Percentage of Gross Domestic Product, 1980 – 2006⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

⁽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 1.5: National Expenditures for Health Services and Supplies⁽¹⁾ by Category, 1980 and 2006⁽²⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

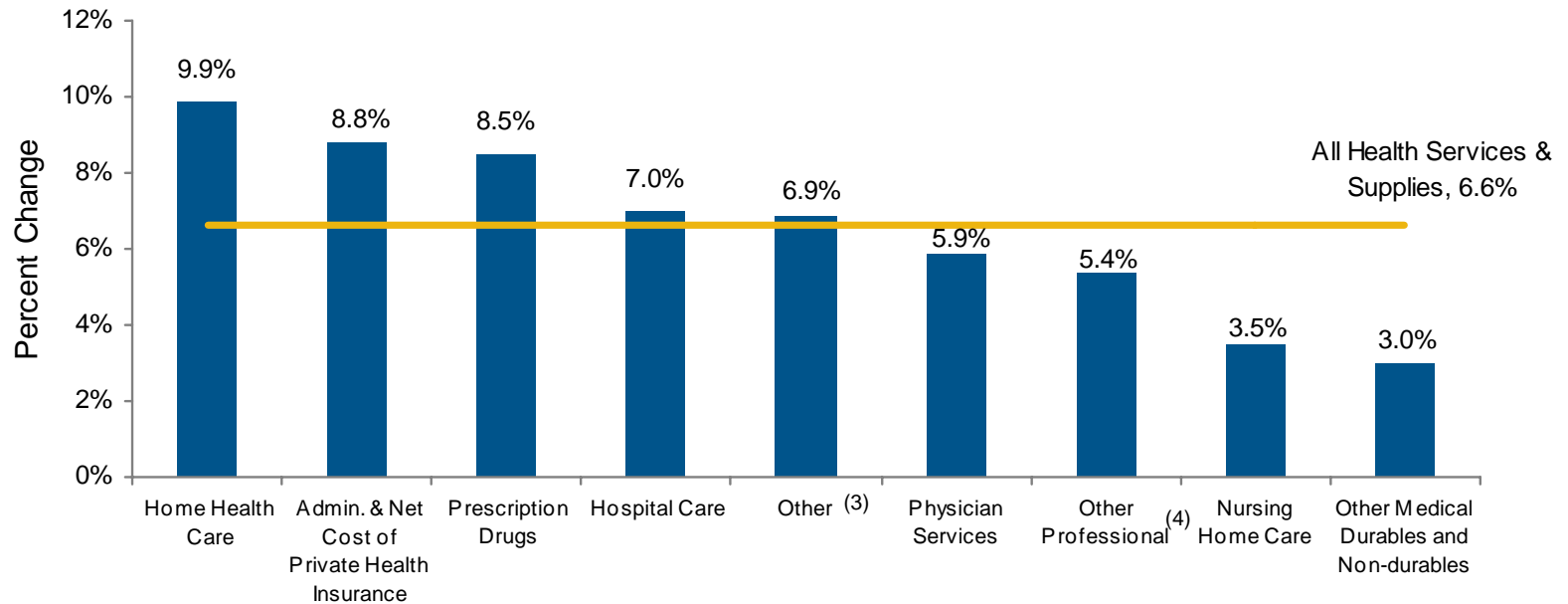
⁽¹⁾ Excludes medical research and medical facilities construction.

⁽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, 2005 – 2006⁽²⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

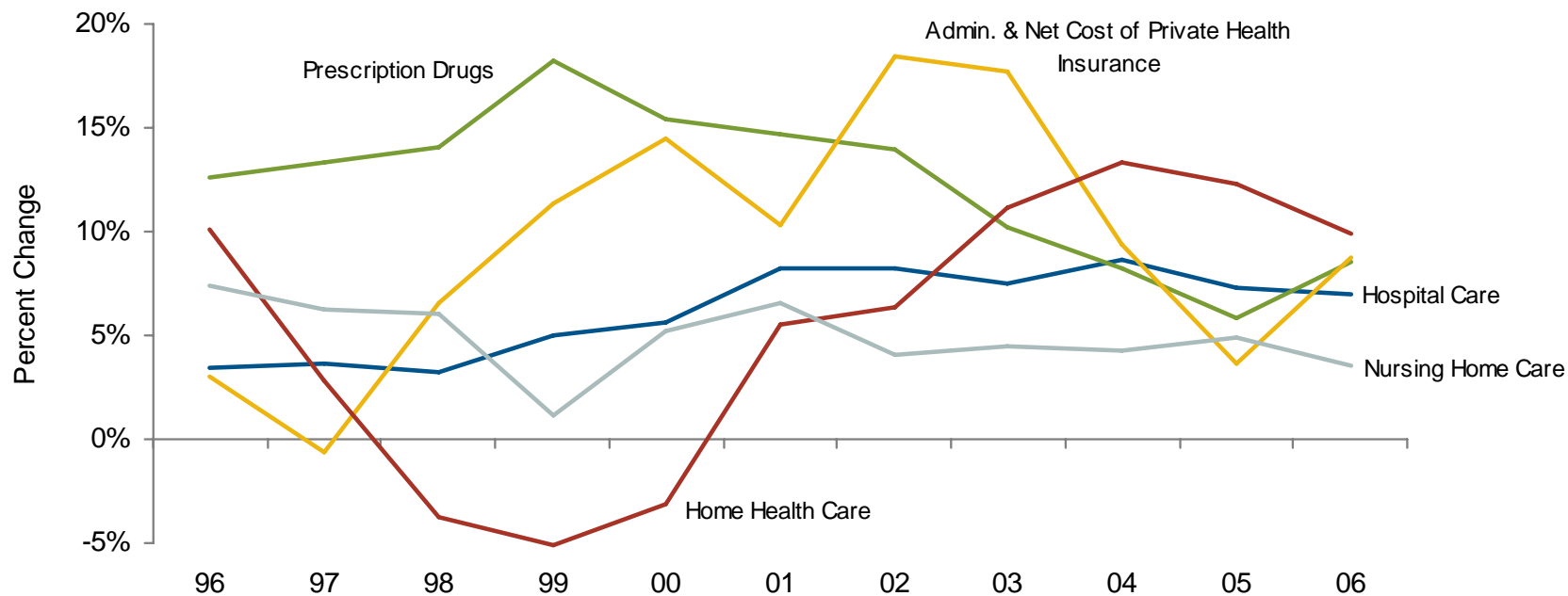
⁽¹⁾ Excludes medical research and medical facilities construction.

⁽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.

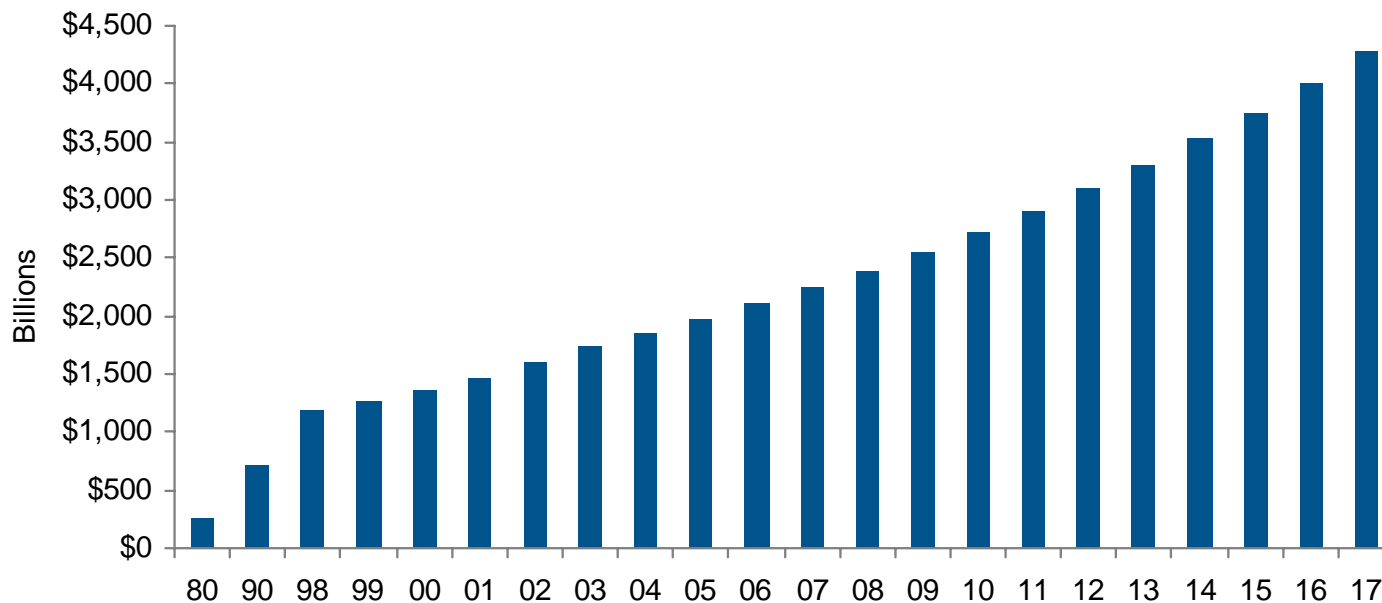
Chart 1.7: Percent Change in National Expenditures for Selected Health Services and Supplies, 1996 – 2006⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

⁽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 – 2017⁽²⁾

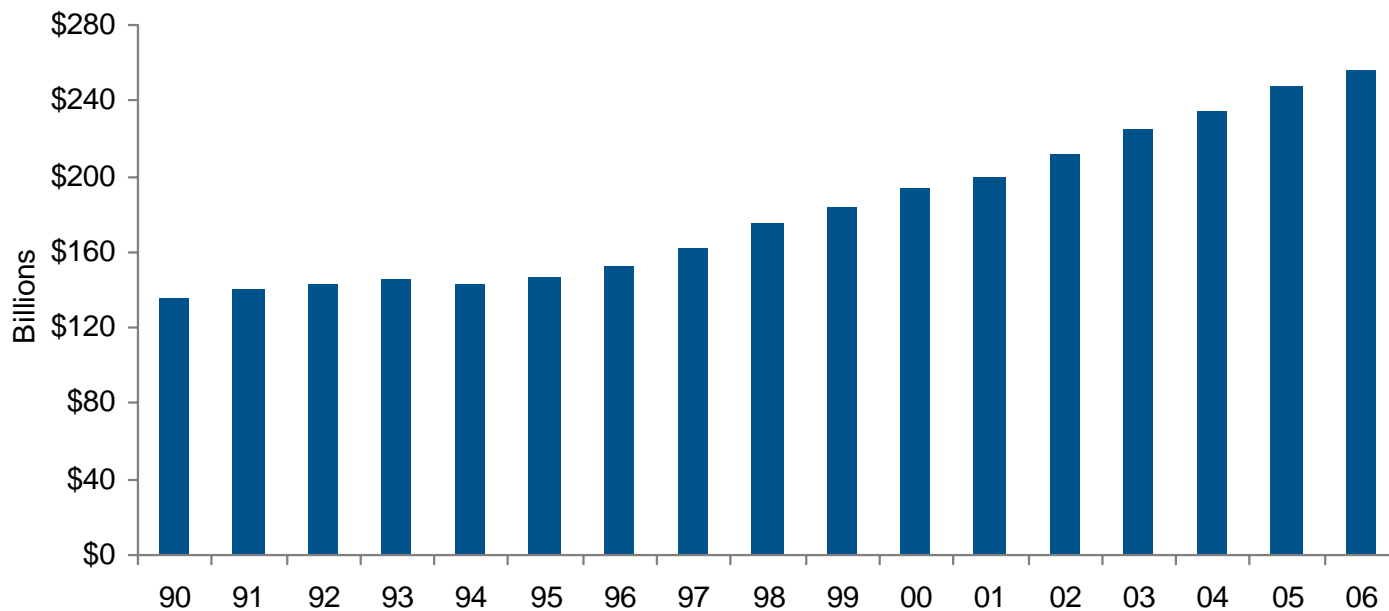


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released February 25, 2008.

⁽¹⁾ Years 2007 – 2017 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>.

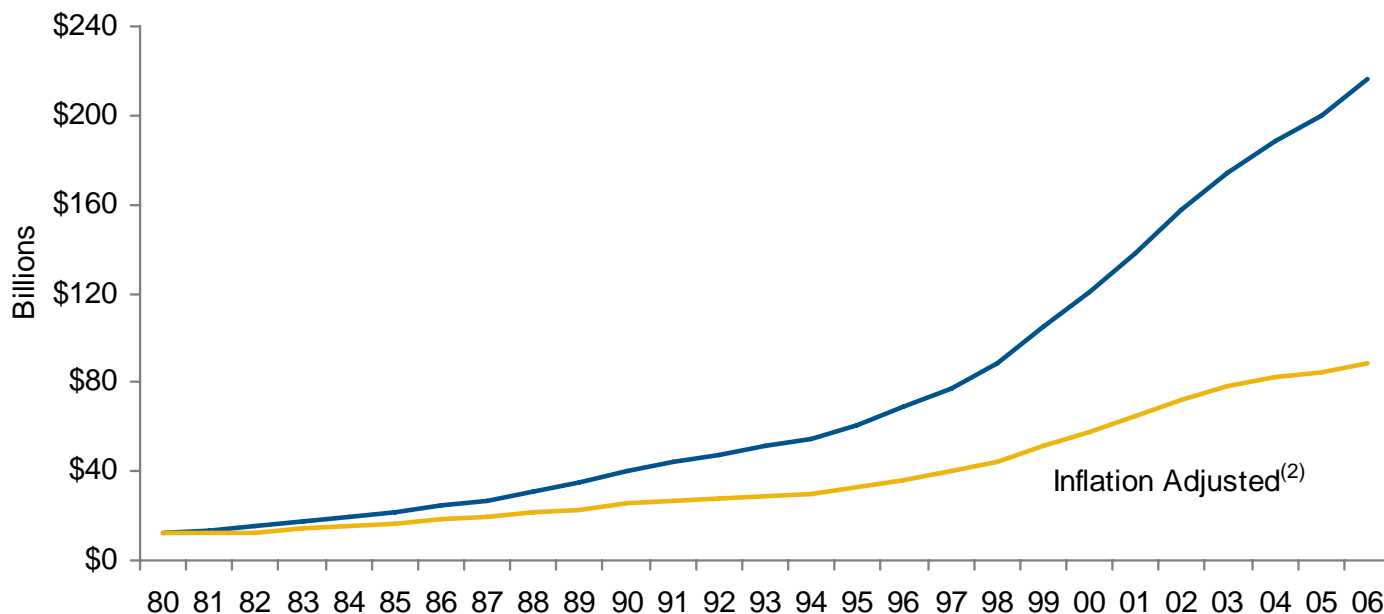
Chart 1.9: Consumer Out-of-pocket Payments for National Health Expenditures, 1990 – 2006⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

⁽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 1.10: Total Prescription Drug Spending, 1980 – 2006⁽¹⁾

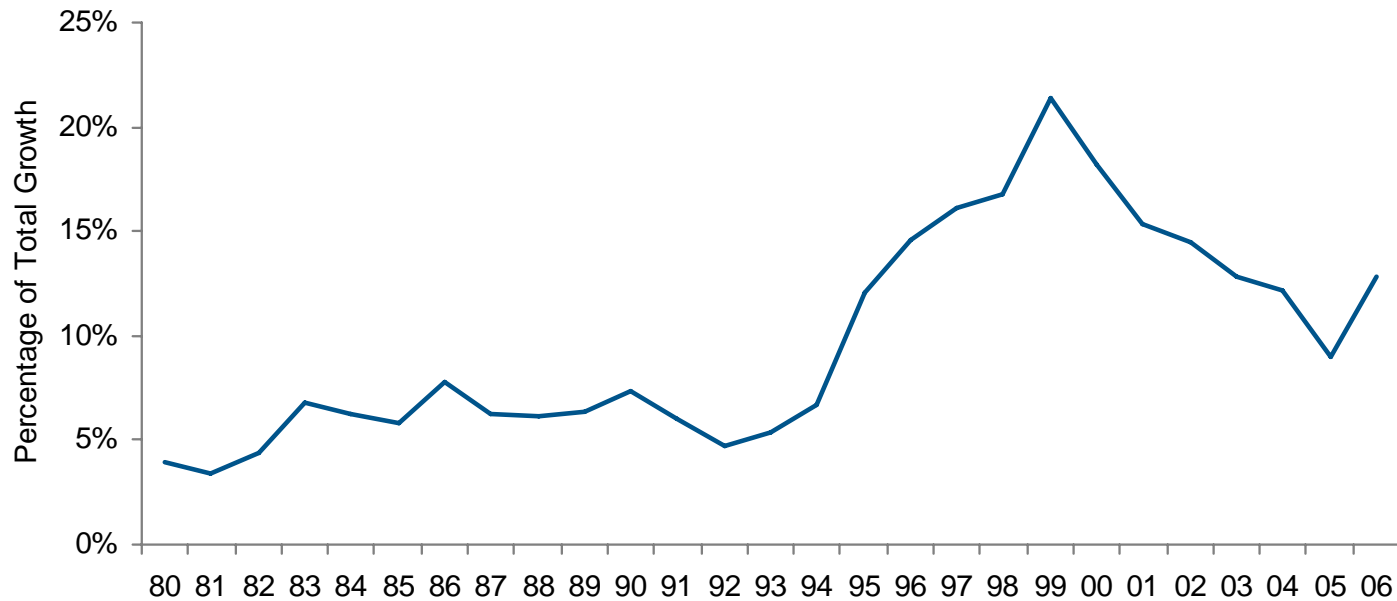


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

⁽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.

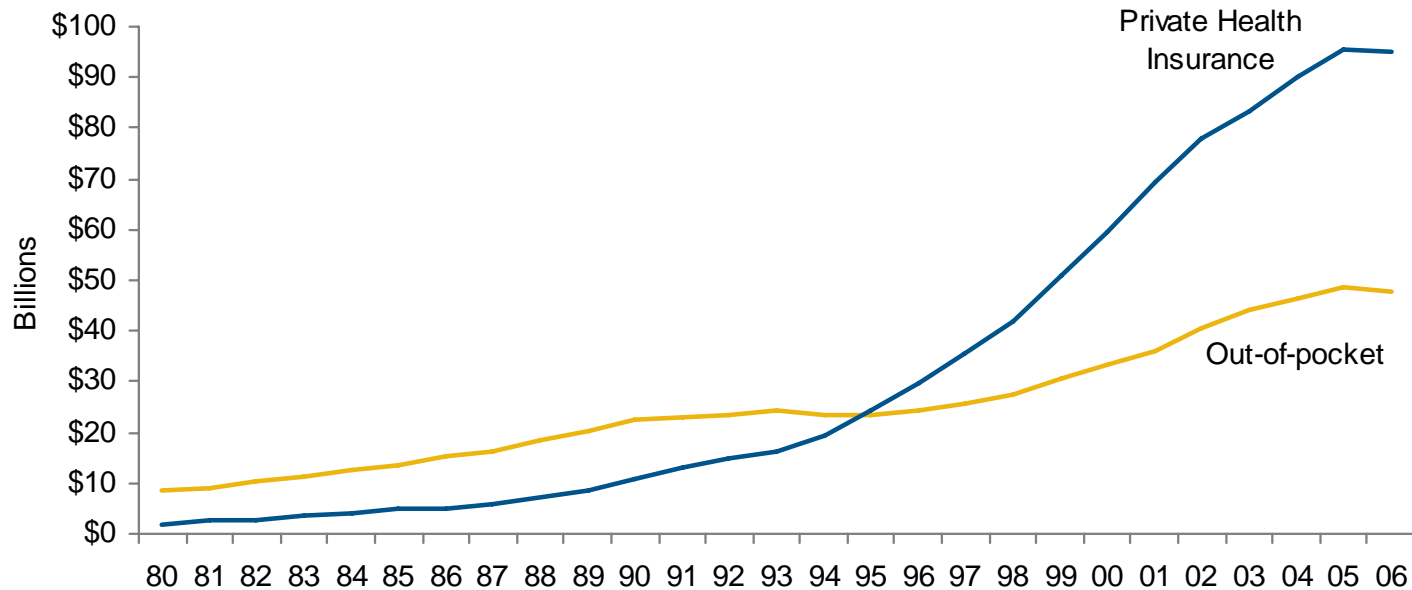
Chart 1.11: Growth in Total Prescription Drug Spending as a Percentage of Total Growth in National Health Expenditures, 1980 – 2006⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

⁽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>.

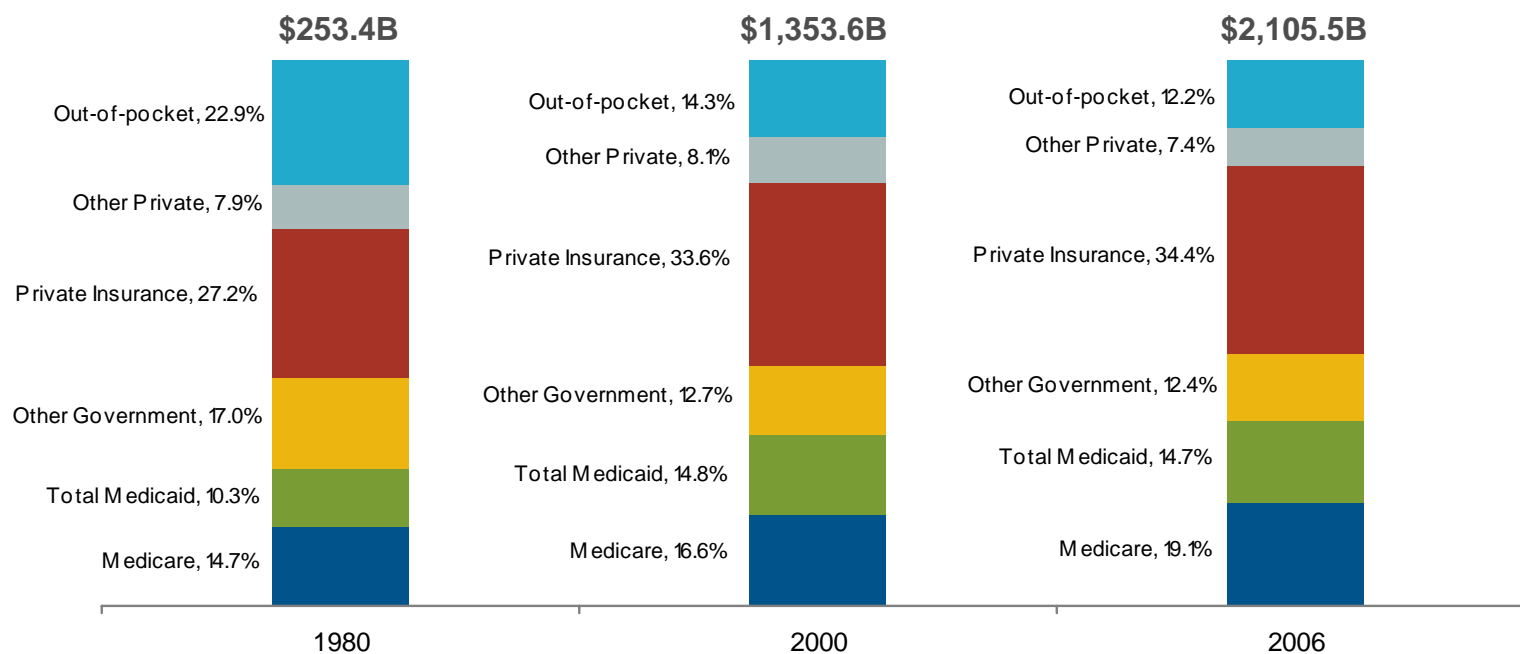
Chart 1.12: Consumer Out-of-pocket Spending vs. Private Health Insurance Spending for Prescription Drugs, 1980 – 2006⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

⁽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>.

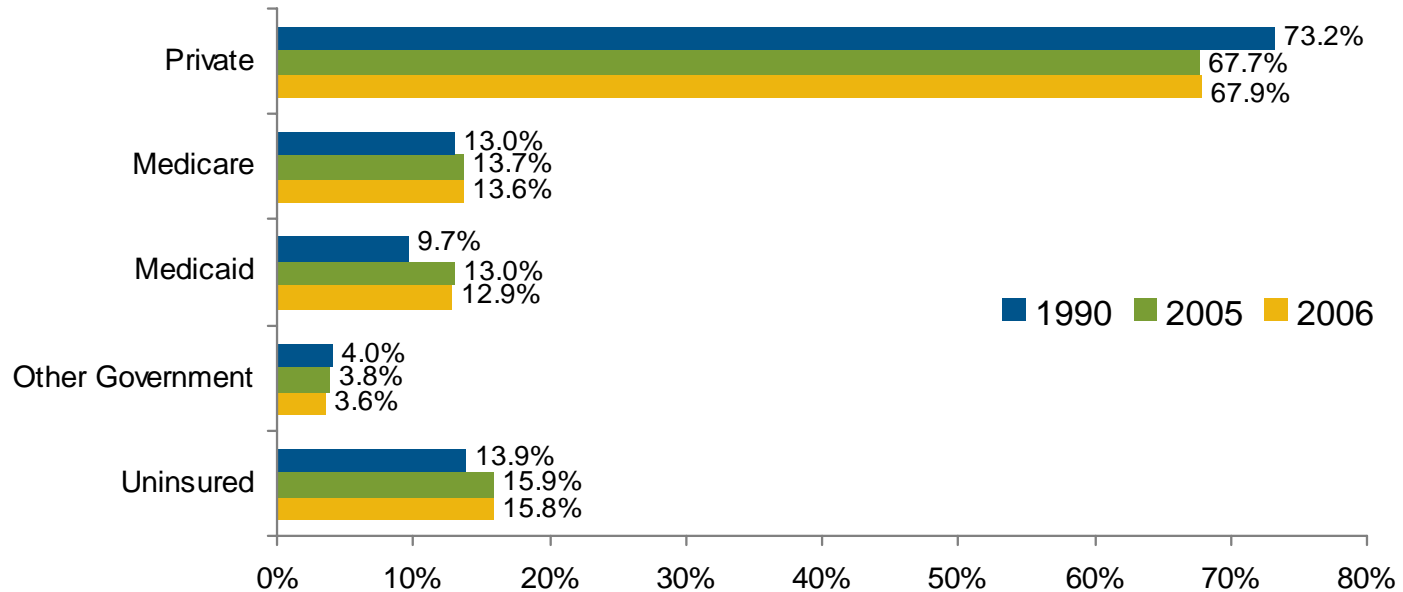
Chart 1.13: Distribution of National Health Expenditures by Source of Payment, 1980, 2000, and 2006⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

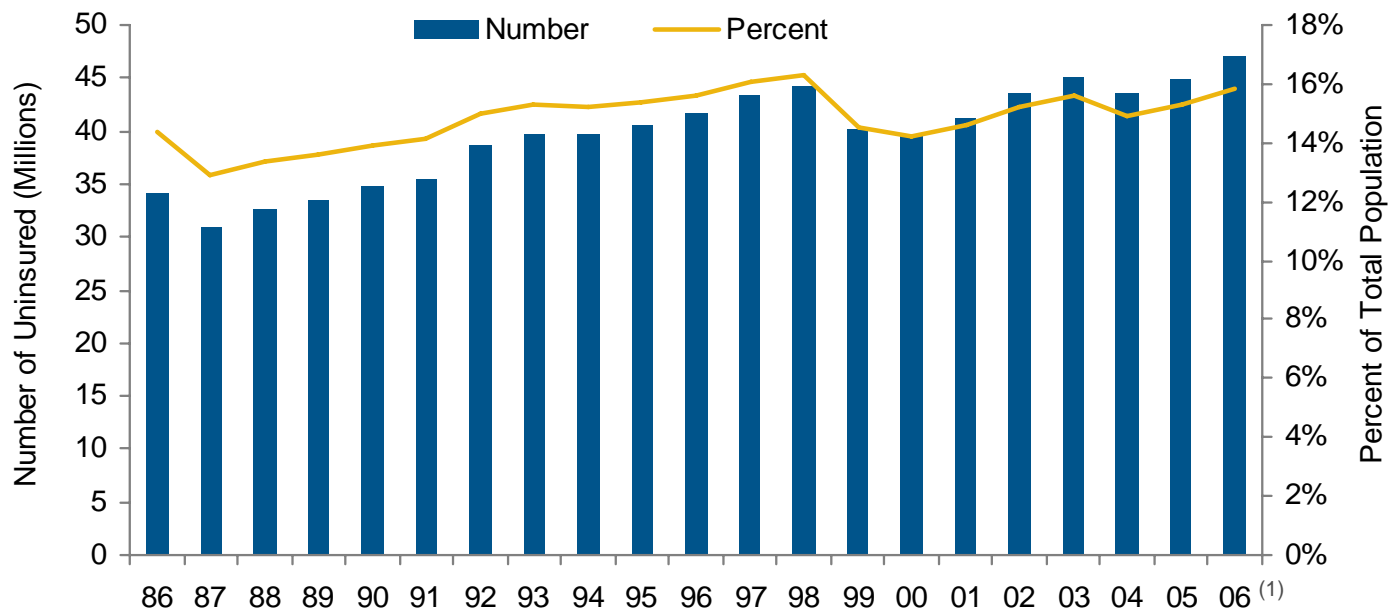
⁽¹⁾ CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see <http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf>.

Chart 1.14: Distribution of Health Insurance Coverage, Percentage of Population Covered by Payer, 1990, 2005, and 2006



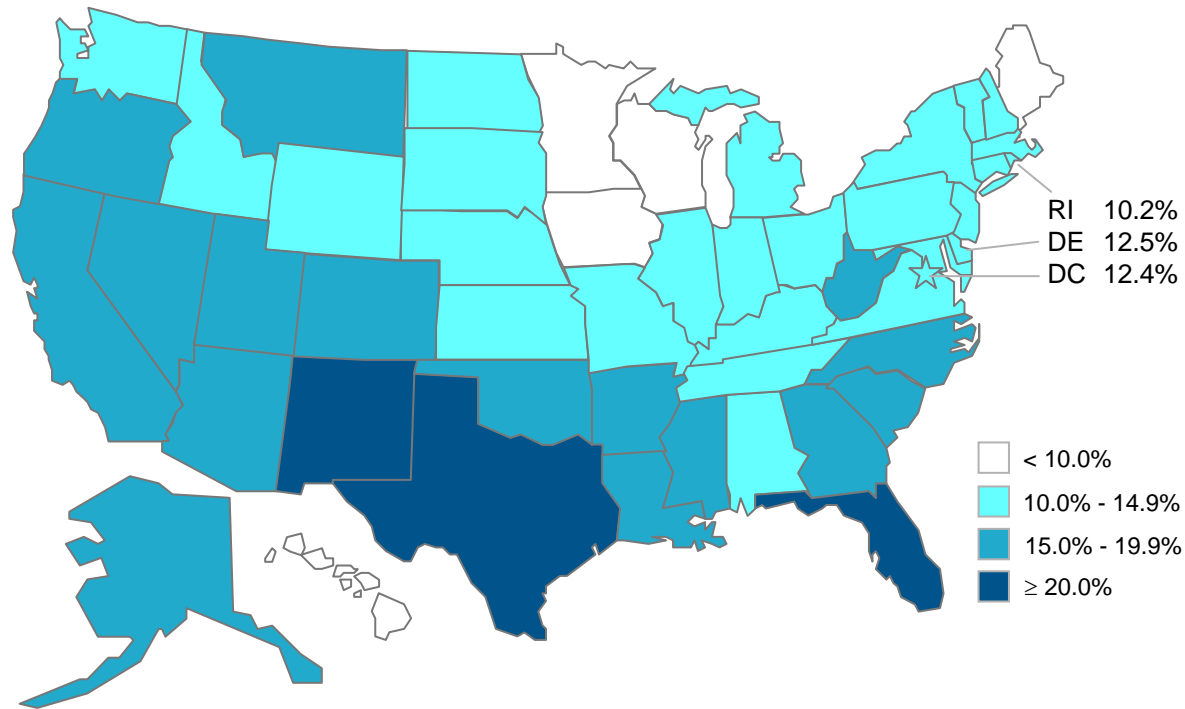
Source: US Census Bureau, Current Population Survey, 2007 Annual and Social Economic Supplement. Data released March 2007. Table HI05. Health Insurance Coverage Status and Type of Coverage by State and Age for All People: 2006. Link: http://pubdb3.census.gov/macro/032007/health/h05_000.htm

Chart 1.15: Number and Percent Uninsured, 1986 – 2006



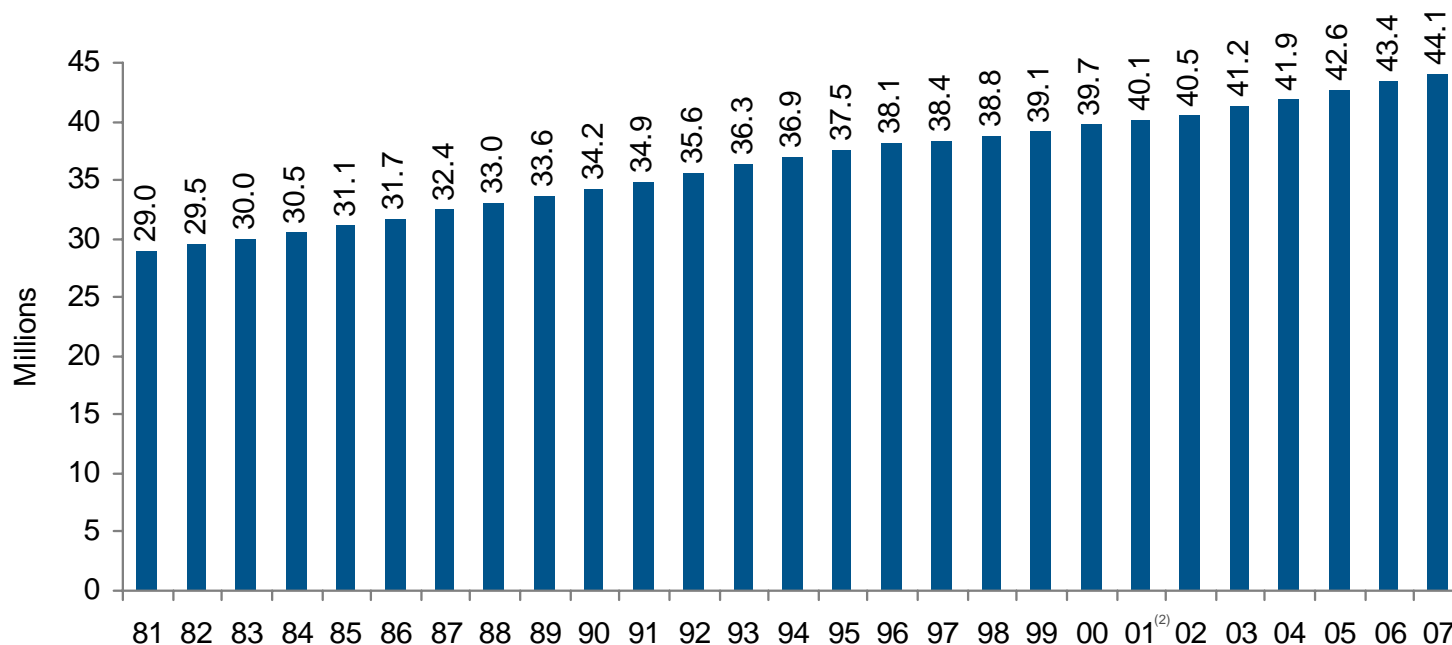
Source: US Census Bureau, Income, Poverty, and Health Insurance Coverage in the United States: 2006. Data released August 2007. Table 6. People With or Without Health Insurance Coverage by Selected Characteristics: 2005 and 2006. Link: http://www.census.gov/hhes/www/hlthins/hlthin06/p60no233_table6.pdf.

Chart 1.16: Average Percent Uninsured by State, 2004 – 2006



Source: US Census Bureau, Income, Poverty, and Health Insurance Coverage in the United States: 2006. Data released August 2007. Link: http://www.census.gov/hhes/www/hlthins/hlthin06/percent_uninsured_state.xls

Chart 1.17: Medicare Enrollees,⁽¹⁾ 1981 – 2007



Source: Centers for Medicare & Medicaid Services. Data released July 2005.

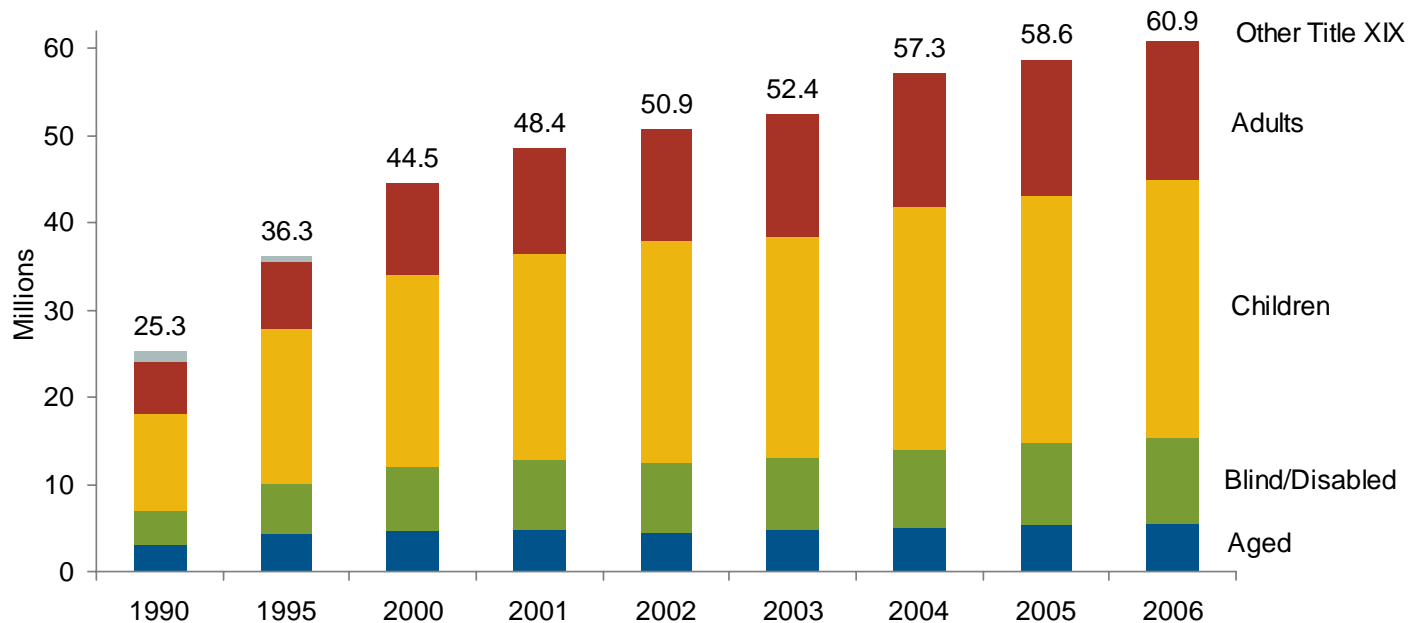
Medicare Enrollment: National Trends, 1966 – 2005; Medicare Aged and Disabled Enrollees by Type of Coverage.

Link: <http://www.cms.hhs.gov/MedicareEnRpts/Downloads/HISMI05.pdf>.

CMS, Office of the Actuary. Email correspondence with CMS staff in February 2008.

- (1) Hospital insurance (Part A) enrollees and/or Supplementary Medical Insurance (Part B) enrollees; includes all persons (aged and disabled).
- (2) Data for 2001 and beyond updated per CMS correspondence with CMS in February 2008.

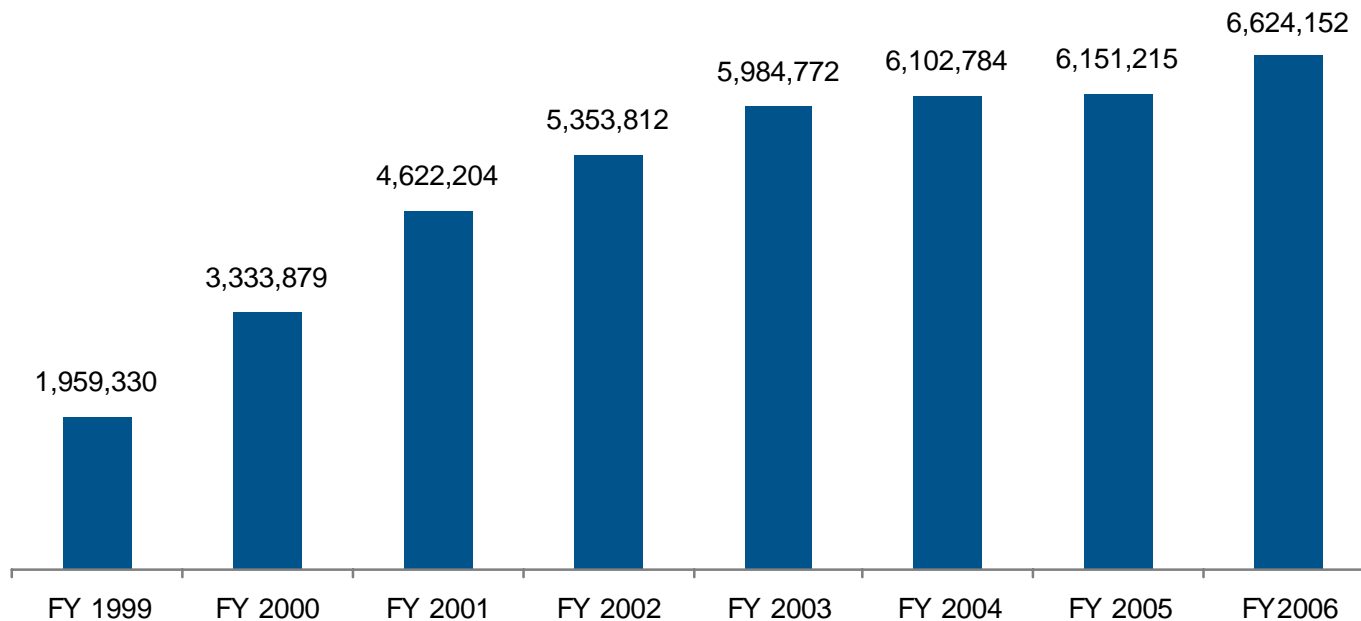
Chart 1.18: Medicaid Enrollees,⁽¹⁾ 1990, 1995, 2000 – 2006



Source: Congressional Budget Office. Data released March 2007. Fact Sheet for CBO's March 2007 Baseline: Medicaid. Link: <http://www.cbo.gov/budget/factsheets/2007b/medicaid.pdf>.

(1) Does not include SCHIP Enrollees.

Chart 1.19: National SCHIP Enrollment,^(1,2) FY 1999 – FY 2006



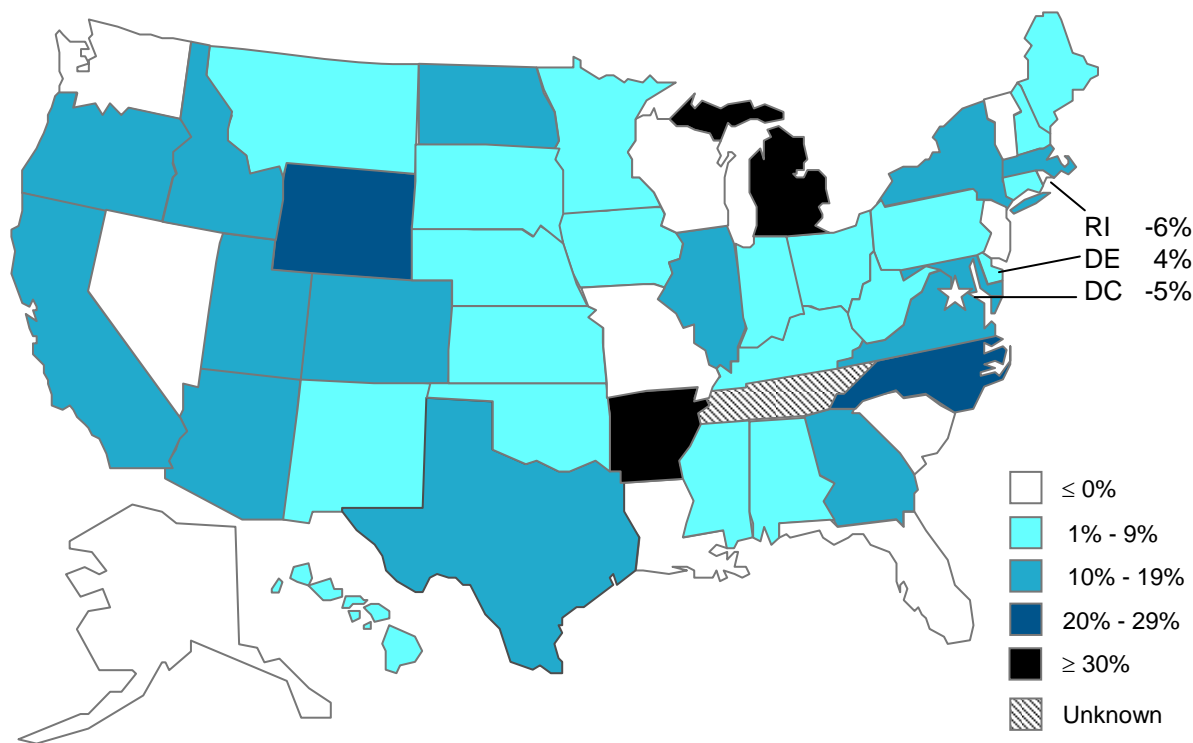
Source: Centers for Medicare & Medicaid Services. Data released July 2007. FY 2006 Number of Children Ever Enrolled Year – SCHIP by Program Type.

Link: <http://www.cms.hhs.gov/NationalSCHIPPolicy/downloads/FY2006StateTotalTable.pdf>.

(1) Number of children enrolled at any point in the year.

(2) 2005 figure reflects revised data released by Centers for Medicare & Medicaid Services on March 1, 2007

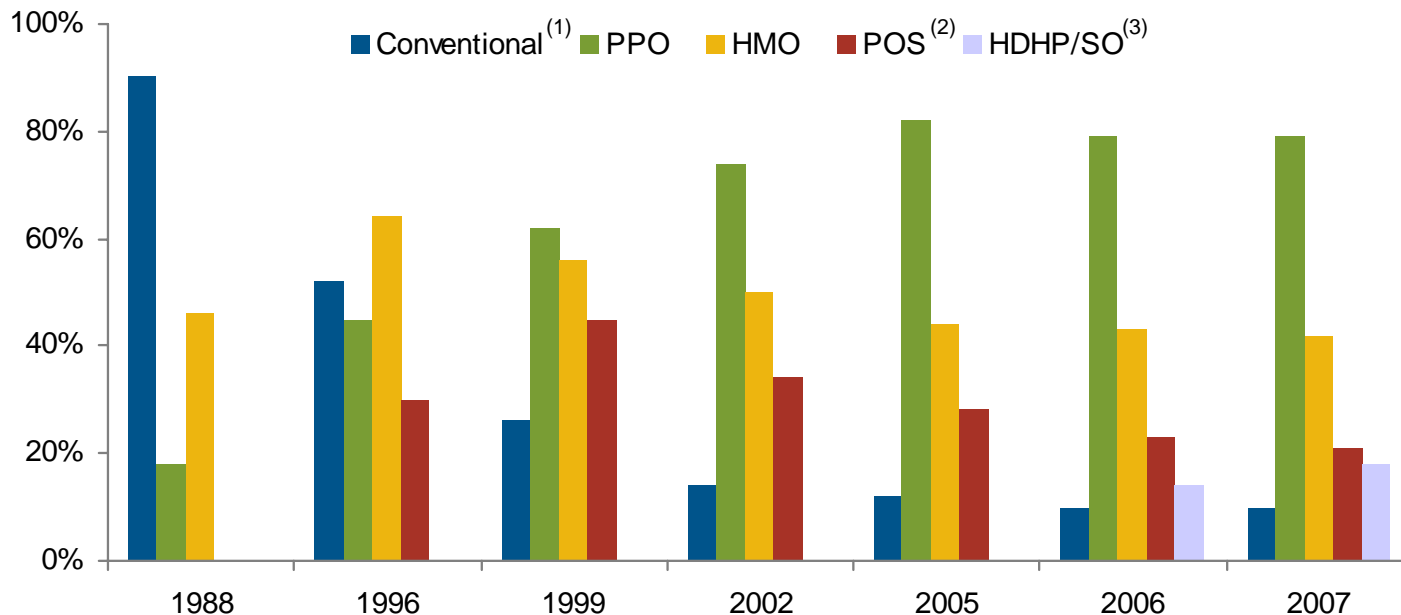
Chart 1.20: Percent Change in SCHIP Enrollment by State, FY 2005 – FY 2006⁽¹⁾



Source: Centers for Medicare & Medicaid Services. Data revised March 2007. FY 2006 Number of Children Ever Enrolled Year – SCHIP by Program Type. Link: <http://www.cms.hhs.gov/NationalSCHIPPolicy/downloads/FY2006StateTotalTable.pdf>.

(1) 2005 figure reflects revised data released by Centers for Medicare & Medicaid Services on March 1, 2007

Chart 1.21: Percentage of Employees with Employer-based Coverage Who Can Choose Conventional, PPO, HMO, POS, and HDHP/SO Plans, 1988 – 2007



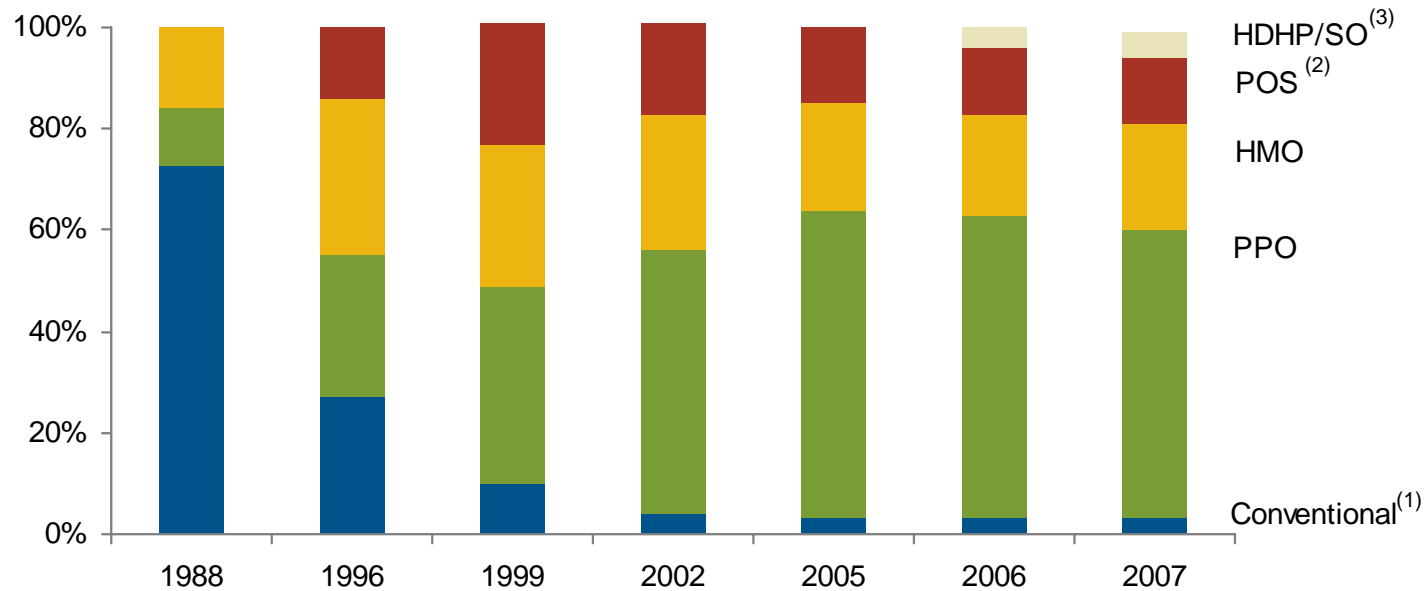
Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2007. Employer Health Benefits: 1999, 2002, 2005, 2006, 2007. Link: <http://www.kff.org/insurance/7672/upload/EHBS-2007-Full-Report-PDF.pdf>. KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1996.

(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 – 2007



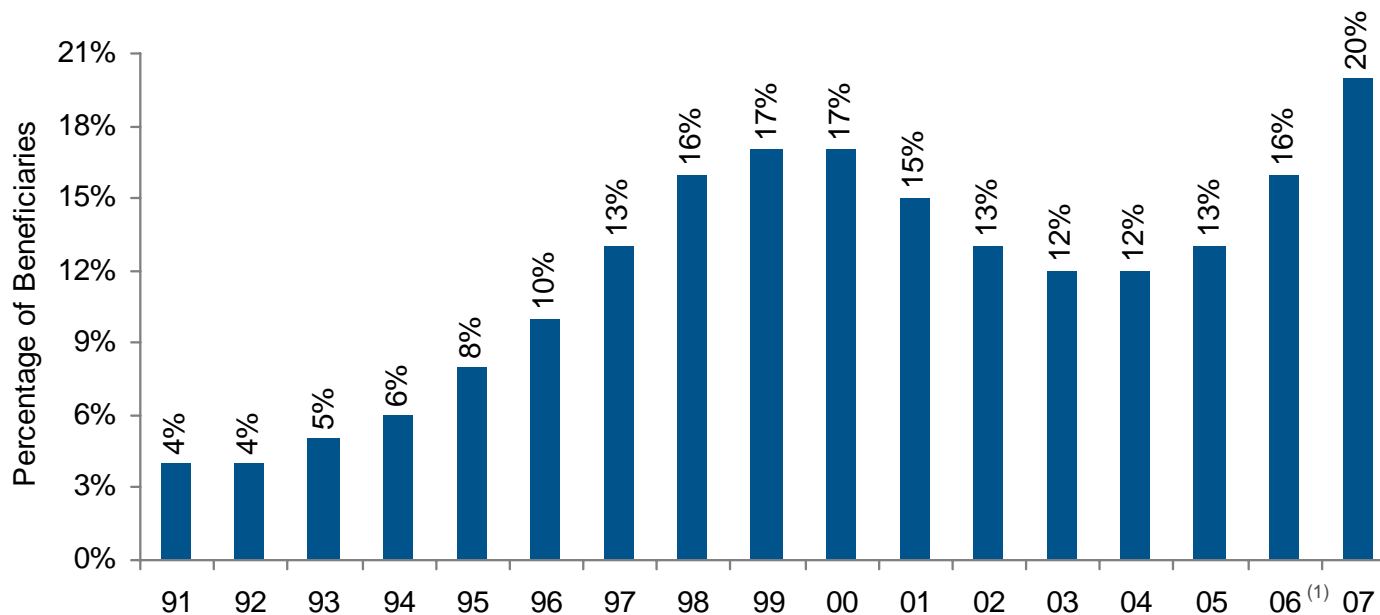
The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2007. Employer Health Benefits: 1999, 2002, 2005, 2006, 2007. Link: <http://www.kff.org/insurance/7672/upload/EHBS-2007-Full-Report-PDF.pdf>. KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1996.

(1) Conventional plans refer to traditional indemnity plans.

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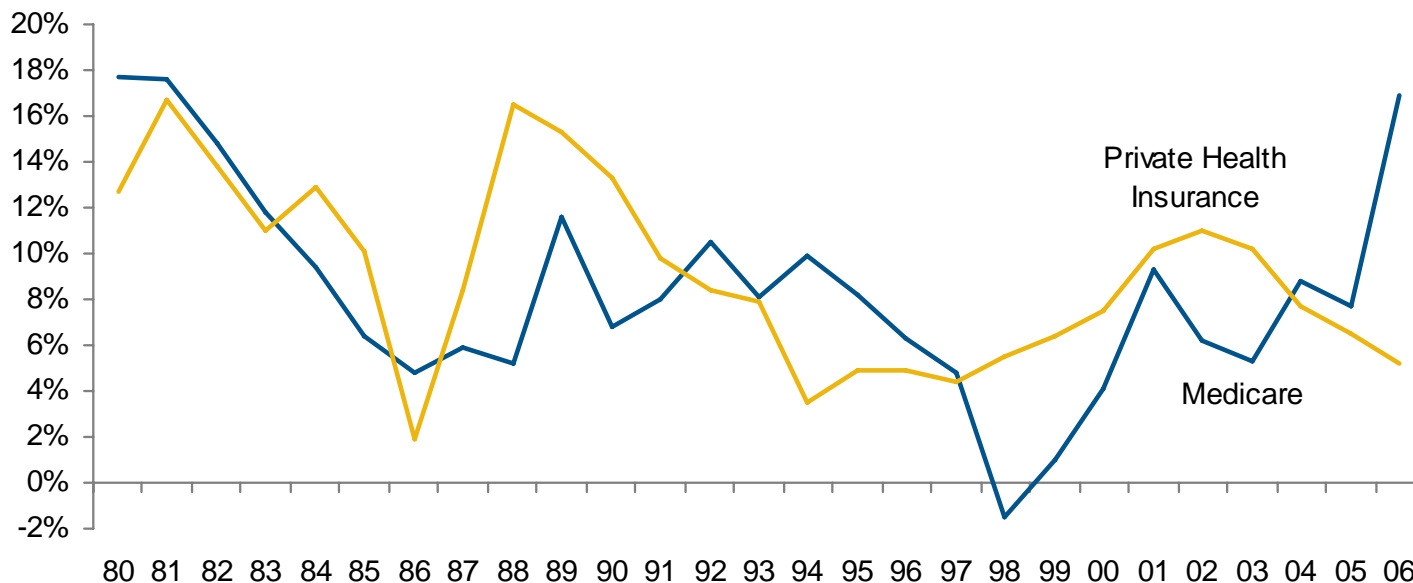
Chart 1.23: Percentage of Medicare Beneficiaries Enrolled in Medicare Managed Care, 1991 – 2007



Source: Centers for Medicare & Medicaid Services, Office of the Actuary, Email correspondence with CMS staff in February 2008.

⁽¹⁾ Data for 2006 updated per CMS correspondence with CMS in February 2008.

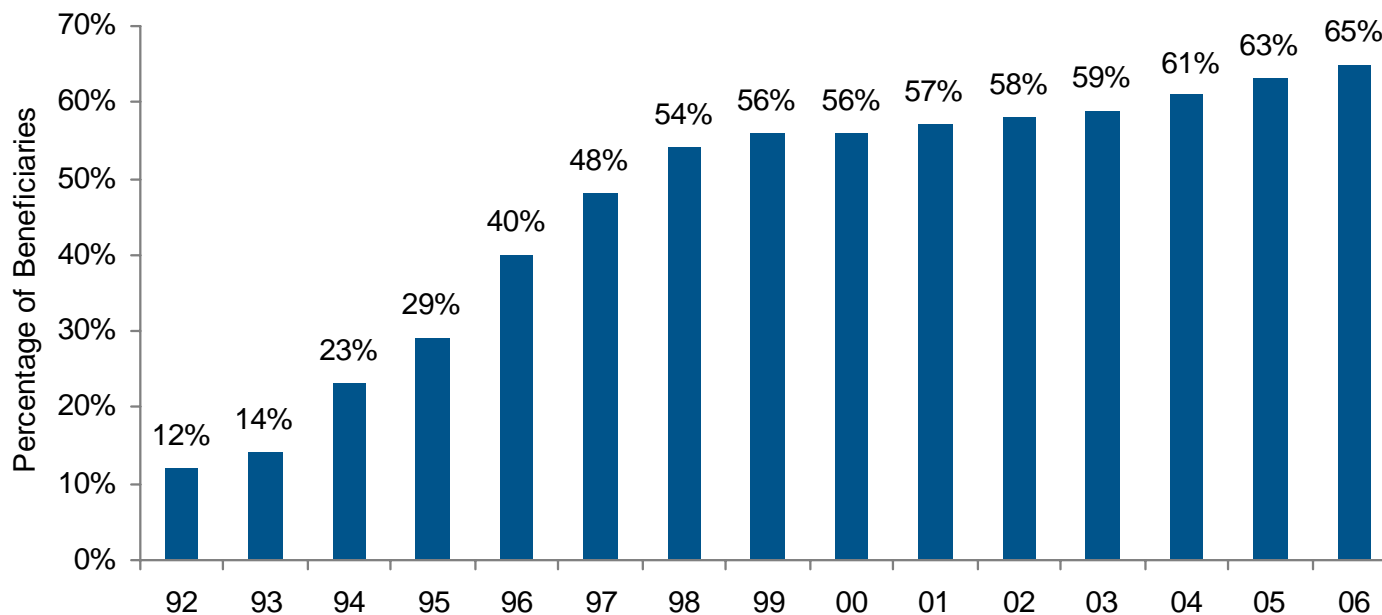
Chart 1.24: Percent Growth in Medicare Spending per Beneficiary vs. Private Health Insurance Spending per Enrollee, 1980 – 2006⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

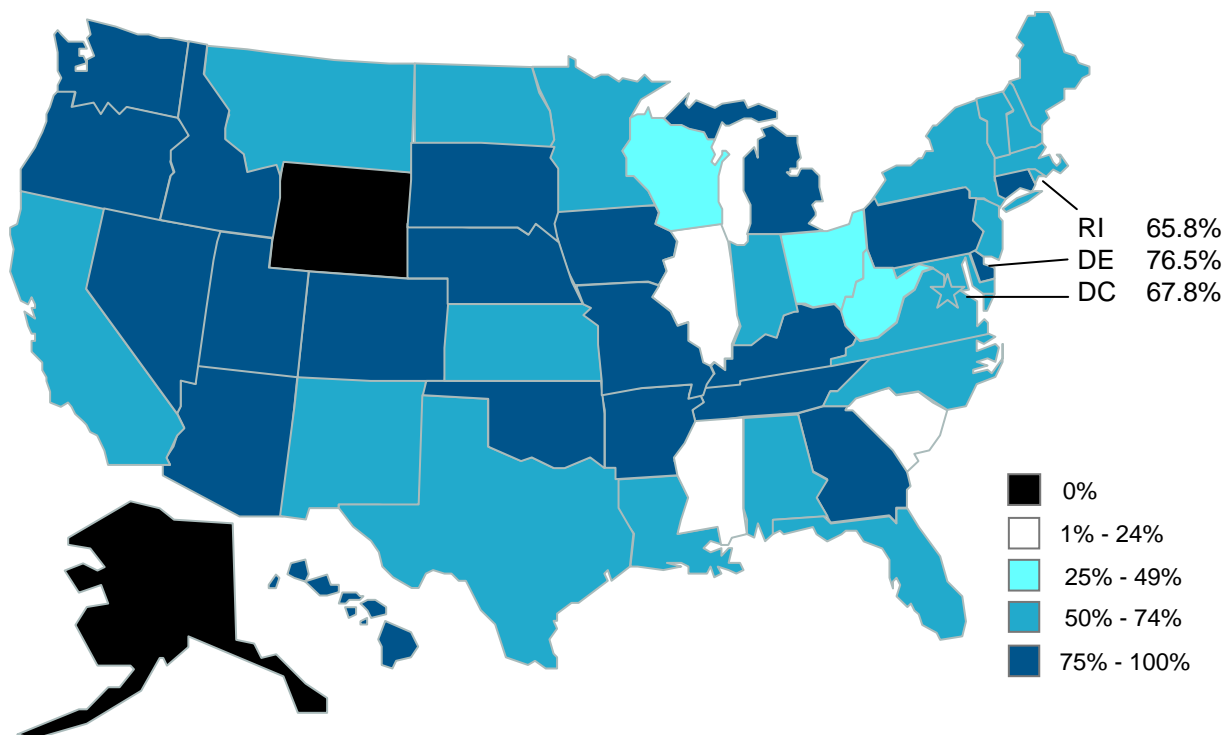
⁽¹⁾ CMS completed a benchmark revision in 2006, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see <http://www.cms.hhs.gov/NationalHealthExpendData/downloads/benchmark.pdf>.

Chart 1.25: Percentage of Medicaid Beneficiaries Enrolled in Medicaid Managed Care, 1992 – 2006



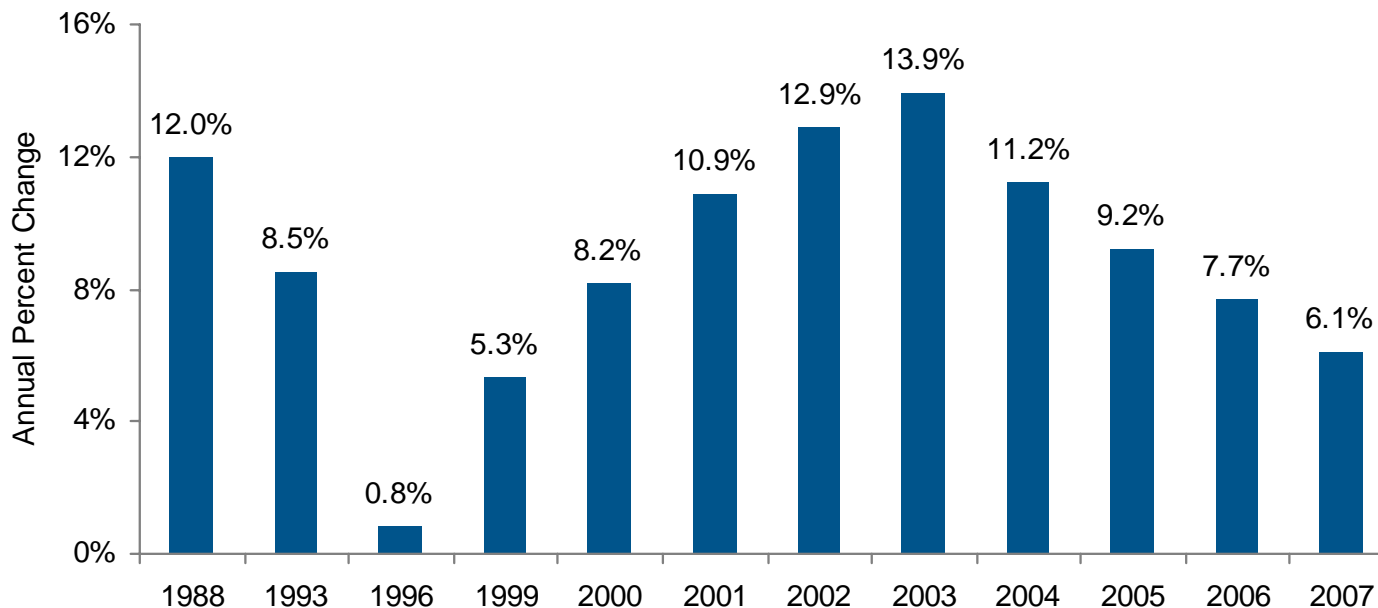
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released June 2006.
Medicaid Managed Care Enrollment Report as of June 30, 2006.
Link: <http://www.cms.hhs.gov/MedicaidDataSourcesGenInfo/Downloads/mmcer06.pdf>.

Chart 1.26: Percentage of Medicaid Beneficiaries Enrolled in Medicaid Managed Care by State, 2006



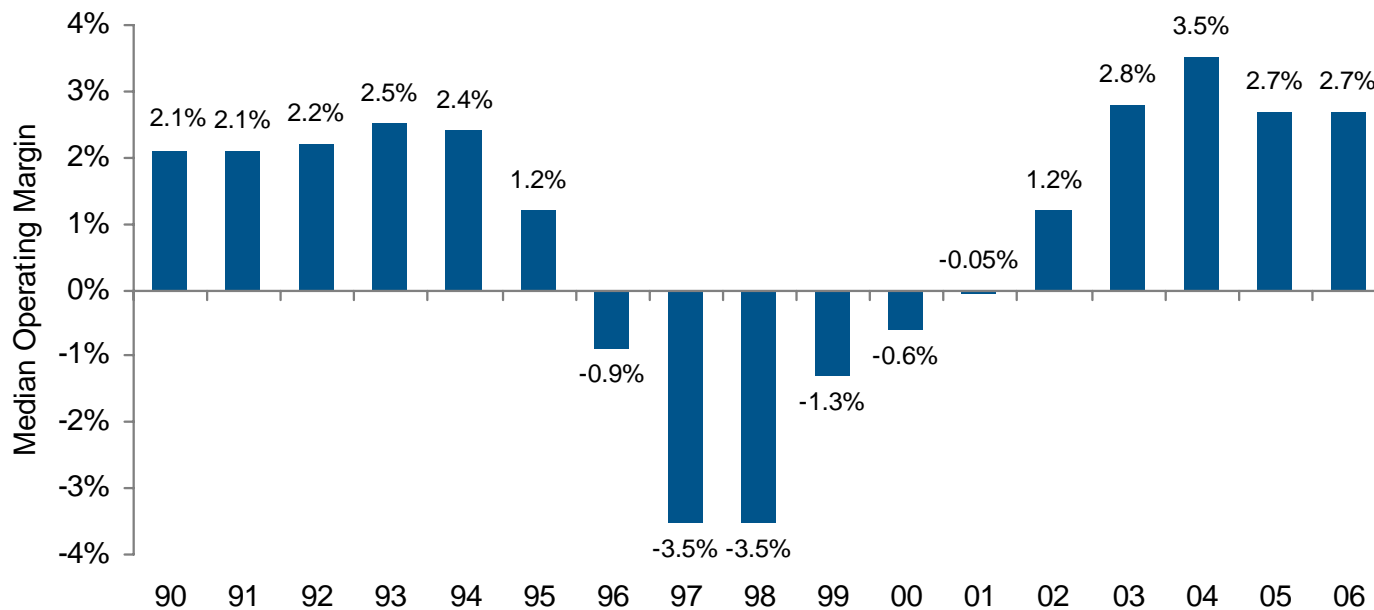
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released June 2006. Medicaid Managed Care Enrollment Report as of June 30, 2006.
Link: <http://www.cms.hhs.gov/MedicaidDataSourcesGenInfo/Downloads/mmcer06.pdf>.

Chart 1.27: Annual Change in Health Insurance Premiums, 1988 – 2007



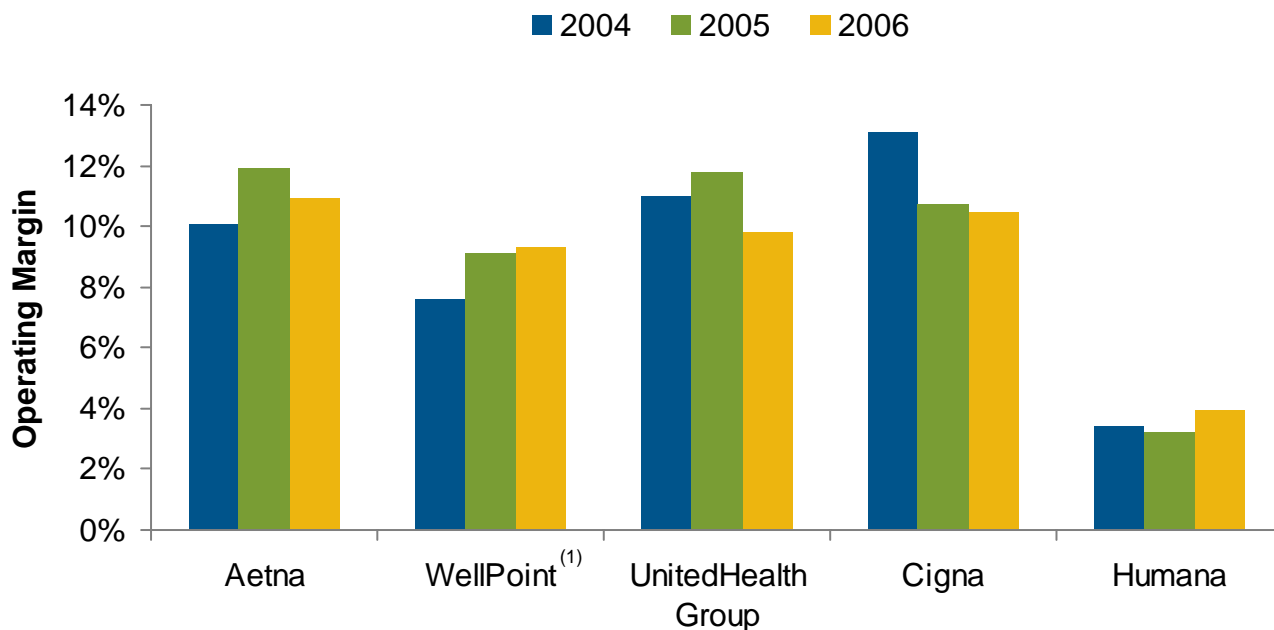
Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2007. Employer Health Benefits: 1999, 2002, 2005, 2006, 2007. Link: <http://www.kff.org/insurance/7672/upload/EHBS-2007-Full-Report-PDF.pdf>. KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1993, 1996.

Chart 1.28: HMO Plan Median Operating Margins, 1990 – 2006



Source: Health Leaders-Interstudy, The Health Leaders-Interstudy Competitive Edge: Part II: Managed Care Industry Report, using data as of January 1, 2007.

Chart 1.29: Operating Margins of the Top Insurers, 2004 – 2006



Source: Hoovers. Data for all years updated as of January 2008. Link: www.hoovers.com.

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