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**CHAPTER 1.0: Trends in the Overall Health Care Market**

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CHAPTER 1
Trends in the Overall Health Care Market


(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.


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Chart 1.5: National Expenditures for Health Services and Supplies\(^{(1)}\) by Category, 1980 and 2006\(^{(2)}\)

<table>
<thead>
<tr>
<th>Category</th>
<th>1980</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Care</td>
<td>43.3%</td>
<td>33.0%</td>
</tr>
<tr>
<td>Physician Services</td>
<td>20.2%</td>
<td>22.8%</td>
</tr>
<tr>
<td>Other Professional(^{(4)})</td>
<td>7.3%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Home Health Care</td>
<td>1.0%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Prescription Drugs</td>
<td>5.2%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Other Medical Durables and Non-durables</td>
<td>5.8%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Nursing Home Care</td>
<td>7.9%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Other(^{(3)})</td>
<td>9.4%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Other (3)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$233.4B \quad $1,966.2B


\(^{(1)}\) 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\(^{(2)}\)


\(^{(1)}\) 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) 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\(^{(2)}\)


\(^{(1)}\) 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.


(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.

(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)


(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)


(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.

Chart 1.15: Number and Percent Uninsured, 1986 – 2006

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

Chart 1.17: Medicare Enrollees,\(^{(1)}\) 1981 – 2007

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.


(1) Does not include SCHIP Enrollees.
Chart 1.19: National SCHIP Enrollment,\(^{(1,2)}\) FY 1999 – FY 2006


(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)


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


(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


(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, 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)

(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

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

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


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


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