



CHAPTER 1

Trends in the Overall
Health Care Market

TABLE OF CONTENTS

CHAPTER 1.0: Trends in the Overall Health Care Market

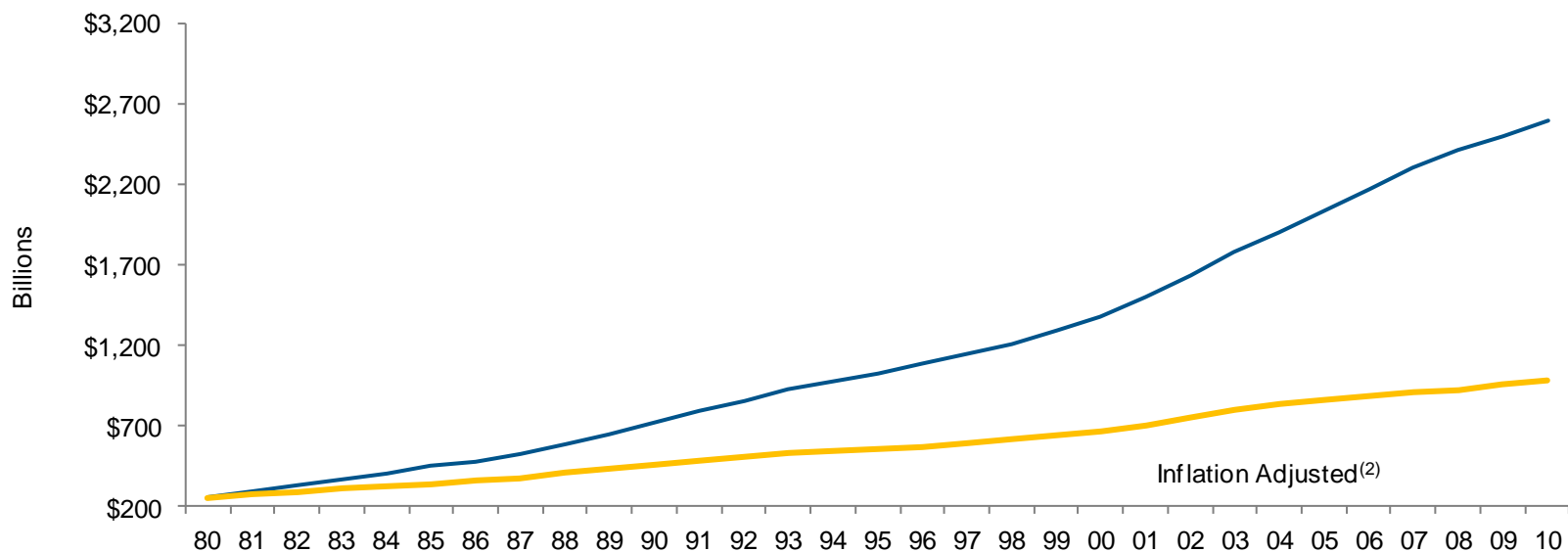
- Chart 1.1: Total National Health Expenditures, 1980 – 2010
- Chart 1.2: Percent Change in Total National Health Expenditures, 1990 – 2010
- Chart 1.3: Per Capita National Health Expenditures, 1980 – 2010
- Chart 1.4: National Health Expenditures as a Percentage of Gross Domestic Product, 1990 – 2010
- Chart 1.5: National Expenditures for Health Services and Supplies by Category, 1980 and 2010
- Chart 1.6: Percent Change in National Expenditures for Health Services and Supplies by Category, 2009 – 2010
- Chart 1.7: Percent Change in National Expenditures for Selected Health Services and Supplies, 2000 – 2010
- Chart 1.8: National Health Expenditures, 1980 – 2020
- Chart 1.9: Consumer Out-of-pocket Payments for National Health Expenditures, 1990 – 2010
- Chart 1.10: Total Prescription Drug Spending, 1980 – 2010
- Chart 1.11: Growth in Total Prescription Drug Spending as a Percentage of Total Growth in National Health Expenditures, 1990 – 2010
- Chart 1.12: Consumer Out-of-pocket Spending vs. Private Health Insurance Spending for Prescription Drugs, 1990 – 2010
- Chart 1.13: Distribution of National Health Expenditures by Source of Payment, 1980, 2000, and 2010
- Chart 1.14: Distribution of Health Insurance Coverage, Percentage of Population Covered by Payer, 1990, 2009, and 2010
- Chart 1.15: Number and Percent Uninsured, 1990 – 2010

TABLE OF CONTENTS

CHAPTER 1.0: Trends in the Overall Health Care Market

- Chart 1.16: Average Percent Uninsured by State, 2008 – 2010
- Chart 1.17: Medicare Enrollees, 1991 – 2011
- Chart 1.18: Medicaid Enrollees, 1990, 1995, 2000 – 2011
- Chart 1.19: National CHIP Enrollment, FY 1999 – FY 2010
- Chart 1.20: Percent Change in CHIP Enrollment By State, FY 2009 – FY 2010
- Chart 1.21: Percentage of Employees with Employer-based Coverage Who Can Choose Conventional, PPO, HMO, POS, and HDHP/SO Plans, 1988 – 2011
- Chart 1.22: Distribution of Employer-sponsored Health Insurance Enrollment by Type of Plan, 1988 – 2011
- Chart 1.23: Percentage of Medicare Beneficiaries Enrolled in Medicare Managed Care, 1991 – 2011
- Chart 1.24: Percent Growth in Medicare Spending per Beneficiary vs. Private Health Insurance Spending per Enrollee, 1990 – 2010
- Chart 1.25: Percentage of Medicaid Beneficiaries Enrolled in Medicaid Managed Care, 1992 – 2010
- Chart 1.26: Percentage of Medicaid Beneficiaries Enrolled in Medicaid Managed Care by State, 2010
- Chart 1.27: Annual Change in Health Insurance Premiums, 2000 – 2011
- Chart 1.28: Managed Care Plan Median Operating Margins, 1997 – 2011
- Chart 1.29: Operating Margins of the Top Insurers, 2009 – 2011

Chart 1.1: Total National Health Expenditures, 1980 – 2010⁽¹⁾

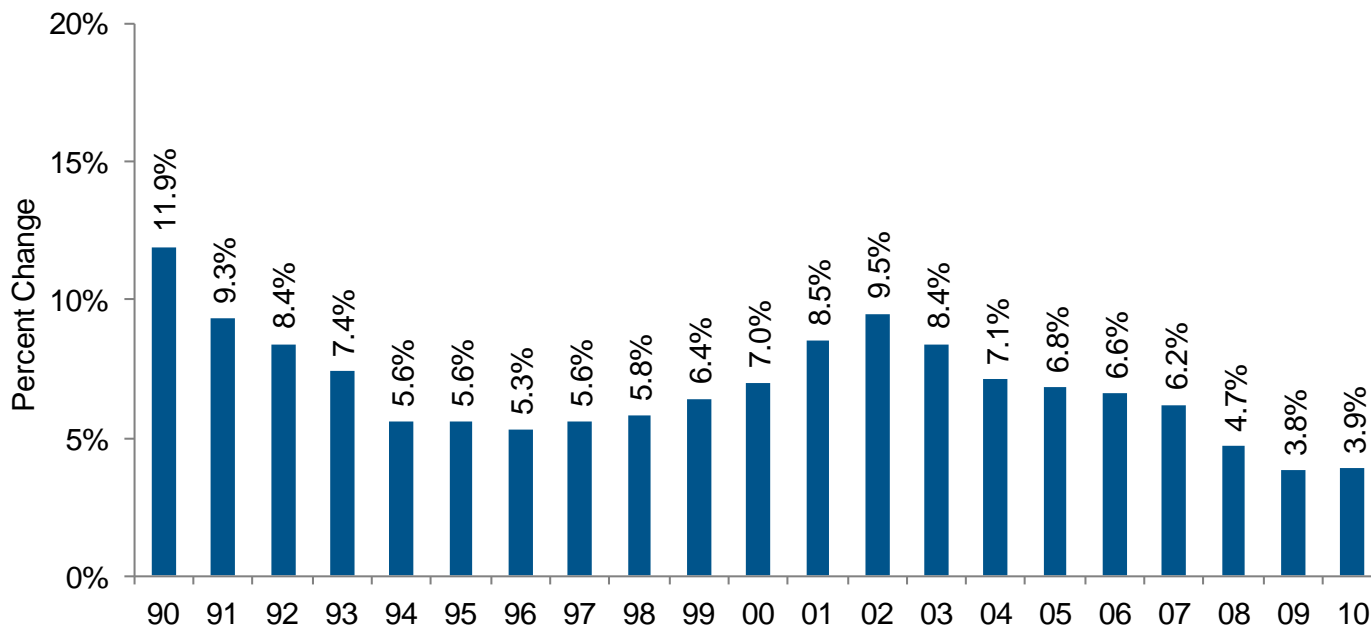


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

⁽¹⁾ CMS completed a benchmark revision in 2009, 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.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.

⁽²⁾ Expressed in 1980 dollars; adjusted using the overall Consumer Price Index for Urban Consumers.

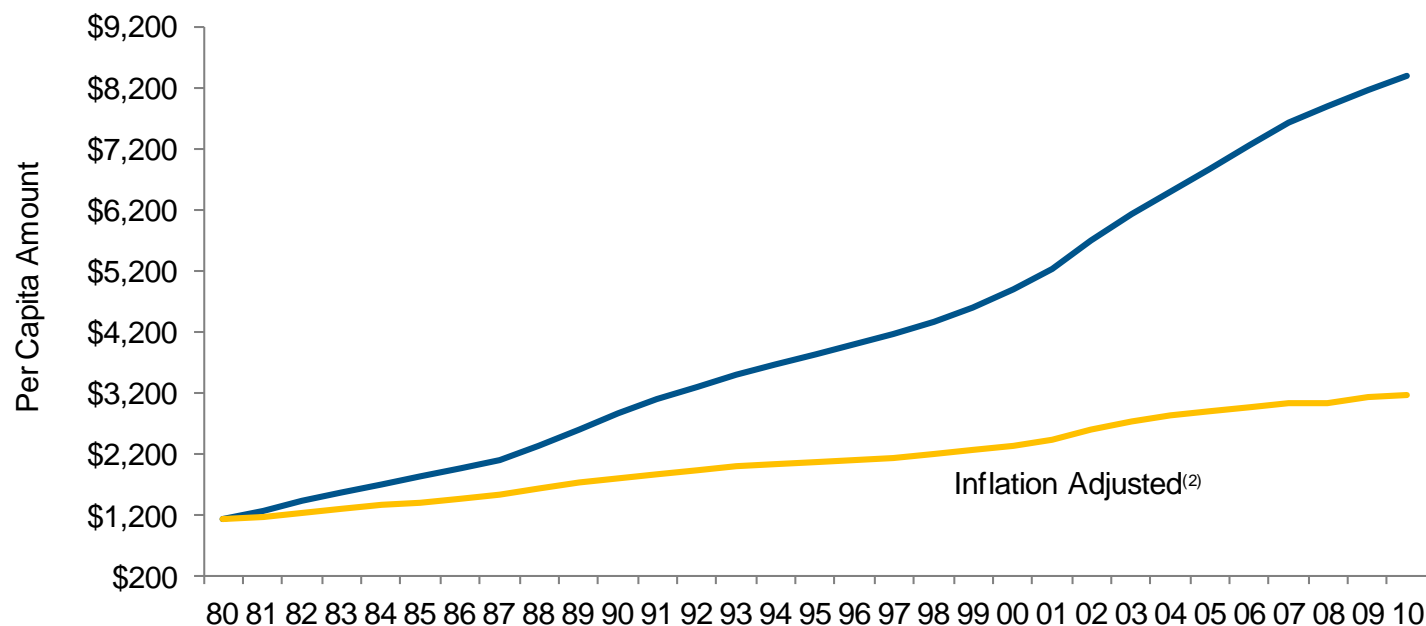
Chart 1.2: Percent Change in Total National Health Expenditures, 1990 – 2010 ⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

⁽¹⁾ CMS completed a benchmark revision in 2009, 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.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.

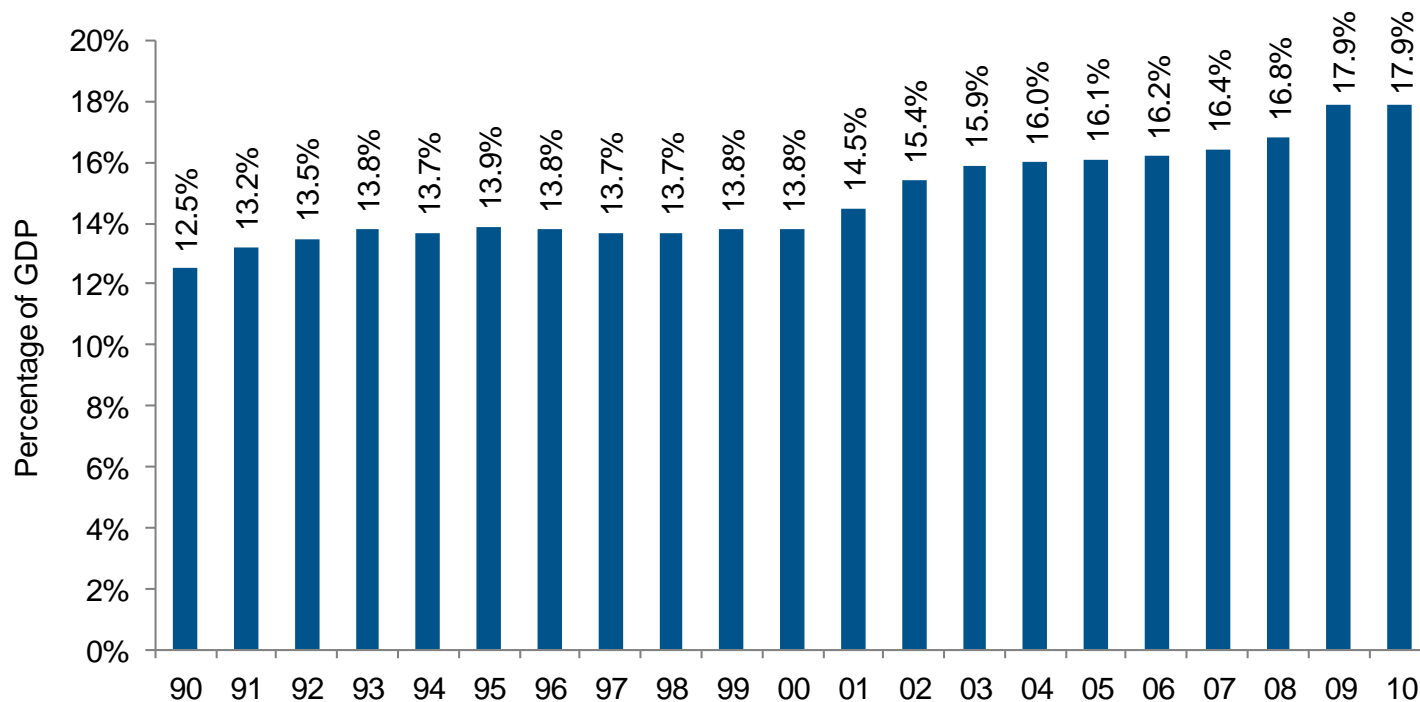
Chart 1.3: Per Capita National Health Expenditures, 1980 – 2010⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

- (1) CMS completed a benchmark revision in 2009, 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.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.
- (2) Expressed in 1980 dollars; adjusted using the overall Consumer Price Index for Urban Consumers.

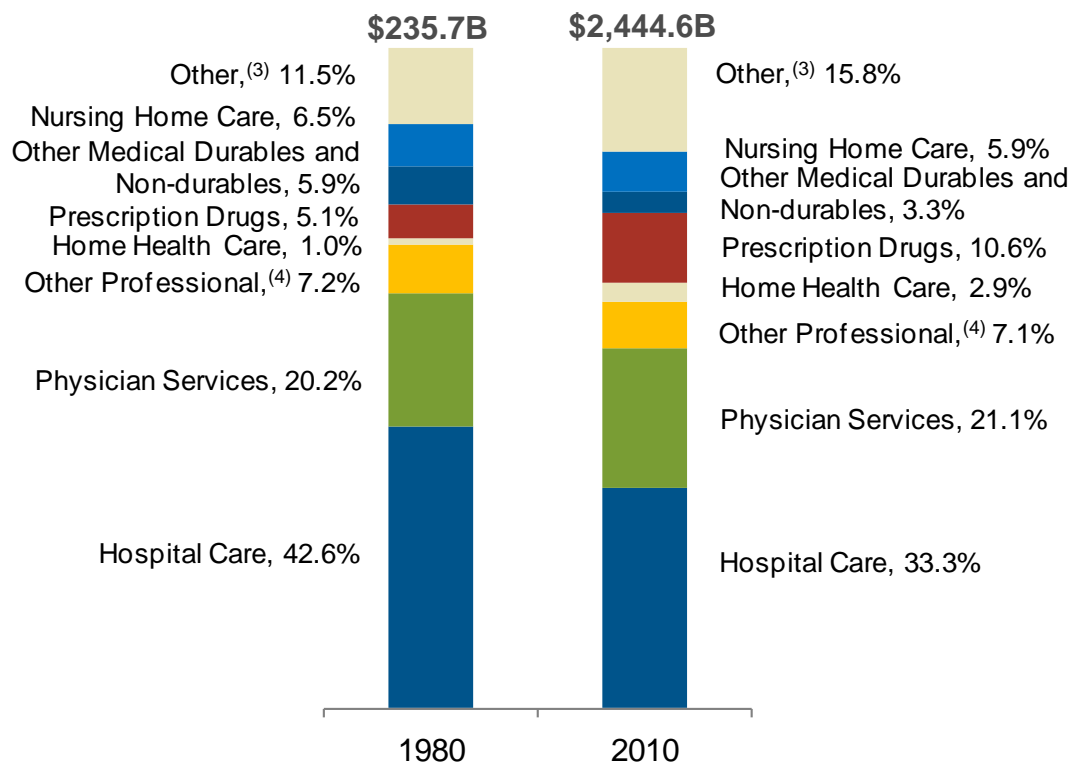
Chart 1.4: National Health Expenditures as a Percentage of Gross Domestic Product, 1990 – 2010⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

⁽¹⁾ CMS completed a benchmark revision in 2009, 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.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.

Chart 1.5: National Expenditures for Health Services and Supplies⁽¹⁾ by Category, 1980 and 2010⁽²⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

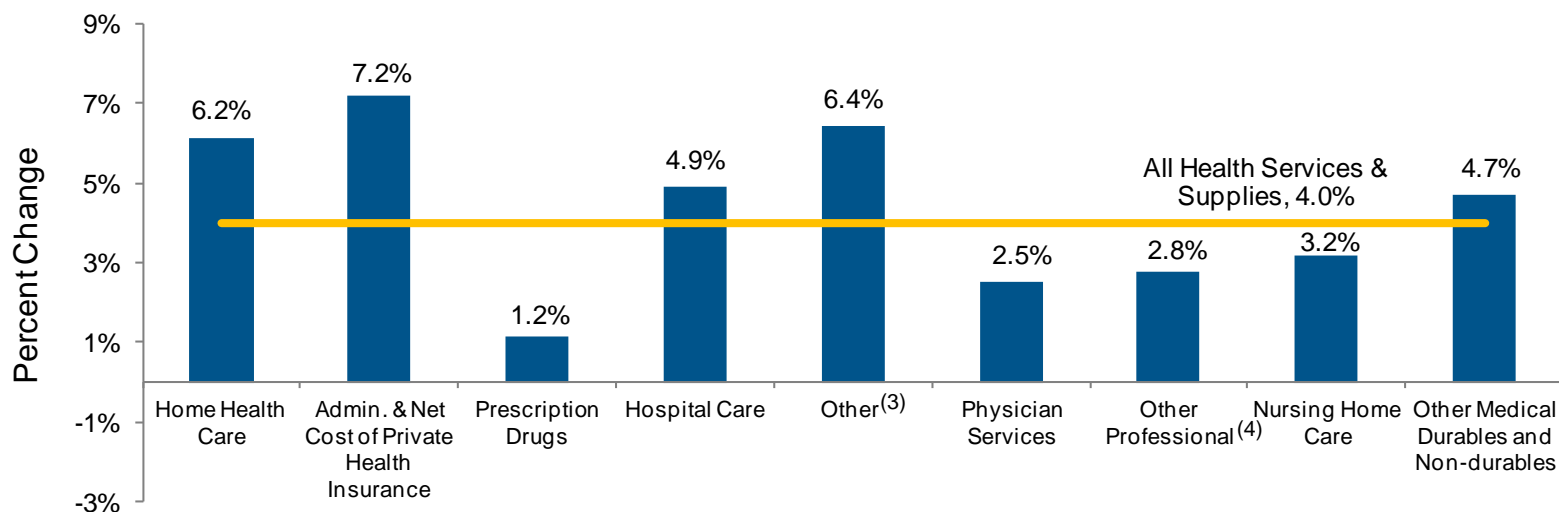
(1) Excludes medical research and medical facilities construction.

(2) CMS completed a benchmark revision in 2009, 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.gov/nationalhealthexpenddata/downloads/benchmark2009.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.

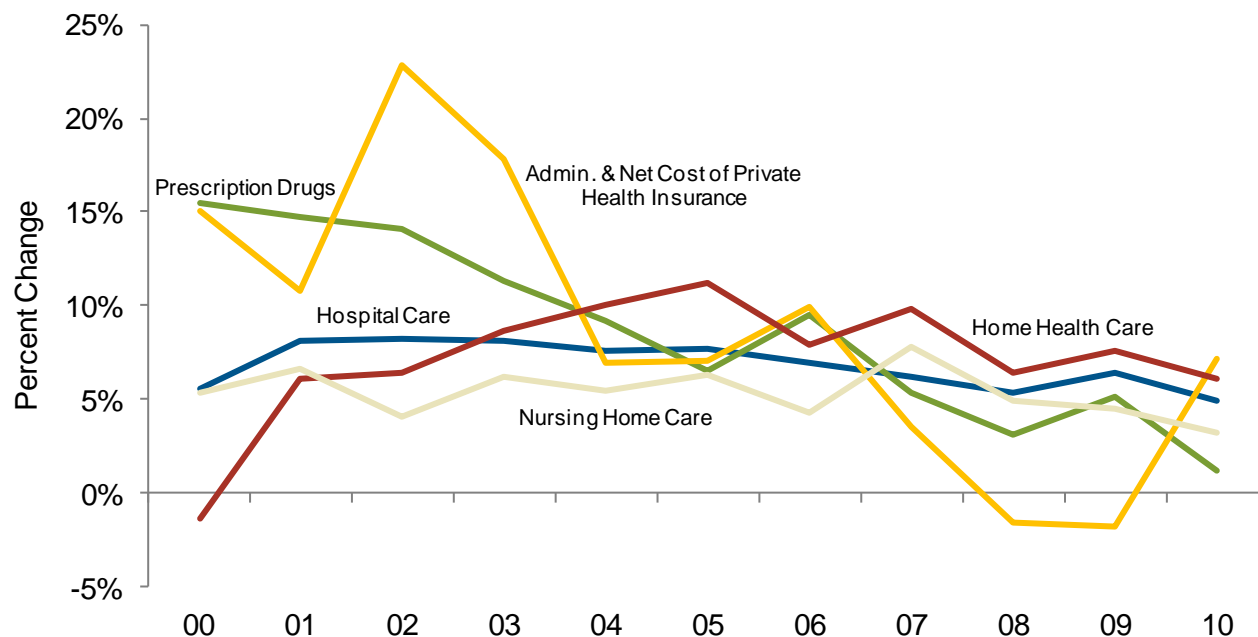
Chart 1.6: Percent Change in National Expenditures for Health Services and Supplies⁽¹⁾ by Category, 2009 – 2010⁽²⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

- (1) Excludes medical research and medical facilities construction.
- (2) CMS completed a benchmark revision in 2009, 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.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.
- (3) "Other" includes government public health activities and other personal health care.
- (4) "Other professional" includes dental and other non-physician professional services.

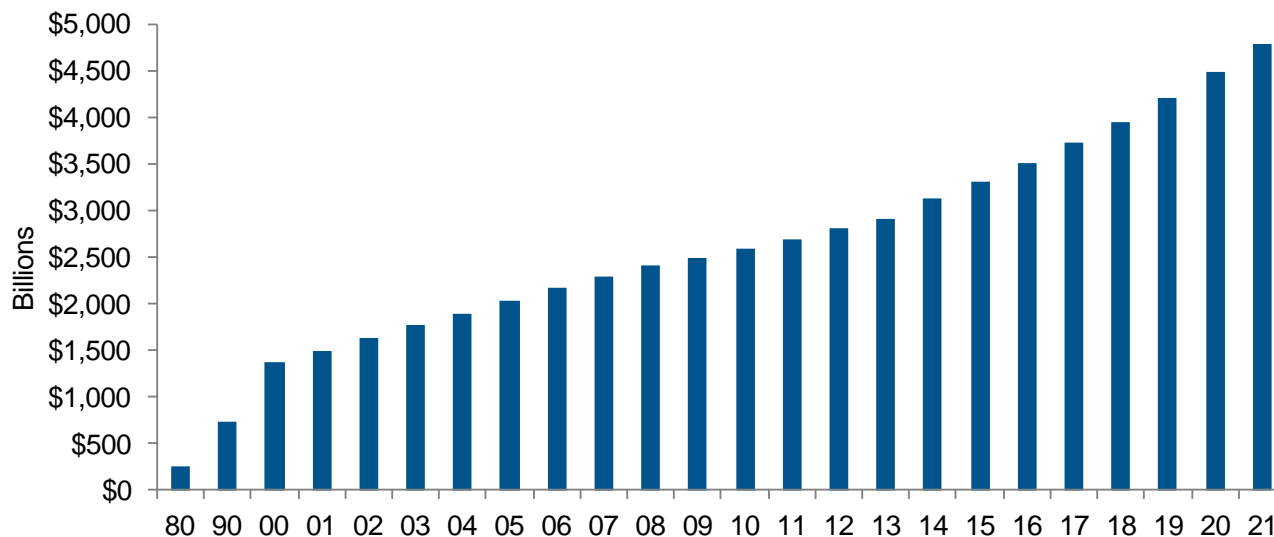
Chart 1.7: Percent Change in National Expenditures for Selected Health Services and Supplies, 2000 – 2010⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

⁽¹⁾ CMS completed a benchmark revision in 2009, 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.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.

Chart 1.8: National Health Expenditures,⁽¹⁾ 1980 – 2021⁽²⁾

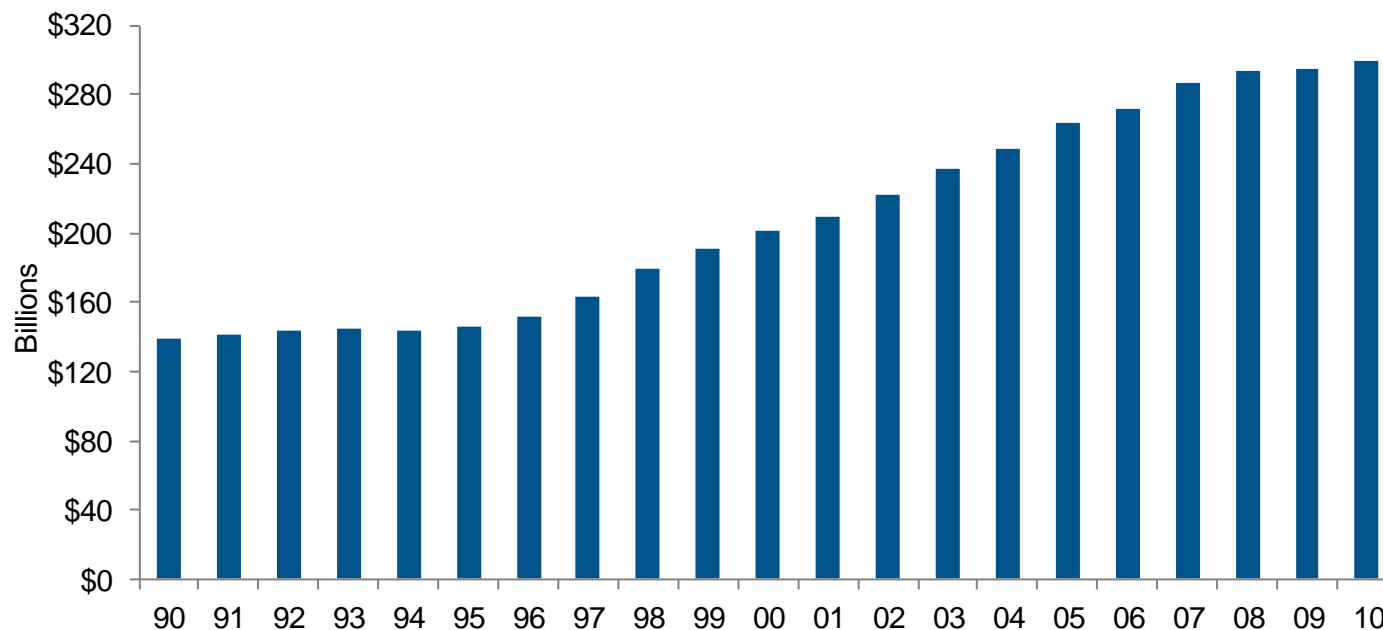


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released June 2012.

(1) Years 2011 – 2021 are projections.

(2) CMS completed a benchmark revision in 2009, 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.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.

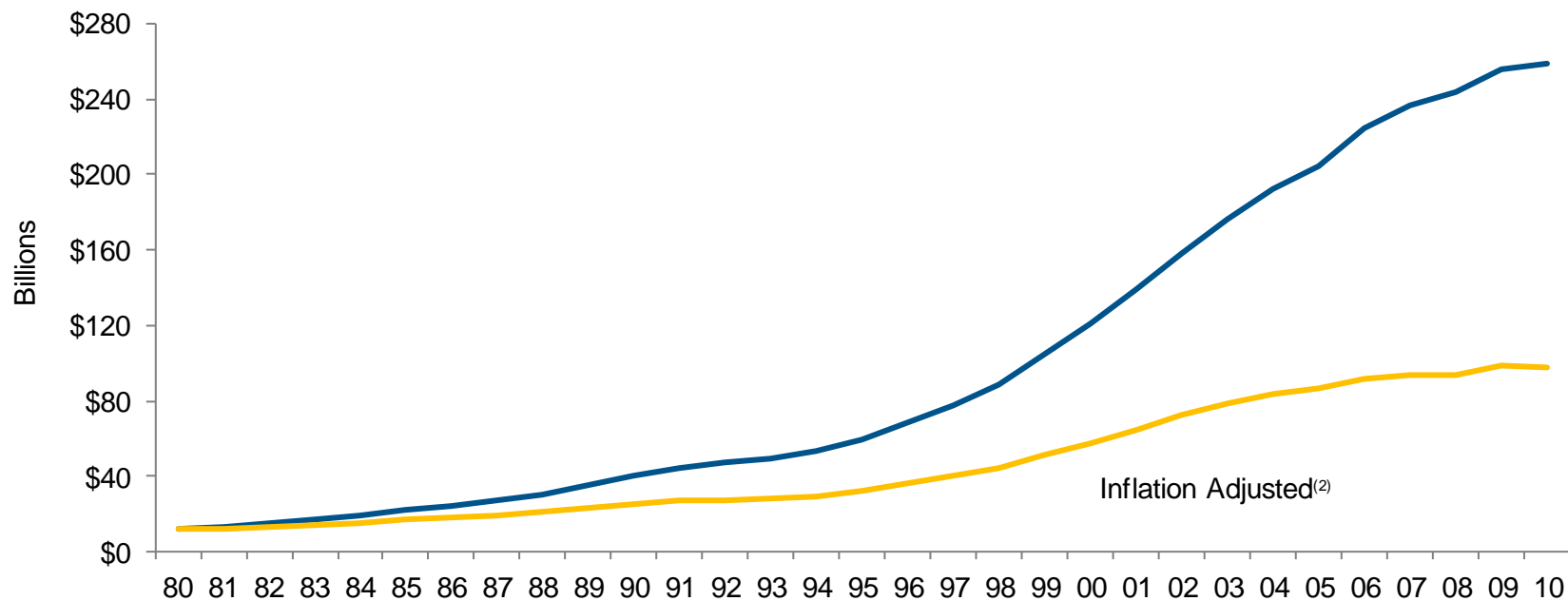
Chart 1.9: Consumer Out-of-pocket Payments for National Health Expenditures, 1990 – 2010⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

⁽¹⁾ CMS completed a benchmark revision in 2009, 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.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.

Chart 1.10: Total Prescription Drug Spending, 1980 – 2010⁽¹⁾

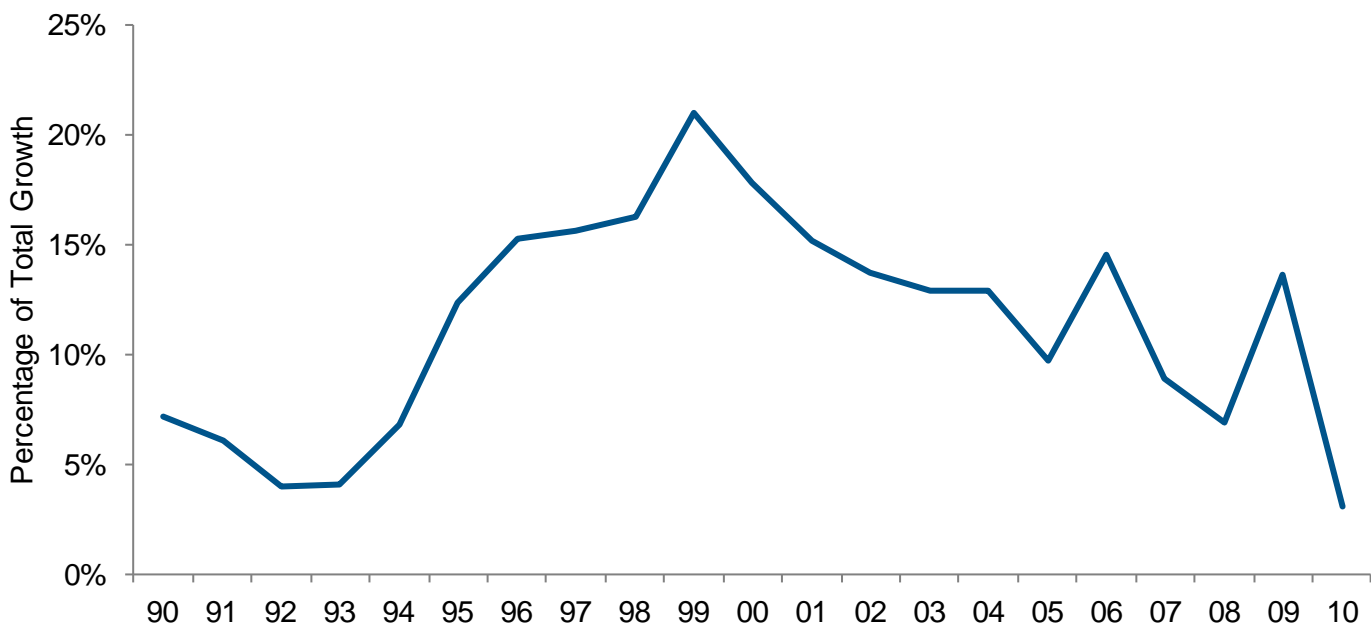


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

⁽¹⁾ CMS completed a benchmark revision in 2009, 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.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.

⁽²⁾ Expressed in 1980 dollars; adjusted using the overall Consumer Price Index for All Urban Consumers.

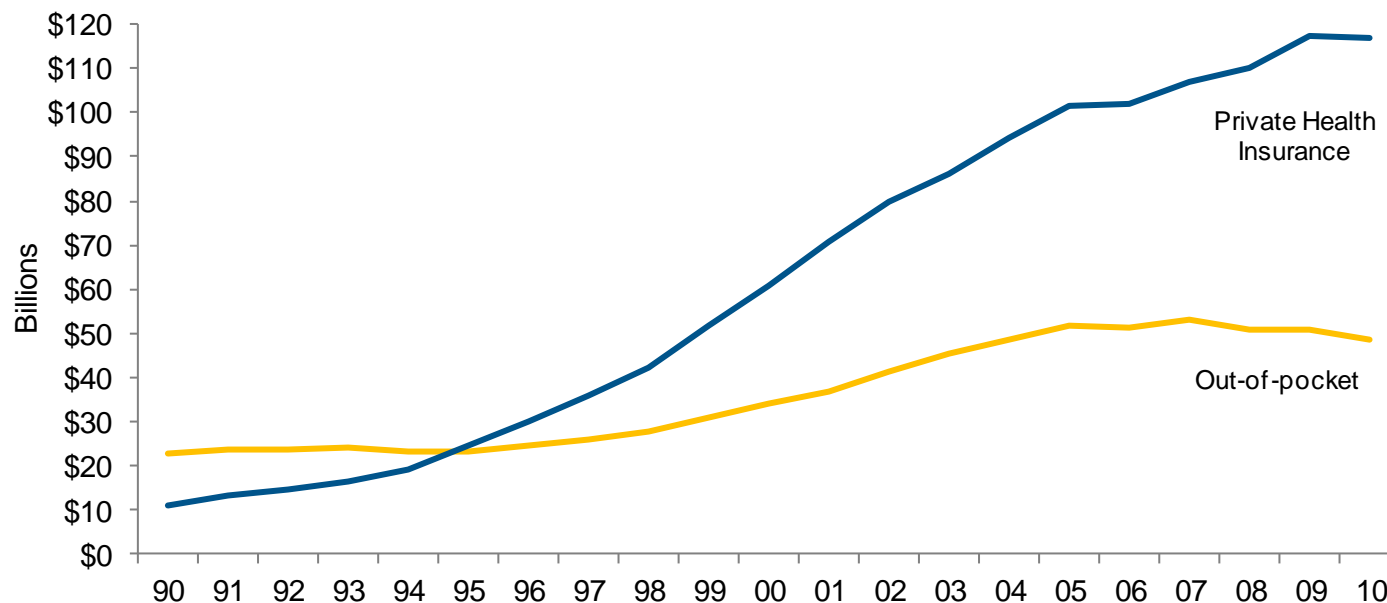
Chart 1.11: Growth in Total Prescription Drug Spending as a Percentage of Total Growth in National Health Expenditures, 1990 – 2010⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

⁽¹⁾ CMS completed a benchmark revision in 2009, 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.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.

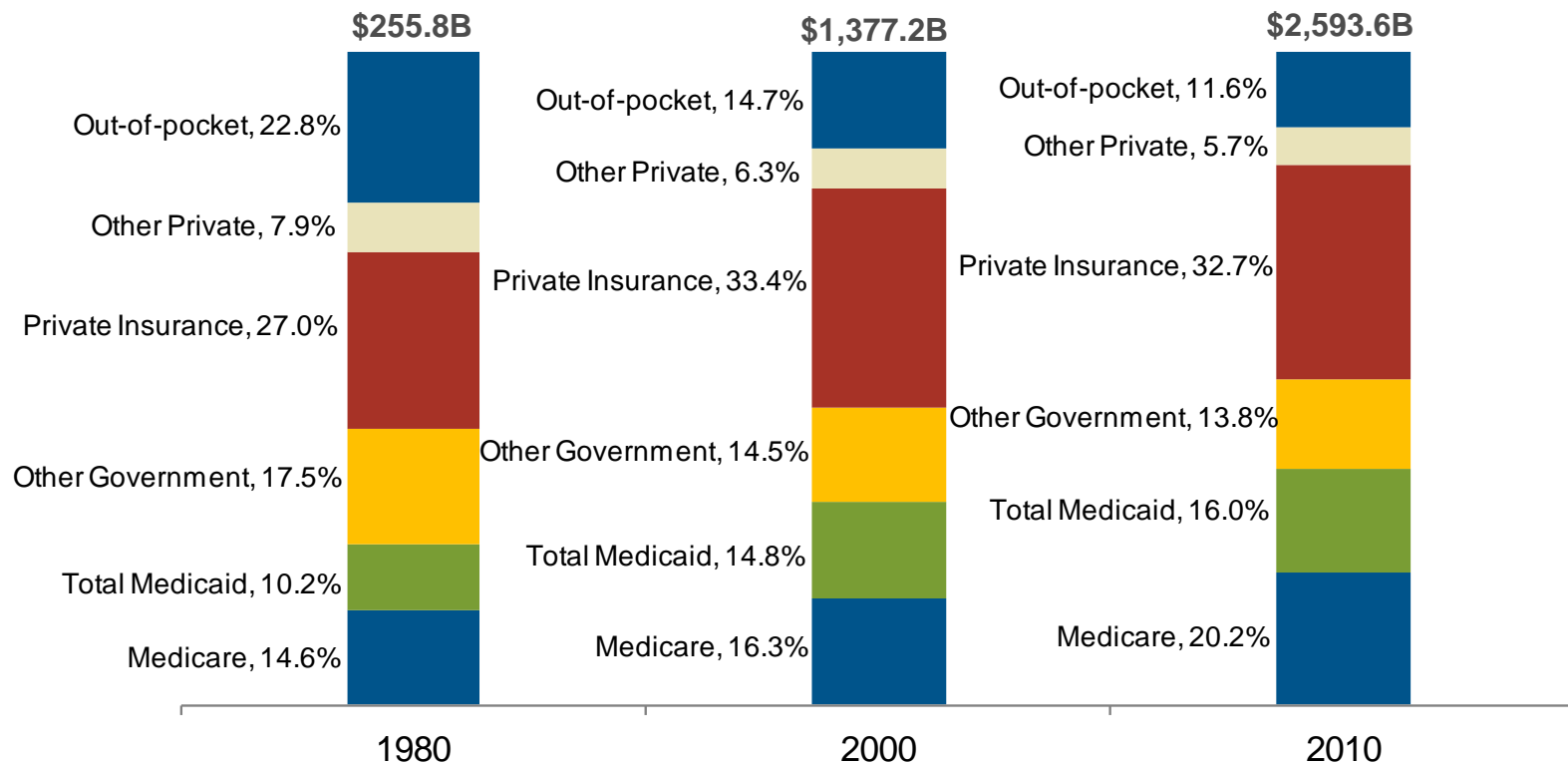
Chart 1.12: Consumer Out-of-pocket Spending vs. Private Health Insurance Spending for Prescription Drugs, 1990 – 2010⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

⁽¹⁾ CMS completed a benchmark revision in 2009, 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.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.

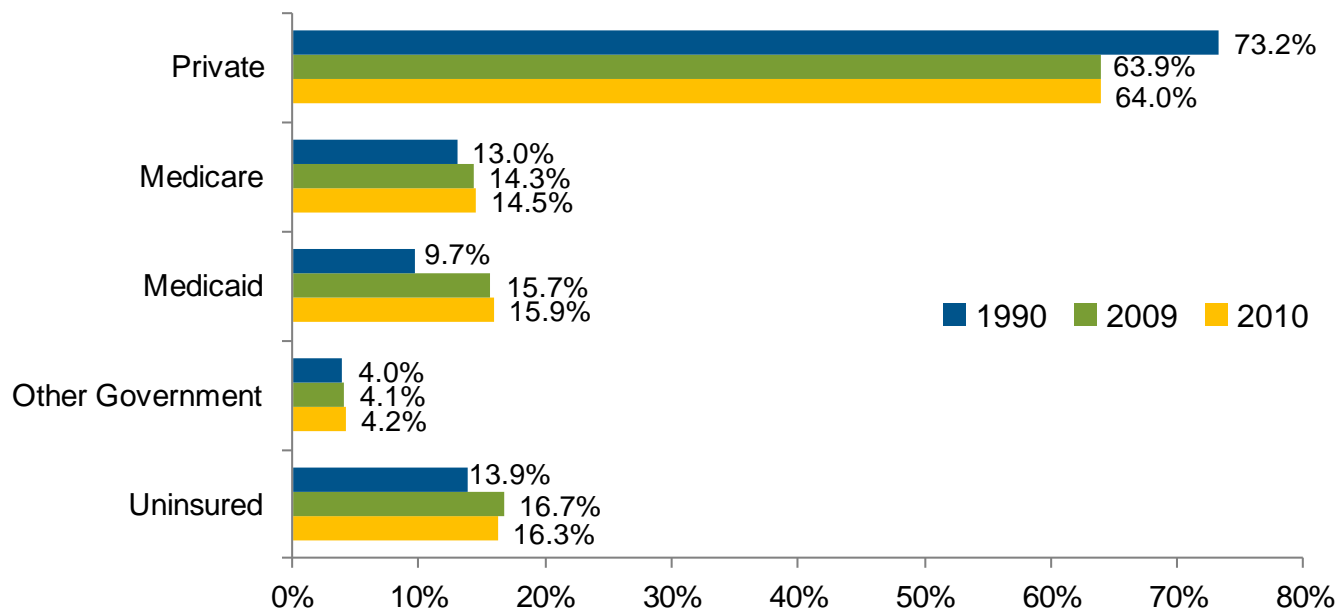
Chart 1.13: Distribution of National Health Expenditures by Source of Payment, 1980, 2000, and 2010⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

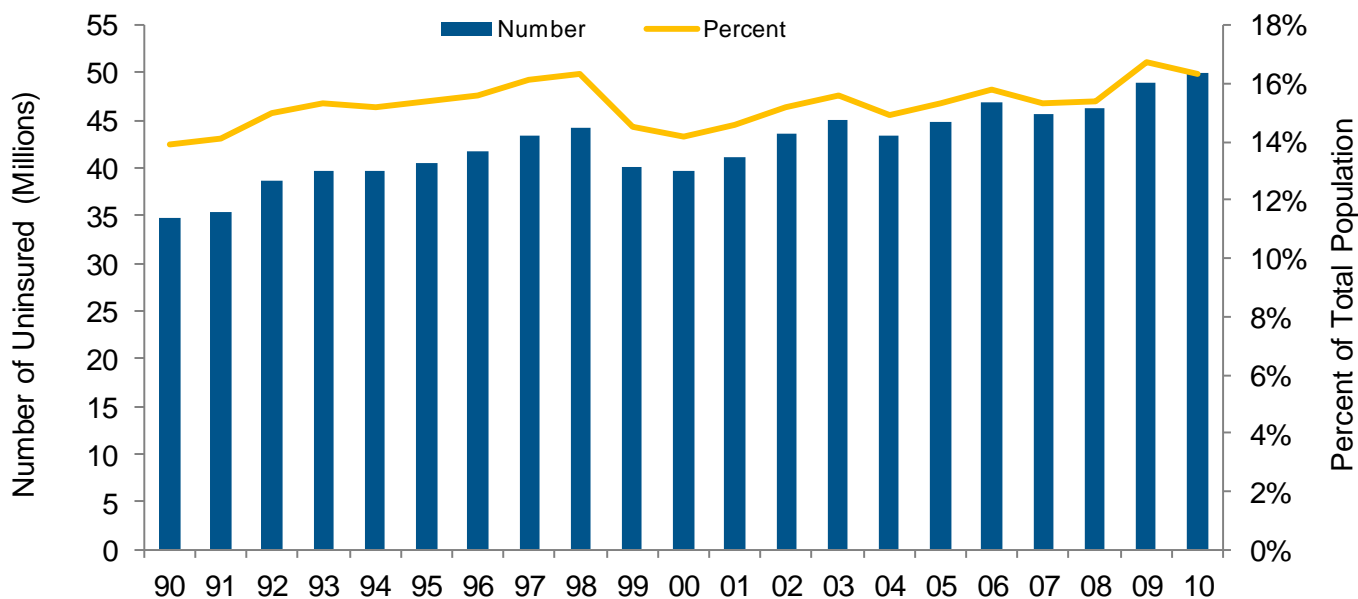
⁽¹⁾ CMS completed a benchmark revision in 2009, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see <http://www.cms.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.

Chart 1.14: Distribution of Health Insurance Coverage, Percentage of Population Covered by Payer, 1990, 2009, and 2010



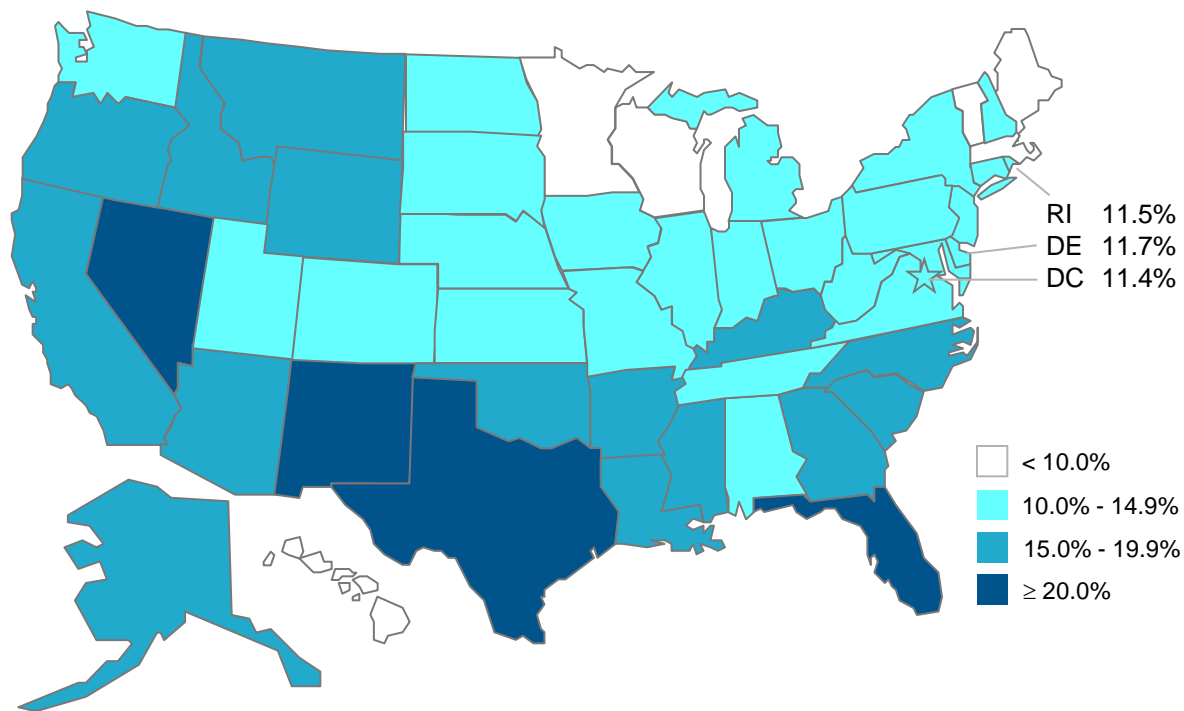
Source: US Census Bureau, Current Population Survey, 2011 Annual and Social Economic Supplement. Data released February 2011. Table HIB-4. Health Insurance Coverage Status and Type of Coverage by State All People: 1999 to 2010. Link: <http://www.census.gov/hhes/www/hlthins/data/historical/files/hihist4B.xls>.

Chart 1.15: Number and Percent Uninsured, 1990 – 2010



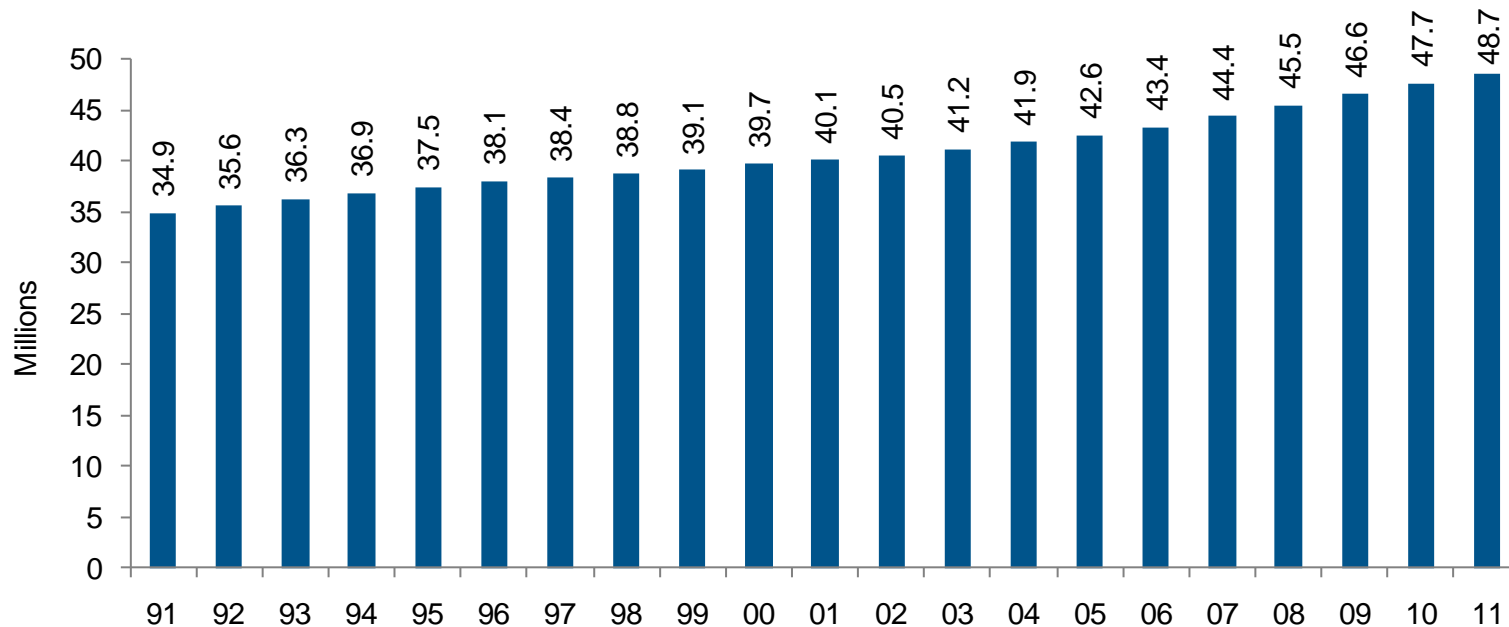
Source: US Census Bureau, Income, Poverty, and Health Insurance Coverage in the United States: 2010. Data released August 2011. Table 8. People Without Health Insurance Coverage by Selected Characteristics: 2009 and 2010.
Link: <http://www.census.gov/hhes/www/hlthins/data/incpovhlth/2010/table8.pdf>.

Chart 1.16: Average Percent Uninsured by State, 2008 – 2010



Source: US Census Bureau, Income, Poverty, and Health Insurance Coverage in the United States: 2010. Data released August 2011. Link: <http://www.census.gov/hhes/www/hlthins/data/incpovhlth/2010/state.xls>.

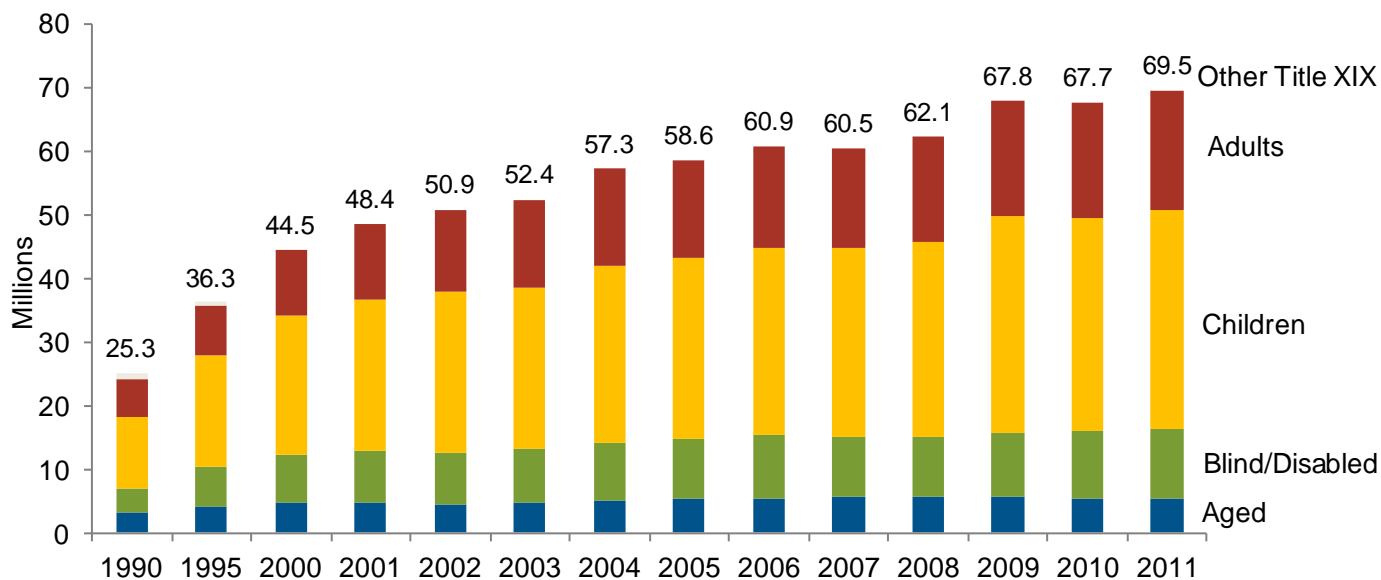
Chart 1.17: Medicare Enrollees,⁽¹⁾ 1991 – 2011



Source: Centers for Medicare & Medicaid Services. Medicare Enrollment: National Trends, 1966 – 2005; Medicare Aged and Disabled Enrollees by Type of Coverage. CMS, Office of the Actuary. Email correspondence with CMS staff (for years 2001 – 2011).

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

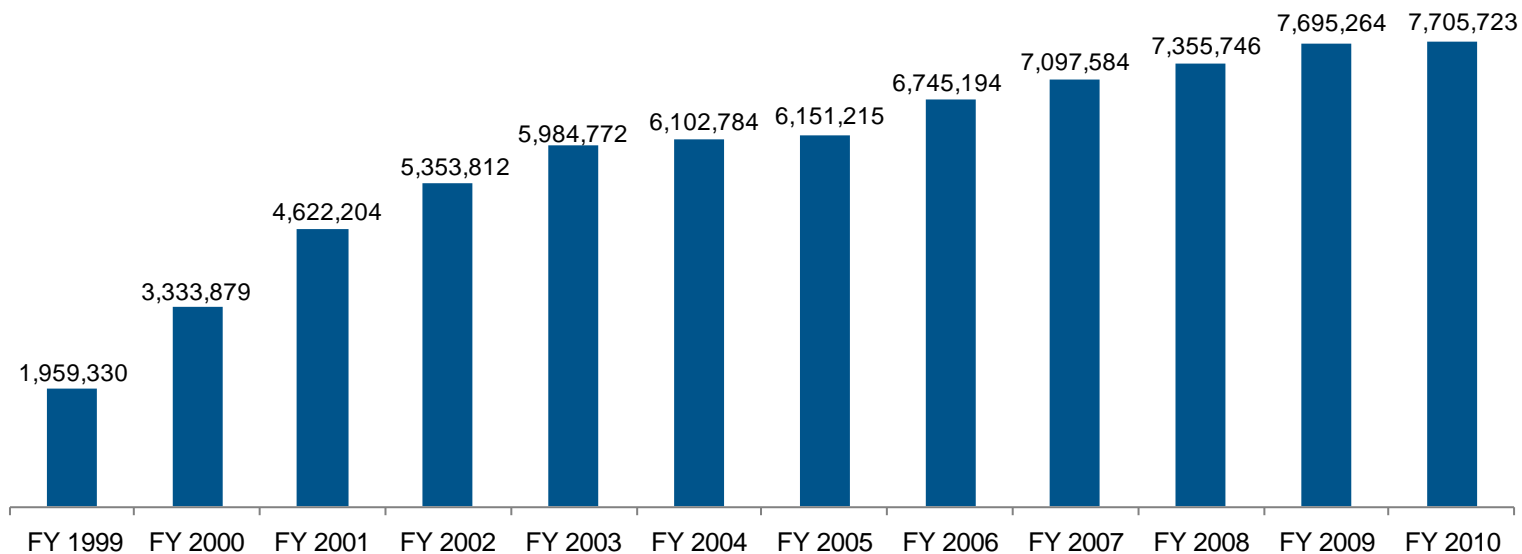
Chart 1.18: Medicaid Enrollees,⁽¹⁾ 1990, 1995, 2000 – 2011



Source: Congressional Budget Office. Data released February 2011. Spending and Enrollment Detail for CBO's March 2011 Baseline: Medicaid. Link: <http://www.cbo.gov/budget/factsheets/2011b/medicaid.pdf>.

⁽¹⁾ Does not include CHIP Enrollees.

Chart 1.19: National CHIP Enrollment,^(1, 2) FY 1999 – FY 2010

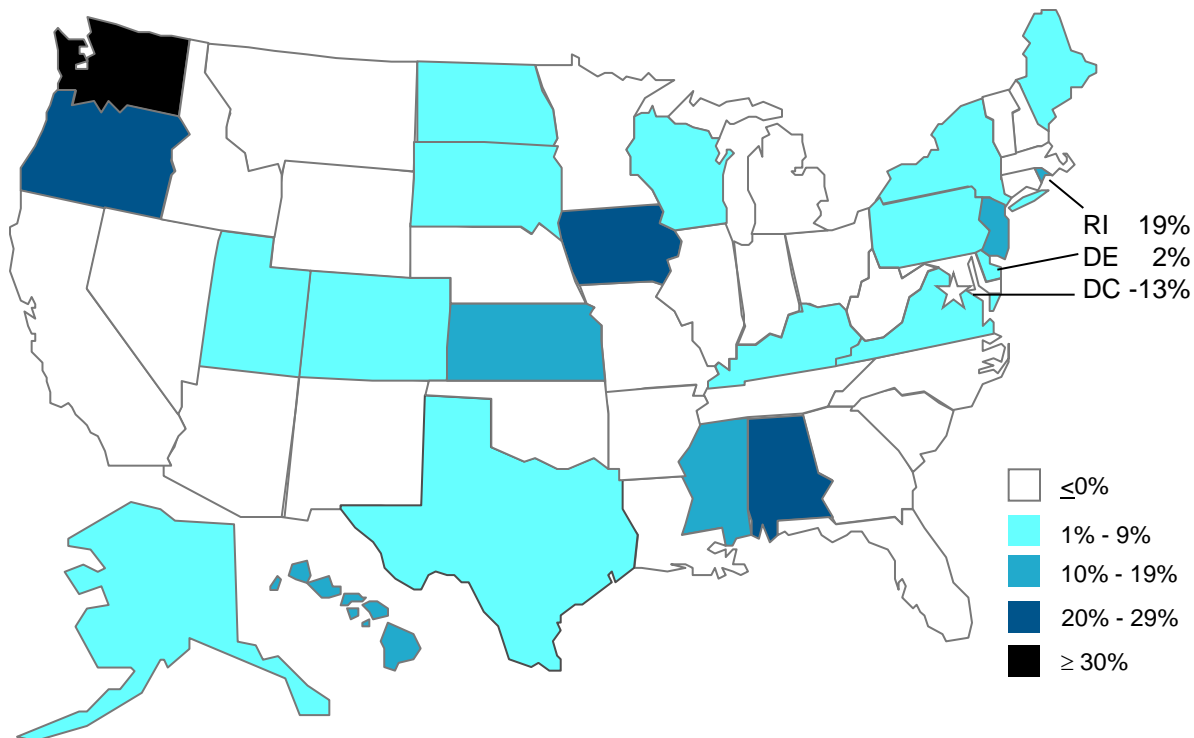


Source: Centers for Medicare & Medicaid Services. Data released February 2011. Number of Children Ever Enrolled by Program Type. Link: <http://www.cms.hhs.gov/NationalCHIPPolicy/downloads/CHIEverEnrolledYearGraph.pdf>.

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

(2) 2009 figure reflects revised data released by Centers for Medicare & Medicaid Services on February 1, 2011.

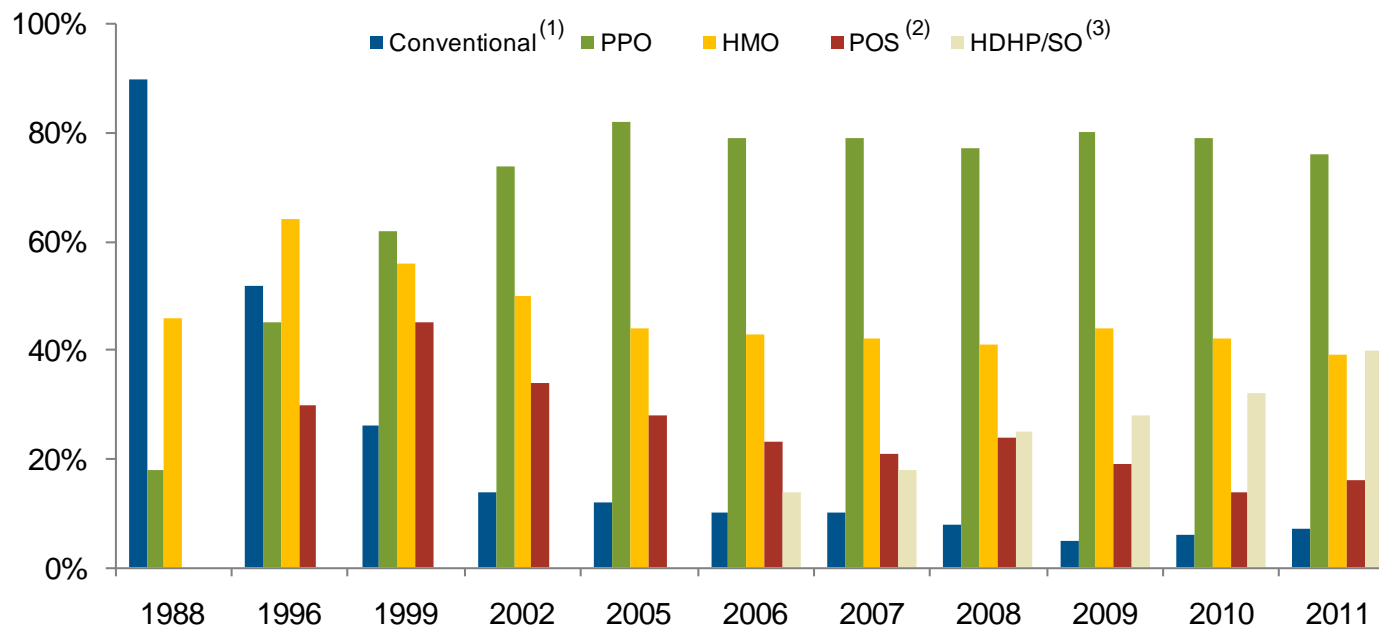
Chart 1.20: Percent Change in CHIP Enrollment by State, FY 2009 – FY 2010⁽¹⁾



Source: Centers for Medicare & Medicaid Services. Data released February 2011. Number of Children Ever Enrolled by Program Type. Link: http://www.cms.gov/NationalCHIPPolicy/downloads/FY2010StateCHIPTotalTable_020111_FINAL.pdf.

⁽¹⁾ 2009 figure reflects revised data released by Centers for Medicare & Medicaid Services on February 1, 2011.

Chart 1.21: Percentage of Employees with Employer-based Coverage Who Can Choose Conventional, PPO, HMO, POS, and HDHP/SO Plans, 1988 – 2011



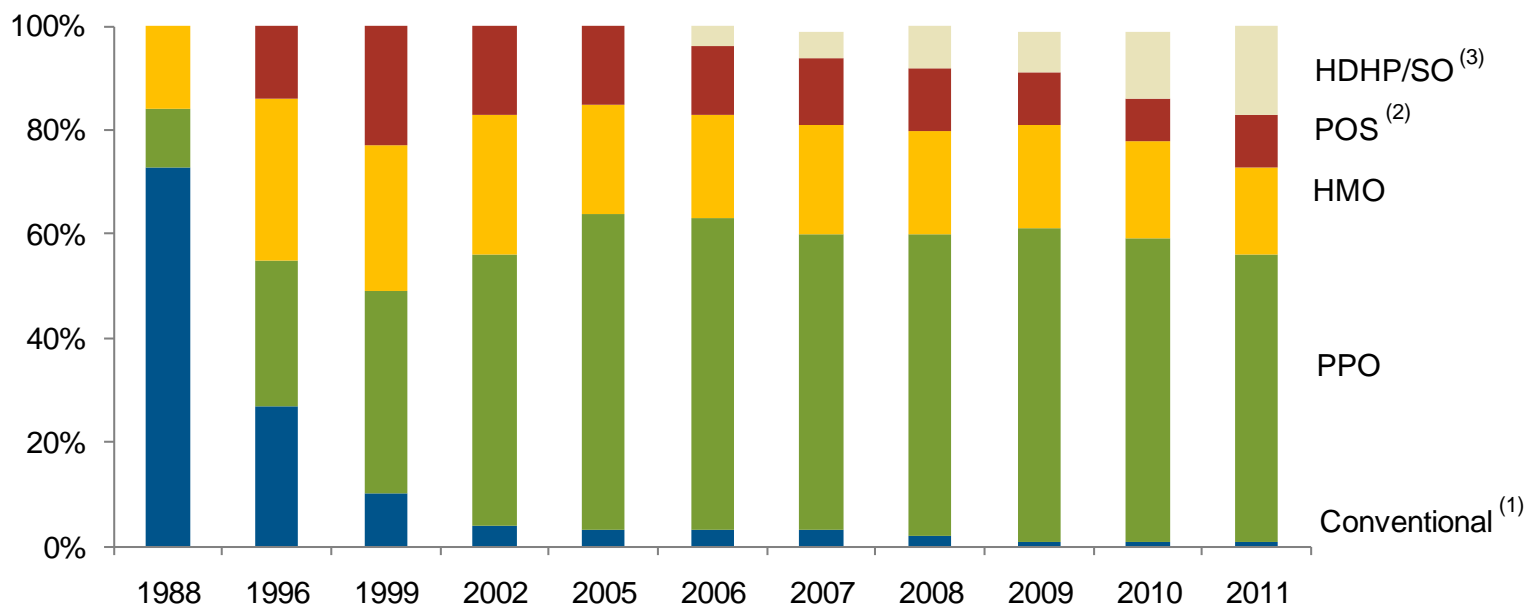
Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2011. Employer Health Benefits: 1999, 2002, 2005, 2006, 2007, 2008, 2009, 2010, 2011. Link: <http://ehbs.kff.org/pdf/2011/8225.pdf>. KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1996.

(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 – 2011



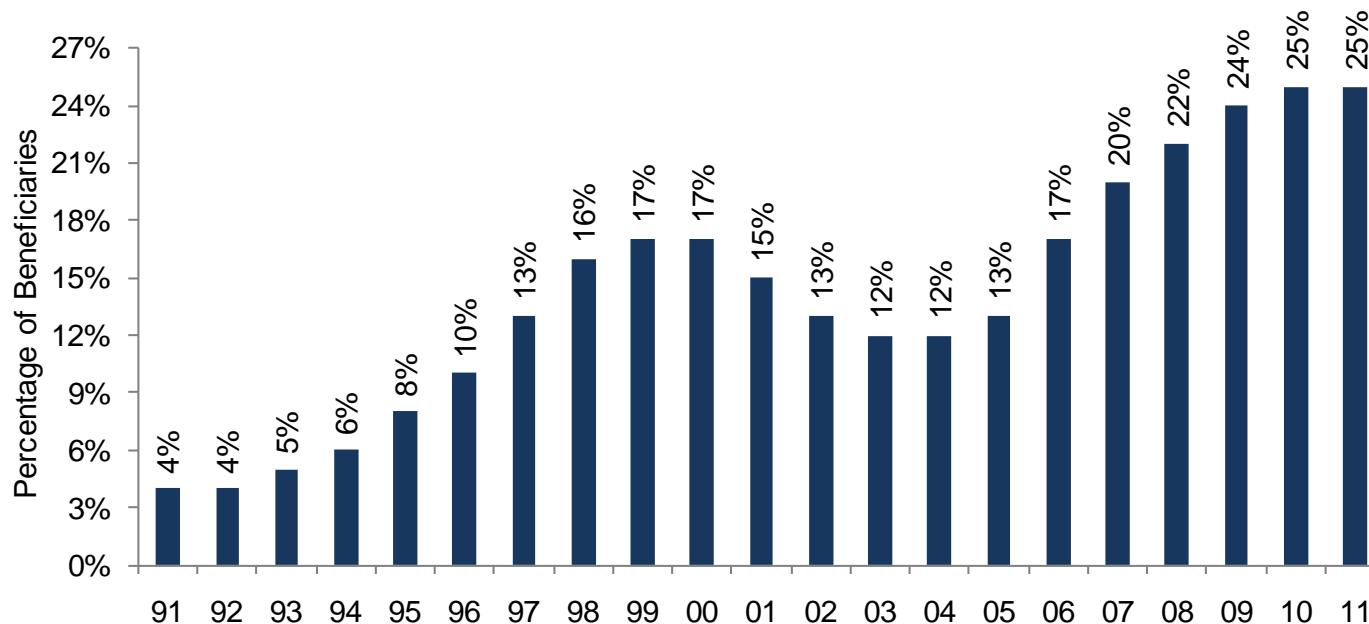
Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2011. Employer Health Benefits: 1999, 2002, 2005, 2006, 2007, 2008, 2009, 2010, 2011. Link: <http://ehbs.kff.org/pdf/2011/8225.pdf>. KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1996.

(1) Conventional plans refer to traditional indemnity plans.

(2) Point-of-service plans not separately identified in 1988.

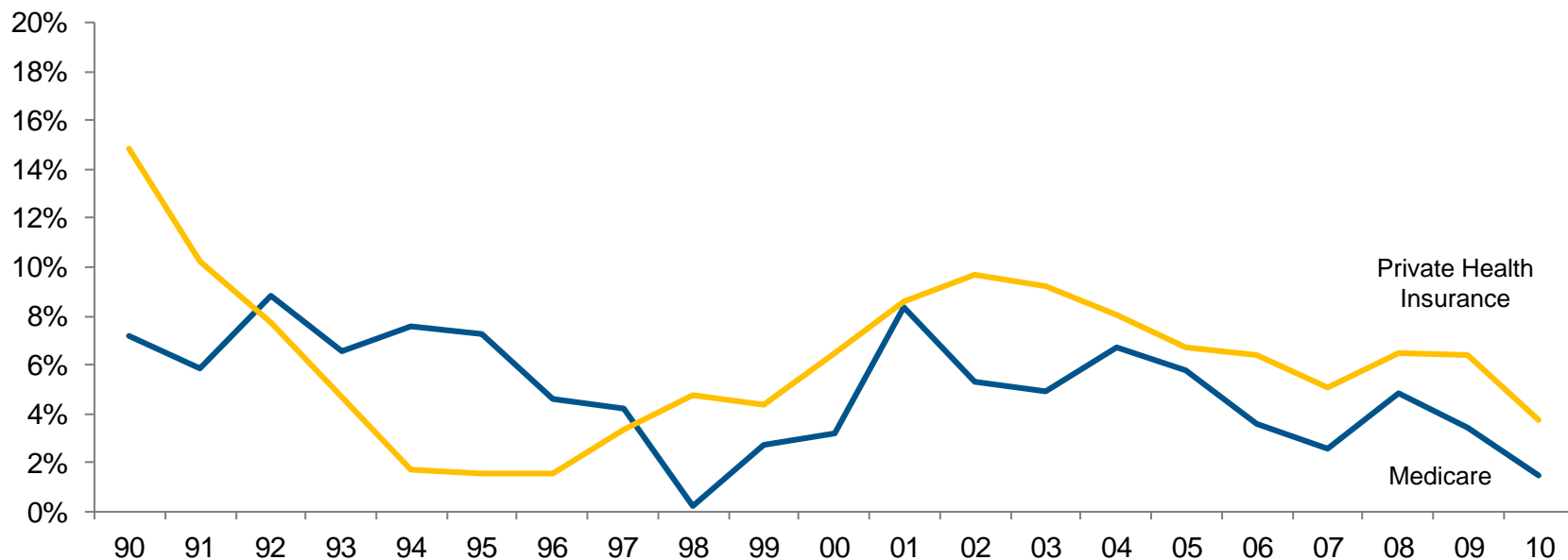
(3) In 2006, the survey began asking about HDHP/SO, high deductible health plans with a savings option.

Chart 1.23: Percentage of Medicare Beneficiaries Enrolled in Medicare Managed Care, 1991 – 2011



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Email correspondence with CMS staff in January 2012.

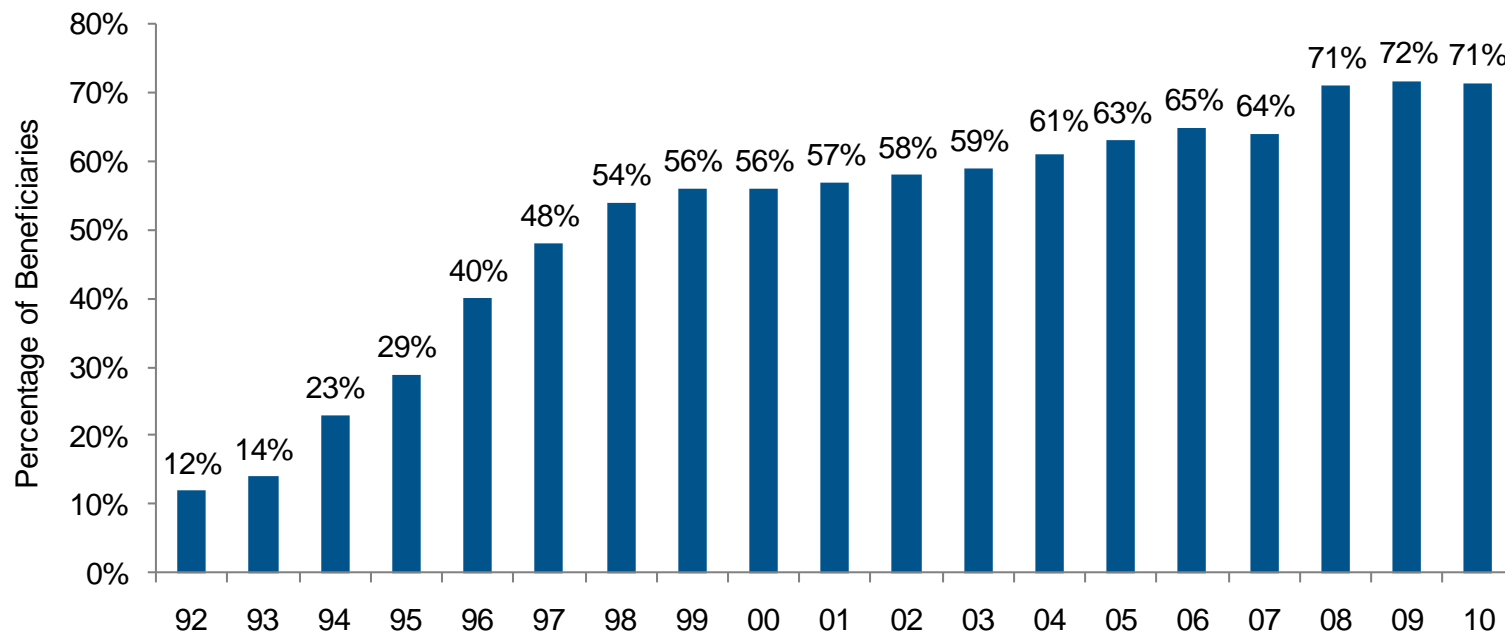
Chart 1.24: Percent Growth in Medicare Spending per Beneficiary vs. Private Health Insurance Spending per Enrollee, 1990 – 2010^(1,2)



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

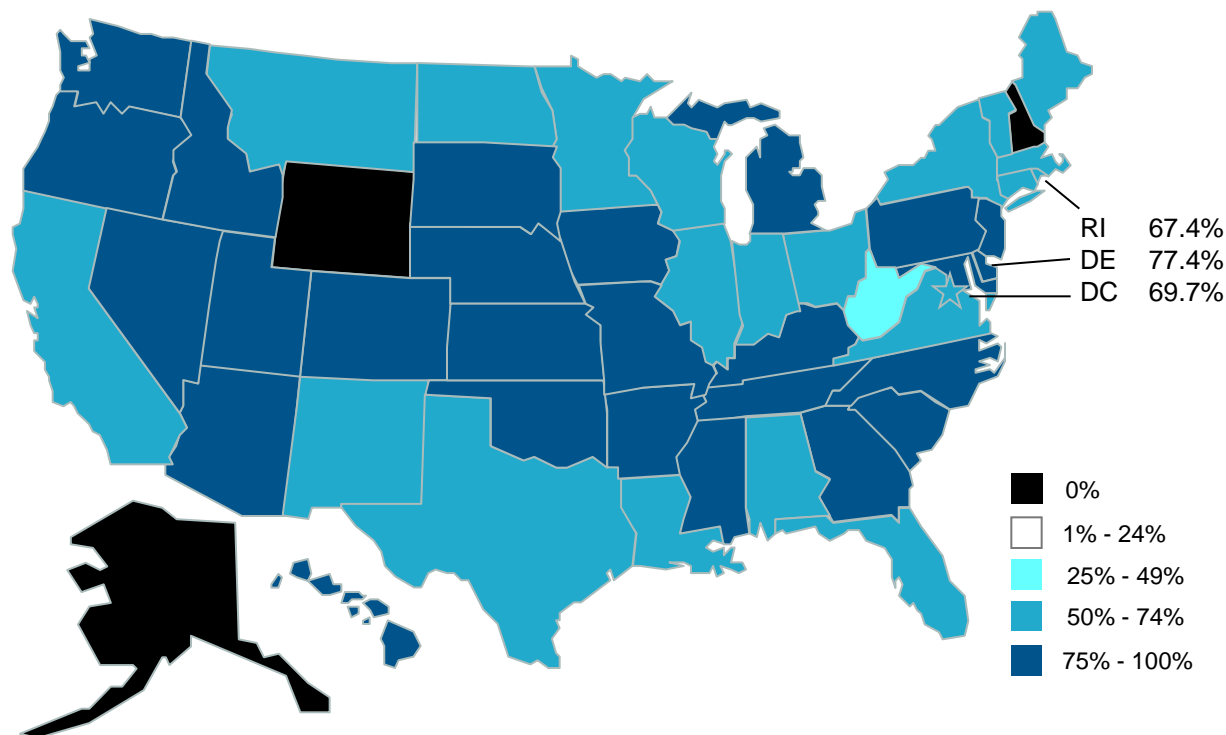
- (1) CMS completed a benchmark revision in 2009, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see <http://www.cms.hhs.gov/NationalHealthExpendData/downloads/tables.pdf>.
- (2) Data reflects spending on benefits commonly covered by Medicare and Private Health Insurance.

Chart 1.25: Percentage of Medicaid Beneficiaries Enrolled in Medicaid Managed Care, 1992 – 2010



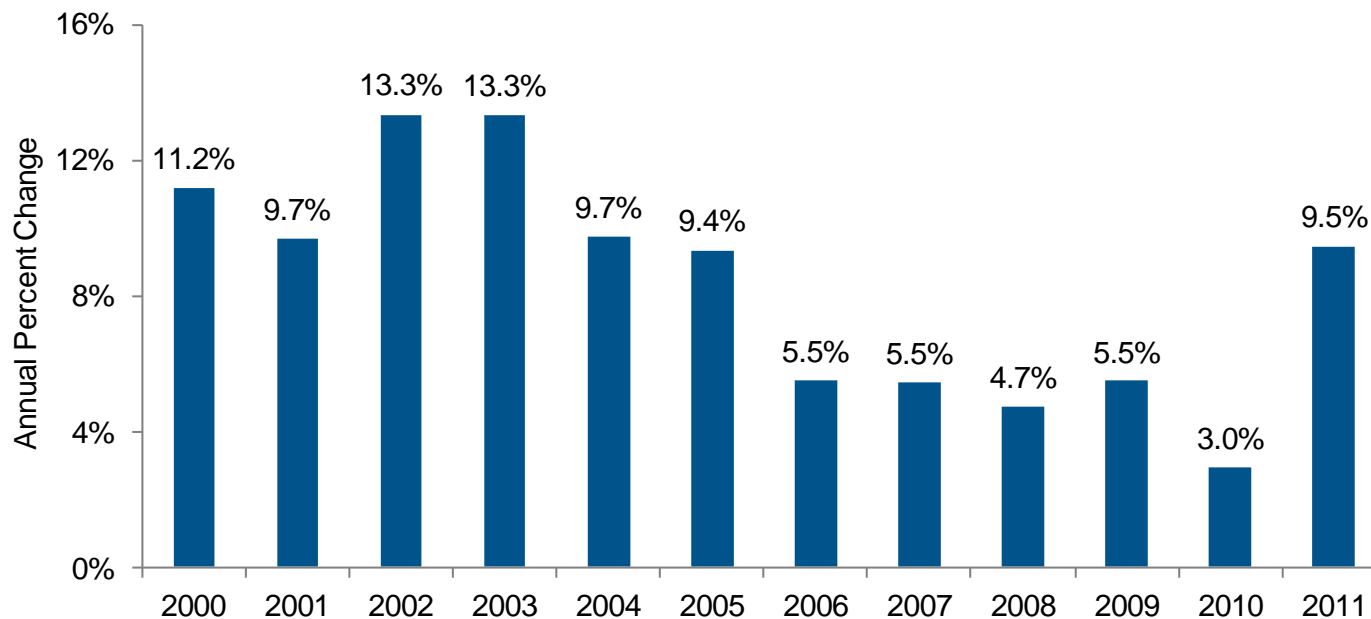
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Medicaid Managed Care Enrollment Report as of June 30, 2010.

Chart 1.26: Percentage of Medicaid Beneficiaries Enrolled in Medicaid Managed Care by State, 2010



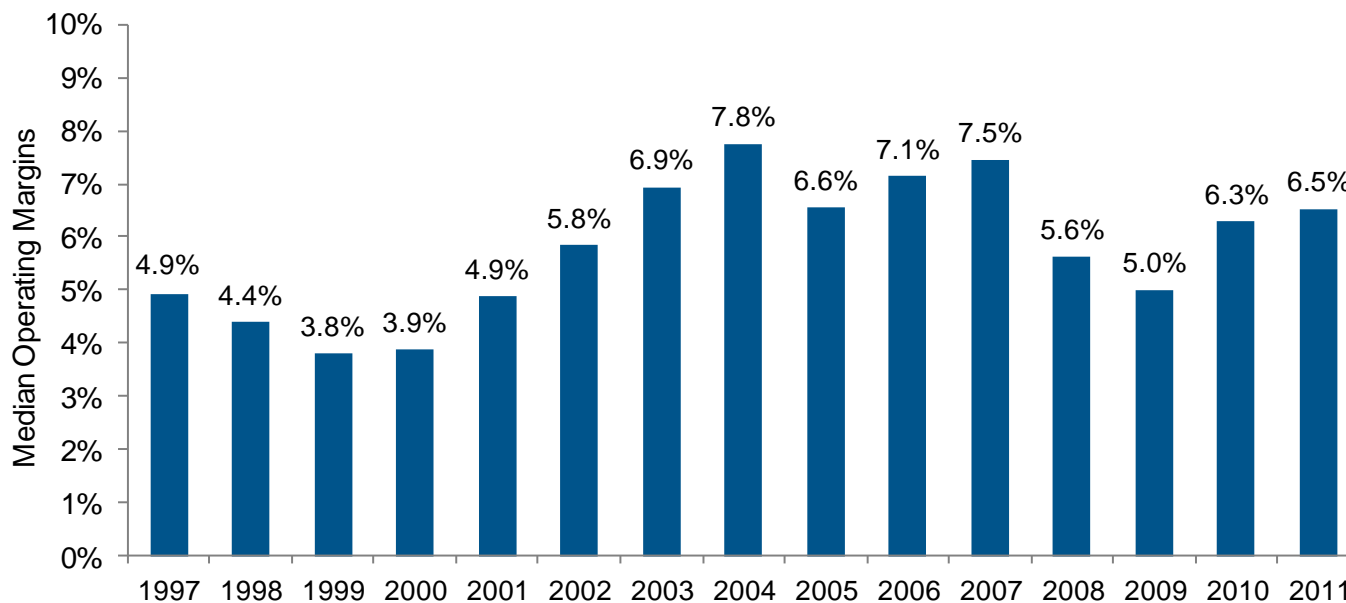
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Medicaid Managed Care Enrollment Report as of June 30, 2010.

Chart 1.27: Annual Change in Health Insurance Premiums, 2000 – 2011



Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2011.
Link: <http://ehbs.kff.org/pdf/2011/8225.pdf>.

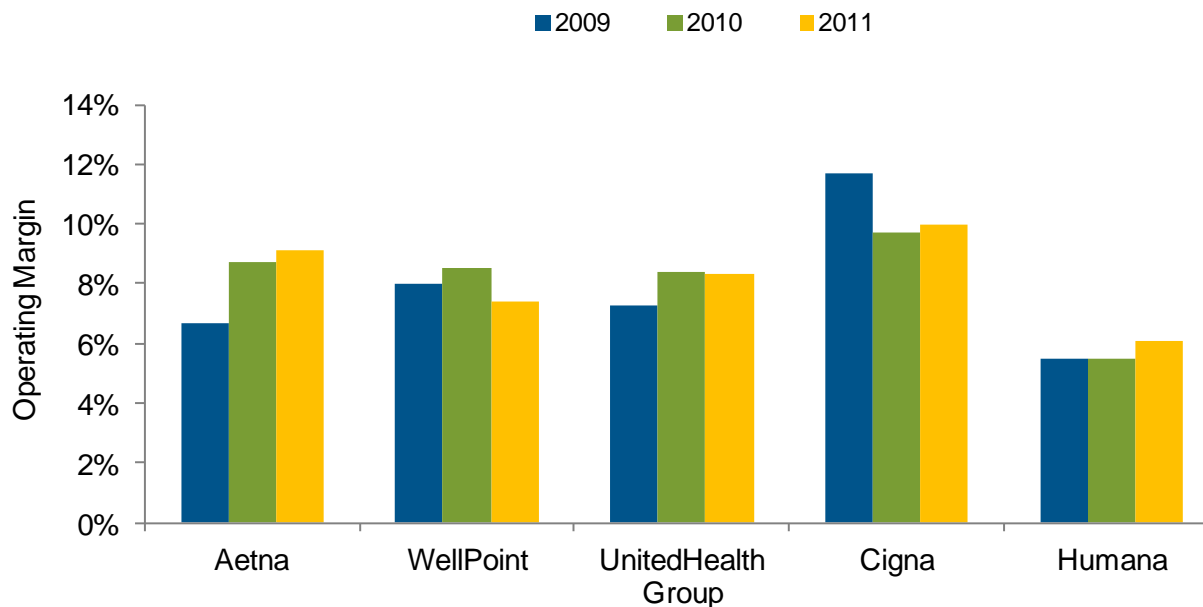
Chart 1.28: Managed Care Plan Median Operating Margins,⁽¹⁾ 1997 – 2011



Source: Company documents of publicly traded managed care plans.

⁽¹⁾ Represents earnings before interest and taxes over net revenues for the total service lines of the 11 largest publicly traded managed care plans.

Chart 1.29: Operating Margins of the Top Insurers, 2009 – 2011



Source: FactSet Research Systems Inc. Data for all years updated as of March 2012.
Data from Hoovers used in 2011 and earlier years' Chartbooks.