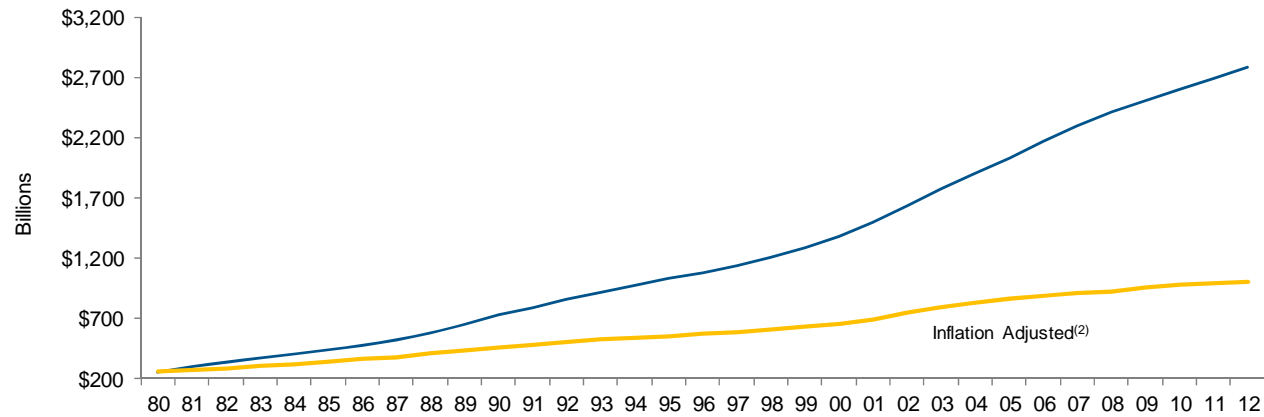




CHAPTER 1

Trends in the Overall
Health Care Market

Chart 1.1: Total National Health Expenditures, 1980 – 2012⁽¹⁾

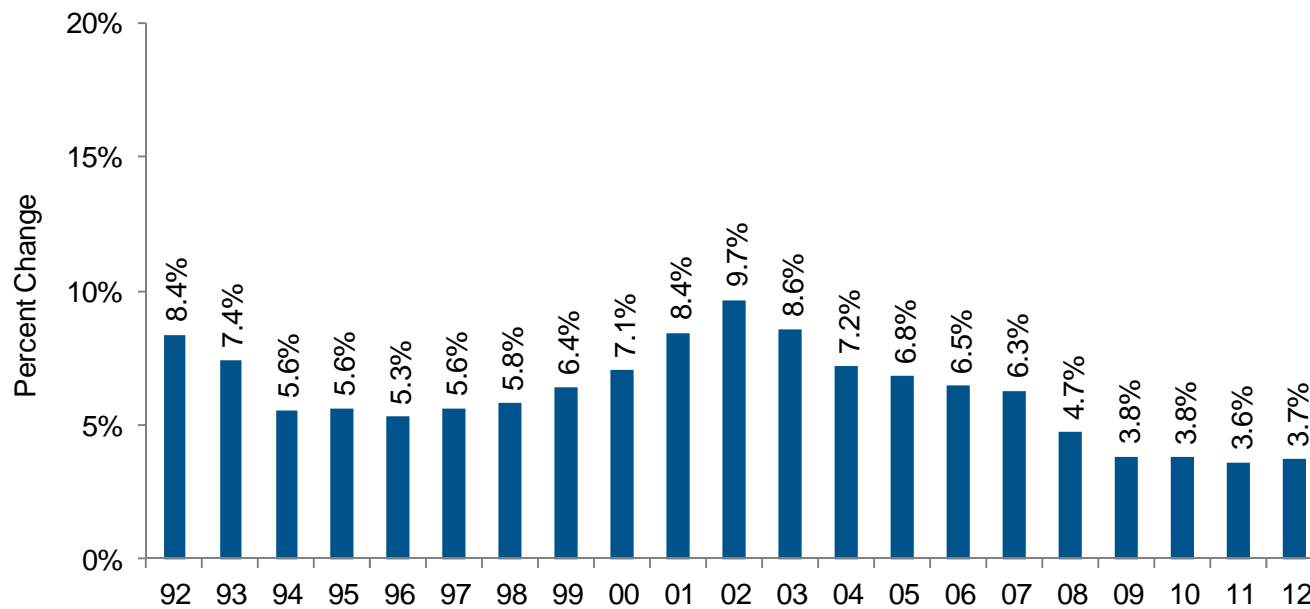


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

⁽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.

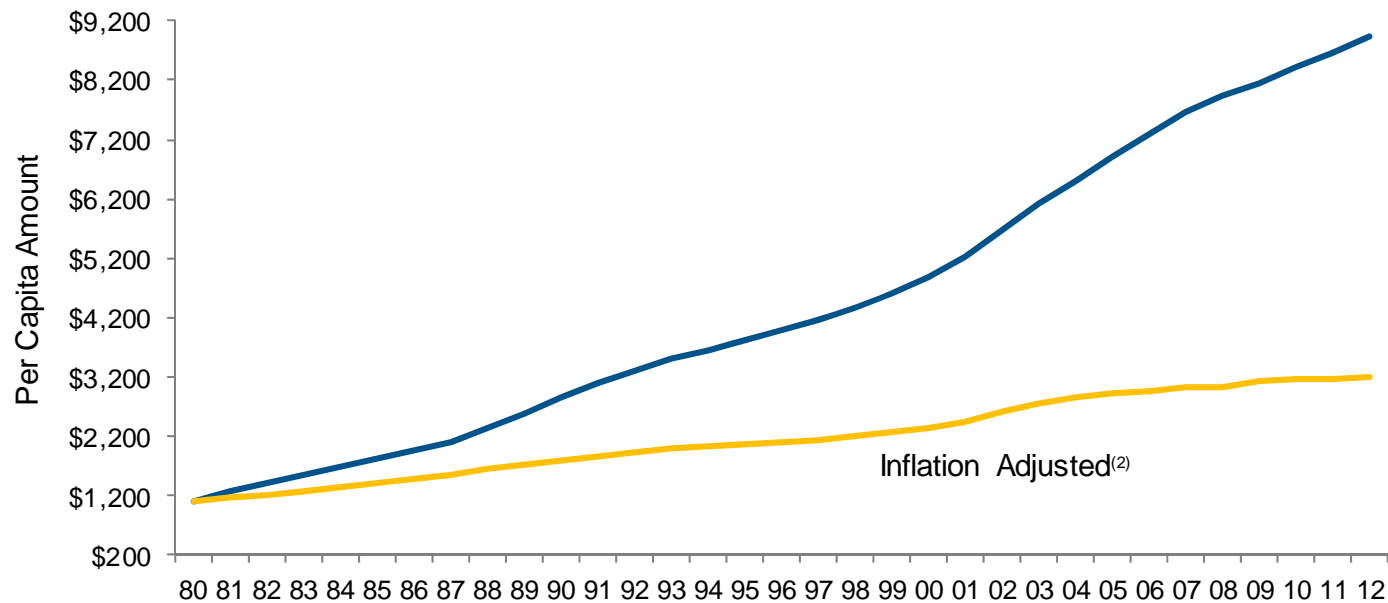
Chart 1.2: Percent Change in Total National Health Expenditures, 1992 – 2012⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

⁽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 – 2012⁽¹⁾

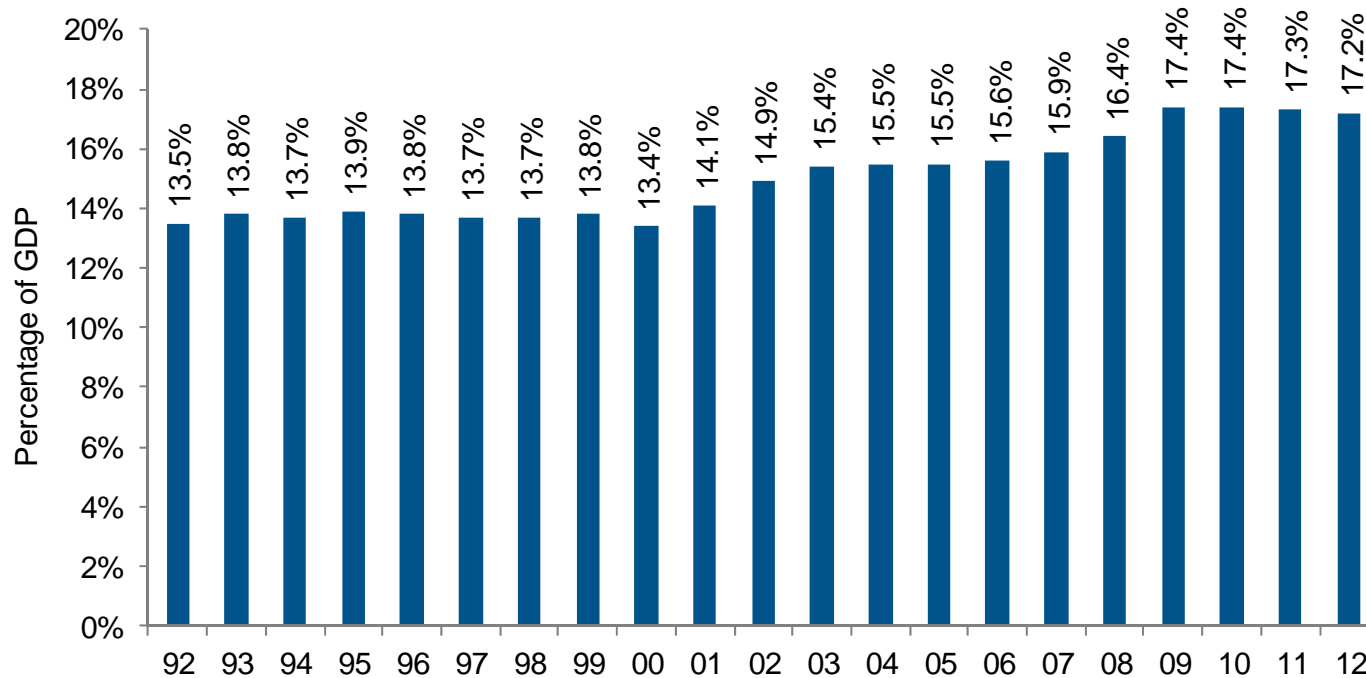


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

⁽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.

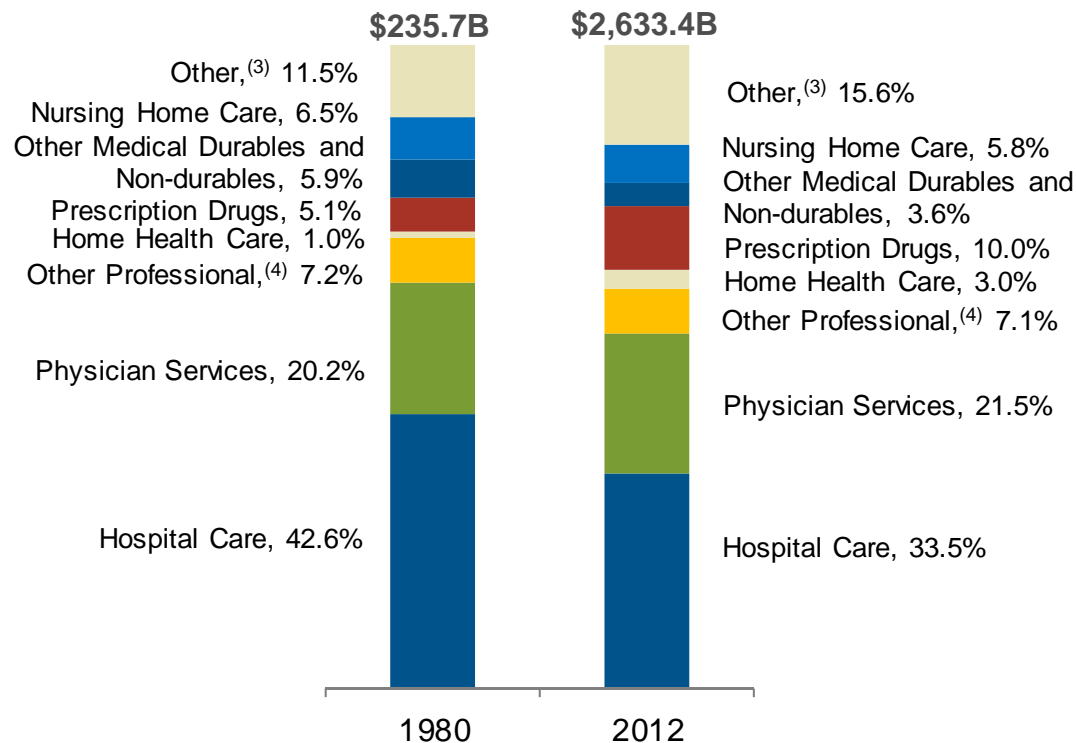
Chart 1.4: National Health Expenditures as a Percentage of Gross Domestic Product, 1992 – 2012⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

⁽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 2012⁽²⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

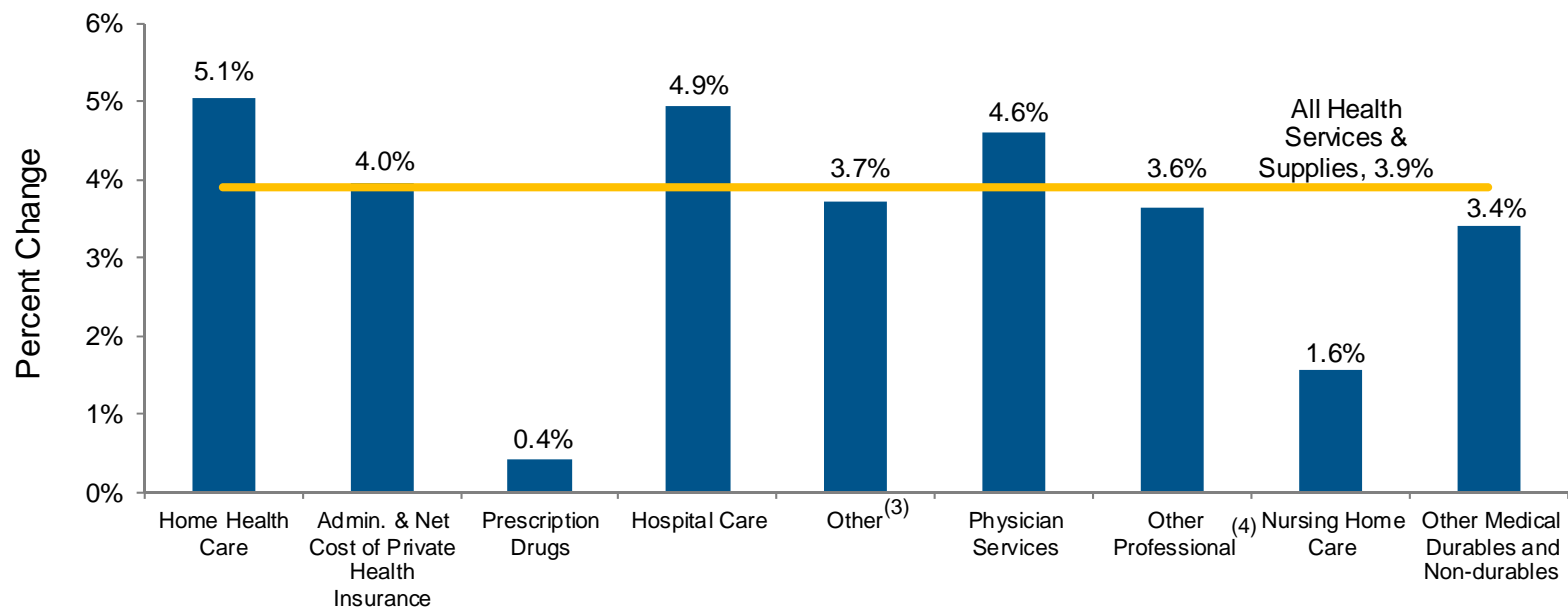
(1) Excludes medical research and medical facilities construction.

(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, 2011 – 2012⁽²⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

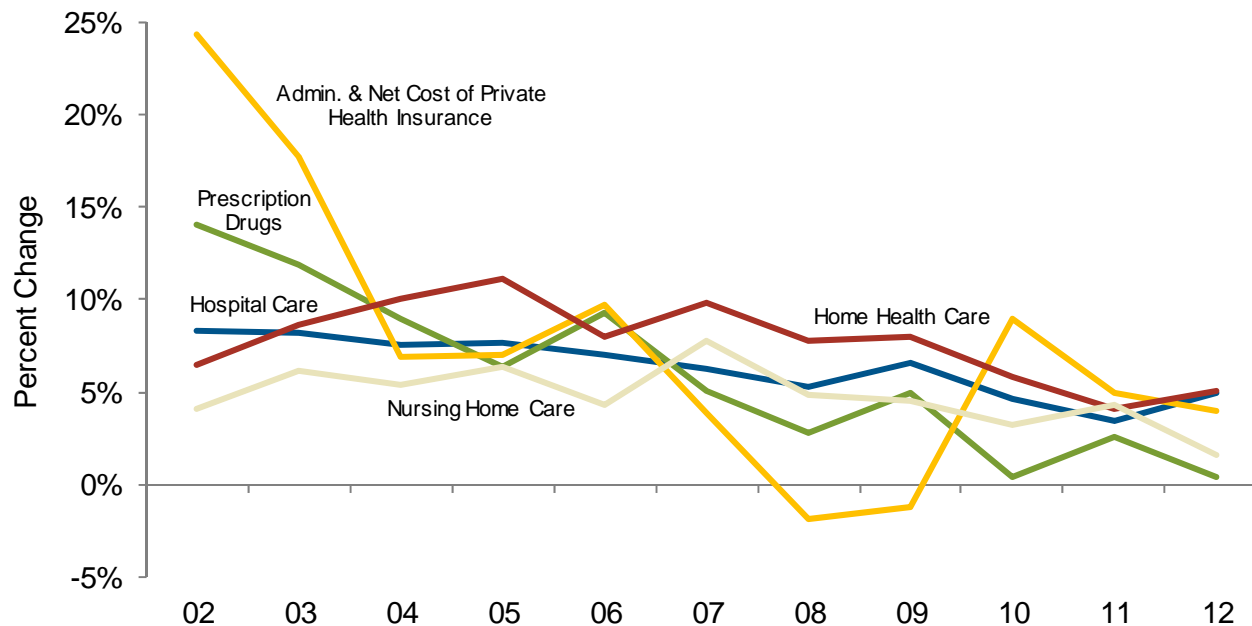
(1) Excludes medical research and medical facilities construction.

(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.

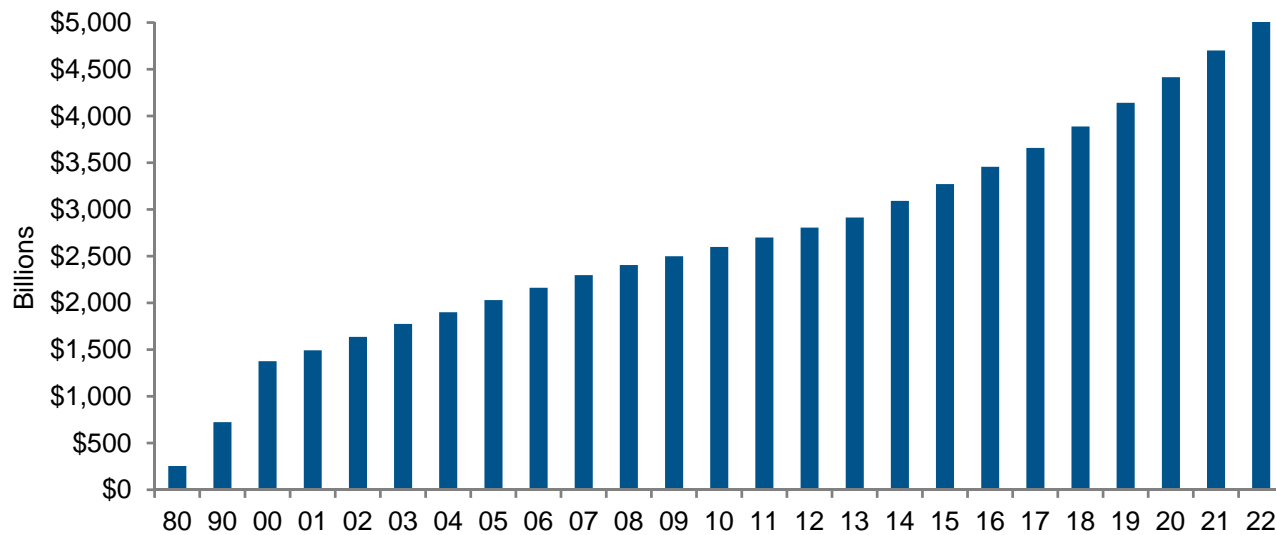
Chart 1.7: Percent Change in National Expenditures for Selected Health Services and Supplies, 2002 – 2012⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

⁽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 – 2022⁽²⁾

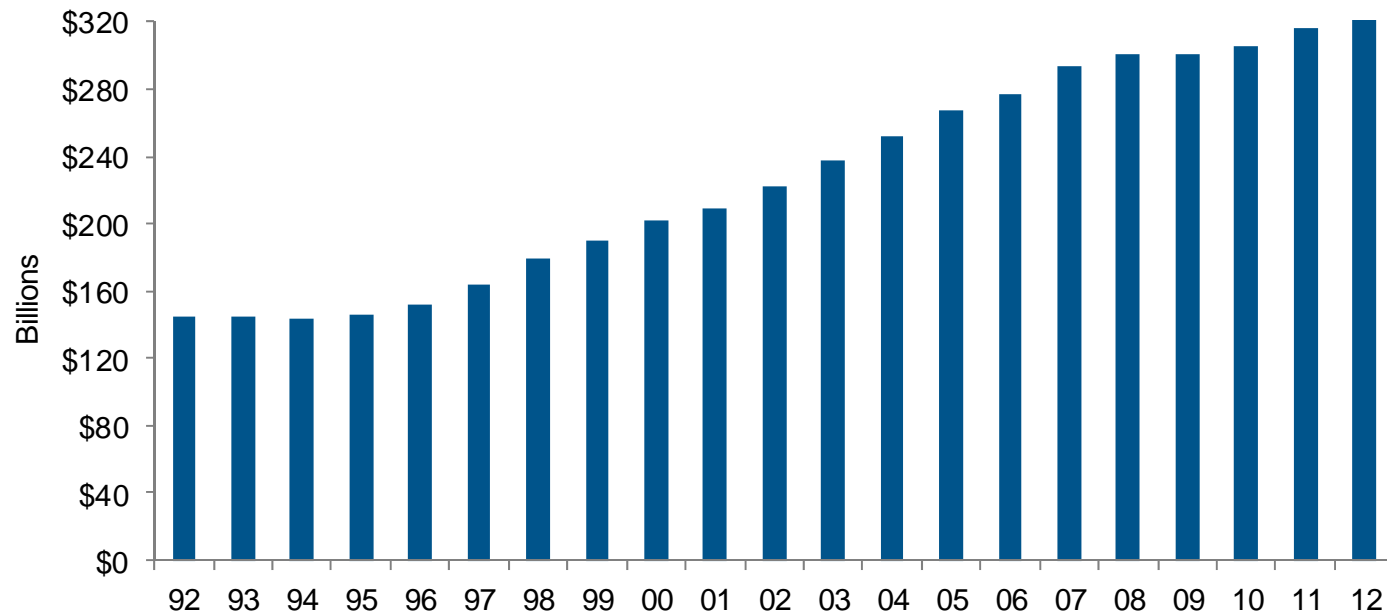


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released September 2013.

(1) Years 2012 – 2022 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>.

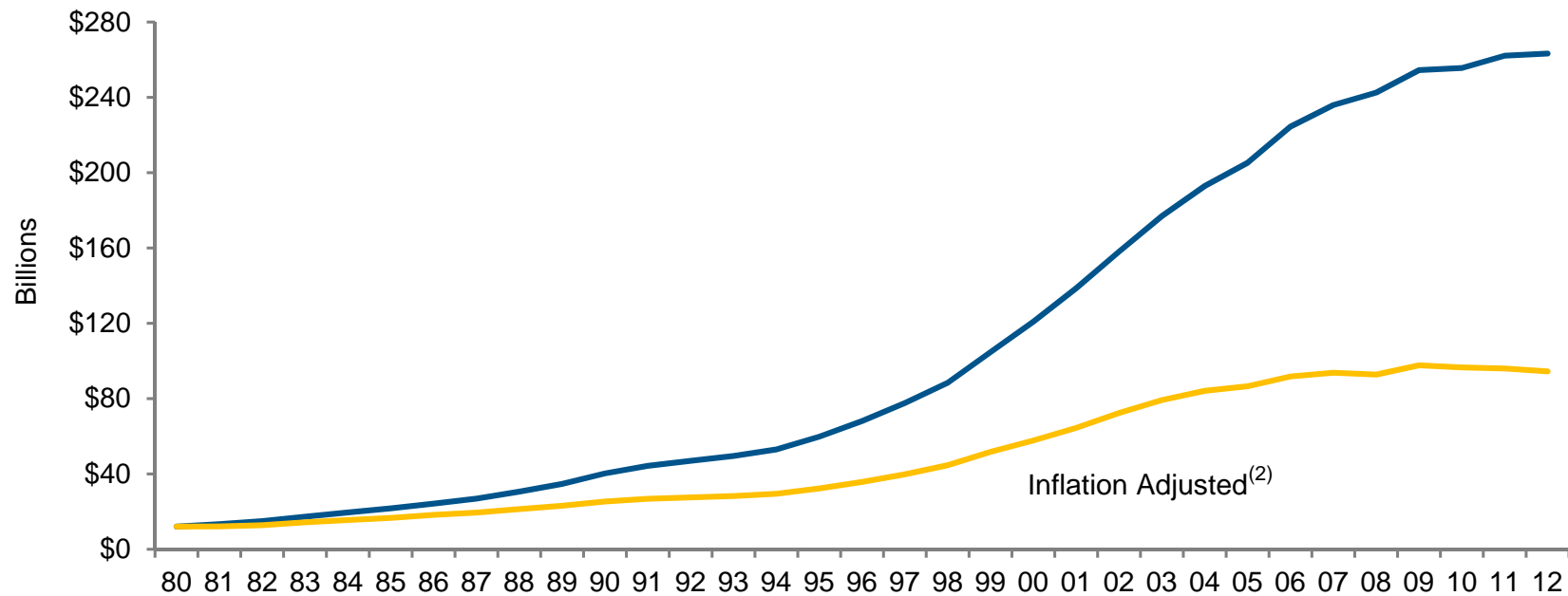
Chart 1.9: Consumer Out-of-pocket Payments for National Health Expenditures, 1992 – 2012⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

⁽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 – 2012⁽¹⁾

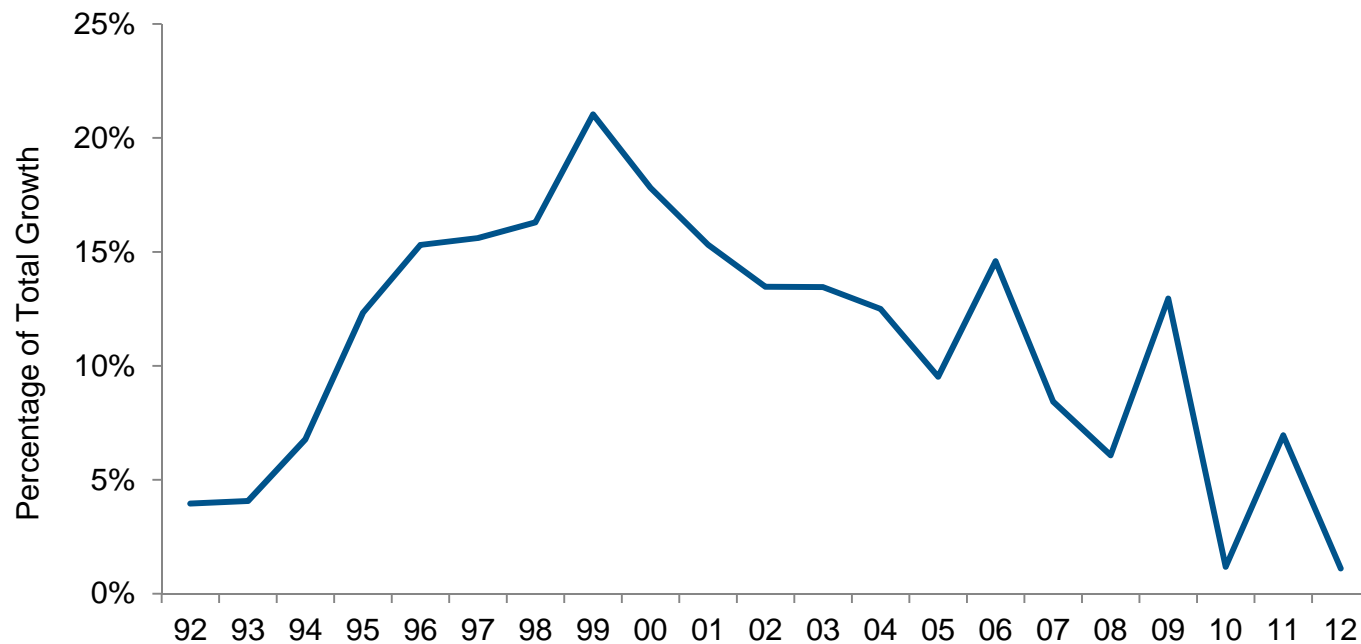


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

⁽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.

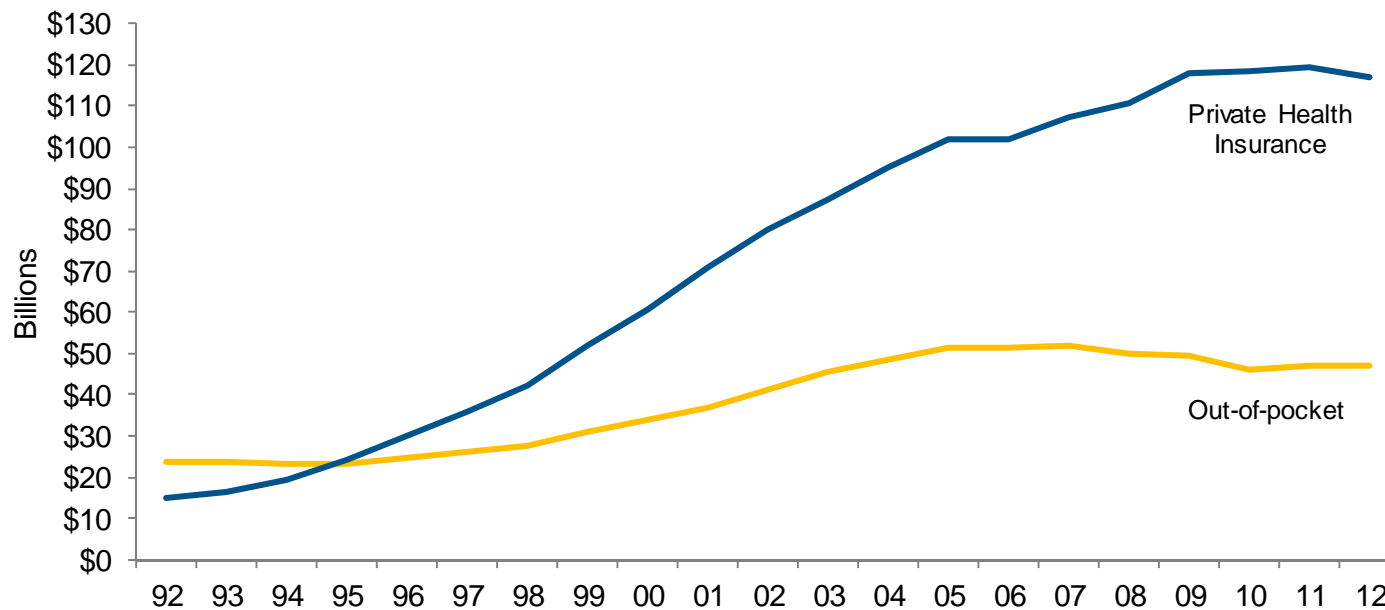
Chart 1.11: Growth in Total Prescription Drug Spending as a Percentage of Total Growth in National Health Expenditures, 1992 – 2012⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

⁽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>.

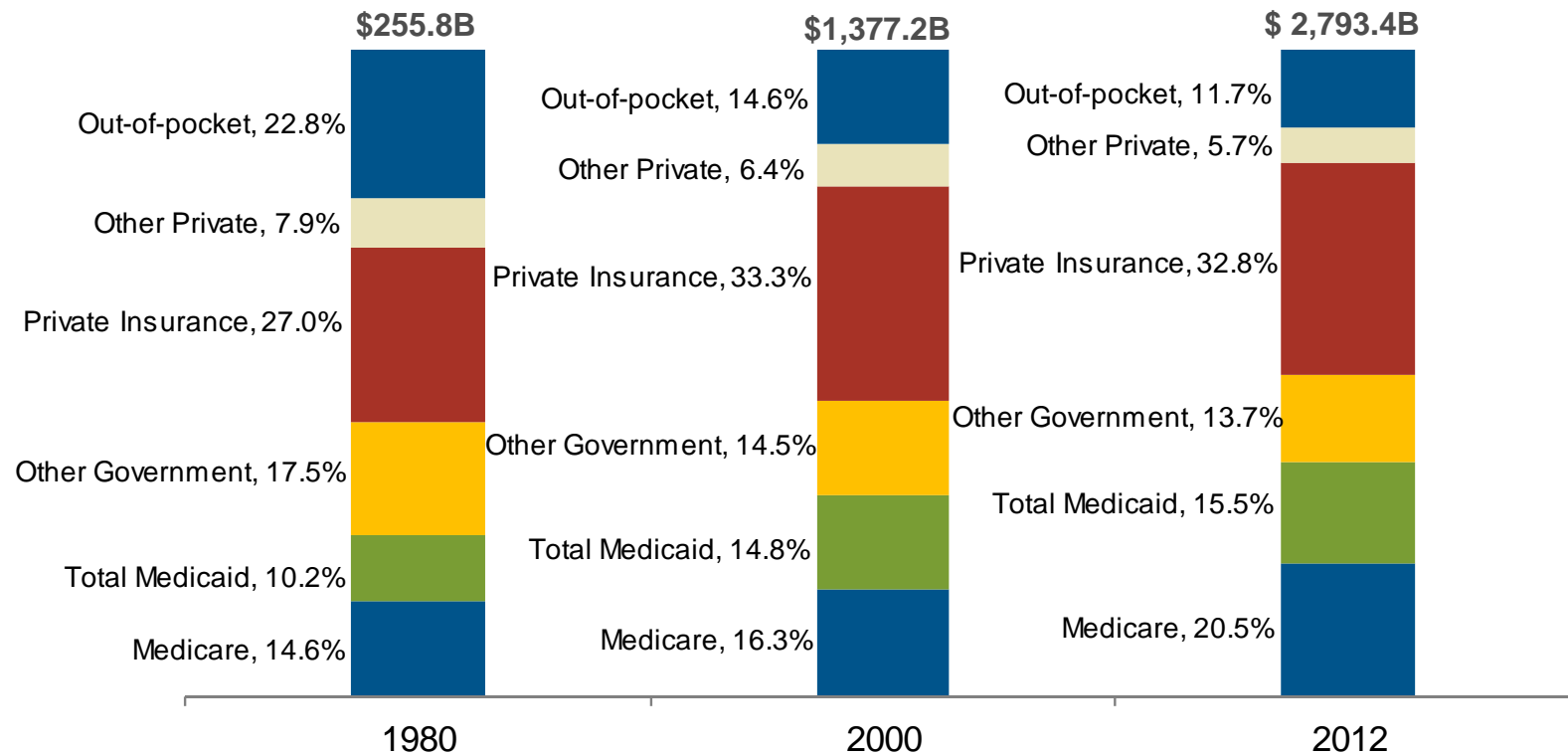
Chart 1.12: Consumer Out-of-pocket Spending vs. Private Health Insurance Spending for Prescription Drugs, 1992 – 2012⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

⁽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>.

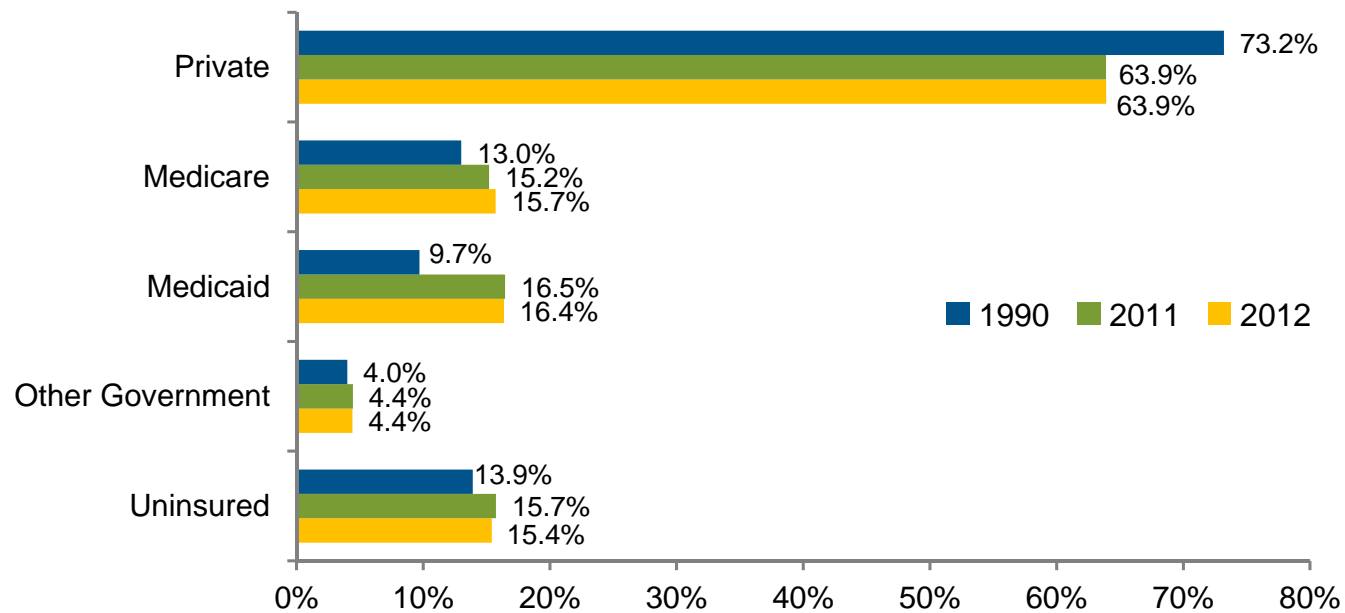
Chart 1.13: Distribution of National Health Expenditures by Source of Payment, 1980, 2000 and 2012⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

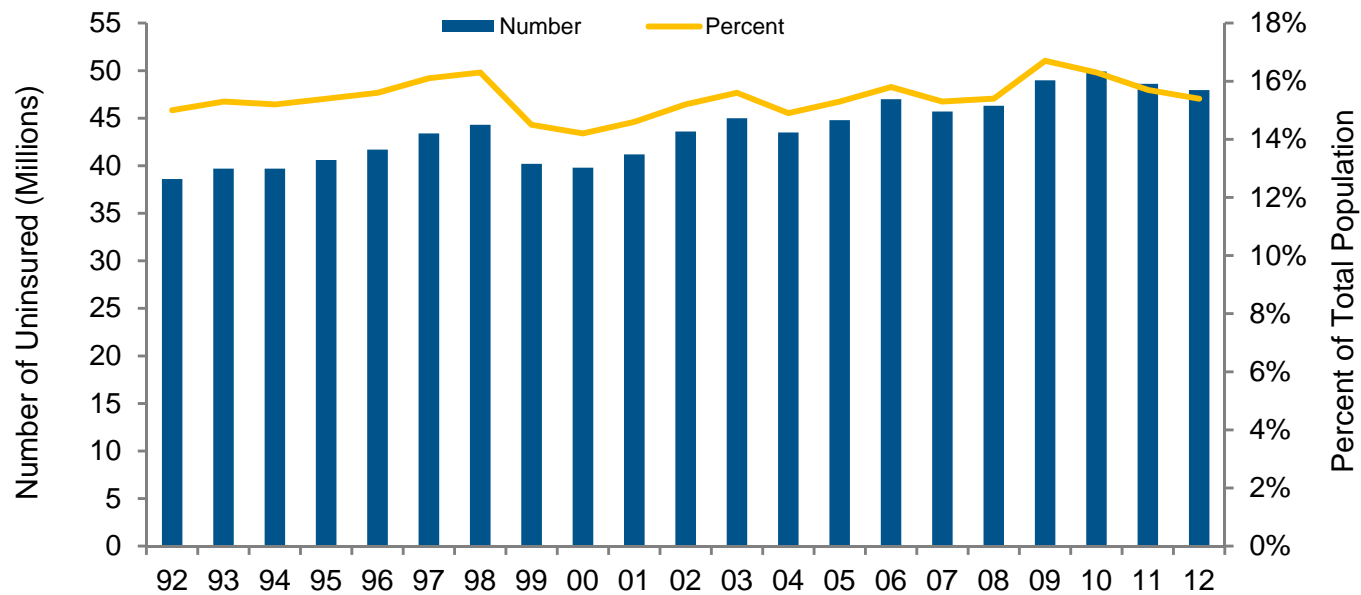
⁽¹⁾ CMS completed a benchmark revision in 2009, introducing changes in methods, definitions and source data that are applied to the entire time series (back to 1960). For more information on this revision, see <http://www.cms.gov/nationalhealthexpenddata/downloads/benchmark2009.pdf>.

Chart 1.14: Distribution of Health Insurance Coverage, Percentage of Population Covered by Payer, 1990, 2011, and 2012



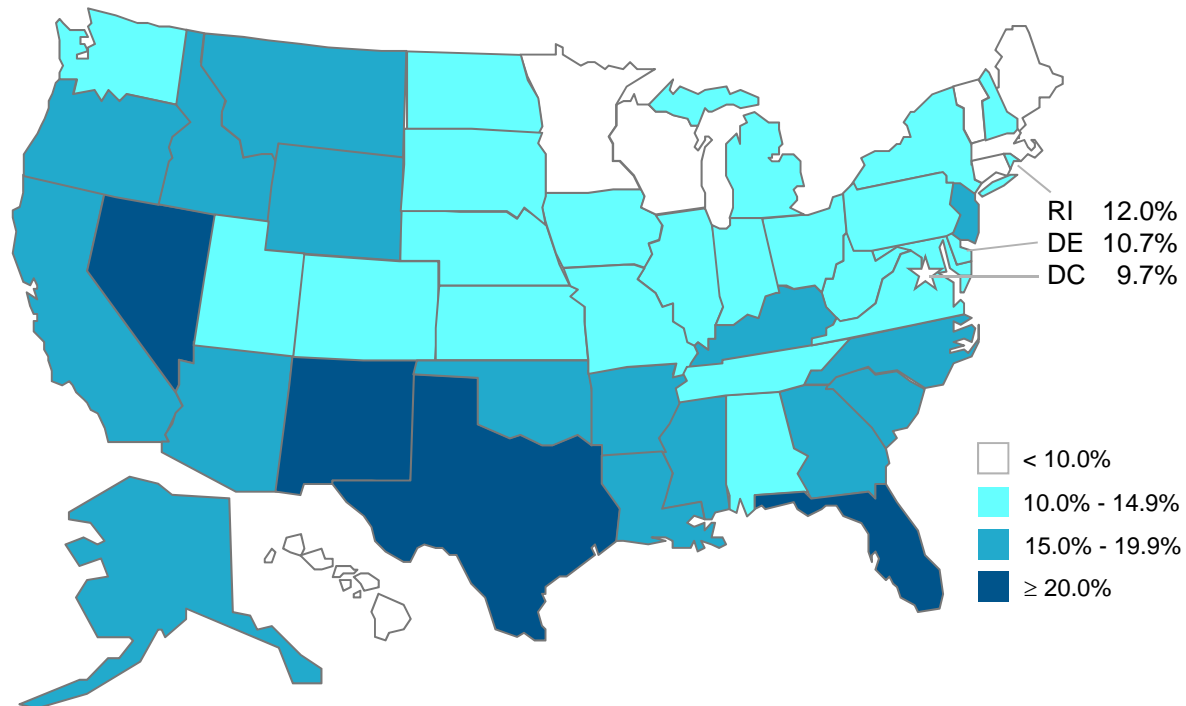
Source: US Census Bureau, Current Population Survey, 2012 Annual and Social Economic Supplement. Data released September 2013. Table HIB-4. Health Insurance Coverage Status and Type of Coverage by State All People: 1999 to 2012. Link: <http://www.census.gov/hhes/www/hlthins/data/historical/files/hihist4B.xls>.

Chart 1.15: Number and Percent Uninsured, 1992 – 2012



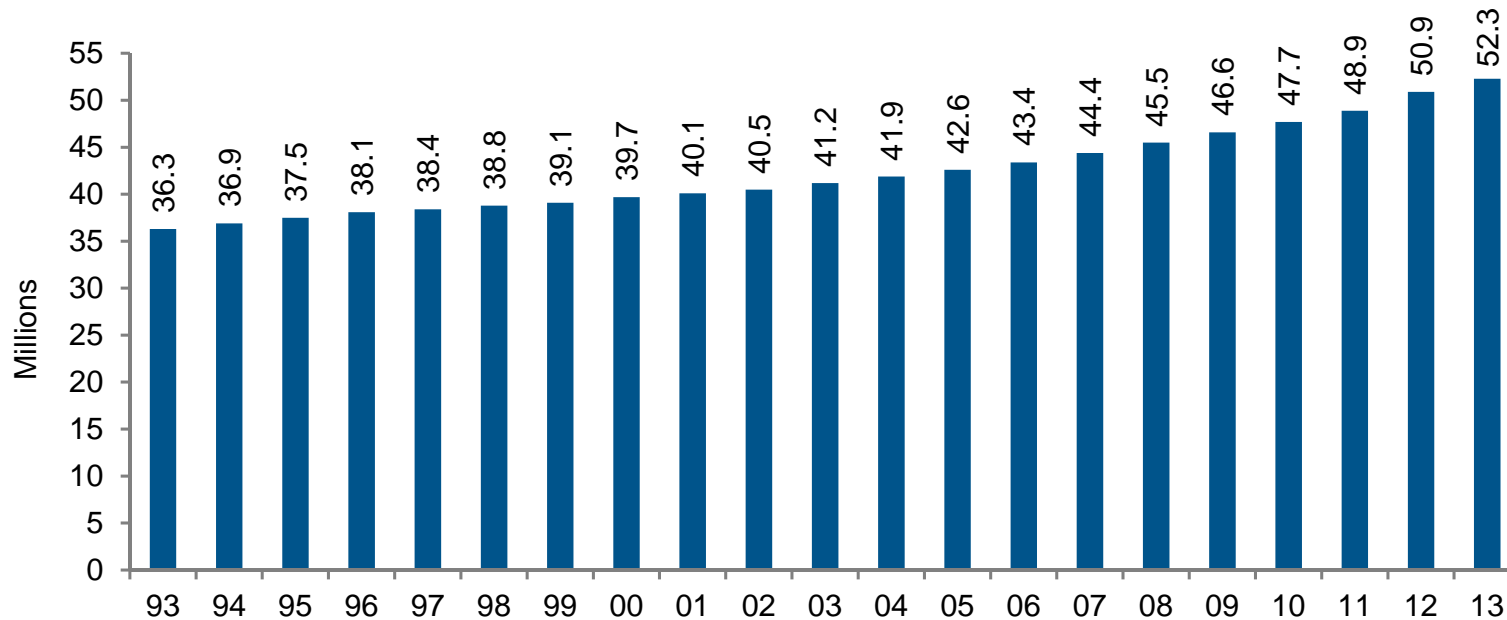
Source: US Census Bureau, Income, Poverty, and Health Insurance Coverage in the United States: 2012. Data released September 2013. Table 7. People Without Health Insurance Coverage by Selected Characteristics: 2011 and 2012.
Link: <http://www.census.gov/prod/2013pubs/p60-245.pdf>.

Chart 1.16: Average Percent Uninsured by State, 2010 – 2012



Source: US Census Bureau, Income, Poverty, and Health Insurance Coverage in the United States: 2012. Data released September 2013. Link: <http://www.census.gov/hhes/www/hlthins/data/incpovhlth/2012/state.xls>.

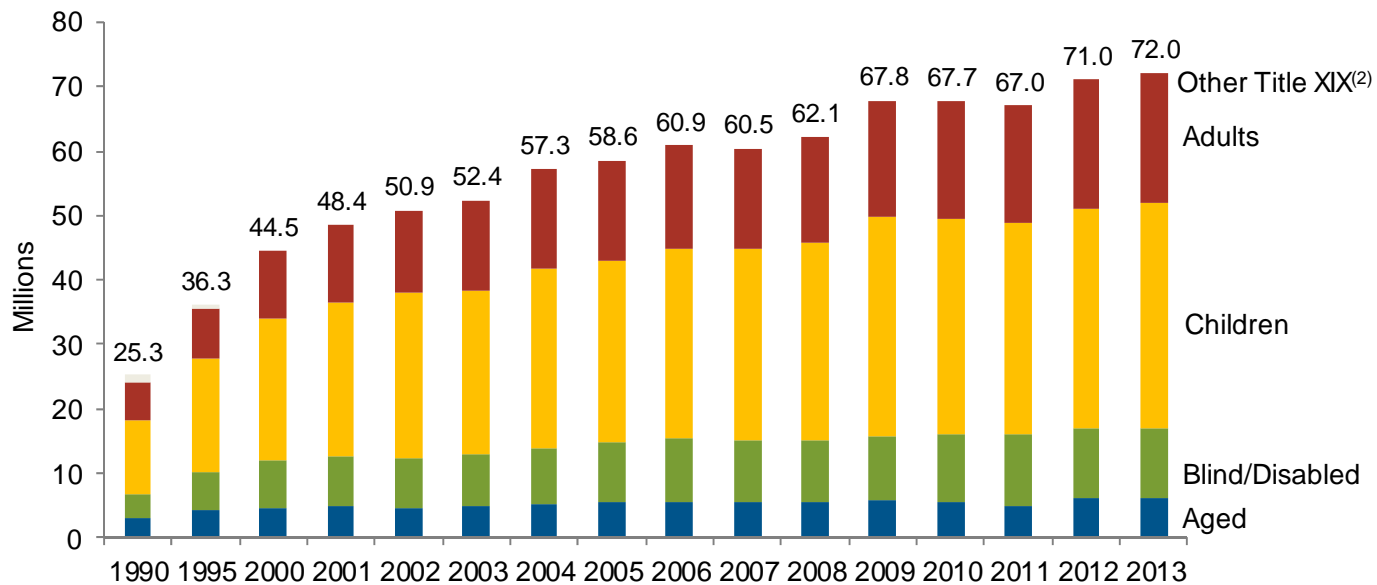
Chart 1.17: Medicare Enrollees,⁽¹⁾ 1993 – 2013



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 – 2013).

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

Chart 1.18: Medicaid Enrollees,⁽¹⁾ 1990, 1995, 2000 – 2013

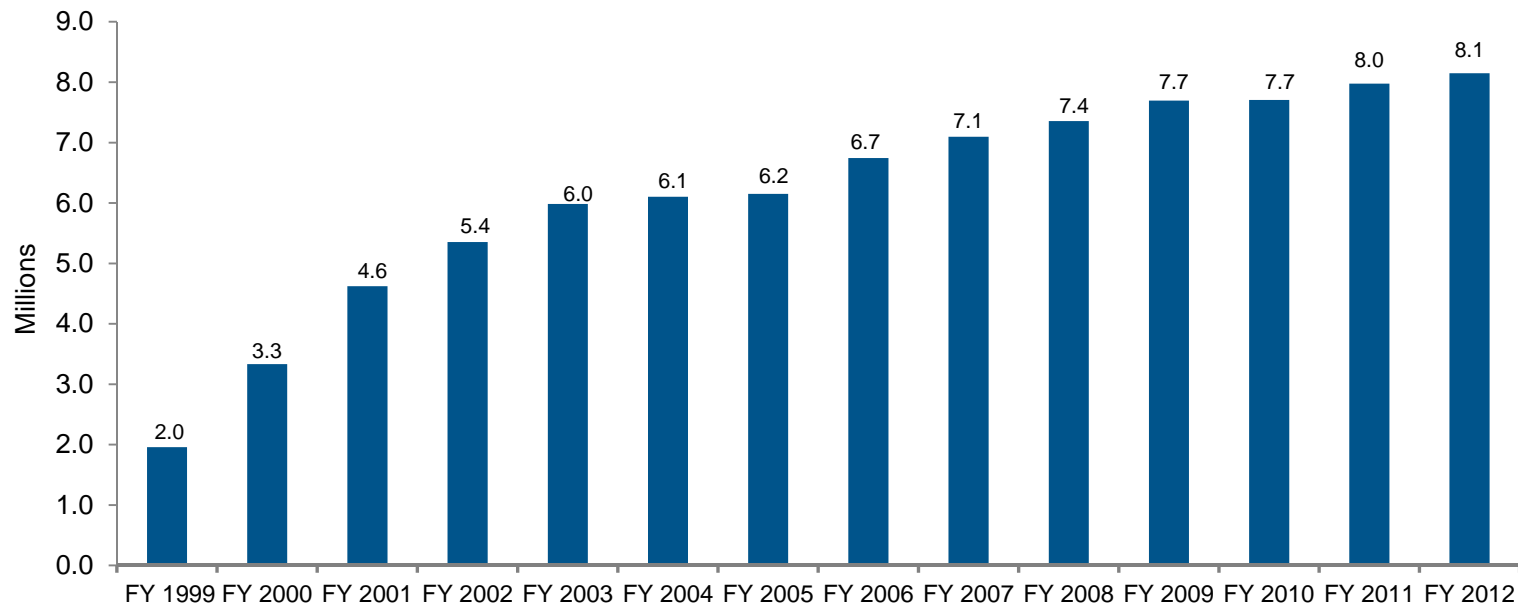


Source: Congressional Budget Office. Data released May 2013. Spending and Enrollment Detail for CBO's May 2013 Baseline: Medicaid. Link: <http://www.cbo.gov/sites/default/files/cbofiles/attachments/44204-2013-05-Medicaid.pdf>.

(1) Does not include CHIP enrollees.

(2) In 1997, the Other Title XIX category was dropped and the enrollees therein were subsumed in the remaining categories. Other Title XIX enrollees referred to others who received Medicaid benefits.

Chart 1.19: National CHIP Enrollment,^(1,2) FY 1999 – FY 2012

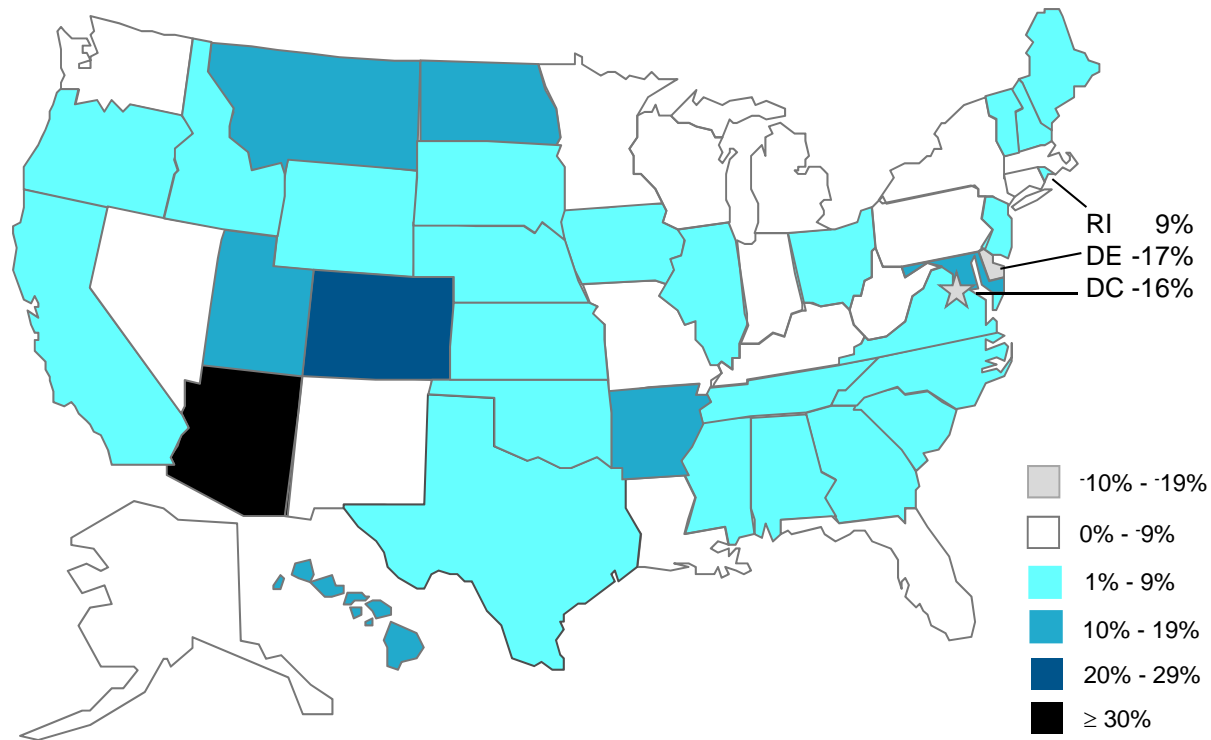


Source: Centers for Medicare & Medicaid Services. Data released April 2013. Number of Children Ever Enrolled by Program Type. Link: http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/FY-2012-Childrens-Enrollment-04_09_13.pdf.

(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.

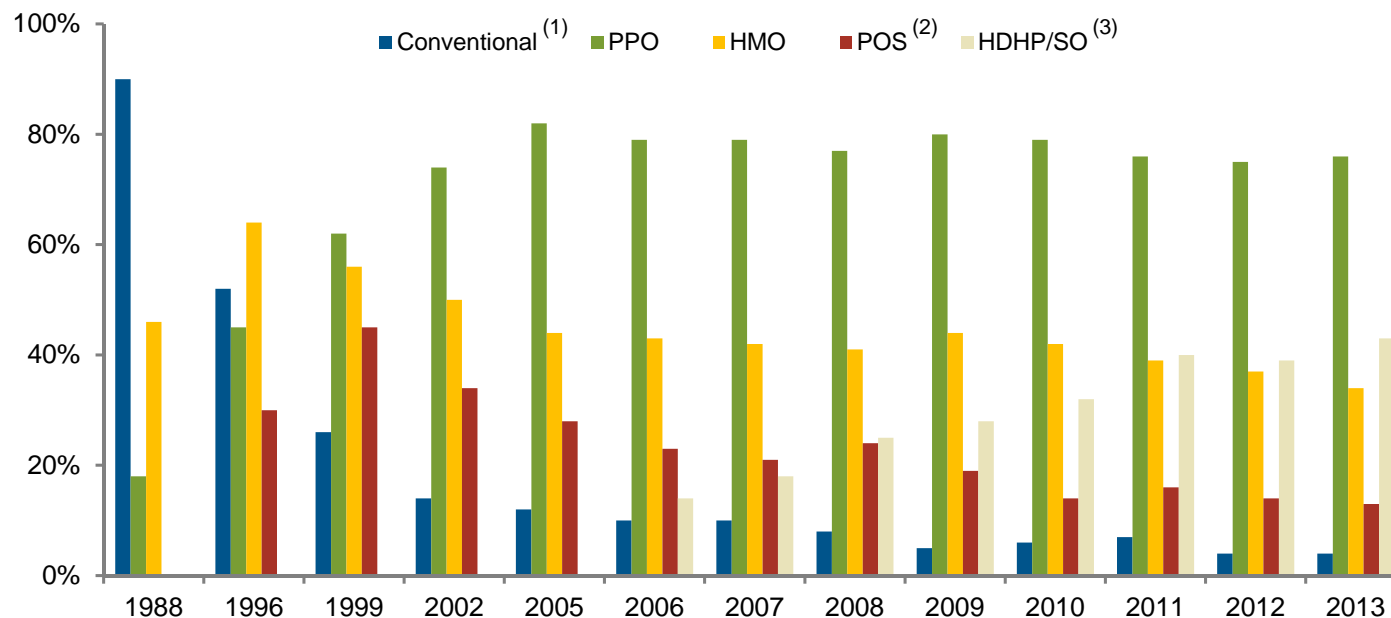
Chart 1.20: Percent Change in CHIP Enrollment by State, FY 2011 – FY 2012⁽¹⁾



Source: Centers for Medicare & Medicaid Services. Data released April 2013. Number of Children Ever Enrolled by Program Type. Link: http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/FY-2012-Childrens-Enrollment-04_09_13.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 – 2013



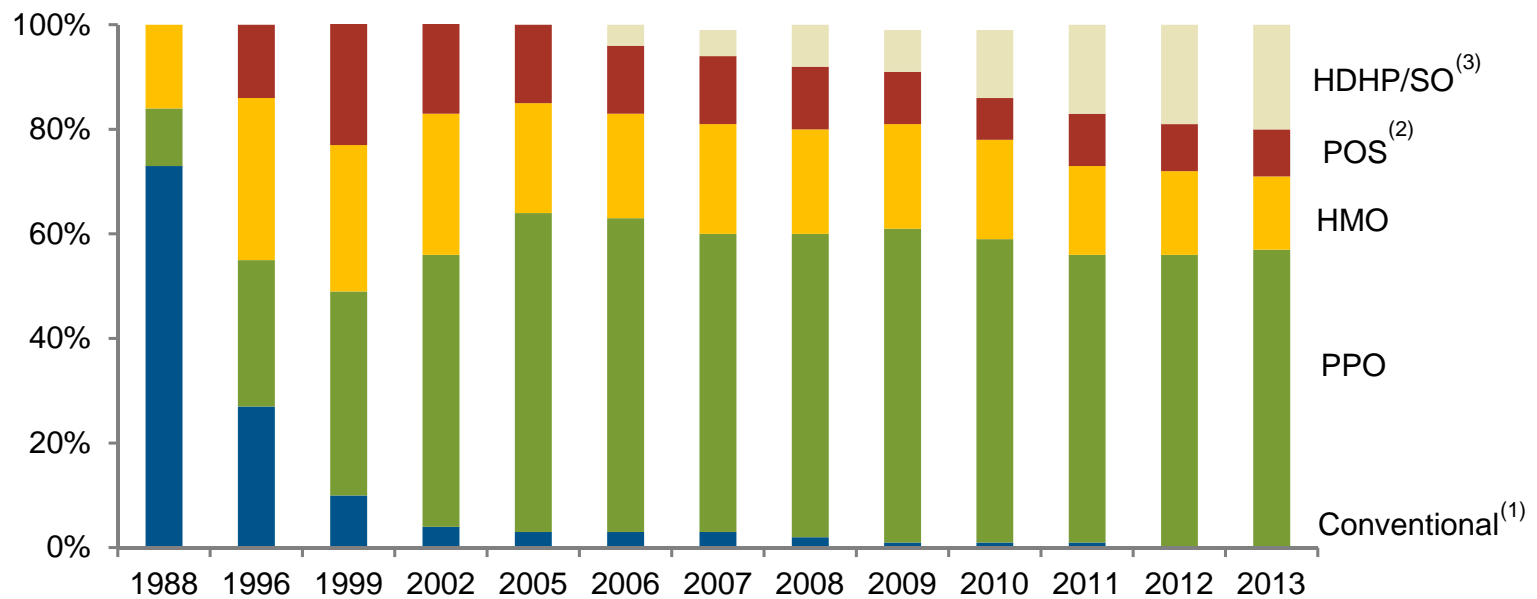
Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2013. Employer Health Benefits: 1999, 2002, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013. Link: <http://ehbs.kff.org/pdf/2013/8345.pdf>. KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1996.

(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.

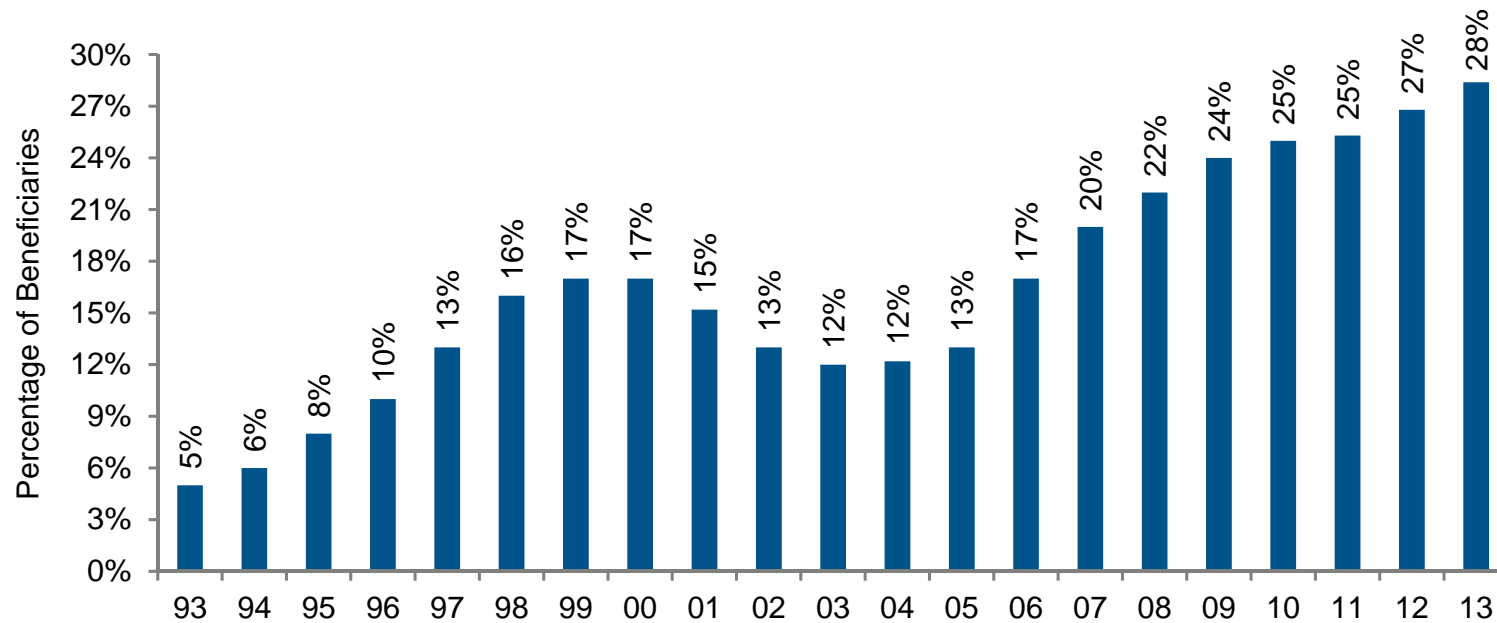
Chart 1.22: Distribution of Employer-sponsored Health Insurance Enrollment by Type of Plan, 1988 – 2013



Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2013. Employer Health Benefits: 1999, 2002, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013. Link: <http://ehbs.kff.org/pdf/2013/8345.pdf>. KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1996.

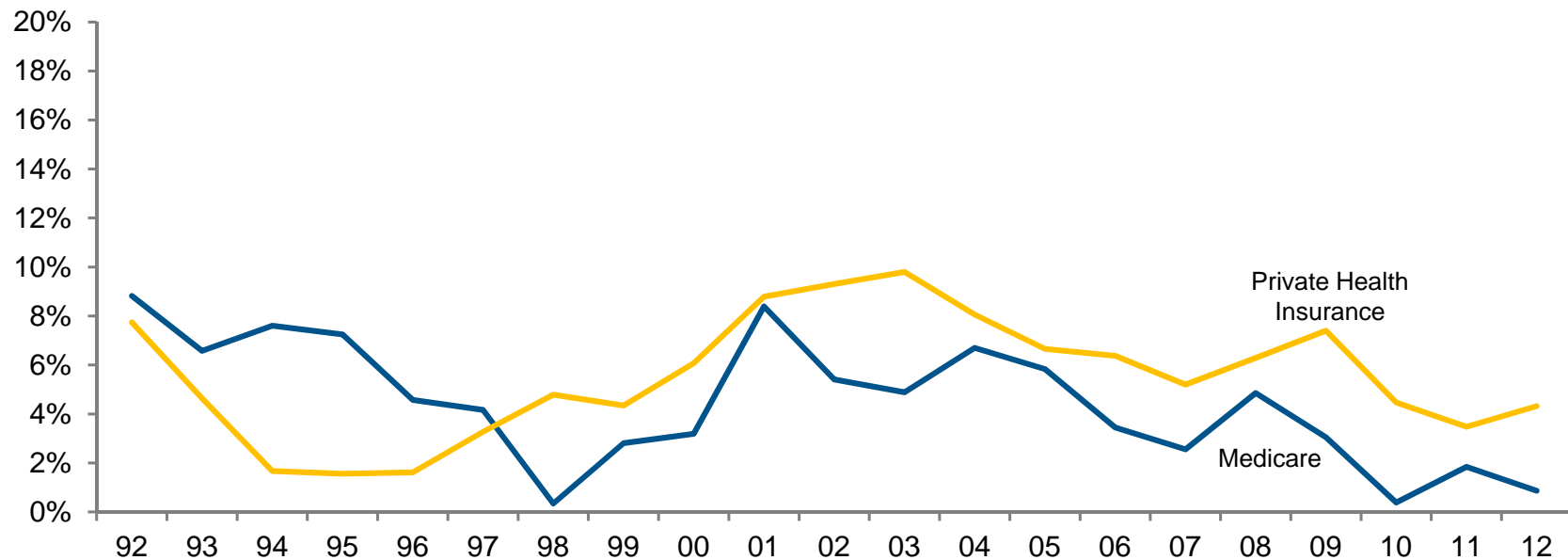
- (1) Conventional plans refer to traditional indemnity plans.
- (2) Point-of-service plans not separately identified in 1988.
- (3) In 2006, the survey began asking about HDHP/SO, high deductible health plans with a savings option.

Chart 1.23: Percentage of Medicare Beneficiaries Enrolled in Medicare Managed Care, 1993 – 2013



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Email correspondence with CMS staff in January 2014.

Chart 1.24: Percent Growth in Medicare Spending per Beneficiary vs. Private Health Insurance Spending per Enrollee, 1992 – 2012^(1,2)

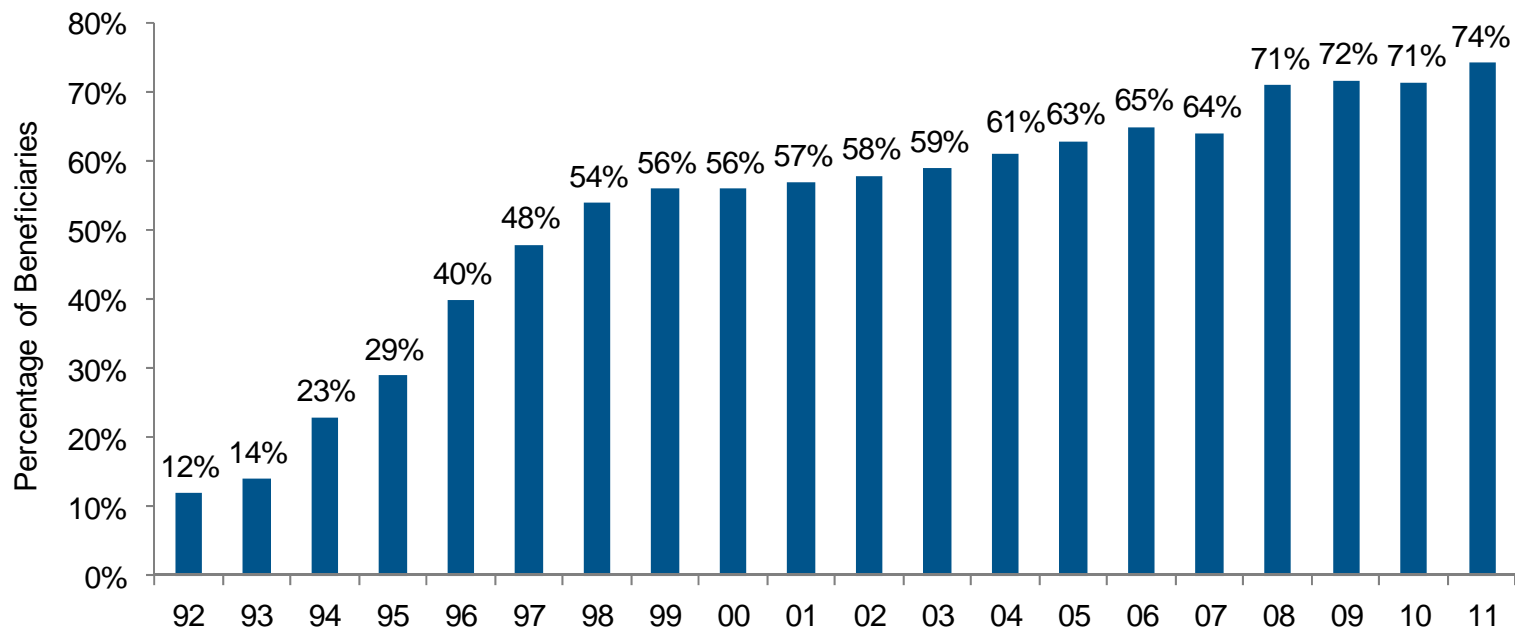


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

⁽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>.

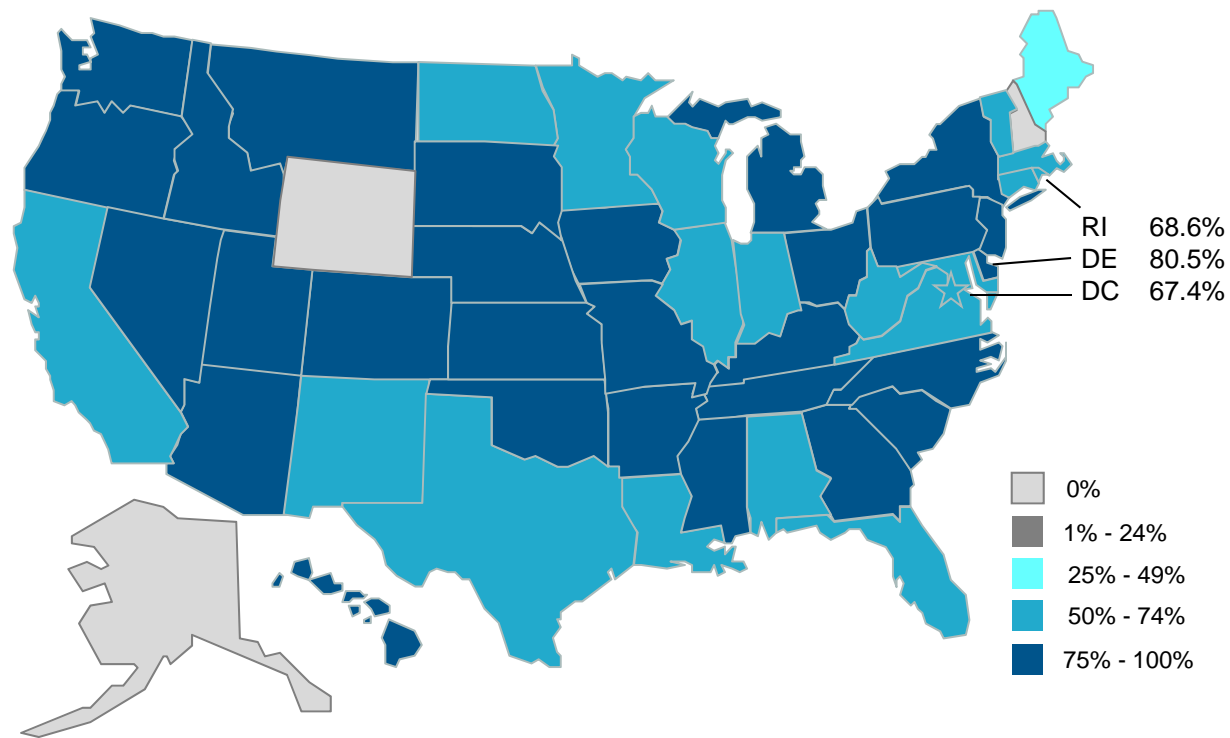
⁽²⁾ Data reflects spending on benefits commonly covered by Medicare and Private Health Insurance.

Chart 1.25: Percentage of Medicaid Beneficiaries Enrolled in Medicaid Managed Care, 1992 – 2011



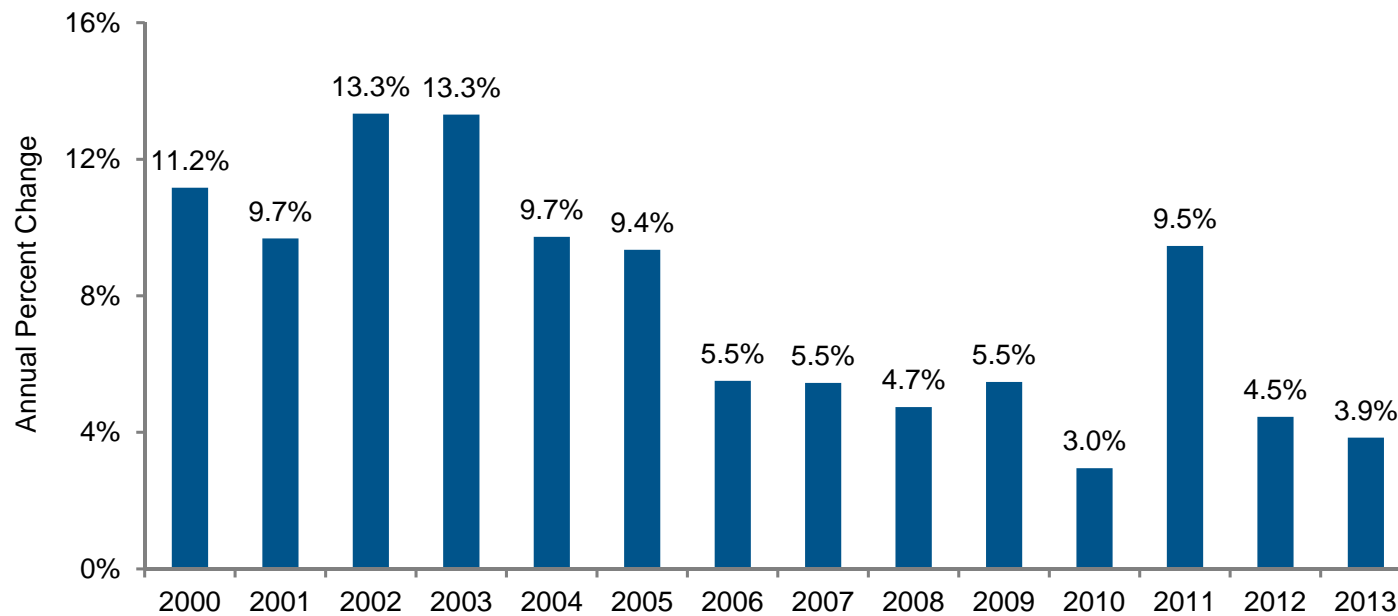
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Medicaid Managed Care Enrollment Report as of July 1, 2011.

Chart 1.26: Percentage of Medicaid Beneficiaries Enrolled in Medicaid Managed Care by State, 2011



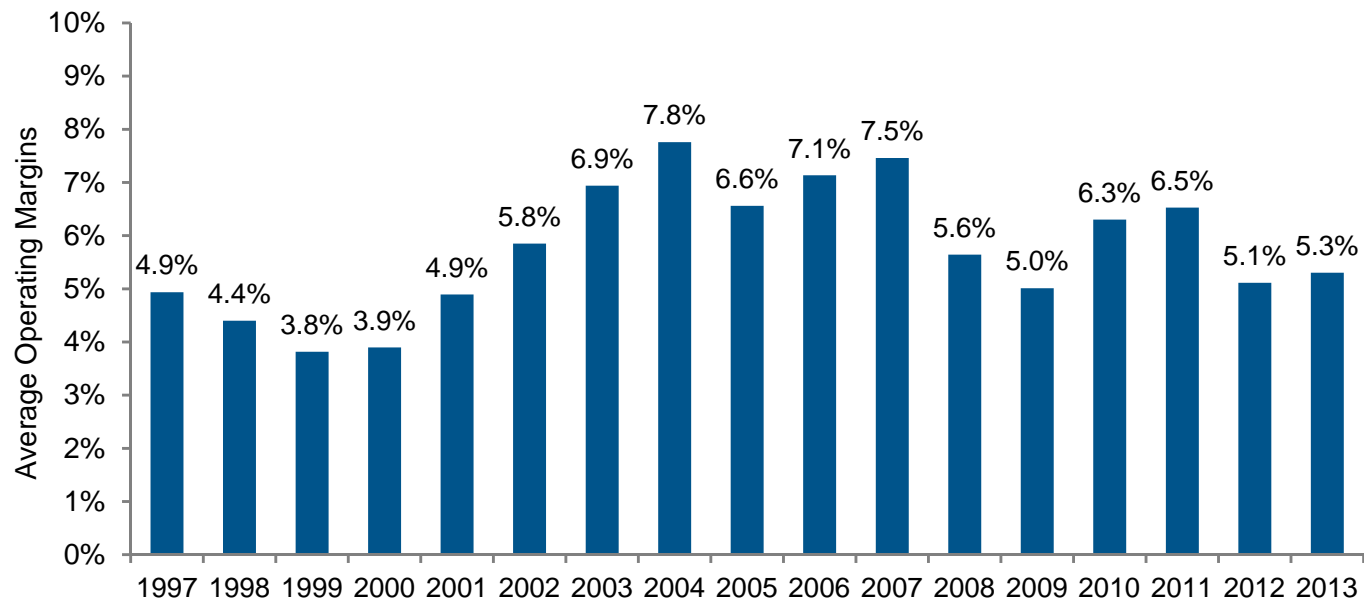
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Medicaid Managed Care Enrollment Report as of July 1, 2011.

Chart 1.27: Annual Change in Health Insurance Premiums, 2000 – 2013



Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2013.
Link: <http://ehbs.kff.org/pdf/2013/8345.pdf>.

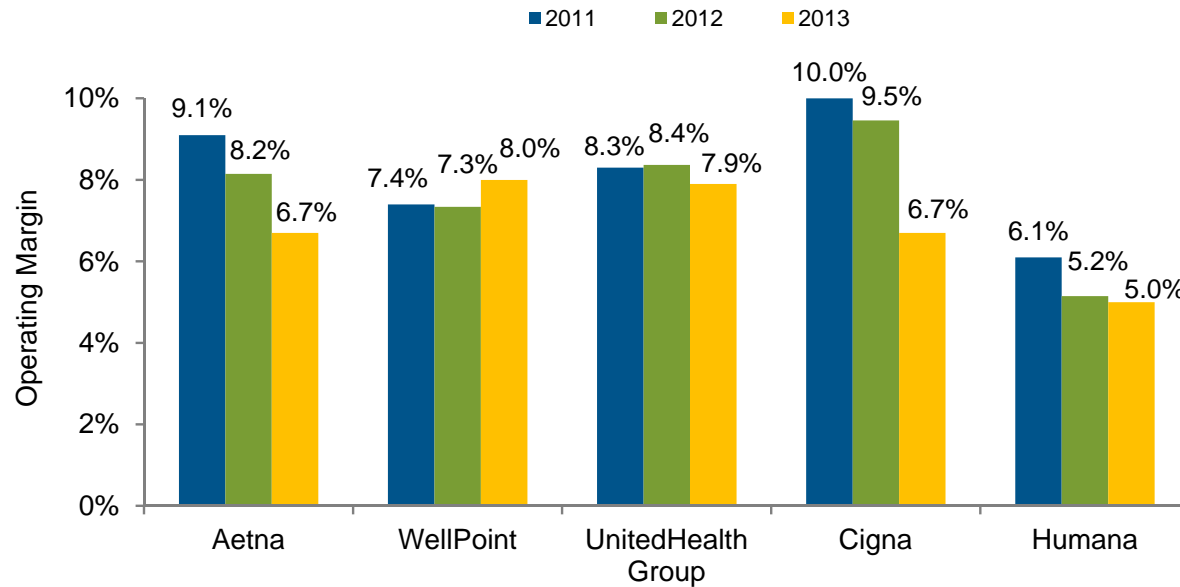
Chart 1.28: Managed Care Plan Average Operating Margins,⁽¹⁾
1997 – 2013



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, 2011 – 2013



Source: FactSet Research Systems Inc. Data for all years updated as of March 2014.
Data from Hoovers used in 2011 and earlier years' Chartbooks.