



TRENDWATCH CHARTBOOK 2007



Trends Affecting Hospitals and Health Systems

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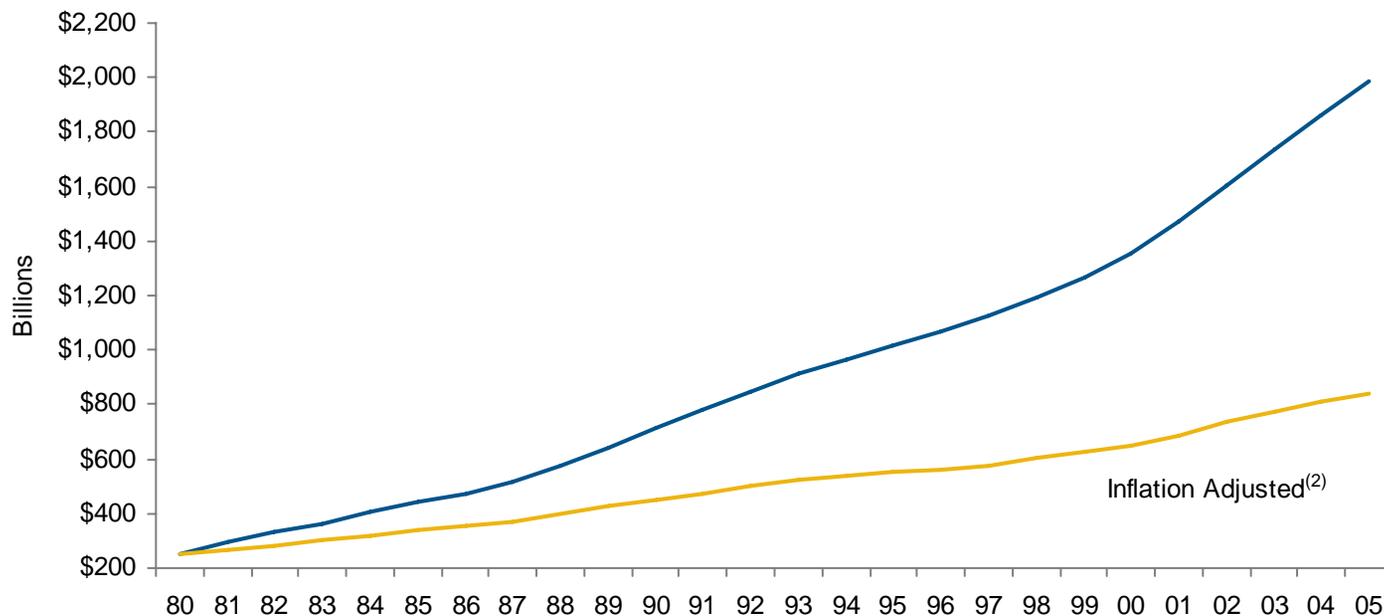
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CHAPTER 1

Trends in the Overall
Health Care Market

Chart 1.1: Total National Health Expenditures, 1980 – 2005⁽¹⁾

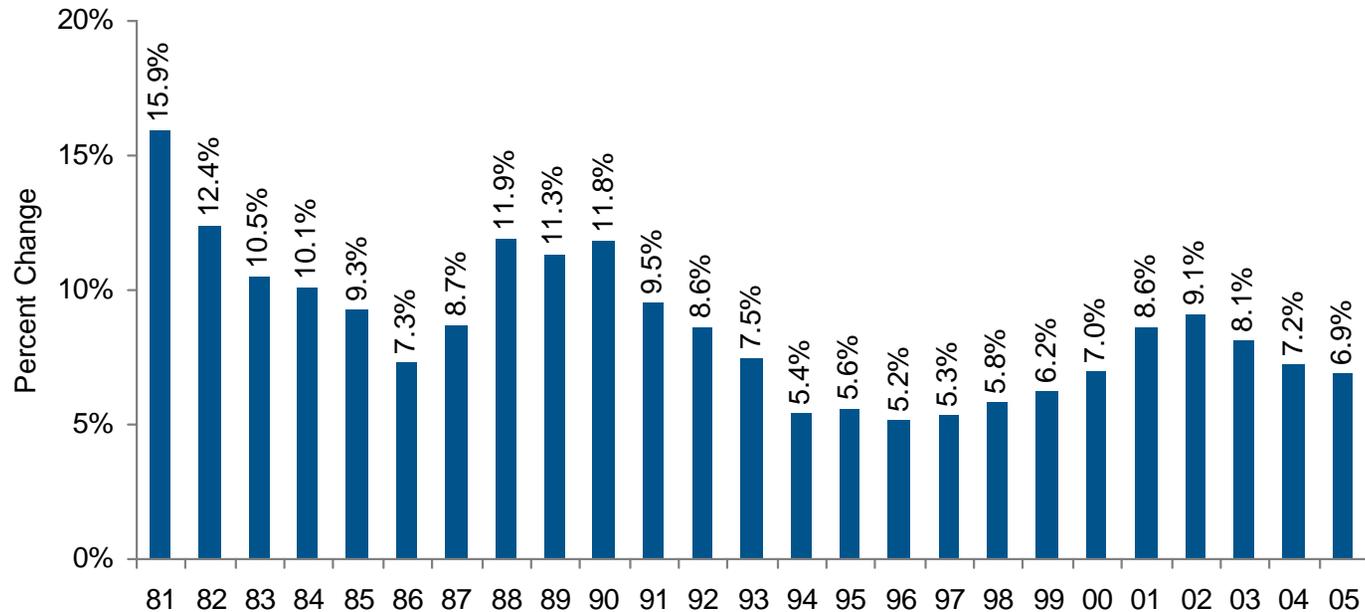


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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.

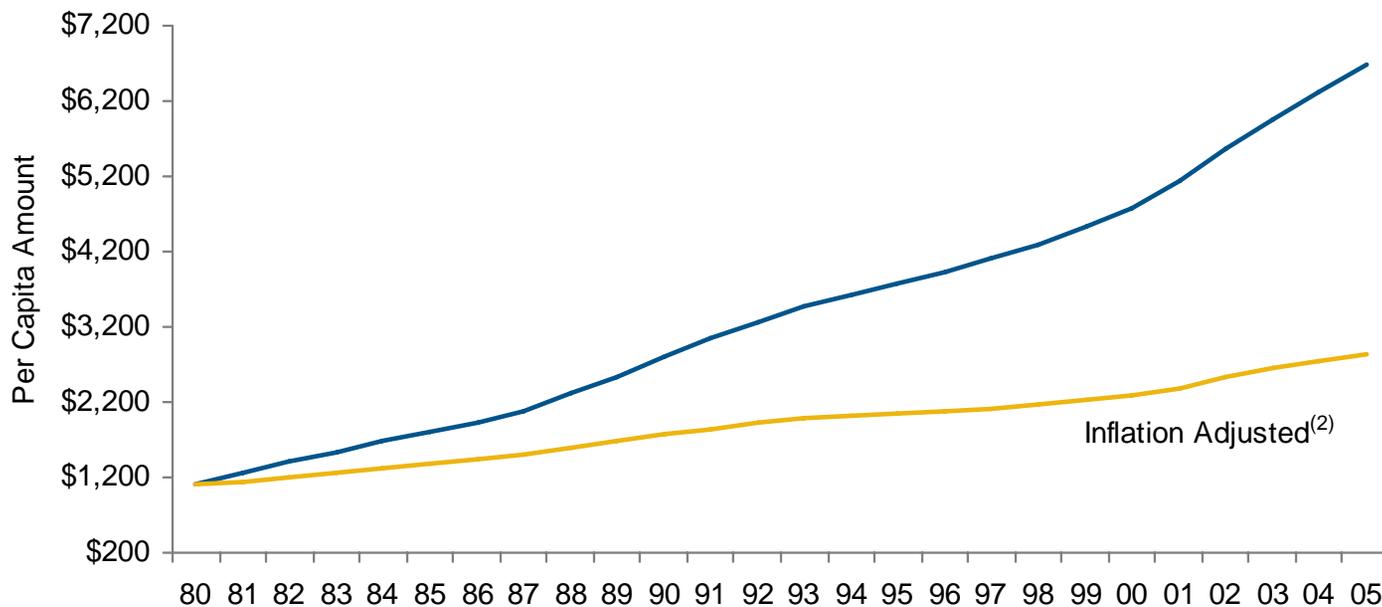
Chart 1.2: Percent Change in Total National Health Expenditures, 1981 – 2005⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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⁾

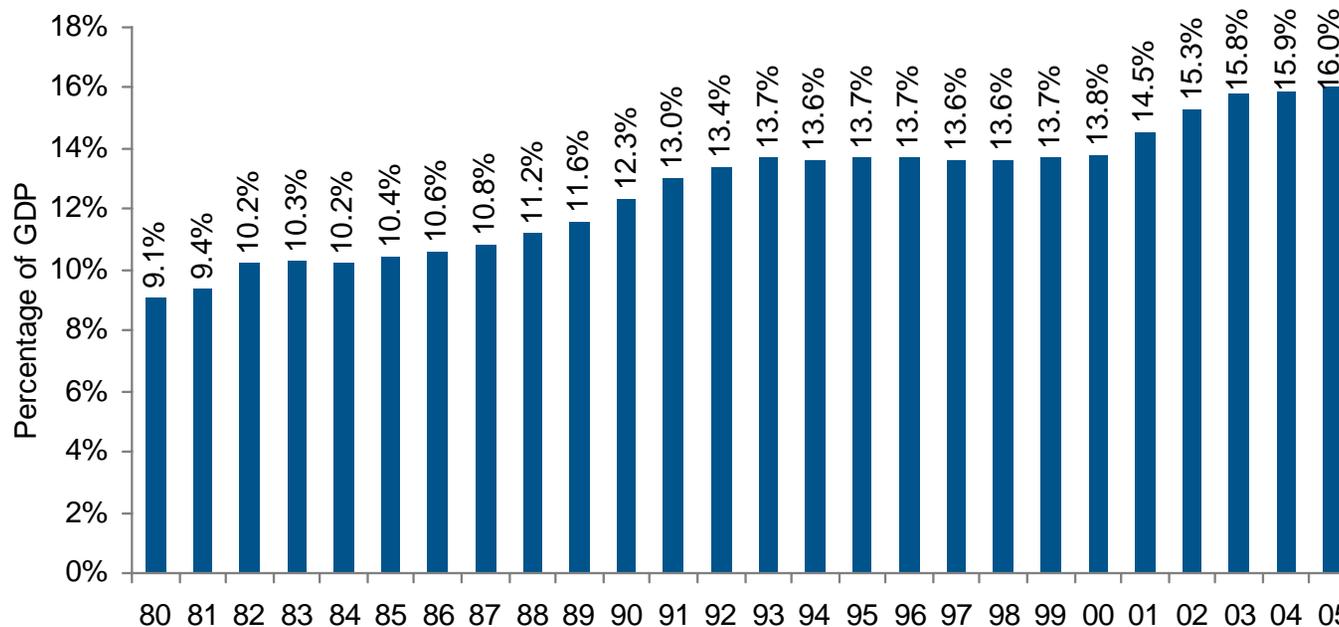


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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.

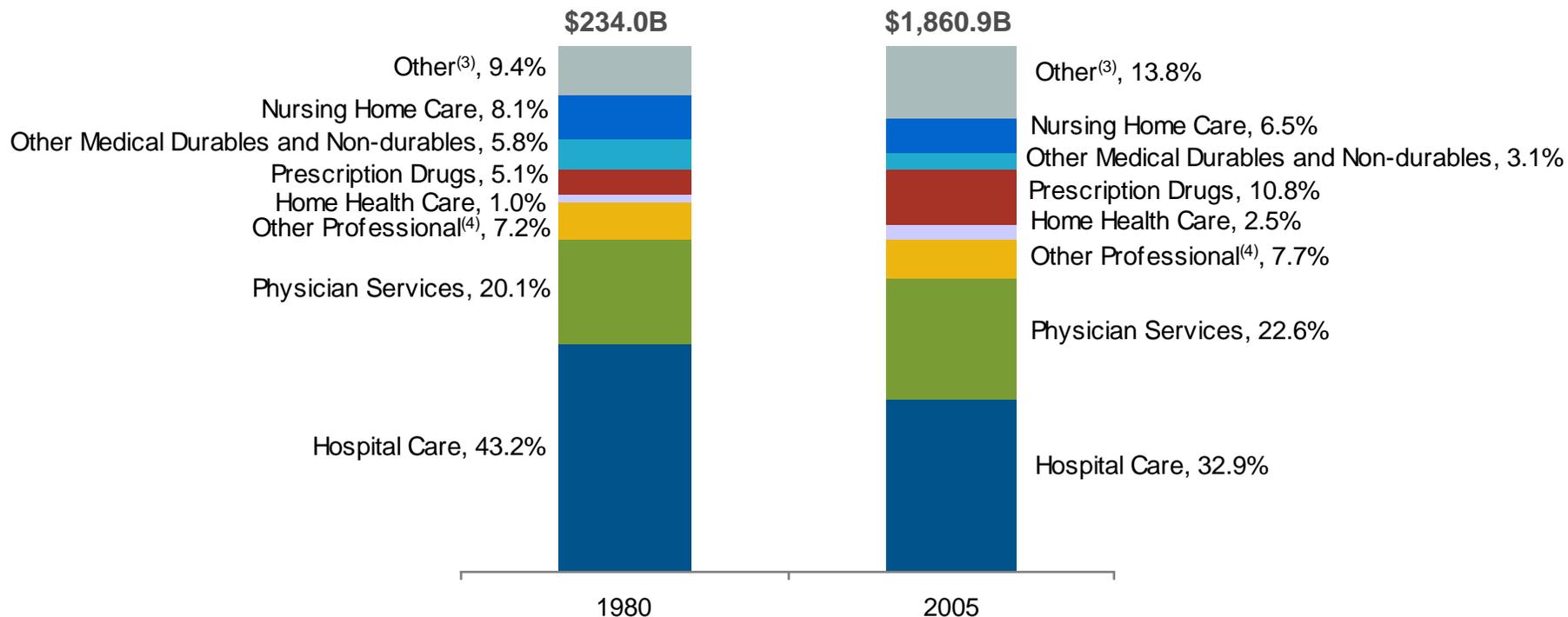
Chart 1.4: National Health Expenditures as a Percentage of Gross Domestic Product, 1980 – 2005⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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 2005⁽²⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

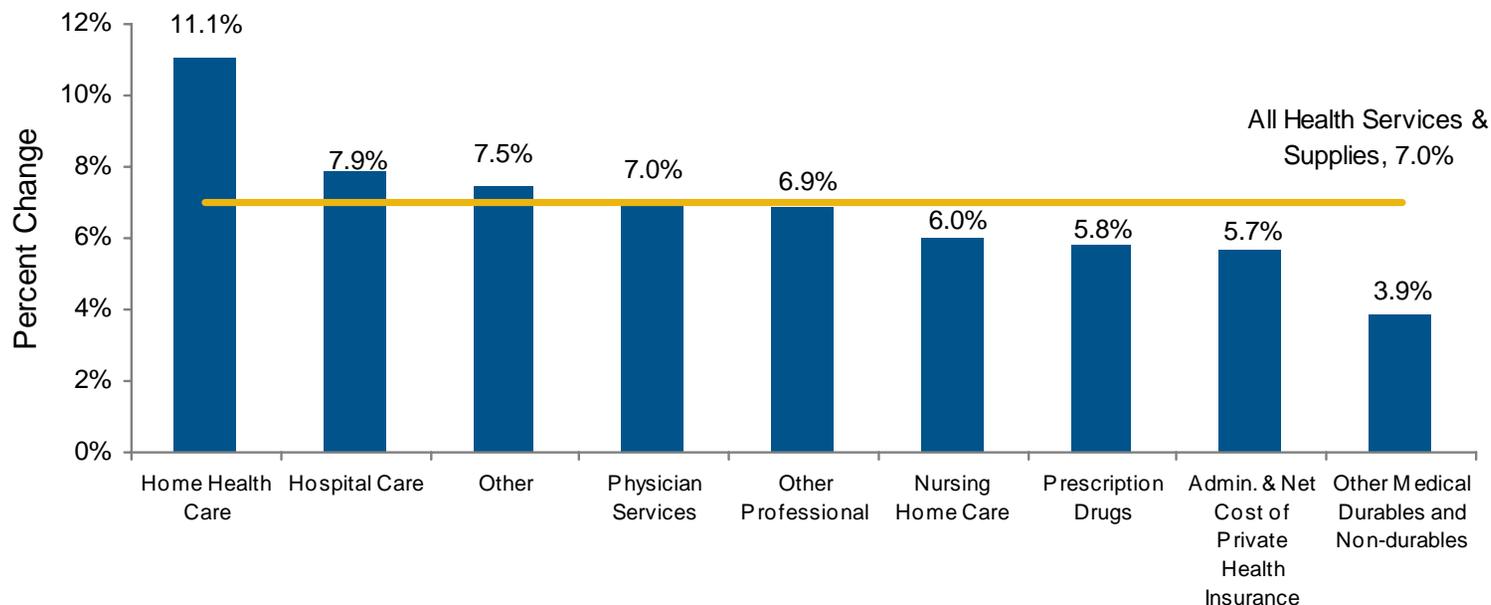
⁽¹⁾ Excludes medical research and medical facilities construction.

⁽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⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

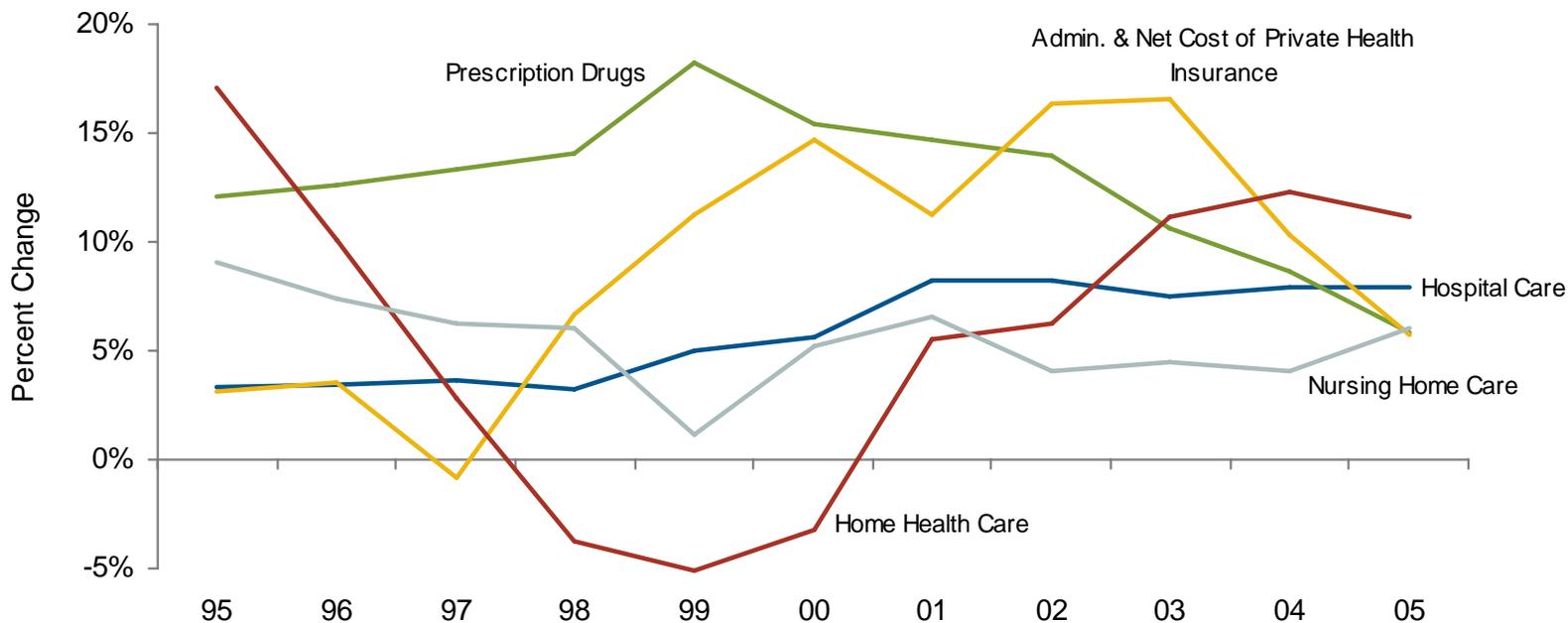
(1) Excludes medical research and medical facilities construction.

(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.

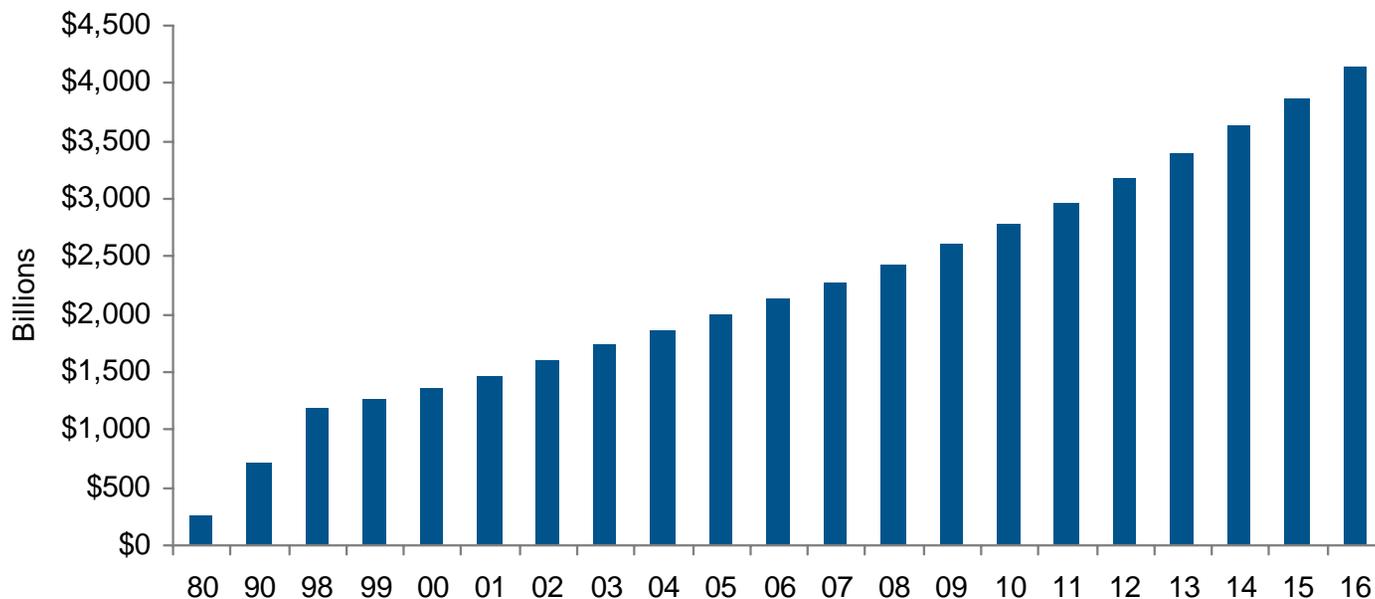
Chart 1.7: Percent Change in National Expenditures for Selected Health Services and Supplies, 1995 – 2005⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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⁾

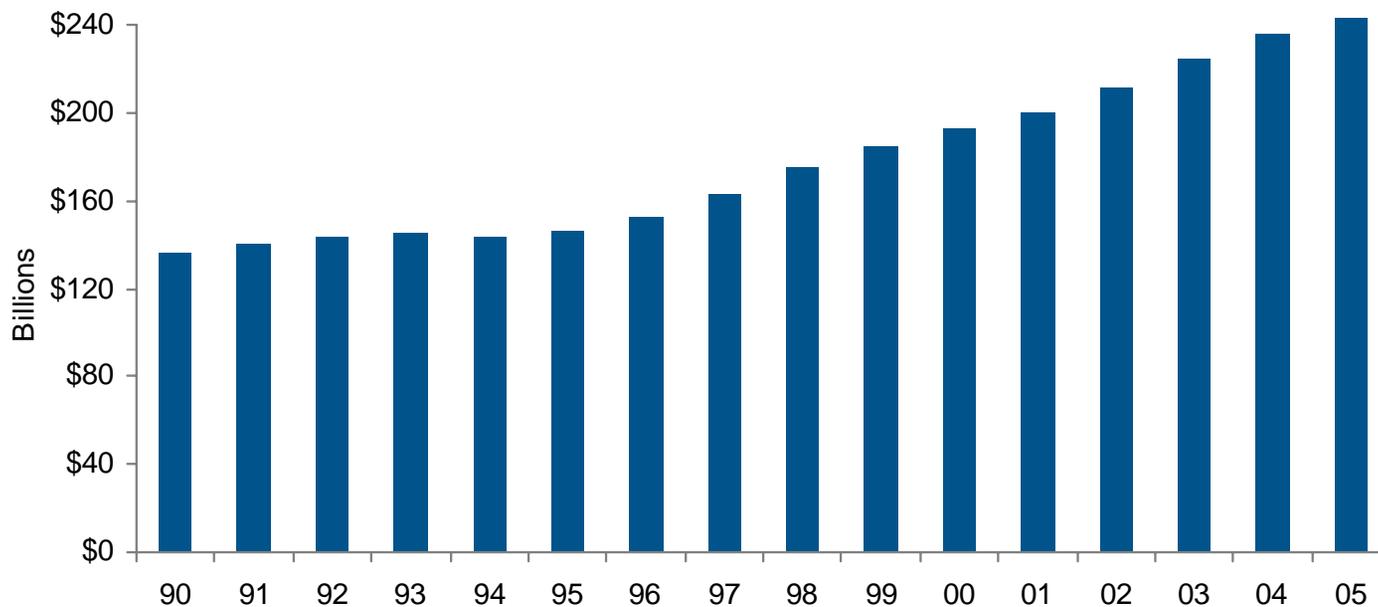


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released February 21, 2007.

⁽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>.

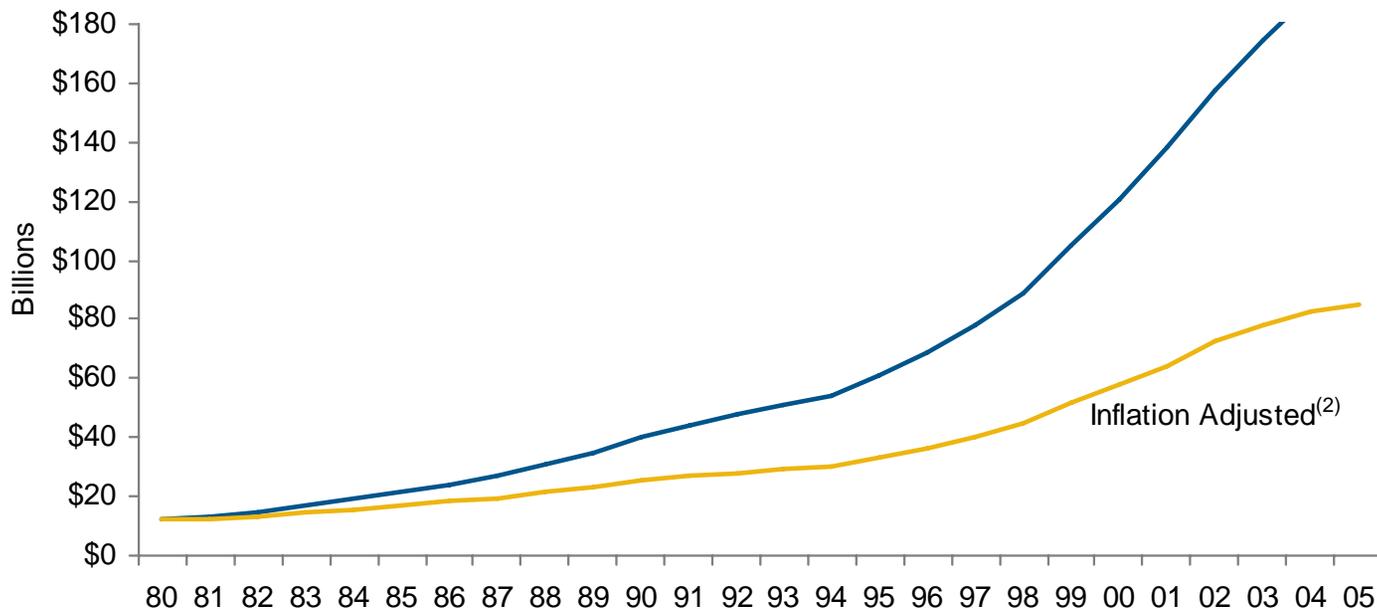
Chart 1.9: Consumer Out-of-pocket Payments for National Health Expenditures, 1990 – 2005⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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 – 2005⁽¹⁾

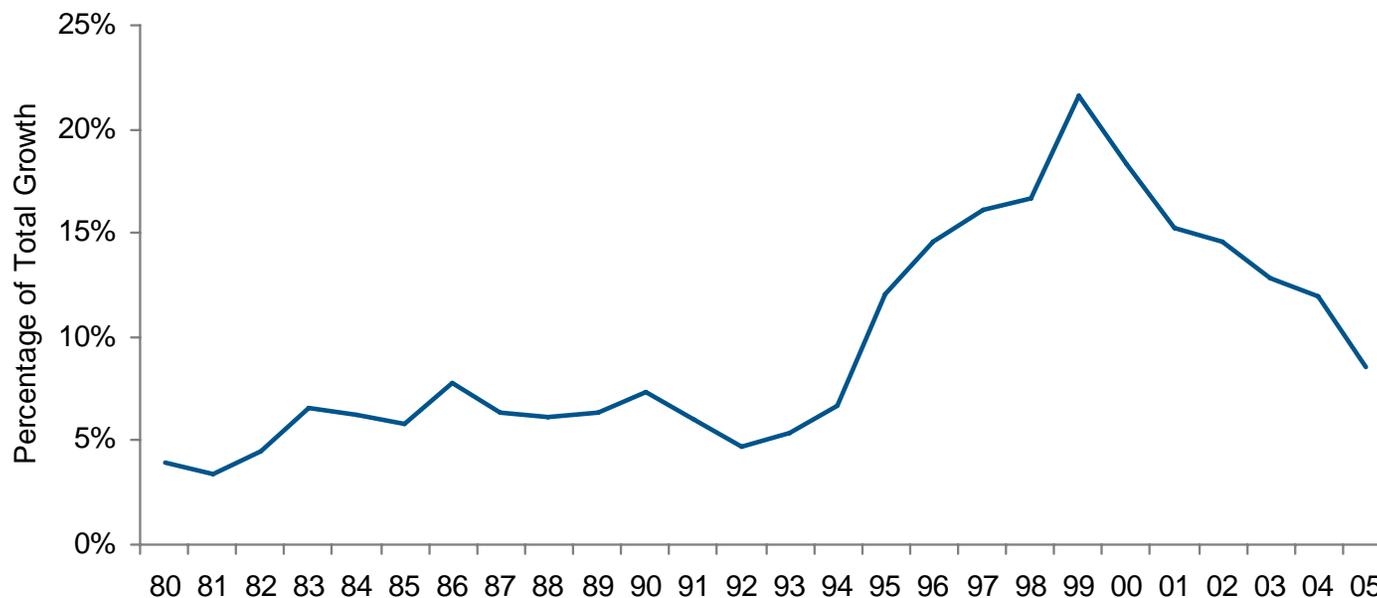


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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.

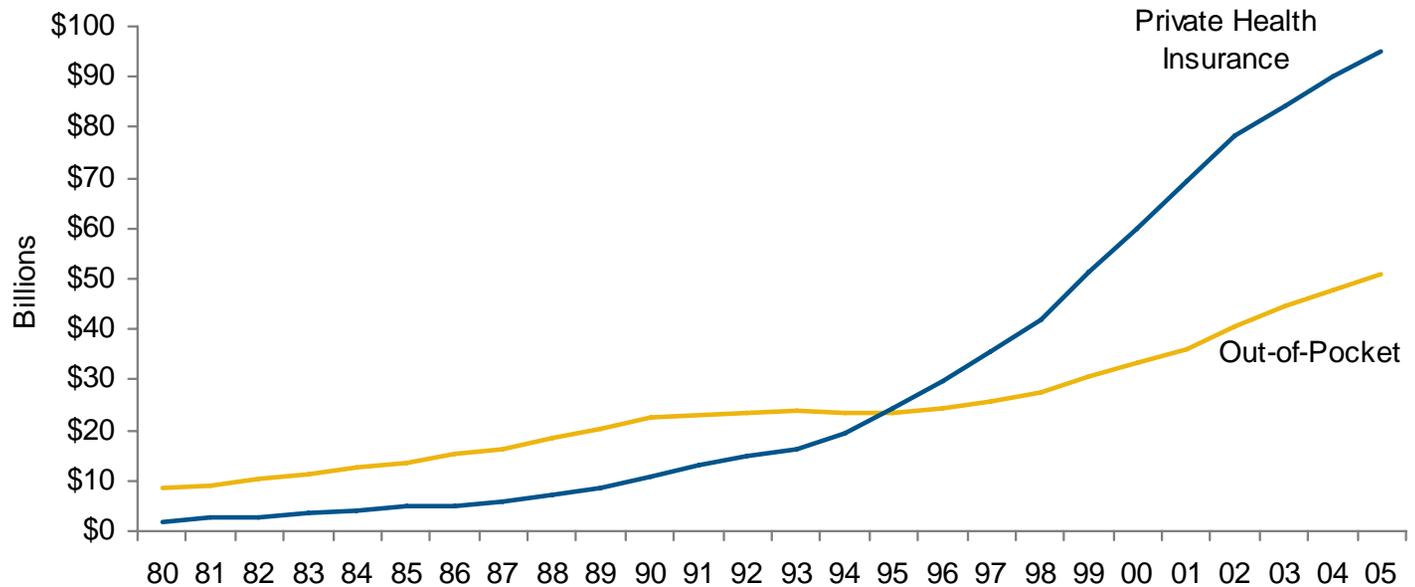
Chart 1.11: Growth in Total Prescription Drug Spending as a Percentage of Total Growth in National Health Expenditures, 1980 – 2005⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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>.

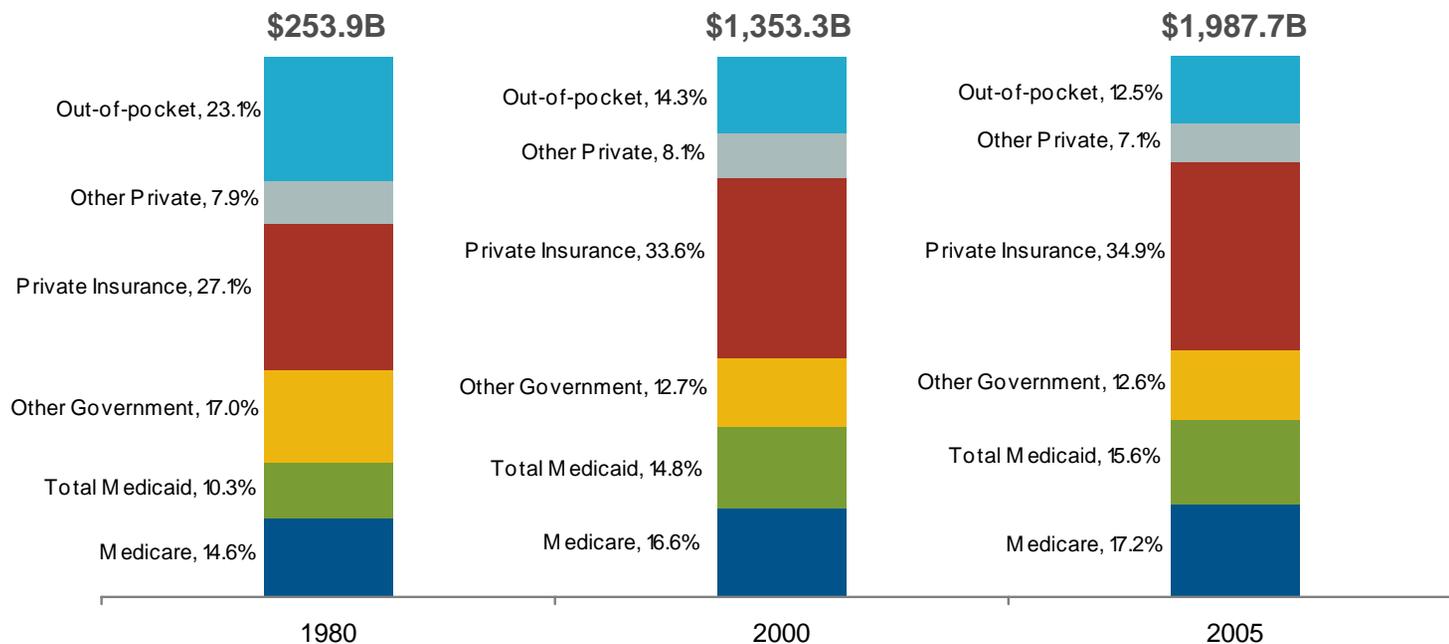
Chart 1.12: Consumer Out-of-pocket Spending vs. Private Health Insurance Spending for Prescription Drugs, 1980 – 2005⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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>.

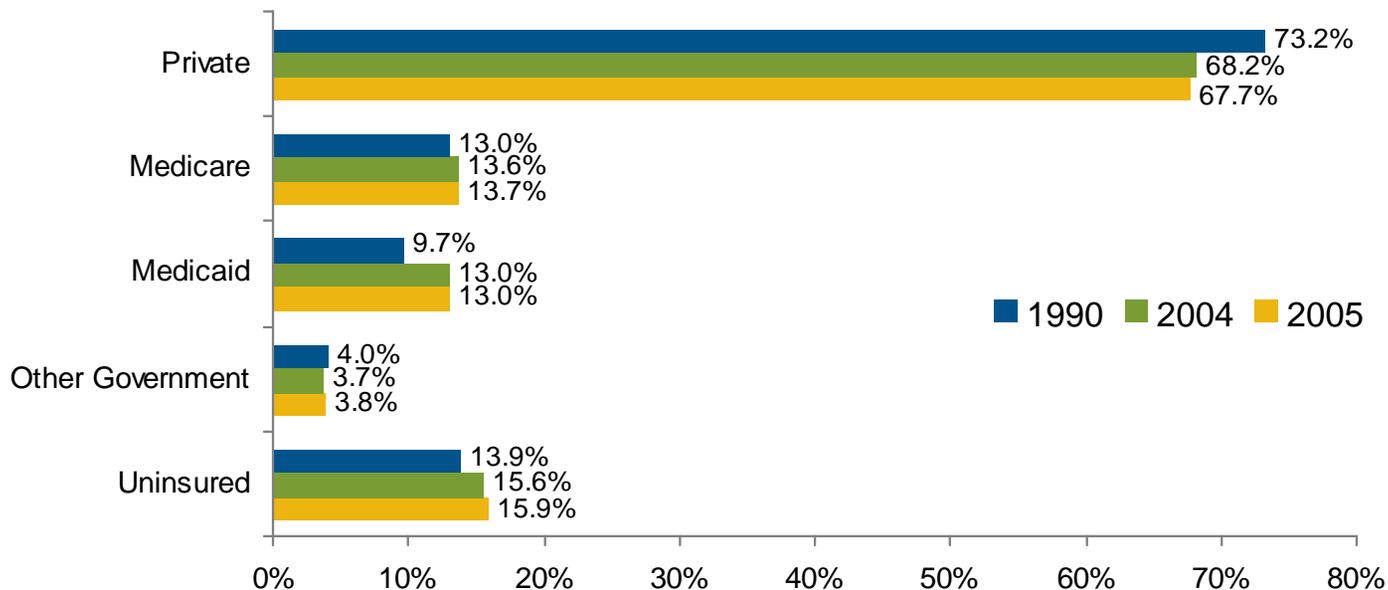
Chart 1.13: Distribution of National Health Expenditures by Source of Payment, 1980, 2000, and 2005⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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, 2004, and 2005⁽¹⁾

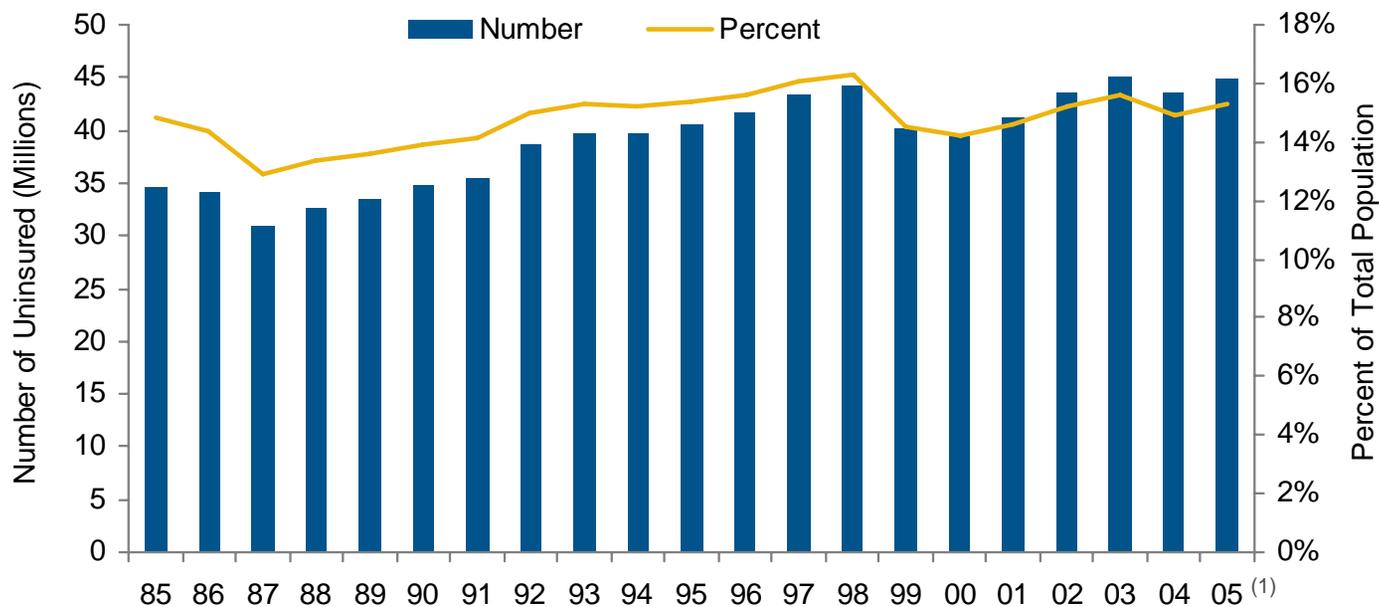


Source: US Census Bureau, Current Population Survey, 2006 Annual and Social Economic Supplement. Data released March 2006. Table HI01. Health Insurance Coverage Status and Type of Coverage by Selected Characteristics: 2005, All Races.

Link: http://pubdb3.census.gov/macro/032006/health/h01_001.htm.

⁽¹⁾ 2004 data were updated in 2005 to reflect a correction to weights in the 2005 Annual Social and Economic Supplements.

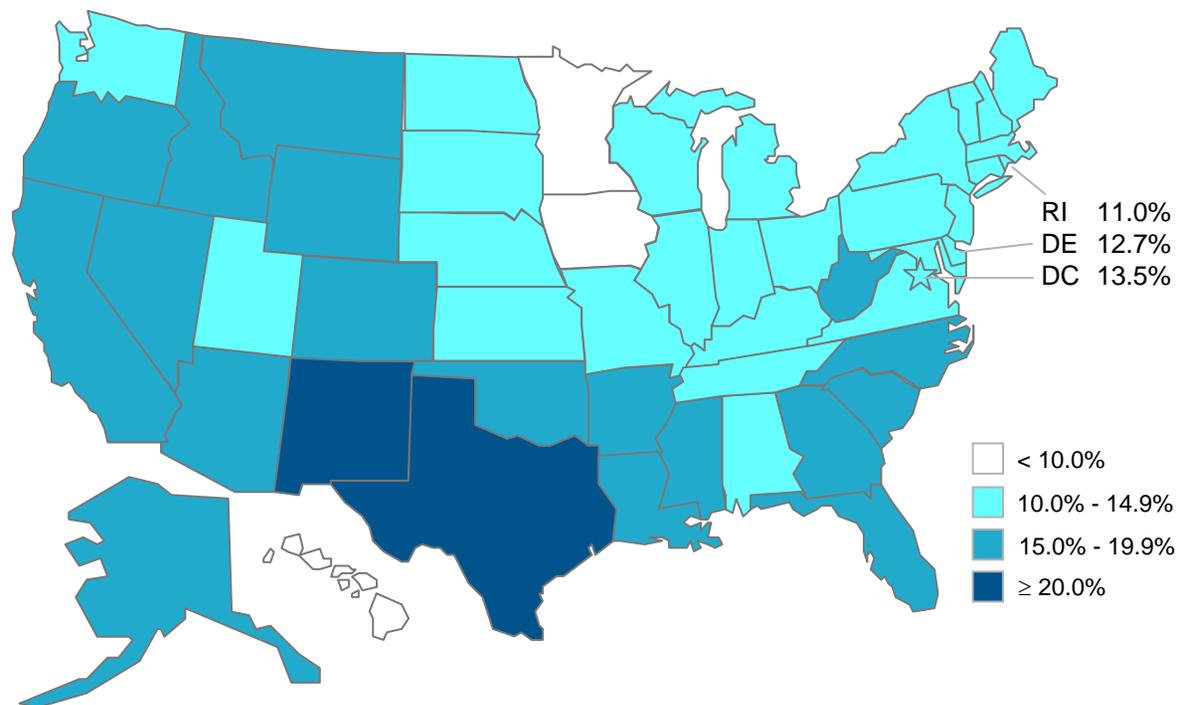
Chart 1.15: Number and Percent Uninsured, 1985 – 2005



Source: US Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2005*. Data released August 2006. Table 8. People With or Without Health Insurance Coverage by Selected Characteristics: 2004 and 2005. Link: http://pubdb3.census.gov/macro/032006/health/h01_001.htm.

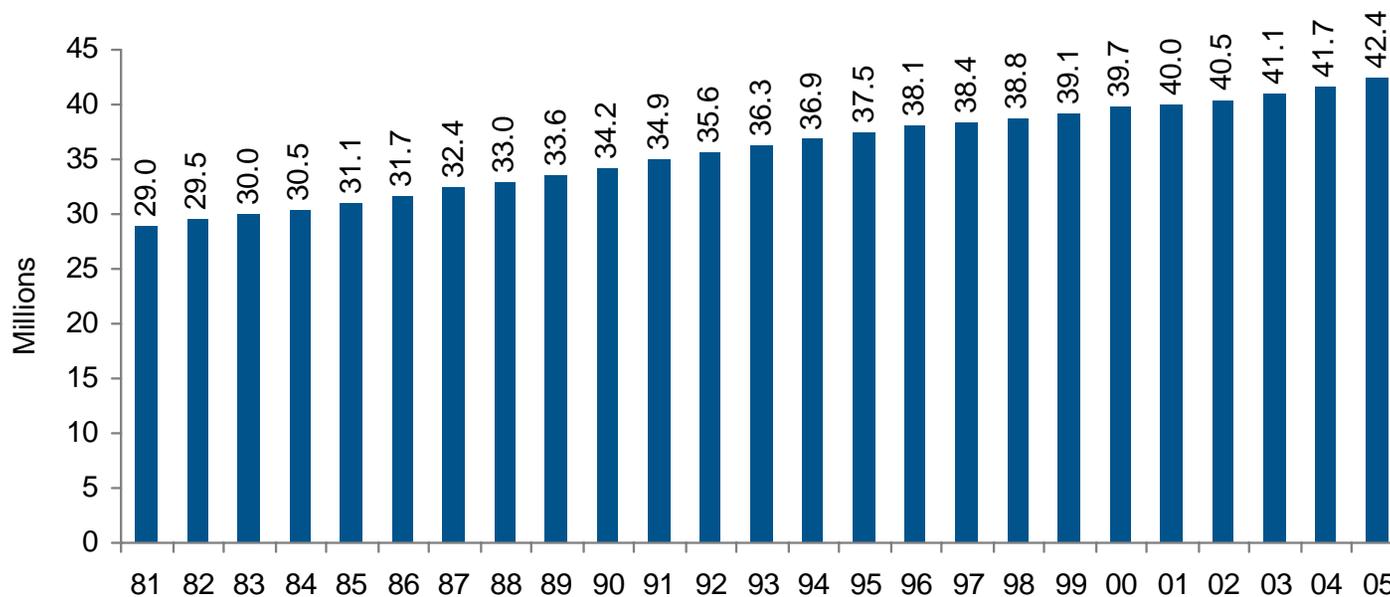
⁽¹⁾ 2004 and 2005 figures reflect revised estimates released by the Census Bureau on March 23, 2007.

Chart 1.16: Average Percent Uninsured by State, 2003 – 2005



Source: US Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2005*. Data released August 2006.
Link: http://pubdb3.census.gov/macro/032006/health/h01_001.htm.

Chart 1.17: Medicare Enrollees,⁽¹⁾ 1981 – 2005



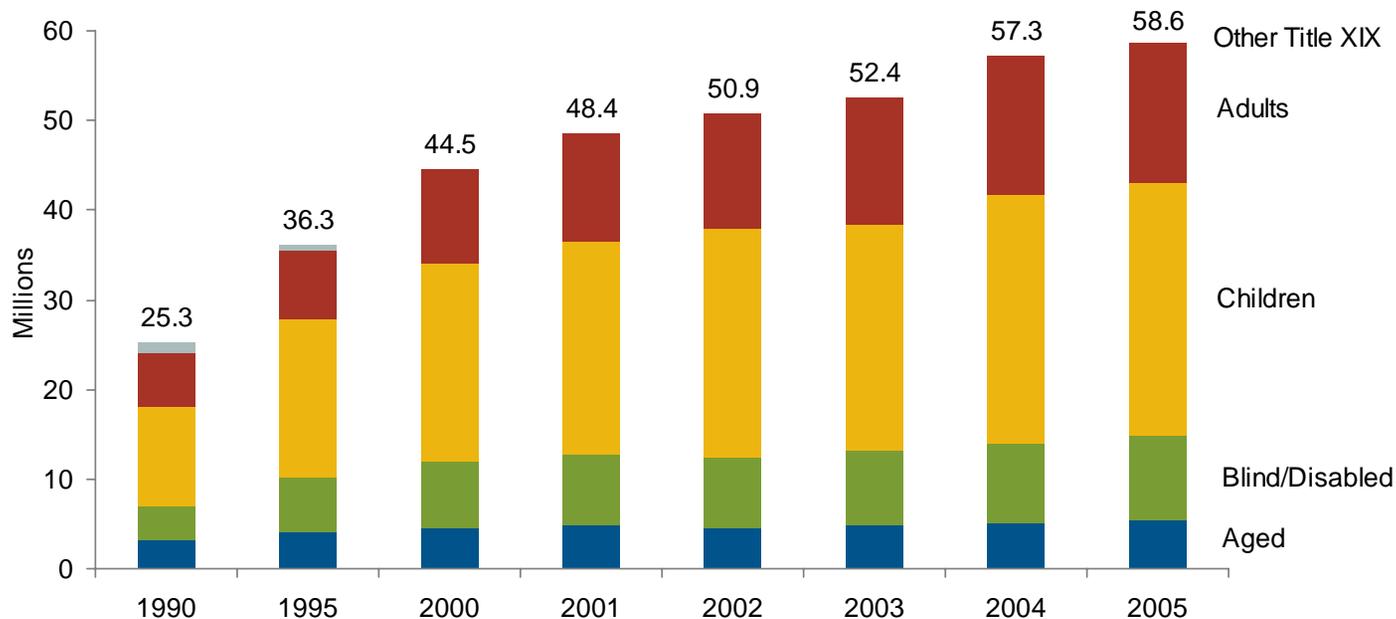
Source: Centers for Medicare & Medicaid Services. Data released July 2005.

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>.

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

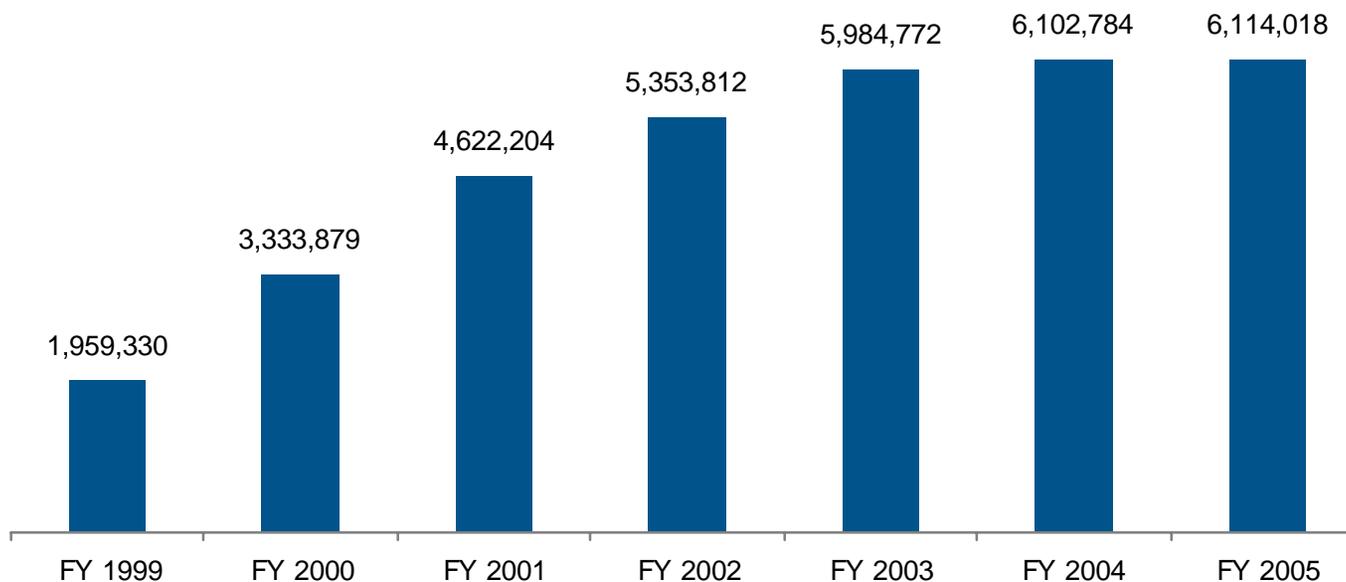
Chart 1.18: Medicaid Enrollees,⁽¹⁾ 1990, 1995, 2000 – 2005



Source: Congressional Budget Office. Data released March 2006.
Fact Sheet for CBO's March 2006 Baseline: Medicaid and the State Children's Health Insurance Program.
Link: <http://www.cbo.gov/budget/factsheets/2006b/medicaid.pdf>.

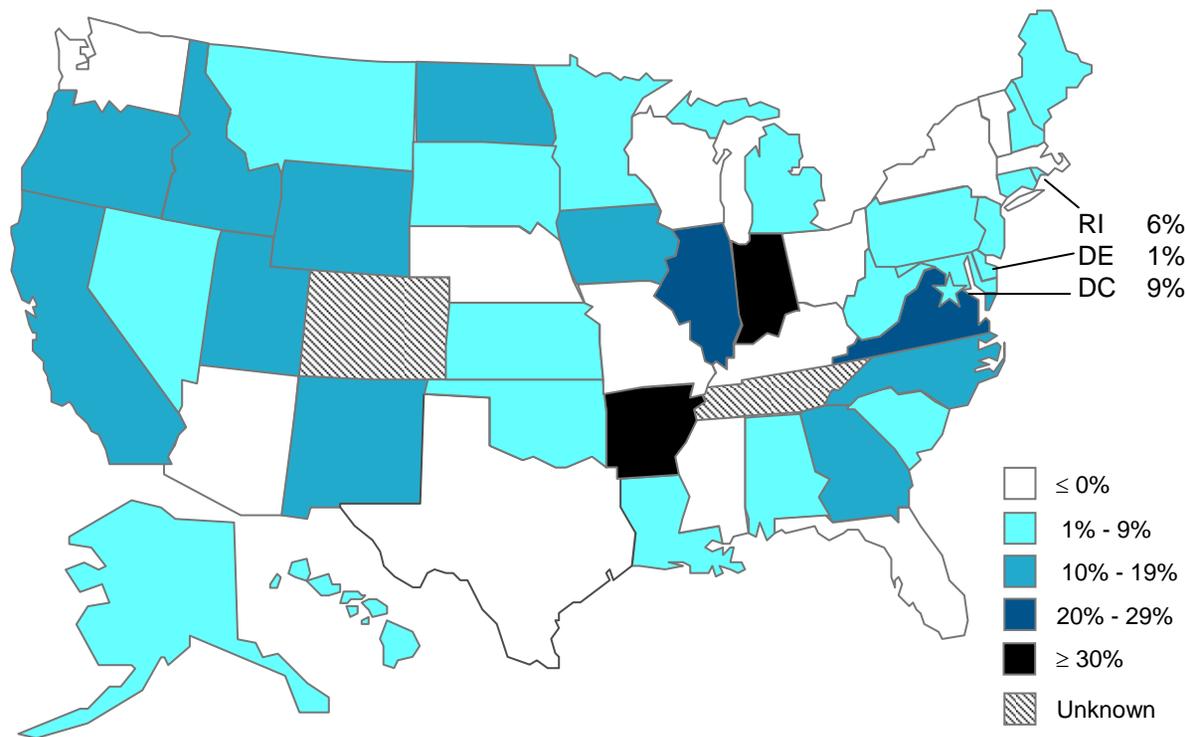
⁽¹⁾ Does not include SCHIP Enrollees.

Chart 1.19: National SCHIP Enrollment,⁽¹⁾ FY 1999 – FY 2005



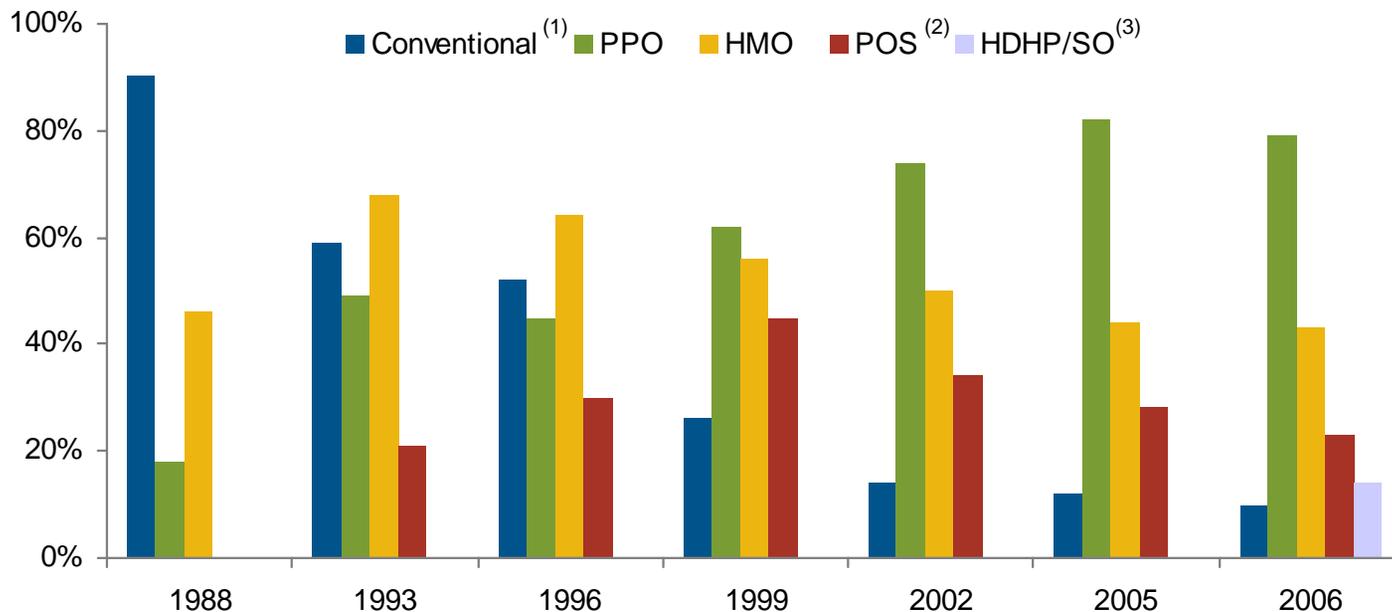
Source: Centers for Medicare & Medicaid Services. Data released July 2006.
FY 2005 Number of Children Ever Enrolled Year – SCHIP by Program Type.
Link: <http://www.cms.hhs.gov/NationalSCHIPPolicy/downloads/FY2005AnnualEnrollmentReport.pdf>.
⁽¹⁾ Number of children enrolled at any point in the year.

Chart 1.20: Percent Change in SCHIP Enrollment by State, FY 2004 – FY 2005



Source: Centers for Medicare & Medicaid Services. Data released July 2006.
FY 2005 Number of Children Ever Enrolled Year – SCHIP by Program Type.
Link: <http://www.cms.hhs.gov/NationalSCHIPPolicy/downloads/FY2005AnnualEnrollmentReport.pdf>.

Chart 1.21: Percentage of Employees with Employer-based Coverage Who Can Choose Conventional, PPO, HMO, POS, and HDHP/SO Plans, 1988 – 2006



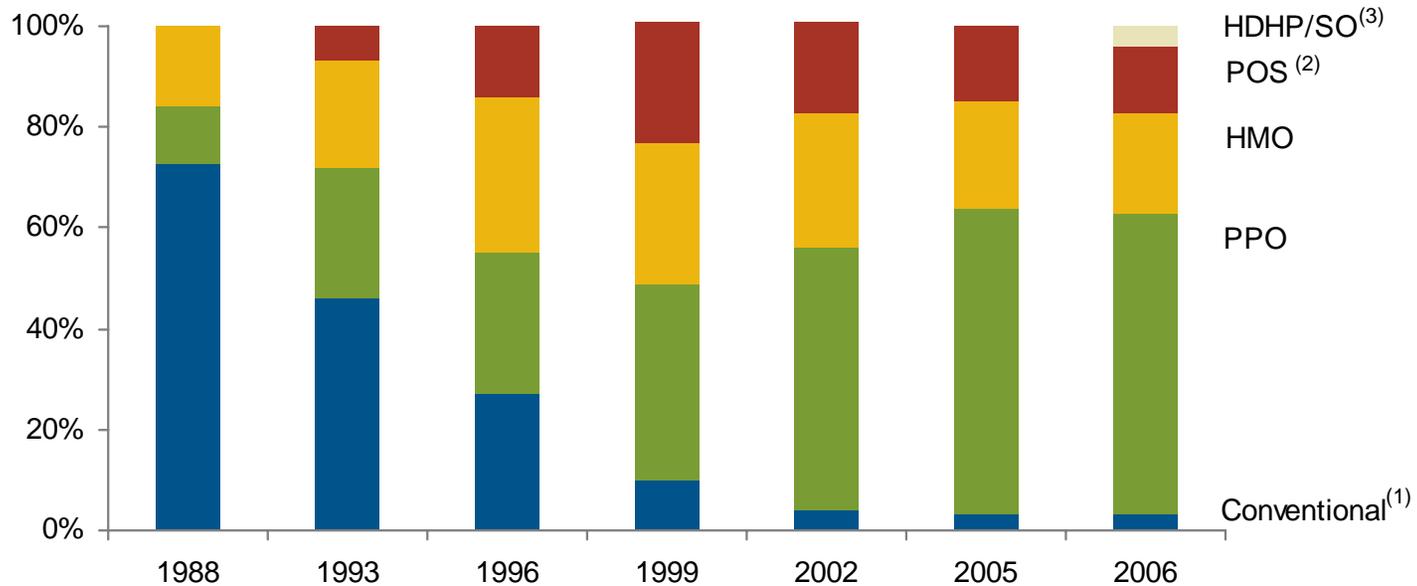
Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2006.
Employer Health Benefits: 1999, 2002, 2005, and 2006. Link: <http://www.kff.org/insurance/7527/upload/7527.pdf>.
KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1993, 1996.

(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.

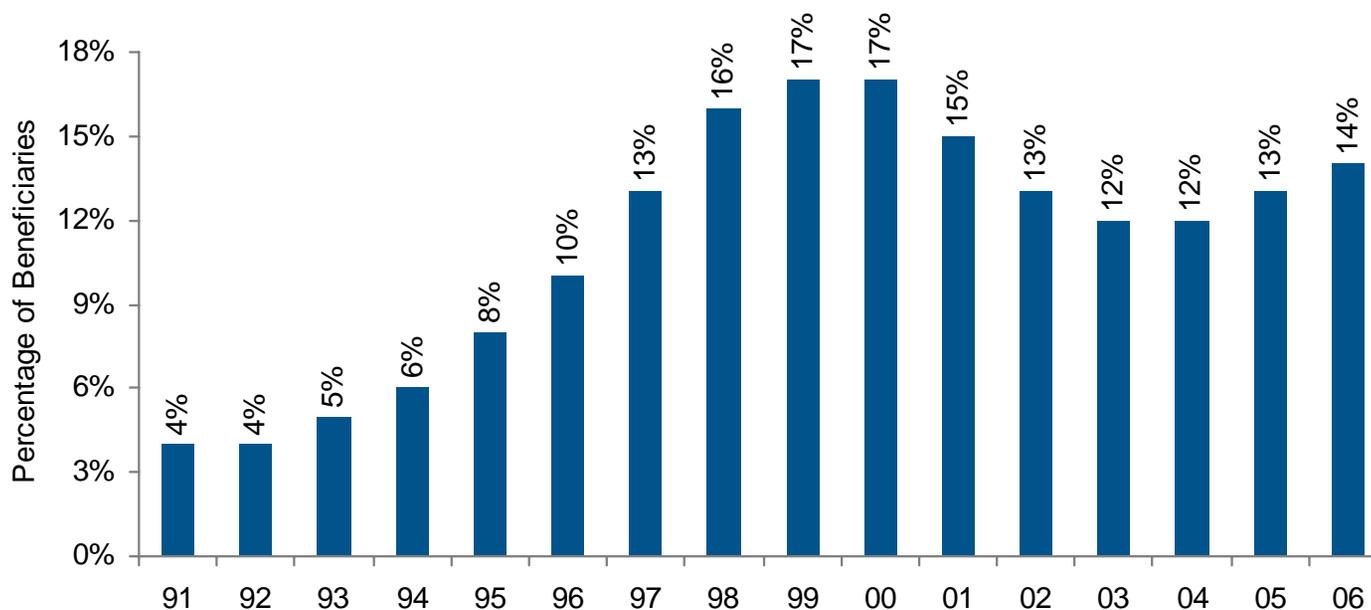
Chart 1.22: Distribution of Employer-sponsored Health Insurance Enrollment by Type of Plan, 1988 – 2006



Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2006.
Employer Health Benefits: 1999, 2002, 2005, and 2006. Link: <http://www.kff.org/insurance/7527/upload/7527.pdf>.
 KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1993, 1996.

- (1) Conventional plans refer to traditional indemnity plans.
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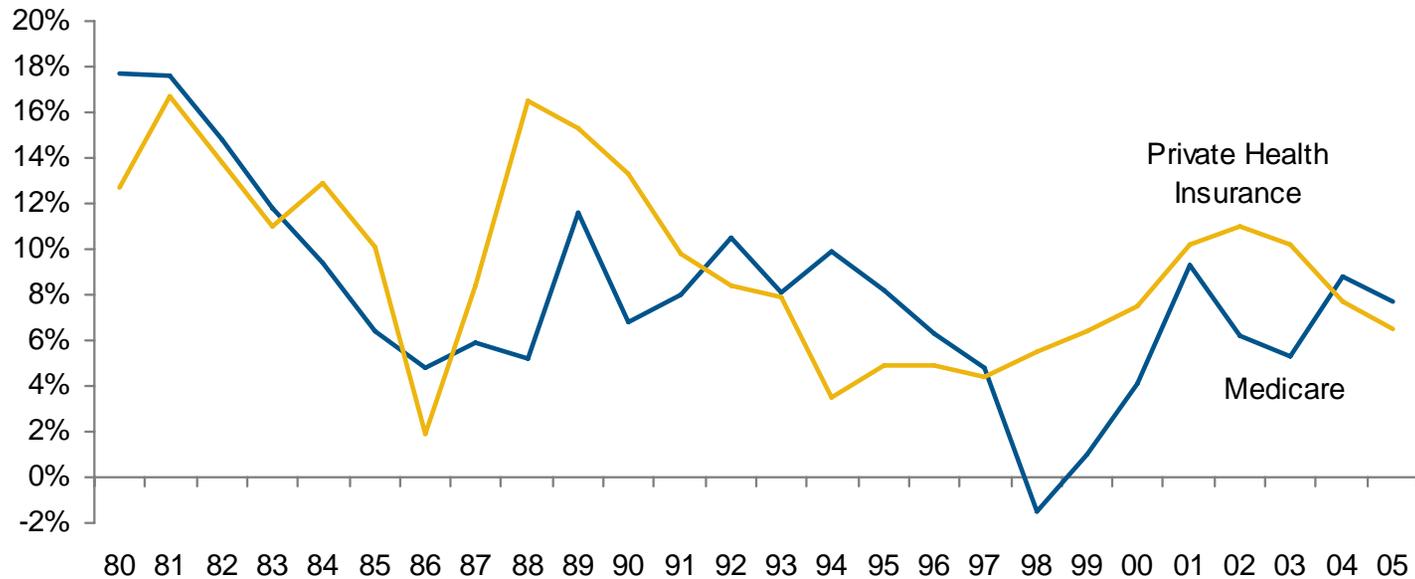
Chart 1.23: Percentage of Medicare Beneficiaries Enrolled in Medicare Managed Care,⁽¹⁾ 1991 – 2006



Source: Centers for Medicare & Medicaid Services, Office of the Actuary.

⁽¹⁾ Email correspondence with CMS staff in February 2007.

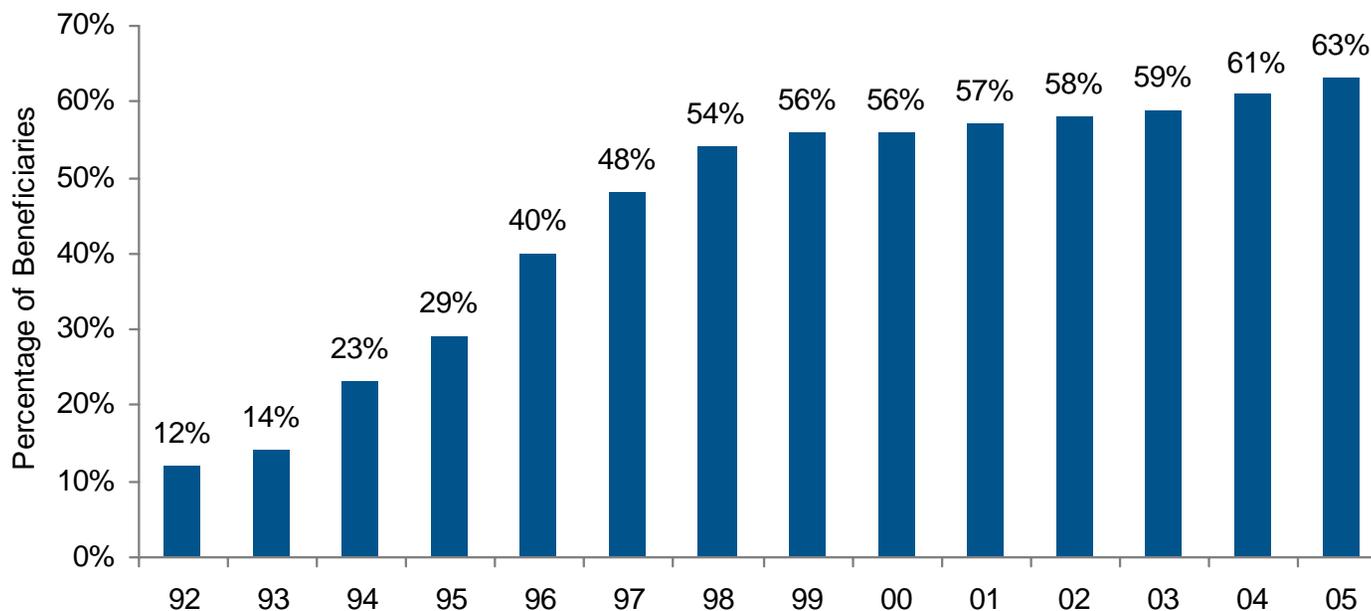
Chart 1.24: Percent Growth in Medicare Spending per Beneficiary vs. Private Health Insurance Spending per Enrollee, 1980 – 2005⁽¹⁾



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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

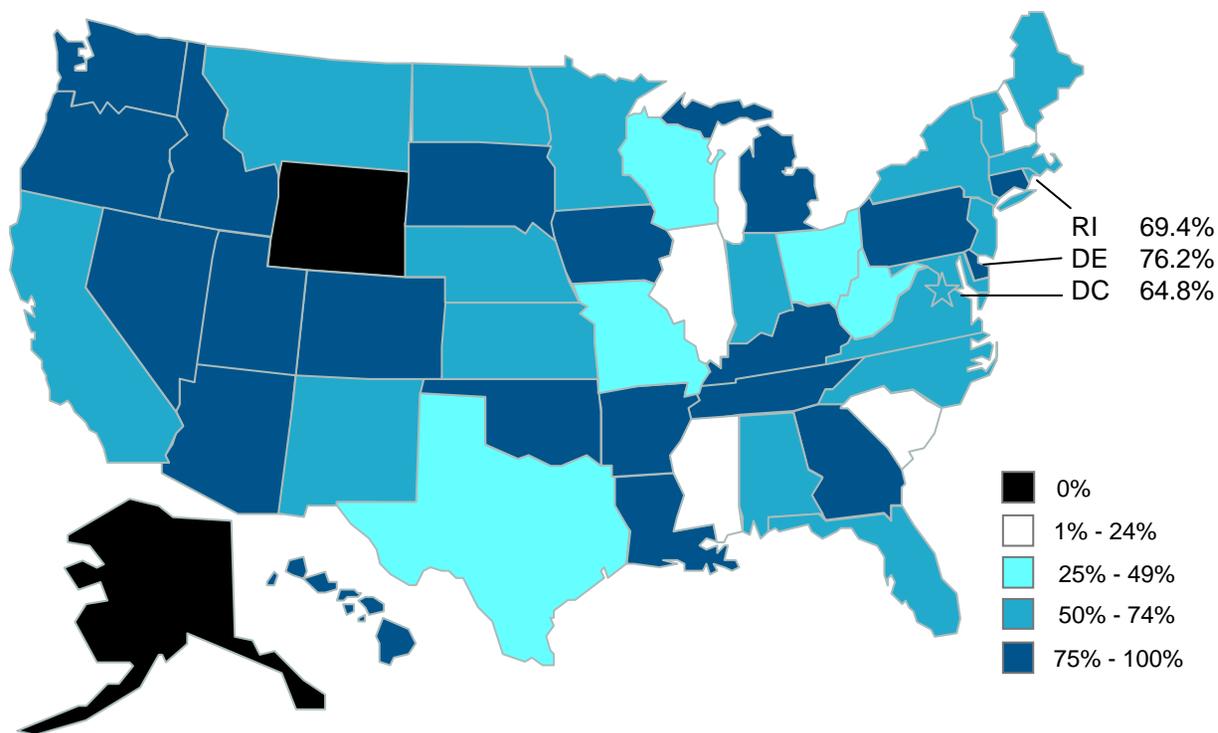


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released June 2005.

Medicaid Managed Care Enrollment Report as of June 30, 2005.

Link: <http://www.cms.hhs.gov/MedicaidDataSourcesGenInfo/Downloads/mmcer05.pdf>.

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

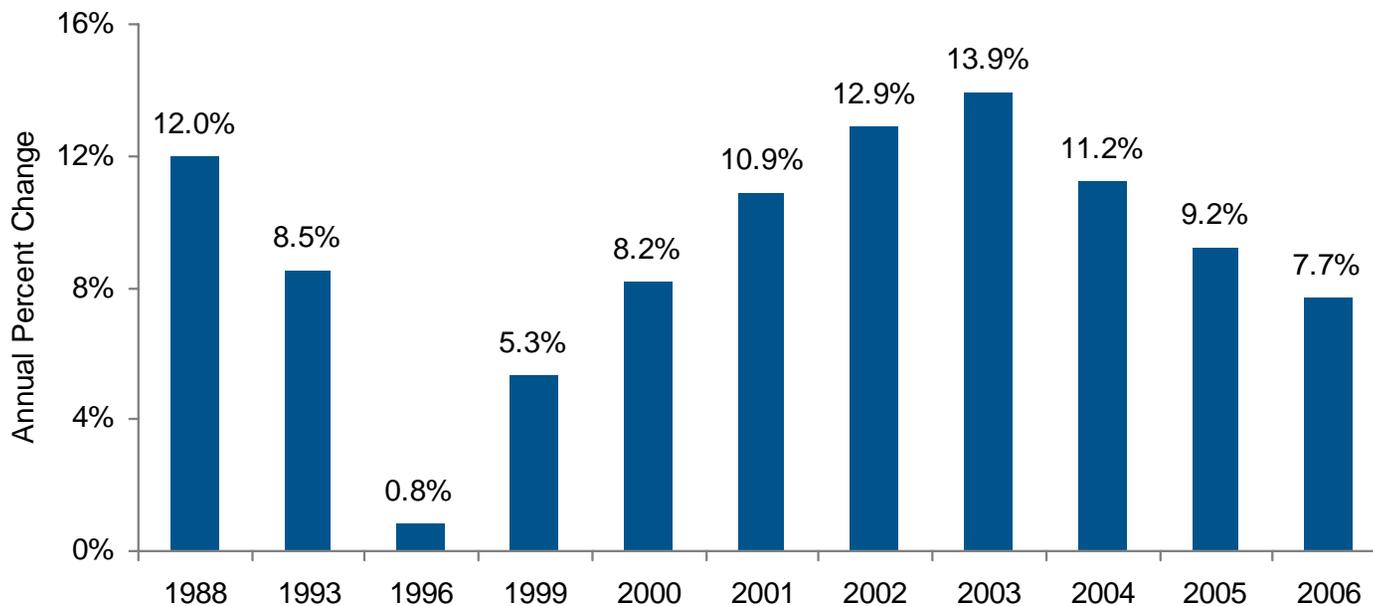


Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released June 2005.

Medicaid Managed Care Enrollment Report as of June 30, 2005.

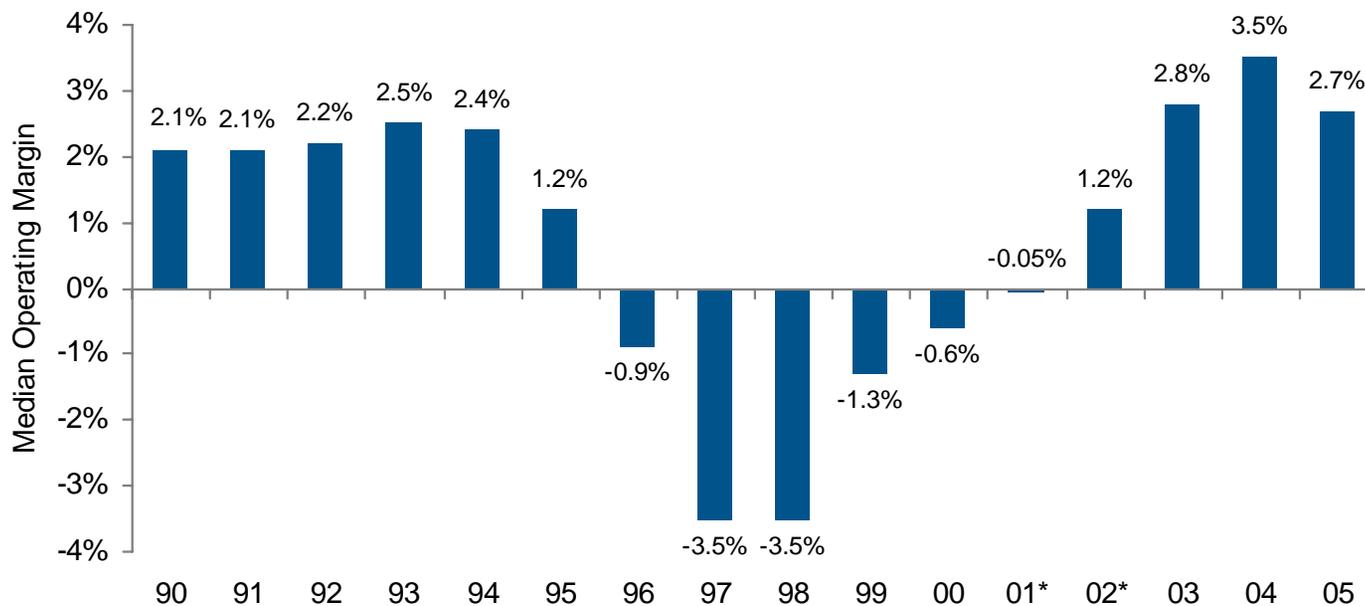
Link: <http://www.cms.hhs.gov/MedicaidDataSourcesGenInfo/Downloads/mmcer05.pdf>.

Chart 1.27: Annual Change in Health Insurance Premiums, 1988 – 2006



Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2006.
Employer Health Benefits: 1999, 2002, 2005, and 2006. Link: <http://www.kff.org/insurance/7527/upload/7527.pdf>.
KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1993, 1996.

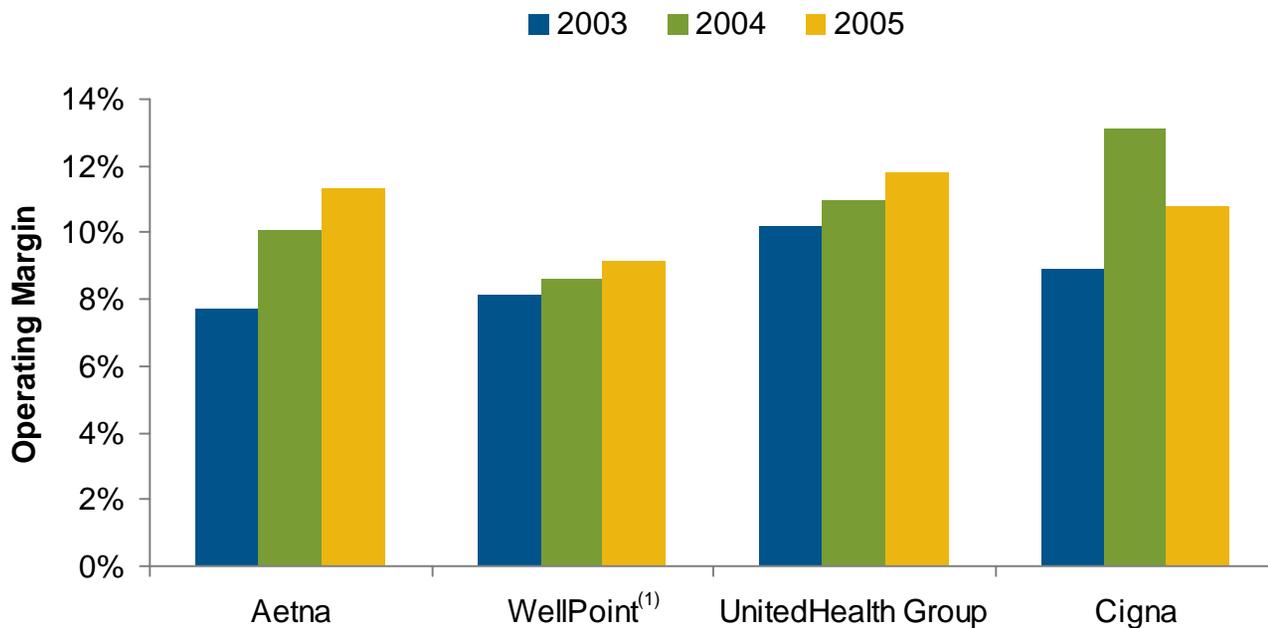
Chart 1.28: HMO Plan Median Operating Margins, 1990 – 2005



Source: Health Leaders-Interstudy, *The Health Leaders-Interstudy Competitive Edge: Part II: Managed Care Industry Report*, using data as of January 1, 2006.

* 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



Source: Hoovers. Data from January 2007. 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



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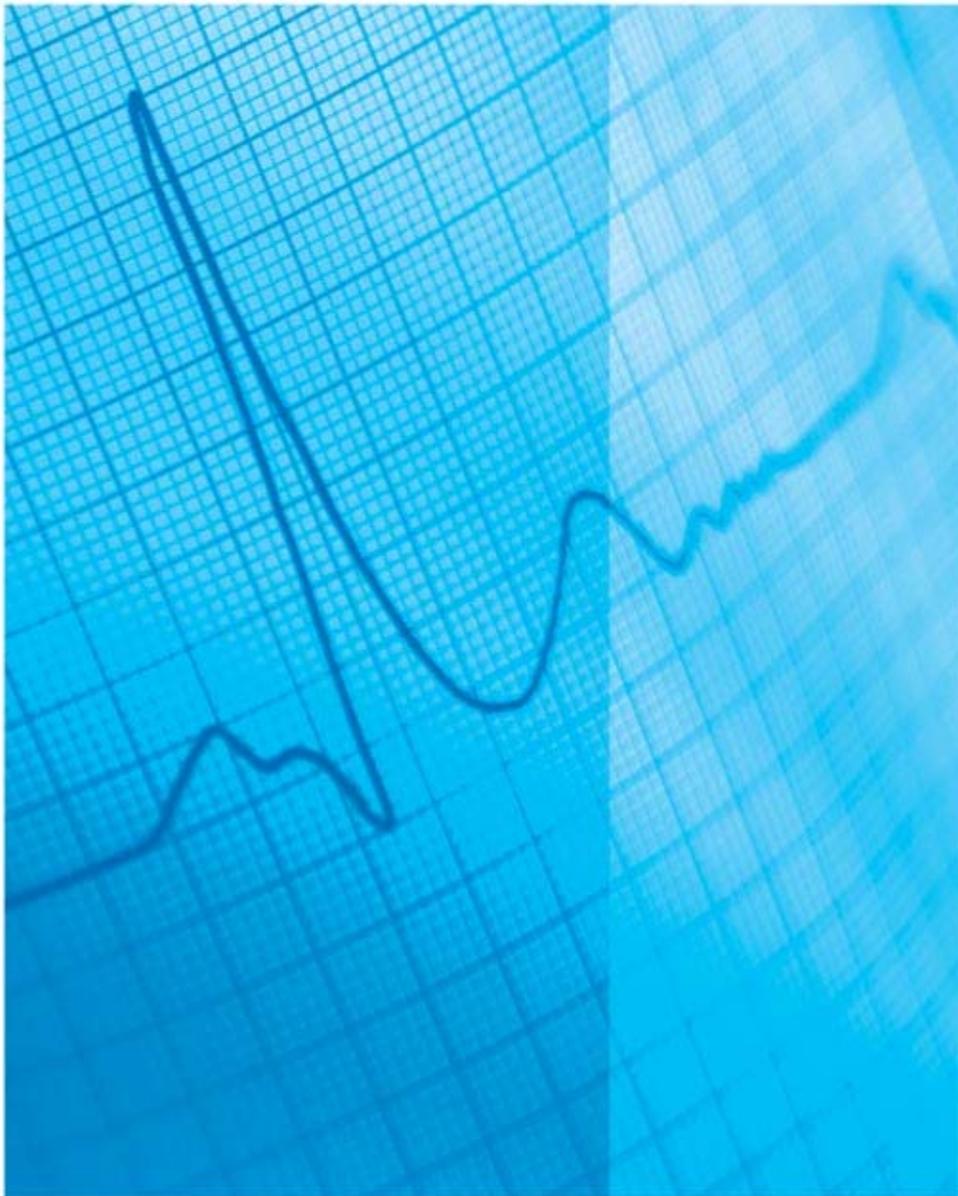


Trends Affecting Hospitals and Health Systems

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CHAPTER 2.0: **Organizational Trends**

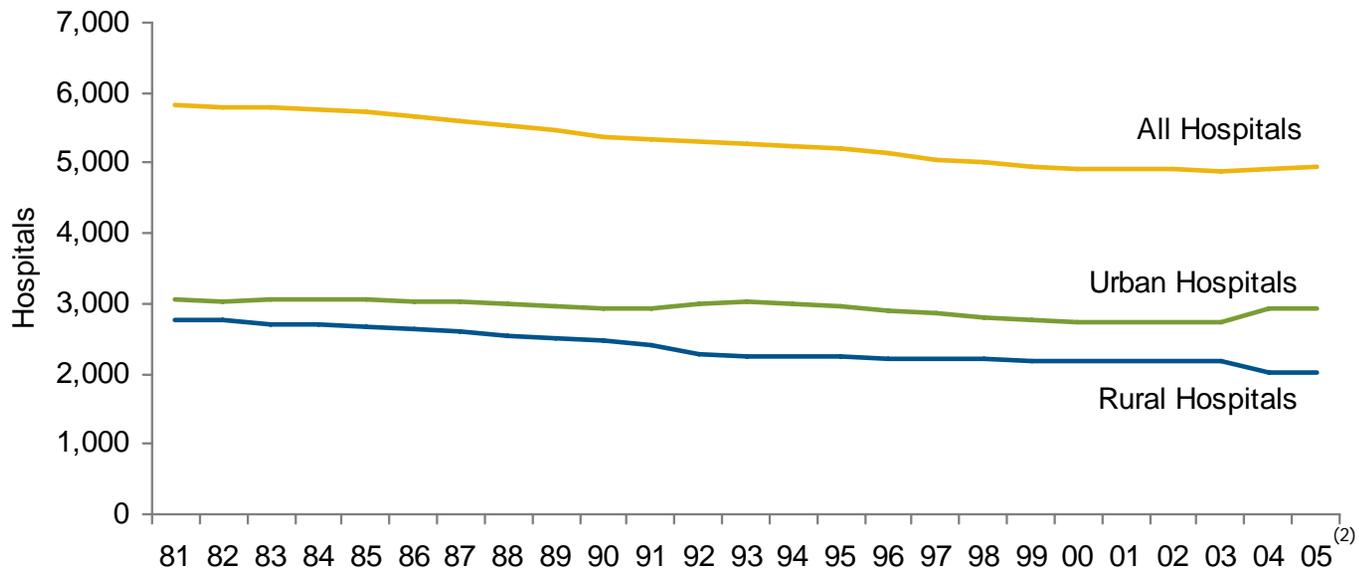
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CHAPTER 2

Organizational Trends

Chart 2.1: Number of Community Hospitals,⁽¹⁾ 1981 – 2005

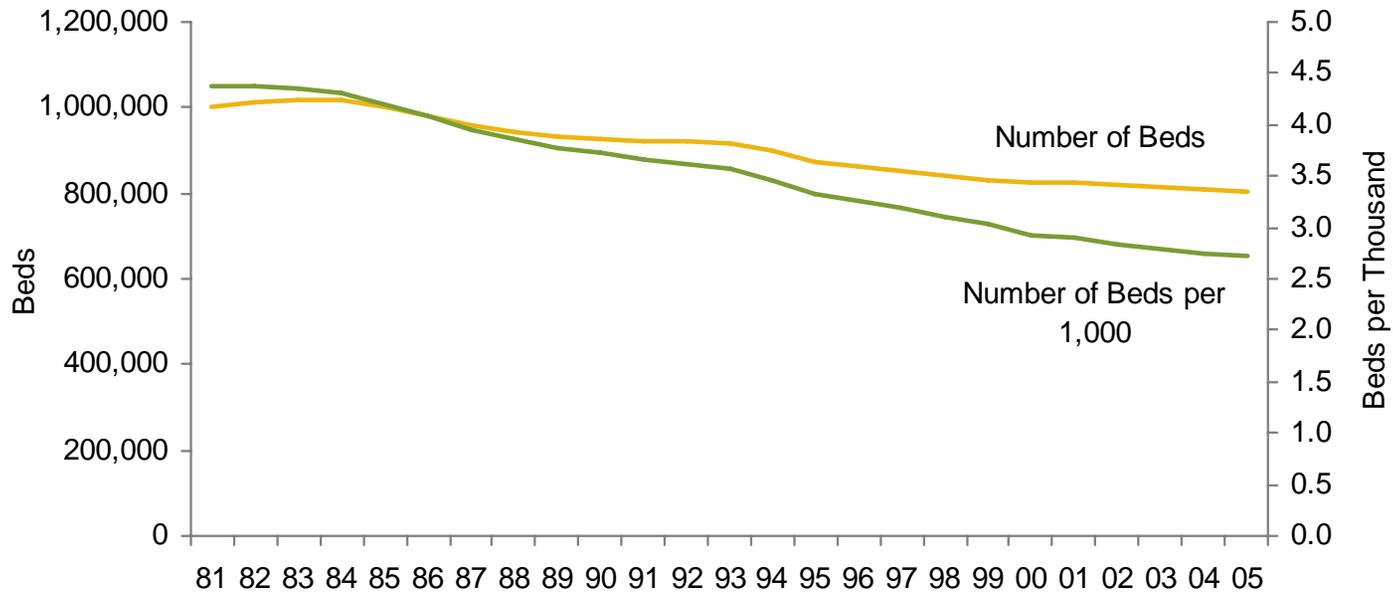


Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

⁽¹⁾ All nonfederal, short-term general, and specialty hospitals whose facilities and services are available to the public.

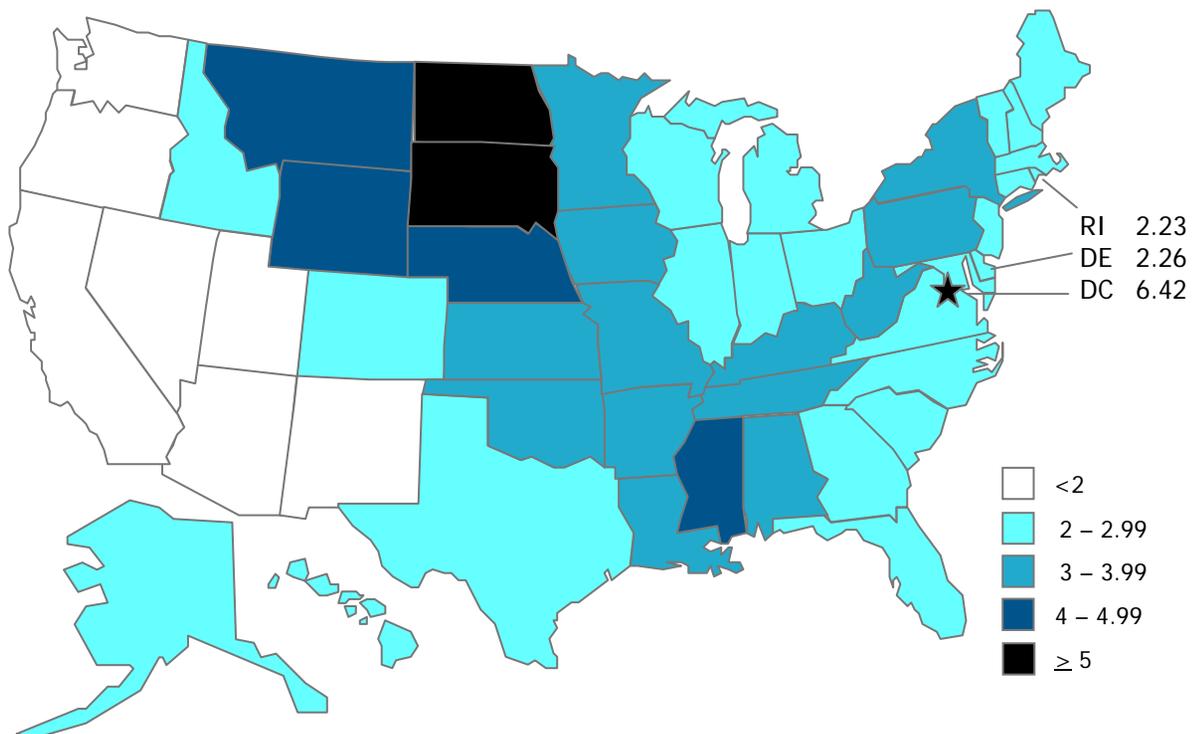
⁽²⁾ Data on the number of urban and rural hospitals in 2004 and beyond were collected using coding different from previous years to reflect new Centers for Medicare & Medicaid Services wage area designations.

Chart 2.2: Number of Beds and Number of Beds per 1,000 Persons, 1981 – 2005



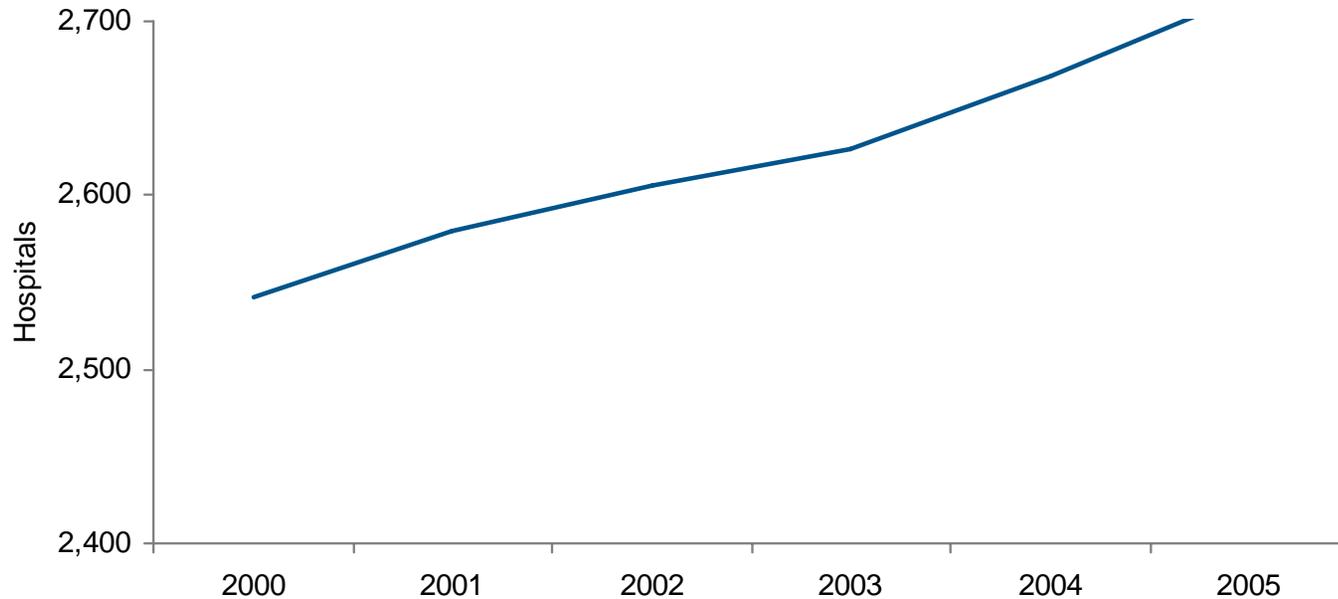
Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

Chart 2.3: Beds per 1,000 by State, 2005



Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.
US Census Bureau: National and State Population Estimates, July 1, 2005.
Link: <http://www.census.gov/popest/states/tables/NST-EST2006-01.xls>.

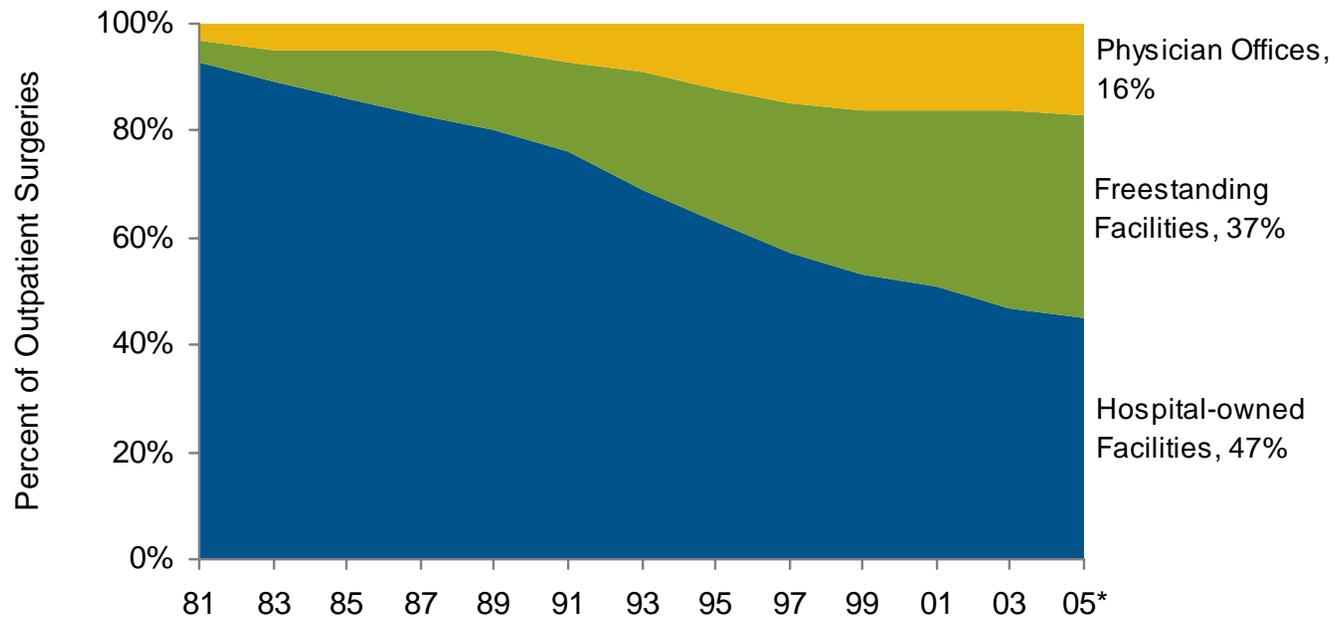
Chart 2.4: Number of Hospitals in Health Systems,⁽¹⁾ 2000 – 2005



Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

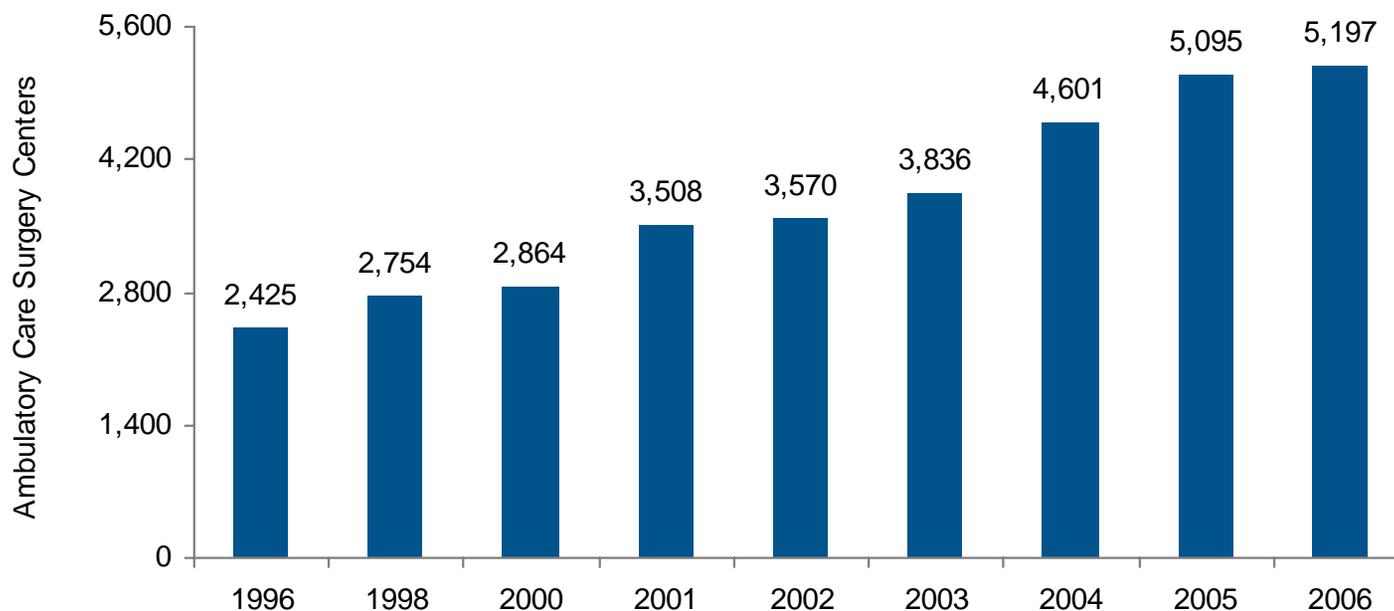
⁽¹⁾ Hospitals that are part of a corporate body that may own and/or manage health provider facilities or health-related subsidiaries as well as non-health-related facilities including freestanding and/or subsidiary corporations.

Chart 2.5: Percent of Outpatient Surgeries by Facility Type, 1981 – 2005



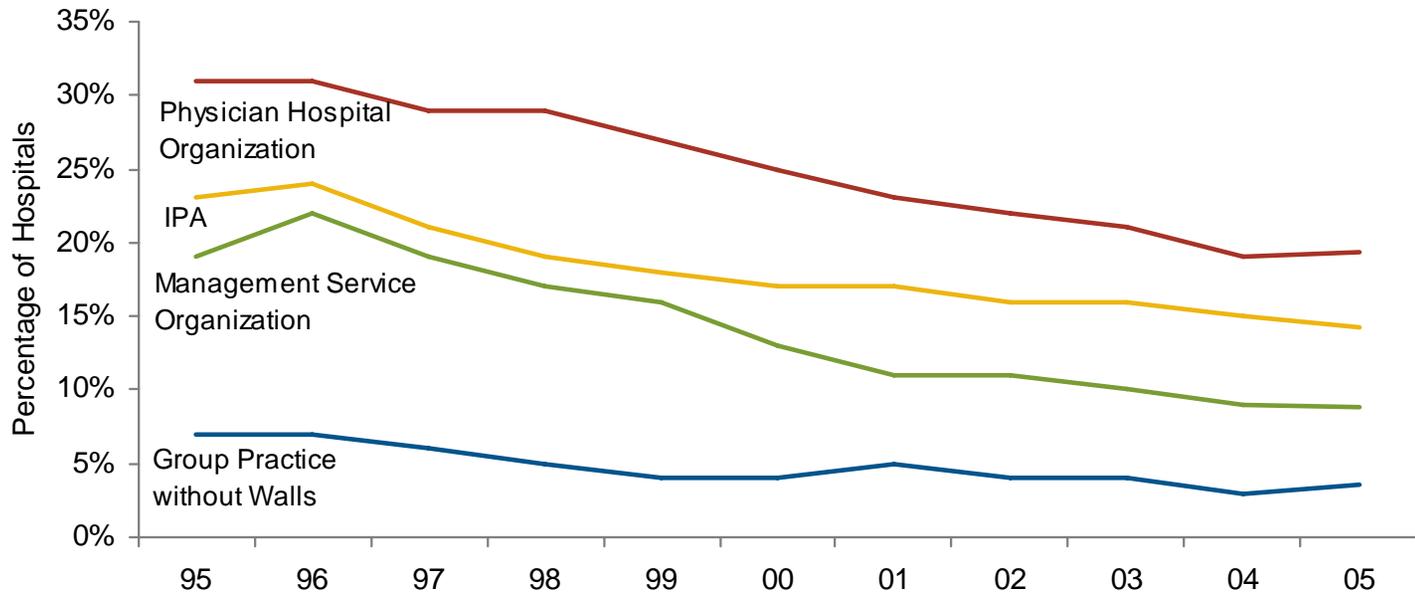
Source: Verispan, *Diagnostic Imaging Center Profiling Solution*, 2004.
*2005 values are estimated based upon current trends.

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Source: Verispan, *2006 Guide to Healthcare Market Segments*, 2006.

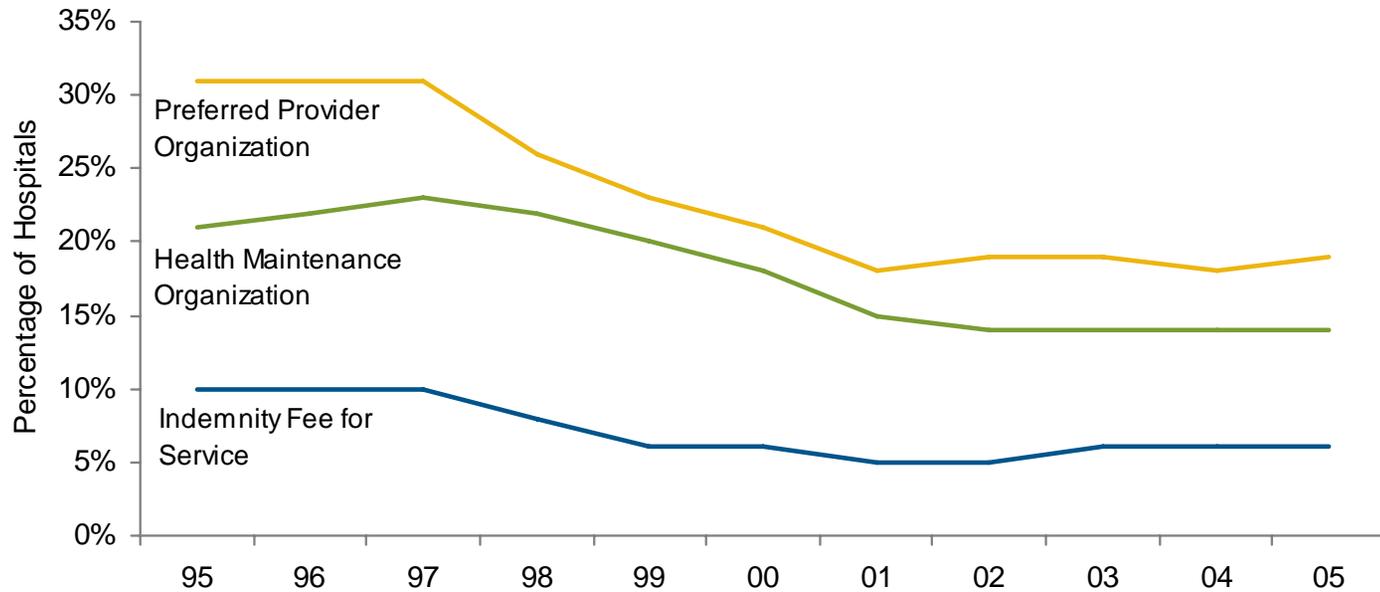
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Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

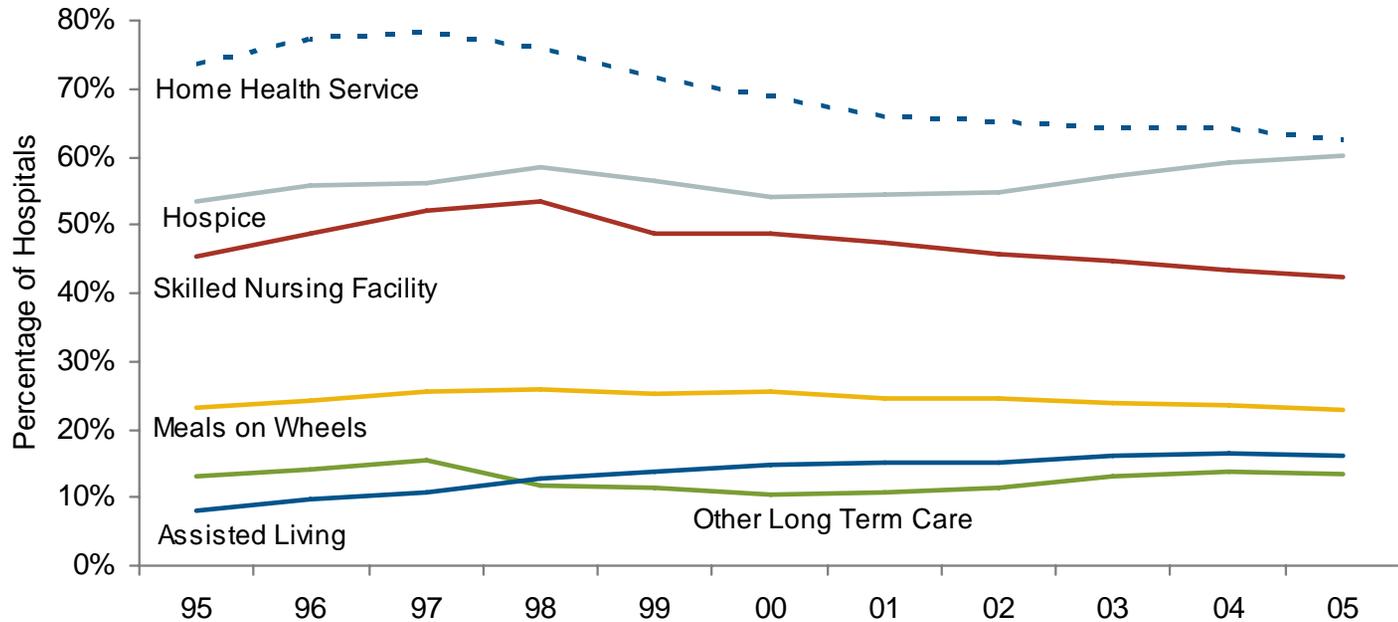
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Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

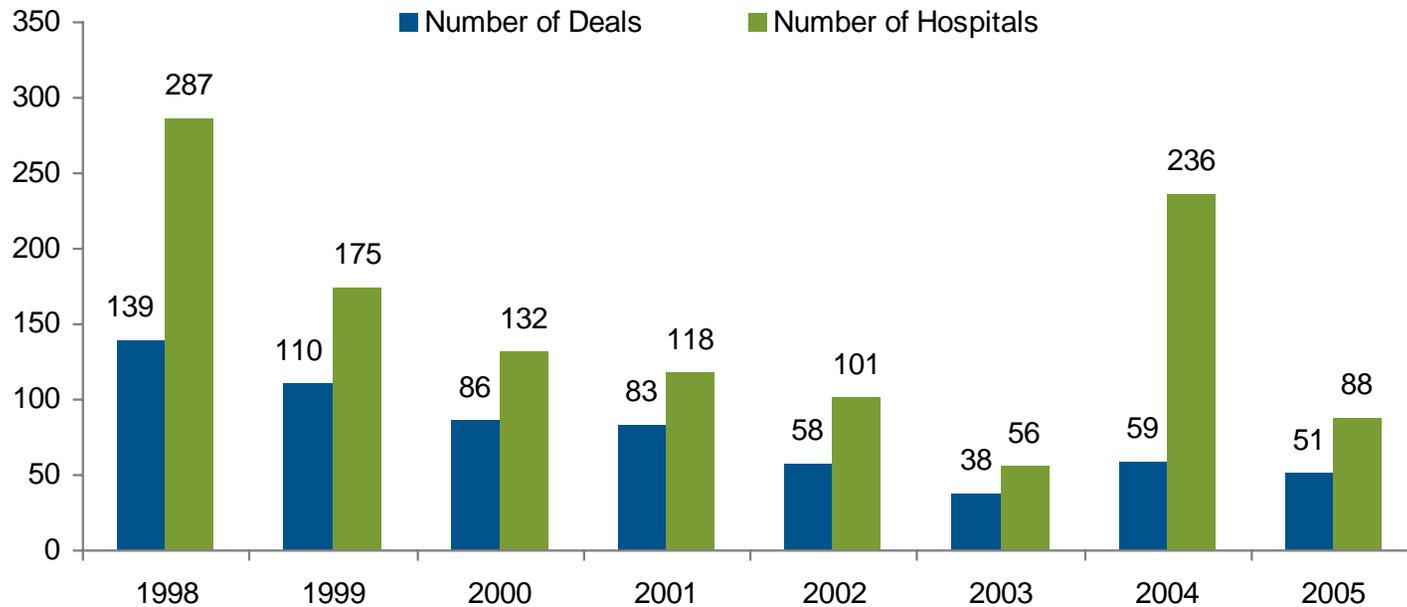
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Source: Irving Levin Associates, Inc., *The Health Care Acquisition Report*, Twelfth Edition, 2006.



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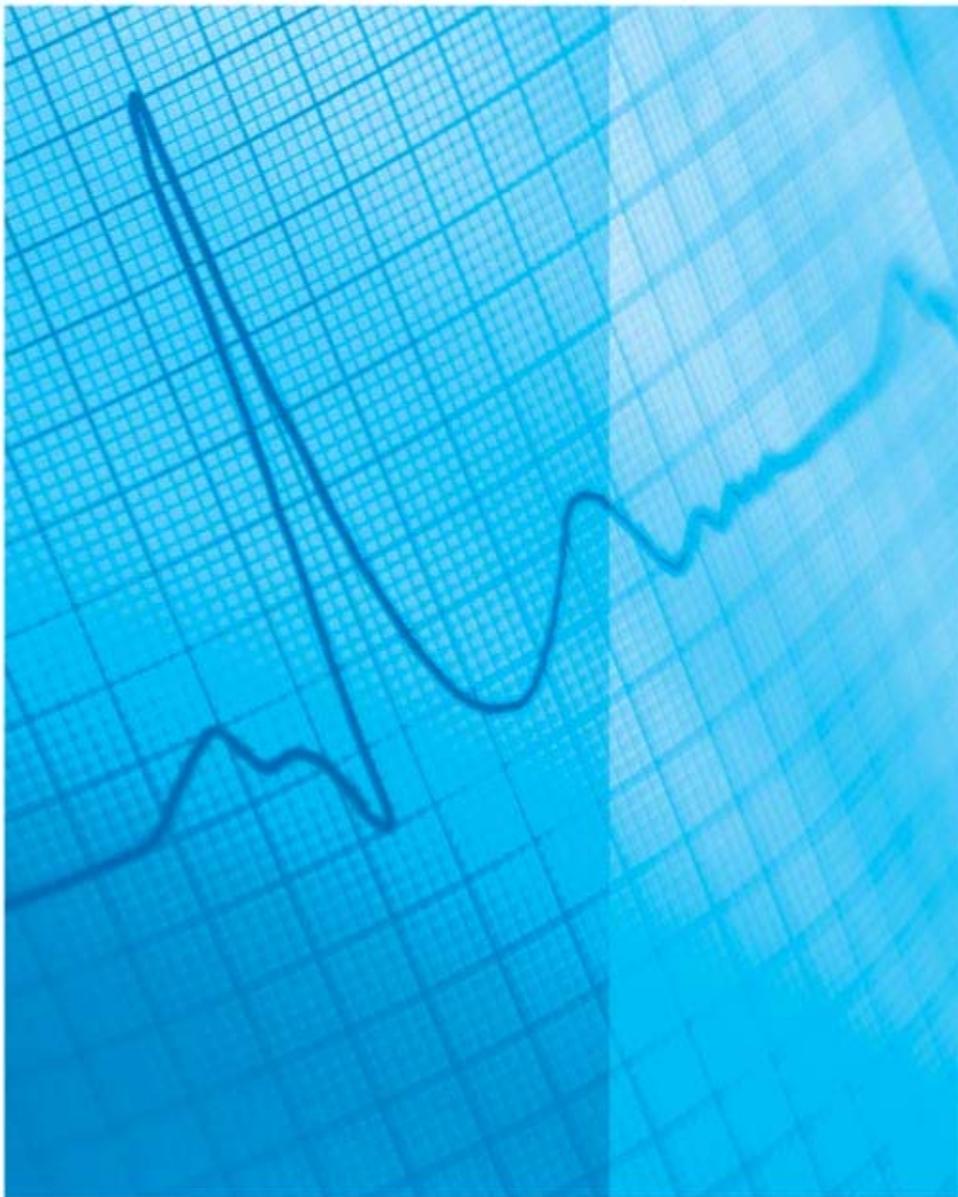
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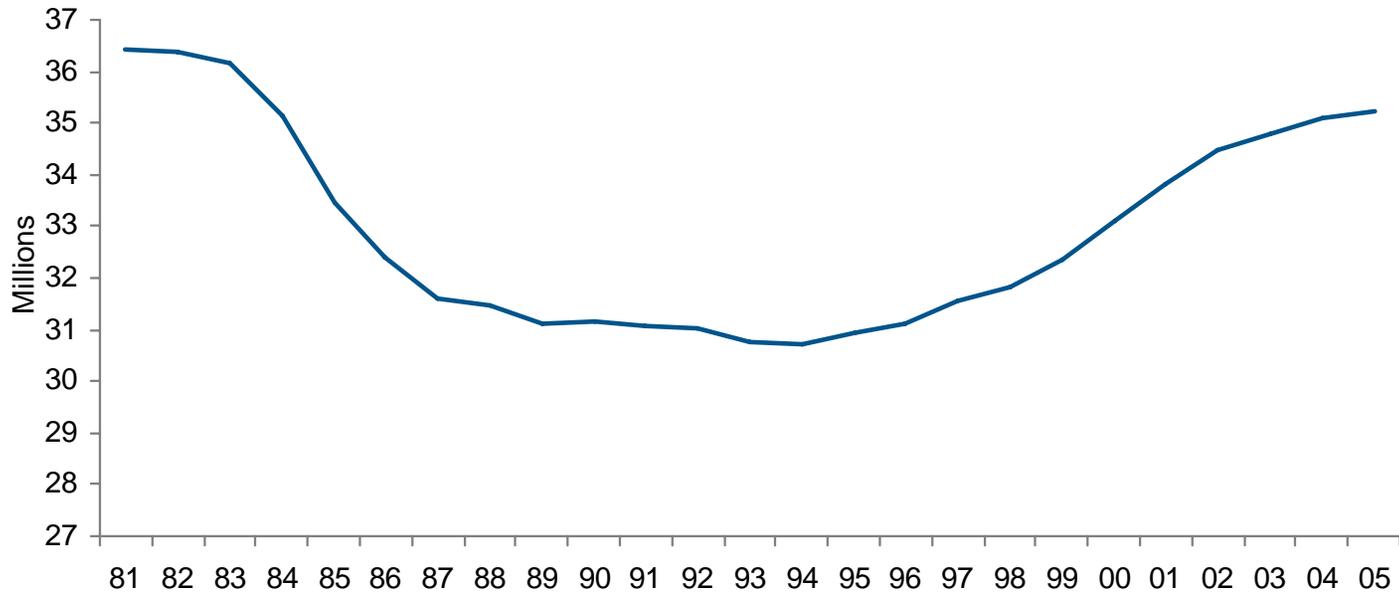
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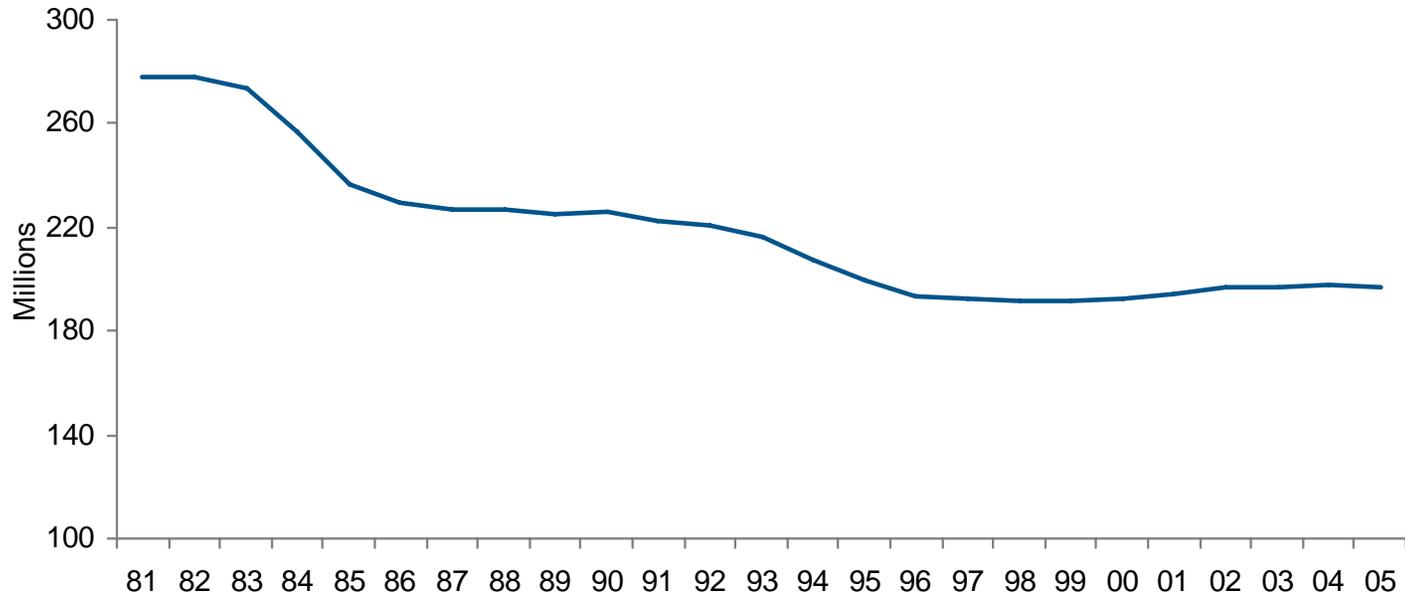
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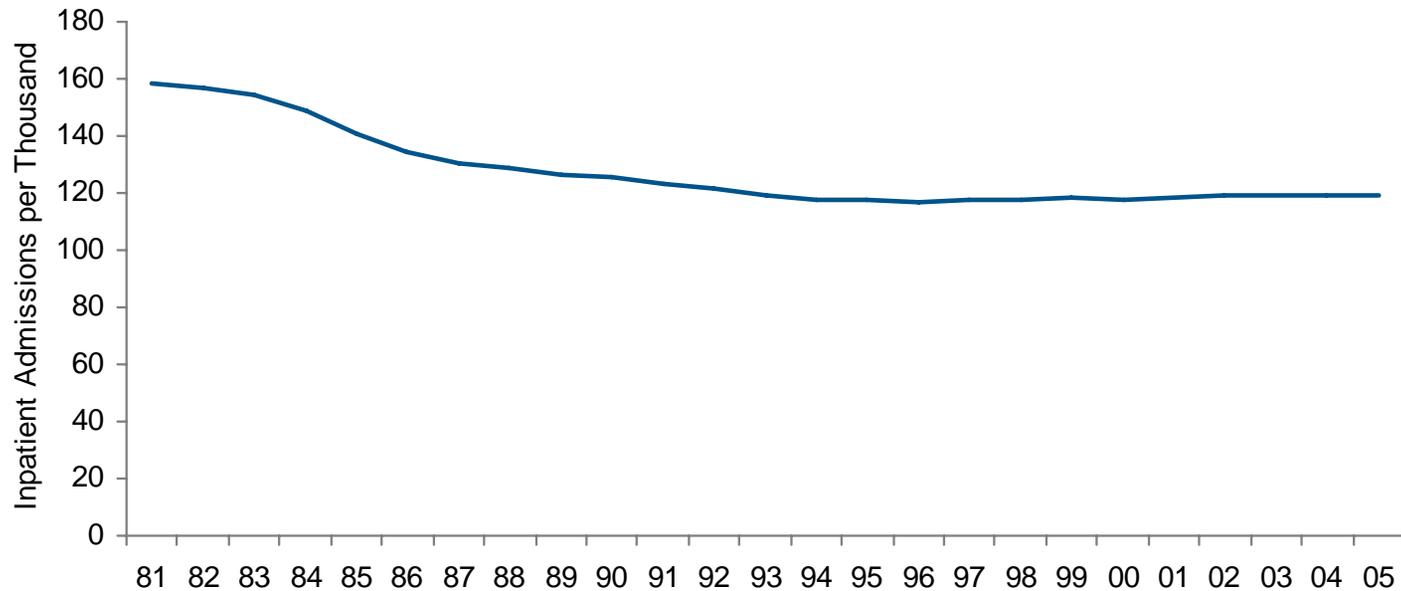
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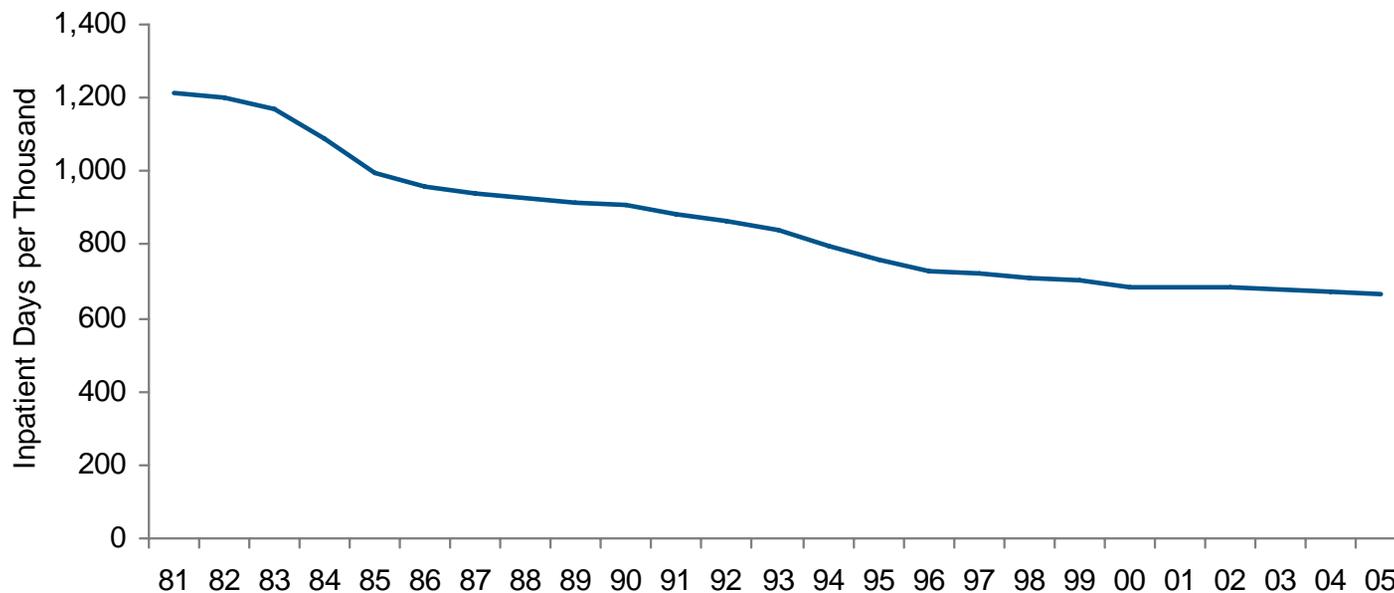
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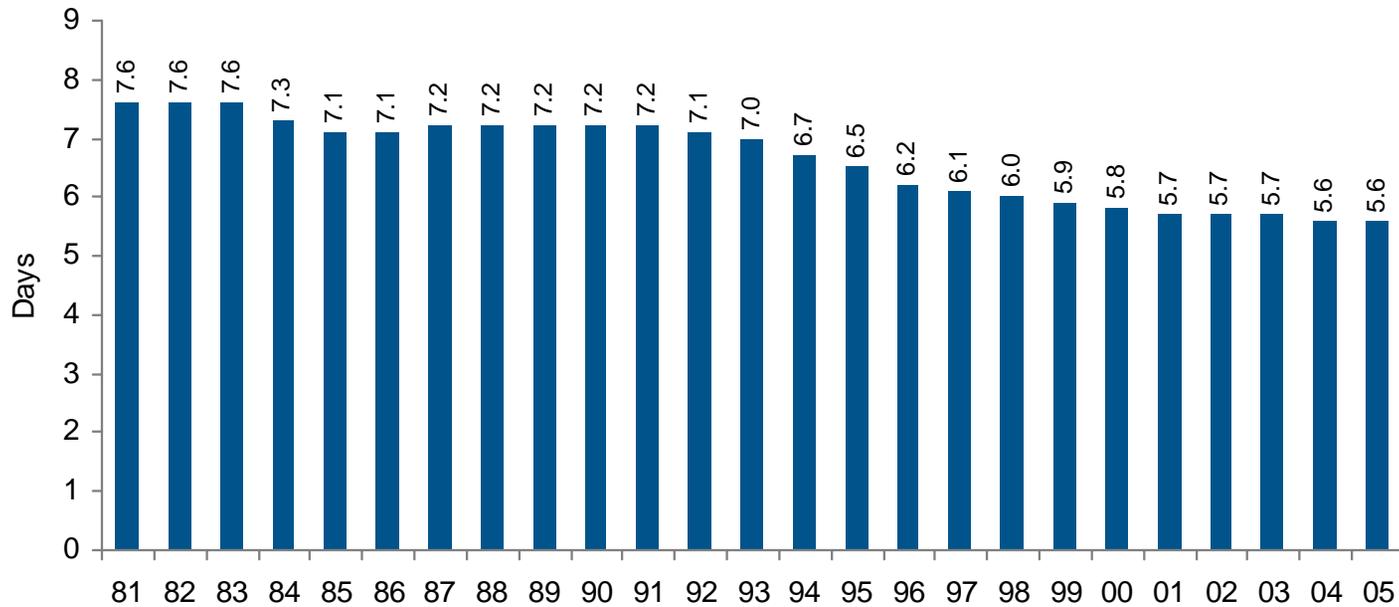
Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.
US Census Bureau: National and State Population Estimates, July 1, 2005.
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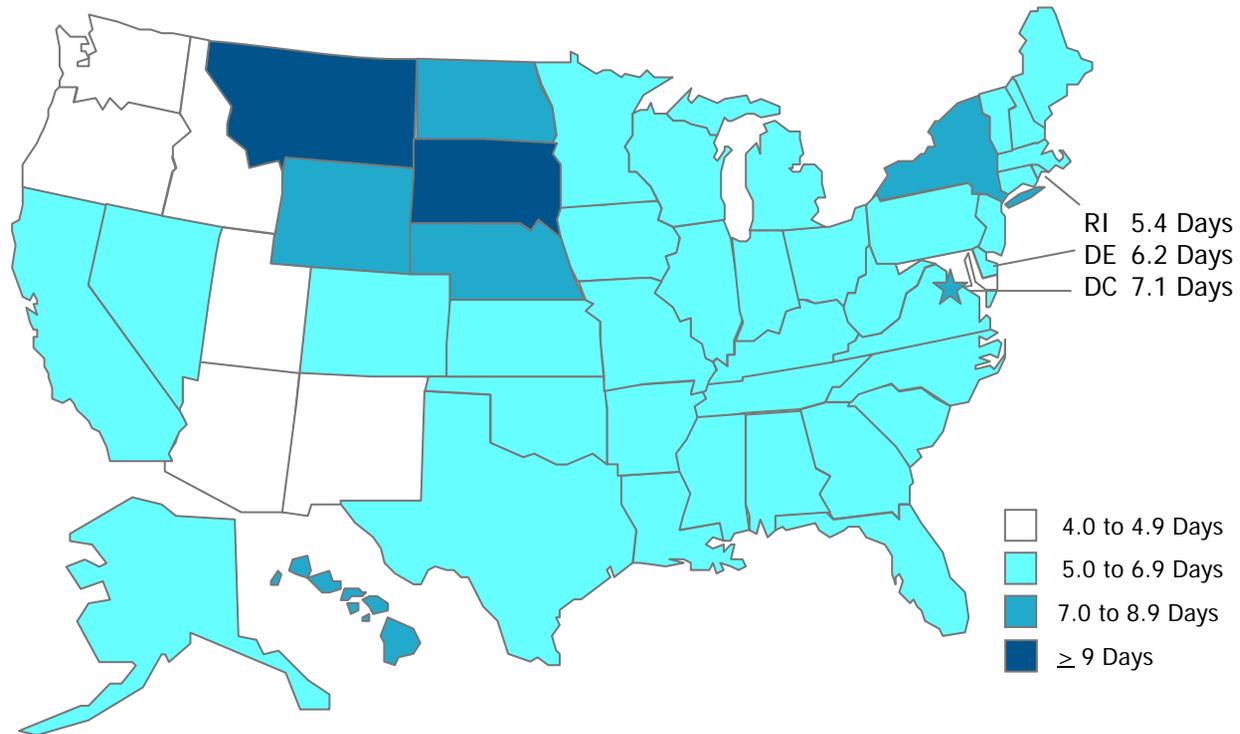
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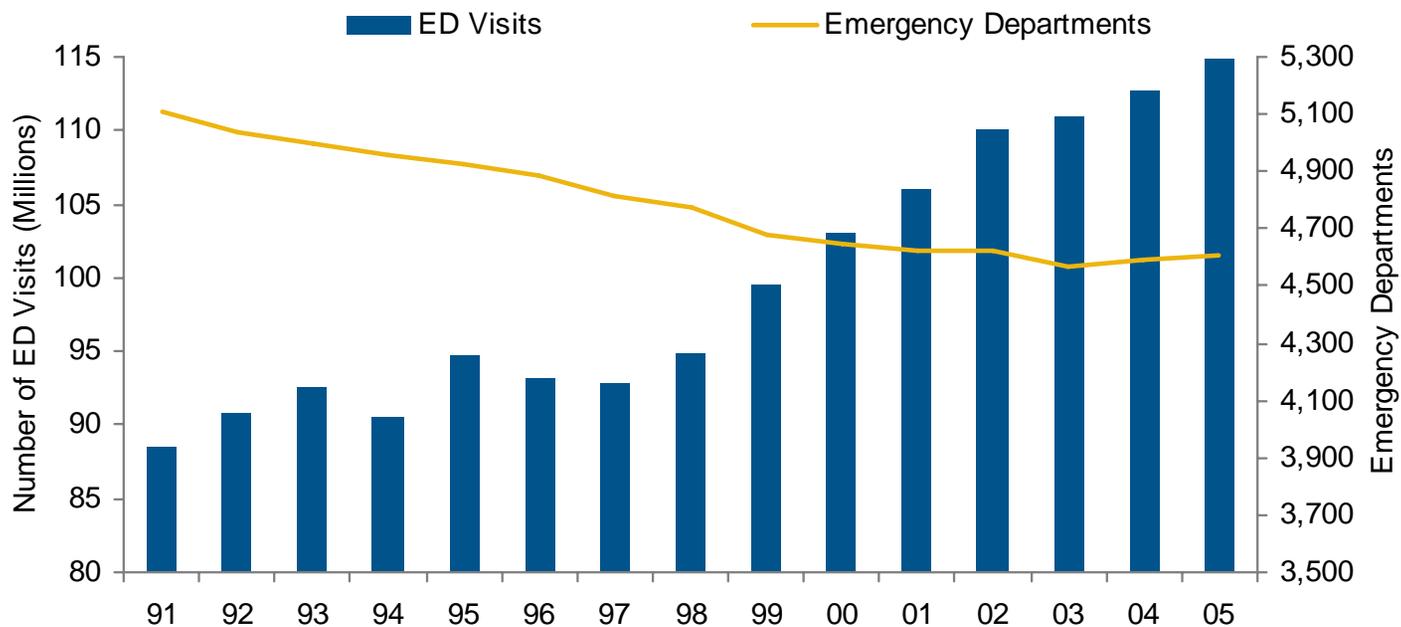
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Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

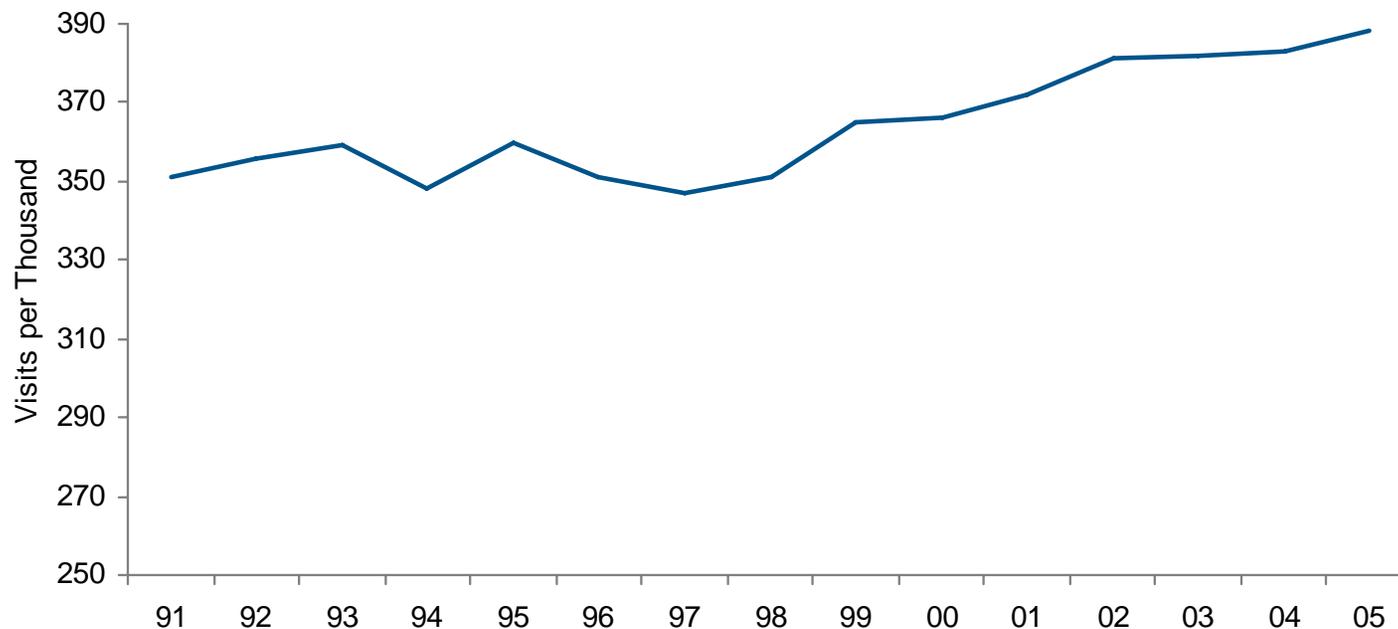
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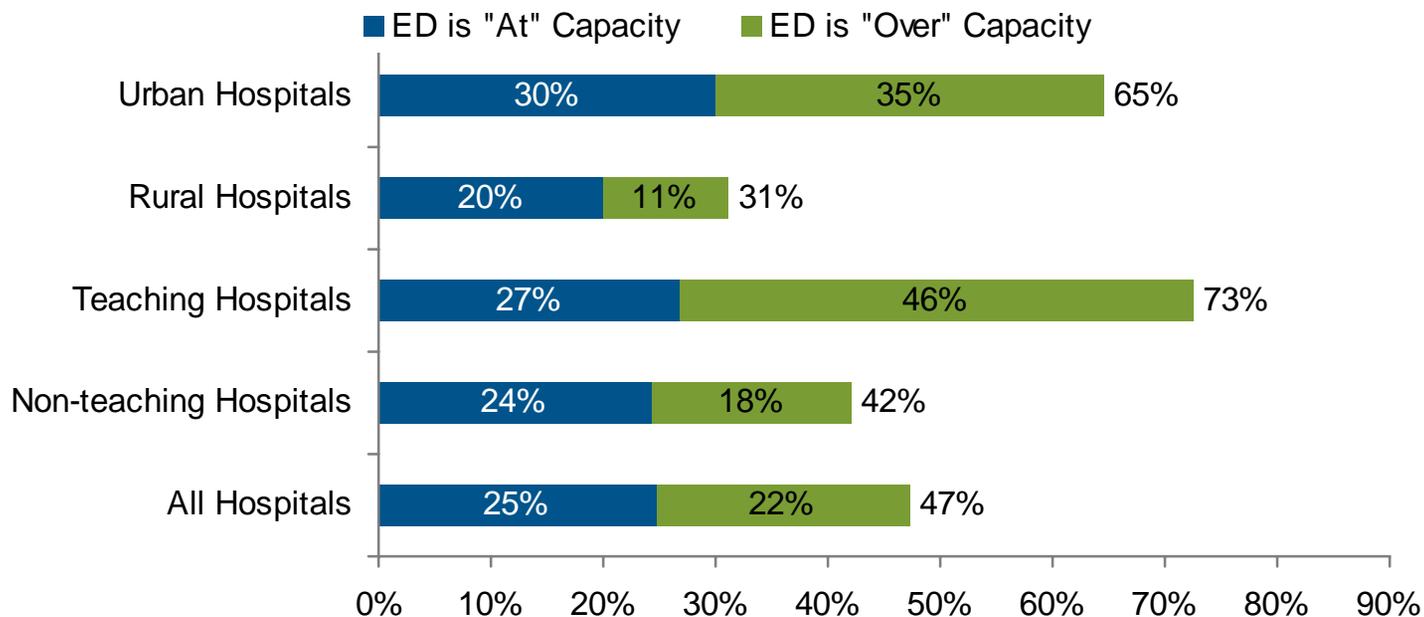
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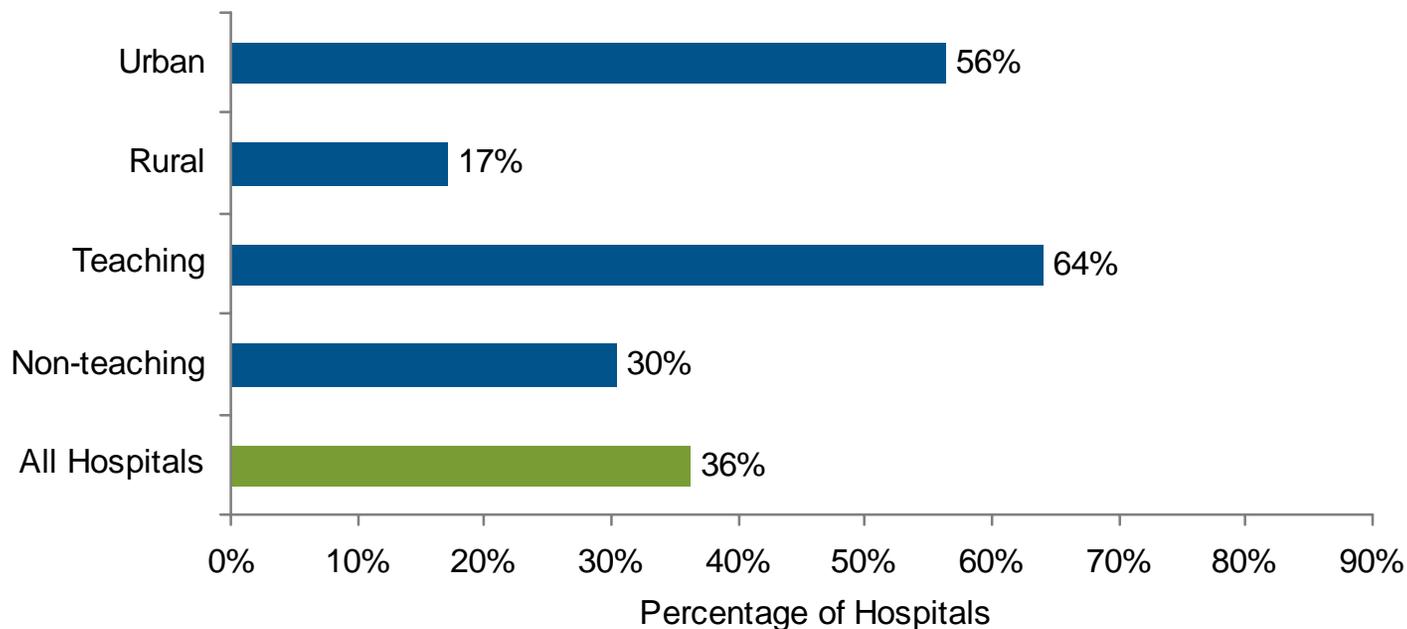
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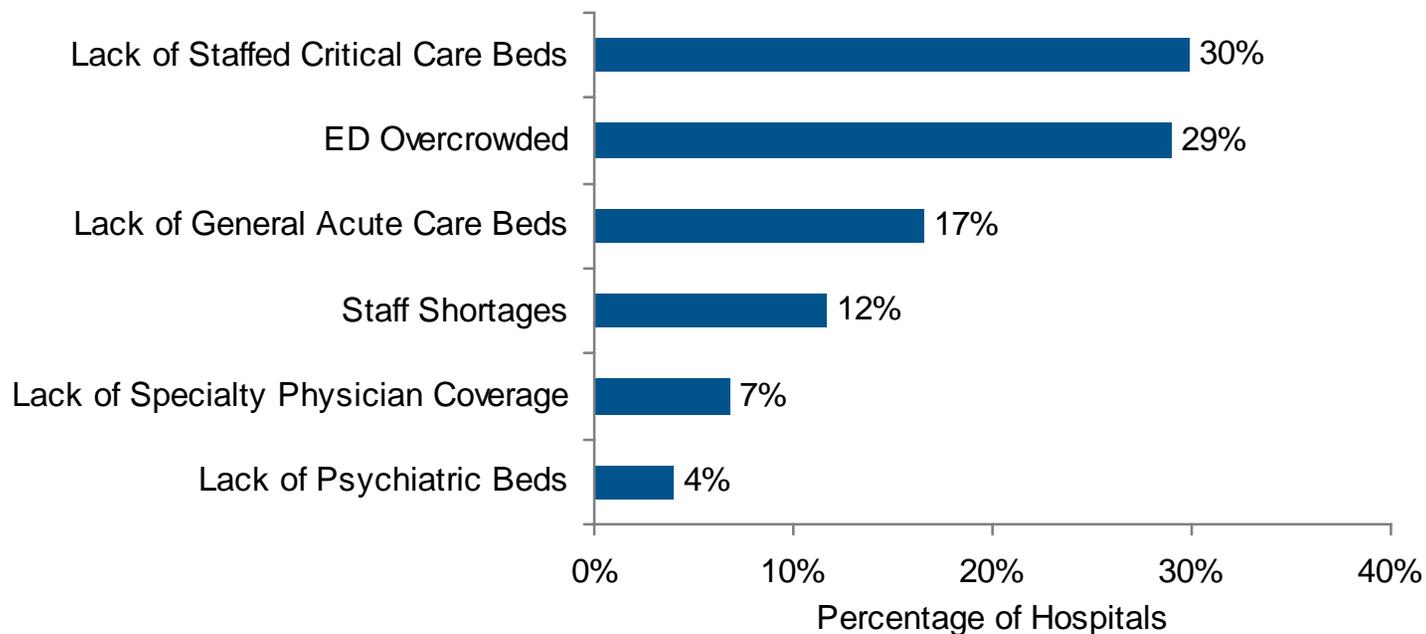
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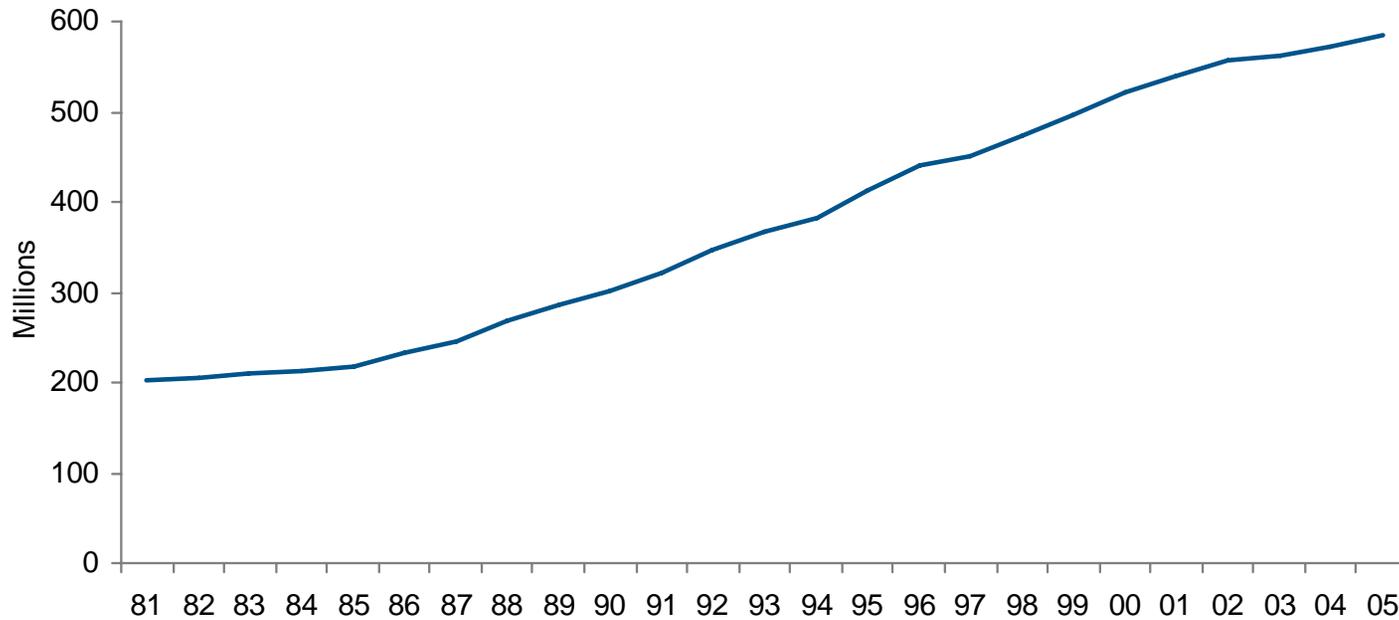
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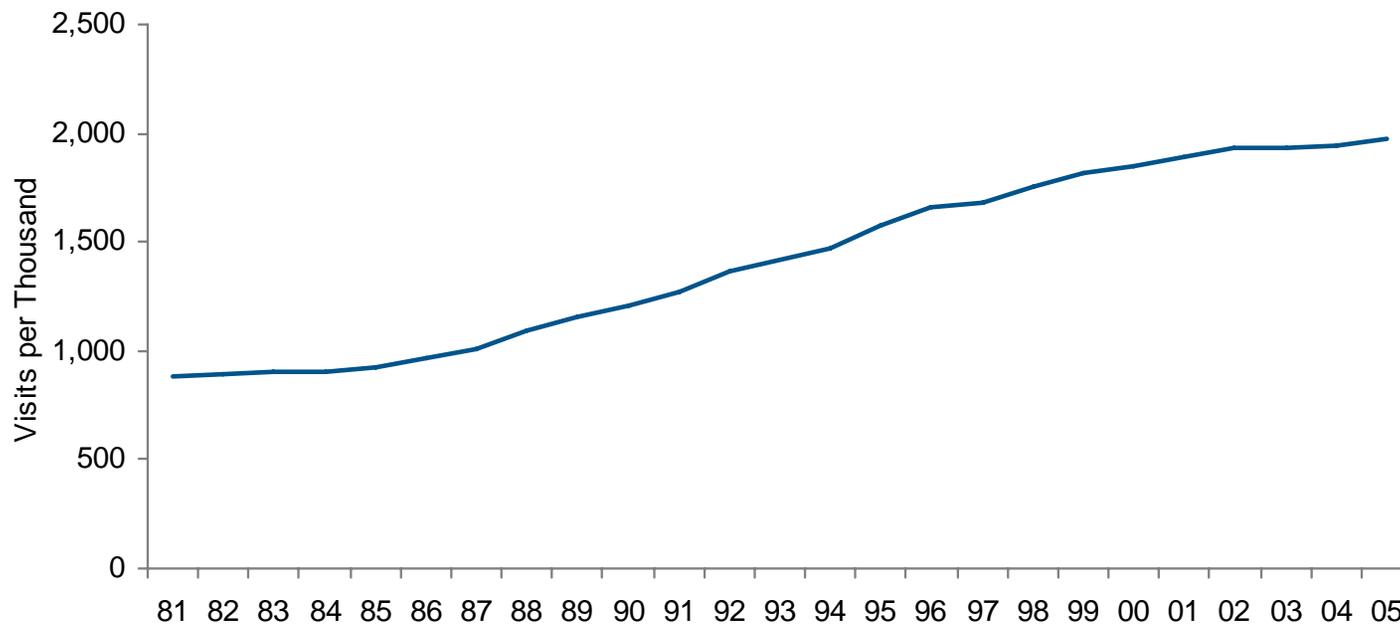
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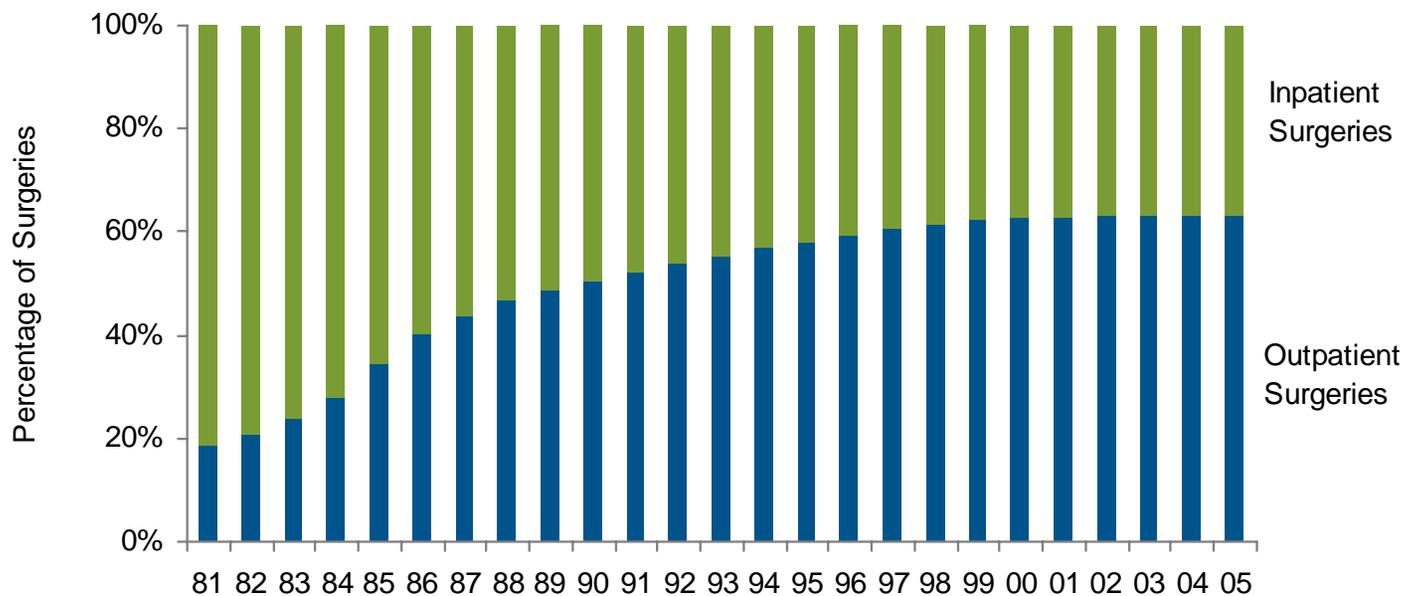
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Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.
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Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.



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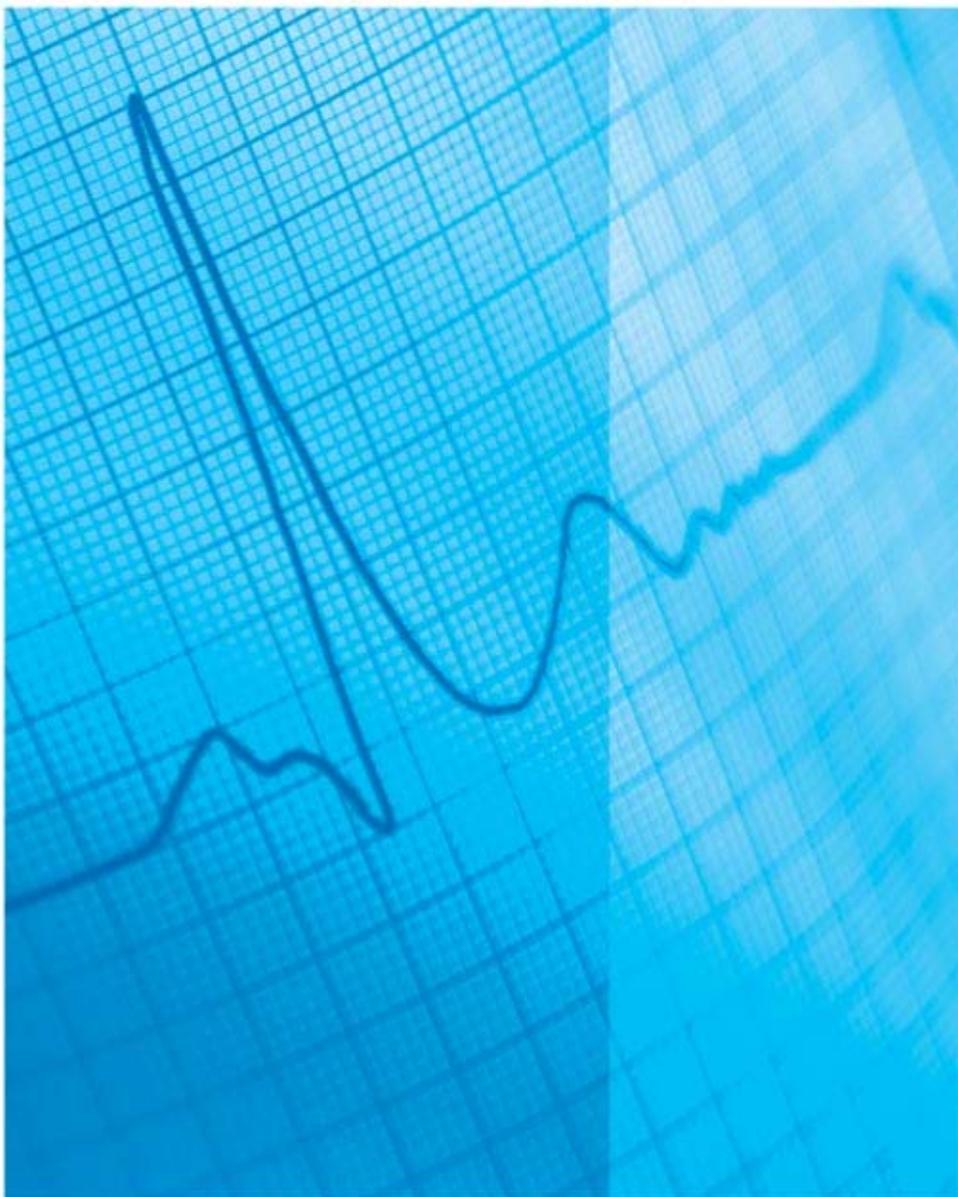


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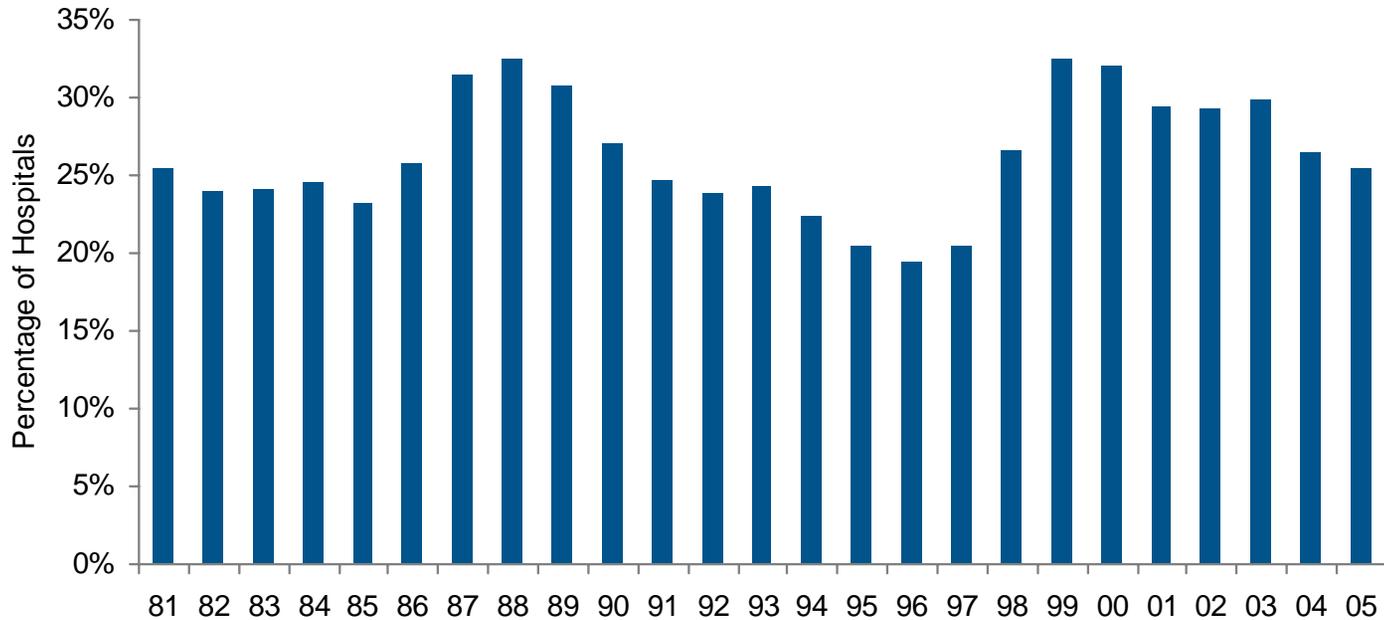
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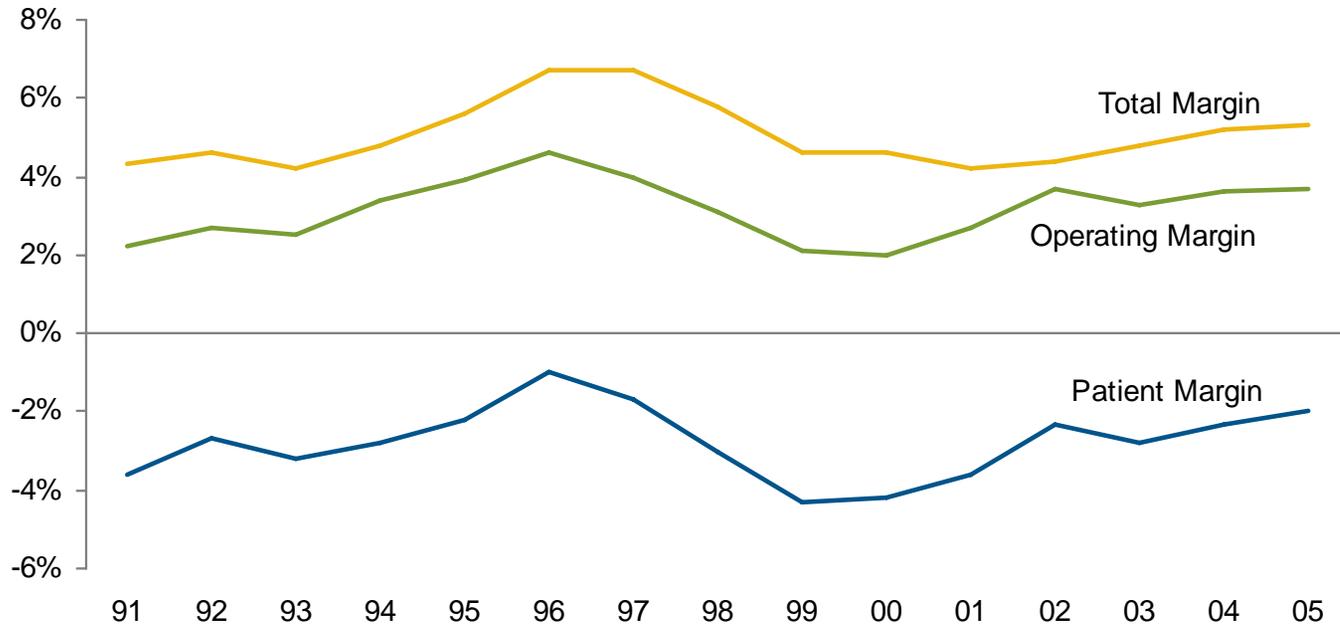
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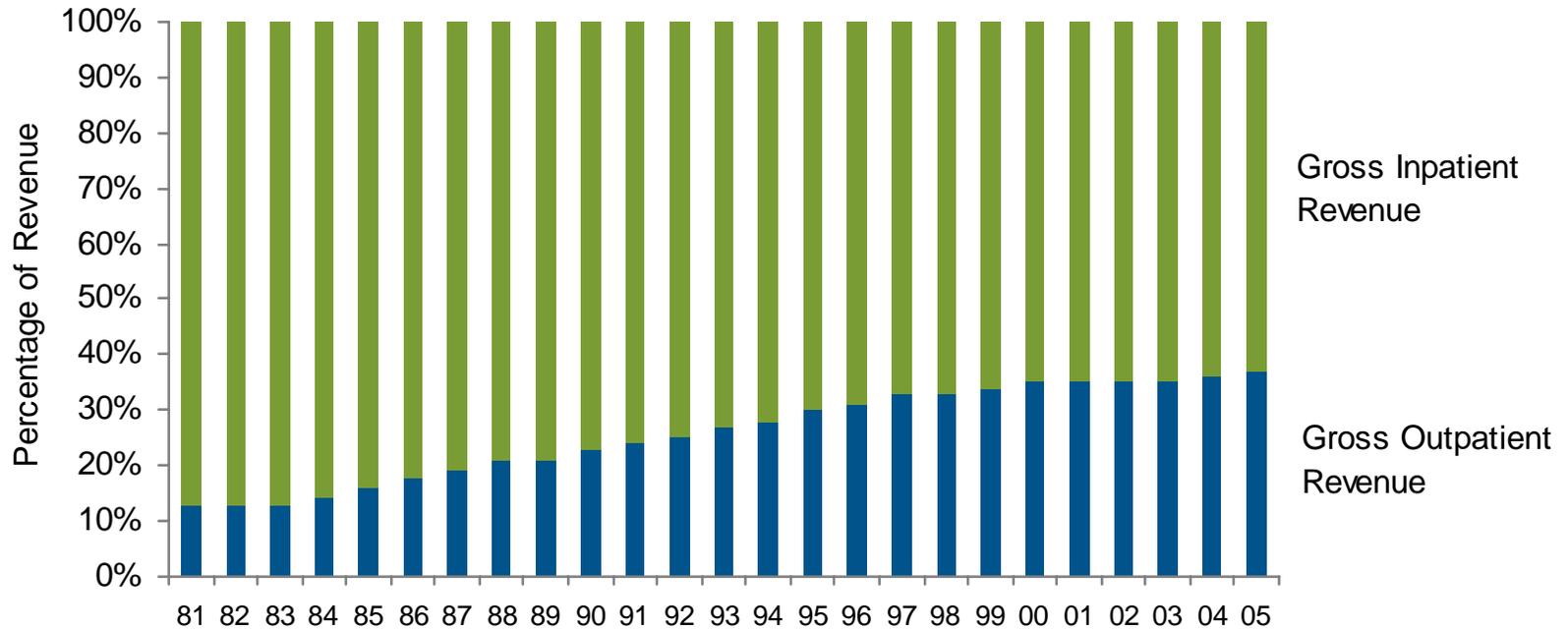
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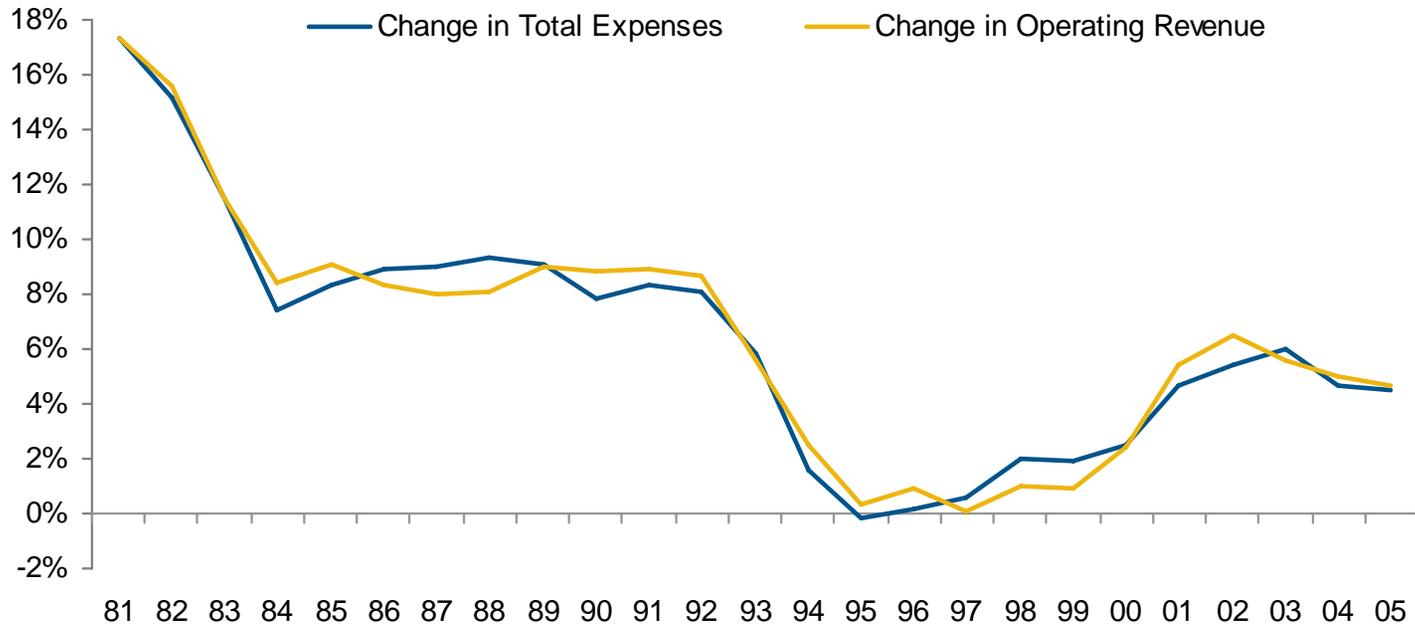
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Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

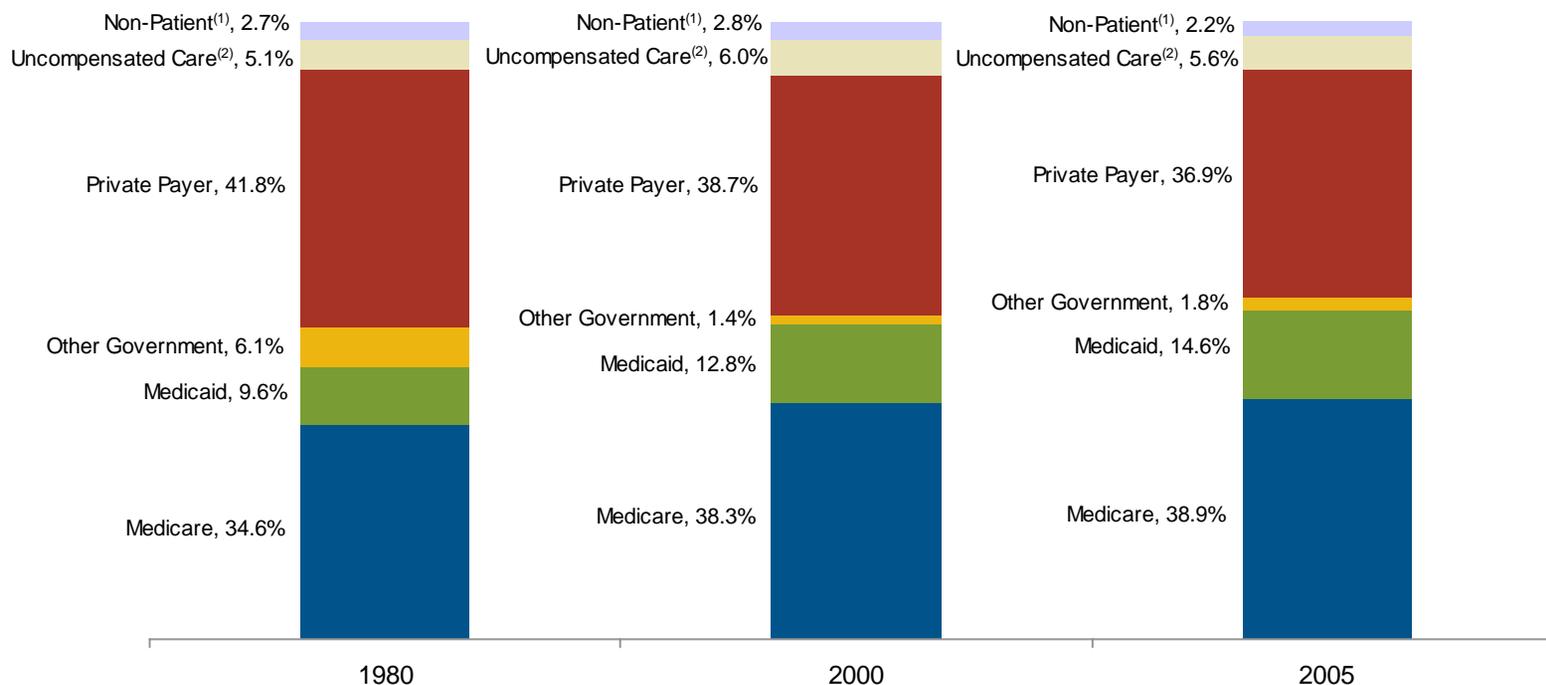
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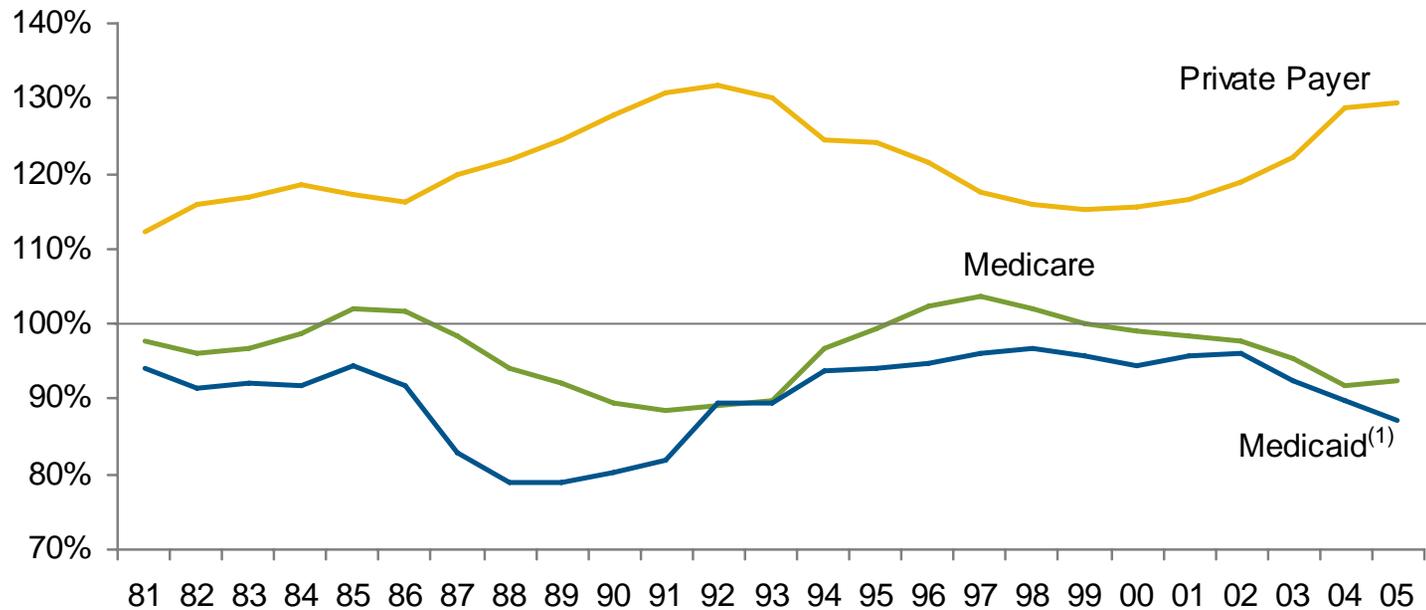


Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

⁽¹⁾ Non-patient represents costs for cafeterias, parking lots, gift shops and other non-patient care operating services and are not attributed to any one payer.

⁽²⁾ Uncompensated care represents bad debt expense and charity care, at cost.

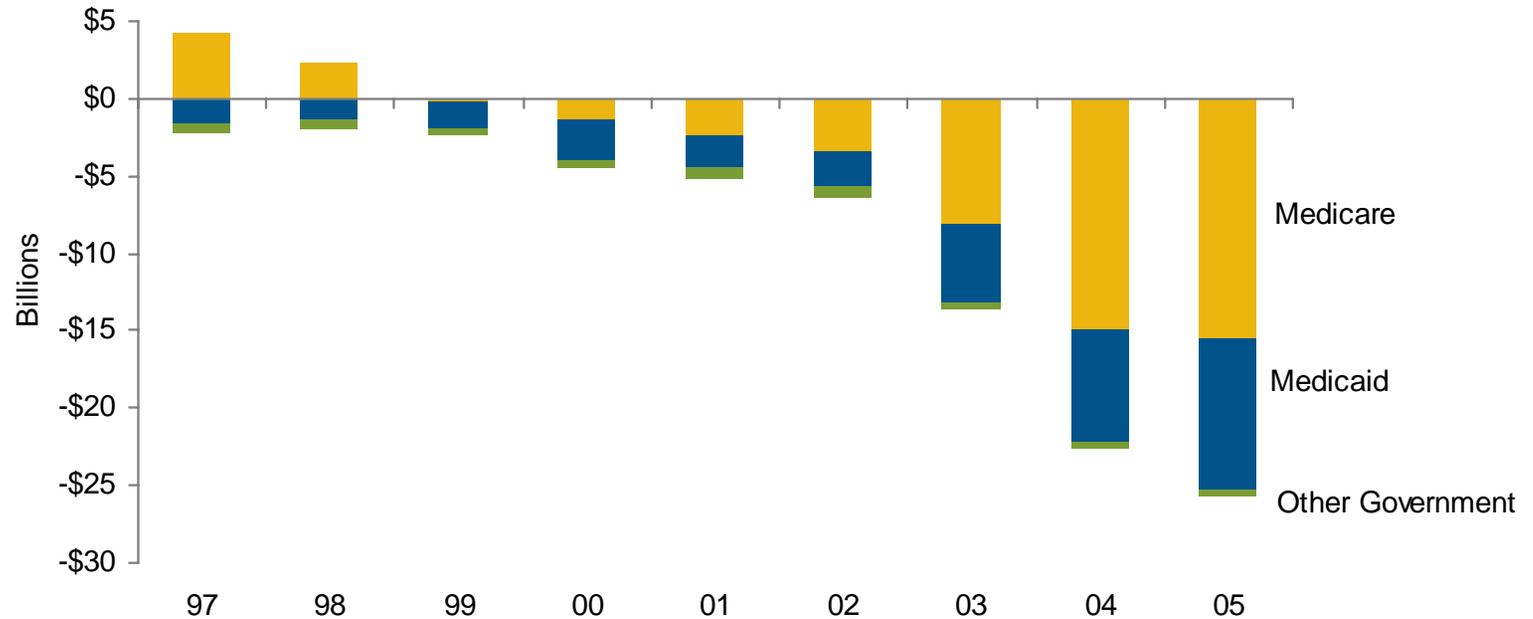
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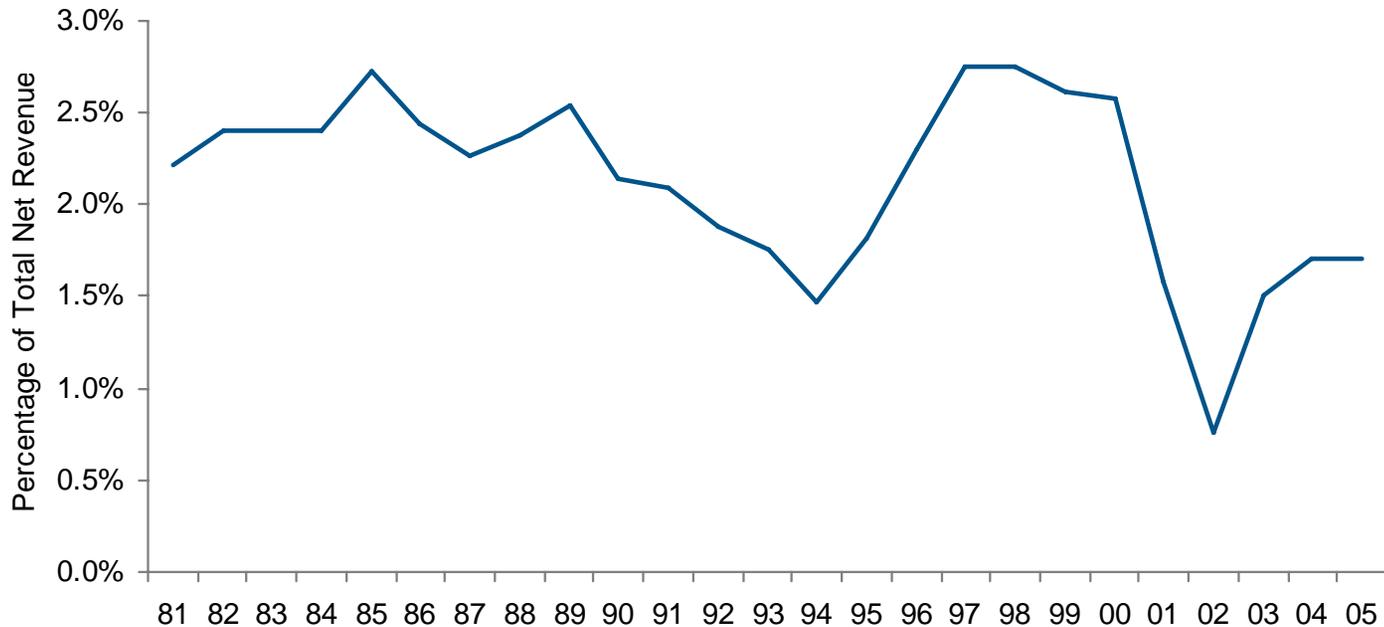
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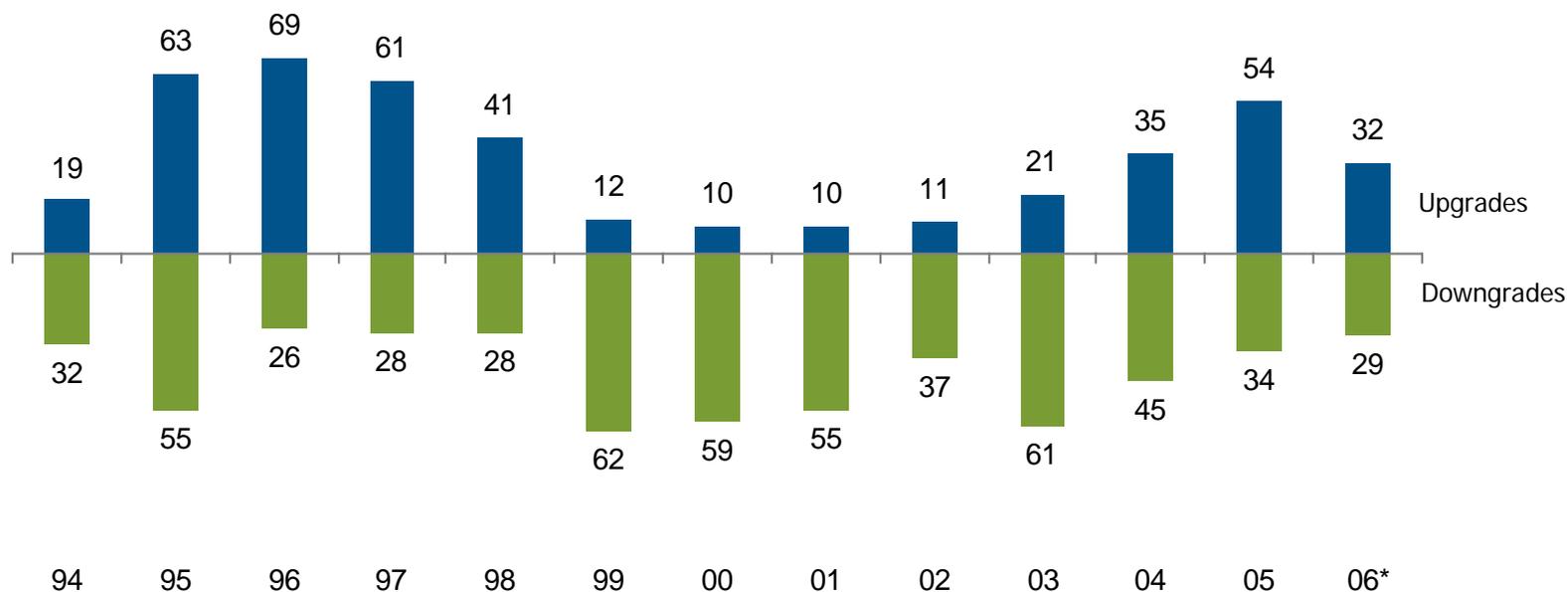
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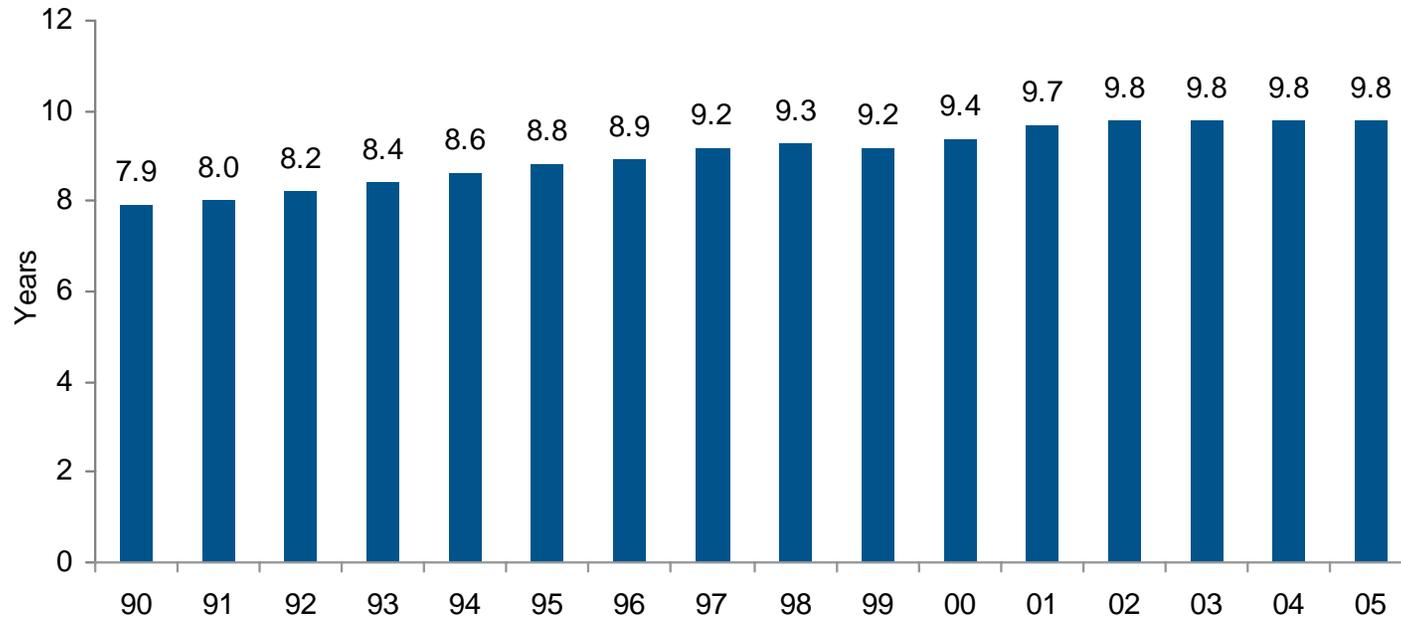
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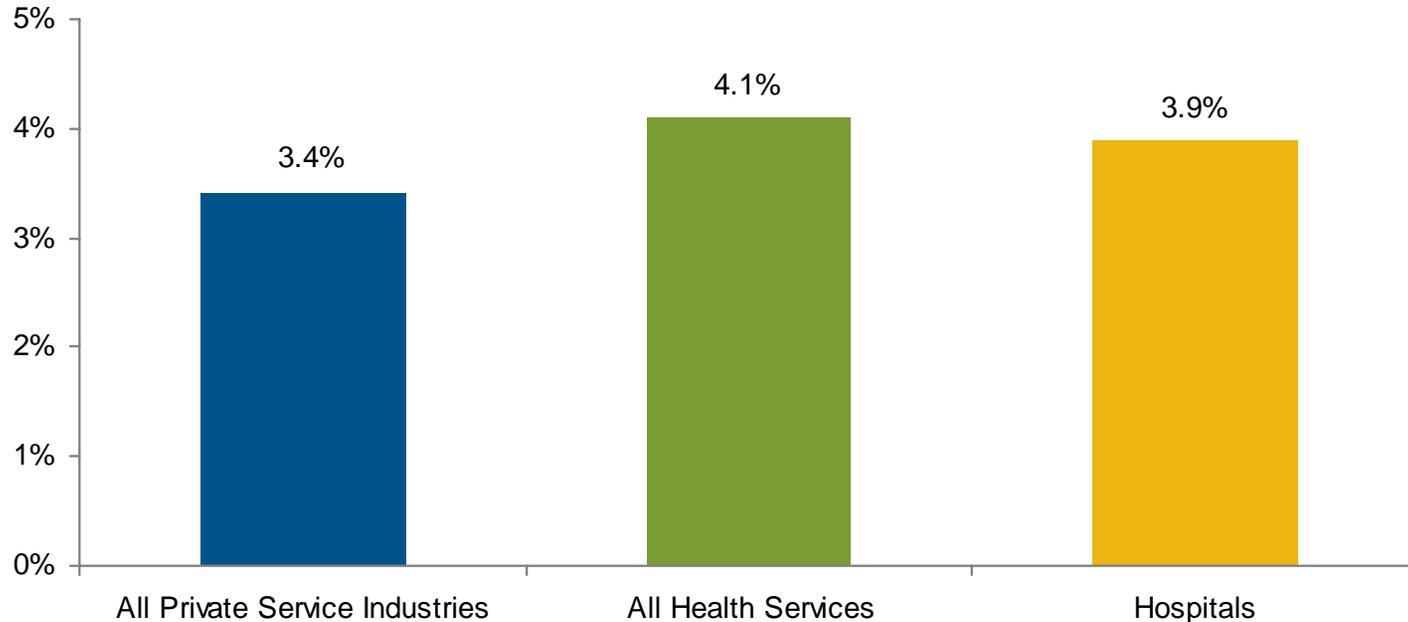
Source: Standard and Poor's. Cited in Modern Healthcare, *By the Numbers*, December 18, 2006.
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Source: Bureau of Labor Statistics, Employment Cost Index, 12 months ending December 2006. www.bls.gov.

⁽¹⁾ Total compensation.

⁽²⁾ Data are for 12 months ending December 2006.



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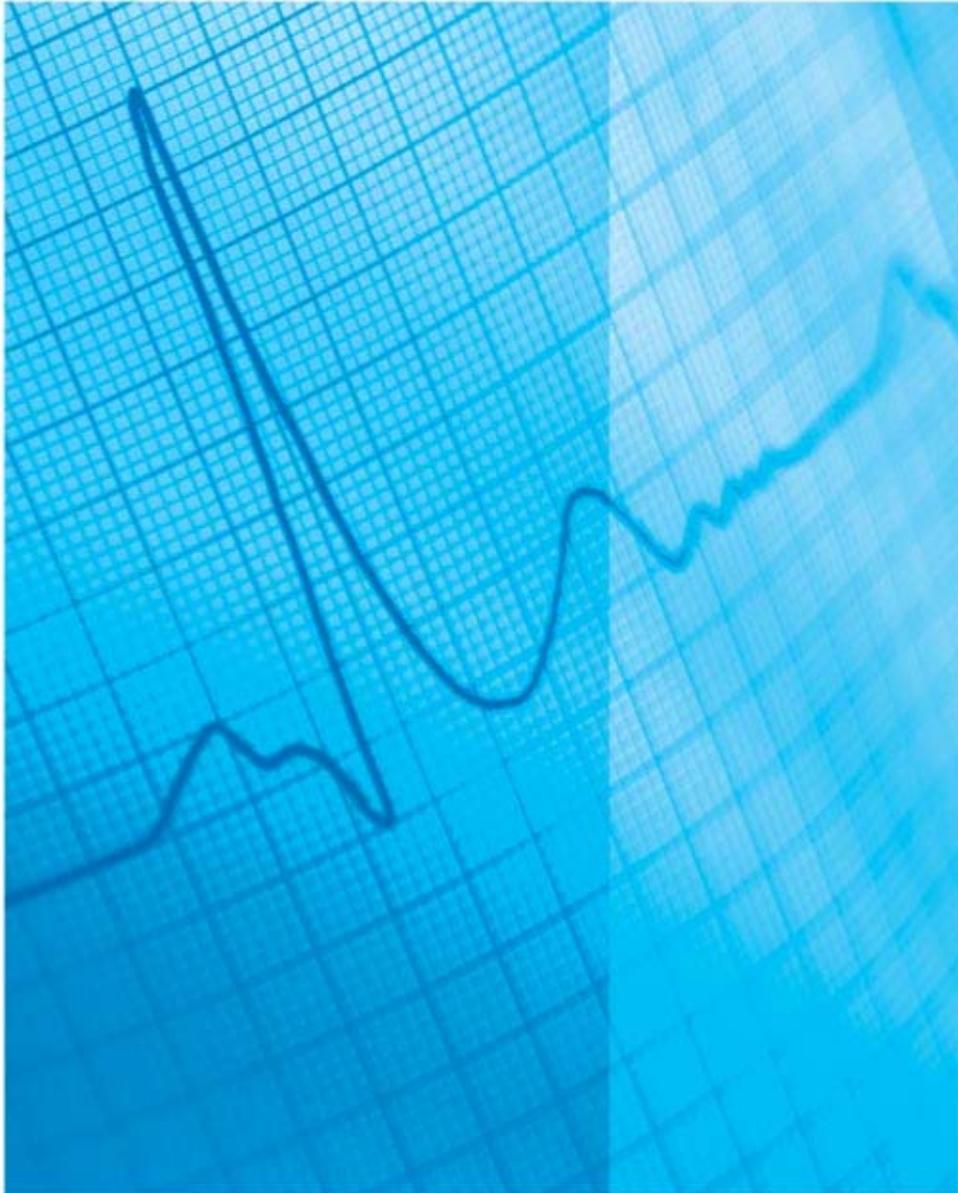
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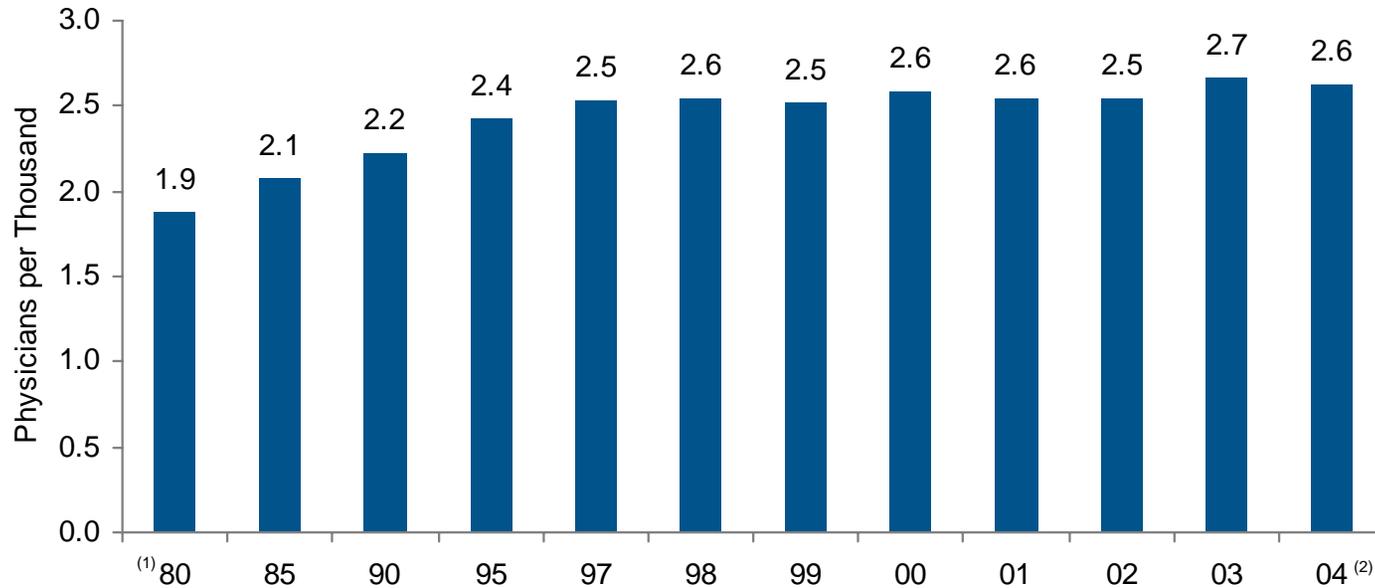
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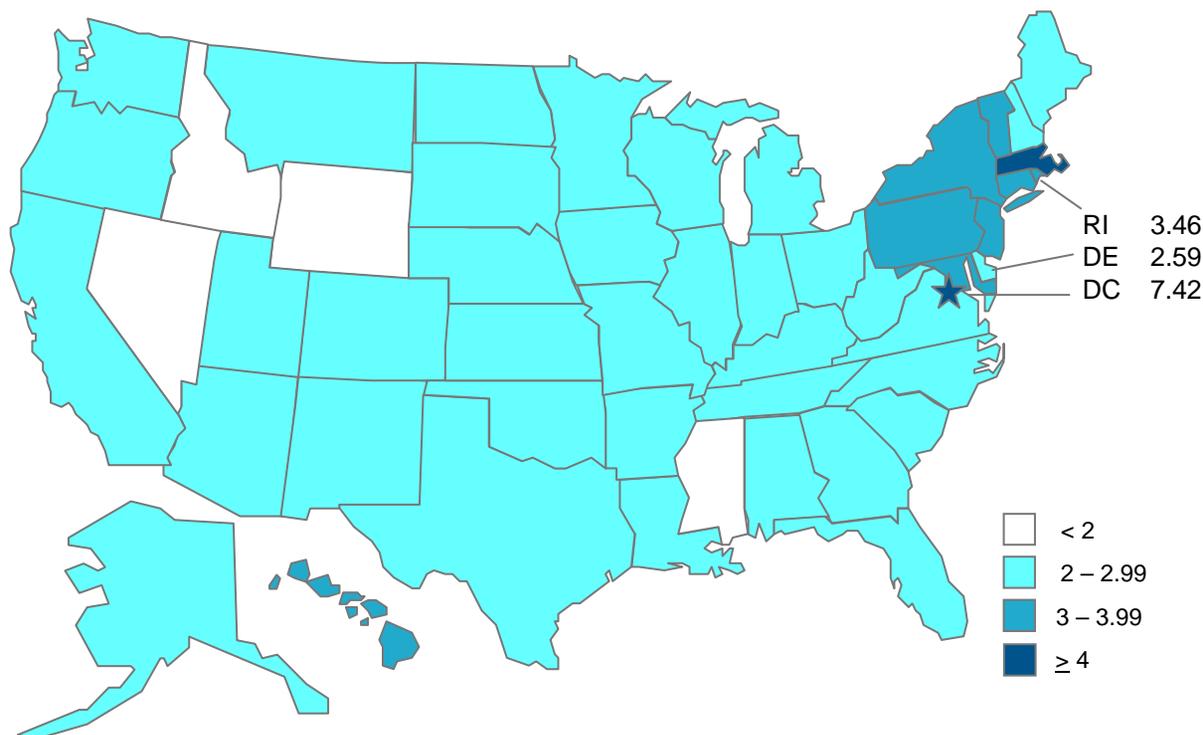


Source: CDC, NCHS *Health United States*, 1982, 1996-97, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006.

(1) 1980 does not include doctors of osteopathy.

(2) 2004 includes both federal and non-federal physicians. Prior to 2003, data included non-federal physicians only.

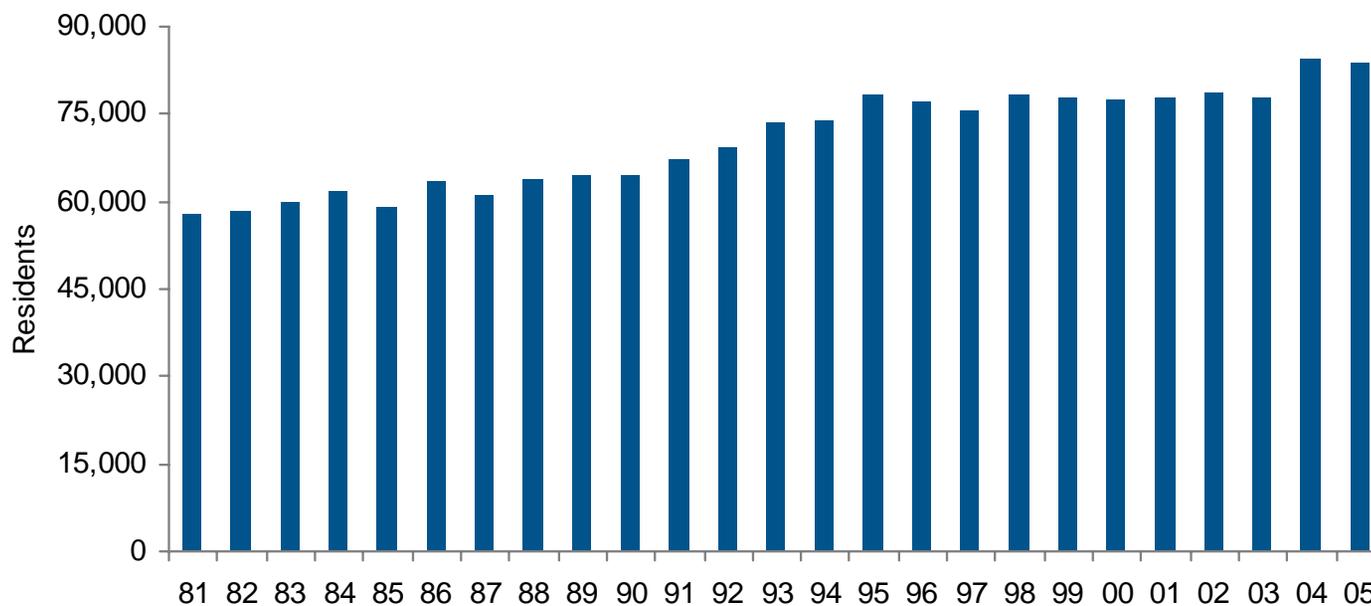
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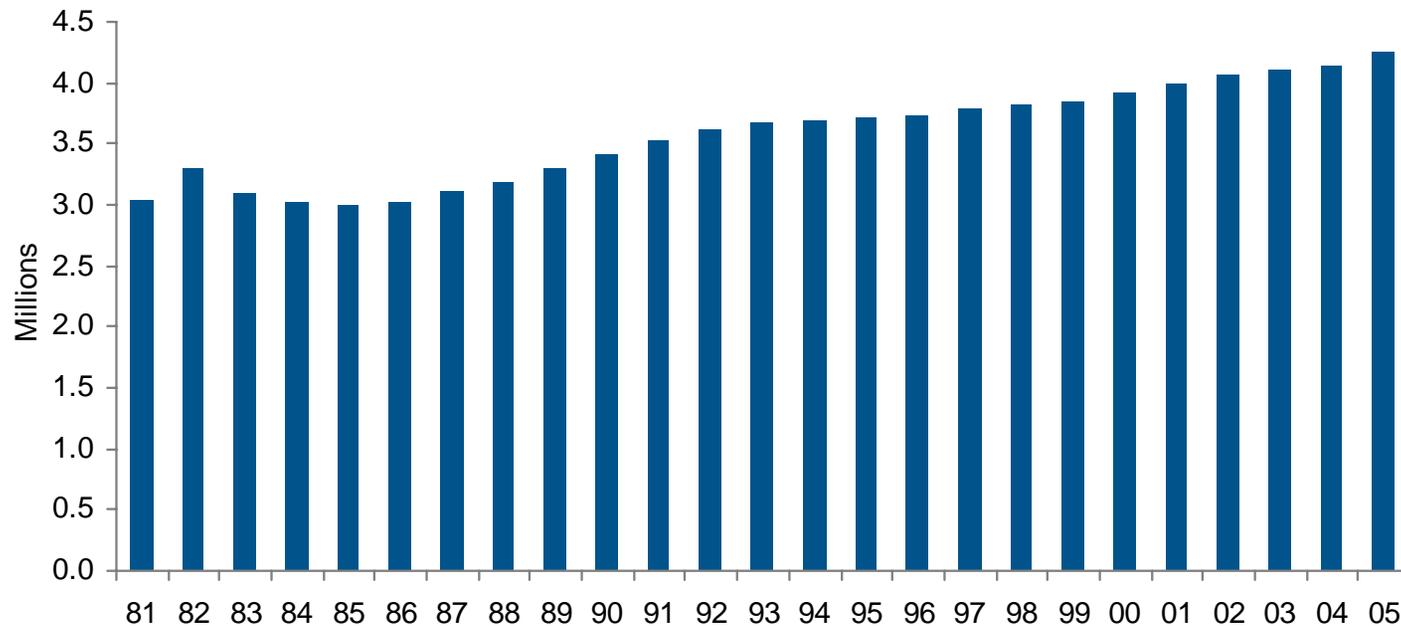
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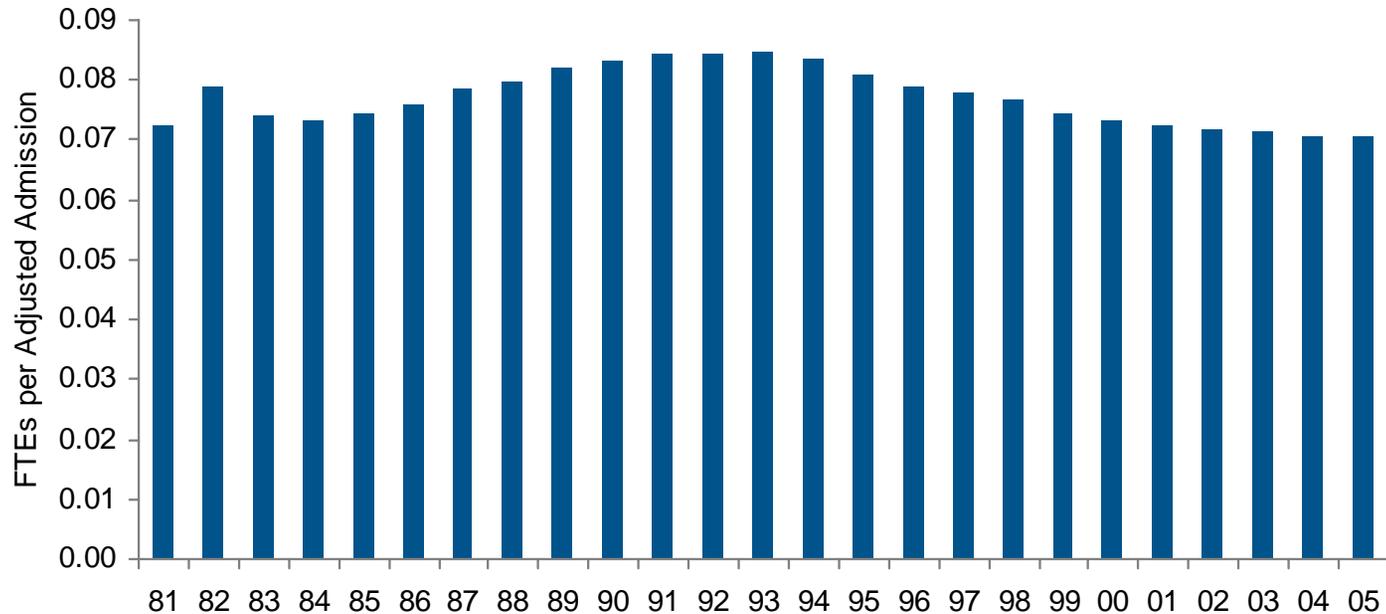
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Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

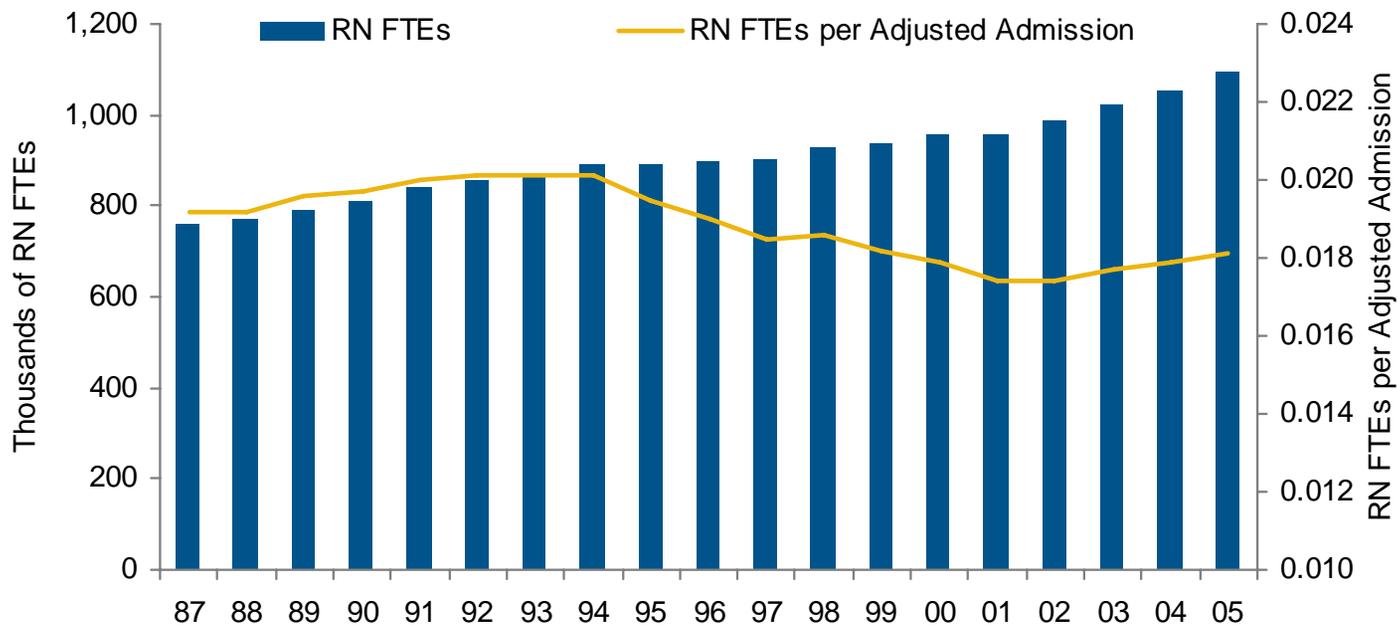
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Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

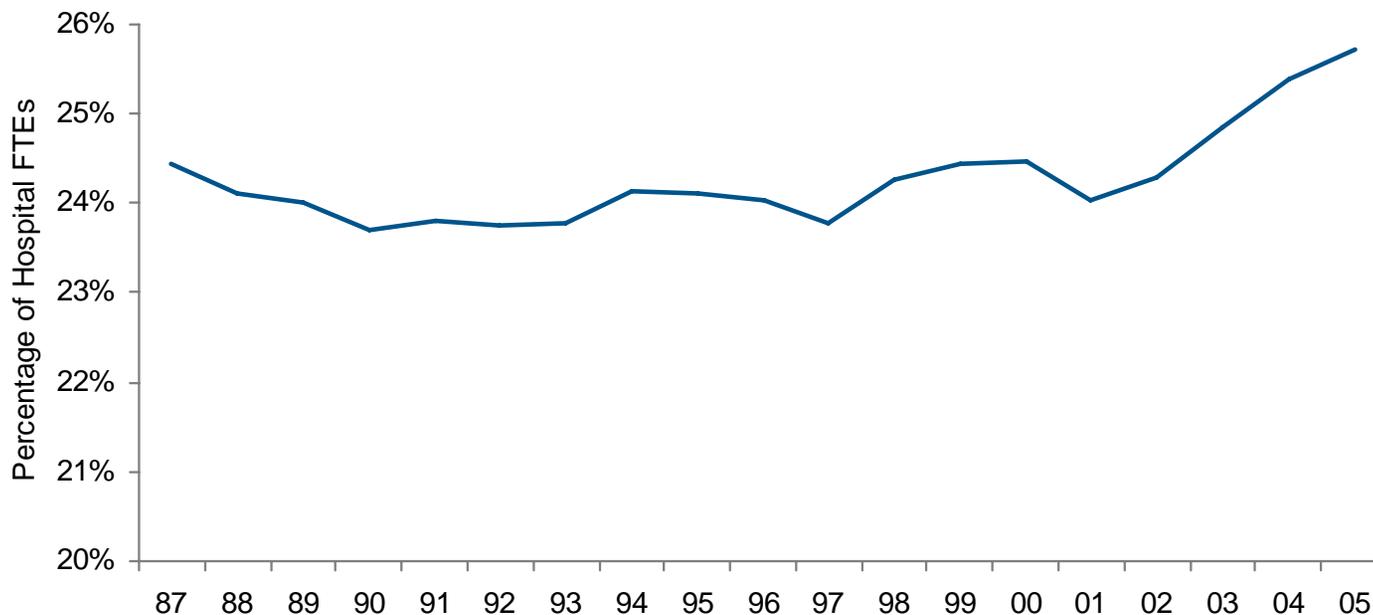
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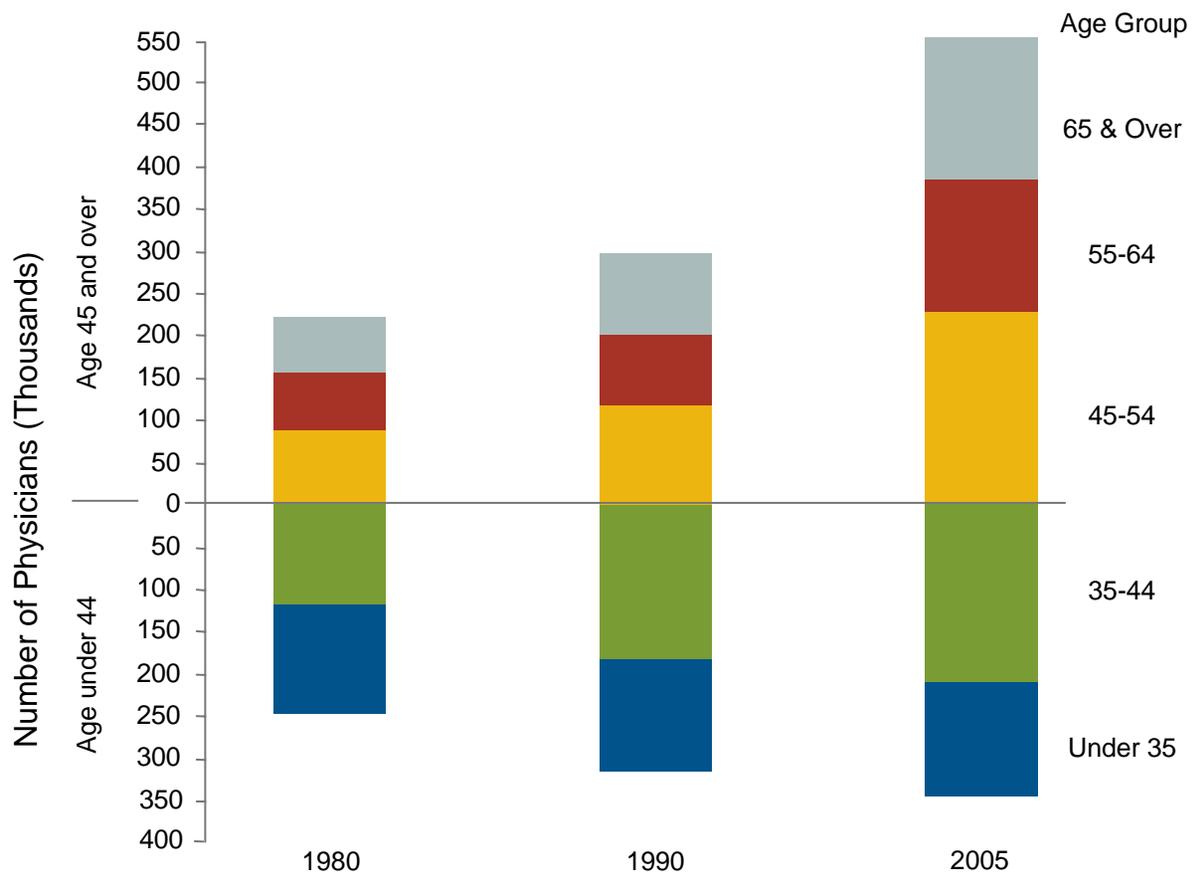
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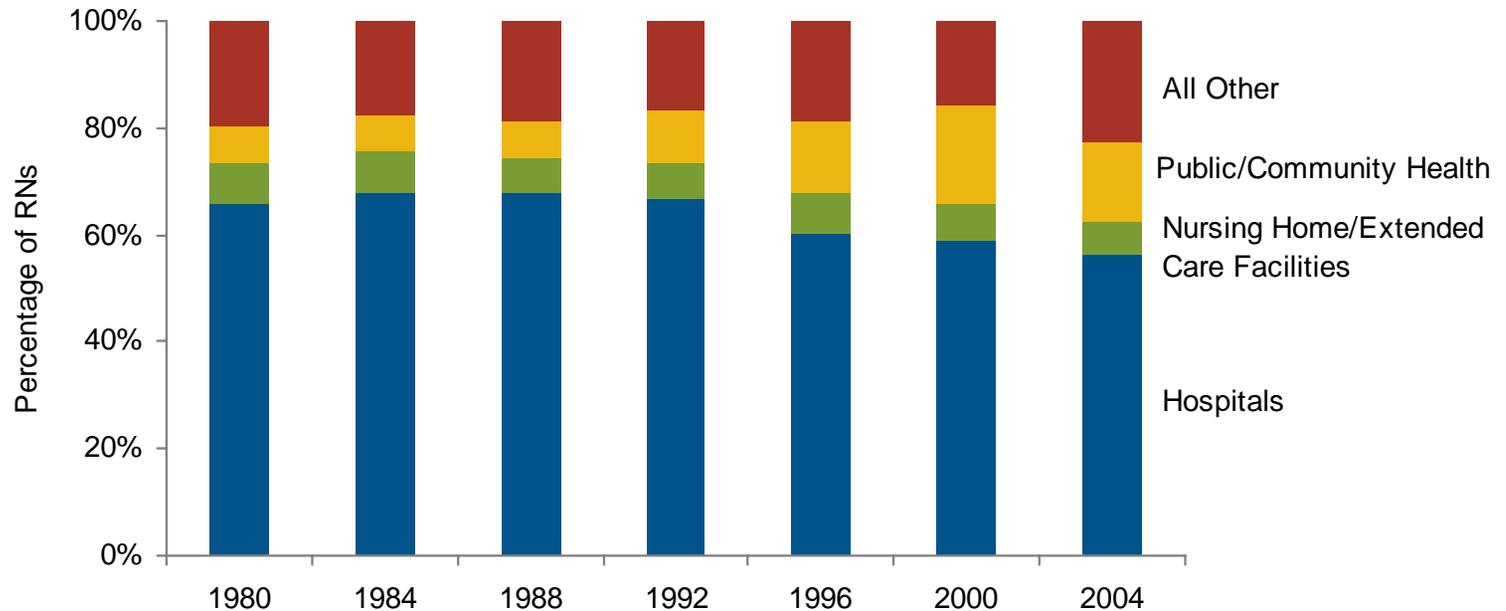
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Source: American Medical Association, *Physician Characteristics and Distribution in the US*, 2007 Edition.

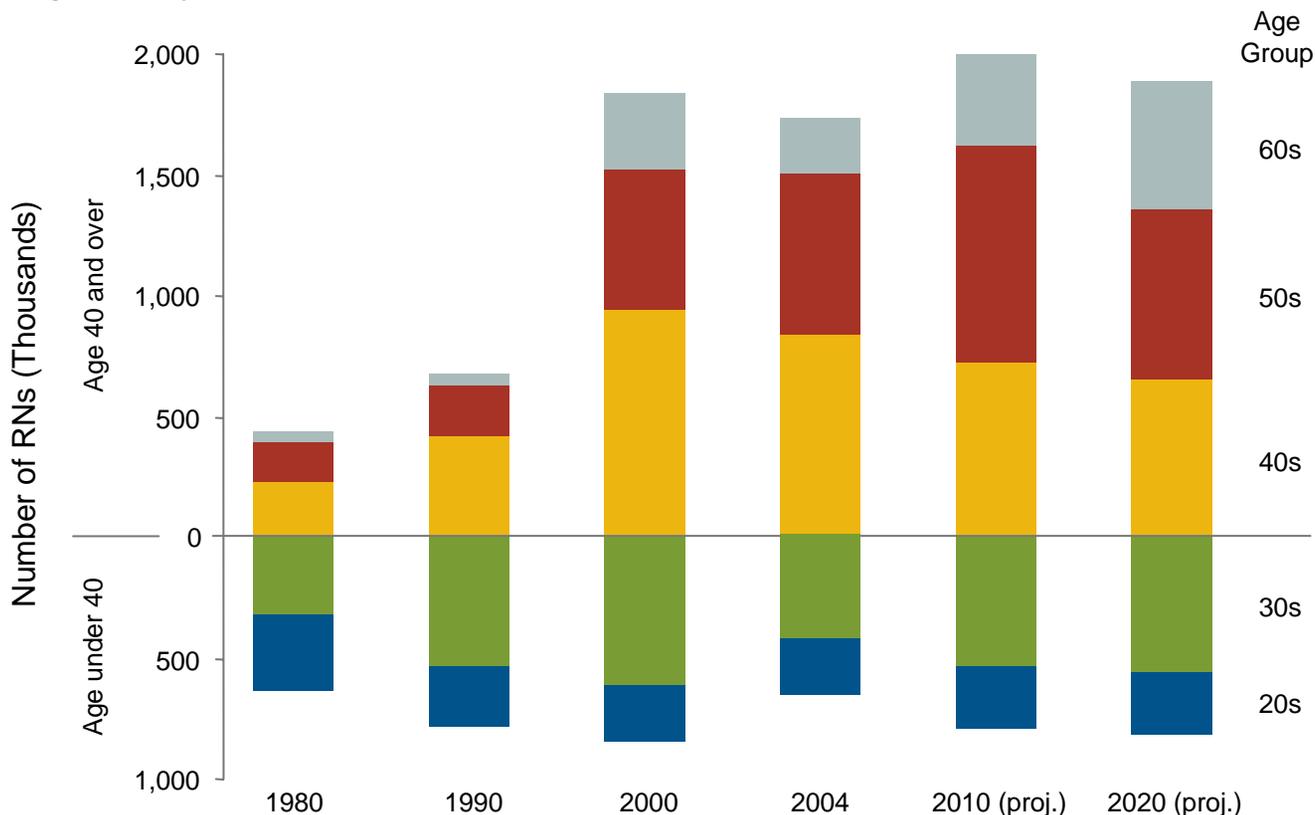
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Source: 2000 & 2004 preliminary findings from *The Registered Nurse Population: National Sample Survey of Registered Nurses March 2004*. Link: <http://bhpr.hrsa.gov/healthworkforce/reports/rnpopulation/chart6-dlink.htm>.

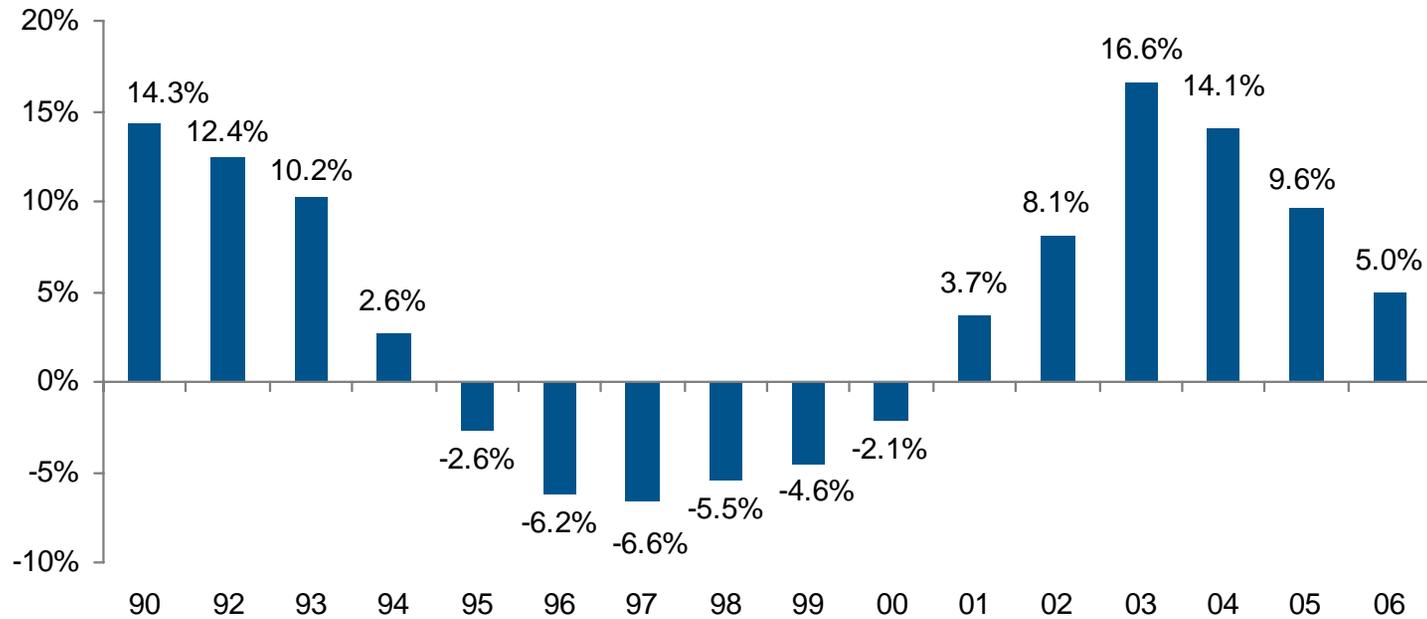
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Source: 2010 & 2020 projections derived from The Lewin Group analysis of National Sample Survey of Registered Nurses, 2000; 1980, 1990, and 2000 estimates from National Sample Survey of Registered Nurses, National Center for Health Workforce Analysis, Bureau of Health Professions, Health Resources and Services Administration. Data released March 2004. Link: <http://bhpr.hrsa.gov/healthworkforce/rnsurvey04/>.

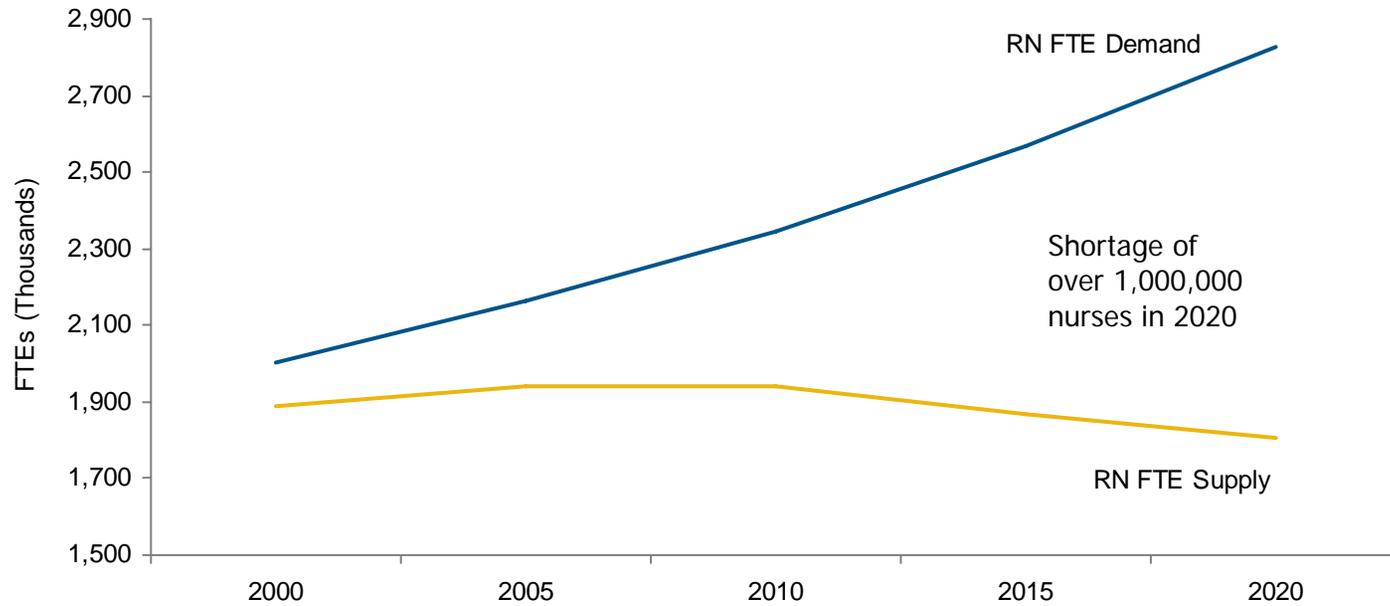
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Source: Berlin LE et al. Enrollment and Graduations in Baccalaureate and Graduate Programs in Nursing. Washington, DC: American Association of Colleges of Nursing, 1990-1991 – 1996-1997. American Association of Colleges of Nursing, 1994 - 2006. Link: <http://bhpr.hrsa.gov/healthworkforce/reports/rnpopulation/preliminaryfindings.htm>.

Note: 2006 data are preliminary as of December 2006.

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Source: National Center For Health Workforce Analysis, Bureau of Health Professions, Health Resources and Services Administration, 2004. Link: <http://bhpr.hrsa.gov/healthworkforce/reports/rnpopulation/preliminaryfindings.htm>.



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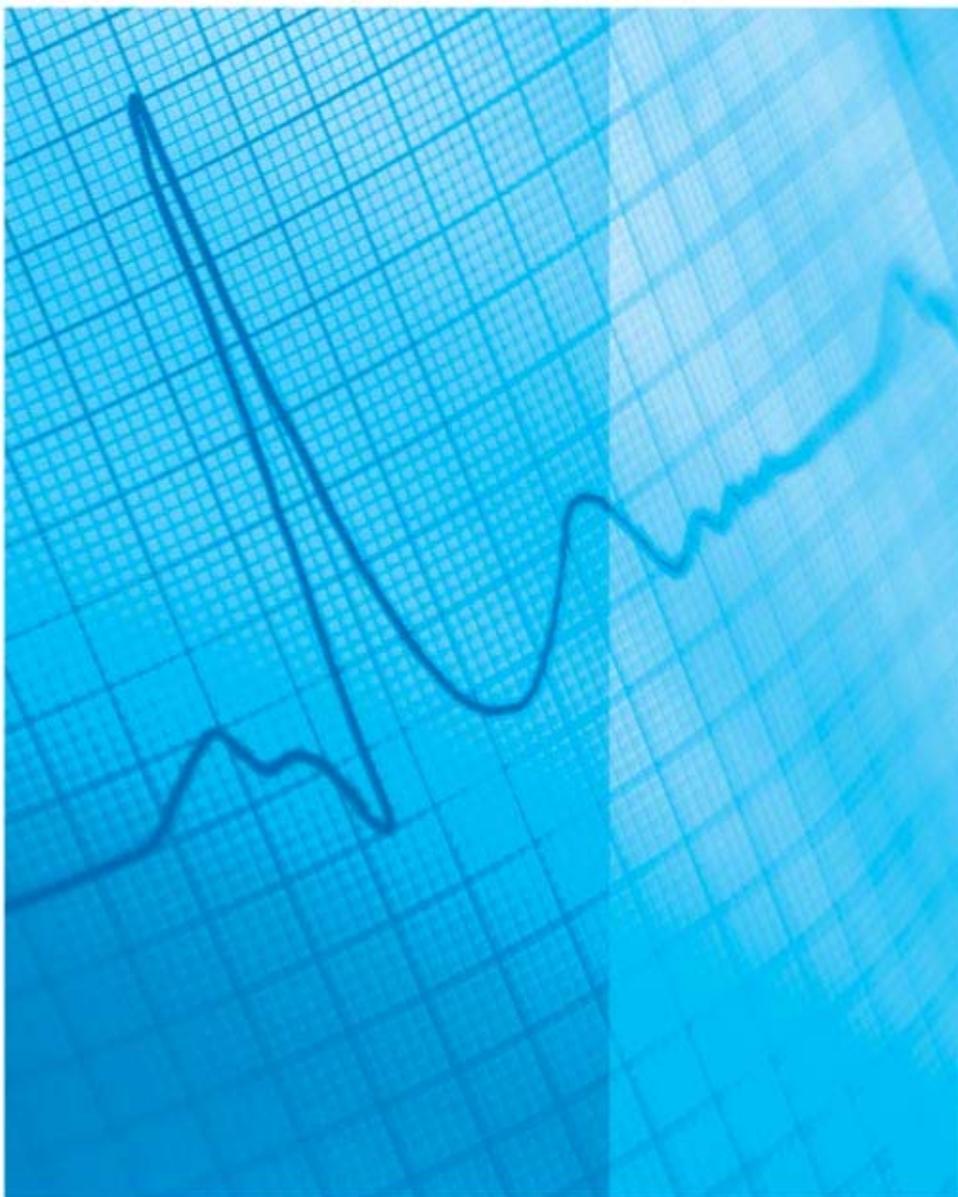
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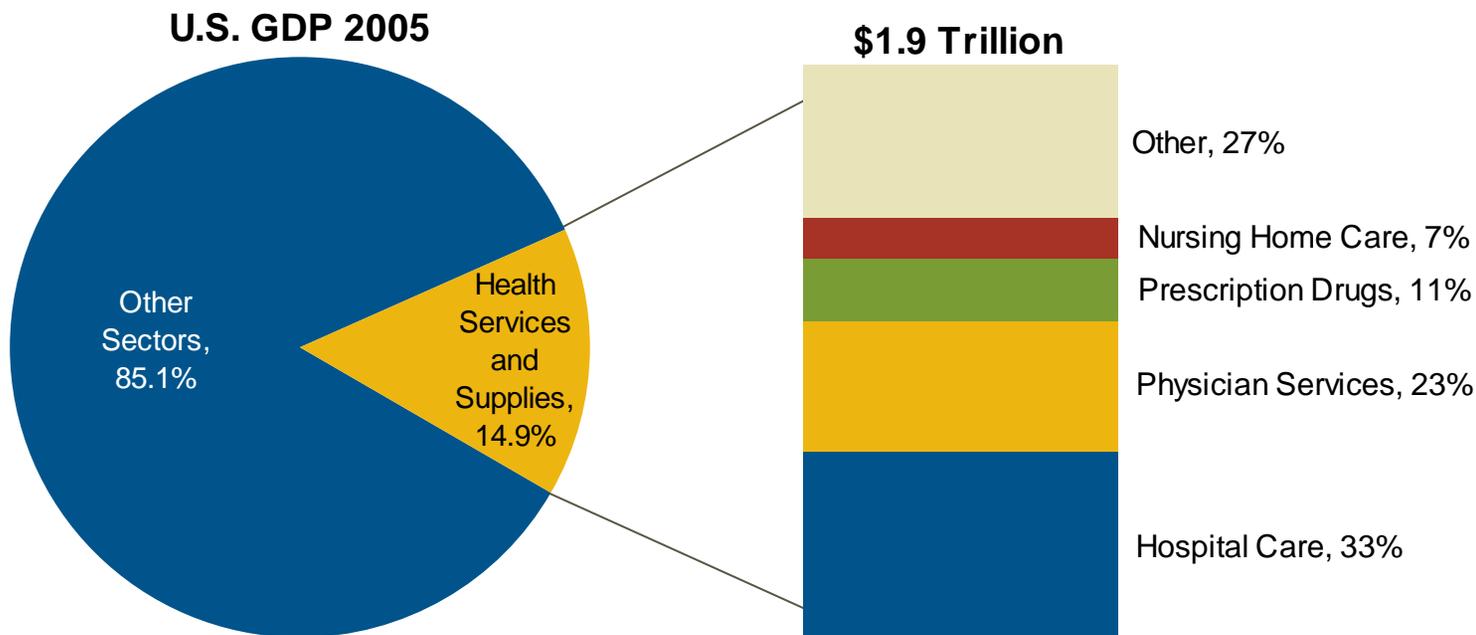
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- Chart 6.12: Impact of Community Hospitals on U.S. Economy, All States, DC, and Total U.S., 2005



CHAPTER 6

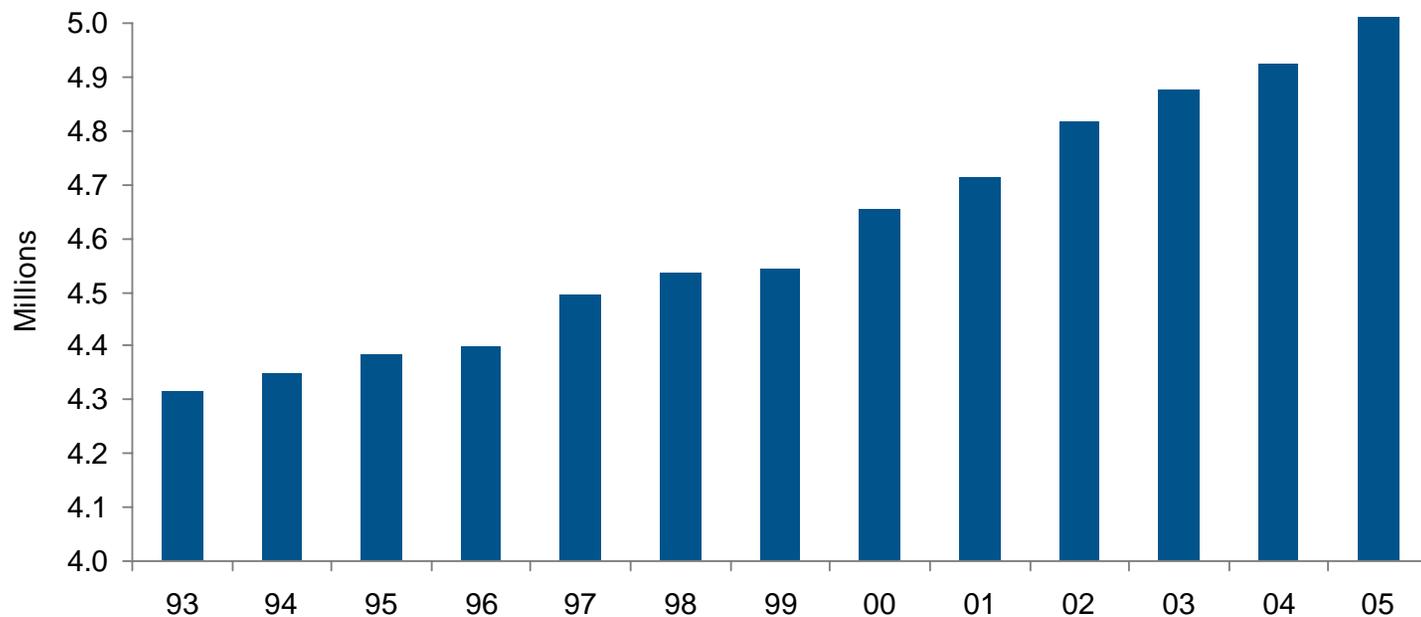
The Economic Contribution
of Hospitals

Chart 6.1: National Expenditures on Health Services and Supplies as a Percentage of Gross Domestic Product and Breakdown of National Expenditures on Health Services and Supplies, 2005



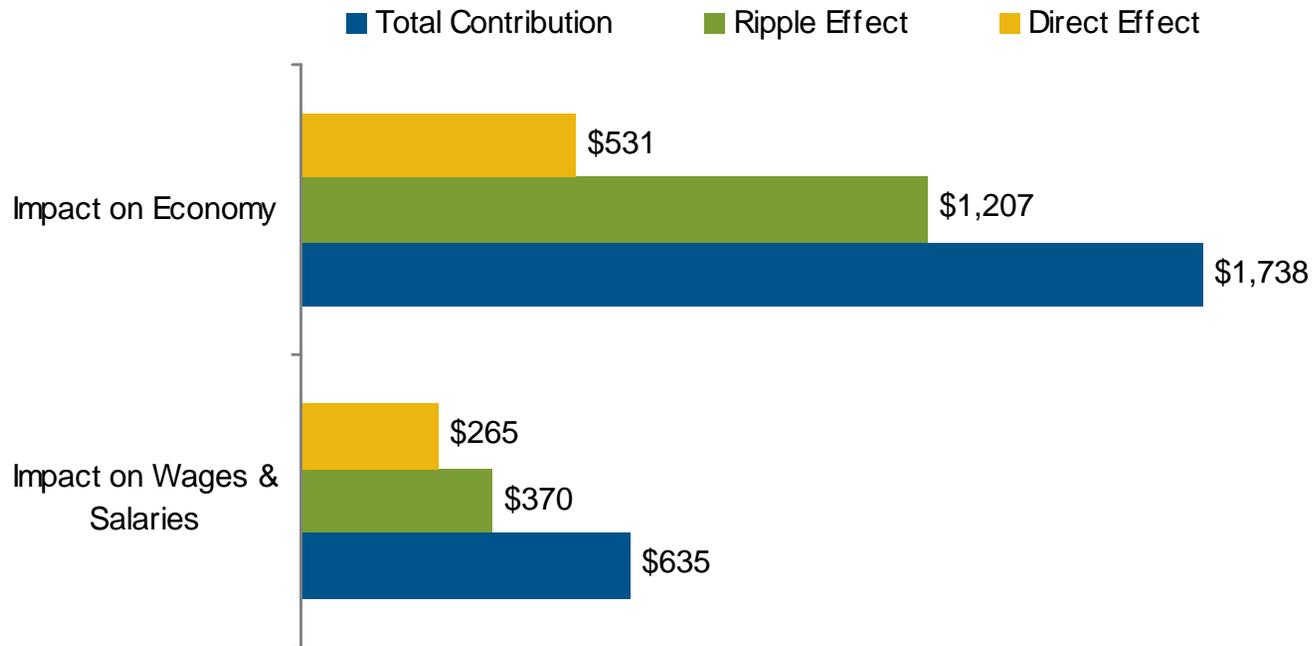
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

Chart 6.2: Number of Full-time and Part-time Hospital Employees, 1993 – 2005



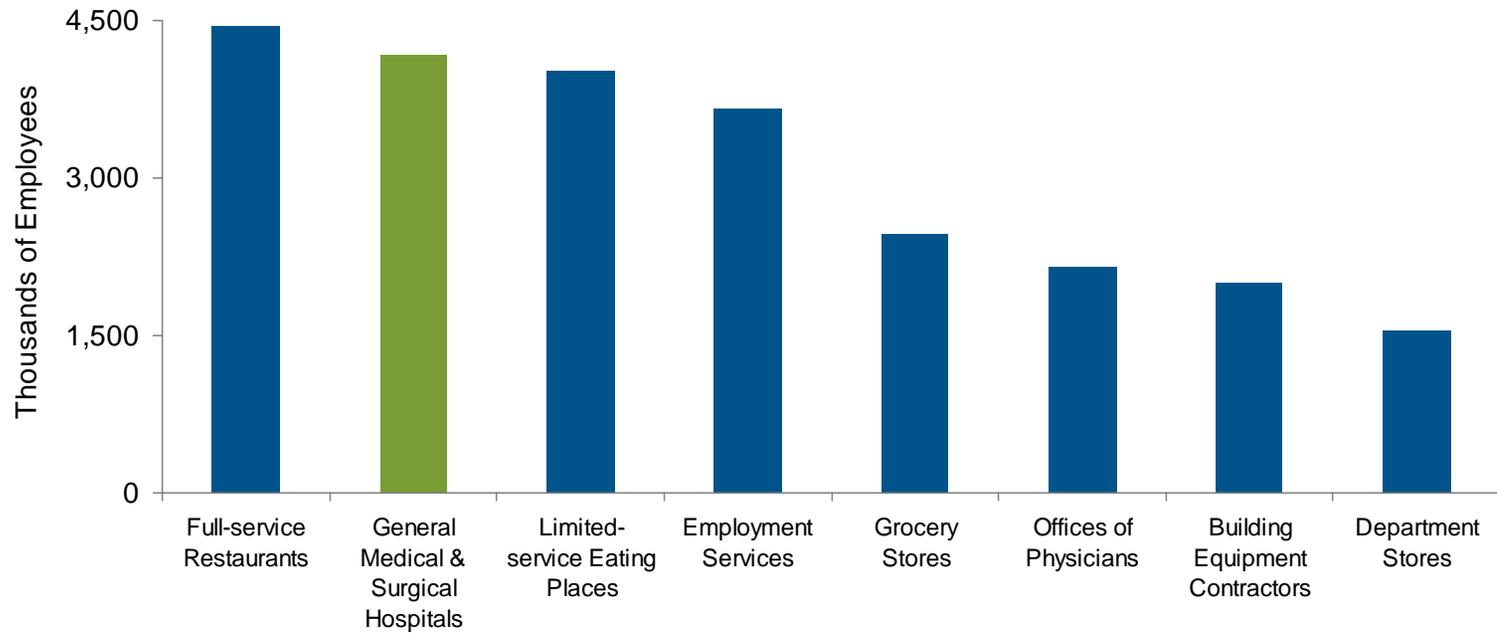
Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

Chart 6.3: Impact of Community Hospitals on U.S. Economy (in \$ billions), 2005



Source: Avalere Health, using BEA RIMS-II (1997/2004) multipliers applied to 2005 American Hospital Association Annual Survey data.

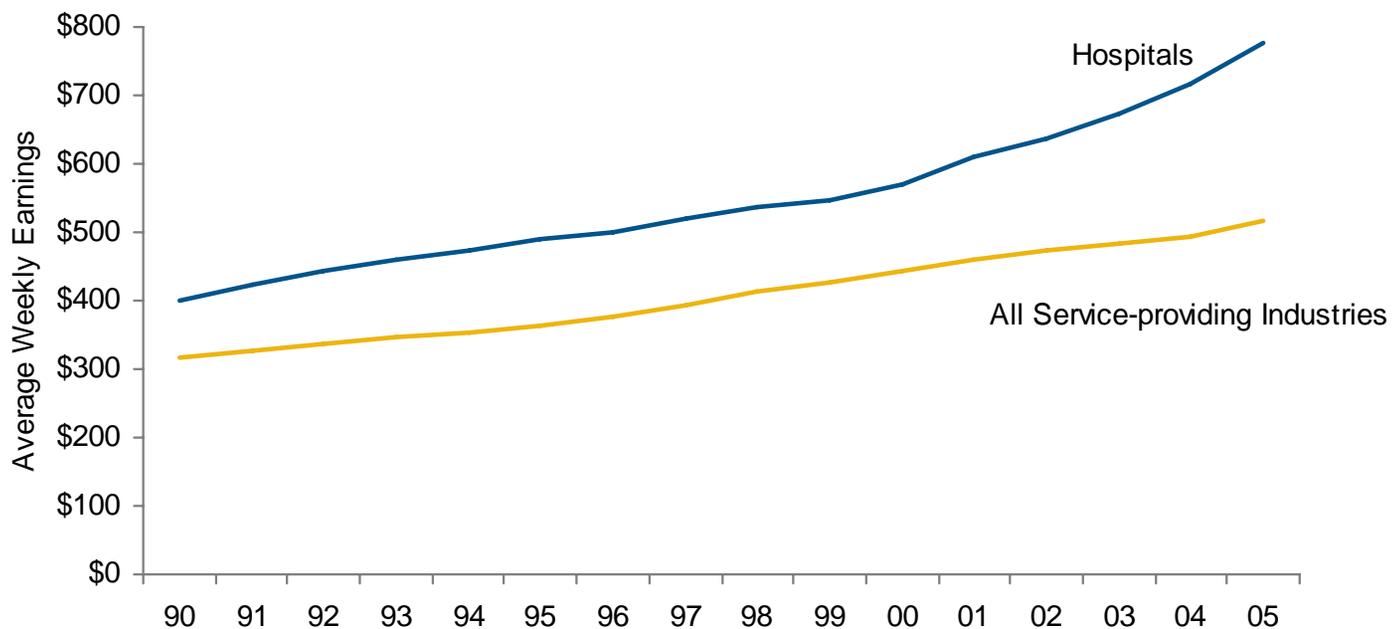
Chart 6.4: Hospital Employment vs. Employment in Other Industries, 2006⁽¹⁾



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2007.
Link: <http://www.bls.gov/ces>.

⁽¹⁾ 2006 annual projections based on data as of November 2006.

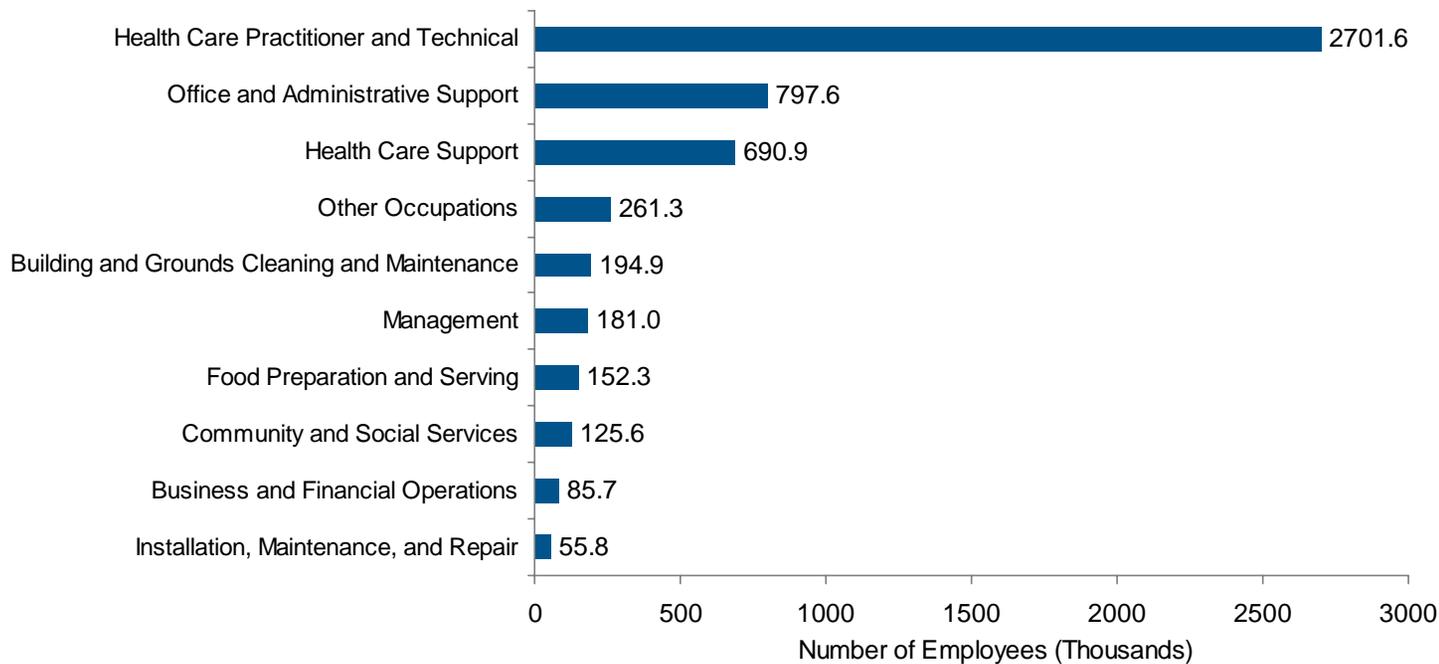
Chart 6.5: Average Weekly Earnings of Workers, Hospitals⁽¹⁾ vs. All Service-providing Industries, 1990 – 2005



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2007.
Link: <http://www.bls.gov/ces>.

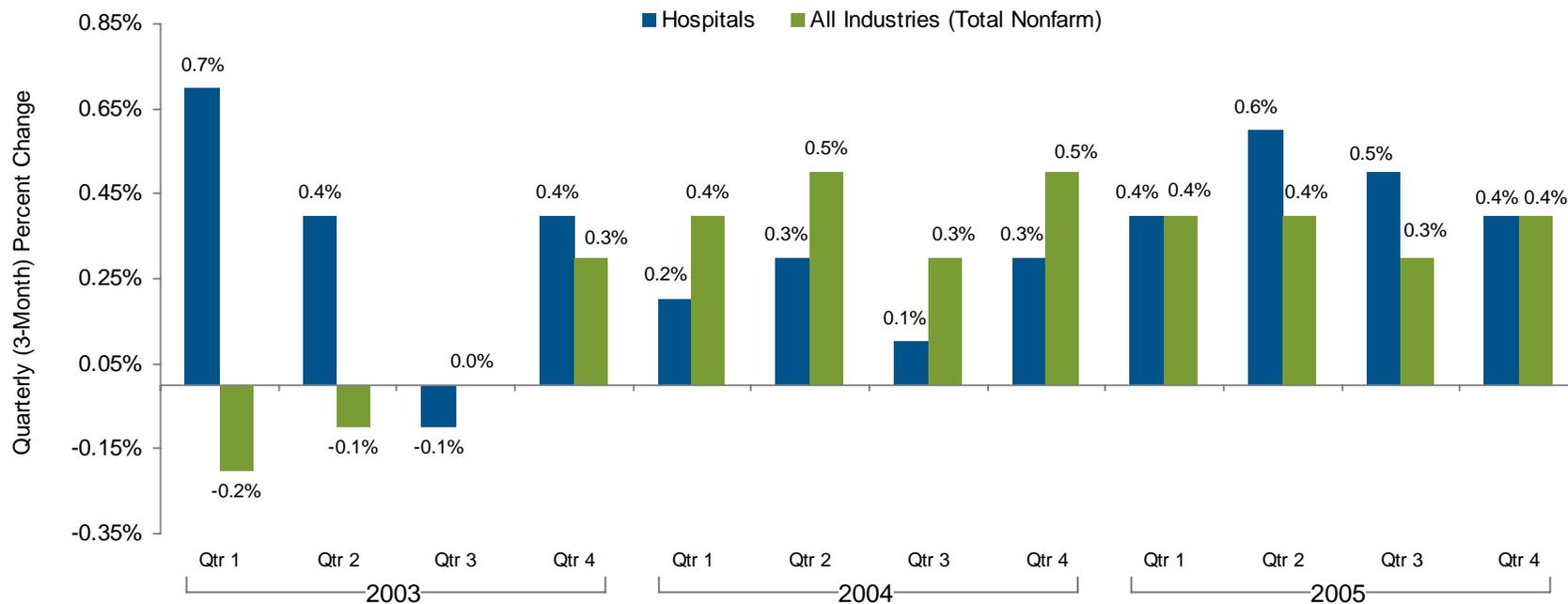
⁽¹⁾ Includes physicians employed by hospitals.

Chart 6.6: Hospital Employment by Occupation Type, 2005



Source: Department of Labor, Bureau of Labor Statistics, 2005 National Industry-specific Occupational Employment and Wage. Data released May 2006. Link: http://www.bls.gov/oes/current/naics3_622000.htm.

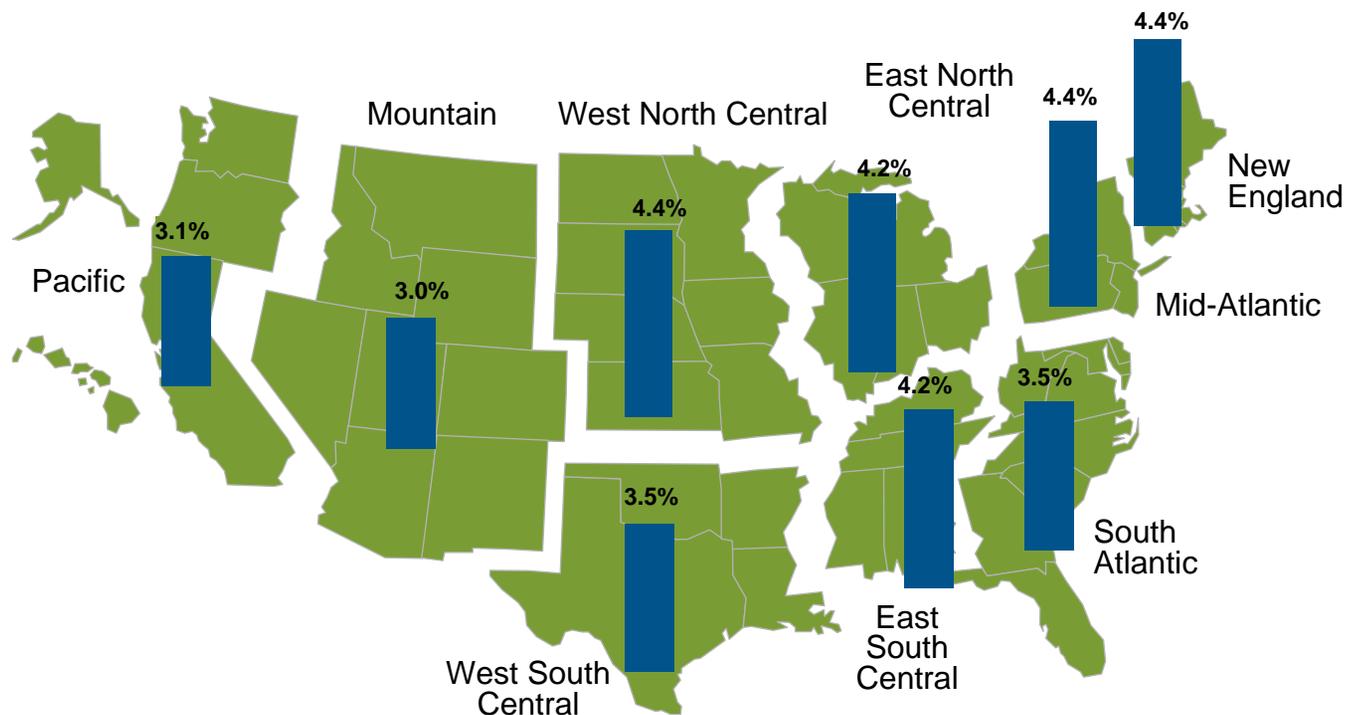
Chart 6.7: Percent Change in Employment, Seasonally-adjusted: Hospital vs. All Industries (Total Nonfarm), 2003 – 2005



Source: Department of Labor, Bureau of Labor Statistics; Recession period defined by National Bureau of Economic Research. Link: <http://www.bls.gov/bls/employment.htm>.

*Note: 2005 Qtr 4 data are preliminary.

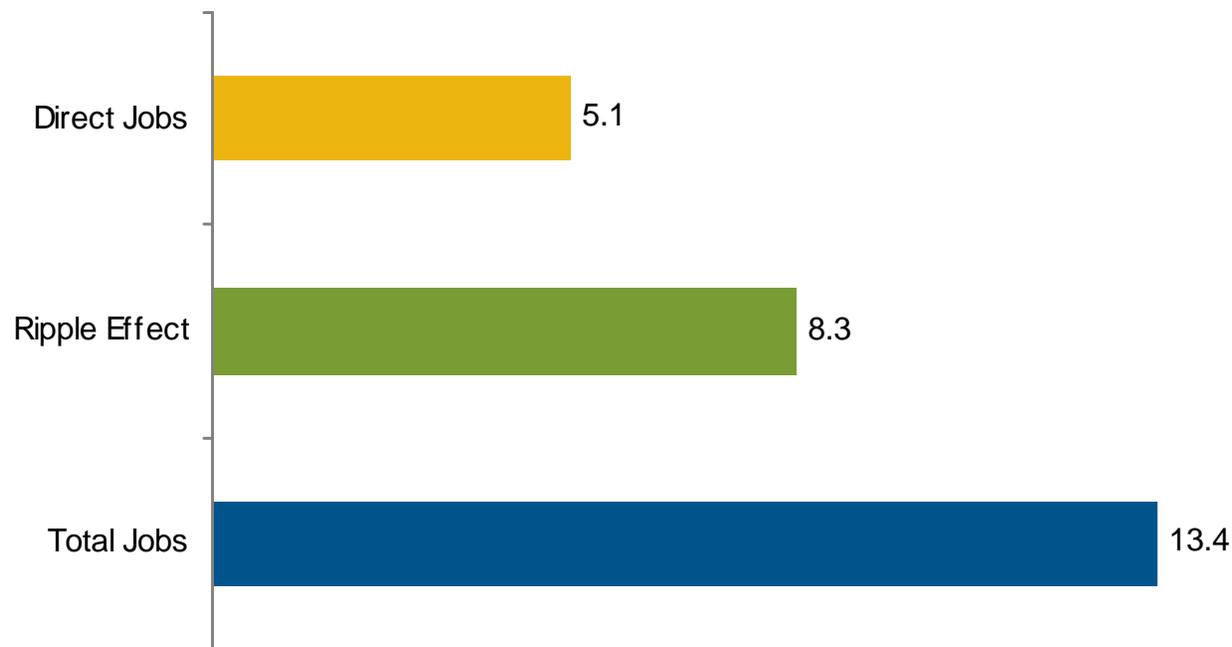
Chart 6.8: Percent of Total Regional Employment⁽¹⁾ by Hospitals, 2005



Source: Avalere Health analysis of American Hospital Association 2005 Annual Survey data and 2005 total nonfarm employment data from the Bureau of Labor Statistics.

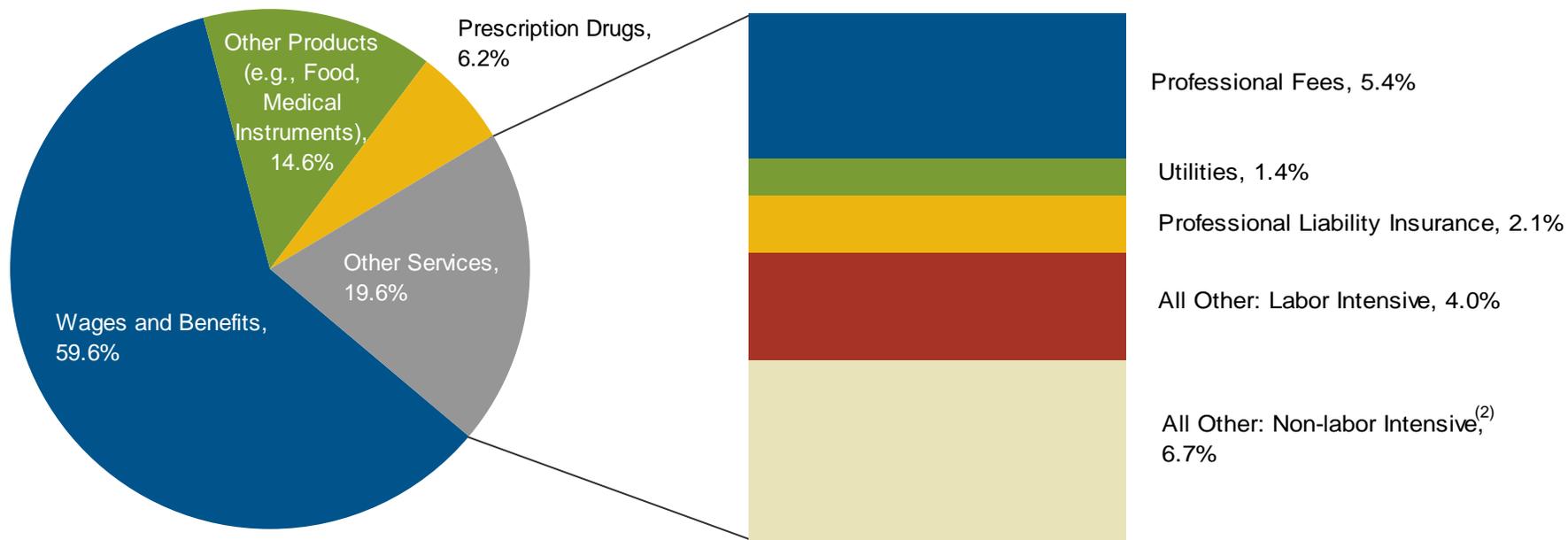
⁽¹⁾ Does not include farm employment.

Chart 6.9: Impact of Community Hospitals on U.S. Jobs (in millions), 2005



Source: Avalere Health, using BEA RIMS-II (1997/2004) multipliers applied to 2005 American Hospital Association Annual Survey data.

Chart 6.10: Percent of Hospital Costs⁽¹⁾ by Type of Expense, 3Q06



Source: AHA analysis of Centers for Medicare and Medicaid Services data, using base year 2002 weights.

⁽¹⁾ Does not include capital.

⁽²⁾ Includes postage and telephone expenses.

Chart 6.11: Hospital Impact on Sectors of the U.S. Economy (in \$ billions), 2005

Industry	Economic Impact
Health care and social assistance	\$613.5
Manufacturing	260.0
Real estate and rental and leasing	164.3
Finance and insurance	110.7
Professional, scientific, and technical services	72.2
Retail trade	70.7
Wholesale trade	56.8
Information	56.7
Transportation and warehousing	54.0
Administrative and waste management services	53.9
Accommodation and food services	44.5
Other services	43.4
Management of companies and enterprises	34.9
Utilities	30.8
Agriculture, forestry, fishing, and hunting	25.5
Educational services	14.0
Arts, entertainment, and recreation	12.4
Mining	11.0
Construction	8.6
Total	\$1,738.0

Source: Avalere Health, using BEA RIMS-II (1997/2004) multipliers applied to 2005 American Hospital Association Annual Survey data.

Chart 6.12: Impact of Community Hospitals on U.S. Economy, All States, DC, and Total U.S., 2005

State Name	Number of Hospital Jobs (FT and PT)	Multiplier for Employment	Effect of Hospital Jobs on Total Jobs in State Economy	Percent of Total (Nonfarm) Employment Supported by Hospital Employment	Hospital Payroll and Benefits (\$ millions)	Multiplier for Earnings	Effect of Hospital Payroll and Benefits on Total Labor Income (\$ millions)	Hospital Expenditures* (\$ millions)	Multiplier for Output	Effect of Hospital Expenditures on Total Output in State Economy (\$ millions)
Alabama	81363	1.9853	161,530	8.31%	\$3,612	1.7237	\$6,227	\$7,491	2.1548	\$16,141
Alaska	10330	1.8461	19,070	6.15%	\$677	1.5342	\$1,039	\$1,269	1.8506	\$2,349
Arizona	76819	2.0650	158,631	6.33%	\$3,956	1.7674	\$6,992	\$8,828	2.1798	\$19,243
Arkansas	48210	1.8967	91,440	7.76%	\$2,077	1.6573	\$3,442	\$4,395	2.0409	\$8,969
California	446867	2.2245	994,056	6.72%	\$27,591	1.9842	\$54,747	\$53,292	2.5441	\$135,580
Colorado	60268	2.1893	131,945	5.93%	\$3,414	1.9280	\$6,582	\$7,172	2.4486	\$17,561
Connecticut	61623	1.8710	115,297	6.93%	\$3,724	1.7191	\$6,401	\$6,687	2.1328	\$14,262
Delaware	18828	1.8500	34,832	8.09%	\$995	1.6238	\$1,616	\$1,825	1.9878	\$3,627
District of Columbia	25260	1.5153	38,276	5.61%	\$1,452	1.3624	\$1,978	\$2,819	1.3847	\$3,904
Florida	265913	2.0447	543,712	6.96%	\$13,802	1.8217	\$25,143	\$29,329	2.2562	\$66,173
Georgia	137359	2.0836	286,201	7.15%	\$6,745	1.9270	\$12,997	\$13,740	2.4633	\$33,845
Hawaii	17410	2.0656	35,962	5.97%	\$986	1.7081	\$1,685	\$1,896	2.0881	\$3,959
Idaho	20835	2.0400	42,503	6.94%	\$982	1.6818	\$1,652	\$1,993	2.0307	\$4,047
Illinois	234081	2.1401	500,957	8.54%	\$11,935	1.9931	\$23,787	\$23,776	2.5867	\$61,502
Indiana	120368	1.9709	237,233	8.03%	\$5,873	1.7466	\$10,257	\$12,188	2.2106	\$26,944
Iowa	67775	1.8910	128,163	8.65%	\$2,886	1.6531	\$4,771	\$5,601	2.0401	\$11,426
Kansas	48896	1.8988	92,844	6.96%	\$2,249	1.6735	\$3,764	\$4,471	2.1111	\$9,439
Kentucky	78678	1.9172	150,841	8.26%	\$3,575	1.6973	\$6,068	\$7,784	2.1198	\$16,500
Louisiana	79555	1.9164	152,459	8.15%	\$3,542	1.6863	\$5,972	\$7,236	2.0425	\$14,780
Maine	31883	1.9918	63,505	10.38%	\$1,476	1.6760	\$2,474	\$2,948	2.0402	\$6,015
Maryland	85075	2.0059	170,652	6.68%	\$4,530	1.7776	\$8,052	\$9,303	2.2186	\$20,639
Massachusetts	148412	2.0029	297,254	9.30%	\$8,164	1.8244	\$14,894	\$16,399	2.2812	\$37,408
Michigan	195595	1.9510	381,606	8.70%	\$9,935	1.7710	\$17,596	\$19,389	2.2002	\$42,659
Minnesota	108940	2.0869	227,347	8.39%	\$5,629	1.8476	\$10,400	\$10,557	2.3286	\$24,584
Mississippi	53264	1.8687	99,534	8.81%	\$2,424	1.6221	\$3,932	\$4,687	1.9956	\$9,353
Missouri	127180	2.0446	260,032	9.53%	\$6,123	1.8053	\$11,054	\$12,784	2.2746	\$29,079
Montana	20098	1.9263	38,715	9.20%	\$887	1.6106	\$1,428	\$1,730	1.9414	\$3,359
Nebraska	39507	1.9628	77,544	8.29%	\$1,833	1.7053	\$3,125	\$3,814	2.1058	\$8,032
Nevada	22432	1.8888	42,370	3.46%	\$1,464	1.6270	\$2,383	\$3,055	1.9712	\$6,021
New Hampshire	26849	1.9428	52,162	8.22%	\$1,435	1.7634	\$2,530	\$2,693	2.1162	\$5,699
New Jersey	142709	2.0906	298,347	7.38%	\$8,215	1.8933	\$15,554	\$15,241	2.4418	\$37,215
New Mexico	28228	2.0295	57,289	7.08%	\$1,423	1.6451	\$2,341	\$2,614	1.9703	\$5,150
New York	385939	1.8641	719,429	8.44%	\$24,785	1.7041	\$42,236	\$43,978	2.1601	\$94,996
North Carolina	155674	2.1035	327,460	8.37%	\$7,648	1.8342	\$14,029	\$15,313	2.3281	\$35,651
North Dakota	19580	1.8212	35,659	10.34%	\$832	1.5710	\$1,307	\$1,552	1.8749	\$2,909
Ohio	251316	2.0810	522,989	9.63%	\$12,536	1.8413	\$23,082	\$25,153	2.3360	\$58,757
Oklahoma	52850	2.0698	109,389	7.24%	\$2,536	1.7698	\$4,488	\$5,521	2.2116	\$12,211
Oregon	55842	2.1484	119,971	7.23%	\$3,081	1.7521	\$5,399	\$5,869	2.1742	\$12,760
Pennsylvania	270341	2.1222	573,718	10.06%	\$12,880	1.9187	\$24,712	\$27,089	2.4638	\$66,743
Rhode Island	20972	1.9258	40,388	8.22%	\$1,243	1.6743	\$2,080	\$2,267	2.0321	\$4,606
South Carolina	66812	2.0241	135,234	7.27%	\$3,473	1.7362	\$6,031	\$7,383	2.2036	\$16,270
South Dakota	20009	1.8344	36,705	9.42%	\$869	1.5828	\$1,376	\$1,657	1.9118	\$3,168
Tennessee	105331	2.0989	221,079	8.06%	\$5,177	1.8483	\$9,568	\$10,900	2.3749	\$25,886
Texas	317239	2.2853	724,986	7.45%	\$16,521	1.9568	\$32,328	\$34,810	2.5476	\$88,683
Utah	36163	2.1744	78,633	6.84%	\$1,585	1.8894	\$2,995	\$3,624	2.4066	\$8,723
Vermont	12567	1.8778	23,598	7.73%	\$743	1.5859	\$1,179	\$1,247	1.8754	\$2,339
Virginia	103981	1.8853	196,035	5.34%	\$5,248	1.7597	\$9,234	\$11,802	2.2473	\$26,523
Washington	86303	2.0919	180,537	6.50%	\$5,212	1.7927	\$9,344	\$10,148	2.2544	\$22,878
West Virginia	40607	1.7996	73,076	9.79%	\$1,883	1.5502	\$2,920	\$3,765	1.8278	\$6,881
Wisconsin	106486	1.9889	211,790	7.46%	\$5,140	1.7472	\$8,980	\$11,011	2.1748	\$23,947
Wyoming	8472	1.7593	14,905	5.67%	\$409	1.4752	\$603	\$780	1.7388	\$1,356
U.S.	5,047,094	2.6601	13,425,775	10.06%	\$265,412	2.3935	\$635,263	\$530,877	3.2738	\$1,737,984

Source: Avalere Health, using BEA RIMS-II (1997/2004) multipliers for hospital NAICS Code 622, released 2006, applied to American Hospital Association Annual Survey data for 2005. Hospital jobs are total part time and full time jobs. Hospital labor income is defined as payroll plus benefits. The percent of total employment supported by direct and indirect hospital employment is based on 2005 BLS data.

*Expenditures are defined as net patient revenue + other operating revenue.





APPENDICES



APPENDIX 1

Supplementary Data Tables
Trends in the Overall
Health Care Market

Table 1.1: National Health Expenditures, 1980 – 2005⁽¹⁾

Year	Total National Health Expenditures				Prescription Drugs Total	
	Total		Per Capita		Nominal Dollars (billions)	Real Dollars ⁽²⁾ (billions)
	Nominal Dollars (billions)	Real Dollars ⁽²⁾ (billions)	Nominal Dollars	Real Dollars ⁽²⁾		
1980	\$253.9	\$253.9	\$1,102	\$1,102	\$12.0	\$12.0
1981	\$294.2	\$266.7	\$1,264	\$1,146	\$13.4	\$12.1
1982	\$330.7	\$282.4	\$1,407	\$1,202	\$15.0	\$12.8
1983	\$365.3	\$302.2	\$1,540	\$1,274	\$17.3	\$14.3
1984	\$402.3	\$319.0	\$1,680	\$1,333	\$19.6	\$15.6
1985	\$439.9	\$336.9	\$1,821	\$1,394	\$21.8	\$16.7
1986	\$471.8	\$354.7	\$1,934	\$1,454	\$24.3	\$18.3
1987	\$513.0	\$372.1	\$2,084	\$1,512	\$26.9	\$19.5
1988	\$574.0	\$399.8	\$2,310	\$1,609	\$30.6	\$21.3
1989	\$638.7	\$424.4	\$2,546	\$1,692	\$34.8	\$23.1
1990	\$714.0	\$450.2	\$2,813	\$1,774	\$40.3	\$25.4
1991	\$781.6	\$472.9	\$3,044	\$1,841	\$44.4	\$26.9
1992	\$849.0	\$498.7	\$3,266	\$1,918	\$47.6	\$27.9
1993	\$912.6	\$520.4	\$3,468	\$1,978	\$51.0	\$29.1
1994	\$962.2	\$535.0	\$3,619	\$2,012	\$54.3	\$30.2
1995	\$1,016.5	\$549.6	\$3,783	\$2,045	\$60.9	\$32.9
1996	\$1,068.9	\$561.4	\$3,938	\$2,068	\$68.5	\$36.0
1997	\$1,125.4	\$577.8	\$4,104	\$2,107	\$77.7	\$39.9
1998	\$1,190.9	\$602.0	\$4,299	\$2,173	\$88.6	\$44.8
1999	\$1,265.3	\$625.8	\$4,522	\$2,237	\$104.7	\$51.8
2000	\$1,353.3	\$647.6	\$4,790	\$2,292	\$120.8	\$57.8
2001	\$1,469.6	\$683.8	\$5,147	\$2,395	\$138.6	\$64.5
2002	\$1,602.8	\$734.1	\$5,560	\$2,546	\$157.9	\$72.3
2003	\$1,733.4	\$776.3	\$5,953	\$2,666	\$174.6	\$78.2
2004	\$1,858.9	\$810.9	\$6,323	\$2,758	\$189.7	\$82.7
2005	\$1,987.7	\$838.6	\$6,697	\$2,826	\$200.7	\$84.7

Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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.

Data for Charts 1.1, 1.3, and 1.10

Table 1.2: Percent Change in National Expenditures for Selected Health Services and Supplies, 1995 – 2005⁽¹⁾

Year	Hospital Care	Prescription Drugs	Admin. & Net Cost of Private Health Insurance	Home Health Care	Nursing Home Care
1995	3.3%	12.1%	3.1%	17.1%	9.1%
1996	3.4%	12.6%	3.5%	10.1%	7.4%
1997	3.6%	13.3%	-0.8%	2.8%	6.2%
1998	3.2%	14.1%	6.7%	-3.8%	6.0%
1999	5.0%	18.2%	11.3%	-5.1%	1.1%
2000	5.6%	15.4%	14.7%	-3.2%	5.2%
2001	8.2%	14.7%	11.3%	5.5%	6.6%
2002	8.2%	14.0%	16.4%	6.3%	4.1%
2003	7.5%	10.2%	16.6%	11.1%	4.5%
2004	7.9%	8.6%	10.3%	12.3%	4.1%
2005	7.9%	5.8%	5.7%	11.1%	6.0%

Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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>.

Data for Chart 1.7

Table 1.3: National Health Expenditures,⁽¹⁾ 1980 – 2016⁽²⁾

Year	Expenditures (billions)
1980	\$254
1990	\$714
1998	\$1,191
1999	\$1,265
2000	\$1,353
2001	\$1,470
2002	\$1,603
2003	\$1,733
2004	\$1,859
2005	\$1,988
2006	\$2,122
2007	\$2,262
2008	\$2,420
2009	\$2,596
2010	\$2,776
2011	\$2,966
2012	\$3,173
2013	\$3,396
2014	\$3,629
2015	\$3,875
2016	\$4,137

Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released February 21, 2007.

⁽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>.

Data for Chart 1.8

Table 1.4: Consumer Out-of-pocket Payments for National Health Expenditures, 1990 – 2005⁽¹⁾

Year	Payment (billions)
1990	\$136.1
1991	\$140.1
1992	\$143.3
1993	\$145.2
1994	\$142.9
1995	\$146.3
1996	\$152.1
1997	\$162.5
1998	\$175.5
1999	\$184.1
2000	\$192.9
2001	\$200.0
2002	\$211.3
2003	\$224.5
2004	\$235.8
2005	\$249.4

Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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>.

Data for Chart 1.9

Table 1.5: Growth in Total Prescription Drug Spending as a Percentage of Total Growth in National Health Expenditures, 1980 – 2005⁽¹⁾

Year	Percentage
1980	3.90%
1981	3.35%
1982	4.46%
1983	6.63%
1984	6.21%
1985	5.79%
1986	7.82%
1987	6.31%
1988	6.15%
1989	6.35%
1990	7.35%
1991	6.05%
1992	4.73%
1993	5.38%
1994	6.67%
1995	12.11%
1996	14.62%
1997	16.16%
1998	16.68%
1999	21.63%
2000	18.32%
2001	15.26%
2002	14.55%
2003	12.79%
2004	11.97%
2005	8.59%

Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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>.

Data for Chart 1.11

Table 1.6: Consumer Out-of-pocket Spending vs. Private Health Insurance Spending for Prescription Drugs, 1980 – 2005⁽¹⁾

Year	Out-of-pocket Payment (billions)	Private Health Insurance (billions)
1980	\$8.466	\$1.783
1981	\$8.844	\$2.494
1982	\$10.272	\$2.568
1983	\$11.254	\$3.554
1984	\$12.503	\$4.168
1985	\$13.609	\$4.957
1986	\$15.451	\$4.746
1987	\$16.406	\$5.855
1988	\$18.335	\$6.990
1989	\$20.153	\$8.678
1990	\$22.376	\$10.627
1991	\$23.047	\$12.904
1992	\$23.417	\$14.654
1993	\$24.097	\$16.379
1994	\$23.384	\$19.269
1995	\$23.349	\$24.441
1996	\$24.180	\$29.694
1997	\$25.670	\$35.574
1998	\$27.477	\$42.112
1999	\$30.410	\$51.187
2000	\$33.444	\$59.722
2001	\$36.206	\$69.337
2002	\$40.389	\$78.217
2003	\$44.437	\$84.140
2004	\$47.864	\$89.962
2005	\$50.906	\$95.204

Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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>.

Data for Chart 1.12

Table 1.7: Number and Percent Uninsured, 1985 – 2005

Year	Number (millions)	Percent
1985	34.6	14.8%
1986	34.2	14.4%
1987	31.0	12.9%
1988	32.7	13.4%
1989	33.4	13.6%
1990	34.7	13.9%
1991	35.4	14.1%
1992	38.6	15.0%
1993	39.7	15.3%
1994	39.7	15.2%
1995	40.6	15.4%
1996	41.7	15.6%
1997	43.4	16.1%
1998	44.3	16.3%
1999	40.2	14.5%
2000	39.8	14.2%
2001	41.2	14.6%
2002	43.6	15.2%
2003	45.0	15.6%
2004 ⁽¹⁾	43.5	14.9%
2005 ⁽¹⁾	44.8	15.3%

Source: US Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2005*. Data released August 2006. Table 8. People With or Without Health Insurance Coverage by Selected Characteristics: 2004 and 2005. Link: http://pubdb3.census.gov/macro/032006/health/h01_001.htm.

⁽¹⁾ 2004 and 2005 figures reflect revised estimates released by the Census Bureau on March 23, 2007.

Data for Chart 1.15

Table 1.8: Average Percent Uninsured by State, 2003 – 2005

State	Average Percent Uninsured	State	Average Percent Uninsured
Alabama	14.3%	Montana	18.7%
Alaska	17.8%	Nebraska	11.4%
Arizona	18.1%	Nevada	18.4%
Arkansas	17.2%	New Hampshire	10.4%
California	18.8%	New Jersey	14.5%
Colorado	16.9%	New Mexico	21.1%
Connecticut	11.0%	New York	13.9%
Delaware	12.7%	North Carolina	16.2%
District of Columbia	13.5%	North Dakota	11.2%
Florida	19.6%	Ohio	12.0%
Georgia	17.5%	Oklahoma	19.5%
Hawaii	9.5%	Oregon	16.7%
Idaho	16.5%	Pennsylvania	11.2%
Illinois	14.2%	Rhode Island	11.0%
Indiana	14.2%	South Carolina	15.6%
Iowa	9.8%	South Dakota	12.1%
Kansas	10.9%	Tennessee	13.7%
Kentucky	13.6%	Texas	24.6%
Louisiana	18.7%	Utah	14.5%
Maine	10.4%	Vermont	10.7%
Maryland	14.1%	Virginia	13.6%
Massachusetts	10.7%	Washington	14.1%
Michigan	11.3%	West Virginia	16.9%
Minnesota	8.7%	Wisconsin	10.3%
Mississippi	17.3%	Wyoming	15.2%
Missouri	11.9%		

Source: US Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2005*. Data released August 2006.
 Link: http://pubdb3.census.gov/macro/032006/health/h01_001.htm.

Data for Chart 1.16

Table 1.9: Medicaid Enrollees,⁽¹⁾ 1990, 1995, 2000 – 2005

(in millions)	1990	1995	2000	2001	2002	2003	2004	2005
Aged	3.2	4.2	4.6	4.8	4.5	4.8	5.1	5.4
Blind/Disabled	3.7	6.0	7.5	8.0	7.9	8.3	8.9	9.4
Children	11.2	17.6	22.0	23.7	25.5	25.3	27.8	28.3
Adults	6.0	7.8	10.4	12.0	12.9	14.0	15.4	15.5
Other Title XIX	1.1	0.6						
Total	25.3	36.3	44.5	48.4	50.9	52.4	57.3	58.6

Source: Congressional Budget Office. Data released March 2006. Fact Sheet for CBO's March 2006 Baseline: Medicaid and the State Health Insurance Program. Link: <http://www.cbo.gov/budget/factsheets/2006b/medicaid.pdf>.

⁽¹⁾ Does not include SCHIP Enrollees.

Data for Chart 1.18

Table 1.10: Percent Change in SCHIP Enrollment by State, FY2004 – FY2005

State	Percent Change FY 04 - FY 05	State	Percent Change FY 04 - FY 05
Alabama	3%	Montana	4%
Alaska	2%	Nebraska	0%
Arizona	0%	Nevada	2%
Arkansas	52%	New Hampshire	8%
California	18%	New Jersey	2%
Colorado	Unknown	New Mexico	17%
Connecticut	4%	New York	-19%
Delaware	1%	North Carolina	12%
District of Columbia	9%	North Dakota	11%
Florida	-8%	Ohio	-2%
Georgia	10%	Oklahoma	7%
Hawaii	7%	Oregon	13%
Idaho	15%	Pennsylvania	1%
Illinois	20%	Rhode Island	6%
Indiana	61%	South Carolina	7%
Iowa	12%	South Dakota	5%
Kansas	7%	Tennessee	Unknown
Kentucky	-33%	Texas	-19%
Louisiana	3%	Utah	13%
Maine	5%	Vermont	-1%
Maryland	8%	Virginia	25%
Massachusetts	-2%	Washington	-9%
Michigan	2%	West Virginia	5%
Minnesota	6%	Wisconsin	-16%
Mississippi	-4%	Wyoming	11%
Missouri	-34%		

Source: Centers for Medicare & Medicaid Services. Data released July 2006. FY 2005 Number of Children Ever Enrolled Year – SCHIP by Program Type. Link: <http://www.cms.hhs.gov/NationalSCHIPPolicy/downloads/FY2005AnnualEnrollmentReport.pdf>.

Data for Chart 1.20

Table 1.11: Percentage of Employees with Employer-based Coverage Who Can Choose Conventional, PPO, HMO, POS, and HDHP/SO Plans, 1988 – 2006

	1988	1993	1996	1999	2000	2001	2002	2003	2004	2005	2006
Conventional⁽¹⁾	90%	59%	52%	26%	21%	21%	14%	14%	16%	12%	10%
PPO	18%	49%	45%	62%	65%	71%	74%	77%	79%	82%	79%
HMO	46%	68%	64%	56%	53%	46%	50%	47%	54%	44%	43%
POS⁽²⁾		21%	30%	45%	41%	37%	34%	30%	30%	28%	23%
HDHP/SO⁽³⁾											14%

Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2006. *Employer Health Benefits: 1999, 2002, 2005, and 2006*. Link: <http://www.kff.org/insurance/7527/upload/7527.pdf>. KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1993, 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.

Data for Chart 1.21

Table 1.12: Percent Distribution of Employer-sponsored Health Insurance Enrollment by Type of Plan, 1988 – 2006

	1988	1993	1996	2002	2005	2006
Conventional⁽¹⁾	73%	46%	27%	4%	3%	3%
PPO	11%	26%	28%	52%	61%	60%
HMO	16%	21%	31%	27%	21%	20%
POS⁽²⁾		7%	14%	18%	15%	13%
HDHP/SO⁽³⁾						4%

Source: The Kaiser Family Foundation and Health Research and Educational Trust. Data Released 2006. *Employer Health Benefits: 1999, 2002, 2005, and 2006*. Link: <http://www.kff.org/insurance/7527/upload/7527.pdf>. KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1993, 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.

Data for Chart 1.22

Table 1.13: Growth in Medicare Spending per Beneficiary vs. Private Health Insurance Spending per Enrollee, 1980 – 2005⁽¹⁾

Year	Growth in Medicare Spending per Beneficiary	Growth in Private Health Insurance Spending per Enrollee
1980	17.7%	12.7%
1981	17.6%	16.7%
1982	14.8%	13.8%
1983	11.8%	11.0%
1984	9.4%	12.9%
1985	6.4%	10.1%
1986	4.8%	1.9%
1987	5.9%	8.4%
1988	5.2%	16.5%
1989	11.6%	15.3%
1990	6.8%	13.3%
1991	8.0%	9.8%
1992	10.5%	8.4%
1993	8.1%	7.9%
1994	9.9%	3.5%
1995	8.2%	4.9%
1996	6.3%	4.9%
1997	4.8%	4.4%
1998	-1.5%	5.5%
1999	1.0%	6.4%
2000	4.1%	7.5%
2001	9.3%	10.2%
2002	6.2%	11.0%
2003	5.3%	10.2%
2004	8.8%	7.7%
2005	7.7%	6.5%

Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

⁽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>.

Data for Chart 1.24

Table 1.14: Percentage of Medicaid Beneficiaries Enrolled in Medicaid Managed Care by State, 2004 and 2005

State	% Enrolled		State	% Enrolled	
	04	05		04	05
Alabama	54.9%	60.5%	Montana	67.1%	68.2%
Alaska	0.0%	0.0%	Nebraska	72.3%	71.1%
Arizona	89.1%	88.8%	Nevada	53.1%	100.0%
Arkansas	65.0%	81.1%	New Hampshire	0.0%	2.0%
California	50.4%	50.2%	New Jersey	67.9%	69.0%
Colorado	97.6%	95.0%	New Mexico	64.9%	60.6%
Connecticut	75.4%	75.0%	New York	58.2%	61.5%
Delaware	73.7%	76.2%	North Carolina	70.9%	70.9%
District of Columbia	63.8%	64.8%	North Dakota	63.0%	60.6%
Florida	65.7%	66.2%	Ohio	30.8%	31.2%
Georgia	96.2%	95.8%	Oklahoma	68.2%	87.0%
Hawaii	78.0%	79.9%	Oregon	80.9%	90.6%
Idaho	79.3%	82.8%	Pennsylvania	79.1%	90.4%
Illinois	9.1%	9.6%	Rhode Island	69.2%	69.4%
Indiana	63.4%	68.5%	South Carolina	8.3%	9.8%
Iowa	92.1%	92.0%	South Dakota	97.8%	97.5%
Kansas	57.0%	56.0%	Tennessee	100.0%	100.0%
Kentucky	92.2%	92.0%	Texas	42.8%	48.4%
Louisiana	78.8%	79.0%	Utah	88.6%	91.0%
Maine	59.8%	61.9%	Vermont	66.0%	66.9%
Maryland	67.5%	67.4%	Virginia	65.7%	62.5%
Massachusetts	61.4%	61.5%	Washington	77.3%	84.8%
Michigan	89.0%	89.9%	West Virginia	52.5%	47.5%
Minnesota	63.5%	65.9%	Wisconsin	47.2%	46.4%
Mississippi	11.5%	13.5%	Wyoming	0.0%	0.0%
Missouri	44.4%	45.0%	Nation	60.7%	63.0%

Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released June 2005. *Medicaid Managed Care Enrollment Report as of June 30, 2005*. Link: <http://www.cms.hhs.gov/MedicaidDataSourcesGenInfo/Downloads/mmcer05.pdf>.

Data for Chart 1.26

Table 1.15: Operating Margins of the Top Insurers, 2003 – 2005

	2003	2004	2005
Aetna	7.7	10.1	11.3
WellPoint	8.1	8.6	9.1
United HealthCare	10.2	11.0	11.8
Cigna	8.9	13.1	10.8

Source: Hoovers. Data from January 2007. 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
Data for Chart 1.29



APPENDIX 2

Supplementary Data Tables
Organizational Trends

Table 2.1: Number of Community Hospitals,⁽¹⁾ 1981 – 2005

Year	All Hospitals	Urban	Rural	In Health System ⁽²⁾
1981	5,813	3,048	2,765	-
1982	5,801	3,041	2,760	-
1983	5,783	3,070	2,713	-
1984	5,759	3,063	2,696	-
1985	5,732	3,058	2,674	-
1986	5,678	3,040	2,638	-
1987	5,611	3,012	2,599	-
1988	5,533	2,984	2,549	-
1989	5,455	2,958	2,497	-
1990	5,384	2,924	2,460	-
1991	5,342	2,921	2,421	-
1992	5,292	3,007	2,285	-
1993	5,261	3,012	2,249	-
1994	5,229	2,993	2,236	-
1995	5,194	2,958	2,236	-
1996	5,134	2,908	2,226	-
1997	5,057	2,852	2,205	-
1998	5,015	2,816	2,199	-
1999	4,956	2,767	2,189	2,524
2000	4,915	2,740	2,175	2,542
2001	4,908	2,742	2,166	2,580
2002	4,927	2,749	2,178	2,606
2003	4,895	2,729	2,166	2,626
2004	4,919	2,916	2,003	2,668
2005	4,936	2,927	2,009	2,716

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

(1) All nonfederal, short-term general, and specialty hospitals whose facilities and services are available to the public.

(2) Data on the number of urban and rural hospitals in 2004 and beyond were collected using coding different from previous years to reflect new Centers for Medicare & Medicaid Services wage area designations.

Data for Charts 2.1 and 2.4

Table 2.2: Number of Beds and Number of Beds per 1,000 Persons, 1981 – 2005

Year	Number of Beds	Beds per 1,000
1981	1,001,801	4.37
1982	1,011,989	4.37
1983	1,018,452	4.36
1984	1,016,987	4.31
1985	1,000,598	4.21
1986	978,283	4.07
1987	956,529	3.95
1988	944,276	3.86
1989	932,185	3.78
1990	926,436	3.72
1991	922,822	3.66
1992	919,505	3.61
1993	917,847	3.56
1994	901,056	3.46
1995	871,976	3.32
1996	862,352	3.25
1997	853,287	3.19
1998	839,988	3.11
1999	829,575	3.04
2000	823,560	2.93
2001	825,966	2.90
2002	820,653	2.85
2003	813,307	2.80
2004	808,127	2.75
2005	802,311	2.71

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

Data for Chart 2.2

Table 2.3: Beds per 1,000 Persons by State, 2004 and 2005

State	Beds per 1,000 Persons		State	Beds per 1,000 Persons	
	04	05		04	05
Alabama	3.38	3.40	Montana	4.68	4.58
Alaska	2.18	2.10	Nebraska	4.20	4.30
Arizona	1.94	1.98	Nevada	2.04	1.94
Arkansas	3.48	3.38	New Hampshire	2.16	2.17
California	2.00	1.94	New Jersey	2.52	2.54
Colorado	2.01	2.06	New Mexico	1.93	1.82
Connecticut	2.23	2.24	New York	3.34	3.28
Delaware	2.35	2.26	North Carolina	2.75	2.69
District of Columbia	6.24	6.42	North Dakota	5.62	5.49
Florida	2.87	2.88	Ohio	2.91	2.90
Georgia	2.80	2.76	Oklahoma	3.07	3.05
Hawaii	2.49	2.35	Oregon	1.81	1.79
Idaho	2.46	2.33	Pennsylvania	3.23	3.19
Illinois	2.74	2.70	Rhode Island	2.22	2.23
Indiana	3.01	2.83	South Carolina	2.67	2.69
Iowa	3.70	3.63	South Dakota	5.98	5.57
Kansas	3.79	3.67	Tennessee	3.45	3.45
Kentucky	3.68	3.57	Texas	2.58	2.54
Louisiana	3.81	3.43	Utah	1.89	1.84
Maine	2.69	2.67	Vermont	2.37	2.18
Maryland	2.07	2.04	Virginia	2.32	2.31
Massachusetts	2.53	2.53	Washington	1.77	1.71
Michigan	2.57	2.59	West Virginia	4.08	3.99
Minnesota	3.16	3.12	Wisconsin	2.65	2.61
Mississippi	4.53	4.37	Wyoming	4.04	4.03
Missouri	3.32	3.30			

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.
 US Census Bureau: National and State Population Estimates, July 1, 2005.
 Link: <http://www.census.gov/popest/states/tables/NST-EST2006-01.xls>.

Data for Chart 2.3

Table 2.4: Percent of Outpatient Surgeries by Facility Type, 1981 – 2005

Year	Hospital-owned Facilities	Freestanding Facilities	Physician Offices
1981	93%	4%	3%
1983	89%	6%	5%
1985	86%	9%	5%
1987	83%	12%	5%
1989	80%	15%	5%
1991	76%	17%	7%
1993	69%	22%	9%
1995	63%	25%	12%
1997	57%	28%	15%
1999	53%	31%	16%
2001	51%	33%	16%
2003	47%	37%	16%
2005*	45%	38%	17%

Source: Verispan, *Diagnostic Imaging Center Profiling Solution*, 2004.
*2005 values are estimated based upon current trends.

Data for Chart 2.5

Table 2.5: Percentage of Hospitals with Physician Affiliates⁽¹⁾ by Type of Relationship, 1995 – 2005

	95	96	97	98	99	00	01	02	03	04	05
Physician Hospital Organization	31%	31%	29%	29%	27%	25%	23%	22%	21%	19%	19%
IPA	23%	24%	21%	19%	18%	17%	17%	16%	16%	15%	14%
Management Service Organization	19%	22%	19%	17%	16%	13%	11%	11%	10%	9%	9%
Group Practice without Walls	7%	7%	6%	5%	4%	4%	5%	4%	4%	3%	4%

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

⁽¹⁾ A hospital is considered to have a physician relationship if the relationship exists as part of the hospital or a system or network of which the hospital is a part.

Data for Chart 2.7

Table 2.6: Percentage of Hospitals with Insurance Products by Type of Insurance, 1995 – 2005

	95	96	97	98	99	00	01	02	03	04	05
Preferred Provider Organization	31%	31%	31%	26%	23%	21%	18%	19%	19%	18%	19%
Health Maintenance Organization	21%	22%	23%	22%	20%	18%	15%	14%	14%	14%	14%
Indemnity or Fee-for-service	10%	10%	10%	8%	6%	6%	5%	5%	6%	6%	6%

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.
Data for Chart 2.8

Table 2.7: Percentage of Hospitals Offering “Non-hospital” Services,⁽¹⁾ 1995 – 2005

	95	96	97	98	99	00	01	02	03	04	05
Home Health Service	74%	77%	78%	76%	72%	69%	66%	65%	64%	64%	63%
Skilled Nursing Facility	45%	49%	52%	53%	49%	49%	48%	46%	45%	43%	42%
Other Long-term Care	13%	14%	15%	12%	11%	11%	11%	12%	13%	14%	14%
Assisted Living	8%	10%	11%	13%	14%	15%	15%	15%	16%	16%	16%
Hospice	53%	56%	56%	59%	57%	54%	54%	55%	57%	59%	60%
Meals on Wheels	23%	24%	25%	26%	25%	26%	25%	25%	24%	24%	23%

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

⁽¹⁾ Includes services offered in hospital, health system, network or joint venture.

Data for Chart 2.9



APPENDIX 3

Supplementary Data Tables
Utilization and Volume

Table 3.1: Trends in Inpatient Utilization in Community Hospitals, 1981 – 2005

Year	Inpatient Admissions in Community Hospitals	Inpatient Admissions per 1,000	Total Inpatient Days in Community Hospitals	Inpatient Days per 1,000	Inpatient Surgeries	Average Length of Stay
1981	36,438,232	158.8	278,405,882	1,213.3	15,674,633	7.6
1982	36,379,446	157.0	278,043,093	1,200.2	15,532,578	7.6
1983	36,151,780	154.6	273,196,906	1,168.5	15,130,404	7.6
1984	35,155,462	149.1	256,603,081	1,088.1	14,378,580	7.3
1985	33,448,631	140.6	236,619,446	994.5	13,161,996	7.1
1986	32,378,796	134.8	229,447,826	955.5	12,222,470	7.1
1987	31,600,817	130.4	227,014,903	937.0	11,691,429	7.2
1988	31,452,835	128.6	226,875,042	927.9	11,383,578	7.2
1989	31,116,048	126.1	225,436,505	913.4	10,989,409	7.2
1990	31,181,046	125.3	225,971,653	908.4	10,844,916	7.2
1991	31,064,283	123.2	222,858,470	883.9	10,693,243	7.2
1992	31,033,557	121.7	221,047,104	866.8	10,552,378	7.1
1993	30,748,051	119.3	215,888,741	837.6	10,181,703	7.0
1994	30,718,136	118.0	207,180,278	796.0	9,833,938	6.7
1995	30,945,357	117.8	199,876,367	760.7	9,700,613	6.5
1996	31,098,959	117.2	193,747,004	730.4	9,545,612	6.2
1997	31,576,960	118.0	192,504,015	719.3	9,509,081	6.1
1998	31,811,673	117.8	191,430,450	709.0	9,735,705	6.0
1999	32,359,042	118.7	191,884,270	703.7	9,539,593	5.9
2000	33,089,467	117.6	192,420,368	683.7	9,729,336	5.8
2001	33,813,589	118.7	194,106,316	681.6	9,779,583	5.7
2002	34,478,280	119.6	196,690,099	682.1	10,105,010	5.7
2003	34,782,742	119.6	196,649,769	676.2	9,940,922	5.7
2004	35,086,061	119.5	197,564,172	672.8	10,050,346	5.6
2005	35,238,673	119.2	197,073,770	666.4	10,097,271	5.6

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.
US Census Bureau: National and State Population Estimates, July 1, 2005.
Link: <http://www.census.gov/popest/states/tables/NST-EST2006-01.xls>.

Data for Charts 3.1, 3.2, 3.3, 3.4, 3.5, and 3.14

Table 3.2: Average Length of Stay in Community Hospitals by State, 2004 and 2005

State	Average Length of Stay		State	Average Length of Stay	
	04	05		04	05
Alabama	5.1	5.1	Montana	9.8	9.6
Alaska	6.3	6.0	Nebraska	7.6	8.2
Arizona	4.5	4.4	Nevada	5.4	5.3
Arkansas	5.4	5.3	New Hampshire	5.5	5.5
California	5.3	5.3	New Jersey	5.4	5.3
Colorado	4.9	5.0	New Mexico	4.8	4.7
Connecticut	5.8	5.7	New York	7.3	7.2
Delaware	6.2	6.2	North Carolina	6.1	6.0
District of Columbia	7.0	7.1	North Dakota	8.7	8.8
Florida	5.2	5.2	Ohio	5.2	5.2
Georgia	6.5	6.4	Oklahoma	5.2	5.1
Hawaii	7.7	7.5	Oregon	4.3	4.4
Idaho	5.2	4.9	Pennsylvania	5.6	5.5
Illinois	5.3	5.2	Rhode Island	5.3	5.4
Indiana	5.6	5.2	South Carolina	5.7	5.8
Iowa	6.6	6.4	South Dakota	10.0	10.1
Kansas	6.4	6.3	Tennessee	5.7	5.7
Kentucky	5.6	5.5	Texas	5.2	5.2
Louisiana	5.5	5.5	Utah	4.4	4.3
Maine	5.4	5.6	Vermont	6.6	6.5
Maryland	4.8	4.7	Virginia	5.8	5.8
Massachusetts	5.5	5.5	Washington	4.7	4.6
Michigan	5.3	5.4	West Virginia	5.7	5.7
Minnesota	6.4	6.3	Wisconsin	5.6	5.4
Mississippi	6.5	6.5	Wyoming	7.8	8.2
Missouri	5.3	5.3			

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

Data for Chart 3.6

Table 3.3: Emergency Department Visits, Emergency Department Visits per 1,000, and Number of Emergency Departments, 1991 – 2005

Year	ED Visits (millions)	ED Visits per 1,000	Emergency Departments ⁽¹⁾
1991	88.5	351	5,108
1992	90.8	356	5,035
1993	92.6	359	4,998
1994	90.5	348	4,960
1995	94.7	360	4,923
1996	93.1	351	4,884
1997	92.8	347	4,813
1998	94.8	351	4,771
1999	99.5	365	4,679
2000	103.1	366	4,650
2001	106.0	372	4,621
2002	110.0	381	4,620
2003	111.0	382	4,570
2004	112.6	383	4,595
2005	114.8	388	4,611

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals. US Census Bureau: National and State Population Estimates, July 1, 2005. Link: <http://www.census.gov/popest/states/tables/NST-EST2006-01.xls>.

⁽¹⁾ Defined as hospitals reporting ED visits in 2005 AHA Annual Survey.

Data for Charts 3.7 and 3.8

Table 3.4: Outpatient Utilization in Community Hospitals, 1981 – 2005

Year	Total Outpatient Visits	Outpatient Visits per 1,000	Outpatient Surgeries
1981	202,554,317	882.7	3,561,573
1982	247,930,332	1,070.2	4,061,061
1983	210,038,878	898.4	4,714,504
1984	211,941,487	898.7	5,529,661
1985	218,694,236	919.2	6,951,359
1986	231,853,914	965.5	8,246,665
1987	244,495,134	1,009.1	9,126,205
1988	268,290,801	1,097.3	10,027,560
1989	284,815,681	1,153.9	10,350,871
1990	300,514,516	1,208.0	11,069,952
1991	321,044,324	1,273.4	11,711,808
1992	347,847,202	1,364.1	12,307,594
1993	366,533,432	1,422.0	12,624,292
1994	382,780,358	1,470.6	13,154,838
1995	413,748,403	1,574.6	13,462,304
1996	439,863,107	1,658.3	14,023,651
1997	450,140,010	1,681.9	14,678,290
1998	474,193,468	1,756.3	15,593,614
1999	495,346,286	1,816.5	15,845,492
2000	521,404,976	1,852.8	16,383,374
2001	538,480,378	1,890.8	16,684,726
2002	556,404,212	1,929.5	17,361,176
2003	563,186,046	1,936.6	17,165,616
2004	571,569,334	1,946.4	17,351,490
2005	584,428,736	1,976.1	17,445,587

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

Data for Charts 3.12, 3.13, and 3.14



APPENDIX 4

Supplementary Data Tables
Trends in Hospital Financing

Table 4.1: Aggregate Total Hospital Margins,⁽¹⁾ Operating Margins,⁽²⁾ and Patient Margins;⁽³⁾ Percentage of Hospitals with Negative Total Margins; and Aggregate Non-operating Gains as a Percentage of Total Net Revenue, 1981 – 2005

Year	Aggregate Total Hospital Margins	Aggregate Operating Margins	Aggregate Patient Margins	Percent of Hospitals with Negative Total Margins	Aggregate Non-operating Gains as a Percentage of Total Net Revenue
1981	3.6%			25.4%	2.2%
1982	4.2%			24.0%	2.4%
1983	4.2%			24.1%	2.4%
1984	5.1%			24.6%	2.4%
1985	6.0%			23.3%	2.7%
1986	5.3%			25.7%	2.4%
1987	4.2%			31.4%	2.3%
1988	3.3%			32.5%	2.4%
1989	3.4%			30.8%	2.5%
1990	3.8%	1.7%	-4.2%	27.1%	2.1%
1991	4.3%	2.2%	-3.6%	24.7%	2.1%
1992	4.6%	2.7%	-2.7%	23.8%	1.9%
1993	4.2%	2.5%	-3.2%	24.2%	1.8%
1994	4.8%	3.4%	-2.8%	22.4%	1.5%
1995	5.6%	3.9%	-2.2%	20.4%	1.8%
1996	6.7%	4.6%	-1.0%	19.4%	2.3%
1997	6.7%	4.0%	-1.7%	20.4%	2.7%
1998	5.8%	3.1%	-3.0%	26.6%	2.8%
1999	4.6%	2.1%	-4.3%	32.5%	2.6%
2000	4.6%	2.0%	-4.2%	32.0%	2.6%
2001	4.2%	2.7%	-3.6%	29.4%	1.6%
2002	4.4%	3.7%	-2.3%	29.3%	0.8%
2003	4.8%	3.3%	-2.8%	29.9%	1.5%
2004	5.2%	3.6%	-2.3%	26.5%	1.7%
2005	5.3%	3.7%	-2.0%	25.4%	1.7%

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

⁽¹⁾ Total Hospital Margin is calculated as the difference between total net revenue and total expenses divided by total net revenue.

⁽²⁾ Operating Margin is calculated as the difference between operating revenue and total expenses divided by operating revenue.

⁽³⁾ Patient Margin is calculated as the difference between net patient revenue and total expenses divided by net patient revenue.

Data for Charts 4.1, 4.2, and 4.8

Table 4.2: Distribution of Inpatient vs. Outpatient Revenues, 1981 – 2005

Year	Gross Outpatient Revenue	Gross Inpatient Revenue
1981	13%	87%
1982	13%	87%
1983	13%	87%
1984	14%	86%
1985	16%	84%
1986	18%	82%
1987	19%	81%
1988	21%	79%
1989	21%	79%
1990	23%	77%
1991	24%	76%
1992	25%	75%
1993	27%	73%
1994	28%	72%
1995	30%	70%
1996	31%	69%
1997	33%	67%
1998	33%	67%
1999	34%	66%
2000	35%	65%
2001	35%	65%
2002	35%	65%
2003	35%	65%
2004	36%	64%
2005	37%	63%

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

Data for Chart 4.3

Table 4.3: Annual Change in Hospital Operating Revenue and Expenses per Adjusted Admission,⁽¹⁾ 1981 – 2005

Year	Expenses per Adjusted Admission	Operating Revenue per Adjusted Admission	Percent Change Expenses	Percent Change Operating Revenue
1981	\$2,171	\$2,203	17.3%	17.3%
1982	\$2,501	\$2,547	15.2%	15.6%
1983	\$2,789	\$2,841	11.5%	11.5%
1984	\$2,995	\$3,080	7.4%	8.4%
1985	\$3,245	\$3,359	8.3%	9.1%
1986	\$3,533	\$3,639	8.9%	8.3%
1987	\$3,850	\$3,929	9.0%	8.0%
1988	\$4,207	\$4,245	9.3%	8.1%
1989	\$4,588	\$4,628	9.1%	9.0%
1990	\$4,947	\$5,034	7.8%	8.8%
1991	\$5,360	\$5,481	8.3%	8.9%
1992	\$5,794	\$5,958	8.1%	8.7%
1993	\$6,132	\$6,290	5.8%	5.6%
1994	\$6,230	\$6,446	1.6%	2.5%
1995	\$6,216	\$6,466	-0.2%	0.3%
1996	\$6,225	\$6,522	0.2%	0.9%
1997	\$6,262	\$6,526	0.6%	0.1%
1998	\$6,386	\$6,589	2.0%	1.0%
1999	\$6,509	\$6,647	1.9%	0.9%
2000	\$6,668	\$6,806	2.5%	2.4%
2001	\$6,980	\$7,172	4.7%	5.4%
2002	\$7,355	\$7,636	5.4%	6.5%
2003	\$7,796	\$8,065	6.0%	5.6%
2004	\$8,166	\$8,469	4.7%	5.0%
2005	\$8,535	\$8,865	4.5%	4.7%

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

⁽¹⁾ An aggregate measure of workload reflecting the number of inpatient admissions, plus an estimate of the volume of outpatient services, expressed in units equivalent to an inpatient admission in terms of level of effort.

Data for Chart 4.4

Table 4.4: Aggregate Hospital Payment-to-Cost Ratios for Private Payers, Medicare and Medicaid, 1981 – 2005

Year	Medicare	Medicaid ⁽¹⁾	Private Payer
1981	97.8%	94.0%	112.2%
1982	96.1%	91.5%	115.8%
1983	96.8%	92.1%	116.8%
1984	98.7%	91.9%	118.5%
1985	102.0%	94.3%	117.1%
1986	101.7%	91.8%	116.3%
1987	98.3%	83.0%	119.8%
1988	94.2%	79.0%	121.7%
1989	92.1%	78.8%	124.4%
1990	89.4%	80.1%	127.8%
1991	88.5%	81.9%	130.8%
1992	89.0%	89.5%	131.8%
1993	89.9%	89.6%	130.1%
1994	96.9%	93.7%	124.4%
1995	99.4%	94.0%	124.0%
1996	102.4%	94.9%	121.6%
1997	103.7%	96.0%	117.5%
1998	101.9%	96.6%	115.8%
1999	100.0%	95.7%	115.1%
2000	99.1%	94.5%	115.7%
2001	98.4%	95.8%	116.5%
2002	97.9%	96.1%	119.0%
2003	95.3%	92.3%	122.3%
2004	91.9%	89.9%	128.9%
2005	92.3%	87.1%	129.4%

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

⁽¹⁾ Includes Medicaid Disproportionate Share payments.

Data for Chart 4.6

Table 4.5: Hospital Payment Shortfall Relative to Costs for Medicare, Medicaid, and Other Government, 1997 – 2005

Year	Medicare (billions)	Medicaid (billions)	Other Government (billions)
1997	\$4.3	-\$1.6	-\$0.7
1998	\$2.3	-\$1.4	-\$0.6
1999	-\$0.1	-\$1.9	-\$0.4
2000	-\$1.4	-\$2.6	-\$0.5
2001	-\$2.4	-\$2.1	-\$0.7
2002	-\$3.4	-\$2.3	-\$0.6
2003	-\$8.1	-\$5.0	-\$0.5
2004	-\$15.0	-\$7.1	-\$0.5
2005	-\$15.5	-\$9.8	-\$0.4

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

Data for Chart 4.7



APPENDIX 5

Supplementary Data Tables
Workforce

Table 5.1: Total Number of Active Physicians per 1,000 Persons by State, 2003 and 2004

State	Physicians per 1,000 Persons		State	Physicians per 1,000 Persons	
	03	04		03	04
Alabama	2.11	2.11	Montana	2.30	2.27
Alaska	2.32	2.32	Nebraska	2.36	2.35
Arizona	2.27	2.22	Nevada	1.90	1.92
Arkansas	2.02	2.05	New Hampshire	2.63	2.62
California	2.52	2.52	New Jersey	3.21	3.16
Colorado	2.62	2.66	New Mexico	2.35	2.38
Connecticut	3.49	3.50	New York	3.71	3.71
Delaware	2.66	2.59	North Carolina	2.45	2.45
District of Columbia	7.07	7.42	North Dakota	2.35	2.38
Florida	2.54	2.51	Ohio	2.65	2.72
Georgia	2.18	2.20	Oklahoma	1.99	2.03
Hawaii	3.09	3.10	Oregon	2.59	2.63
Idaho	1.77	1.77	Pennsylvania	3.15	3.17
Illinois	2.71	2.72	Rhode Island	3.43	3.46
Indiana	2.18	2.16	South Carolina	2.25	2.26
Iowa	2.16	2.10	South Dakota	2.13	2.21
Kansas	2.30	2.32	Tennessee	2.51	2.54
Kentucky	2.24	2.27	Texas	2.10	2.12
Louisiana	2.51	2.53	Utah	2.08	2.10
Maine	2.99	2.96	Vermont	3.50	3.51
Maryland	3.91	3.93	Virginia	2.64	2.65
Massachusetts	4.08	4.17	Washington	2.61	2.62
Michigan	2.67	2.71	West Virginia	2.42	2.46
Minnesota	2.70	2.75	Wisconsin	2.48	2.53
Mississippi	1.83	1.84	Wyoming	1.94	1.92
Missouri	2.57	2.57			

Source: CDC, NCHS, *Health United States*, 2006.

(1) Includes active federal and non-federal doctors of medicine and active doctors of osteopathy.

Data for Chart 5.2

Table 5.2: Medical and Dental Residents in Training in Community Hospitals, 1981 – 2005

Year	Residents
1981	57,776
1982	58,439
1983	59,990
1984	61,888
1985	59,171
1986	63,200
1987	60,909
1988	63,608
1989	64,478
1990	64,530
1991	67,189
1992	69,111
1993	73,377
1994	74,027
1995	78,137
1996	77,160
1997	75,398
1998	78,345
1999	77,796
2000	77,411
2001	77,731
2002	78,715
2003	77,813
2004	84,628
2005	83,823

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

Data for Chart 5.3

Table 5.3: Total Full-time Equivalent Employees Working in Hospitals and Full-time Equivalents per Adjusted Admission,⁽¹⁾ 1981 – 2005

Year	FTE Personnel	FTE per Adjusted Admission
1981	3,028,154	0.073
1982	3,305,136	0.079
1983	3,095,579	0.074
1984	3,016,665	0.073
1985	2,996,846	0.075
1986	3,024,320	0.076
1987	3,106,082	0.078
1988	3,195,168	0.080
1989	3,297,947	0.082
1990	3,415,622	0.083
1991	3,530,623	0.084
1992	3,615,145	0.084
1993	3,674,250	0.085
1994	3,690,905	0.083
1995	3,707,958	0.081
1996	3,724,843	0.079
1997	3,789,752	0.078
1998	3,831,068	0.077
1999	3,837,964	0.075
2000	3,911,412	0.073
2001	3,987,274	0.073
2002	4,069,495	0.072
2003	4,108,628	0.071
2004	4,147,941	0.070
2005	4,256,899	0.070

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

⁽¹⁾ An aggregate measure of workload reflecting the number of inpatient admissions, plus an estimate of the volume of outpatient services, expressed in units equivalent to an inpatient admission in terms of level of effort.

Data for Charts 5.4 and 5.5

Table 5.4: Number of RN Full-time Equivalent Employees, RN Full-time Equivalent Employees per Adjusted Admission, and RN Full-time Equivalents as a Percentage of Total FTEs, 1987 – 2005

Year	RN FTEs (thousands)	RN FTEs per Adjusted Admission	RN FTEs as a Percent of Total FTEs
1987	759.0	0.0192	24.4%
1988	770.6	0.0192	24.1%
1989	791.5	0.0196	24.0%
1990	809.9	0.0197	23.7%
1991	840.5	0.0200	23.8%
1992	858.9	0.0201	23.8%
1993	874.1	0.0201	23.8%
1994	890.9	0.0201	24.1%
1995	893.7	0.0195	24.1%
1996	895.1	0.0190	24.0%
1997	901.2	0.0185	23.8%
1998	929.7	0.0186	24.3%
1999	938.1	0.0182	24.4%
2000	957.6	0.0179	24.5%
2001	958.0	0.0174	24.0%
2002	988.1	0.0174	24.3%
2003	1,021.3	0.0177	24.9%
2004	1,053.1	0.0179	25.4%
2005	1,094.2	0.0181	25.7%

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

Data for Charts 5.6 and 5.7

Table 5.5: Number of Physicians by Age, 1980, 1990, and 2005

Age Group	1980	1990	2005
Under 35	128,506	134,872	140,093
35-44	118,840	184,743	212,050
45-54	88,063	116,803	222,469
55-64	68,239	83,614	157,596
65 & Over	64,031	95,389	169,845
Total # of Physicians	467,679	615,421	902,053

Source: American Medical Association, *Physician Characteristics and Distribution in the US*, 2007 Edition.

Data for Chart 5.8

Table 5.6: RN Employment by Type of Provider, 1980 – 2004

	1980	1984	1988	1992	1996	2000	2004
Percent Employed by Hospitals	65.7%	68.1%	67.9%	66.5%	60.1%	59.1%	56.2%
Percent Employed by Nursing Homes/ Extended Care Facilities	8.0%	7.8%	6.6%	7.0%	8.1%	6.9%	6.3%
Percent Employed by Public/Community Health	6.6%	6.8%	6.8%	9.7%	13.2%	18.3%	14.9%
All Other	19.8%	17.3%	18.7%	16.8%	18.7%	15.7%	22.6%

Source: 2000 & 2004 preliminary findings from *The Registered Nurse Population: National Sample Survey of Registered Nurses March 2004*. Link: <http://bhpr.hrsa.gov/healthworkforce/reports/rnpopulation/chart6-dlink.htm>. 1980-1996 findings from the National Sample Survey of Registered Nurses, 1980-2000, National Center for Health Workforce Analysis, Bureau of Health Professions, Health Resources and Services Administration.

Data for Chart 5.9

Table 5.7: Distribution of RN Workforce by Age Group, 1980 – 2020 (projected)

Age Group	1980	1990	2000	2004	2010 (proj.)	2020 (proj.)
20s	321,316	252,890	247,123	217,538	261,672	266,514
30s	320,101	536,442	614,728	483,418	539,981	554,090
40s	224,468	419,766	935,866	821,810	723,147	651,459
50s	171,240	206,647	585,497	676,785	896,206	697,039
60s	36,716	46,372	313,675	217,538	373,573	535,371
Total # of RNs	1,073,841	1,462,117	2,696,890	2,417,089	2,794,580	2,704,473

Source: 2010 & 2020 projections derived from The Lewin Group analysis of National Sample Survey of Registered Nurses, 2000; 1980, 1990, and 2000 estimates from National Sample Survey of Registered Nurses, National Center for Health Workforce Analysis, Bureau of Health Professions, Health Resources and Services Administration. Data released March 2004. Link: <http://bhpr.hrsa.gov/healthworkforce/rnsurvey04/>.

Data for Chart 5.10

Table 5.8: National Supply and Demand Projections for FTE RNs, 2000 – 2020

Year	RN FTE Supply	RN FTE Demand
2000	1,890,700	2,001,500
2005	1,942,500	2,161,300
2010	1,941,200	2,347,000
2015	1,866,100	2,569,800
2020	1,808,000	2,824,900

Source: National Center For Health Workforce Analysis, Bureau of Health Professions, Health Resources and Services Administration, 2004. Link: <ftp://ftp.hrsa.gov/bhpr/workforce/behindshortage.pdf>.

Data for Chart 5.12



APPENDIX 6

Supplementary Data Tables
The Economic Contribution
of Hospitals

Table 6.1: Number of Full-time and Part-time Hospital Employees, 1993 – 2005

Year	Employees (thousands)
1993	4,315.7
1994	4,347.8
1995	4,384.8
1996	4,397.9
1997	4,495.5
1998	4,536.4
1999	4,544.4
2000	4,652.9
2001	4,713.4
2002	4,818.1
2003	4,876.7
2004	4,922.9
2005	5,047.1

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

Data for Chart 6.2

Table 6.2: Hospital Employment vs. Employment in Other Industries, 2006⁽¹⁾

Title	Employment (thousands)
Full-service Restaurants	4446.9
General Medical & Surgical Hospitals	4166.5
Limited-service Eating Places	4018.6
Employment Services	3656.7
Grocery Stores	2462.6
Offices of Physicians	2153.7
Building Equipment Contractors	2005.8
Department Stores	1550.2

Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2007, <http://www.bls.gov/ces>.

⁽¹⁾ 2006 annual projections based on data as of November 2006.

Data for Chart 6.4

Table 6.3: Average Weekly Earnings of Workers, Hospitals⁽¹⁾ vs. All Service-providing Industries, 1990 – 2005

Year	Hospitals	All Service-providing Industries
1990	\$399.45	\$315.49
1991	\$423.51	\$325.31
1992	\$443.18	\$335.46
1993	\$460.29	\$345.03
1994	\$473.34	\$354.97
1995	\$488.68	\$364.14
1996	\$499.54	\$376.72
1997	\$518.48	\$394.77
1998	\$535.47	\$412.78
1999	\$547.33	\$427.30
2000	\$569.90	\$445.00
2001	\$608.41	\$460.32
2002	\$638.23	\$473.10
2003	\$674.34	\$483.89
2004	\$715.12	\$493.67
2005	\$777.58	\$516.80

Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2007, <http://www.bls.gov/ces>.

⁽¹⁾ Includes physicians employed by hospitals.

Data for Chart 6.5