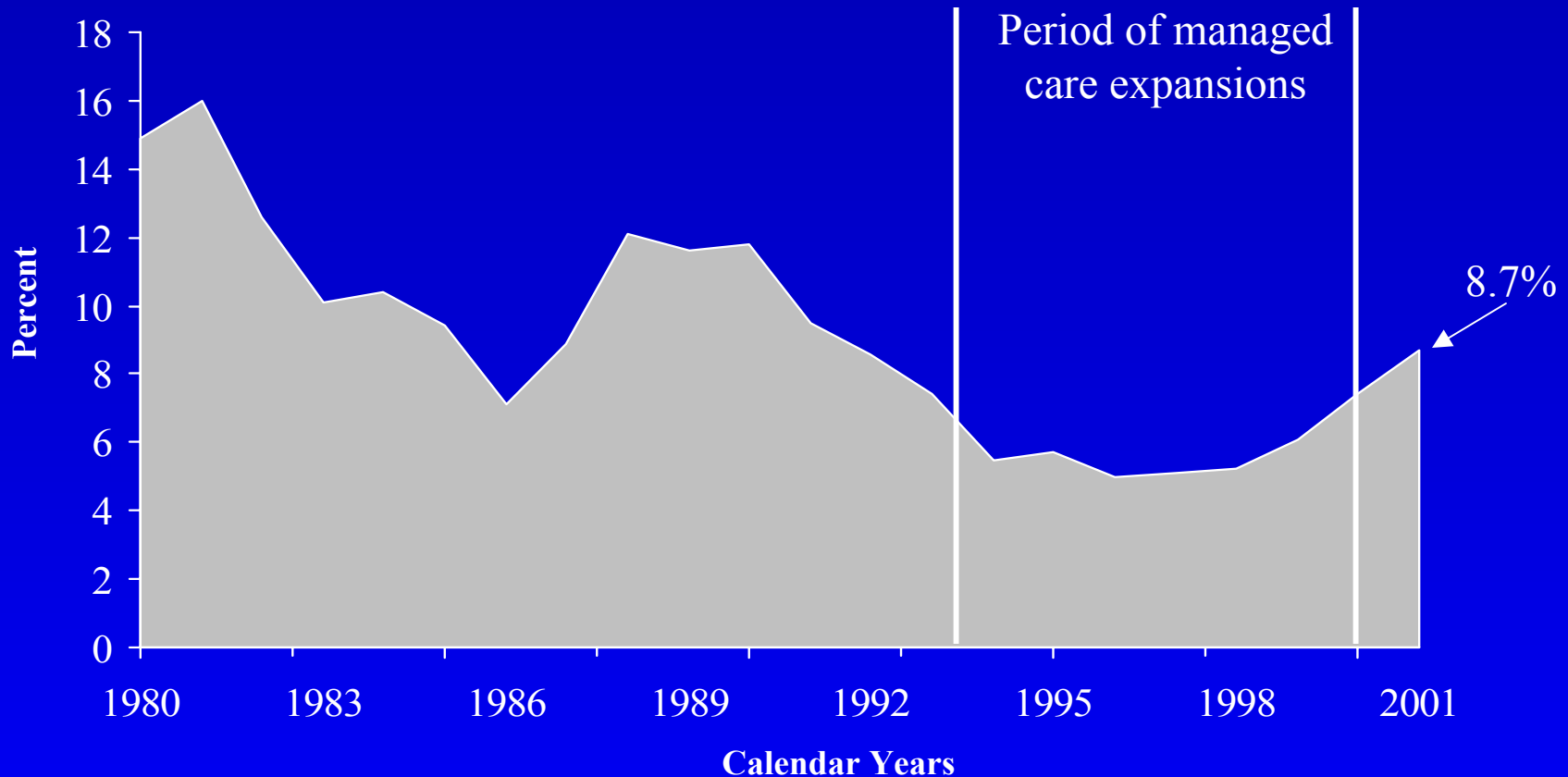


**National Health Expenditures:
2001 Update
for
National Health Policy Audioconference:
Employer and Health Plan Responses
to the Challenge of Rising Health Care Costs
February 11, 2003**

Katharine Levit
Director
National Health Statistics Group
Office of the Actuary
Centers for Medicare & Medicaid Services

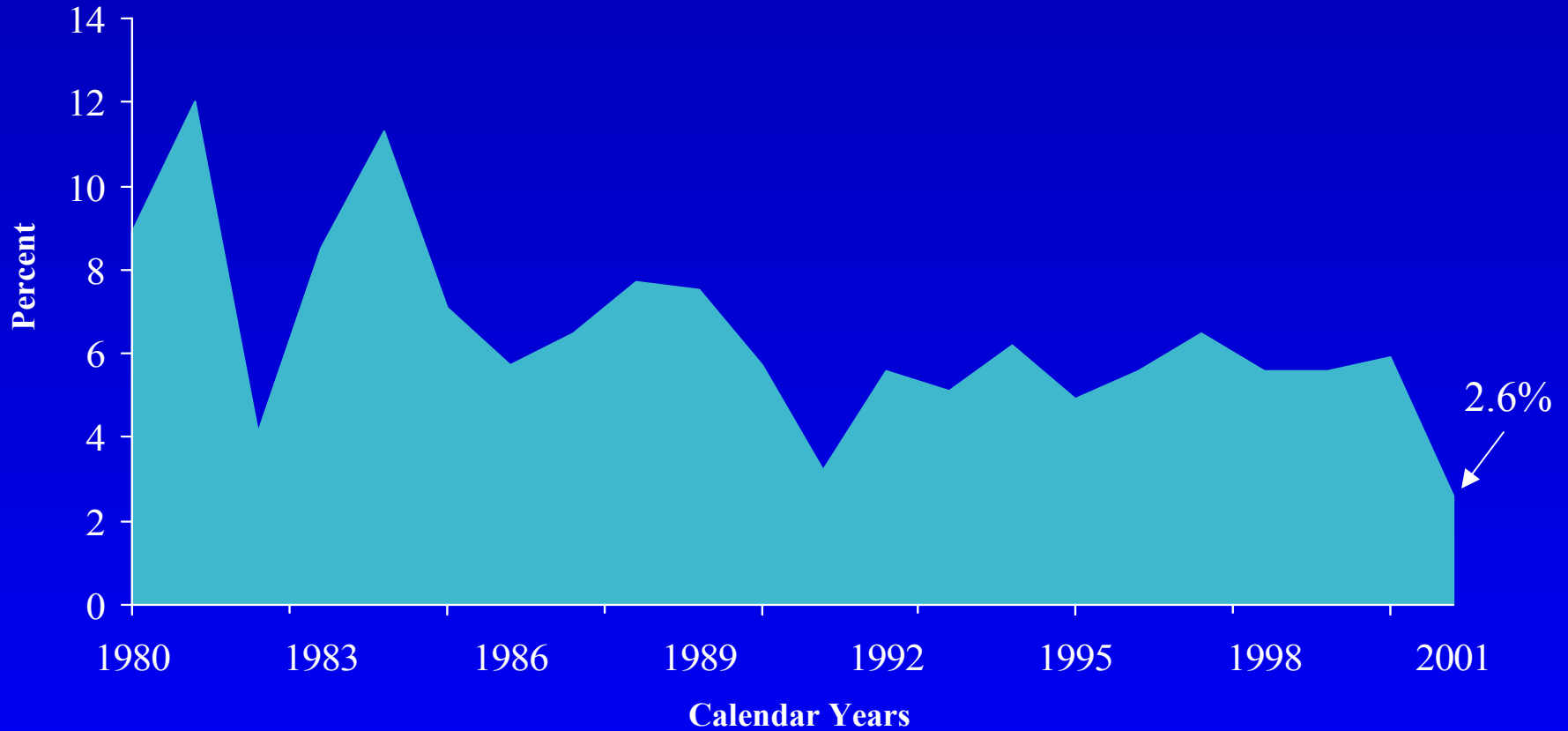


Growth in National Health Expenditures Calendar Years 1980-2001



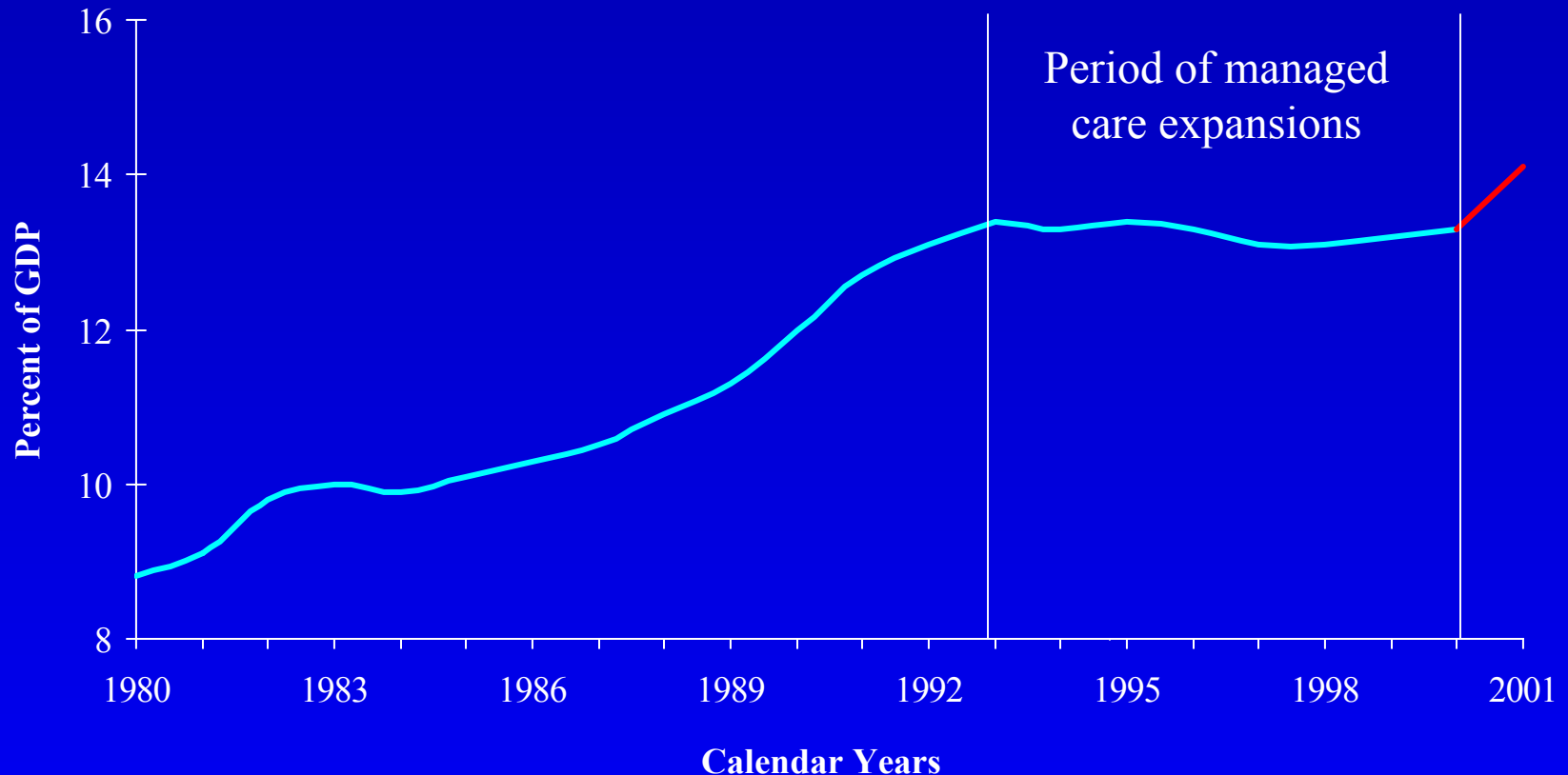
SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Growth in Gross Domestic Product Calendar Years 1980-2001



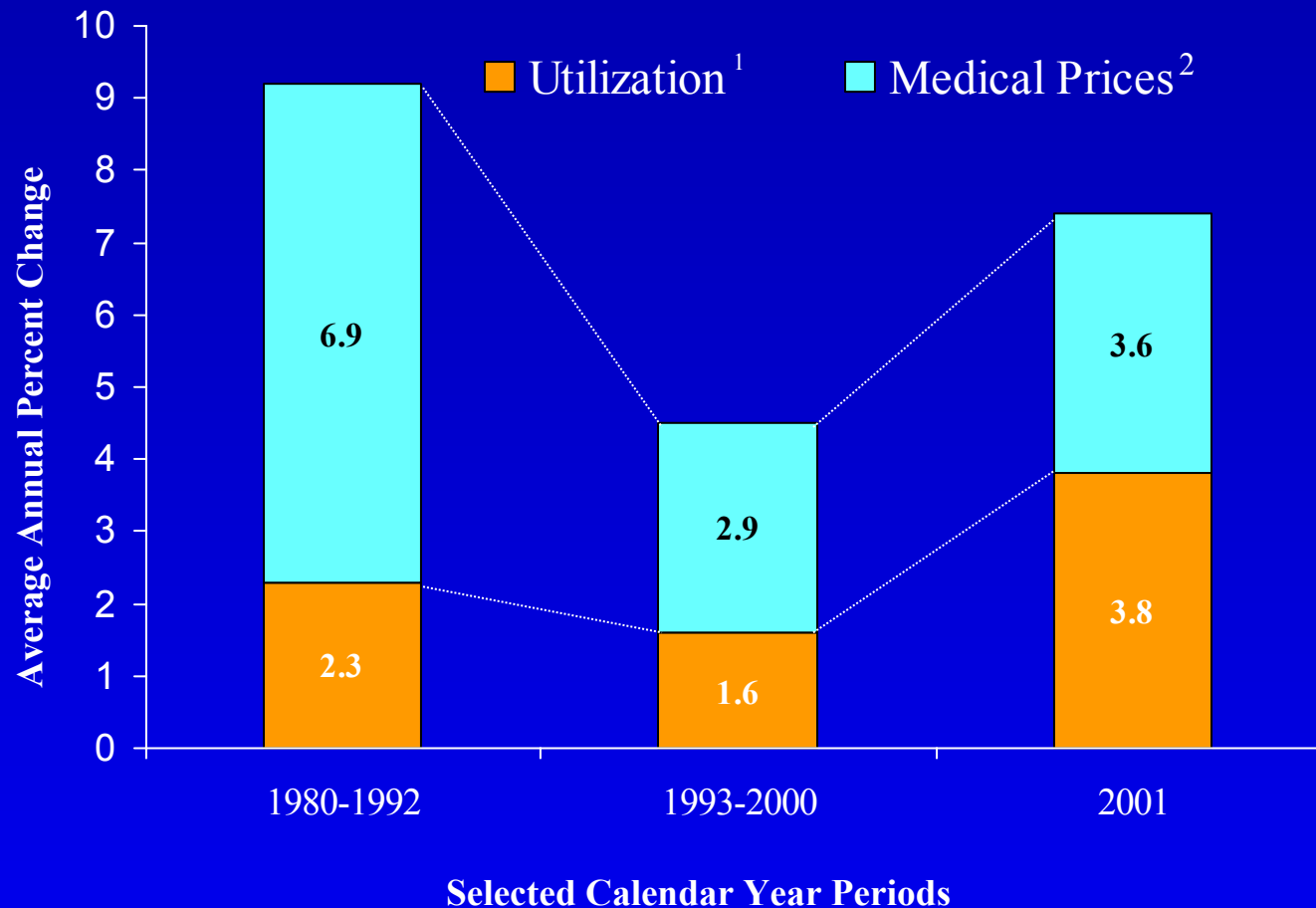
SOURCE: Bureau of Economic Analysis, US Department of Commerce..

National Health Expenditures as a Share of Gross Domestic Product (GDP): 1980-2001



SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Factors Accounting for Growth in Personal Health Care Expenditures Per Capita

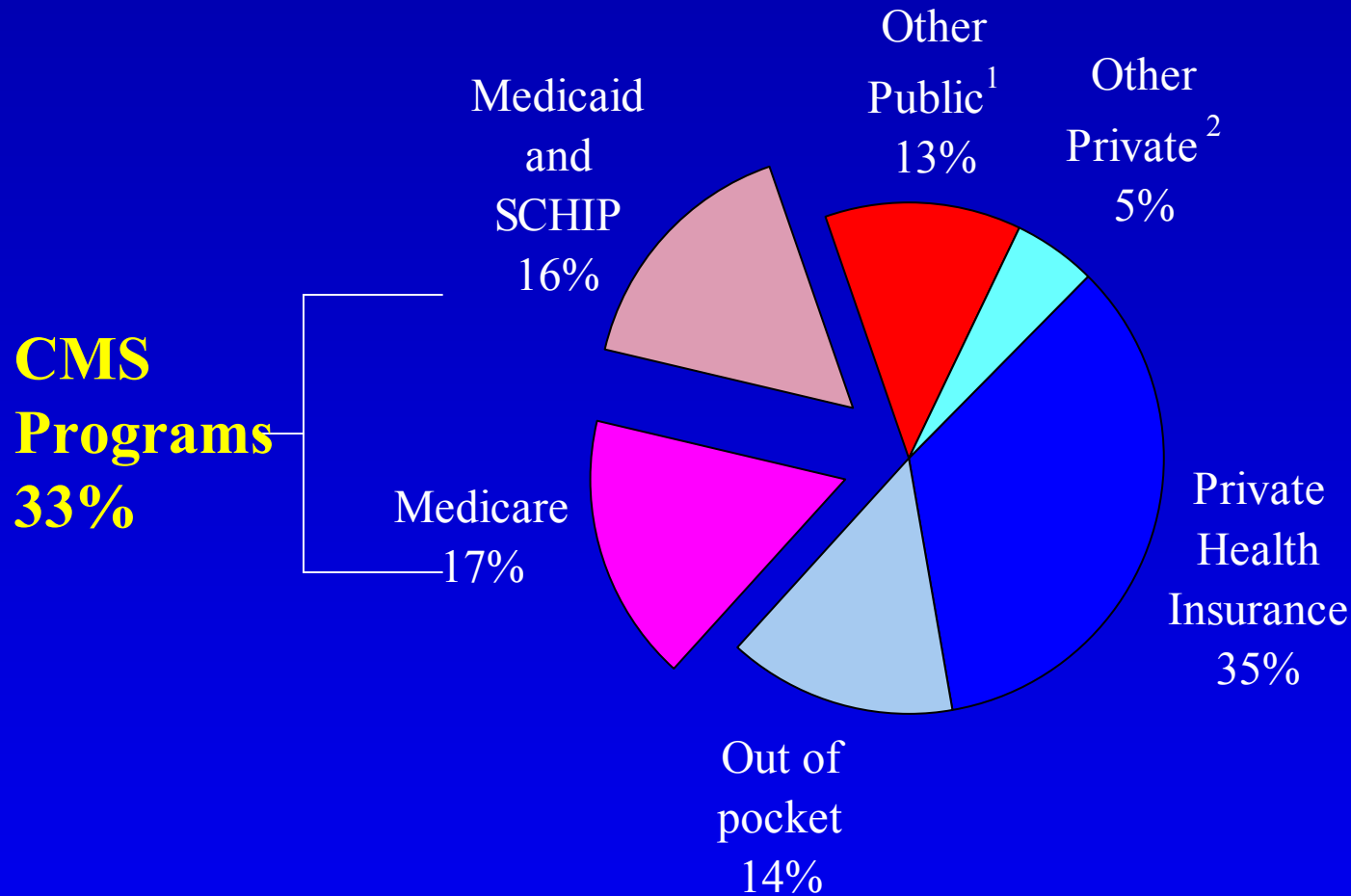


¹ Utilization includes quality and mix of services. As a residual, this factor also includes any errors in measuring prices or total spending.

² Medical prices are calculated using the personal health care chain-type index constructed from the producer price index for hospital care, nursing home input price index for nursing home care, and consumer price indexes specific to each of the remaining personal health care components. Includes general economy-wide inflation as well as medical price inflation in excess of economy-wide inflation.

SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

The Nation's Health Dollar, Calendar Year 2001: Where It Came From



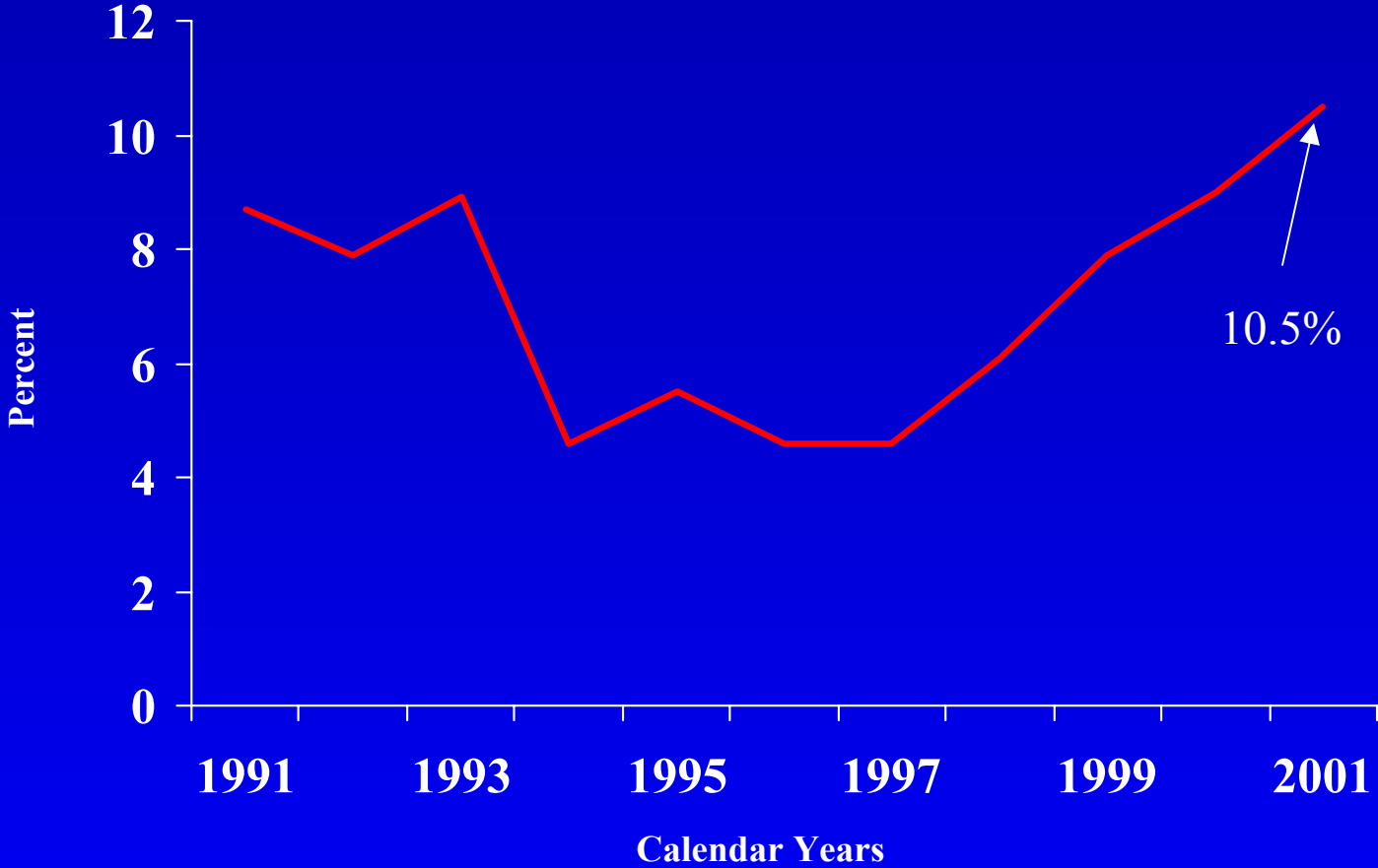
¹ Other public includes programs such as workers' compensation, public health activity, Department of Defense, Department of Veterans Affairs, Indian Health Service, and State and local hospital subsidies and school health.

² Other private includes industrial in-plant, privately funded construction, and non-patient revenues, including philanthropy.

NOTE: Numbers shown may not add to 100.0 because of rounding.

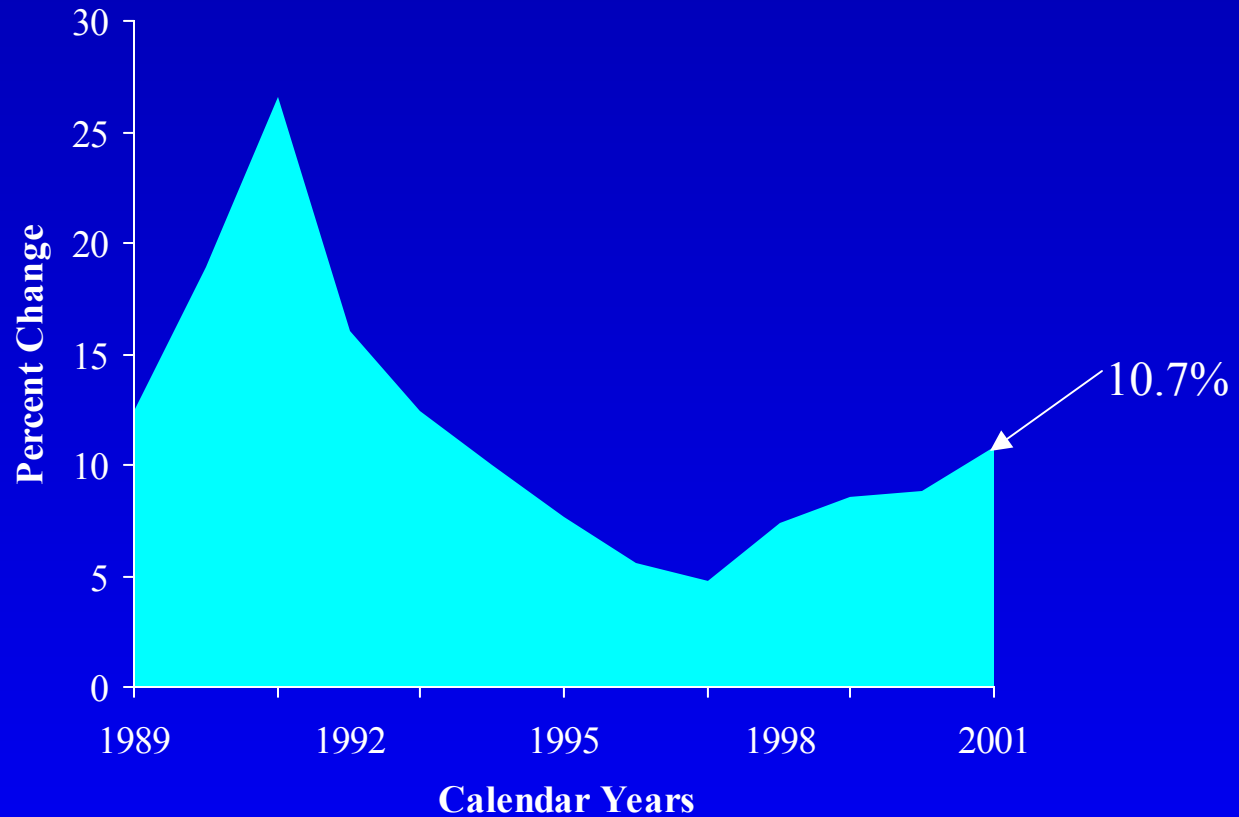
SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Growth in Private Health Insurance Premiums: Calendar Years 1990 - 2001



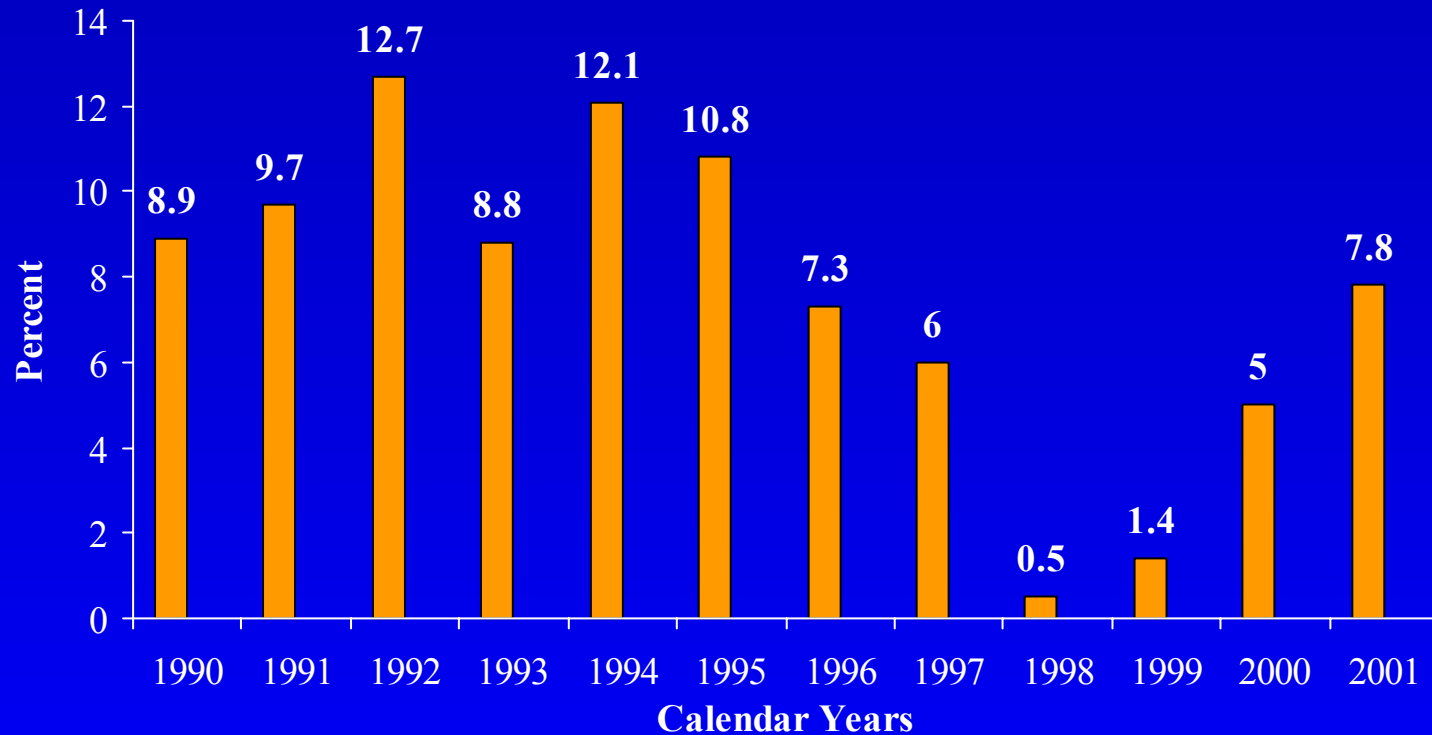
SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Growth in Medicaid Spending



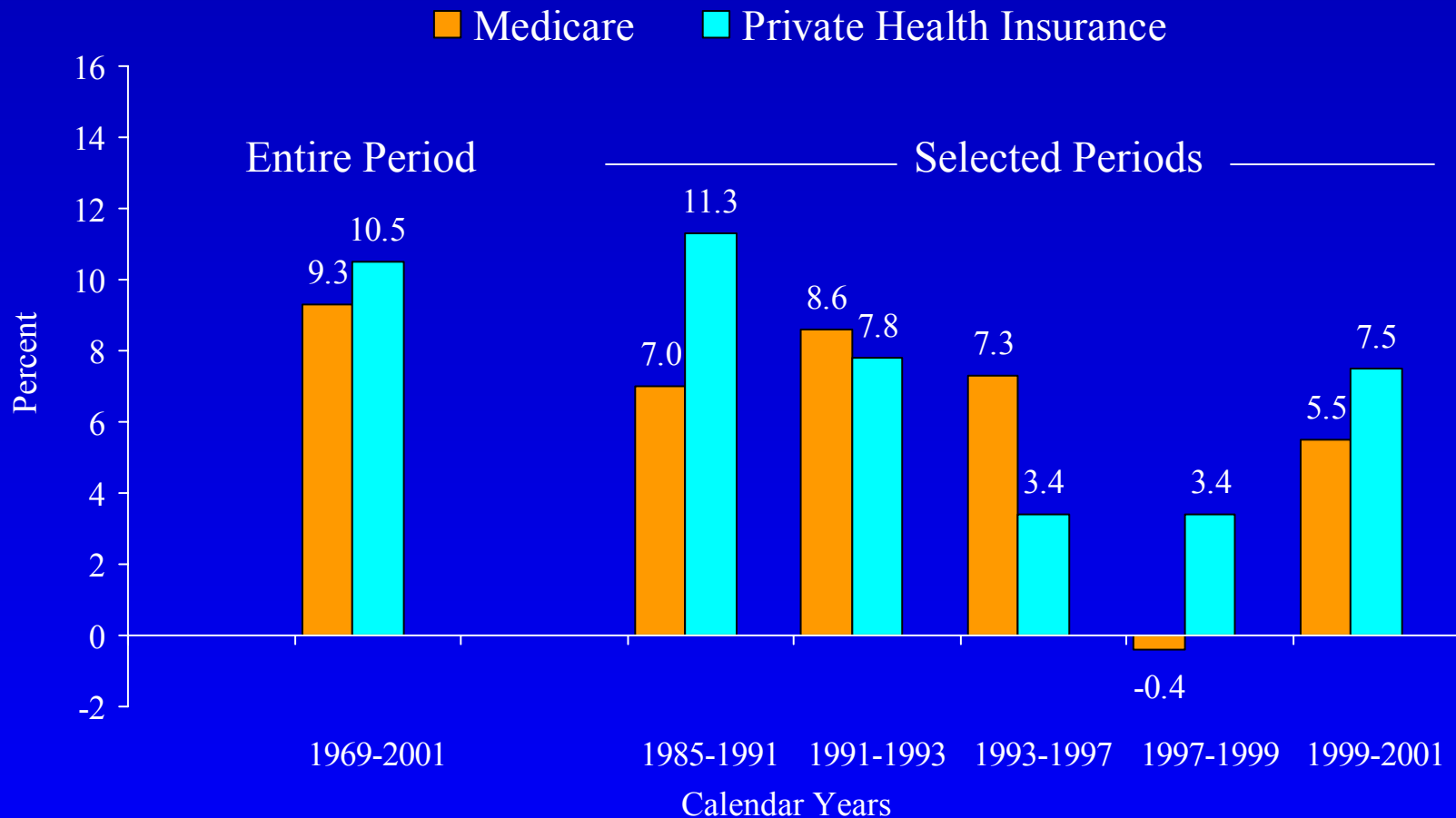
SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Growth in Medicare Personal Health Care Spending: Calendar Years 1990 - 2001



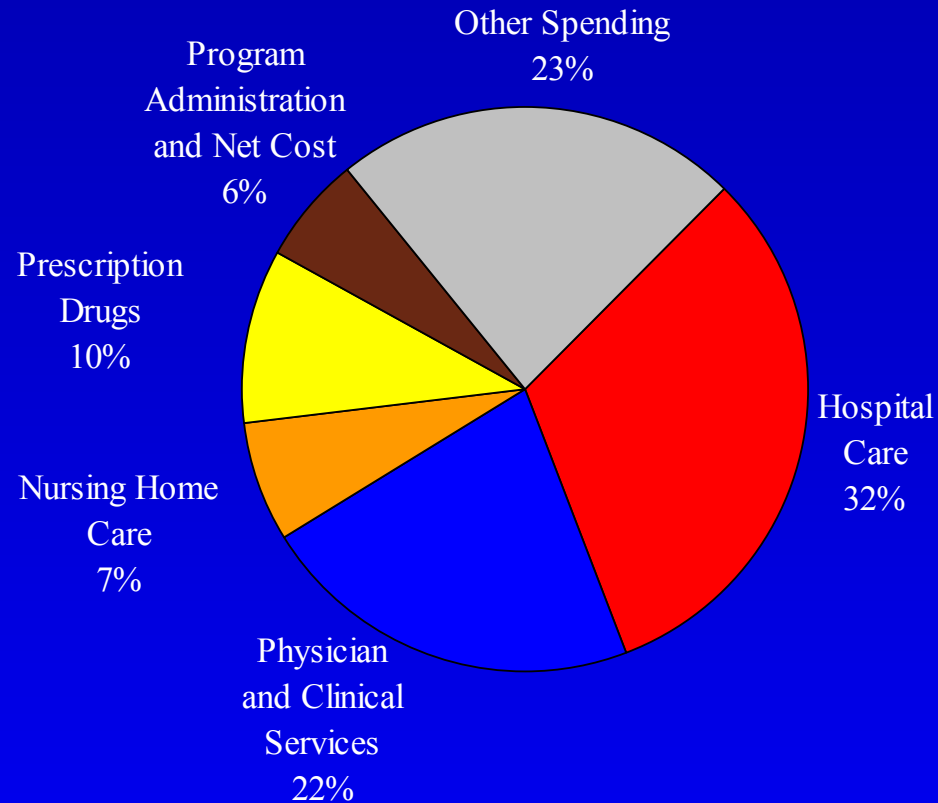
SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Average Annual Spending Growth in Per Enrollee Medicare and Private Health Insurance Benefits¹



¹ Excludes spending for prescription drugs because this is covered predominantly by private insurance only.
 SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

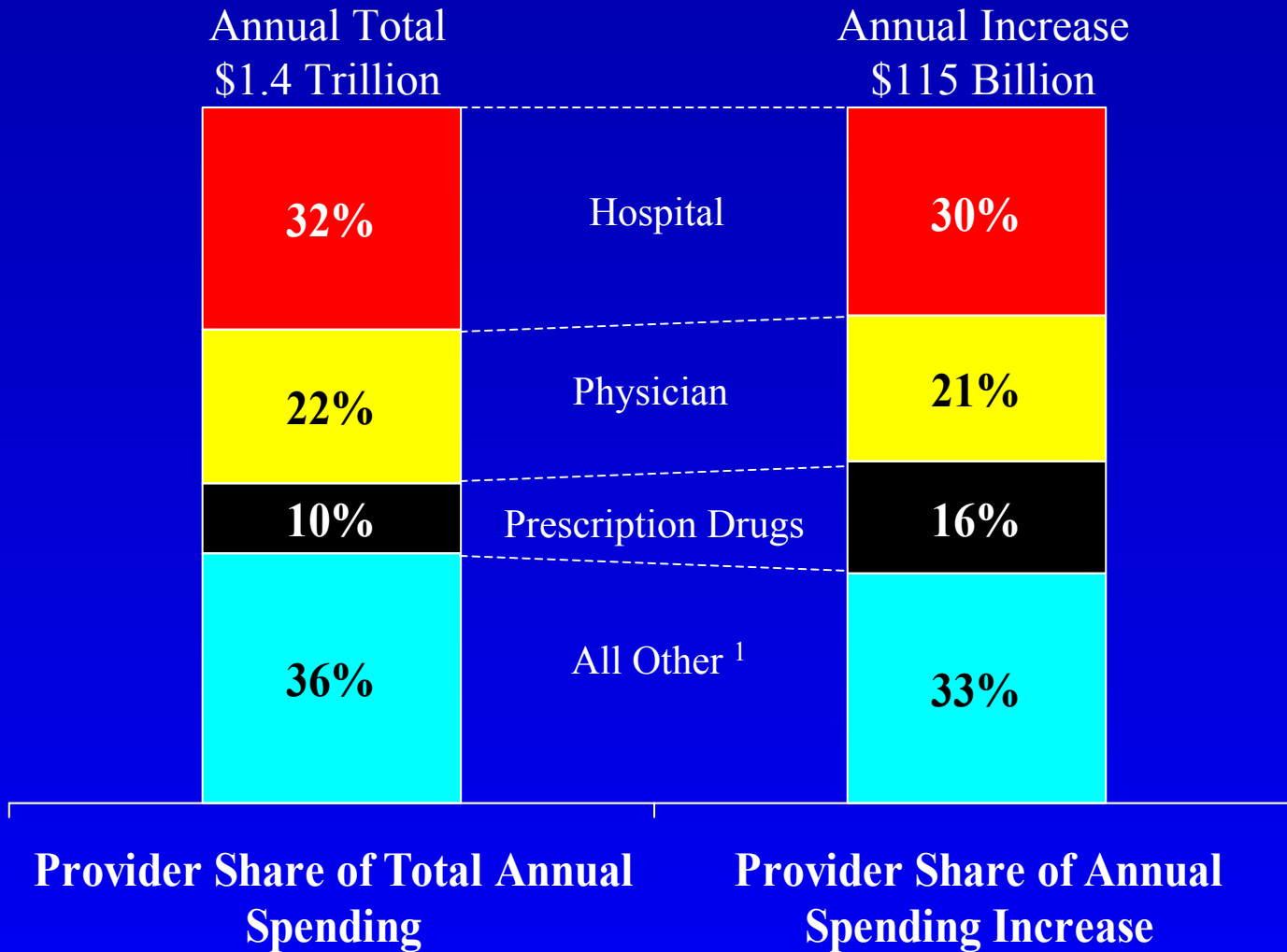
The Nation's Health Dollar, Calendar Year 2001: Where It Went



NOTE: Other spending includes dentist services, other professional services, home health, durable medical products, over-the-counter medicines and sundries, public health, research and construction

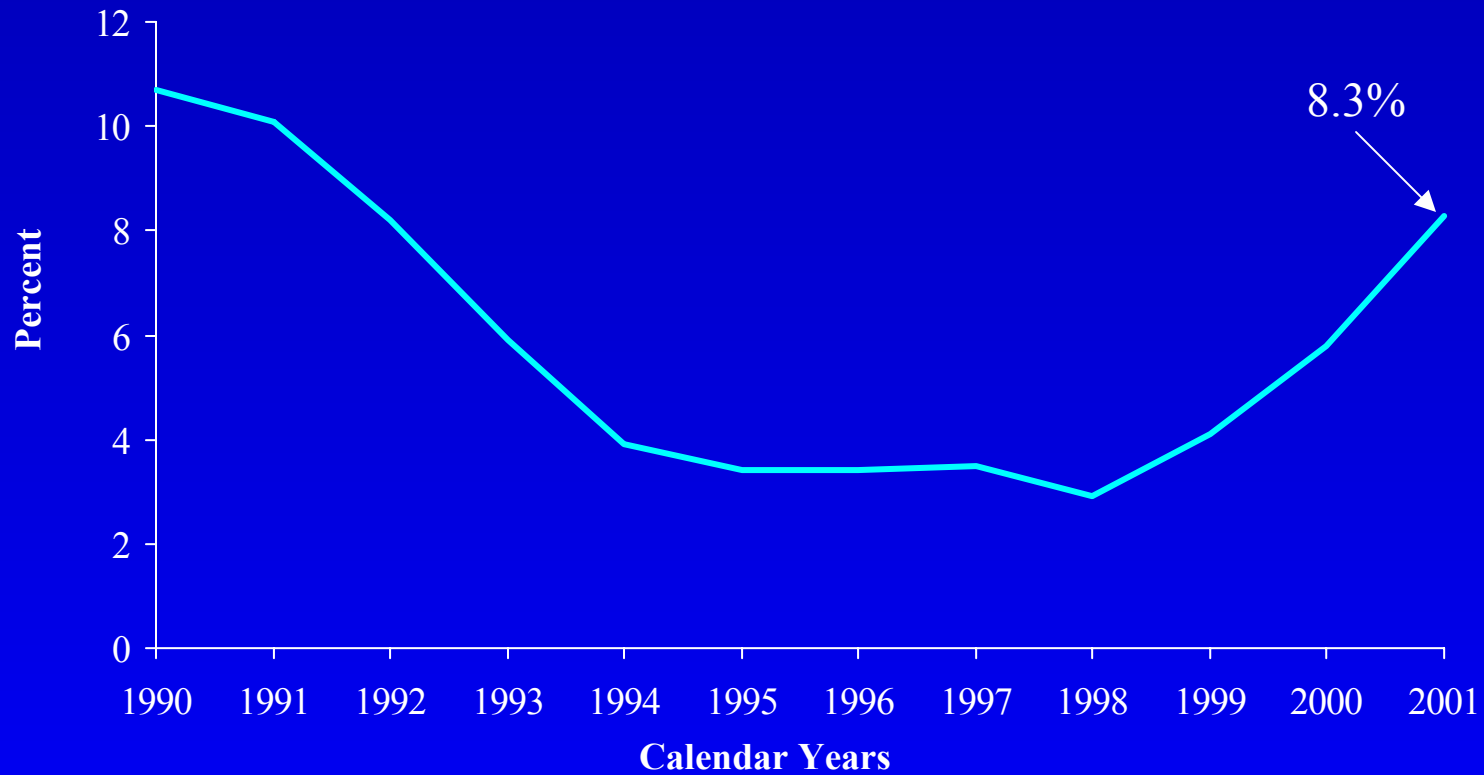
SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Health Care Spending in 2001



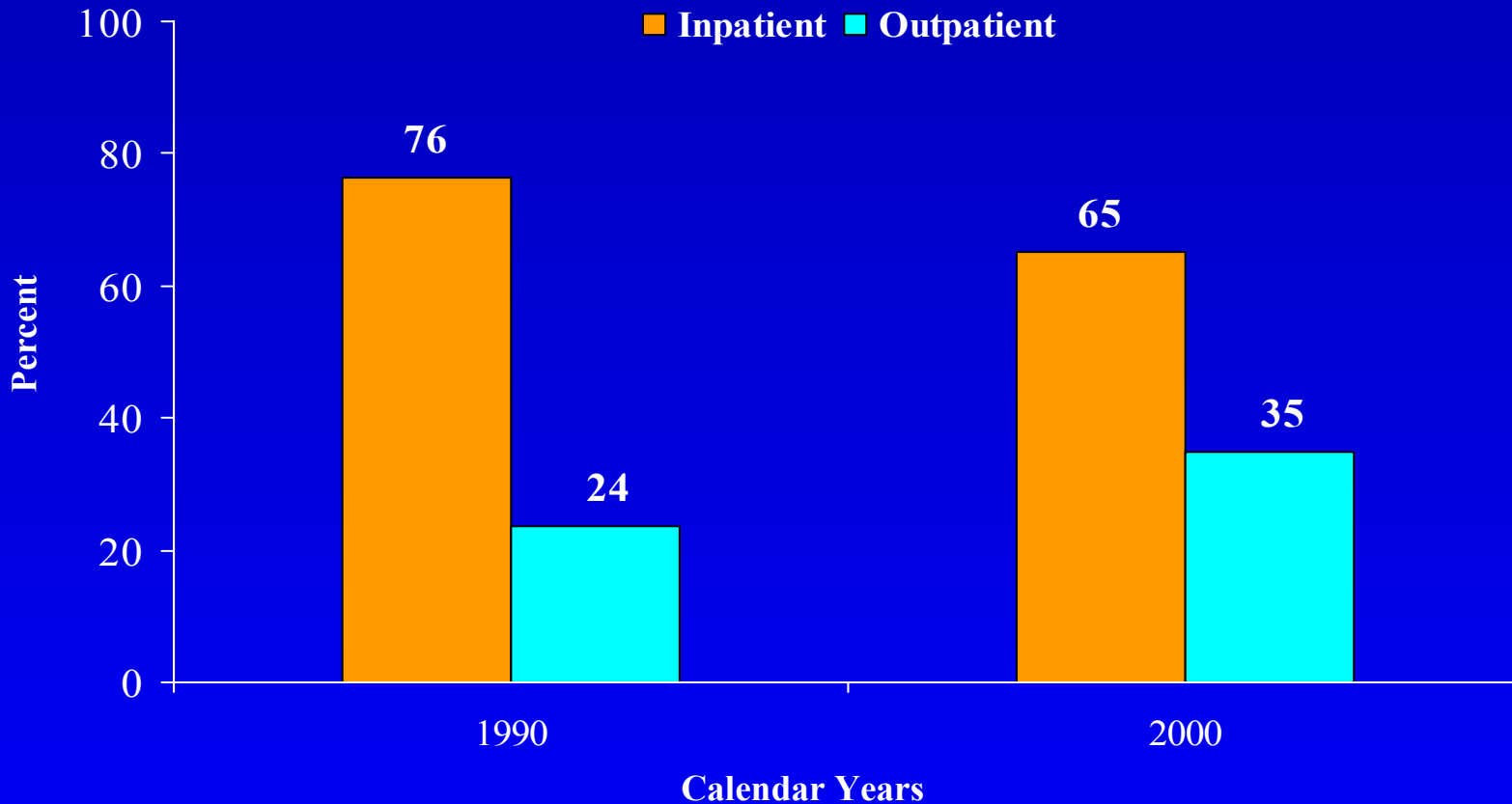
¹ Includes spending for Dental, Other Professional and Other Personal Health Care Services; Home Health and Nursing Home Care; Durable and Other Nondurable Medical Products; Administration and Insurance Net Cost; Government Public Health, Medical Research; and Medical Construction.

Growth in Expenditures for Hospital Care Calendar Years 1990-2001



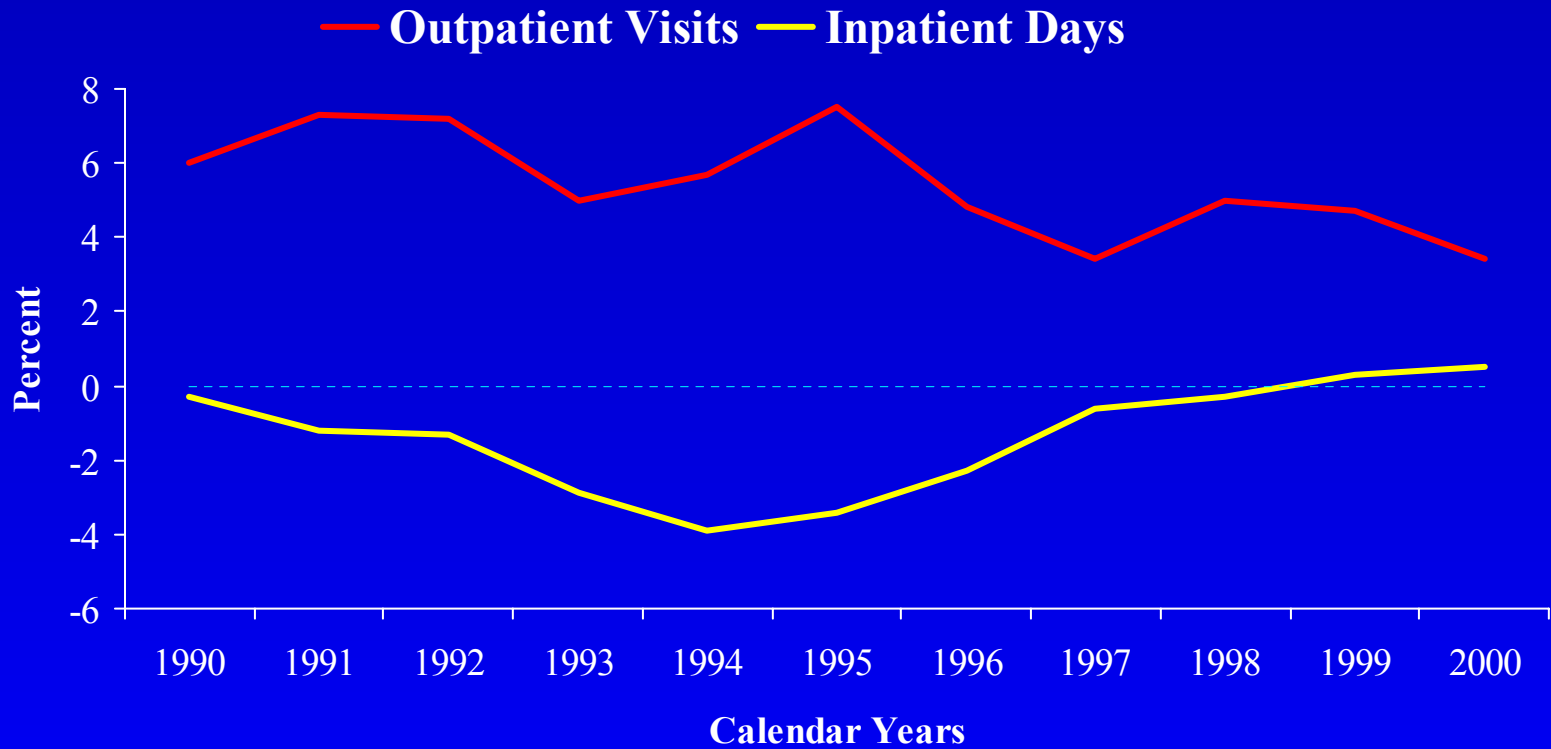
SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Community Hospital Expenditures: Inpatient and Outpatient Shares



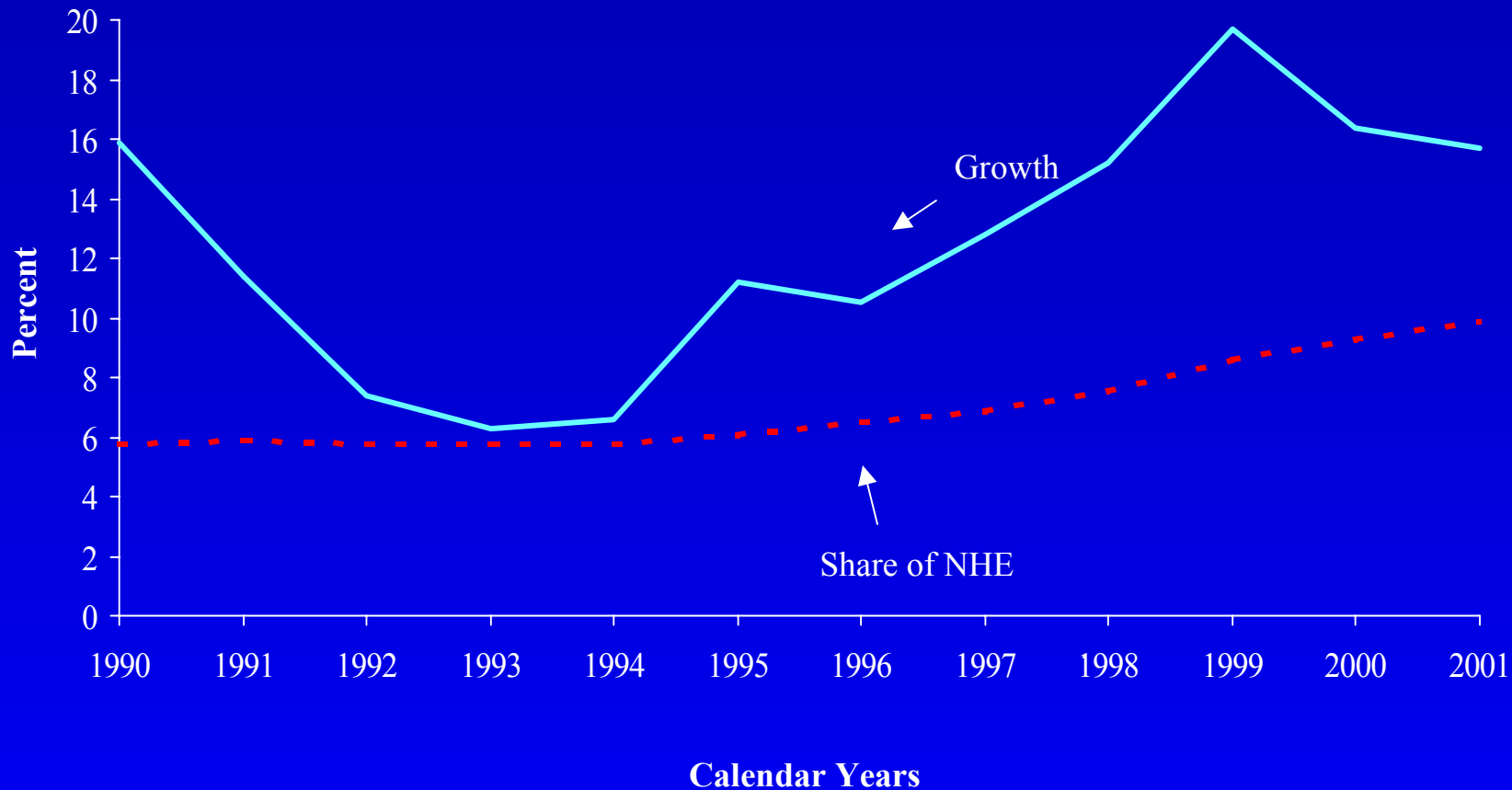
SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Growth in Inpatient Days and Outpatient Visits



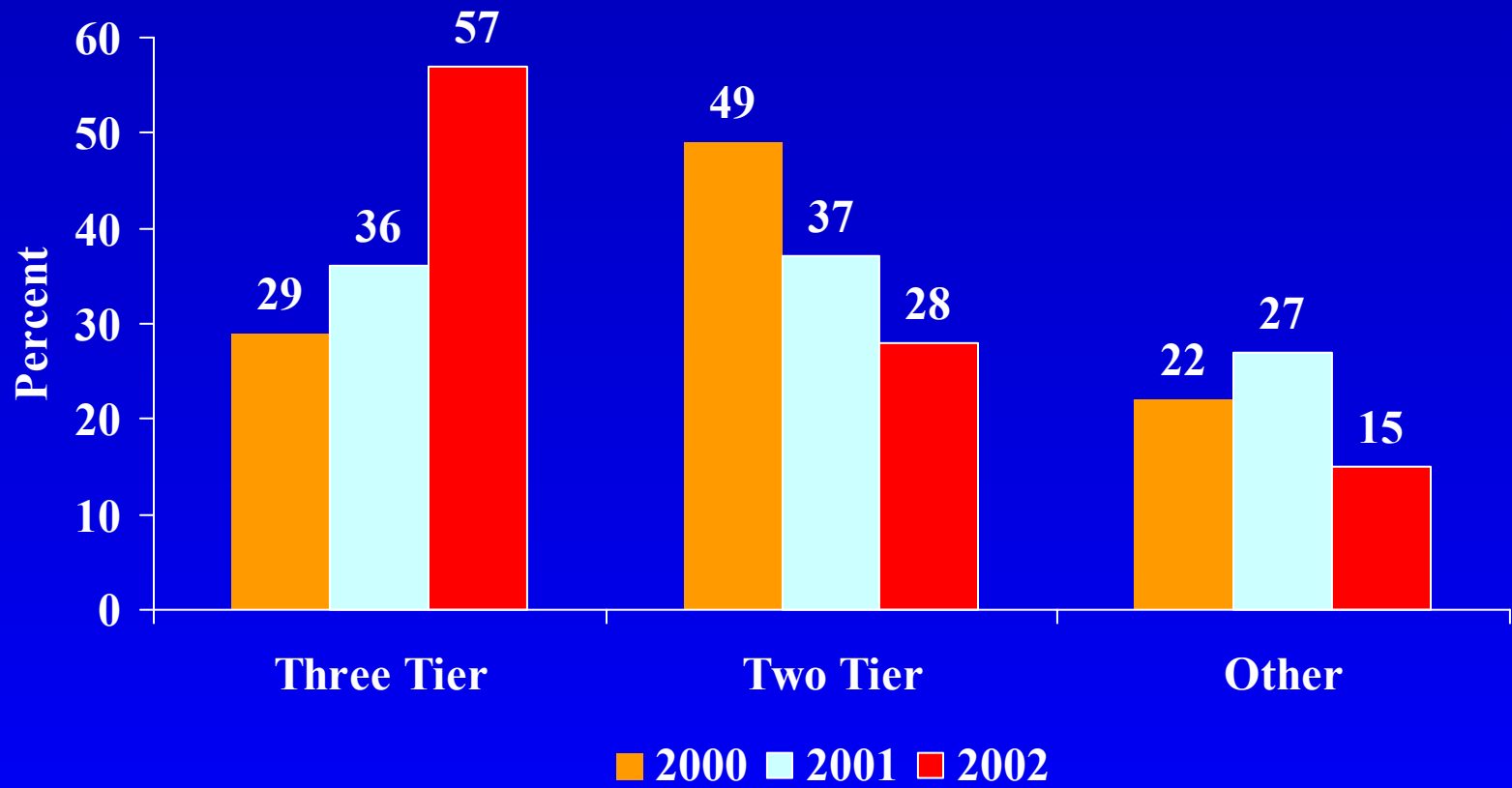
SOURCE: American Hospital Association, Annual Survey.

Prescription Drug Expenditure Growth and Share of National Health Expenditures



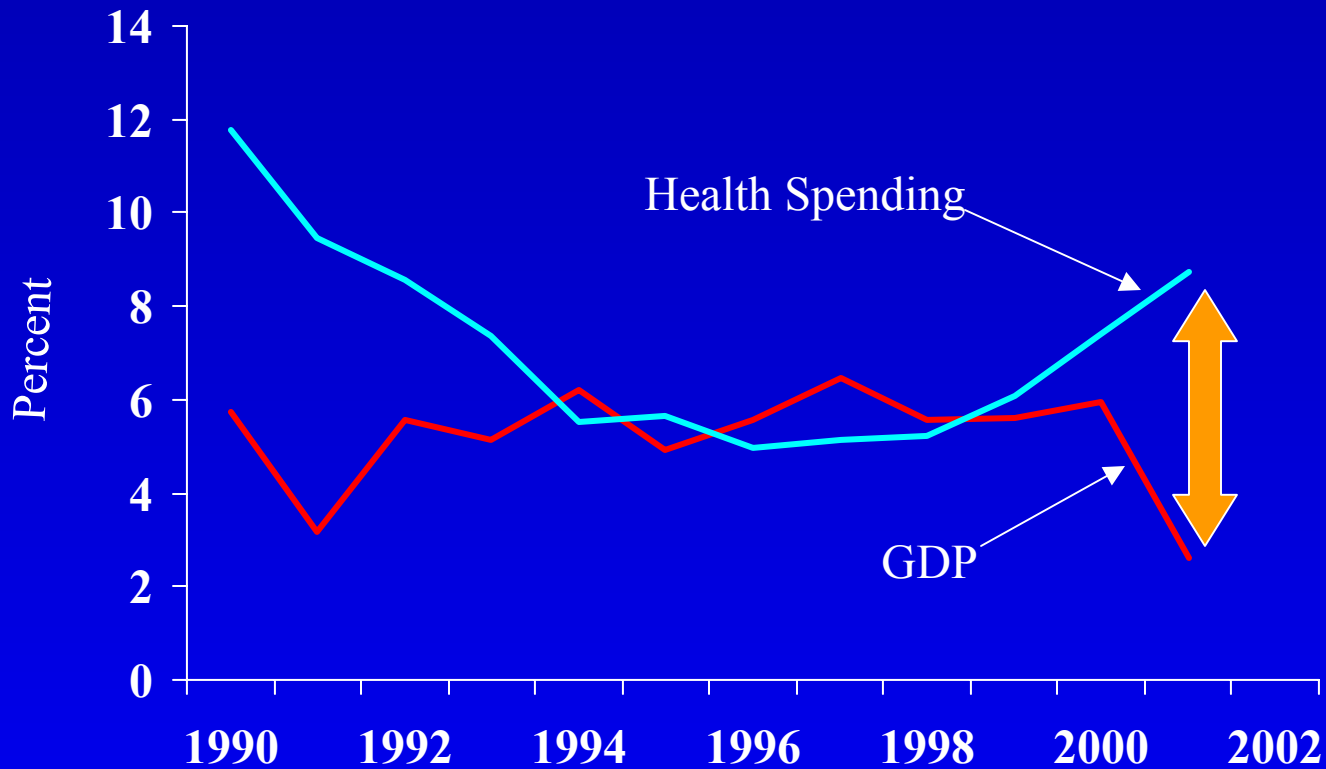
SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

Drug Plan Cost-Sharing Formulas of Covered Workers, 2000-2002



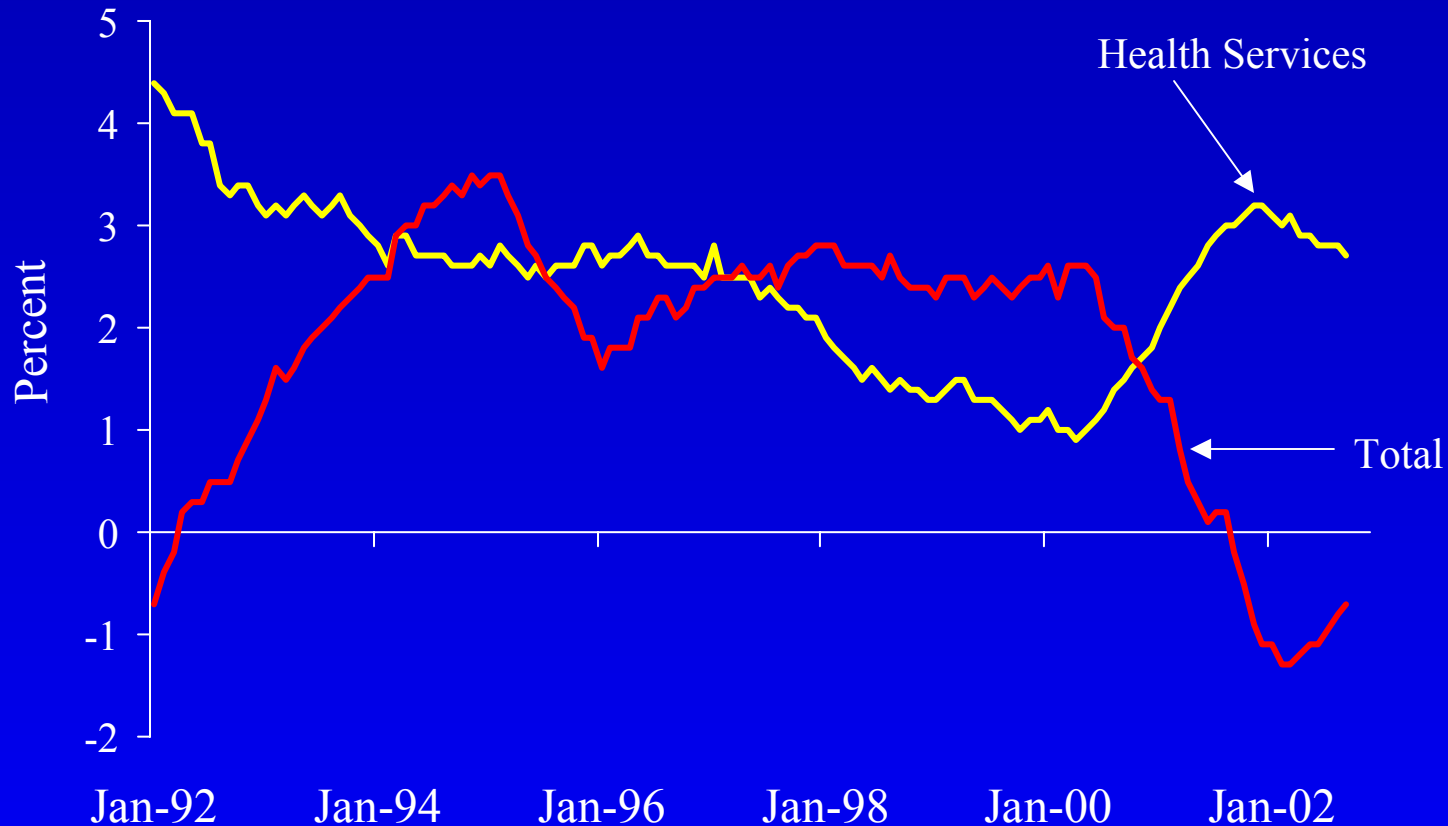
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2000, 2001, 2002.

Growth in Health Spending and GDP Calendar Years 1990-2001



SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group; U.S. Department of Commerce, Bureau of Economic Analysis..

12-Month Growth¹ in Total and Health Services Employment: January 1992-November 2002



¹ Percent change from the same period one year earlier.

Note: Percent change from the same month of previous year. October and November 2002 data are preliminary

Source: U.S. Department of Labor, Bureau of Labor Statistics.