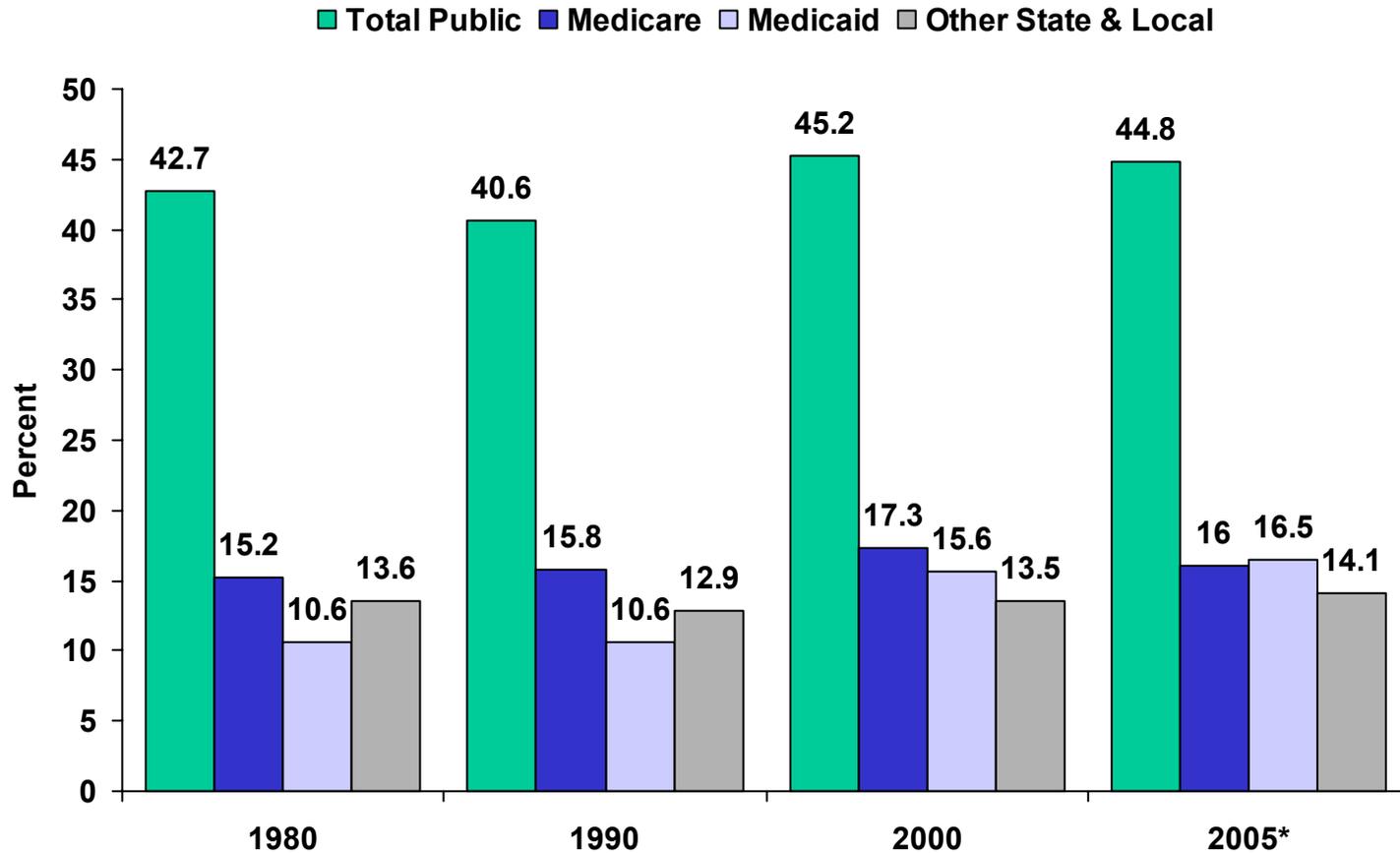


Table 3.1 Public Payors' Share of National Health Spending, 1980-2005

The share of national spending by public payors has increased slightly over the last two decades, driven by faster growth in Medicaid spending.



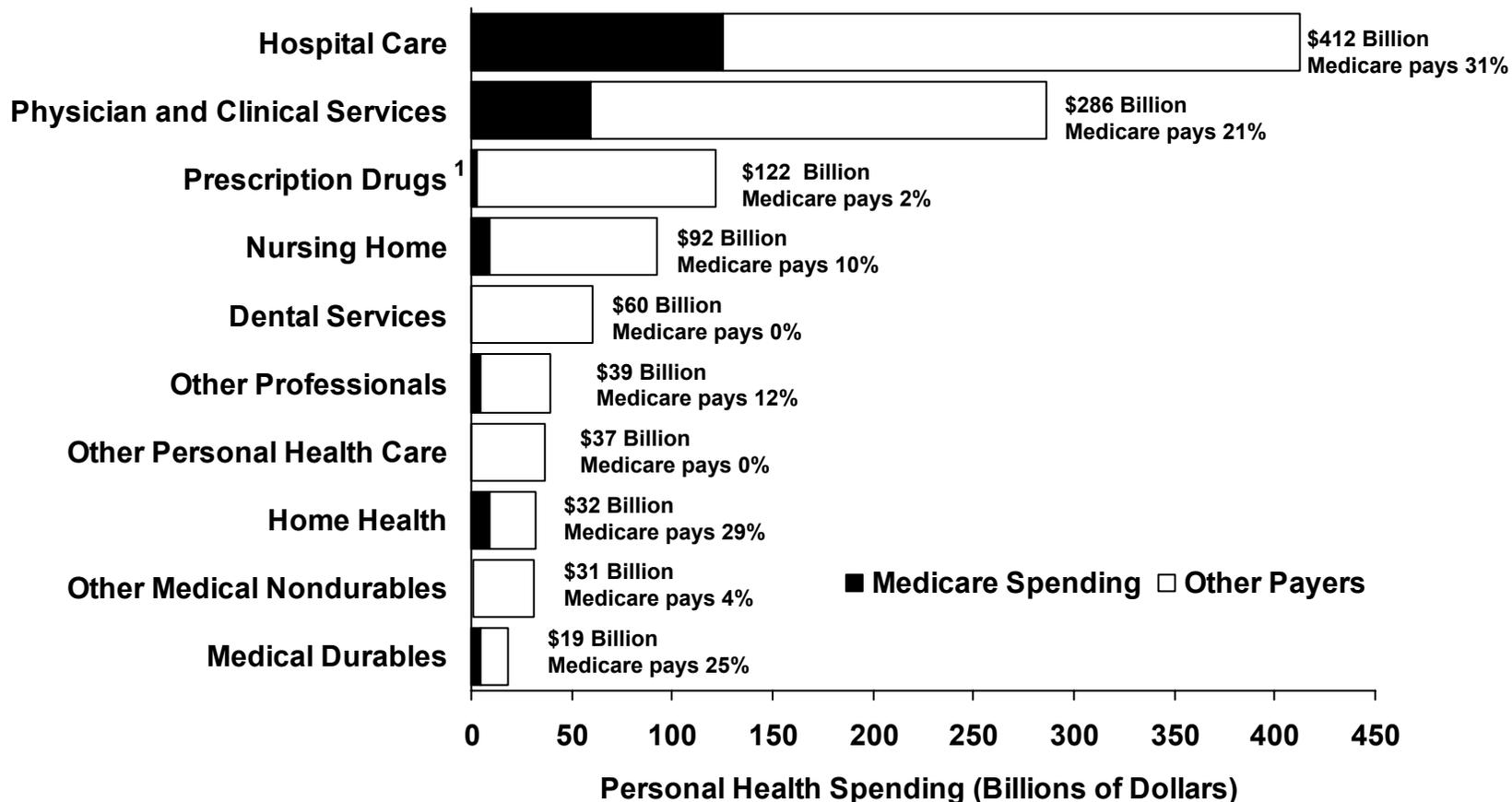
Note: Total public includes Medicare, Medicaid, other federal (not shown) and state and local spending.

*2005 is a projection.

Source: CMS, Office of the Actuary, National Health Statistics Group.

Table 3.2 Personal Health Care Expenditures by Type of Service and Percent Medicare Paid, 2000

*Total personal health care spending in 2000 was \$1.1 trillion;
Medicare accounted for 19 percent.*

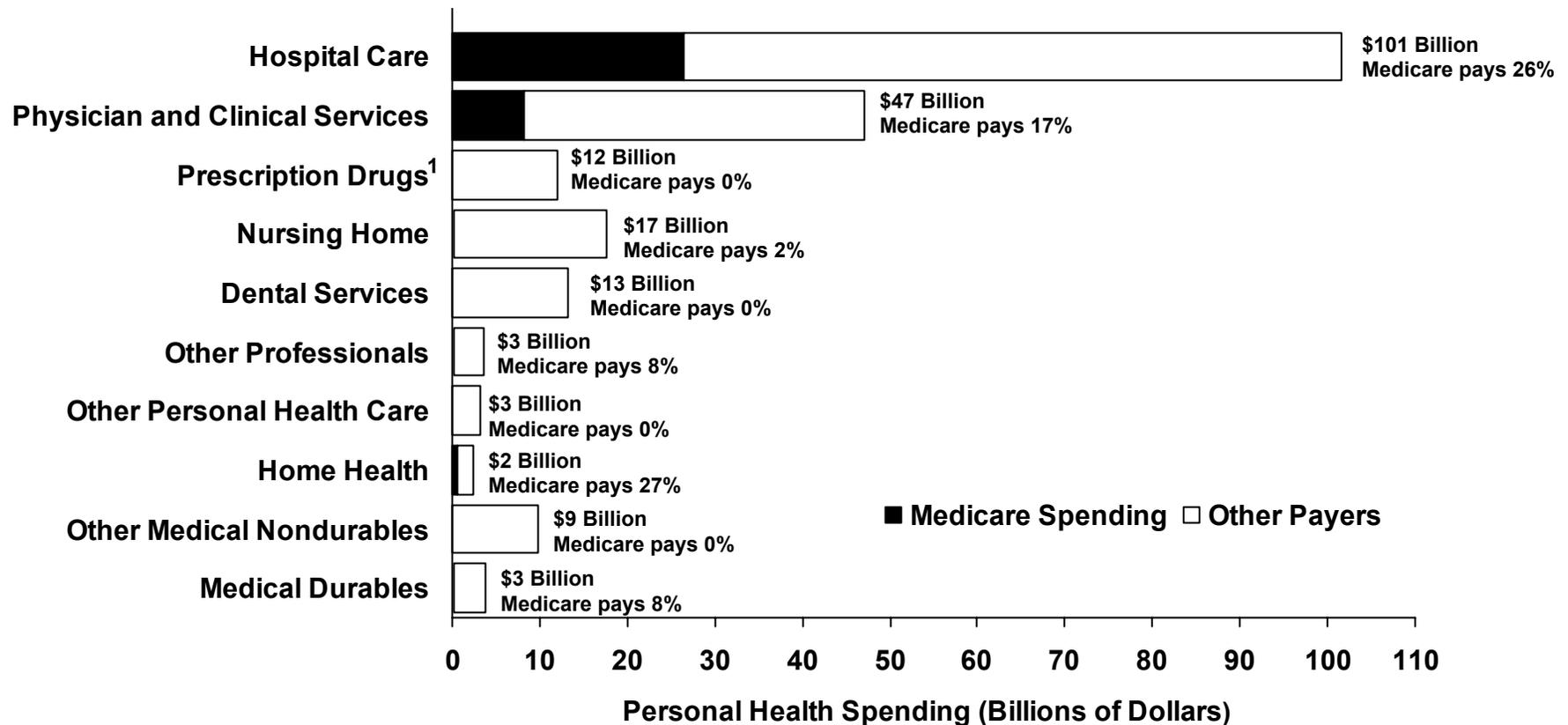


¹ Medicare payments are mostly from managed care plans, since fee-for-service Medicare does not generally cover outpatient prescription drugs.

Source: CMS, Office of the Actuary, National Health Statistics Group.

Table 3.3 Personal Health Care Expenditures by Type of Service and Percent Medicare Paid, 1980

*Total personal health spending in 1980 was \$214.6 billion;
Medicare accounted for 17 percent.*

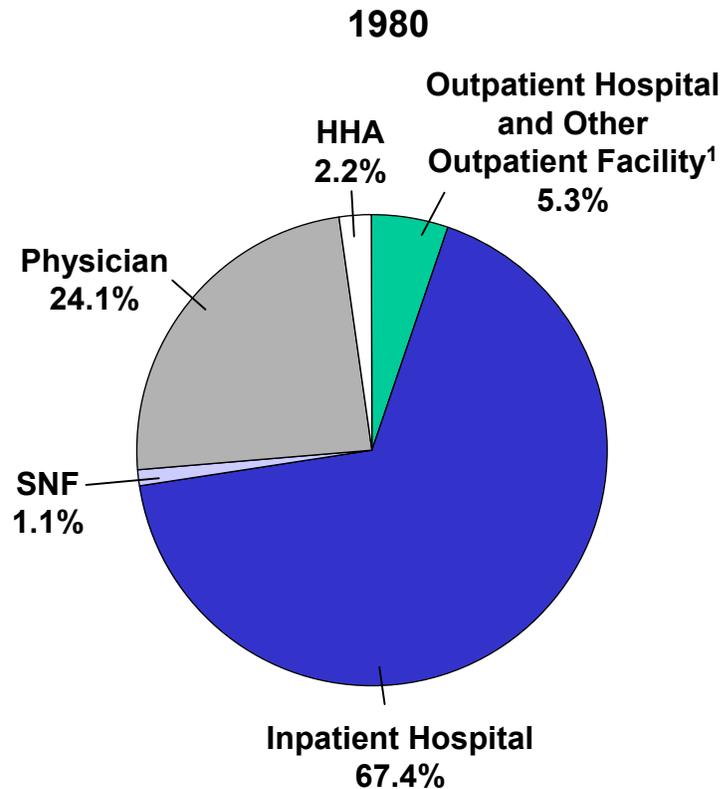


¹ Medicare payments are mostly from managed care plans, since fee-for-service Medicare does not generally cover outpatient prescription drugs.

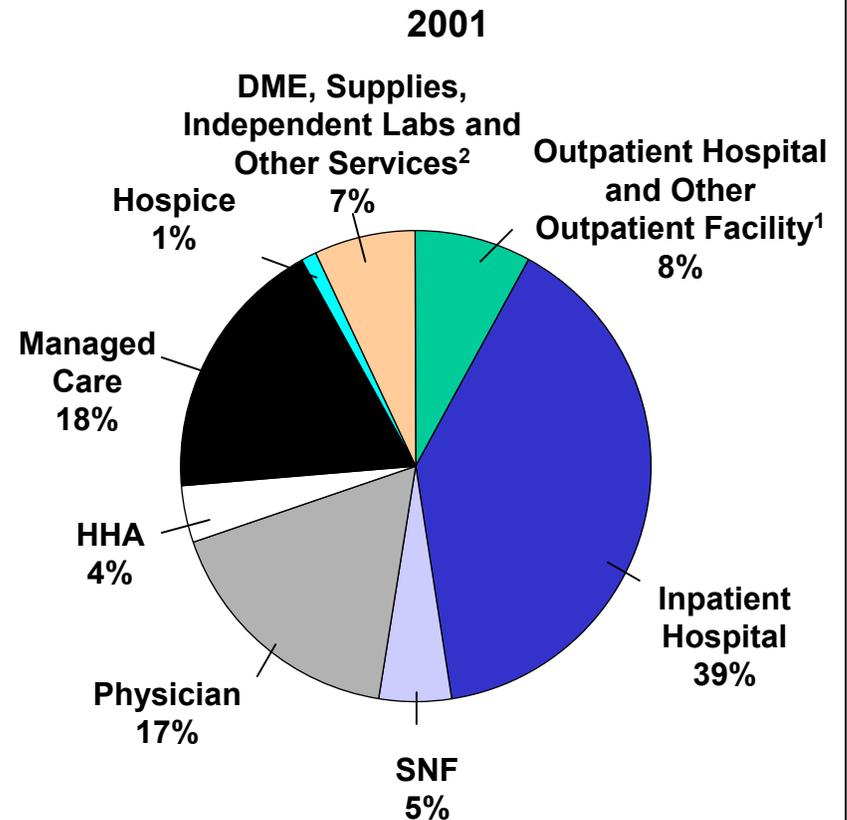
Source: CMS, Office of the Actuary, National Health Statistics Group.

Table 3.4 Where the Medicare Dollar Went: 1980 and 2001

Medicare spending has moved from inpatient hospital services to outpatient settings.



Total = \$37 Billion



Total = \$236 Billion

¹ Other outpatient facilities include ESRD freestanding dialysis facilities, RHCs, outpatient rehabilitation facilities, and federally qualified health centers.

² Other services include ambulatory surgical center facility costs and ambulance services.

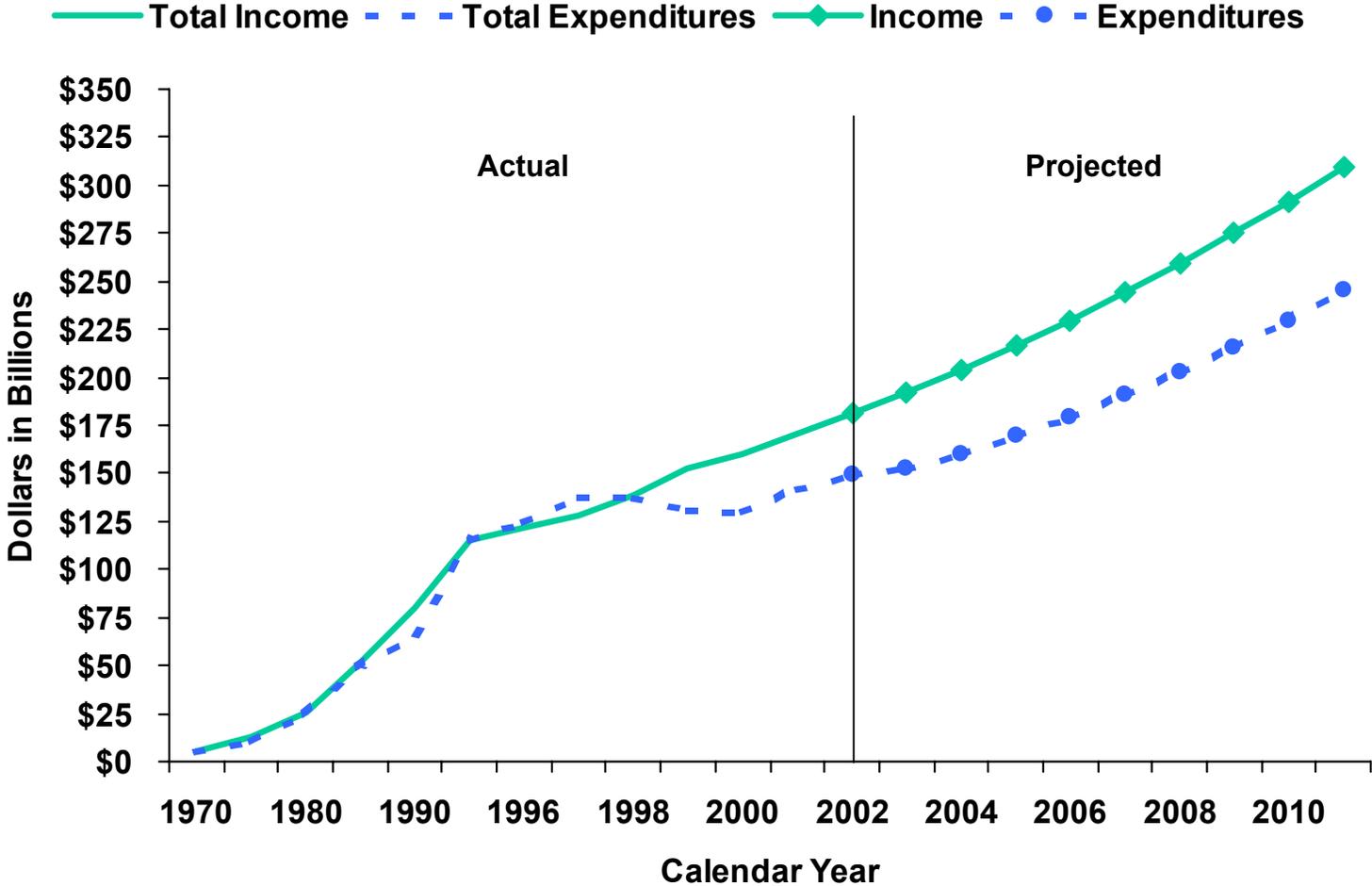
Note: Data do not sum due to rounding. Spending includes benefit dollars only.

Source: CMS, Office of the Actuary.

Table 3.5

Medicare Trustee's Report: Part A Income and Expenses, 1970-2011

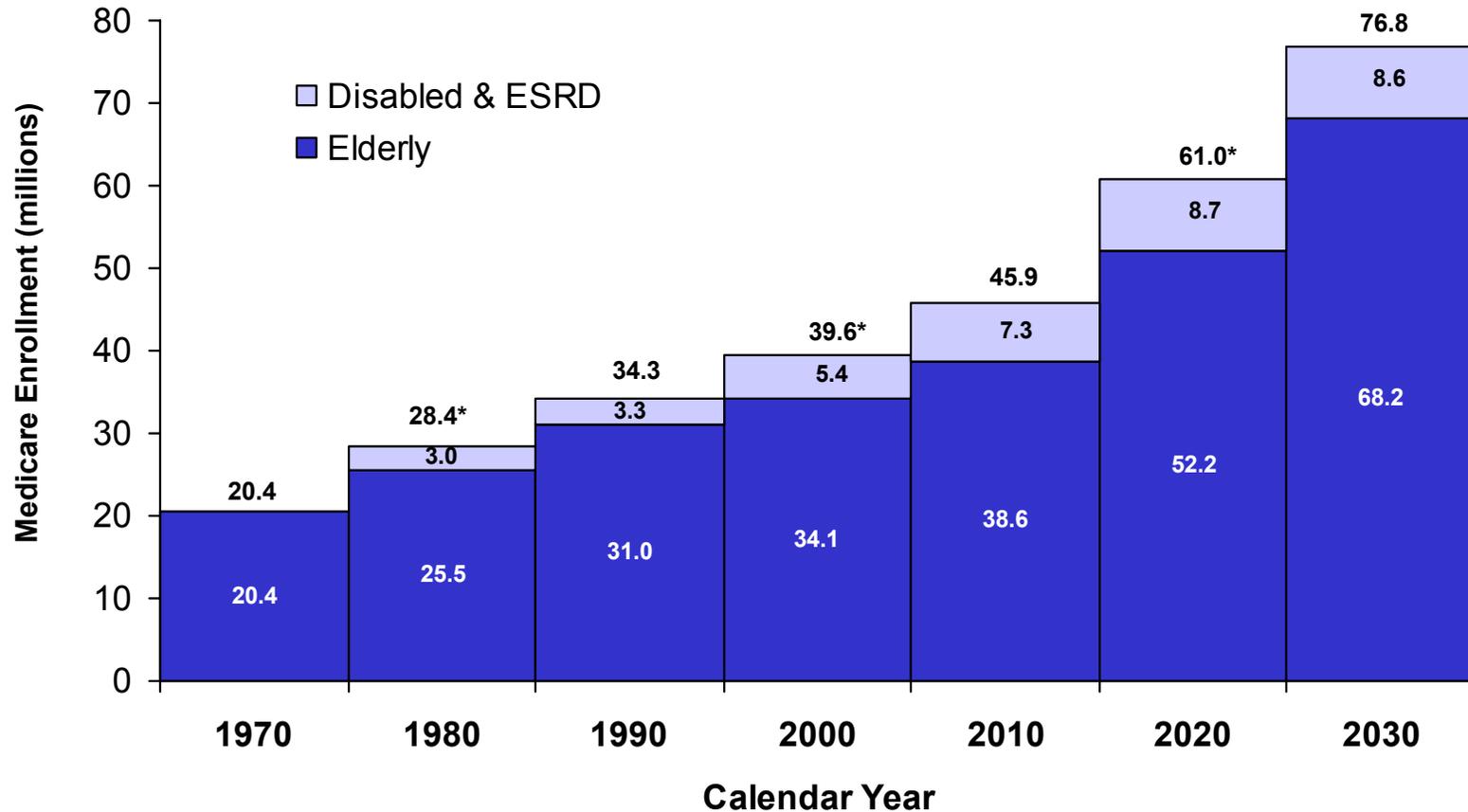
Medicare Part A revenue is projected to increase faster than spending over the next decade.



Source: CMS, Office of the Actuary.Trustees Report, 2002.

Table 3.6 Number of Medicare Beneficiaries, 1970-2030

The number of people Medicare serves will nearly double by 2030.



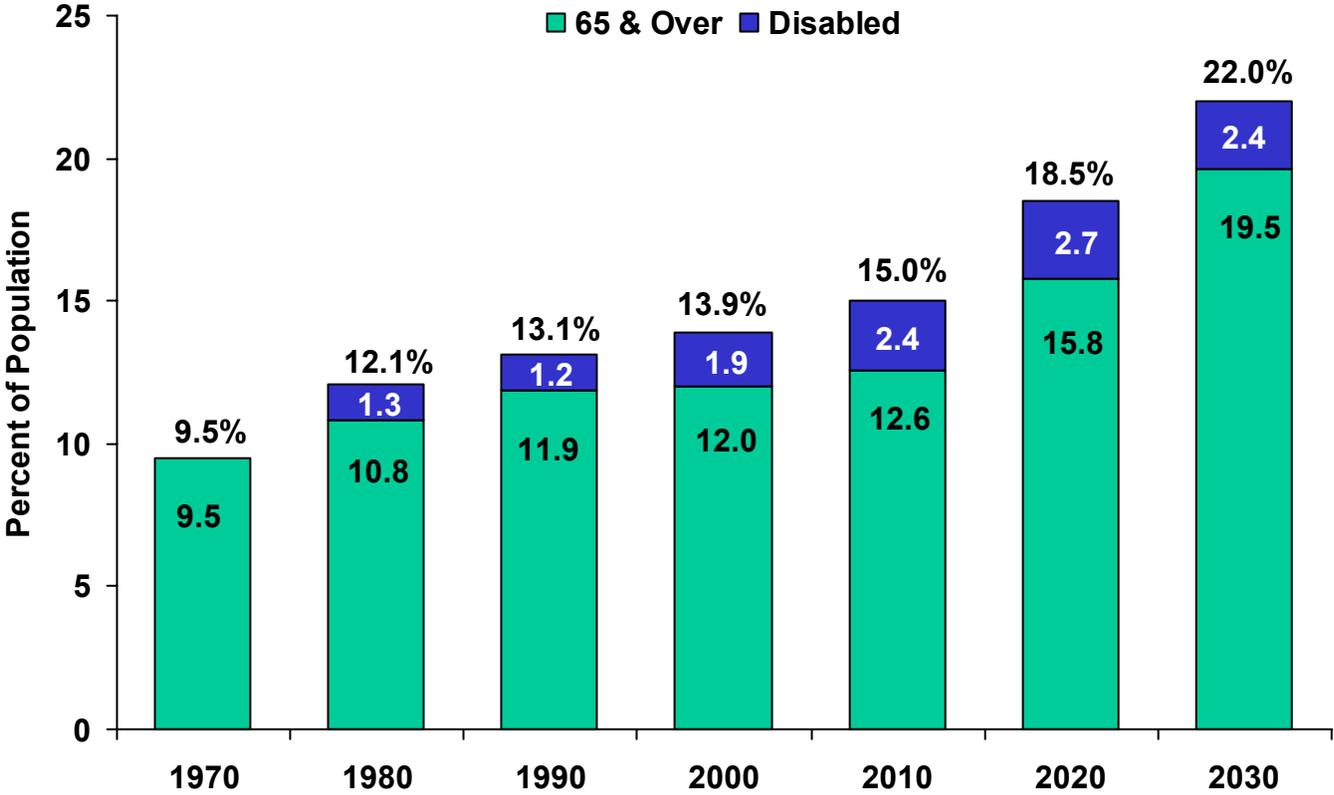
* Numbers may not sum due to rounding.

Source: CMS, Office of the Actuary.

Table 3.7

Medicare Beneficiaries as a Share of the U.S. Population, 1970-2030

The U.S. population will age rapidly through 2030, when 22 percent of the population will be eligible for Medicare.

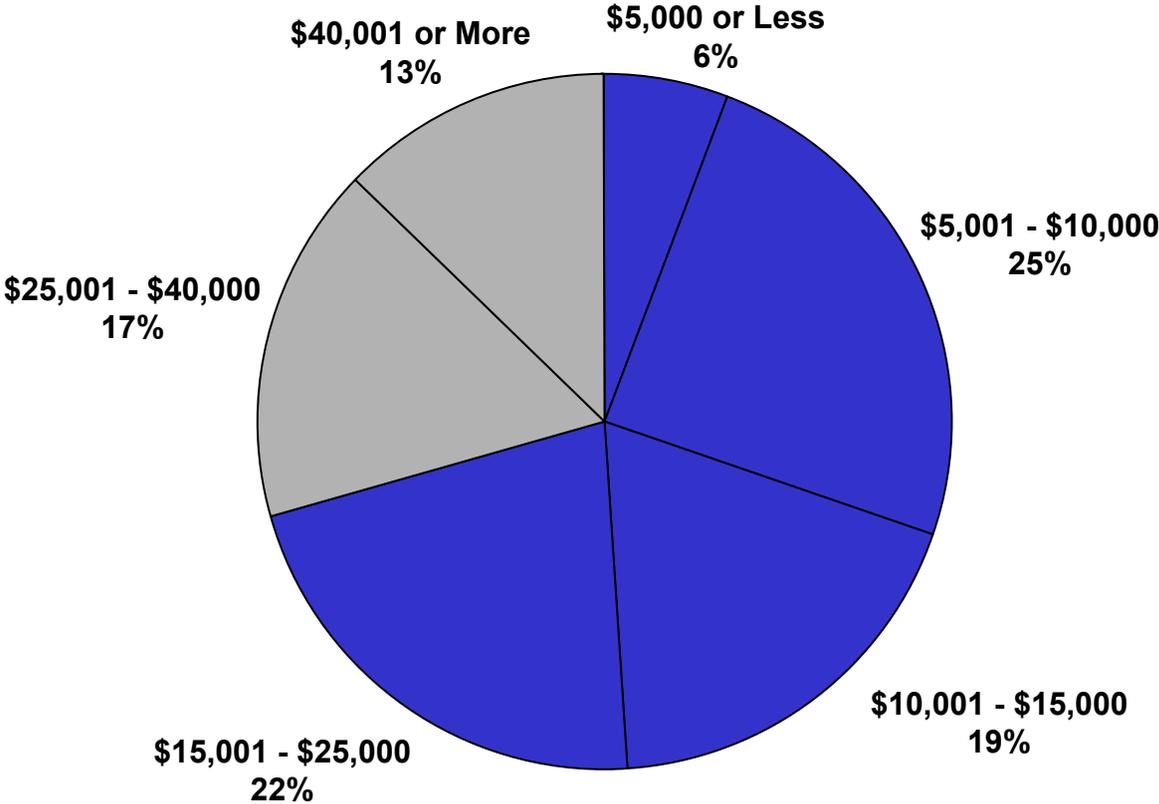


Source: Social Security Administration, Office of the Actuary.

Table 3.8

Medicare Spending for Fee-for-Service Beneficiaries by Income, 2000

Seventy percent of Medicare expenditures are on behalf of individuals with annual incomes of \$25,000 or less.

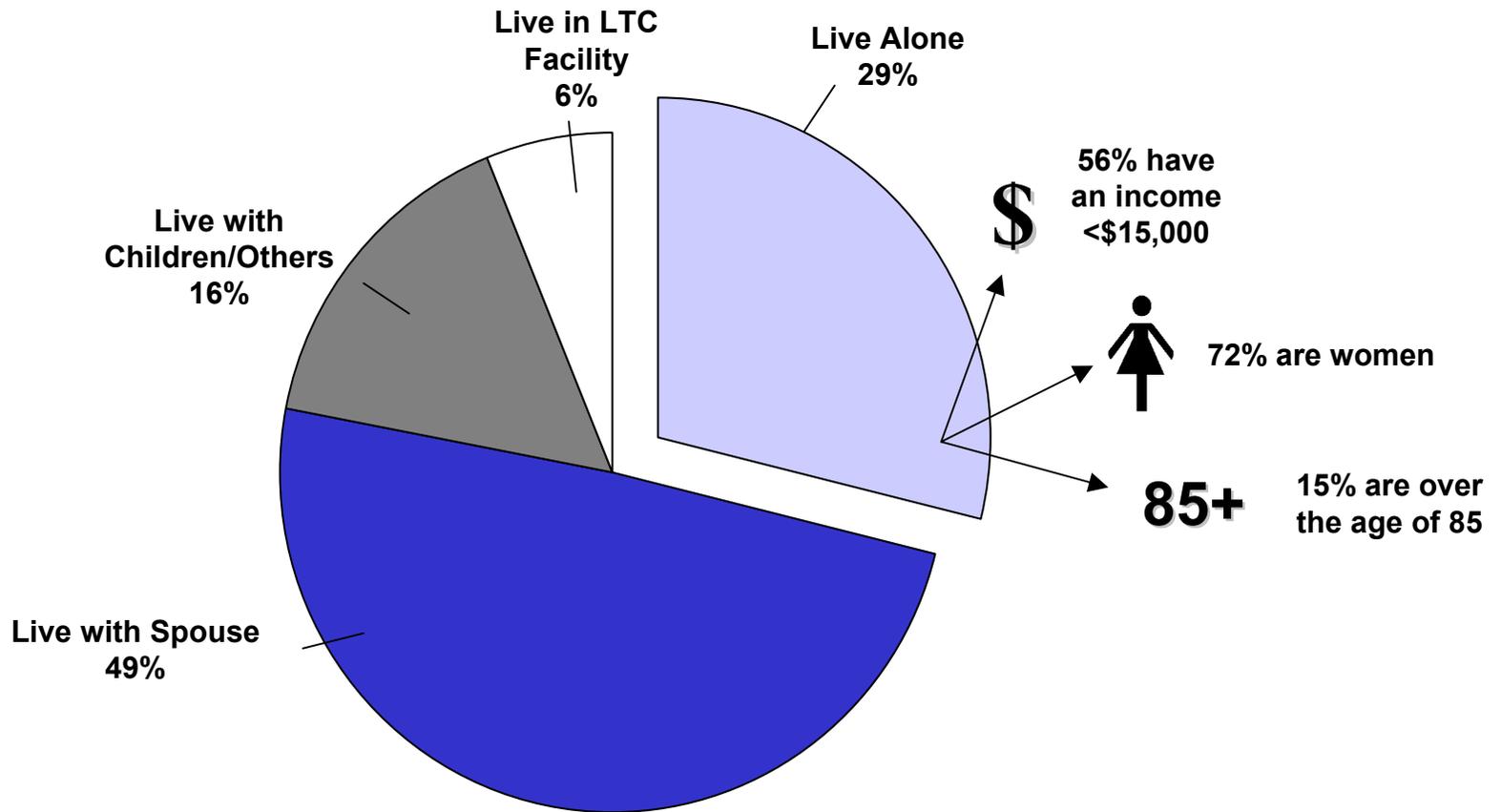


Note: Data may not sum due to rounding.

Source: CMS, Office of Research, Development and Information: Data from the Medicare Current Beneficiary Survey (MCBS) 2000 Access to Care File.

Table 3.9 Living Arrangements of Medicare Beneficiaries, 2000

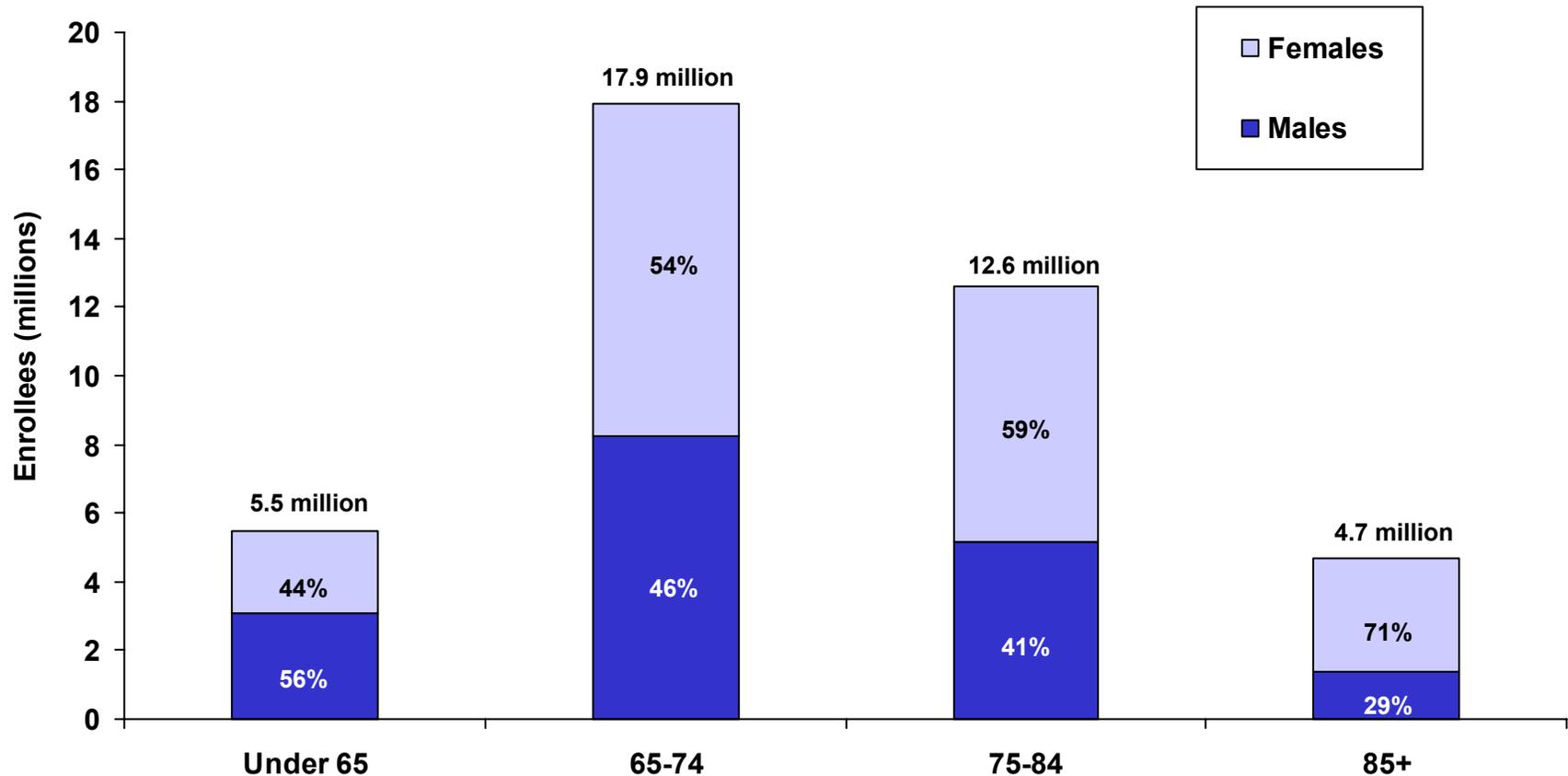
Among the nearly 30 percent of beneficiaries living alone, a large proportion are women and have low incomes.



Source: CMS, Office of Research, Development, and Information: Data from the Medicare Current Beneficiary Survey (MCBS) 2000 Access to Care File.

Table 3.10 Age and Gender of the Medicare Population, 2000

The proportion of women increases among those 85 and older.

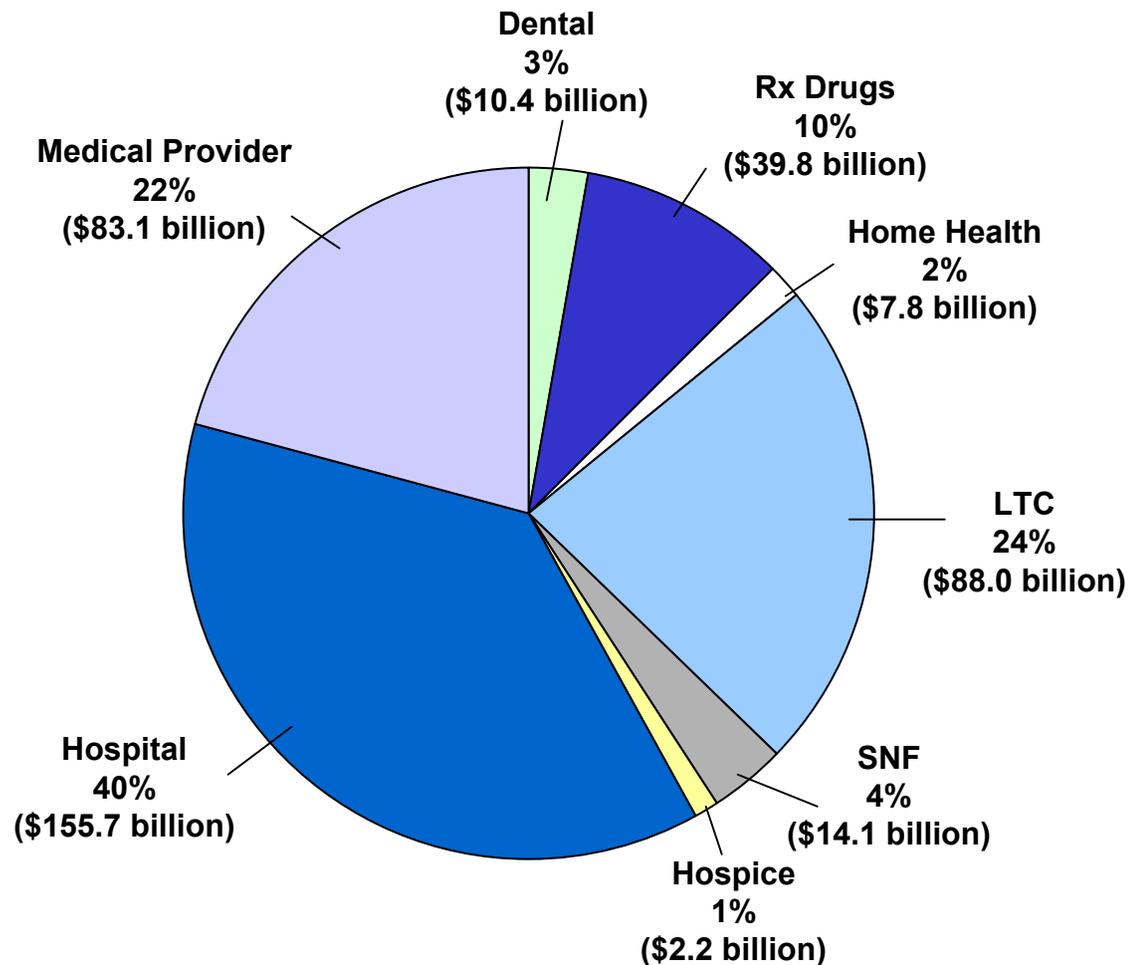


Note: Fifty-six percent (23 million) of all Medicare beneficiaries are female; 44% (18 million) are males. Data reflect Medicare beneficiaries ever enrolled in the program during the year.

Source: CMS, Office of Research, Development, and Information: Data from the Medicare Current Beneficiary Survey (MCBS) 2000 Access to Care File.

Table 3.11 Total Health Care Spending Paid by or on Behalf of Medicare Beneficiaries, 1999

Total Health Care Expenditures = \$385.2 Billion

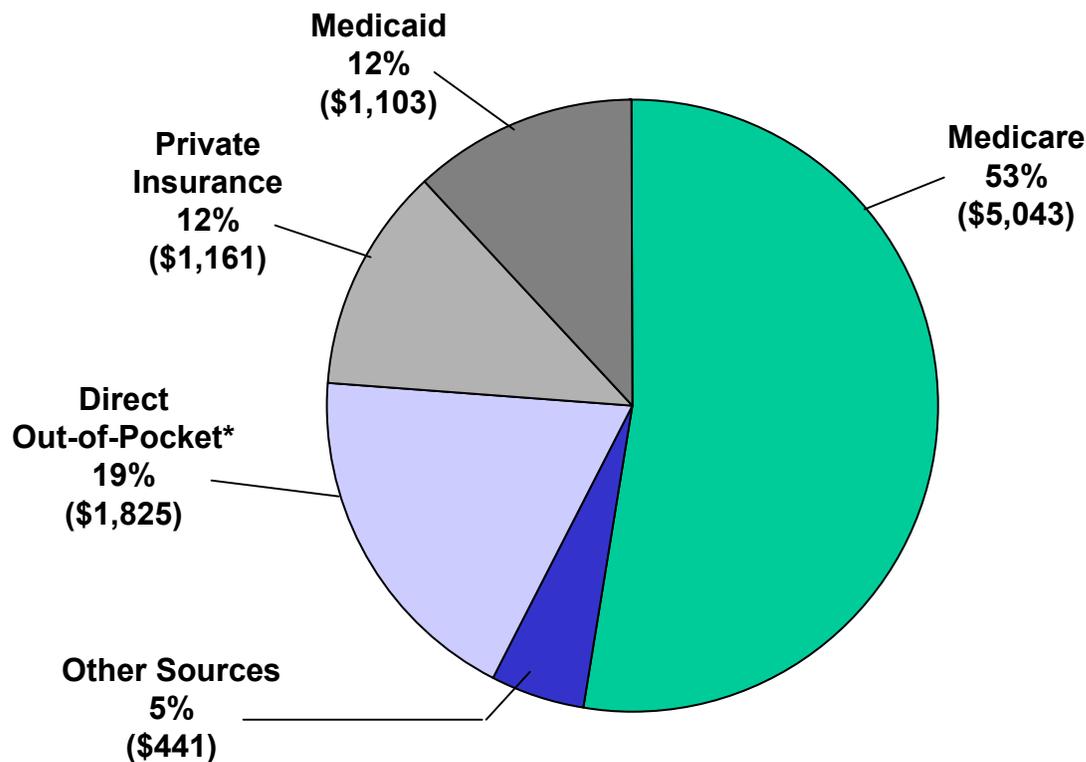


Note: Premium payments are excluded. LTC is long-term care. SNF is skilled nursing facility.

Source: CMS, Office of Research, Development, and Information: Data from the Medicare Current Beneficiary Survey (MCBS) 1999 Cost and Use File.

Table 3.12 Sources of Payment for Medicare Beneficiaries' Medical Services, 1999

Medicare pays a little more than half of the total cost of beneficiaries' medical care.



Total Medical Expenses per Medicare Beneficiary = \$9,573

*Beneficiary out-of-pocket spending does not include their payments for Medicare Part B premiums, private insurance premiums, or HMO premiums.

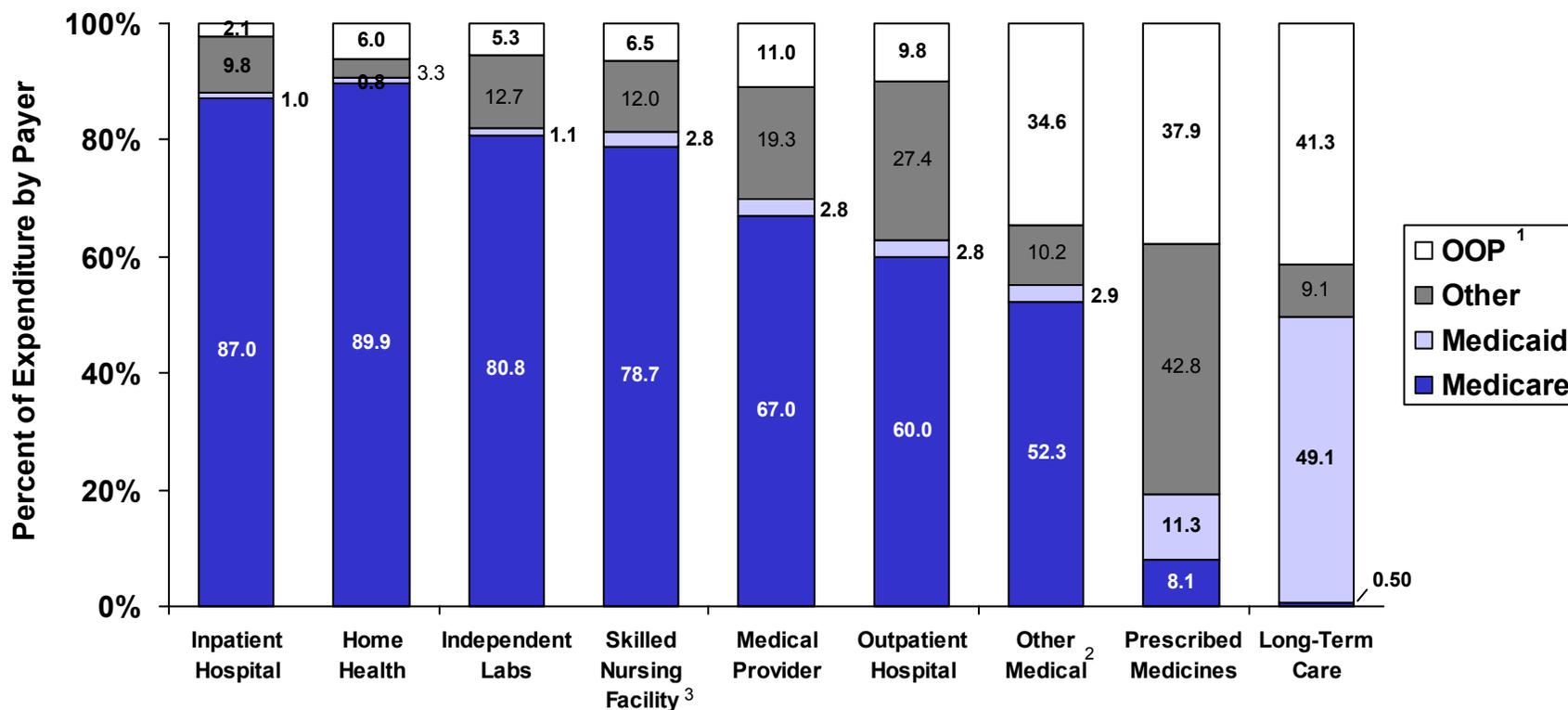
Note: Data are for all beneficiaries, both fee-for-service and Medicare+Choice enrollees.

Source: CMS, Office of Research, Development, and Information: Data From the Medicare Current Beneficiary Survey (MCBS) 1999 Cost and Use File.

Table 3.13

Sources of Payment for Medicare Beneficiaries by Type of Service, 1999

Medicare pays a large proportion of the total payments for the services it covers.



¹ OOP is out-of-pocket.

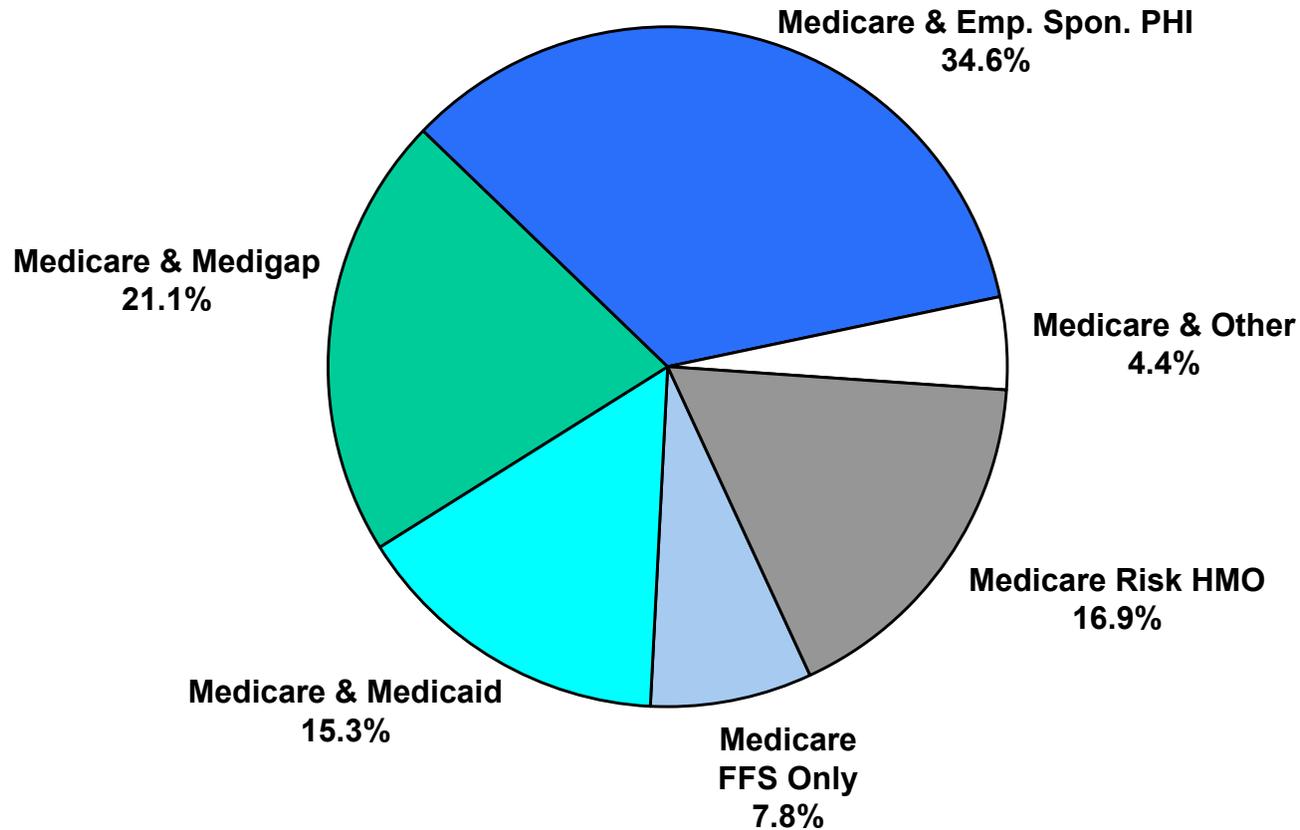
² Other Medical includes things such as hospice and durable medical equipment.

³ Short term nursing home stays. Longer term stays are in the long term care bar.

Source: CMS, Office of Research, Development, and Information: Data from the Medicare Current Beneficiary Survey (MCBS), 1999 Cost and Use File.

Table 3.14 Types of Supplemental Health Insurance Held by Medicare Beneficiaries, 2000

Most beneficiaries have private, supplemental health plans.

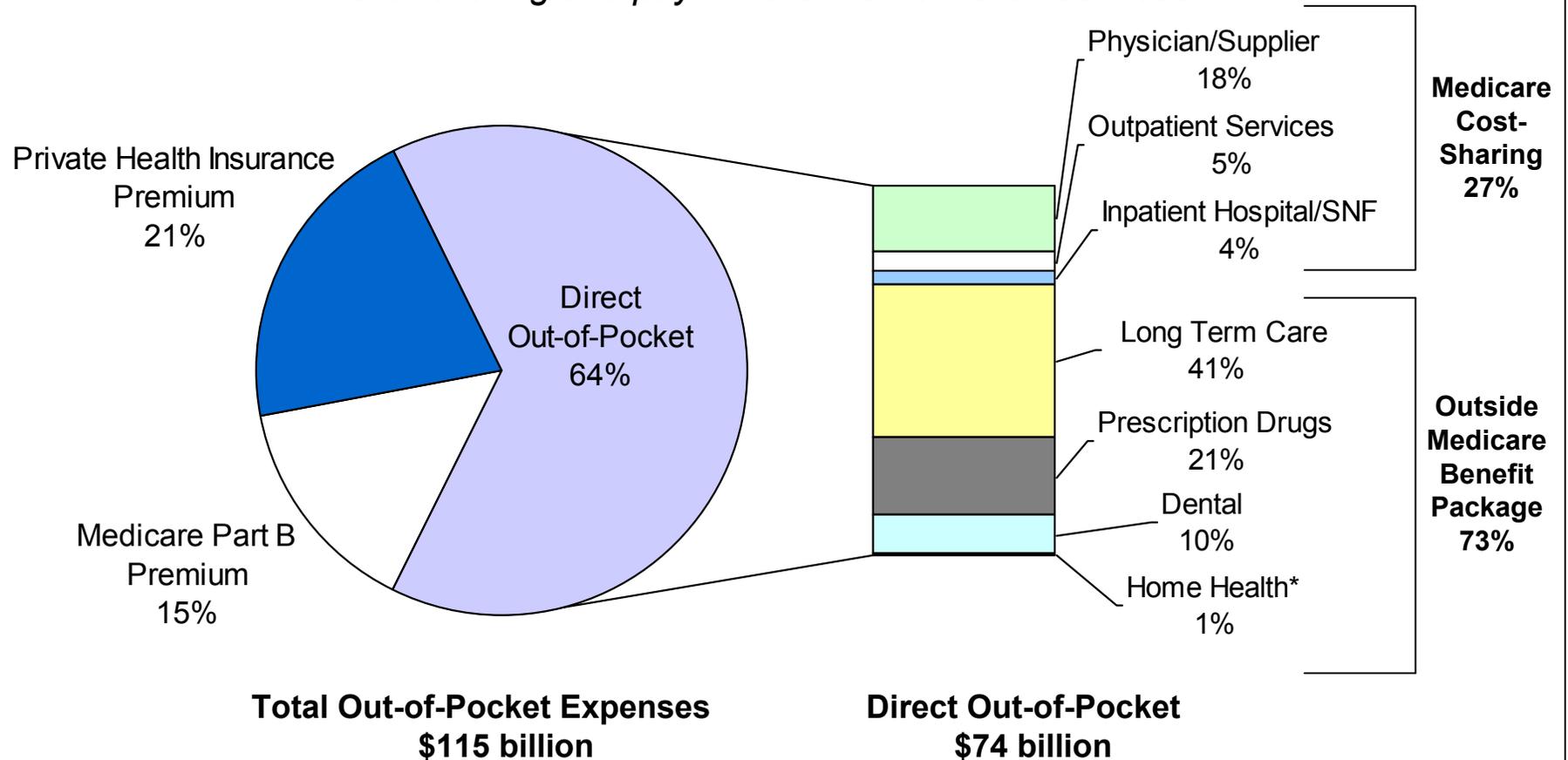


Source: CMS, Office of Research, Development, and Information: Data from the Medicare Current Beneficiary Survey Cost and Use Survey (MCBS) 2000 Access to Care File.

Table 3.15

Medicare Beneficiary Out-of-Pocket Spending, 1999

The majority of beneficiary out-of-pocket spending is for Medicare cost-sharing and payment for non-covered services.



*These are for home health services not covered by Medicare.

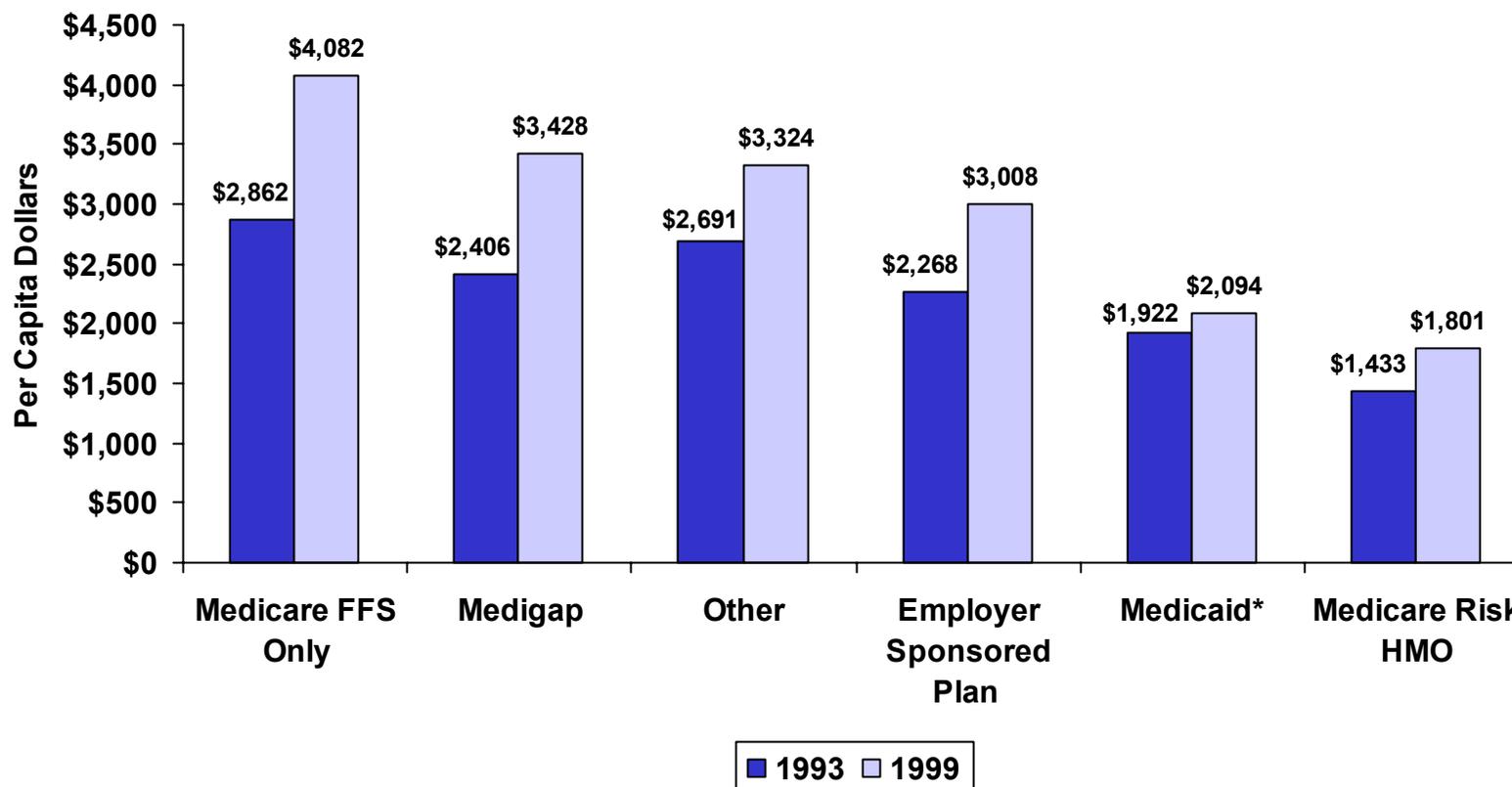
Note: 1) Data are for all beneficiaries, both fee-for-service and Medicare+Choice enrollees. 2) Total per capita direct out-of-pocket spending is \$1,825.

Source: CMS, Office of Research, Development, and Information: Medicare Current Beneficiary Survey (MCBS) 1999 Cost and Use File.

Table 3.16

Per Capita Out-of-Pocket Expenses for Medicare Beneficiaries by Type of Insurance Coverage, 1993-1999

Beneficiaries without supplemental insurance and those with Medigap coverage had the largest dollar increase in per capita out-of-pocket spending between 1993 and 1999.



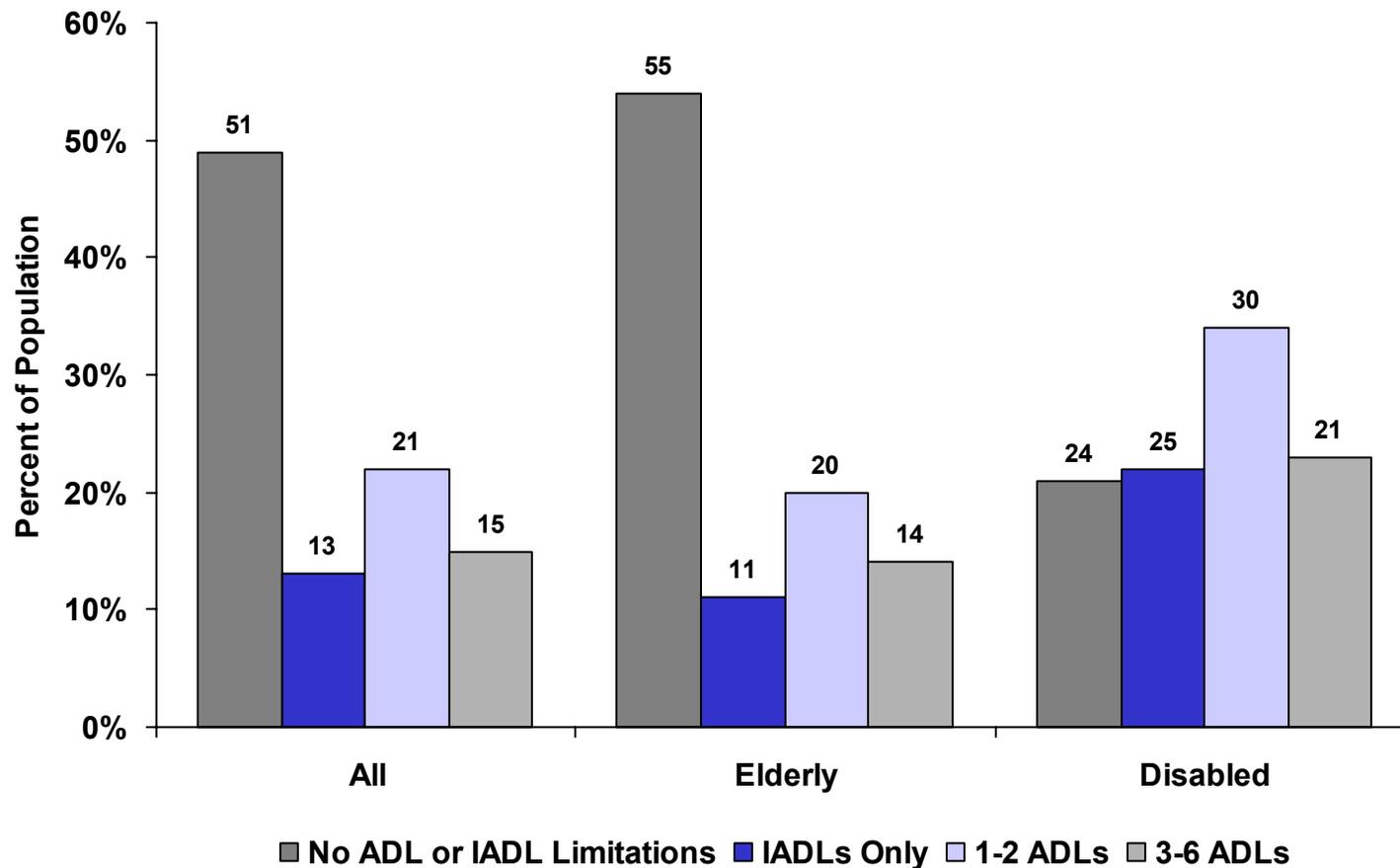
*Includes spend down.

Note: Premium payments are included.

Source: CMS, Office of Research, Development, and Information: Data from the Medicare Current Beneficiary Survey (MCBS), 1993 and 1999 Cost and Use Files.

Table 3.17 Distribution of Medicare Enrollees by Functional Status, 2000

More than one-third of the Medicare population needs assistance with at least one “activity of daily living.”



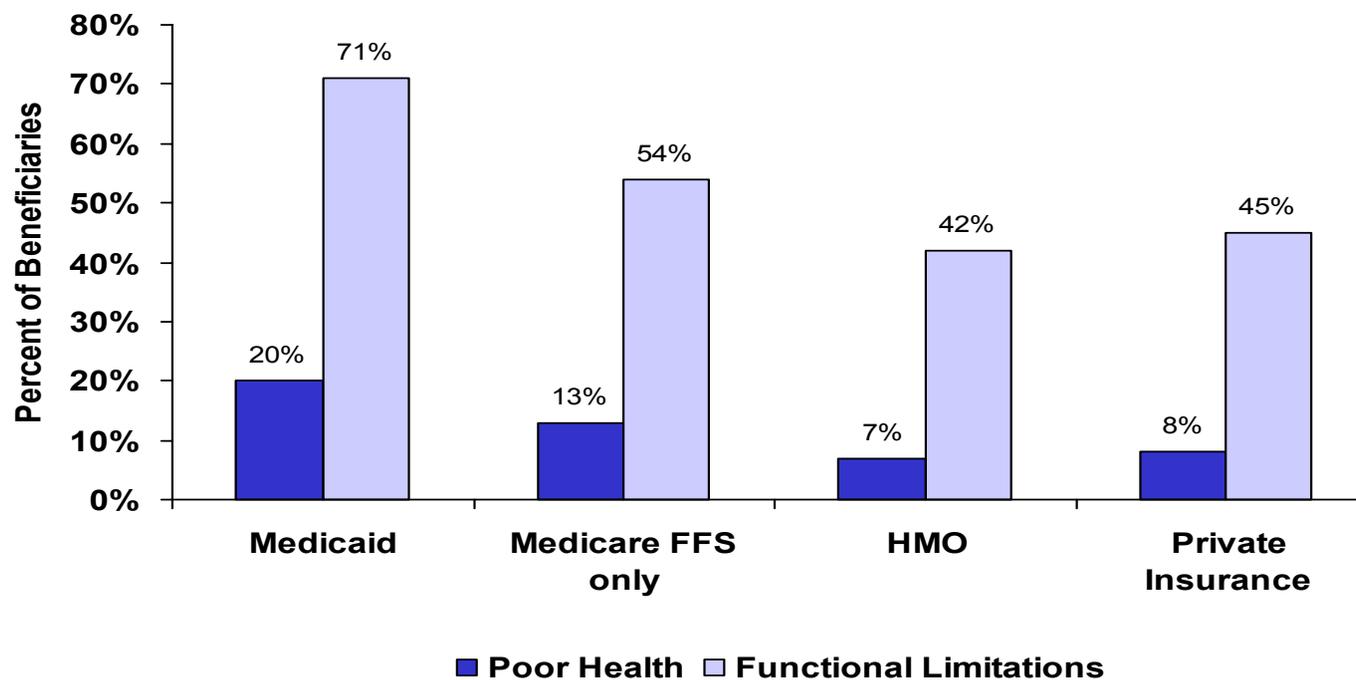
Note: ADLs are activities of daily living (e.g., eating, bathing); IADLs are instrumental activities of daily living (e.g., shopping, use of phone, cleaning).

Source: CMS, Office of Research, Development, and Information: Data from Medicare Current Beneficiary Survey (MCBS) 2000 Access to Care File.

Table 3.18

Beneficiaries with Poor Health and Functional Limitations by Insurance Status, 2000

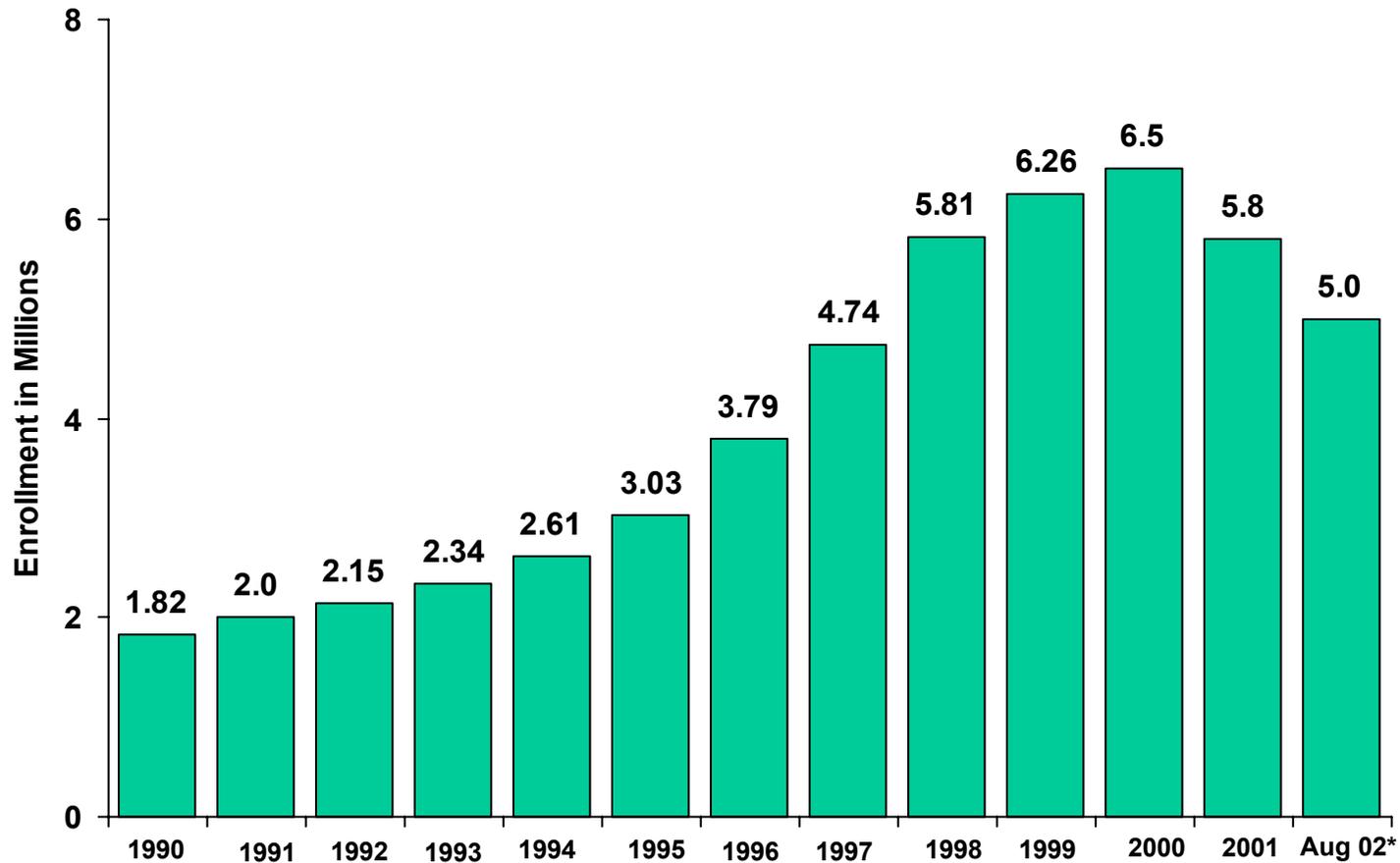
Medicare beneficiaries in poor health or with functional limitations are more likely to receive Medicaid or to have no supplemental insurance.



Source: CMS, Office of Research, Development, and Information: Data from the Medicare Current Beneficiary Survey (MCBS) 2000 Access to Care File.

Table 3.19 Medicare Managed Care Enrollment, 1990-2001

Managed care enrollment increased through 2000, but has declined since then.



Note: January enrollment 1990-2001.

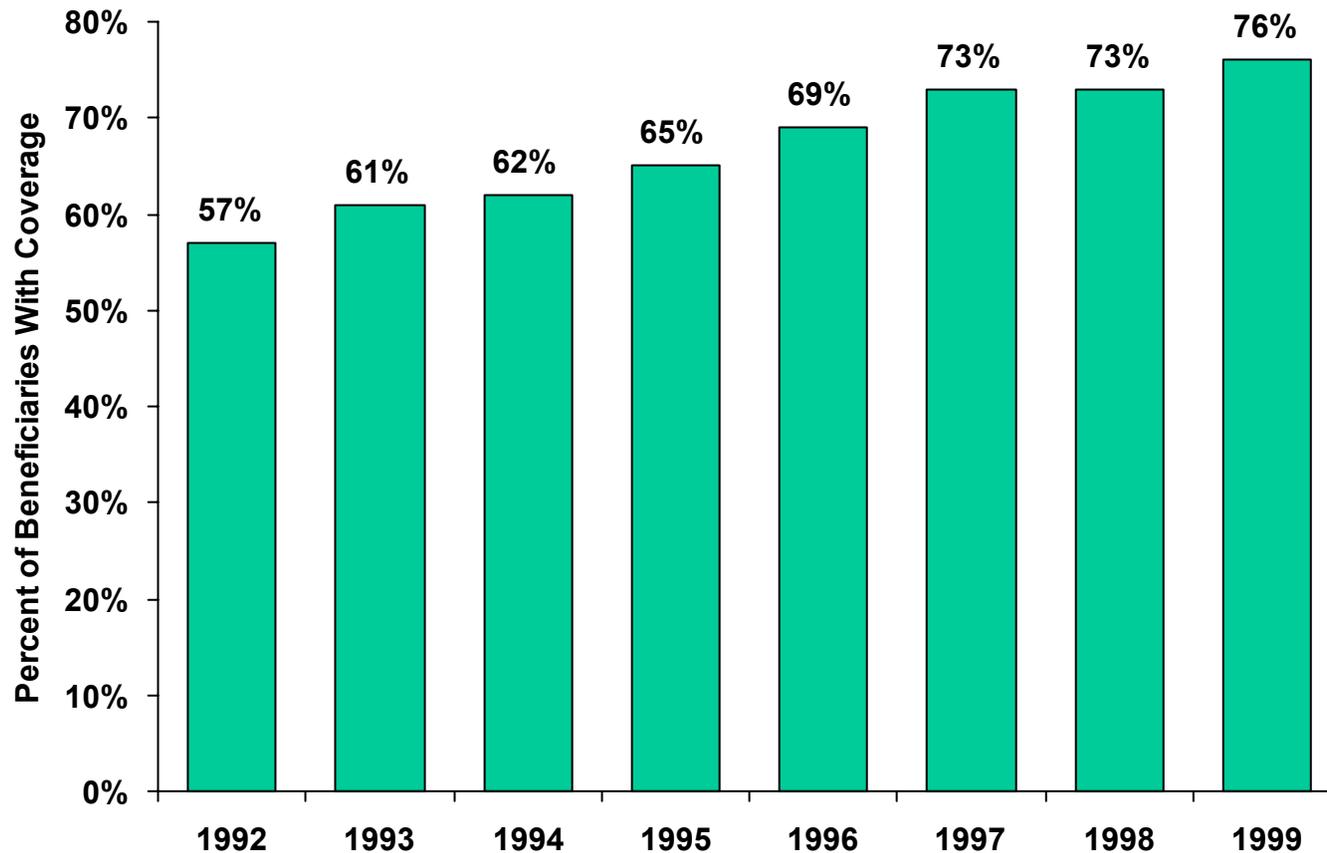
*August 2002 data.

Source: CMS enrollment data.

Table 3.20

Medicare Beneficiaries With Drug Coverage, 1992-1999

The proportion of the Medicare population with some drug coverage during at least part of the year increased from 1992 to 1999.



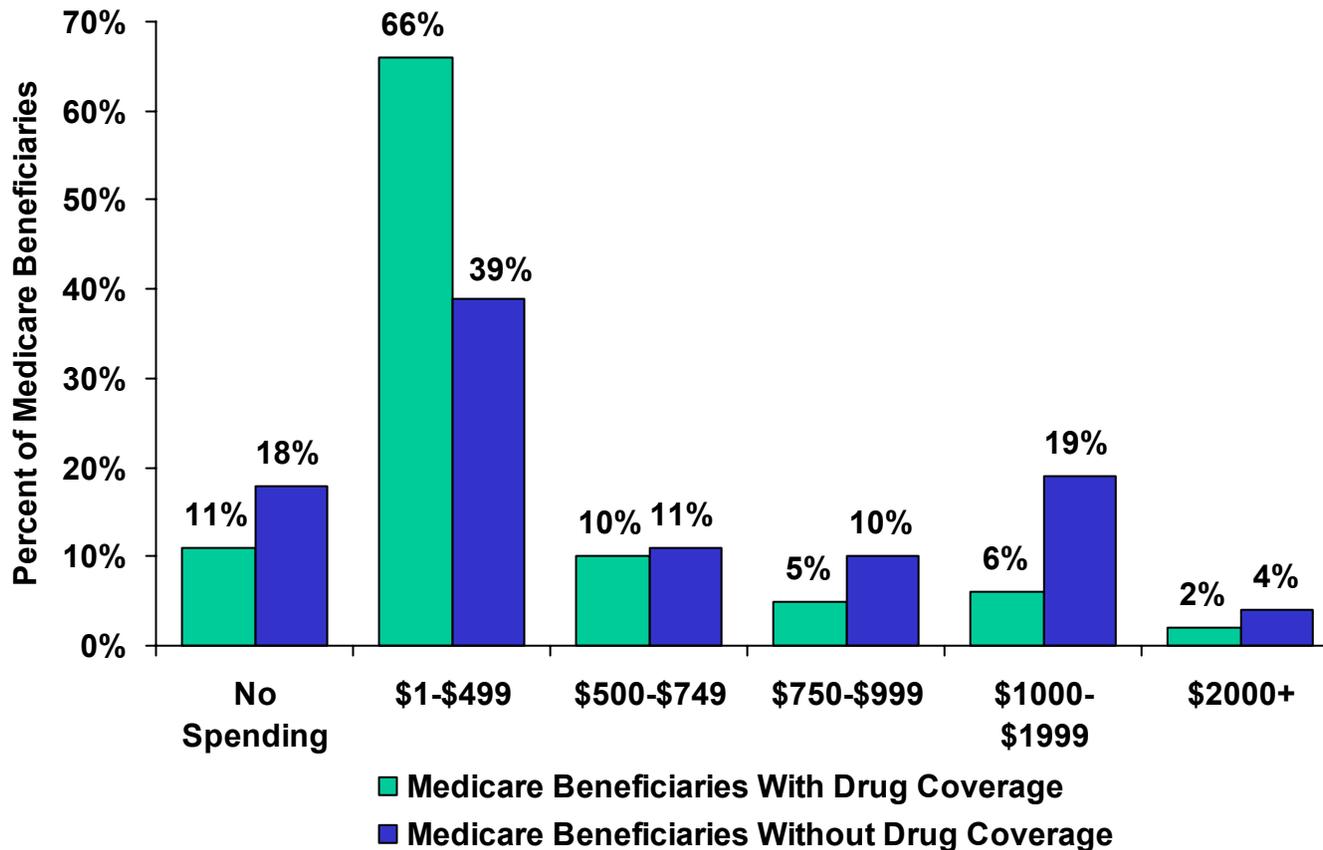
Note: Data are based on the non-institutionalized population and those who were enrolled in Medicare at any point during the year.

Source: CMS/Office of Research, Development and Information. Data are from the Medicare Current Beneficiary Survey.

Table 3.21

Distribution of Out-of-Pocket Spending on Prescription Drugs by Medicare Beneficiaries With and Without Drug Coverage, 1999

Over 75 percent of beneficiaries with coverage and 57 percent without coverage have out-of-pocket drug spending of \$500 or less.



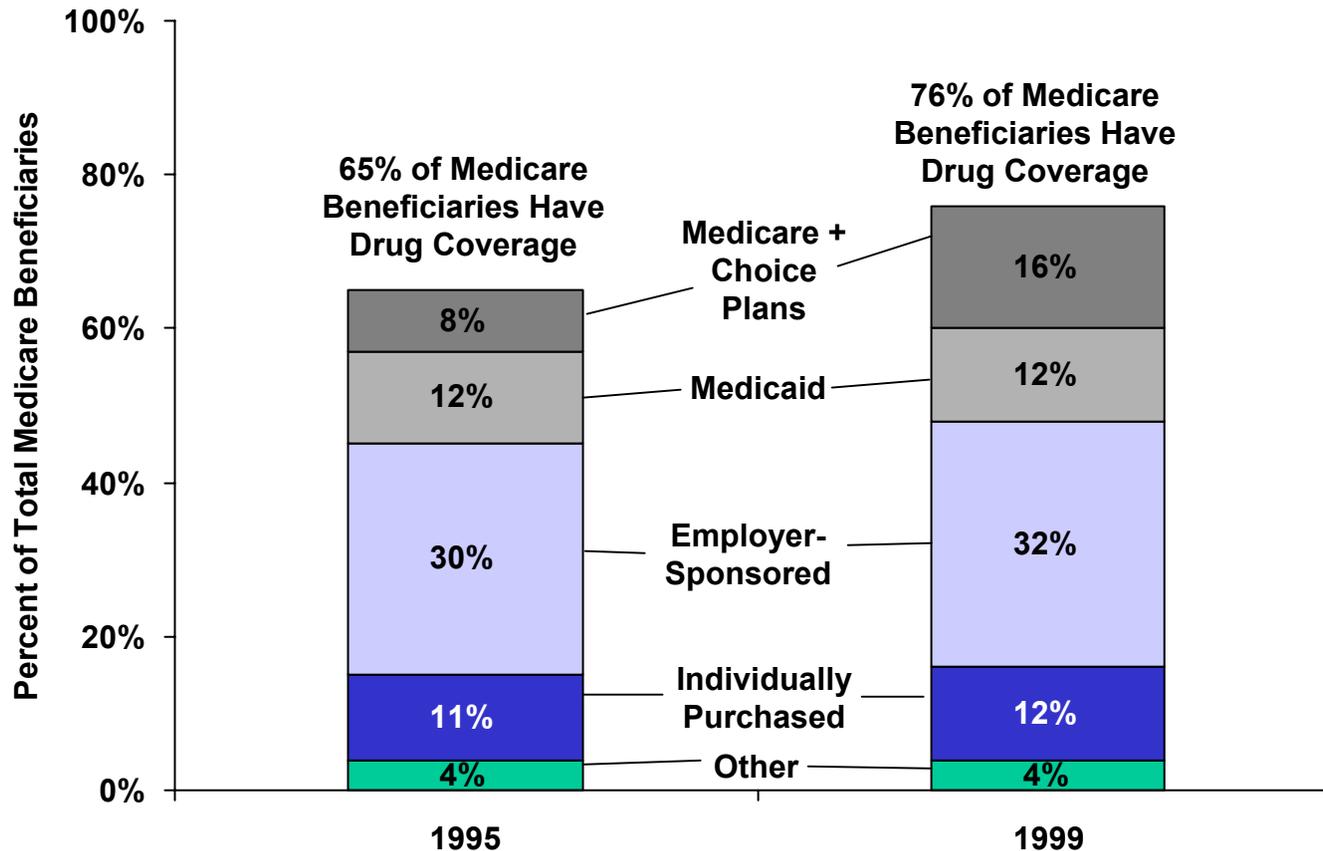
Note: Data are based on the non-institutionalized beneficiaries. Data have not been adjusted for any possible underreporting by beneficiaries. Percentages may not sum to 100 due to rounding.

Source: CMS/Office of Research, Development and Information. Data are from the Medicare Current Beneficiary Survey.

Table 3.22

Medicare Beneficiaries With Drug Coverage by Primary Source of Supplemental Coverage, 1995 and 1999

Employer-sponsored retiree coverage is the largest source of coverage for drug spending.



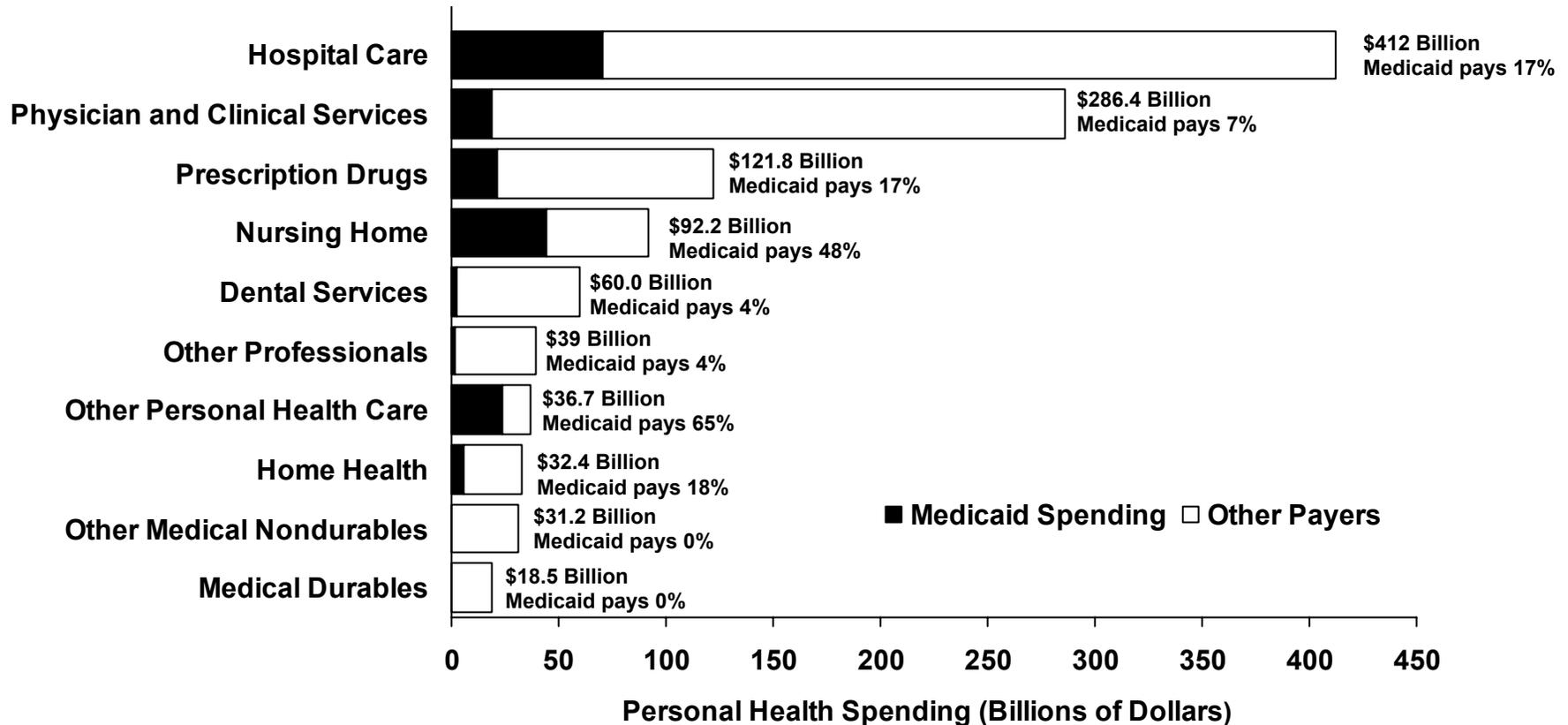
Note: Data are based on the non-institutionalized beneficiaries.

Percentages shown in bars are Medicare beneficiaries with drug coverage as a percent of total Medicare beneficiaries. Beneficiaries do not necessarily get drug coverage from their primary sources of supplemental insurance.

Source: CMS/Office of Research, Development and Information. Data are from the Medicare Current Beneficiary Survey.

Table 3.23 Personal Health Expenditures by Type of Service and Percent Medicaid Paid, 2000

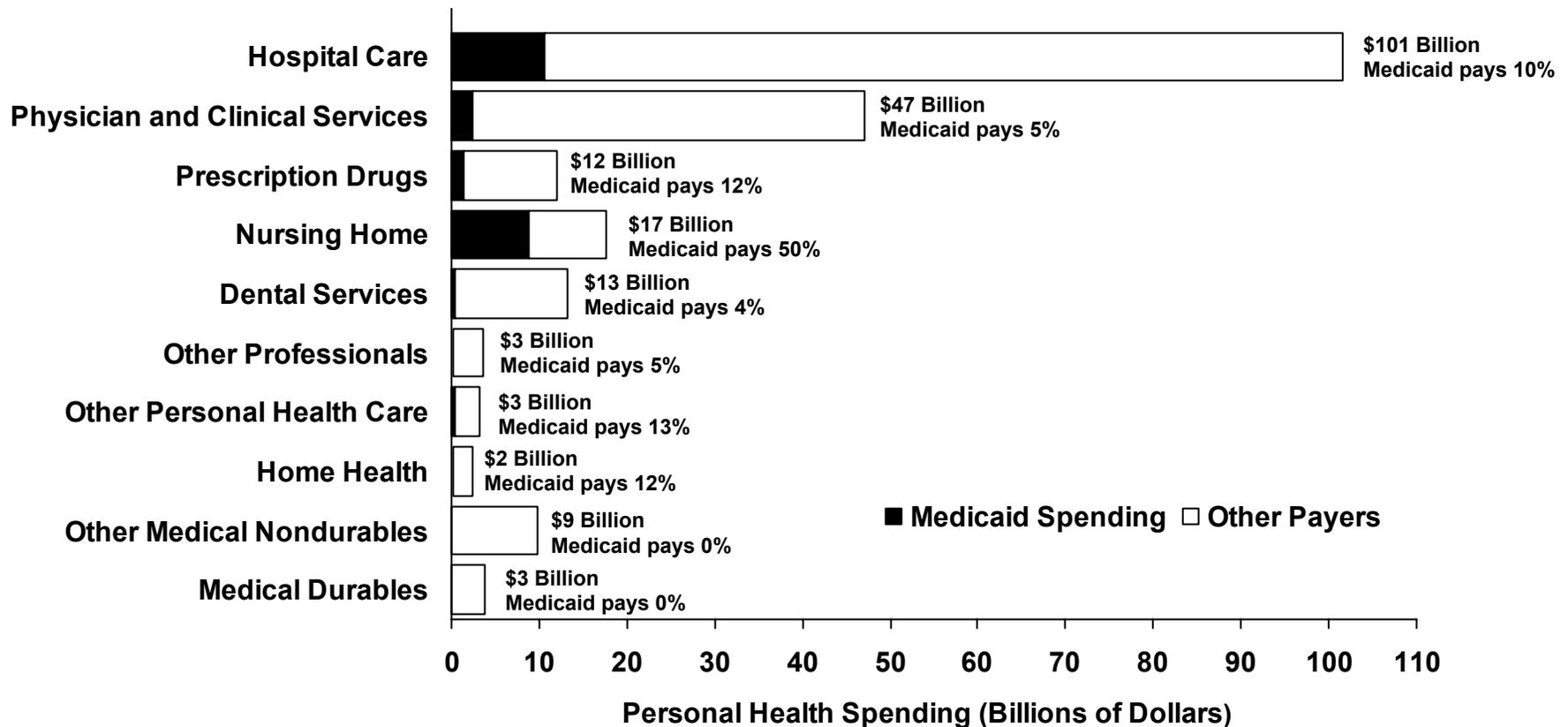
*Total personal health spending in 2000 was \$1,130.4 billion;
Medicaid accounted for 17% percent.*



Source: CMS, Office of the Actuary, National Health Statistics Group.

Table 3.24 Personal Health Expenditures by Type of Service and Percent Medicaid Paid, 1980

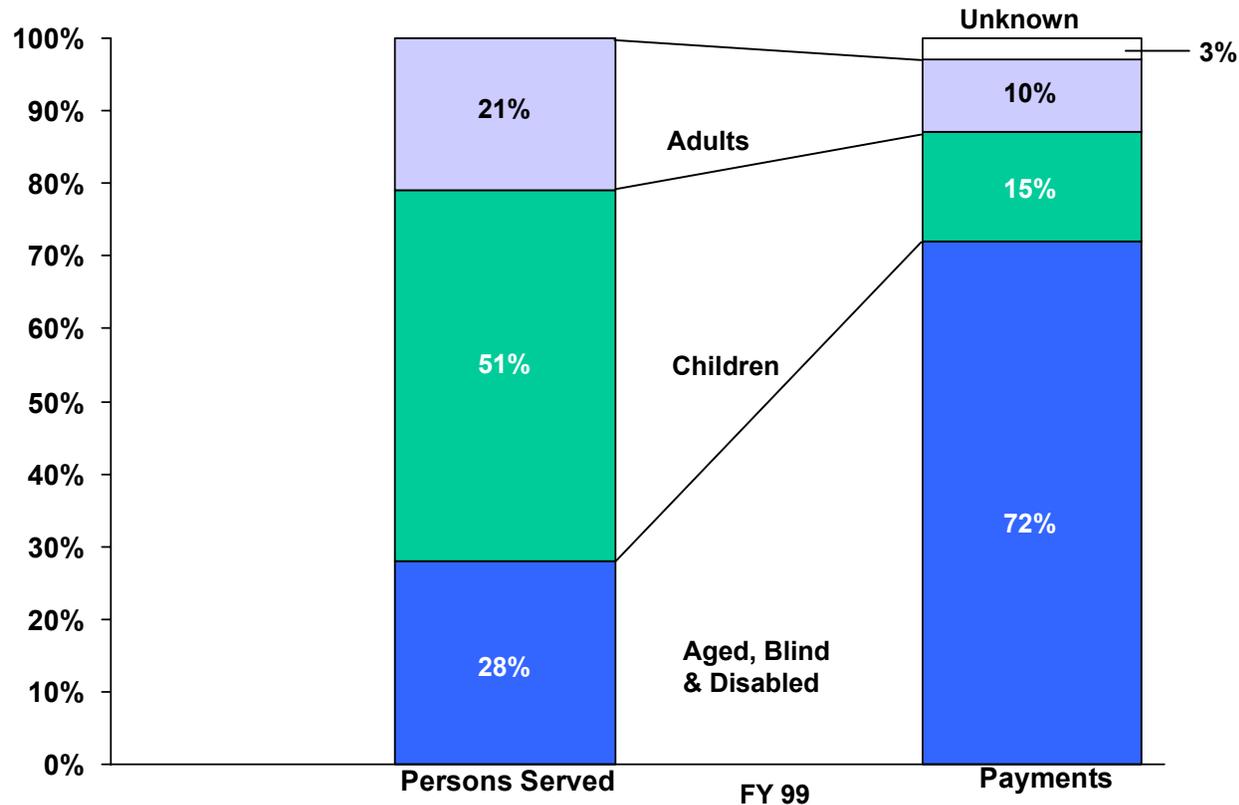
*Total personal health spending in 1980 was \$214.6 billion;
Medicaid accounted for 12% percent.*



Source: CMS, Office of the Actuary, National Health Statistics Group.

Table 3.25 Medicaid Beneficiaries and Payments by Eligibility Group, 1999

Payments for the elderly, blind and disabled account for 71 percent of total payments.



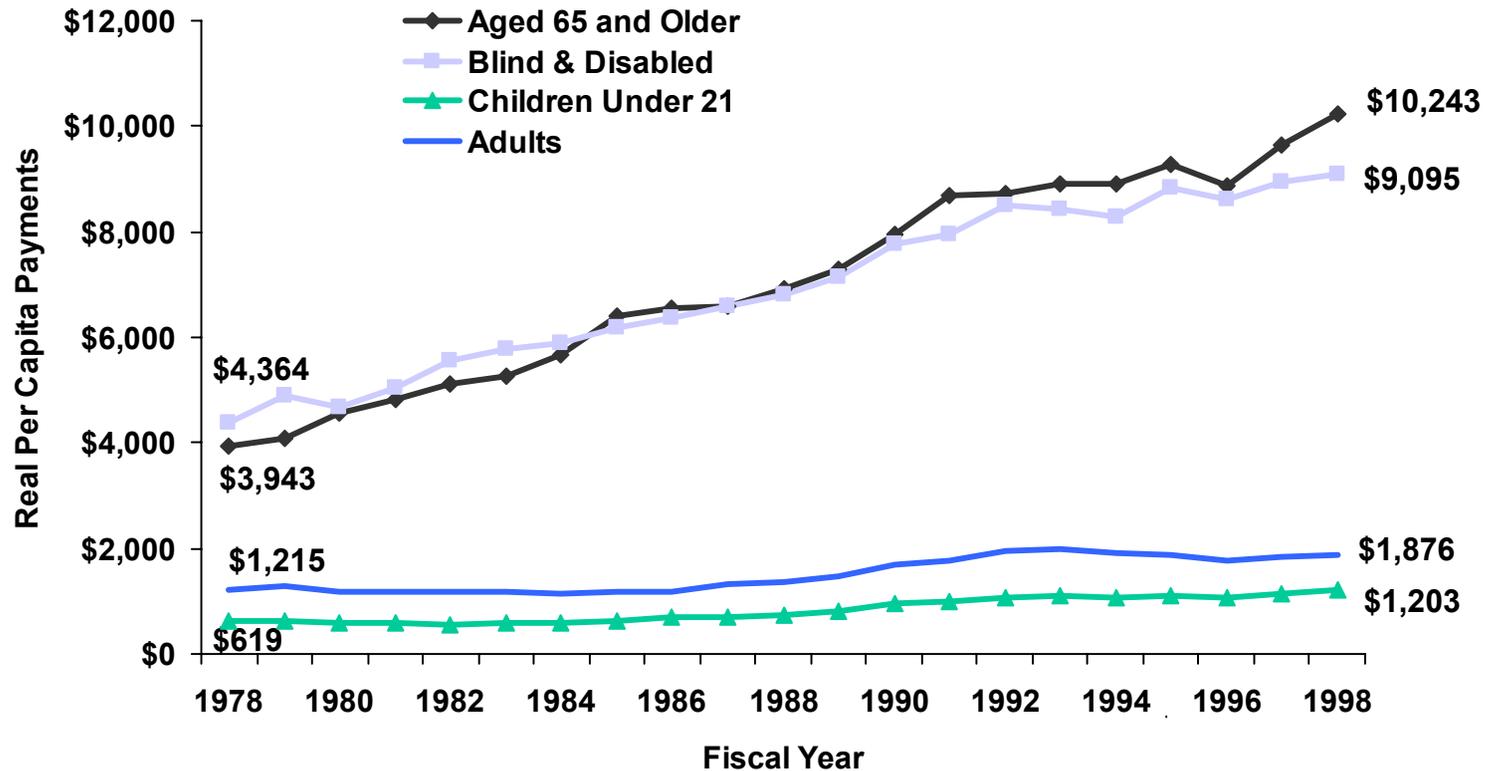
Note: (1) Totals may not equal 100% due to rounding; (2) "Payments" describe direct Medicaid vendor payments and Medicaid program expenditures for premium payments to third parties for managed care (but exclude DSH payments, Medicare premiums and cost sharing on behalf of beneficiaries dually enrolled in Medicaid and Medicare); (3) disabled children are included in the aged, blind & disabled category shown above.

Source: CMS, CMSO, Medicaid Statistical Information System.

Table 3.26

Average Real Medicaid Payments per Person Served, 1978-1998

Per capita payments for the elderly, blind and individuals with disabilities more than doubled between 1978 and 1998, while per capita payments for children and adults had modest growth rates.

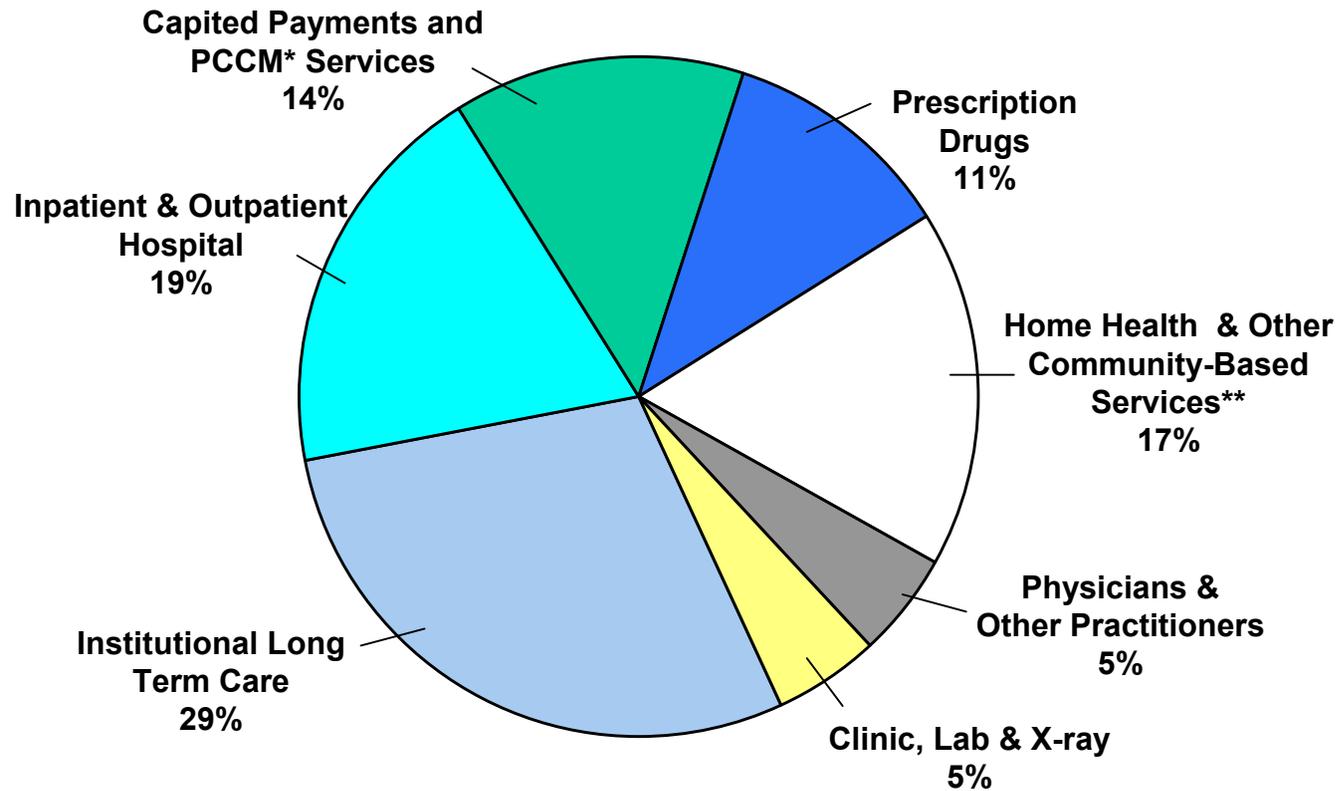


Note: (1) Data shown above are expressed in 1998 dollars; (2) for FY 1998 “payments” describe direct Medicaid vendor payments and Medicaid program expenditures for premium payments to third parties for managed care (but exclude DSH payments, Medicare premiums and cost sharing on behalf of beneficiaries dually enrolled in Medicaid and Medicare), while data from previous years only include direct vendor payments; (3) the term “adults” as used above refers to non-elderly, non-disabled adults; (4) disabled children are included in the blind & disabled category shown above.

Source: CMS, CMSO, Medicaid Statistical Information System.

Table 3.27 Total Medicaid Expenditures by Type of Service, 1999

The majority of Medicaid spending is for hospital and nursing home services.



Total = \$152 Billion in FY 99

Note: *PCCM is Primary Care Case Management Services. ***"Home Health & Other Community-Based Services" includes home health, personal support services and other care services.

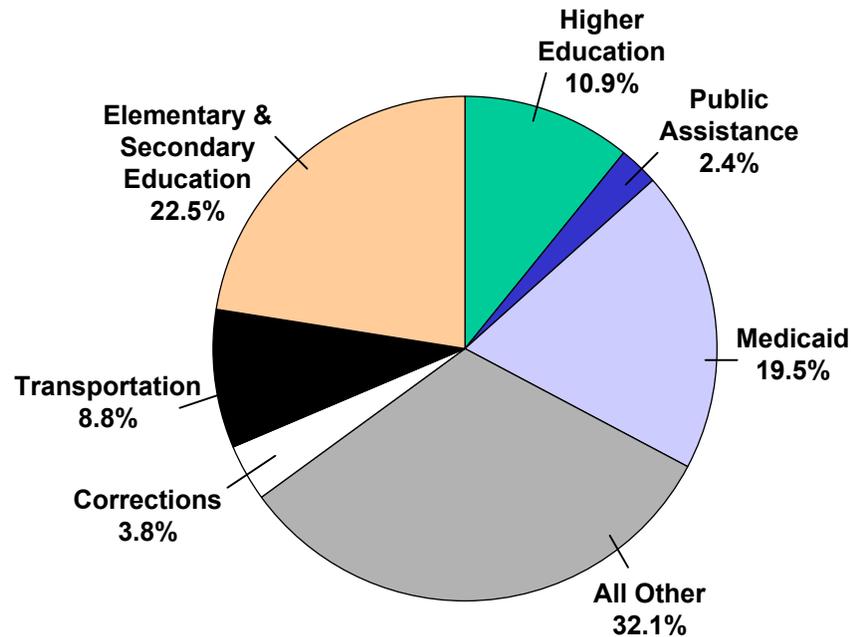
Source: HCFA Form 64, total computable expenditures.

Table 3.28

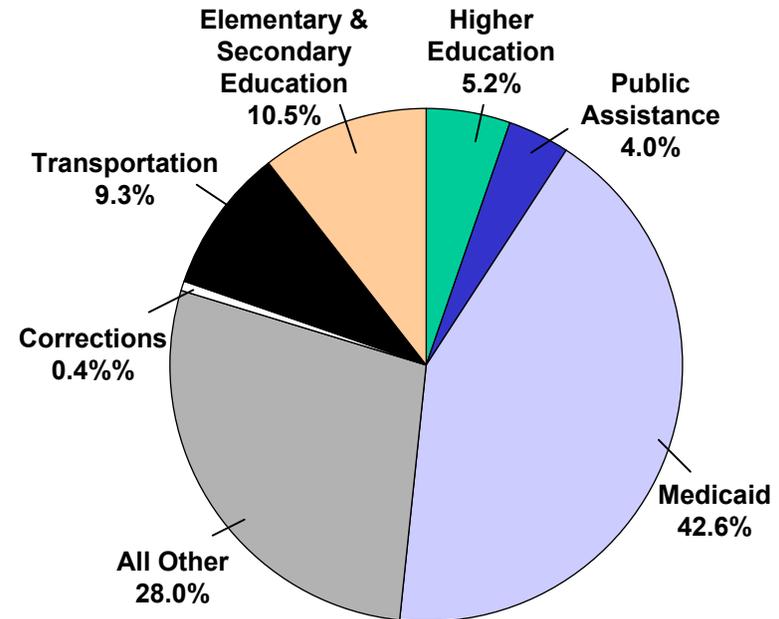
Total State Spending and Federal Funds Provided to States, 2000

Over nineteen percent of state total spending and over forty-two percent of federal funds provided to states were spent on Medicaid.

Total State Spending*



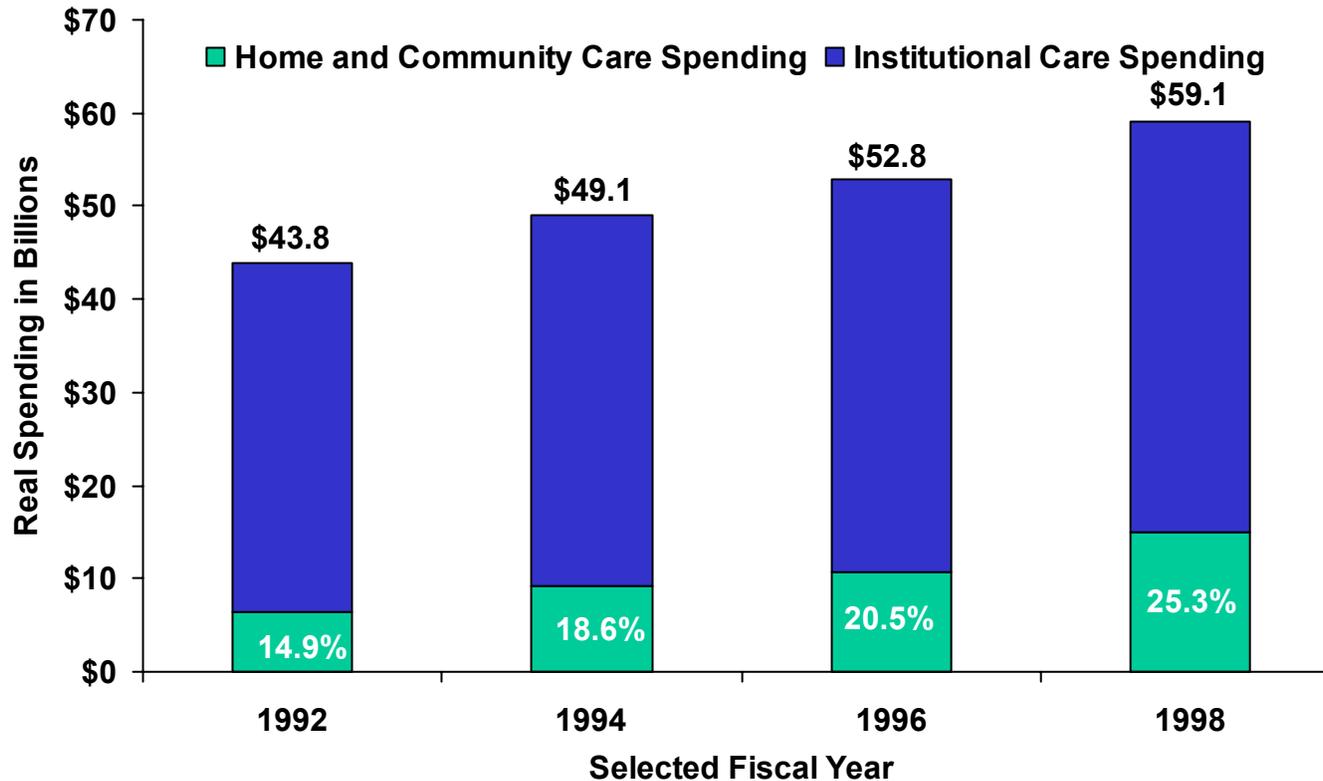
Federal Funds Provided to States



*Note: When only general funds are examined, the proportions change somewhat. Medicaid is the second largest state program in either total or general funds.

Source: National Association of State Budget Officers, 2000 State Expenditure Report.

Table 3.29
Medicaid Spending for Long-Term Care, 1992-1998
Home and community-based services are a growing share of Medicaid's long term care spending.



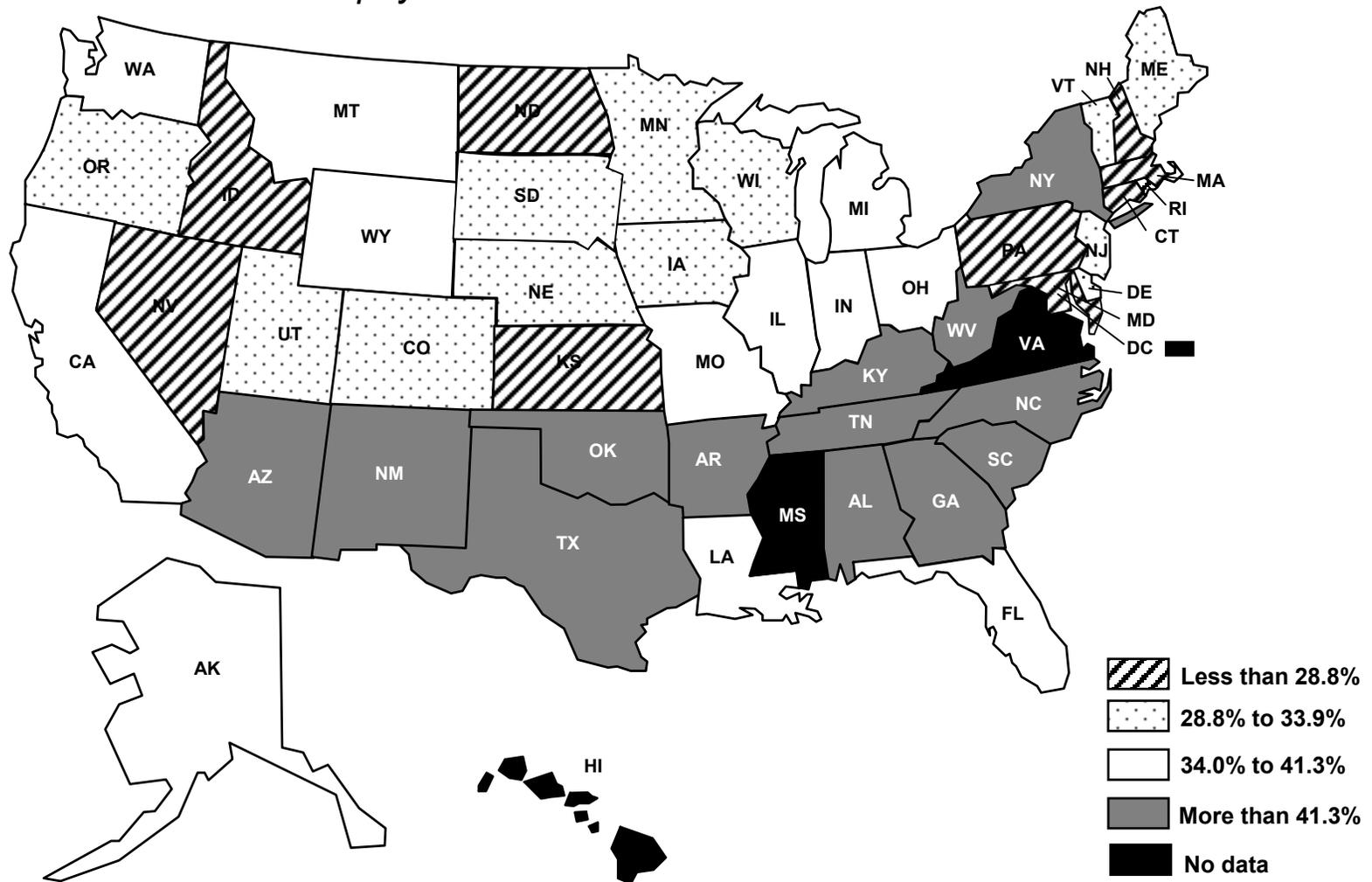
Notes: The data are expressed in 1998 dollars. Total Medicaid LTC expenditures consist of spending on institutional LTC and home and community care. Institutional LTC spending includes expenditures for nursing facilities, and public and private intermediate care facilities for the mentally retarded. Home and community care spending consists of expenditures for personal care, home health, and home and community-based waivers. The percentages (e.g., 14.9 percent, 18.6 percent, etc.) represent the proportion of total Medicaid LTC spending that is home and community care spending.

Source: CMS, Office of Research, Development and Information: Data development by Planning and Policy Analysis Group, data from 1992, 1994, 1996, and 1998 HCFA 64, 2000.

Table 3.30

Births Financed by Medicaid as a Percent of Total Births by State, 1998

Medicaid pays for about 1 in 3 of the nation's births.

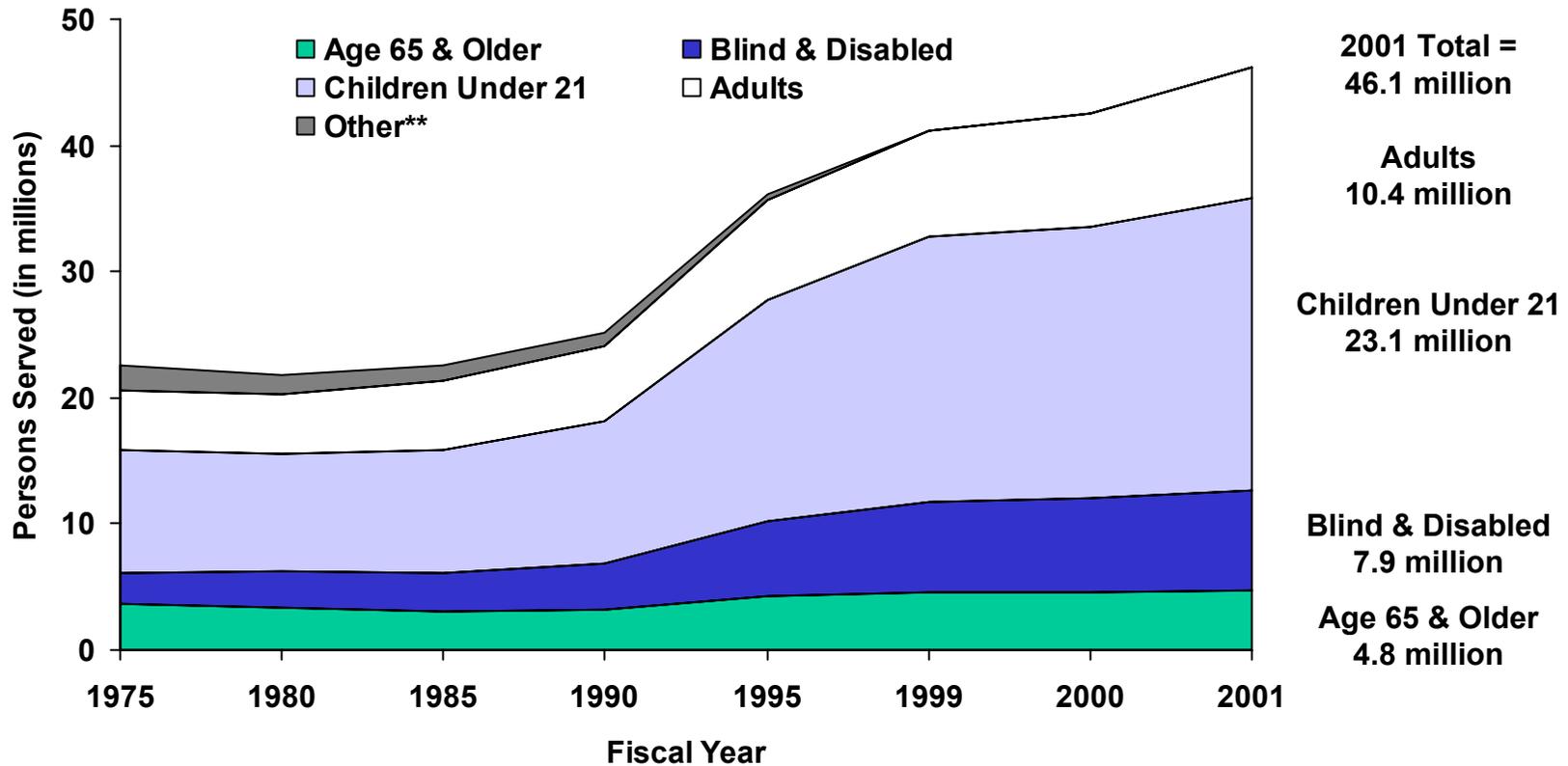


Note: CO, GA 1997 data; KY, NJ, VT 1996 data.

Source: Maternal and Child Health (MCH) Update: States Have Expanded Eligibility and Increased Access to Health Care for Pregnant Women and Children, National Governors Association, February, 2001, Table 23, at <http://www.nga.org>.

Table 3.31 Medicaid Beneficiaries by Eligibility Group, 1975-2001

Children historically represent the largest eligibility group of Medicaid beneficiaries.

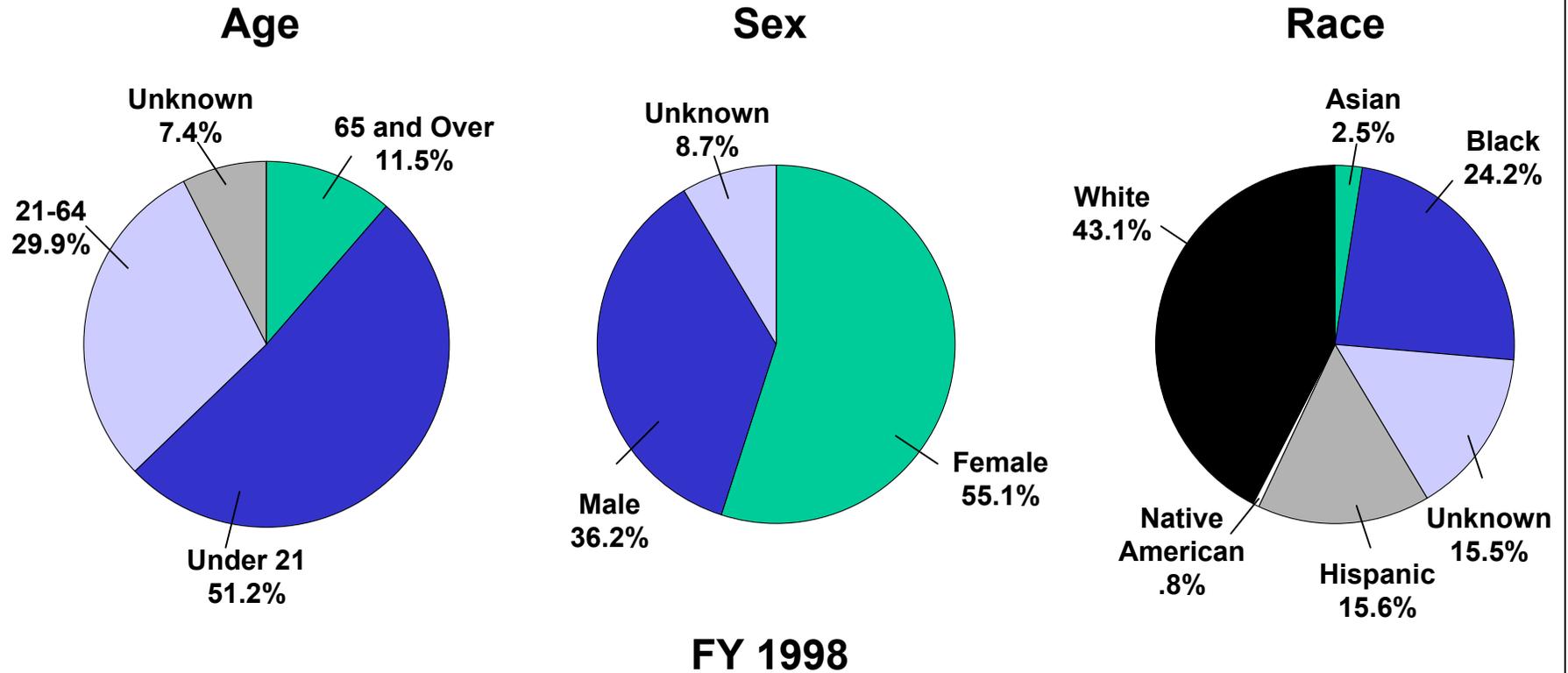


*Note: (1) In 1998, a large increase occurred in the number of persons served which is mainly the result of a new reporting methodology of classifying payments to managed care organizations; FY 1998 was the first year capitation payments were counted as a service for purposes of the HCFA 2082 reporting, and thus all managed care enrollees were counted as individuals receiving services; this new methodology probably has the greatest effect on the reported number of children; (2) the term "adults" as used above refers to non-elderly, non-disabled adults; (3) disabled children are included in the blind & disabled category shown above.
 **The Other category was dropped in 1999.

Source: CMS, CMSO, Medicaid Statistical Information System.

Table 3.32 Medicaid Beneficiaries by Age, Sex, and Race, 1998

Medicaid beneficiaries are disproportionately female and non-white.

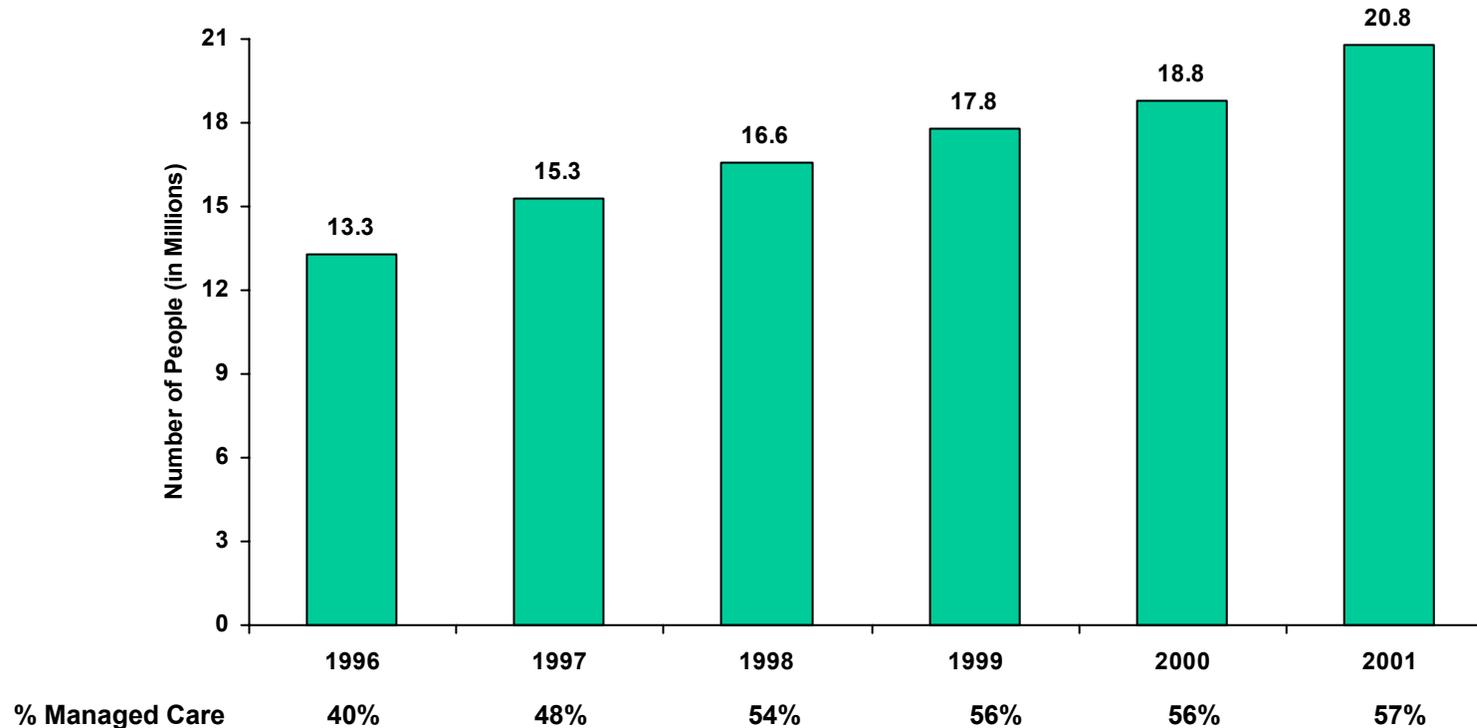


Note: Percentages may not sum to 100 because of rounding.

Source: CMS, Office of Research, Development and Information: Data development by Planning and Policy Analysis Group.

Table 3.33 Medicaid Managed Care Enrollment, 1996-2001

Medicaid managed care enrollment grew rapidly over the last decade.

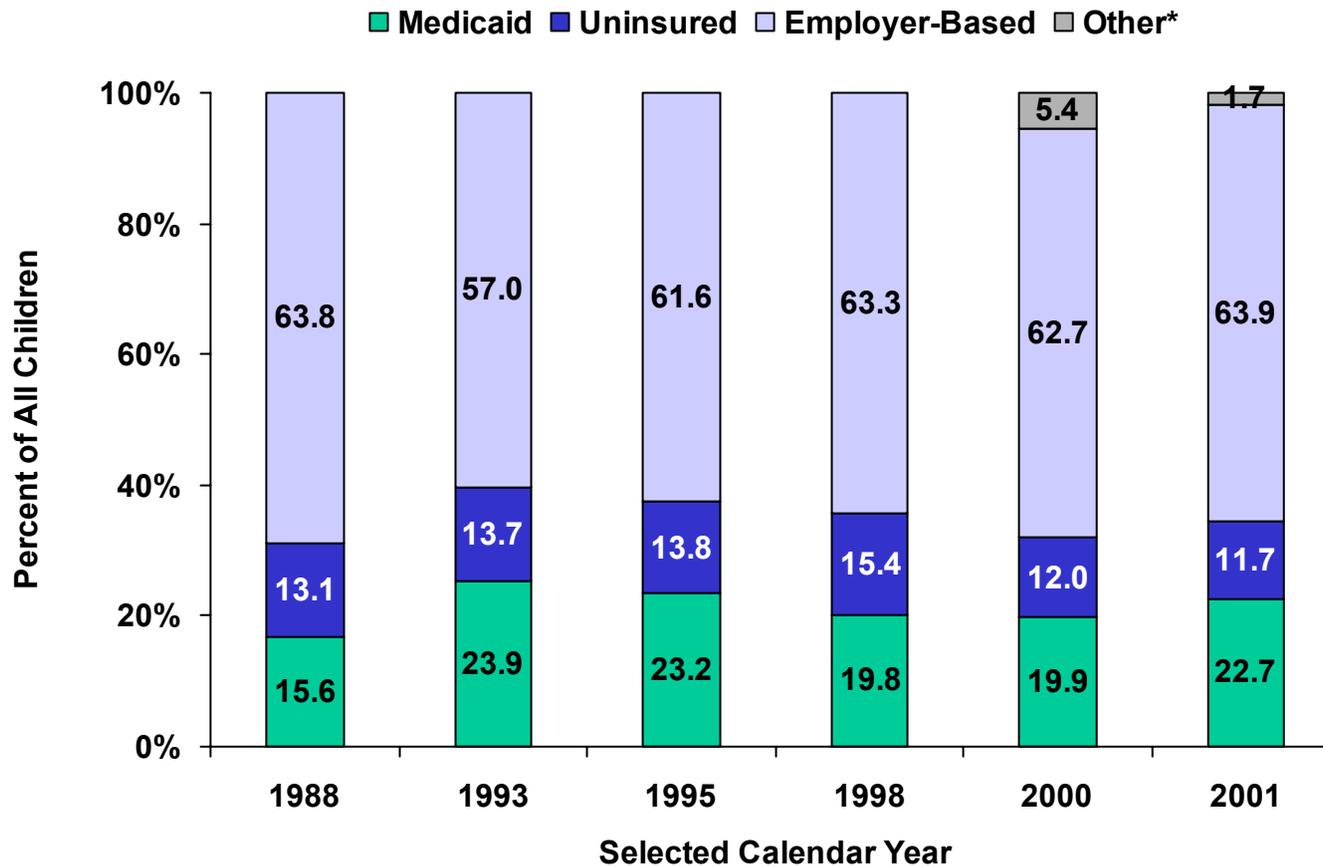


Note: The unduplicated managed care enrollment figures include enrollees receiving comprehensive benefits and limited benefits. This table also provides unduplicated national figures for the Total Medicaid population and Other population. The statistics also include individuals enrolled in State health care reform programs that expand eligibility beyond traditional Medicaid eligibility standards.

Source: CMS, Center for Medicaid and State Operations: National Summary of Medicaid Managed Care Programs and Enrollment June 30, 2001.

Table 3.34 Health Insurance Coverage of Children, 1988-2001

The percentage of children without health insurance is declining.



*Other includes private non-group and other public insurance.

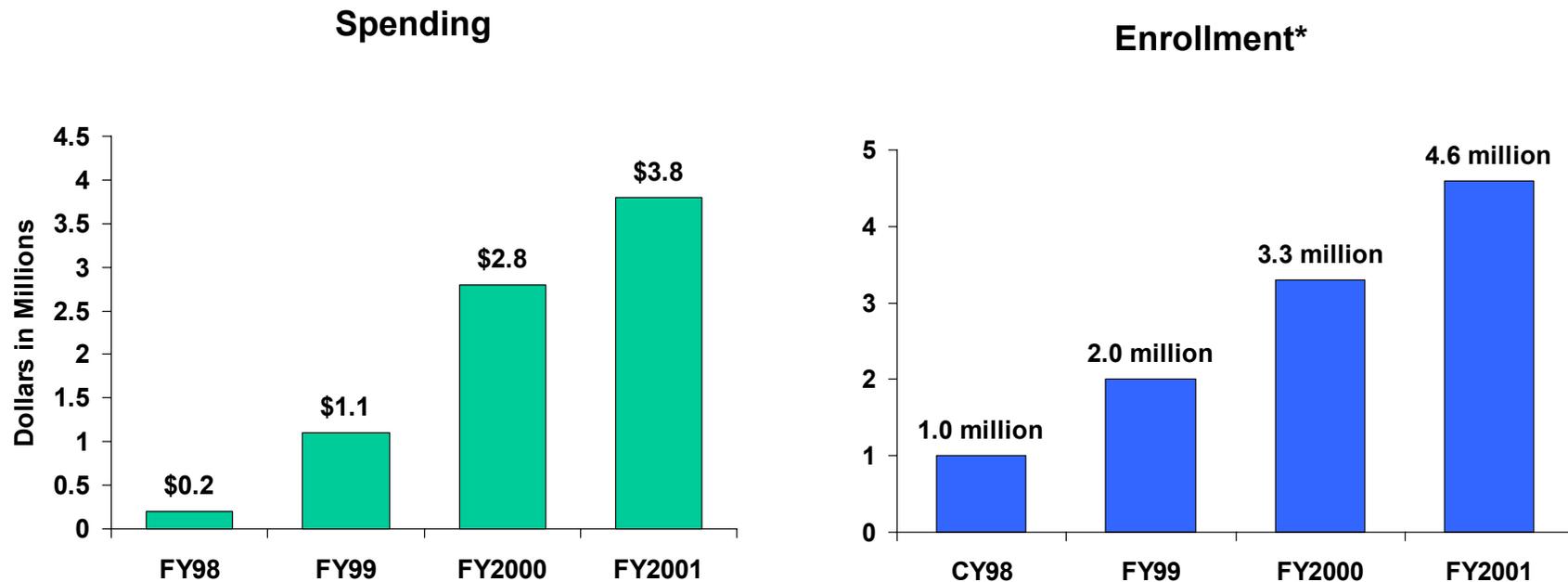
Notes: About 21% of children below poverty (or 2.5 million kids) had no health insurance in 2001.

Source: CMS, Office of Research, Development and Information and U.S. Bureau of the Census, March *Current Population Survey*.

Table 3.35

State Children's Health Insurance Program Spending and Enrollment, 1998-2001

The SCHIP program covers a growing number of uninsured low-income children.



*Note: Ever enrolled in SCHIP during the year, not a point in time estimate.

Source: CMS, Office of the Actuary for spending data. Center for Medicaid and State Operation, FY 2001 SCHIP Annual Enrollment Report.

Table 3.36 State Children's Health Insurance Program Plan Type by State, 2002



Number of Approved Separate State Child Health Plans: 16 (AZ, CO, DE, GA, KS, MT, NC, NV, OR, PA, UT, VT, VA, WA, WV, WY)

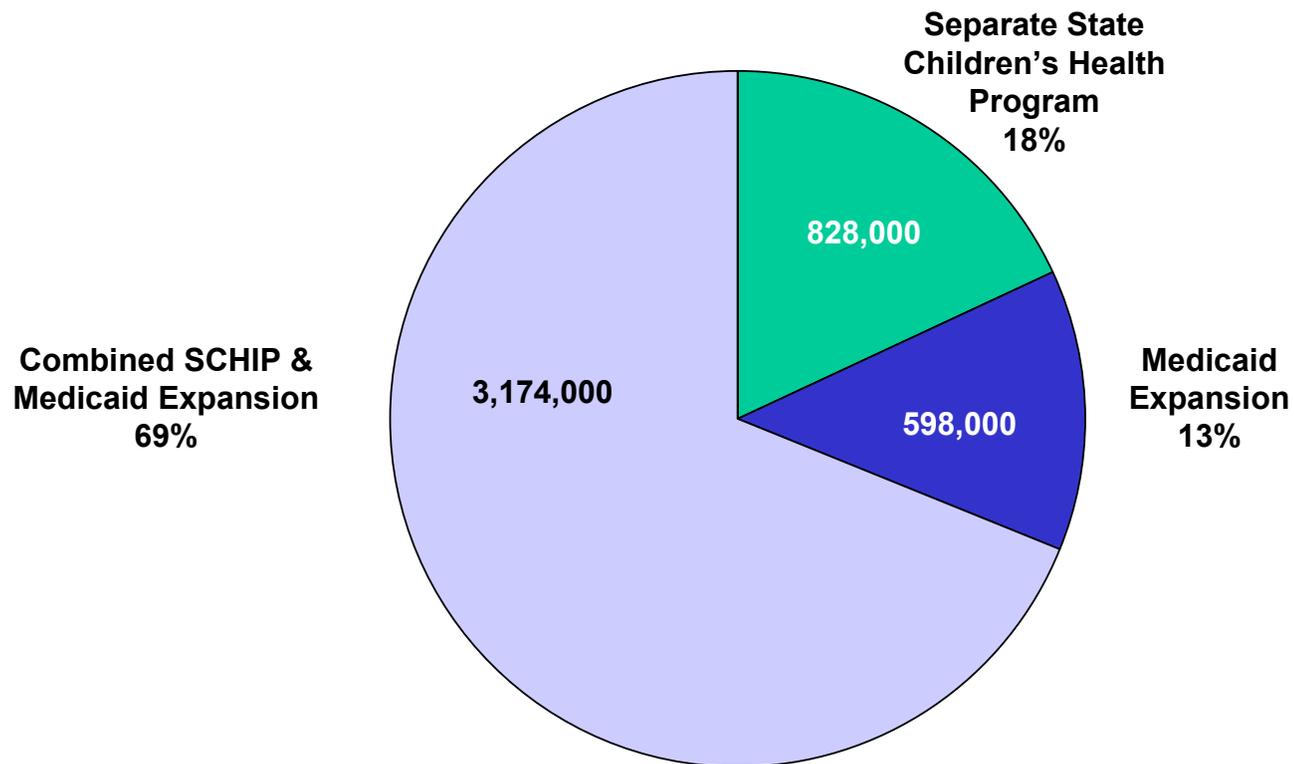
Number of Approved Medicaid Expansions: 21 (AK, AS, AR, CNMI, DC, GU, HI, ID, LA, MN, MO, NE, MN, OH, OK, PR, RI, SC, TN, VI, WI)

Number of Approved Combination Plans: 19 (AL, CA, CT, FL, IA, IL, IN, KY, MA, MD, ME, MI, MS, ND, NH, NJ, NY, SC, TX)

Source: CMS Center for Medicaid and State Operations.

Table 3.37
State Children's Health Insurance Program
Enrollment by Plan Type, 2001

Most SCHIP beneficiaries received services in states that combined a State Children's Health Insurance Program with a Medicaid Expansion.

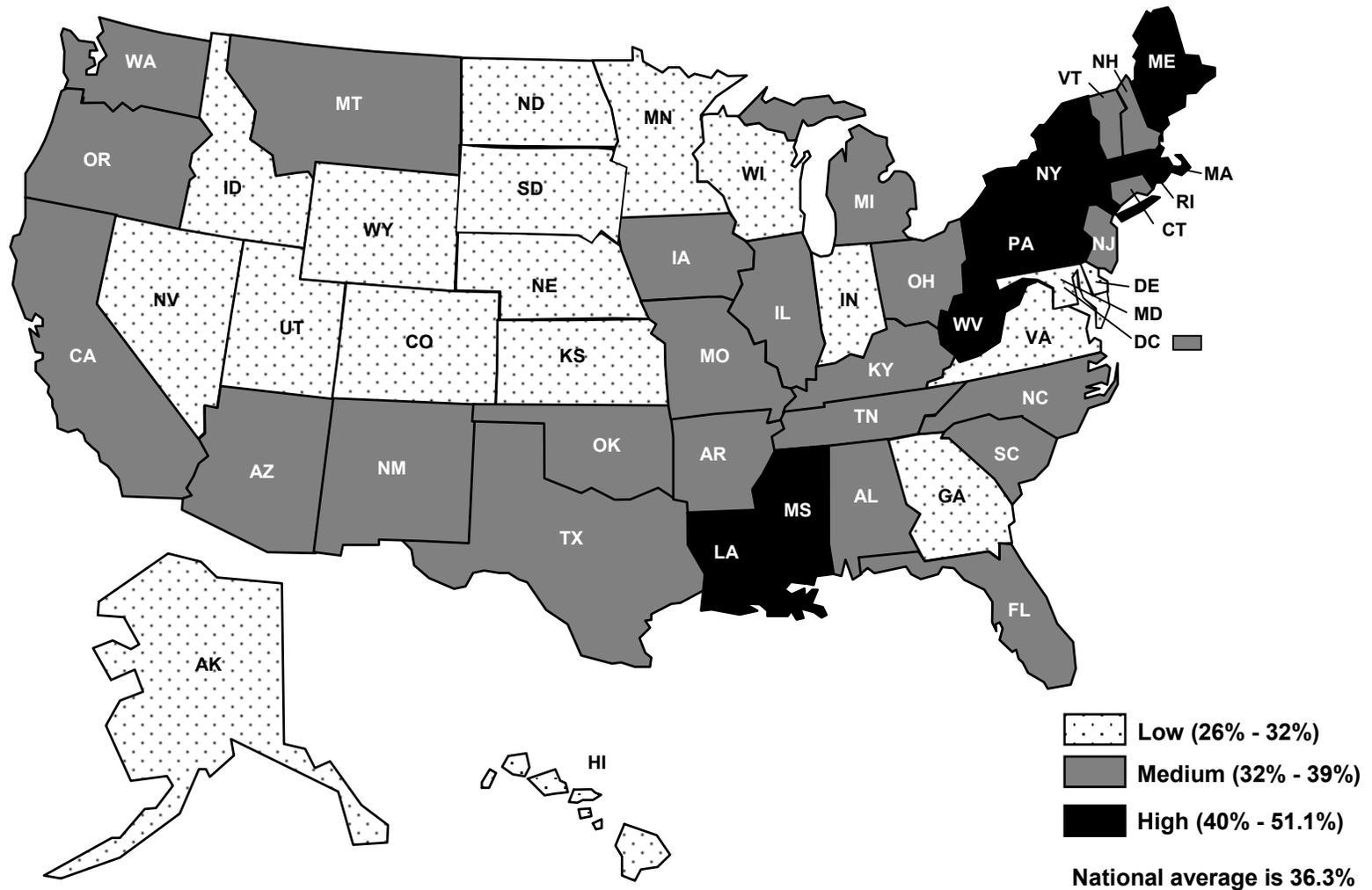


4.6 Million Total Children in FY 2001

Source: CMS – The State Children's Health Insurance Program Annual Enrollment Report FY 2001.

Table 3.39 Share of State Health Spending Financed by Both Medicare and Medicaid, 1998

Medicare and Medicaid finance varying proportions of State health spending.



Source: CMS, Office of the Actuary, National Health Statistics Group.

