

APPENDIX C. NATIONAL AND INTERNATIONAL HEALTH CARE
EXPENDITURES AND

HEALTH INSURANCE COVERAGE

NATIONAL HEALTH EXPENDITURES

During 1965 (the year prior to the beginning of the Medicare and Medicaid programs) national health expenditures were \$41.6 billion; by 1993 annual expenditures were \$898 billion, over 21 times that amount (see table 1). Hospital care expenditures are the largest component of national health expenditures, representing 38 percent of total national health spending in 1993. In terms of per capita spending, \$1,101 was spent for hospital care in 1991, compared to \$681 in 1985, an increase of 62 percent over 6 years (see table 3).

Adjusting for inflation, health care expenditures have still increased substantially, rising from \$179.9 billion in 1965 (in constant 1991 dollars) to \$751.8 billion in 1991, an increase of about 318 percent (see table 2). The largest increases occurred between 1965 and 1970 (45 percent) and 1985 to 1991 (41 percent). The annual rate of increase in inflation-adjusted per capita expenditures from 1980 to 1985 was 4.3 percent. For the years 1986 to 1991, the comparable rate was 5.4 percent.

Of the various sources of payment for personal health care expenditures in 1993, private health insurance was the largest (see table 5). In 1993, private health insurance payments (including premiums paid for both employers and employees)

were \$289 billion and accounted for 32 percent of all payments for personal health care. The Federal Government accounted for 31 percent (\$280 billion) of personal health spending (including payments for both Medicare and Medicaid), 14.5 percent (\$130 billion) was paid by State and local sources, and 18 percent (\$162 billion) was paid by direct (out-of-pocket) payments by individuals. Philanthropy and in-plant health services accounted for 4.1 percent.\1\

 \1\Personal health expenditures accounted for 88 percent of national health expenditures in 1991. The remaining 12 percent was expended on program administration; administrative costs of private health insurance and profits earned by private health insurance; noncommercial health research; new construction; and government public health activities.

 TABLE C-1.--NATIONAL HEALTH EXPENDITURES: AGGREGATE AMOUNTS FOR SELECTED CALENDAR YEARS 1960-93

[Dollar amounts in billions]

 1980 1985 1990 1960 1965 1970 1975
 1991 1993 2000\1\

 Total..... \$27.1 \$41.6 \$74.4 \$132.9
 \$250.1 \$422.6 \$675.0 \$751.8 \$898 \$1,613

 Percent of GNP..... 5.3 5.9 7.4 8.4
 9.2 10.5 12.2 13.2 (\1\)\ (\1\)\
 Health services and
 supplies..... \$25.4 \$38.2 \$69.1 \$124.7
 \$238.9 \$407.2 \$652.4 \$728.6 (\1\)\ (\1\)\
 Personal health
 care..... 23.9 35.6 64.9 116.6
 219.4 369.7 591.5 660.2 (\1\)\ (\1\)\
 Hospital care.... 9.3 14.0 27.9 52.4
 102.4 168.3 258.1 288.6 340 604
 Physicians'
 services..... 5.3 8.2 13.6 23.3
 41.9 74.0 128.8 142.0 168 315
 Dentists'
 services..... 2.0 2.8 4.7 8.2
 14.4 23.3 34.1 37.1 43 69
 Other
 professional
 services..... .6 .9 1.5 3.5
 8.7 16.6 30.7 35.8 47 110
 Home health care. .0 .1 .1 .4
 1.3 3.8 7.6 9.8 18 47
 Drugs and other
 medical
 nondurables..... 4.2 5.9 8.8 13.0
 21.6 36.2 55.6 60.7 70 112
 Vision products
 and other
 medical durables .8 1.2 2.0 3.1
 4.6 7.1 11.7 12.4 14 23
 Nursing home care 1.0 1.7 4.9 9.9
 20.0 34.1 53.3 59.9 74 138
 Other personal
 health care..... .7 .8 1.4 2.7
 4.6 6.4 11.5 14.0 18 34

Program						
administration and						
net cost of						
private health						
insurance.....			1.2	1.9	2.8	5.1
12.2	25.2	38.9	43.9	(\1\)	(\1\)	
Government public						
health activities.			.4	.6	1.4	3.0
7.2	12.3	22.0	24.5	(\1\)	(\1\)	
Research, and						
construction of						
medical facilities..			1.7	3.5	5.3	8.3
11.3	15.4	22.7	23.1	(\1\)	(\1\)	

\1\Estimates prepared by the Congressional Budget office.

Note: Numbers may not add to totals due to rounding.

Source: Health Care Financing Administration, Office of the Actuary: Data from the Office of National Health Statistics.

TABLE C-2.--NATIONAL HEALTH EXPENDITURES: IN CONSTANT 1991 DOLLARS, FOR SELECTED CALENDAR YEARS 1960-91

[Dollar amounts in billions]

					1960	
1965	1970	1975	1980	1985	1986	1987
1988	1989	1990	1991			
Total.....					\$125.0	
\$179.9	\$261.1	\$336.6	\$413.4	\$534.9	\$565.3	
\$592.5	\$628.7	\$663.8	\$703.4	\$751.8		

Health services and supplies.....						117.2
165.0	242.4	315.6	394.8	515.4	545.5	571.8
605.9	641.1	679.8	728.6			
Personal health care.....						110.1
154.0	227.8	295.1	362.6	468.0	498.1	526.7
555.8	583.2	616.3	660.2			
Hospital care.....						42.7
60.7	98.0	132.6	169.3	213.0	223.4	232.9
244.1	255.2	268.9	288.6			
Physicians' services.....						24.3
35.4	47.7	58.9	69.2	93.6	102.0	111.5
121.0	127.5	134.3	142.0			
Dentists' services.....						9.0
12.1	16.4	20.9	23.7	29.4	30.7	32.5
33.9	34.8	35.5	37.1			
Other professional services.....						2.8
3.7	5.3	8.9	14.4	21.0	23.1	25.4
27.4	29.7	32.0	35.8			
Home health care.....						.
2	.3	.5	1.0	2.2	4.9	5.0
4.9	5.2	6.2	7.9	9.8		
Drugs and other medical nondurables.....						19.6
25.5	30.9	33.0	35.7	45.8	49.4	51.7
53.3	55.4	58.0	60.7			
Vision products and other medical durables.....						3.7
5.4	7.1	7.8	7.5	9.0	10.0	10.9
11.7	11.4	12.2	12.4			
Nursing home care.....						4.5
7.3	17.1	25.2	33.0	43.2	45.6	47.6
49.3	52.2	55.6	59.9			
Other personal health care.....						3.2
3.6	4.8	6.9	7.5	8.1	8.8	9.3
10.1	10.7	12.0	14.0			
Program administration and net cost of private health insurance.....						5.4
8.3	9.7	12.8	20.2	31.9	30.6	27.6
30.9	37.1	40.6	43.9			

Government public health activities.....						1.7
2.7	4.9	7.7	11.9	15.6	16.8	17.5
19.1	20.8	22.9	24.5			
Research, and construction of medical facilities.....						7.8
14.9	18.7	21.0	18.6	19.5	19.8	20.7
22.8	22.7	23.6	23.1			

Note: Constant dollar expenditures are calculated using the consumer price index for all urban consumers (CPI-U).

Source: Health Care Financing Administration, Office of the Actuary: Data from the Office of National Health Statistics.

TABLE C-3.--NATIONAL HEALTH EXPENDITURES: PER CAPITA AMOUNTS FOR SELECTED CALENDAR YEARS 1960-91

[Dollar amounts per capita]

					1960	
1965	1970	1975	1980	1985	1986	1987
1988	1989	1990	1991			

Total.....						\$143
\$204	\$346	\$592	\$1,064	\$1,711	\$1,824	\$1,962
\$2,146	\$2,352	\$2,601	\$2,868			

Health services and supplies.....						134
187	322	555	1,016	1,648	1,760	1,893
2,068	2,271	2,513	2,779			

	Personal health care.....					126
175	302	519	933	1,497	1,607	1,744
1,898	2,066	2,279	2,518			
	Hospital care.....					49
69	130	233	436	681	721	771
833	904	994	1,101			
	Physicians' services.....					28
40	63	104	178	299	329	369
413	452	496	542			
	Dentists' services.....					10
14	22	37	61	94	99	108
116	123	131	141			
	Other professional services.....					3
4	7	16	37	67	75	84
93	105	118	137			
	Home health care.....					0
0	1	2	6	16	16	16
18	22	29	37			
	Drugs and other medical nondurables.....					22
29	41	58	92	146	159	171
182	196	214	231			
	Vision products and other medical durables.....					4
6	9	14	19	29	32	36
40	41	45	47			
	Nursing home care.....					5
8	23	44	85	138	147	157
168	185	205	229			
	Other personal health care.....					4
4	6	12	19	26	28	31
34	38	44	53			
	Program administration and net cost of private health insurance.....					6
9	13	23	52	102	99	91
106	131	150	167			
	Government public health activities.....					2
3	6	14	31	50	54	58
65	74	85	94			
	Research, and construction of medical facilities.....					9
17	25	37	48	62	64	69

 Note: Numbers may not add to totals due to rounding.

Source: Health Care Financing Administration, Office of the Actuary: Data from the Office of National Health Statistics.

TABLE C-4.--NATIONAL HEALTH EXPENDITURES: PER CAPITA AMOUNTS, IN CONSTANT 1991 DOLLARS, FOR SELECTED CALENDAR YEARS 1960-91

[Dollar amount per capita]

						1960
1965	1970	1975	1980	1985	1986	1987
1988	1989	1990	1991			

Total.....						\$658
\$882	\$1,216	\$1,499	\$1,758	\$2,165	\$2,266	\$2,352
\$2,471	\$2,583	\$2,710	\$2,868			

Health services and supplies.....						616
809	1,129	1,406	1,679	2,086	2,187	2,270
2,381	2,495	2,619	2,779			
Personal health care.....						579
755	1,061	1,314	1,542	1,894	1,997	2,091
2,185	2,269	2,374	2,518			
Hospital care.....						225
298	457	591	720	862	896	924
959	993	1,036	1,101			
Physicians' services.....						128

174	222	262	294	379	409	443
476	496	517	542			
	Dentists' services.....					48
59	76	93	101	119	123	129
133	135	137	141			
	Other professional services.....					15
18	25	40	61	85	93	101
108	116	123	137			
	Home health care.....					1
1	2	5	9	20	20	20
20	24	30	37			
	Drugs and other medical nondurables.....					103
125	144	147	152	185	198	205
209	216	223	231			
	Vision products and other medical durables.....					20
26	33	35	32	37	40	43
46	45	47	47			
	Nursing home care.....					24
36	80	112	141	175	183	184
194	203	214	229			
	Other personal health care.....					17
17	22	31	32	33	35	37
40	42	46	53			
	Program administration and net cost of private health insurance.....					28
41	45	57	86	129	123	109
122	144	156	167			
	Government public health activities.....					9
13	23	34	51	63	67	69
75	81	88	94			
	Research, and construction of medical facilities.....					41
73	87	93	79	79	80	82
90	88	91	88			
=====						
=====						
Average annual [percentage increase].....						60-65
65-70	70-75	75-80	80-85	60-90	85-90	89-90
90-91						

	Total.....					6.0
6.6	4.3	3.2	4.3	4.8	4.6	4.9
5.8						
	Health services and supplies.....					5.6
6.9	4.5	3.6	4.4	4.9	4.7	5.0
6.1						
	Personal health care.....					5.4
7.1	4.4	3.3	4.2	4.8	4.6	4.6
6.1						
	Hospital care.....					5.8
8.9	5.3	4.0	3.7	5.2	3.7	4.3
6.3						
	Physicians' services.....					6.3
5.0	3.4	2.3	5.2	4.8	6.4	4.3
4.7						

Note: Constant dollar expenditures are calculated using the consumer price indices for all urban consumers (CPI-U). Average annual amounts are calculated on unrounded numbers.

Source: Health Care Financing Administration, Office of the Actuary: Data from the Office of National Health Statistics.

TABLE C-5.--PERSONAL HEALTH CARE EXPENDITURES: AGGREGATE AMOUNTS AND PERCENTAGE DISTRIBUTION FOR SELECTED CALENDAR YEARS

1960-93						

			1960	1965	1970	1975
1980	1985	1990	1991	1993\1\	2000\1\	

Amount

in billions of dollars

Total.....			\$23.9	\$35.6	\$64.9	\$116.6
\$219.4	\$369.7	\$591.5	\$660.2		\$898	\$1,069
Private.....			18.8	28.4	42.5	71.3
132.3	221.5	349.2	377.0		411	789
Private health						
insurance.....			5.0	8.7	15.2	29.9
65.3	114.2	191.2	209.3		289	519
Out of pocket.....			13.3	19.0	25.6	38.5
59.5	94.4	136.5	144.3		162	246
Other private						
sources of funds.			.4	.7	1.7	2.9
7.6	12.9	21.5	23.4		37	59
Public.....			5.1	7.3	22.4	45.3
87.1	148.2	242.3	283.3		411	789
Federal.....			2.1	3.0	14.6	31.0
63.5	111.7	177.0	204.1		280	555
State and local...			3.0	4.3	7.8	14.4
23.6	36.6	65.3	79.1		130	234

Percentage distribution

Total.....			100.0	100.0	100.0	100.0
100.0	100.0	100.0	100.0			
Private.....			78.6	79.6	65.4	61.1
60.3	59.9	59.0	57.1		54.3	51.1
Private health						
insurance.....			21.0	24.3	23.4	25.6
29.7	30.9	32.3	31.7		32.2	32.1
Out of pocket.....			55.9	53.4	39.5	33.1
27.1	25.5	23.1	21.9		18.0	15.2

Other private					
sources of funds.	1.7	1.9	2.6	2.5	
3.5	3.5	3.6	3.6	4.1	3.7
Public.....	21.4	20.4	34.6	38.9	
39.7	40.1	41.0	42.9	45.7	48.9
Federal.....	8.9	8.3	22.6	26.6	
28.9	30.2	29.9	30.9	31.2	34.4
State and local...	12.5	12.0	12.0	12.3	
10.8	9.9	11.0	12.0	14.5	14.5

 \1\Estimates prepared by the Congressional Budget Office.

Note: Numbers may not add to totals due to rounding.
 Percentage amounts are calculated on unrounded numbers.

Source: Health Care Financing Administration, Office of the
 Actuary: Data from the Office of National Health
 Statistics.

EXPENDITURES FOR HOSPITAL CARE

In 1991, hospital expenses accounted for 38.4 percent,
 or
 \$289 billion, of total national health expenditures, down
 from
 41 percent in 1980.

Table C-6 displays historical trends on increases in
 hospital costs from 1965 to the present, focusing
 specifically
 on community hospital expenditures. Community hospitals are
 defined as all non-Federal short-term general hospitals
 (excluding, after 1971, hospital units of institutions) and
 account for 85 percent of hospital spending. Four measures
 are
 presented (total expenses, adjusted expenses per inpatient
 day,
 adjusted expenses per admission, and inpatient expenses).
 Total
 expenses have been growing slightly faster than inpatient
 expenses over time, reflecting tremendous growth in

outpatient

services and decreasing admissions and length of stay.

The total expenses of community hospitals, including inpatient and outpatient expenses, were \$278.9 billion in 1993,

an increase of 6.9 percent over the preceding year. The average

cost of a day of hospital care (adjusted to include outpatient

care) increased by 8.1 percent to \$1,002 in 1993. The average

cost per hospital admission (also adjusted to include outpatient care), or ``cost per case,`` rose to \$6,226 in 1993,

an increase of 5.4 percent. These were the lowest rates of growth in almost a decade for all of these measures.

Figure 1 presents the annual percentage increases in expenses per adjusted admission, removing the effects of inflation. As of October 1993, the real rate of growth in expenses per adjusted admission was the slowest since 1980.

TABLE C-6.--SELECTED COMMUNITY HOSPITAL EXPENSES DATA, TOTALS AND PERCENTAGE INCREASES, 1965-93

Adjusted		Adjusted		Total expenses	
expenses per		expenses per		Inpatient	
inpatient		admission		expenses\2\	
day\1\		Year			
				Amount	Percent
				Amount	Percent
				(billions)	change
Amount	Percent	Amount	Percent	(billions)	change
change		change			

1965.....					\$9.220	8.6
\$41	7.5	\$315	8.1	\$8.414		8.7
1966.....					10.497	13.8
46	12.2	356	13.0	9.611		14.2
1967.....					12.624	20.3
53	15.2	425	19.4	11.551		20.2
1968.....					14.720	16.6
59	11.3	482	13.4	13.371		15.8
1969.....					17.247	17.2
68	15.2	551	14.3	15.635		16.9
1970.....					20.261	17.5
78	14.7	608	10.3	18.328		17.2
1971.....					22.496	11.0
87	11.5	670	10.2	20.269		10.6
1972.....					25.223	12.1
96	10.3	729	8.8	22.622		11.6
1973.....					28.248	12.0
105	9.4	784	7.5	25.173		11.3
1974.....					32.759	16.0
118	12.4	873	11.4	29.077		15.5
1975.....					38.492	17.5
138	16.9	1,017	16.5	33.971		16.8
1976.....					45.842	19.1
158	14.5	1,168	14.8	40.321		18.7
1977.....					53.006	15.6
181	14.5	1,312	12.3	46.437		15.2
1978.....					59.802	12.8
203	12.2	1,466	11.7	52.131		12.3
1979.....					67.833	13.4
226	11.3	1,618	10.4	59.060		13.3
1980.....					79.340	17.0
256	13.3	1,836	13.5	68.962		16.8
1981.....					94.187	18.7
299	16.8	2,155	17.4	81.651		18.4
1982.....					109.091	15.8
348	16.4	2,489	15.5	94.346		15.5
1983.....					120.220	10.2
391	12.5	2,742	10.2	103.403		9.5
1984.....					126.028	4.6
443	13.3	2,947	7.5	107.000		3.2
1985.....					134.043	6.6

493	11.2	3,226	9.4	111.402	4.4	
1986.....				146.032		8.9
535	8.6	3,527	9.3	119.281	7.1	
1987.....				161.322		10.5
581	8.6	3,860	9.5	129.300	8.4	
1988.....				177.770		10.2
632	8.8	4,194	8.6	140.482	8.2	
1989.....				195.377		9.9
690	9.3	4,586	9.3	152.147	8.3	
1990.....				217.113		11.1
765	10.7	5,021	9.5	165.792	9.0	
1991.....				238.633		9.9
844	10.3	5,460	8.8	178.401	7.6	
1992.....				260.994		9.4
927	9.8	5,905	8.1	191.401	7.3	
1993\3\.....				278.928		6.9
1,002	8.1	6,226	5.4	202.179	5.6	

 \1\Adjusted to account for the volume of outpatient visits.
 \2\Based on ratio of inpatient to total patient revenues
 applied to total expenses.
 \3\Estimate based on January through October 1993 compared
 with January through October 1992.

Source: American Hospital Association, National Hospital
 Panel Survey.

A variety of factors other than overall inflation contribute to aggregate changes in hospital expenses, including: population growth, aging of the population, inflation over and above general inflation in the prices of goods and services purchased by the hospitals (input factor prices), and changes in the type and mix (intensity) of services rendered (due to such factors as changes in the use of technology or treatment patterns). While more than half of the overall growth in inpatient hospital expenditures between 1980 and 1990 was due to overall inflation, more than 10 percent

was attributable to population growth, and one-fifth to excess inflation in hospital prices (see Figure C-2). The remainder was due to changes in utilization and intensity.

Expenditures for hospital care are financed primarily by third parties (see Table C-7). In 1991, private health insurers paid 35.2 percent of the total, Medicare and Medicaid paid 33.7 percent, and other government programs paid 15.9 percent. The amount financed out-of-pocket by consumers was an estimated 3.4 percent.

Table C-7 also shows that the Medicare share of spending dropped steadily from 1985 to 1989, the first such decreases since the early 1970s. HCFA attributed this decline to the relatively slow growth in Medicare payments per hospital admission.

TRENDS IN HOSPITAL UTILIZATION

Admissions

From 1978 to 1983, total admissions increased at an annual rate of 1.1 percent, and admissions for persons age 65 and over increased an average of 4.8 percent per year (see Table C-8). With the introduction of Medicare's prospective payment system (PPS), admissions of patients 65 and older declined sharply, contrary to most expectations. Admissions of younger patients, however, had been decreasing for several years before that.

Between 1987 and 1992, total admissions continued to decrease, but at a slower rate, due to an increase among the older population. 1993 was the first time in 12 years that overall admissions increased due to a slower rate of decline among the under 65 population and an increase for the over 65 population. Even for the older group, however, admission rates have not returned to pre-PPS levels.

Average length of stay

Before the implementation of PPS, average length of stay (LOS) for all adults was relatively constant at between 7.0 and 7.2 days (see Table C-9). With the introduction of PPS, there was a significant drop in LOS. From 1982 to 1984, LOS dropped by 6.9 percent, to 6.6 days, for all adults and 10.9 percent, to 8.8 days, for adults age 65 and over in 1985. LOS stabilized at these levels throughout the rest of the 1980s. LOS began to decline again in 1990, and, as of 1993, had declined by 6 percent for all adults and 8 percent for adults aged 65 and over, to 6.2 and 8.0 days respectively.

Hospital occupancy

With slight increases in admissions and stable LOS, occupancy rates averaged around 75 percent in the early 1980s (see Table C-11). The number of hospital beds was increasing, exceeding 1 million by 1983. During the early years of PPS, however, occupancy rates decreased dramatically. From 1983

to
1986, the average occupancy rate fell from 72.2 percent to
63.4
percent. There was a slight increase in occupancy rates in
the
late 1980s, but by 1993 the average occupancy rate had
fallen
to 61.5 percent, despite a decline in the number of beds to
just over 900,000.

Hospital employment

Hospitals experienced a significant downturn in total
employment levels at the time PPS was introduced (see Table
C-
10). During 1984 and 1985, total hospital FTEs declined 2.3
percent. Between 1986 and 1992, however, total hospital
employment consistently increased. Much of this growth may
be
attributed to increased employment in the outpatient area.
During the late 1980s, growth in the number of part-time
personnel exceeded growth in the number of full-time
personnel
in every year. In 1992, the number of full-time personnel
grew
faster than the number of part-time personnel for the first
time in at least 15 years. This trend continued in 1993,
but
the rate of increase in both types of personnel slowed
dramatically, from 1.7 percent to 1.0 percent for full-time
personnel and .9 percent to .4 percent for part-time
personnel.

FIGURE C-1. _REAL ANNUAL INCREASES IN EXPENSES PER ADJUSTED
ADMISSION

(IN PERCENT), 1965-93

<FIGURE C-1>

FIGURE C-2. _FACTORS ACCOUNTING FOR GROWTH IN NATIONAL

INPATIENT

HOSPITAL EXPENDITURES, 1980-90

<FIGURE C-2>

TABLE C-7.--EXPENDITURES FOR
HOSPITAL CARE, BY SOURCE OF FUNDS, 1980, 1985, AND 1988-91

[Amounts in billions]

						1980	
		1988		1989		1990	
1985							
1991							
Source of payment							
						Amount	
Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Total.....						\$102.4	
100.0	\$168.3	100.0	\$212.0	100.0	\$232.4	100.0	
\$258.1	100.0	\$288.6	100.0				

Out of pocket.....						5.3	
5.2	8.8	5.2	10.4	4.9	10.8	4.7	
10.3	4.0	9.9	3.4				
Third-party payments.....						97.1	
94.8	159.5	94.8	201.6	95.1	221.6	95.3	
247.7	96.0	278.7	96.6				
Private health insurance.....						37.5	
36.6	59.6	35.4	76.2	36.0	84.3	36.3	
94.3	36.6	101.5	35.2				
Other private funds.....						5.0	

4.9	8.3	4.9	11.1	5.3	12.6	5.4
13.9	5.4	14.7	5.1			
Government.....					54.6	
53.3	91.6	54.4	114.3	53.9	124.7	53.7
139.5	54.0	162.6	56.3			
Federal.....					41.3	
40.4	71.8	42.7	86.2	40.6	94.0	40.4
104.0	40.3	119.1	41.3			
Medicare.....					26.4	
25.8	48.6	28.9	57.5	27.1	62.5	26.9
67.4	26.1	73.3	25.4			
Medicaid\1\.....					5.3	
5.2	8.4	5.0	11.2	5.3	13.0	5.6
16.3	6.3	23.9	8.3			
Other Federal programs.....					9.7	
9.4	14.8	8.8	17.5	8.3	18.5	8.0
20.3	7.8	21.9	7.6			
State and local.....					13.3	
12.9	19.7	11.7	28.1	13.2	30.7	13.2
35.5	13.7	43.5	15.1			
Medicaid\2\.....					4.4	
4.3	7.1	4.2	8.8	4.2	9.9	4.3
12.6	4.9	19.4	6.7			
Other State and local programs.....					8.9	
8.7	12.7	7.5	19.3	9.1	20.8	8.9
22.9	8.9	24.0	8.3			

 \1\Federal share only.
 \2\State and local share only.

Note.--Numbers may not add to totals because of rounding.

Source: Health Care Financing Administration, Office of the Actuary: Data from the Office of National Health Statistics.

TABLE C-8.--PERCENT CHANGE IN HOSPITAL ADMISSIONS, 1978-93

		Admissions	
Age 65 and over	Year	All	Under age 65
	1978.....		0.4	-1.0
4.9			
1979.....		2.7	1.7
5.3			
1980.....		2.9	1.5
6.7			
1981.....		.9	0.0
3.0			
1982.....		0.0	-1.6
4.1			
1983.....		-.5	-2.8
4.7			
1984.....		-3.7	-4.2
-2.6			
1985.....		-4.9	-4.7
-5.2			
1986.....		-2.1	-2.5
-1.0			
1987.....		-.6	
-1.0	.4		
1988.....		-.4	-1.6
2.0			
1989.....		-1.1	-2.0
1.2			
1990.....		-.5	-1.6
1.7			
1991.....		-1.1	-2.9
2.5			
1992.....		-0.8	-2.2
1.7			

1993\1\.....	0.2	-1.0
2.2		
Average annual change:		
1978-83.....	1.1	-.4
4.8		
1984-93.....	-1.5	-2.4
0.3		

\1\Estimate based on January through October 1993 compared
with January
 through October 1992.

Source: American Hospital Association National Hospital
Panel Survey.

TABLE C-9.--CHANGE IN AVERAGE LENGTH OF STAY, ALL
ADULTS AND ADULTS AGE 65 AND OVER, 1978-93

All adults			
length of stay (days)	Percent change	Year	
		Age 65 and over (days)	Percent change
1978.....			
7.2	-0.3	10.6	-1.2
1979.....			
7.1	-1.1	10.4	-1.9
1980.....			
7.2	.6	10.4	-.1
1981.....			
7.2	.4	10.4	-.1
1982.....			
7.2	-.7	10.1	-2.3
1983.....			
7.0	-2.0	9.7	-4.4

1984.....			
6.7	-5.1	9.0	-7.5
1985.....			
6.6	-1.7	8.8	-2.1
1986.....			
6.6	.6	8.8	.4
1987.....			
6.6	.8	8.9	1.0
1988.....			
6.6	0.0	8.8	-.7
1989.....			
6.6	0.0	8.8	0.0
1990.....			
6.6	0.0	8.7	-1.1
1991.....			
6.5	-1.5	8.5	-2.3
1992.....			
6.4	-1.5	8.3	-2.4
1993\1\.....			
6.2	-3.1	8.0	-3.6

Average annual change:

1978-83.....			
.....	-.5	.....	-1.7
1984-93.....			
.....	-1.2	.....	-1.9

 \1\Estimate based on January through October 1993 compared with January through October 1992.

Source: American Hospital Association National Hospital Panel Survey.

TABLE C-10.--PERCENT CHANGE IN HOSPITAL EMPLOYMENT, 1978-93

 Total

Personnel		hospital		
Year		FTE's	Total	Full-
time	Part-time			
1978.....		3.7	4.1	
3.3	6.8			
1979.....		3.5	3.9	
3.0	6.7			
1980.....		4.7	5.2	
4.0	9.1			
1981.....		5.4	6.0	
4.8	9.4			
1982.....		3.7	3.7	
3.6	4.1			
1983.....		1.4	1.5	
1.2	2.3			
1984.....		-2.3	-2.1	
-2.6	-.8			
1985.....		-2.3	-1.8	
-2.7	-.1			
1986.....		.3	.4	.
3	.7			
1987.....		.7	.9	.
4	2.3			
1988.....		1.1	1.4	.
7	3.3			
1989.....		1.6	1.9	
1.2	3.6			
1990.....		2.1	2.3	
1.8	3.6			
1991.....		.6	.7	.
6	1.0			
1992.....		1.6	1.5	
1.7	.9			
1993\1\.....		.9	.8	
1.0	.4			
Average annual change:				
1978-83.....		3.7	4.1	

3.3	6.4			
1984-93.....		.4	.6	.
2	1.5			

 \1\Estimate based on January through October 1993 compared
 with January
 through October 1992.

Source: American Hospital Association National Hospital
 Panel Survey.

TABLE C-11.--CHANGE IN INPATIENT HOSPITAL OCCUPANCY RATES
 AND NUMBER
 OF BEDS, 1978-93

of change	Percent Year	Percent		Number beds
		Occupancy		
		rates	Change	
1978.....		73.8	-0.8	
954,001	0.9			
1979.....		74.5	.9	
959,269	.6			
1980.....		75.9	1.9	
970,456	1.2			
1981.....		75.8	-.1	
986,917	1.7			
1982.....		74.6	-1.6	
997,720	1.1			
1983.....		72.2	-3.2	
1,003,658	.6			
1984.....		66.6	-7.8	
992,616	-1.1			
1985.....		63.6	-4.5	

974,559	-1.8		
1986.....		63.4	-.3
963,133	-1.2		
1987.....		64.1	1.1
954,458	-.9		
1988.....		64.5	.6
942,306	-1.3		
1989.....		65.2	1.1
930,994	-1.2		
1990.....		64.5	-1.1
921,447	-1.0		
1991.....		63.5	-1.6
911,781	-1.0		
1992.....		62.4	-1.7
907,661	-.5		
1993\1\.....		61.5	-1.4
901,985	-.6		
Annual average:			
1978-83.....			-. .
5	1.0		
1984-92.....			
-1.6	-1.0		

\1\Estimate based on January through October 1993.

Source: American Hospital Association National Hospital Panel Survey.

EXPENDITURES FOR PHYSICIANS' SERVICES

Personal health care expenditures for physicians' services were \$142.0 billion in 1991, an increase of 10.2 percent from the previous year (see table 12). In 1991, 18.9 percent of national health expenditures and 21.5 percent of personal health expenditures were for physicians' services (see table C-1). Physicians, however, affect personal health care expenditures more than this might indicate. Physicians have

considerable discretion in determining the volume of all medical services. It is estimated that physicians' decisions (such as ordering hospitalizations, drugs, laboratory tests) directly influence over 70 percent of all health care spending.

Third-party (public expenditures and private insurance) payments financed a large majority of physicians' services. In 1991, private health insurance paid \$66.8 billion (47 percent) for such services. The remainder was split between direct patient payments and public expenditures. Patients or their families paid \$25.7 billion (18 percent) for physicians' services. Public programs paid \$49.4 billion (35 percent) for such services, of which \$32.8 billion was Federal Medicare payments (see table C-12).

Inflation was a major cause of growth in spending for physicians' services. Physicians' fees have risen more rapidly (5.6 percent in 1993) than prices in the economy as a whole (3.0 percent) as measured by the Consumer Price Index (CPI) (see table C-13).

An analysis done by the Health Care Financing Administration found that expenditures for physicians' services over a 10-year span increased from \$41.9 billion in 1980 to \$142.0 billion in 1991, an average annual growth rate of 11.7 percent.

The average physician net income in 1991, after expenses but before taxes, was \$170,600, a 6.3 percent increase over the previous year (see table C-14). Surgeons had the highest average net incomes in 1991 (\$233,800) and general and family practitioners the lowest (\$111,500). In 1991, the average net

income of pediatricians increased faster than any other specialty (12.0 percent).

By region, average net income growth varied greatly, ranging from -9.3 percent in Mountain region to 9.5 percent in the Middle Atlantic region. Physicians in the East South Central and West South Central regions had the highest average net incomes (\$179,400 and \$193,300 respectively). Physicians in the New England region had the lowest average net incomes (\$143,800). The growth rates differed rather significantly between metropolitan and nonmetropolitan areas, as shown in table C-14. The average net incomes of self-employed physicians (\$191,000) continued to be higher than those of employee physicians (\$134,000).

Table C-15 shows average physician net incomes in nominal and real (or constant) dollars. Real income is expressed in 1991 dollars. Physicians' average net income increased about 182 percent between 1977 and 1991. However, average real incomes increased about 26 percent during this period, at an average annual rate of 1.8 percent.

Table C-16 shows physicians' median net incomes by specialty. Between 1981 and 1991, real net income increased in all specialties. Table C-17 shows the distribution of physicians' net incomes in 1991 for all physicians and selected specialties. While the average net income of all physicians was \$170,600, half of all physicians earned less than \$139,000. One-fourth of all physicians earned less than \$95,000, while one-fourth earned more than \$210,000. Anesthesiologists, radiologists, obstetricians/gynecologists and surgeons had the highest median incomes, with half earning \$200,000 or more.

The continuing survey of physicians' incomes conducted by the magazine Medical Economics showed that, on average, physicians received 83 percent of their 1992 gross practice incomes from third parties (see table C-18). On average, 17 percent came from commercial insurers, 14 percent from Blue Shield, 26 percent from Medicare, 10 percent from health maintenance organizations (HMOs) and independent practice associations (IPAs), and 6 percent from preferred provider organizations (PPOs). As table C-18 indicates, the importance of each source of payment varied by specialty. Cardio/thoracic surgeons received the highest percentage of gross pay from Medicare (50 percent), while pediatricians, on average, received only 1 percent of their gross income from Medicare.

TABLE C-12.--EXPENDITURES FOR PHYSICIAN SERVICES\1\ BY SOURCE OF FUNDS, 1980, 1985, AND 1987-91

		1980		1985	
		1989		1990	
1987	1988				
1991					
		Amount	Percent	Amount	
Percent	Amount				
Percent	Amount	Percent	Amount	Percent	Amount
Percent	Amount	Percent			
Total.....		\$41.9	100.0	\$74.0	
100.0	\$93.0	100	\$105.1	100.0	\$116.1 100.0

\$128.8 100.0 \$142.0 100.0

Out-of-pocket payments..... 11.3 26.9 16.1
 21.8 19.0 20.4 20.9 19.9 22.5 19.4
 24.1 18.7 25.7 18.1
 Third-party payments..... 30.6 73.1 57.8
 78.2 74.0 79.6 84.3 80.1 93.6 80.6
 104.8 81.3 116.3 81.9

Private health

insurance..... 18.0 42.9 33.7
 45.6 42.6 45.8 49.1 46.7 53.9 46.4
 60.7 47.1 66.8 47.0

Other private funds.... (\2\) (\2\) (\2\)
 (\2\) (\2\) (\2\) (\2\) (\2\) (\2\) (\2\)
 (\2\) (\2\) (\2\) (\2\)

Government..... 12.6 30.2 24.1
 32.6 31.4 33.8 35.1 33.4 39.6 34.1
 44.0 34.2 49.4 34.8

Federal..... 9.7 23.1 19.2
 26.0 25.1 27.0 28.1 26.7 31.7 27.3
 34.9 27.1 39.0 27.5

Medicare..... 7.9 19.0 16.7
 22.5 21.7 23.3 24.2 23.0 27.4 23.6
 29.7 23.1 32.8 23.1

Medicaid..... 1.2 2.8 1.6
 2.2 2.0 2.2 2.2 2.1 2.5 2.2
 3.1 2.4 4.0 2.8

Other Federal

programs..... .5 1.3 1.0
 1.3 1.4 1.5 1.7 1.6 1.8 1.5
 2.0 1.6 2.2 1.6

State and local.... 3.0 7.1 4.9
 6.6 6.3 6.8 7.0 6.7 7.9 6.8
 9.1 7.1 10.4 7.3

Medicaid..... 1.0 2.3 1.2
 1.7 1.5 1.7 1.5 1.5 1.7 1.5
 2.1 1.7 2.9 2.0

Other State and

		local programs		2.0	4.8	3.6
4.9	4.8	5.1	5.5	5.2	6.2	5.3
7.0	5.4	7.5	5.3			

\1\Encompasses the cost of all services and supplies provided in physicians' offices, the cost for services of private practitioners in hospitals and other institutions, and the cost of diagnostic work performed in independent clinical laboratories. The salaries of staff physicians are counted with expenditures for the services of the employing institution.

\2\Less than \$50 million.

Note: Numbers may not add to totals due to rounding.

Source: Health Care Financing Administration: Office of the Actuary: Data from the Office of National Health Statistics.

TABLE C-13.--ANNUAL RATES OF CHANGE IN THE CONSUMER PRICE INDEX (CPI-

U), \1\ 1965-93

	CPI all items	CPI, all items less medical care	Medical care total
Physicians' services			
		care	
1965.....	1.6	1.6	2.4
3.6			
1966.....	2.9	3.1	4.4
5.6			
1967.....	3.1	2.1	7.2

7.2			
1968.....	4.2	4.2	6.0
5.6			
1969.....	5.5	5.4	6.7
7.0			
1970.....	5.7	5.9	6.6
7.5			
1971.....	4.4	4.1	6.2
7.0			
1972.....	3.2	3.2	3.3
3.0			
1973.....	6.2	6.4	4.0
3.4			
1974.....	11.0	11.2	9.3
9.2			
1975.....	9.1	9.0	12.0
12.1			
1976.....	5.8	5.3	9.5
11.4			
1977.....	6.5	6.3	9.6
9.1			
1978.....	7.6	7.6	8.4
8.4			
1979.....	11.3	11.5	9.2
9.1			
1980.....	13.5	13.6	11.0
10.5			
1981.....	10.3	10.4	10.7
11.0			
1982.....	6.2	5.9	11.6
9.4			
1983.....	3.2	2.9	8.8
7.8			
1984.....	4.3	4.1	6.2
6.9			
1985.....	3.6	3.4	6.3
5.9			
1986.....	1.9	1.5	7.5
7.2			
1987.....	3.6	3.5	6.6
7.3			

1988.....	4.1	3.9	6.5
7.2			
1989.....	4.8	4.6	7.7
7.4			
1990.....	5.4	5.2	9.0
7.1			
1991.....	4.2	3.9	8.7
6.0			
1992.....	3.0	2.8	7.4
6.3			
1993.....	3.0	2.7	5.9
5.6			

 \1\CPI index for all urban consumers.

Source: U.S. Department of Labor, Bureau of Labor
 Statistics, Consumer
 Price Index.

TABLE C-14.--PHYSICIANS' AVERAGE NET INCOME AFTER
 EXPENSES BUT BEFORE TAXES, SURVEY RESULTS, 1983-91

 Average net income
 \1\ (in thousands of dollars)

		Percent				
		1983	1984	1985	1986	
1987	1988	1989	1990	1991	change	1990-91

All physicians\2\.....		104.1	108.4	112.2	119.5	
132.3	144.7	155.8	164.3	170.6	6.3	
Specialty:						
General/family						
practice.....		68.5	71.1	77.9	80.3	
91.5	94.6	95.9	102.7	111.5	8.6	
Internal medicine....		93.3	103.2	101.0	109.4	

121.8	130.9	146.5	152.5	149.6	-1.9	
	Surgery.....		145.5	151.8	155.4	162.4
187.9	207.5	220.5	236.4	233.8	-1.1	
	Pediatrics.....		70.7	74.5	77.1	81.8
85.3	94.9	104.7	106.5	119.3	12.0	
	Obstetrics/gynecology		119.9	116.2	122.7	135.9
163.2	180.7	194.3	207.3	221.8	7.0	
	Radiology.....		148.0	139.8	150.8	168.8
180.7	188.5	210.5	219.4	229.8	4.7	
	Psychiatry.....		80.0	85.5	88.6	91.5
102.7	111.4	111.7	116.5	127.6	9.5	
	Anesthesiology.....		144.7	145.4	140.2	150.2
163.1	194.5	185.8	207.4	221.1	6.6	

Census Division:

	New England.....		84.5	87.3	108.3	107.1
110.6	132.9	128.3	142.5	143.8	.9	
	Middle Atlantic.....		98.6	98.4	107.9	114.6
126.1	135.0	152.5	156.1	171.0	9.5	
	East North Central...		114.3	109.4	118.9	126.6
137.6	147.0	155.6	172.4	174.1	1.0	
	West North Central...		110.5	110.7	113.7	120.7
133.9	138.0	159.2	151.4	164.2	8.4	
	South Atlantic.....		106.7	114.5	112.6	119.6
133.8	156.0	165.6	169.0	168.8	-.1	
	East South Central...		114.9	122.2	115.0	122.6
141.2	164.8	173.0	169.0	179.4	6.1	
	West South Central...		124.4	119.1	123.3	129.0
140.4	160.7	170.5	178.8	193.3	8.1	
	Mountain.....		91.4	102.3	97.5	108.5
125.5	132.1	142.6	170.9	155.0	-9.3	
	Pacific.....		103.1	109.4	113.6	119.0
135.4	136.0	148.1	162.5	172.4	6.1	

Location:

	Nonmetropolitan.....		87.2	90.9	94.2	107.7
117.9	120.9	129.4	130.5	150.4	15.2	

Metropolitan:

	Less than					
	1,000,000.....		111.0	115.1	118.1	124.5
140.4	154.1	164.1	172.7	174.8	1.2	
	1,000,000 and					

	over.....		106.3	106.4	112.8	117.5
127.9	140.7	153.4	163.3	170.4	4.3	
Employment Status:						
	Self-employed.....		115.9	118.6	124.5	131.1
146.2	160.0	175.3	185.6	191.0	2.9	
	Employee.....		77.6	80.4	83.8	91.7
99.6	113.0	119.2	119.8	134.0	11.8	

 \1\Average net income after expenses but before taxes.
 These figures include contributions made into pension,
 profit-sharing, and deferred compensation plans.
 \2\Includes physicians in specialties not reported
 separately.

Source: Socioeconomic Characteristics of Medical Practice,
 1993, American Medical Association.

TABLE C-15.--AVERAGE PHYSICIAN NET INCOME AFTER EXPENSES,
 BEFORE

TAXES, 1977-91
 [Dollars in thousands]

	Nominal
Real (1991)	
1977.....	\$60.4
\$135.8	
1978.....	64.6
134.5	
1979.....	77.4
145.2	
1980.....	NA
NA	
1981.....	89.9
134.7	
1982.....	97.7
137.9	

1983.....	104.1
142.4	
1984.....	108.4
142.1	
1985.....	112.2
142.0	
1986.....	119.5
148.5	
1987.....	132.3
158.6	
1988.....	144.7
166.6	
1989.....	155.8
171.1	
1990.....	164.3
171.2	
1991.....	170.6
170.6	

NA: Not available.

Note.--No data for 1980. Real (1991 dollars) incomes are calculated using the consumer price index for all urban consumers.

Source: CRS analysis of data from: Gonzales, Martin L., and David W. Emmons, eds., ``Socioeconomic Characteristics of Medical Practice, 1993,`` American Medical Association.

TABLE C-16.--MEDIAN PHYSICIAN NET INCOME AFTER EXPENSES, BEFORE TAXES, 1981 AND 1991 [Dollars in thousands]

Median net income
Average annual

percent change

1991 1991

1981 nominal real\1\
Nominal Real

All physicians\2\..... \$75 \$139 \$93
6.9 3.3

Specialty:

 General/family
 practice..... 60 98 65
5.4 0

 Internal medicine. 72 125 83
4.2 0

 Surgery..... 100 200 133
0 -4.3

 Pediatrics..... 55 105 70
5.0 0

 Obstetrics/gynecol
 ogy..... 96 200 133
8.7 3.9

 Radiology..... 105 223 149
1.2 7.2

 Psychiatry..... 64 110 73
2.8 -1.4

 Anesthesiology.... 105 210 140
5.0 .7

 Pathology..... 75 153 102
2.0 -1.9

Census Division:

 New England..... 65 124 83
3.3 0

 Middle Atlantic... 70 136 91
8.8 4.6

 East North Central 80 133 89
-5.0 -8.3

 West North Central 80 141 94
8.5 4.4

 South Atlantic.... 77 130 87

177	149.6		
	Surgery.....	133	200
287	223.8		
	Pediatrics.....	80	105
145	119.3		
	Obstetrics/gynecology	124	200
300	221.8		
	Radiology.....	150	223
300	229.8		
	Psychiatry.....	88	110
159	127.6		
	Anesthesiology.....	157	210
275	221.1		
	Pathology.....	110	153
230	197.7		
Census division:			
	New England.....	90	124
180	143.8		
	Middle Atlantic.....	95	136
210	171.0		
	East North Central...	90	133
208	174.1		
	West North Central...	100	141
200	164.2		
	South Atlantic.....	90	130
200	168.8		
	East South Central...	98	150
230	179.4		
	West South Central...	100	150
250	193.3		
	Mountain.....	97	137
200	155.0		
	Pacific.....	93	150
220	172.4		

\1\Includes physicians in specialties not listed separately.

Source: Gonzalez, Martin L., and David W. Emmons, eds.
 ``Socioeconomic

Characteristics of Medical Practice, 1993.' ' American
 Medical
 Association.

TABLE C-18.--THIRD PARTY
 SOURCES OF PHYSICIAN PAYMENT FOR SELECTED SPECIALTIES, 1992

Shield HMOs/IPAs		Commercial plans Medicare PPOs	Blue Medicaid
As percent Average gross of gross practice payment income income	Specialty Average percent annual of annual payment practice income	As Average percent annual of gross payment practice income	As Average percent annual of gross payment practice income
Cardiologists.....	\$61,400	15	\$56,100
14 \$177,490	46 \$18,220		5 \$27,530
6 \$16,730	4		
Cardio/thoracic surgeons.....	61,200	12	70,670
14 241,890	50 31,410		6 44,000

10	17,980	4			
Family practice.....		33,420	14	30,290	
12	54,170	22	25,320	11	27,720
12	18,140	7			
Gastroenterologists.		58,600	14	57,500	
15	151,640	40	21,620	6	32,140
10	19,810	5			
General practice....		30,870	14	23,940	
12	45,230	24	20,210	12	23,300
10	15,250	5			
General surgeons....		62,430	19	53,810	
17	103,590	33	26,100	9	31,890
10	20,510	6			
Pediatricians.....		36,860	15	33,350	
14	810	1	53,800	24	31,890
15	22,830	9			
Plastic surgeons....		84,410	20	61,030	
14	54,450	13	13,910	4	25,960
6	30,810	7			
Psychiatrists.....		38,910	20	23,610	
13	22,780	11	10,870	6	10,000
5	13,190	6			
Internists.....		31,060	12	33,700	
12	101,320	39	12,380	5	22,230
10	16,290	6			
Neurosurgeons.....		154,920	26	77,130	
14	118,990	22	35,290	7	55,620
10	39,880	7			
OBG specialists.....		96,590	24	80,930	
20	24,290	7	47,860	11	58,280
15	48,860	11			
Orthopedists.....		122,860	24	78,430	
17	95,950	21	28,810	6	43,510
9	38,570	7			
All surgical					
specialists.....		83,980	20	66,010	
16	105,590	26	32,030	8	41,800
10	30,930	7			
All non-surgical					
specialists.....		46,460	15	39,730	
14	87,000	28	24,080	10	28,480

10	18,370	6		
All M.D.s.....		55,600	17	45,710
14	86,070	26	26,390	10
10	22,030	6		32,150

Source: Terry, Ken, ``Where more of your income is coming from,`` Medical Economics, Nov. 22, 1993.

SUPPLY OF HOSPITAL BEDS

The national supply of community hospital beds per 1,000 population steadily increased from the 1940's, reaching a peak of 4.6 beds per 1,000 population in 1975. By 1989, the number of beds had dropped to 3.8 per 1,000 population, and remained at that level in 1990. Similar trends can be seen in the nine census regions, except for New England, which has seen a reduction since 1940 from 4.4 beds to 3.4 beds per 1,000 population in 1990, and the Pacific region, where the reduction has been from 4.1 beds in 1940 to 2.7 beds in 1990. The area experiencing the largest increase has been the East South Central, where beds increased from 1.7 per 1,000 population in 1940 to 5.1 in 1980, falling back to 4.8 in 1990. (see table C-19).

TABLE C-19.--COMMUNITY HOSPITAL BEDS PER 1,000 POPULATION AND AVERAGE ANNUAL PERCENT CHANGE, ACCORDING TO GEOGRAPHIC DIVISION AND STATE: UNITED

STATES, SELECTED YEARS 1940-90

[Data are based on reporting by facilities]

Beds per 1,000

civilian population
 Average annual percent change
 Geographic division

and State			1940\1\ 1980	1950\1\ 1985	1960\2\ 1988	1970 1989	1970 1990	1960-60\1\2\ 1980-90	1970 1980-90
-----------	--	--	-----------------	-----------------	-----------------	--------------	--------------	-------------------------	-----------------

United States.....	3.2	3.3	3.6	4.3				
4.5	4.2	3.9	3.8	3.8	0.6			
1.8	0.5	-1.7						
New England.....	4.4	4.2	3.9	4.1				
4.1	4.0	3.6	3.5	3.4	-0.6			
0.5	0.0	-1.9						
Maine.....	3.0	3.2	3.4	4.7				
4.7	4.2	3.9	3.8	3.8	0.6			
3.3	0.0	-2.1						
New Hampshire....	4.2	4.2	4.4	3.9				
3.9	3.4	3.2	3.1	3.1	0.2			
-0.9	-0.3	-2.3						
Vermont.....	3.3	4.0	4.5	4.5				
4.4	3.8	3.1	3.1	3.1	1.6			
0.0	-0.2	-3.4						
Massachusetts....	5.1	4.8	4.2	4.4				
4.4	4.4	4.0	3.8	3.6	-1.0			
0.5	0.0	-2.0						
Rhode Island.....	3.9	3.8	3.7	4.0				
3.8	3.6	3.3	3.2	3.2	-0.3			
0.8	-0.5	-1.7						
Connecticut.....	3.7	3.6	3.4	3.4				
3.5	3.3	3.0	3.0	2.9	-0.4			

0.0	0.3	-1.9				
Middle Atlantic.....		3.9	3.8	4.0	4.4	
4.6	4.4	4.1	4.1	4.2	0.1	
1.0	0.4	-0.9				
New York.....		4.3	4.1	4.3	4.6	
4.5	4.4	4.2	4.2	4.2	0.0	
0.7	-0.2	-0.7				
New Jersey.....		3.5	3.2	3.1	3.6	
4.2	3.9	3.7	3.7	3.7	-0.6	
1.5	1.6	-1.3				
Pennsylvania.....		3.5	3.8	4.1	4.7	
4.8	4.7	4.4	4.3	4.4	0.8	
1.4	0.2	-0.9				
East North Central...		3.2	3.2	3.6	4.4	
4.7	4.5	4.1	4.0	3.9	0.6	
2.0	0.7	-1.8				
Ohio.....		2.7	2.9	3.4	4.2	
4.7	4.6	4.2	4.0	4.0	1.2	
2.1	1.1	-1.6				
Indiana.....		2.3	2.6	3.1	4.0	
4.5	4.2	4.1	3.9	3.9	1.5	
2.6	1.2	-1.4				
Illinois.....		3.4	3.6	4.0	4.7	
5.1	4.7	4.3	4.1	4.0	0.8	
1.6	0.8	-2.4				
Michigan.....		4.0	3.3	3.3	4.3	
4.4	4.1	3.8	3.7	3.7	-1.0	
2.7	0.2	-1.7				
Wisconsin.....		3.4	3.7	4.3	5.2	
4.9	4.6	4.0	3.9	3.8	1.2	
1.9	-0.6	-2.5				
West North Central...		3.1	3.7	4.3	5.7	
5.8	5.4	5.1	4.9	4.9	1.6	
2.9	0.2	-1.7				
Minnesota.....		3.9	4.4	4.8	6.1	
5.7	5.2	4.8	4.5	4.4	1.0	
2.4	-0.7	-2.6				
Iowa.....		2.7	3.2	3.9	5.6	
5.7	5.2	5.2	5.0	5.1	1.9	
3.7	0.2	-1.1				
Missouri.....		2.9	3.3	3.9	5.1	

5.7	5.2	4.9	4.8	4.8		1.5	
2.7	1.1		-1.7				
	North Dakota.....		3.5	4.3		5.2	6.8
7.4	7.4	7.0	7.0	7.0		2.0	
2.7	0.8		-0.6				
	South Dakota.....		2.8	4.4		4.5	5.6
5.5	6.6	5.6	5.8	6.1		2.4	
2.2	-0.2		1.0				
	Nebraska.....		3.4	4.2		4.4	6.2
6.0	6.0	5.8	5.5	5.4		1.3	
3.5	-0.3		-1.0				
	Kansas.....		2.8	3.4		4.2	5.4
5.8	5.2	4.7	4.8	4.8		2.0	
2.5	0.7		-1.9				
	South Atlantic.....		2.5	2.8		3.3	4.0
4.5	4.1	3.8	3.7	3.7		1.4	
1.9	1.2		-1.9				
	Delaware.....		4.4	3.9		3.7	3.7
3.6	3.5	3.1	3.0	3.0		-0.9	
0.0	-0.3		-1.8				
	Maryland.....		3.9	3.6		3.3	3.1
3.6	3.4	2.9	2.9	2.9		-0.8	
-0.6	1.5		-2.1				
	District of						
	Columbia.....		5.5	5.5		5.9	7.4
7.3	7.8	7.8	7.9	7.5		0.4	
2.3	-0.1		0.3				
	Virginia.....		2.2	2.5		3.0	3.7
4.1	3.8	3.5	3.4	3.3		1.6	
2.1	1.0		-2.1				
	West Virginia....		2.7	3.1		4.1	5.4
5.5	5.1	4.7	4.7	4.7		2.1	
2.8	0.2		-1.6				
	North Carolina...		2.2	2.6		3.4	3.8
4.2	3.7	3.4	3.4	3.4		2.2	
1.1	1.0		-2.1				
	South Carolina...		1.8	2.4		2.9	3.7
3.9	3.6	3.3	3.2	3.3		2.4	
2.5	0.5		-1.7				
	Georgia.....		1.7	2.0		2.8	3.8
4.6	4.3	4.1	4.1	4.0		2.5	

3.7	3.5	3.2	3.2	3.2		1.0	
2.3	-0.8		-1.4				
	Wyoming.....		3.5	3.9	4.6	5.5	
3.6	4.3	4.8	4.7	4.9	1.4		
1.8	-4.1		3.1				
	Colorado.....		3.9	4.2	3.8	4.6	
4.2	3.6	3.3	3.0	3.2	-0.1		
1.9	-0.9		-2.7				
	New Mexico.....		2.7	2.2	2.9	3.5	
3.1	2.9	2.8	2.9	2.9	0.4		
1.9	-1.2		-0.7				
	Arizona.....		3.4	4.0	3.0	4.1	
3.6	3.2	2.9	2.8	2.7	-0.6		
3.2	-1.3		-2.8				
	Utah.....		3.2	2.9	2.8	3.6	
3.1	2.7	2.7	2.6	2.6	0.7		
2.5	-1.5		-1.7				
	Nevada.....		5.0	4.4	3.9	4.2	
4.2	3.7	3.2	3.0	2.9	-1.2		
0.7	0.0		-3.6				
	Pacific.....		4.1	3.2	3.1	3.7	
3.5	3.2	2.9	2.8	2.7	-1.4		
1.8	-0.6		-2.6				
	Washington.....		3.4	3.6	3.3	3.5	
3.1	3.0	2.7	2.6	2.5	-0.1		
0.6	-1.2		-2.1				
	Oregon.....		3.5	3.1	3.5	4.0	
3.5	3.2	2.9	2.9	2.9	0.0		
1.3	-1.3		-1.9				
	California.....		4.4	3.3	3.0	3.8	
3.6	3.2	2.9	2.9	2.7	-1.9		
2.4	-0.5		-2.8				
	Alaska.....		.....	.....	2.4	2.3	
2.7	2.2	2.4	2.5	2.3	.....	
-0.4	1.6		-1.6				
	Hawaii.....		.....	.....	3.7	3.4	
3.1	2.8	2.7	2.7	2.8	.....	
-0.8	-0.9		-1.0				

\1\1940 and 1950 data are estimated based on published figures.

\2\1960 includes hospital units of institutions.

Sources: American Medical Association: Hospital service in the United States. JAMA 116(11):1055-1144. 1941, and 146(2):109-184, 1951. (Copyright 1941

and 1951: Used with the Permission of the American Medical Association); American Hospital Association; Hospitals. JAHA 35(15):383-430, Aug. 1, 1961.

(Copyright 1961; Used with the permission of the American Hospital Association.); Data computed by the Centers for Disease Control and Prevention,

National Center for Health Statistics. Division of Analysis from data compiled by the Division of Health Care Statistics, National Master Facility

Inventory and the American Hospital Association 1990 annual survey; U.S. Bureau of the Census; Current Population Reports. Series P-25, Nos. 72, 304,

460, 640, 970, 1010, 1044, and 1058. Washington. U.S. Government Printing Office. 1953, 1965, 1971, 1976, 1980, 1985, 1989, and 1990; Health, United

States, 1991; DHHS Pub. No. (PHS) 93-1232.

SUPPLY OF PHYSICIANS

Physician supply has grown rapidly over the past three decades. The number of active physicians in the country has increased from 334,028 in 1970 to 653,062 in 1992. This growth

rate exceeded the rate at which the population of the Nation grew during the decade.

Table C-20 indicates that between 1965 and 1992, the number of physicians per 100,000 civilians grew from 161 to 255.

As

table C-21 below indicates, the ratio of nonfederal physicians-

to-population increased from 148 physicians per 100,000 population in 1970 to 248 physicians per 100,000 population

in 1992. This table also indicates variations in the supply of physicians relative to population by State. In 1992, the District of Columbia had the highest ratio (705 physicians per 100,000 population) while Alaska had the lowest ratio (146 physicians per 100,000 population).

TABLE C-20.--PHYSICIAN SUPPLY BY MAJOR CATEGORIES, 1970-92

				1970	
1980		1990		1992	
Category		Category		Category	
Number	Percent	Number	Percent	Number	Percent
Total Physicians.....				334,028	.....
467,679	.....	615,421	.....	653,062	.....
Federal.....				29,501	9
17,787	4	20,475	3	19,216	3
Nonfederal.....				301,323	91
443,502	96	592,166	97	631,137	97
Patient Care.....				278,535	83
376,512	80	503,870	82	535,220	82
Nonpatient Care.....				32,310	10
38,404	9	43,440	8	42,888	7
Male.....				308,627	92
413,395	88	511,227	83	534,543	82
Female.....				25,401	8
54,284	12	104,194	17	118,519	18
International medical graduates.				57,217	17
97,726	21	131,764	21	144,399	22
Metropolitan (nonfederal only)..				258,265	86

385,365	87	521,668	88	557,900	88
Nonmetropolitan (nonfederal only).....					
				43,058	14
58,137	13	70,498	12	73,237	12
Total physician-population ratio (per 100,000 persons).....					
				161	.....
202	.....	244	.....	255	.....

Source: American Medical Association, 1993.

TABLE C-21.--NON-FEDERAL PHYSICIAN/
POPULATION RATIOS AND RANK BY STATE
[Ratios: Non-Federal physicians
(M.D.'s) per 100,000 civilian population]

1992					
1970	1975	1985	State 1990	1992	rank

United States\1\.....					
148	169	220	237	248	

Alabama.....					
90	103	152	170	183	40
Alaska.....					
74	95	137	155	146	51
Arizona.....					
144	185	220	233	233	20
Arkansas.....					
92	103	150	165	179	33
California.....					
194	219	266	272	273	11
Colorado.....					
178	186	216	232	245	16

Connecticut.....	192	224	302	332	346	5
Delaware.....	134	155	203	217	228	21
District of Columbia.....	390	467	607	658	705	1
Florida.....	155	185	236	251	257	12
Georgia.....	108	126	172	187	196	35
Hawaii.....	160	185	239	266	283	9
Idaho.....	94	104	133	142	150	49
Illinois.....	138	164	217	229	247	15
Indiana.....	102	116	156	171	181	41
Iowa.....	103	113	149	167	175	44
Kansas.....	118	137	179	195	203	32
Kentucky.....	102	122	162	181	195	37
Louisiana.....	120	131	187	200	215	29
Maine.....	111	133	193	208	218	26
Maryland.....	183	217	334	360	374	3
Massachusetts.....	207	237	331	364	380	2
Michigan.....	125	145	190	201	212	30
Minnesota.....	151	172	223	240	255	13
Mississippi.....	84	94	126	144	149	50

Missouri.....					
129	148	195	209	223	24
Montana.....					
104	116	155	181	192	39
Nebraska.....					
116	134	170	185	202	33
Nevada.....					
114	129	173	175	166	47
New Hampshire.....					
140	162	207	227	238	18
New Jersey.....					
146	174	243	267	284	8
New Mexico.....					
113	130	184	206	218	26
New York.....					
236	258	318	339	360	4
North Carolina.....					
111	132	185	209	221	25
North Dakota.....					
96	106	168	184	202	33
Ohio.....					
133	147	199	213	226	23
Oklahoma.....					
103	113	149	160	168	46
Oregon.....					
144	171	215	233	243	17
Pennsylvania.....					
152	169	234	256	275	10
Rhode Island.....					
160	194	248	277	294	7
South Carolina.....					
93	114	161	177	181	41
South Dakota.....					
81	90	143	154	170	45
Tennessee.....					
119	139	189	210	227	22
Texas.....					

117	135	174	188	196	35
Utah.....					
138	155	185	200	208	31
Vermont.....					
187	207	268	288	301	6
Virginia.....					
125	149	214	233	238	18
Washington.....					
149	168	223	241	251	14
West Virginia.....					
104	124	171	183	195	37
Wisconsin.....					
120	137	188	207	216	28
Wyoming.....					
101	108	140	156	158	48

 \1\Excludes counts of physicians in U.S. possessions and
 with unknown addresses.

Source: American Medical Association, Physician
 Characteristics and Distribution in the U.S. 1993 edition.
 Table

A-20.

The number of physicians in the United States is
 expected
 to continue to grow at a faster rate than the general
 population. According to the American Medical Association,
 there were 248 non-federal physicians per 100,000
 population in
 1992. The Department of Health and Human Services projects
 ratios of 271 in 2000 and 298 in 2020.

In 1992, about 35 percent of physicians were in primary
 care specialties, defined as general and family practice,
 internal medicine, and pediatrics.

Currently, there are approximately 88,620 residents in
 training. Growth in the number of residencies over the past
 twenty years reflects both steep increases in the number of
 first-year positions during the late 1970s and the

increased length of training in many specialties. The number of U.S. medical school graduates, which rose rapidly in the late 1960s and early 1970s, has been relatively stable over the past decade (see table C-23).

Since the late 1970s, efforts to restrict the flow of international medical graduates (IMGs) have included stricter immigration laws and more rigorous competency requirements. As a result, table C-24 shows that IMGs dropped from over 40 percent of all residents in 1971 to about 17 percent in 1985. Since then, the percentage of IMGs has risen to 22 percent.

TABLE C-22.--PHYSICIAN SUPPLY FOR
SELECTED SPECIALTIES, 1980-92

Federal and non-federal physicians

1980		1985		1992	
Specialty					
Office		Office		Office	
Total	based	Total	based	Total	based

Total physicians.....					
467,679	272,000	552,716	330,197	653,062	389,364
Anesthesiology.....					
15,958	11,338	22,021	15,300	28,148	19,998
Cardiovascular diseases.....					
9,823	6,729	13,224	9,063	16,478	11,460
Dermatology.....					

5,660	4,378	6,582	5,333	7,912	6,318
Diagnostic radiology.....					
7,048	4,191	12,887	7,749	17,253	10,900
Emergency					
medicine.....					
11,283	7,295	15,470	9,373		
Family practice.....					
27,530	18,378	40,021	29,694	50,969	40,479
Gastroenterology.....					
4,046	2,737	5,917	4,136	7,946	5,724
General practice.....					
32,519	29,642	27,030	24,579	20,719	18,575
General surgery.....					
34,034	22,426	38,169	24,762	39,211	24,956
Internal medicine.....					
71,531	40,617	90,417	52,891	109,017	65,312
Neurology.....					
5,685	3,253	7,776	4,700	9,742	6,330
Neurological Surgery.....					
3,341	2,468	4,019	2,880	4,501	3,310
Obstetrics/gynecology.....					
26,305	19,513	30,867	23,543	35,273	27,115
Ophthalmology.....					
12,974	10,603	14,881	12,221	16,433	13,742
Orthopedic surgery.....					
13,996	10,728	17,166	13,045	20,640	15,832
Otolaryngology.....					
6,553	5,266	7,267	5,755	8,373	6,646
Pathology\1\.....					
13,642	6,081	15,767	7,054	17,428	8,155
Pediatrics\2\.....					
29,462	18,210	36,839	23,211	45,921	29,668
Plastic Surgery.....					
2,980	2,438	3,951	3,301	4,688	4,044
Psychiatry\3\.....					
30,752	17,965	36,038	20,887	41,023	24,811
Pulmonary diseases.....					
3,715	2,048	5,083	3,038	6,337	4,009
Radiology.....					
11,653	7,802	10,109	7,363	7,848	5,854
Urological surgery.....					

7,743	6,228	8,836	7,089	9,452	7,688
Other surgical specialties\4\.....					
2,852	2,261	3,000	2,434	2,989	2,394
Other remaining specialties\5\.....					
22,825	11,741	19,740	9,498	26,228	13,805
Unspecified.....					
12,289	4,959	8,250	3,376	8,109	2,866
Other categories\6\.....					
52,763	.....	55,576	.....	74,954	.....

Note: Data for 1992 are as of January 1. Data for 1985 and before are as of December 31.

- \1\Includes pathology and forensic pathology.
- \2\Includes pediatrics and pediatric cardiology.
- \3\Includes psychiatry and child psychiatry.
- \4\Includes colon and rectal surgery and thoracic surgery.
- \5\Includes aerospace medicine, allergy/immunology, general preventive medicine, nuclear medicine, occupational medicine, physical medicine and rehabilitation, public health, radiation oncology, and other.
- \6\Includes not classified, inactive, and address unknown: these categories are included in total physicians only, not in office-based physicians.

Source: AMA Physician Masterfile for 1980, 1985, and 1992.

TABLE C-23.--MEDICAL SCHOOL GRADUATES, FIRST-YEAR RESIDENTS AND

TOTAL RESIDENTS, 1965-92

Total residents	Year	Medical school graduates	First-year residents
1965.....		7,409	9,670

31,898		
1966.....	7,574	10,316
31,898		
1967.....	7,743	10,419
33,743		
1968.....	7,973	10,464
35,047		
1969.....	8,059	10,808
37,139		
1970.....	8,367	11,552
39,463		
1971.....	8,974	12,066
42,512		
1972.....	9,551	11,500
45,081		
1973.....	10,391	11,031
49,082		
1974.....	11,613	11,628
52,685		
1975.....	12,714	13,200
54,500		
1976.....	(\1\)	14,258
56,872		
1977.....	13,607	15,900
59,000		
1978.....	14,393	16,800
63,163		
1979.....	14,966	17,600
64,615		
1980.....	15,135	18,702
61,465		
1981.....	15,667	18,389
69,738		
1982.....	15,985	18,976
69,142		
1983.....	15,824	18,794
73,000		
1984.....	16,327	19,539
75,125		
1985.....	16,319	19,168
75,514		

1986.....	16,125	18,183
76,815		
1987.....	15,836	18,067
81,410		
1988.....	15,887	17,941
81,093		
1989.....	15,620	18,131
82,000		
1990.....	15,336	18,322
82,902		
1991.....	15,481	19,497
86,217		
1992.....	15,386	19,794
88,620		

 \1\Not available.

Source: JAMA Medical Education issues.

TABLE C-24.--INTERNATIONAL GRADUATE MEDICAL RESIDENTS BY
 LOCATION OF
 EDUCATION AND CITIZENSHIP, 1971-92

	Total	Percent of all residents	U.S. citizens
Foreign			
nationals			
1971.....	17,515	41	1,063
16,452			
1976.....	16,634	29	1,783
14,851			
1981.....	11,596	17	2,908
8,688			
1983.....	14,084	19	4,961
9,123			

1985.....	12,509	17	6,868
5,609			
1991.....	17,017	20	5,107
11,910			
1992.....	19,084	22	5,015
\1\14,069			

 \1\Includes 6,192 permanent resident aliens.

Source: American Medical Association 1986 and JAMA Medical Education issues.

HEALTH INSURANCE COVERAGE

HEALTH INSURANCE STATUS IN 1992

Most people have some form of health insurance. In 1992, an estimated 85.4 percent of the total noninstitutionalized population had public or private coverage during at least part of the year. However, an estimated 37.3 million Americans, or 14.7 percent of the population, were without health insurance in 1992. All but 0.35 million of the uninsured were under age 65; consequently 16.6 percent of the nonelderly population were uninsured.

These estimates are based on an analysis of the March 1993 Current Population Survey (CPS), a household survey conducted by the Census Bureau of the Department of Commerce. Each year's March CPS asks whether individuals had coverage from selected sources of health insurance at any time during the

preceding
calendar year. Thus the March 1993 CPS reflects
respondents'
recollections of coverage during all of 1992.\2\

\2\Some analysts have suggested that respondents may
actually be
reporting their coverage status at the time of the survey,
rather than
for the previous year.

The questionnaires used in March 1988-93 differed from
those used in previous years. In addition to the standard
series of questions about sources of health insurance
coverage,
a separate part of the survey included further health
insurance
questions. Some respondents reported that they had no
health
insurance in one part of the questionnaire and reported
that
they had coverage in another part. Different analyses of
the
CPS data have used different assumptions in reconciling
these
discrepancies and other potential sources of error in the
survey responses. Also, the March 1988-93 surveys included
responses from population groups not surveyed in earlier
surveys, including retirees and other nonworking
individuals.

CHARACTERISTICS OF THE UNINSURED

Some segments of the population are more likely to have
health insurance coverage than others, and different groups
rely to a different extent on private insurance coverage
and on
public programs such as Medicare and Medicaid. Tables C-25

to
 C-27 divide the population according to age and income and
 show
 the sources of coverage for each group.\3\ (The total
 noninstitutionalized population in 1992 was 253.9 million.)

 \3\About 13 percent of the population reported more
 than one source
 of coverage during the year. The dual coverages many have
 been either
 at different points during the year or simultaneous. For
 the purpose of
 these tables, CRS has assigned each individual to one
 primary source of
 coverage according to the ``coordination of benefits''
 rules typically
 used by private sector insurance companies.

 TABLE C-25.--PERCENT OF U.S. NONINSTITUTIONALIZED
 POPULATION OBTAINING HEALTH INSURANCE COVERAGE FROM
 SPECIFIED SOURCES, BY
 AGE, 1992

	Family	job member's	Medicare	Medicaid	Other\1\	Own Uninsured
Age:						
Under 18.....	0.1	60.9	0.1	17.4	9.3	12.37
18 to 24.....	20.9	23.4	0.6	8.7	17.3	28.9

25 to 34.....					
48.2	15.4	1.2	7.1	7.2	20.9
35 to 44.....					
50.5	20.2	1.5	4.2	8.2	15.5
45 to 54.....					
50.8	20.0	2.1	3.3	9.9	14.0
55 to 64.....					
45.2	18.9	5.6	3.4	14.0	12.9
65 and over.....					
4.4	9.0	84.8	0.1	0.5	1.2

-					
Total.....					
28.0	29.0	11.5	8.0	8.9	14.7

\1\`Other'' includes, for example, privately purchased health insurance and Department of Veterans Affairs health care services.

Source: CRS analysis of data from the March 1993 Current Population Survey.

As table C-25 shows, the rate of insurance coverage is lowest among young adults; 28.9 percent of persons aged 18 to 24 were without coverage in 1992. Over the next several age groups, coverage rates increase, chiefly because older workers are more likely to obtain insurance through their own employment. Finally, the availability of Medicare to most individuals aged 65 and over meant that about 1 percent of this group was uninsured.

Table C-26 shows the percentage of the total uninsured population of each age group. Of the 37.3 million uninsured, 22.1 percent are children. Young adults (ages 18 to 24) total 18.8 percent and persons 25 to 34 total 23.4 percent of the

uninsured.

TABLE C-26.--PERCENT OF U.S. NONINSTITUTIONALIZED
POPULATION

WITHOUT HEALTH INSURANCE, BY AGE, 1992

Percent of

Age

the

uninsured

Under 18.....

22.1

18 to 24.....

18.8

25 to 34.....

23.4

35 to 44.....

16.7

45 to 54.....

10.7

55 to 64.....

7.3

65 and

over.....

.95

Total.....

100.0

Note.--Items do not sum to 100.0 due to rounding.

Source: CRS analysis of data from the March 1993 Current
Population

Survey.

Table C-27 shows coverage rates by family income, expressed as a percentage of the Federal poverty income level. Those in the lowest income groups are least likely to have coverage. If they have coverage, the source is most likely to be Medicaid. As family income rises, both overall coverage rates and the degree of reliance on employer coverage increase.

TABLE C-27.--PERCENT OF U.S. NONINSTITUTIONALIZED POPULATION OBTAINING HEALTH INSURANCE COVERAGE FROM SPECIFIED SOURCES, BY FAMILY INCOME, 1992

Family job member's job	Income as percent of poverty				Own Uninsured	
	Medicare	Medicaid	Other\1\	Uninsured		
Under 50.....	2.3	4.0	6.1	49.2	8.7	29.6
50 to 99.....	5.3	8.6	17.7	32.2	8.4	27.8
100 to 133.....	10.5	17.1	21.3	13.8	9.5	27.8
134 to 185.....	16.7	24.5	18.6	6.7	9.3	24.3
185 to 249.....	24.0	33.1	14.8	2.5	9.0	16.7
250 and over.....	39.2	34.0	8.0	0.7	8.8	7.4

	Total.....					
28.0	28.9	11.5	7.9	8.9	14.7	

 \1\`Other'' includes for example, privately purchased health insurance and Department of Veterans Affairs health care services.

Note.--Rows may not sum to 100.0 due to rounding.

Source: CRS analysis of data from the March 1993 Current Population Survey.

Table C-28 combines age and income and shows the percent of persons in each age/income group without health insurance. Overall, the trends shown in this table are similar to those in the previous tables: the rate of those without insurance drops with increasing age and income.

TABLE C-28.--PERCENT OF THE U.S. NONINSTITUTIONALIZED POPULATION WITHOUT HEALTH INSURANCE, BY AGE AND INCOME, 1992

Under 18	18 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 and over

Under 50.....	41.1	41.8	46.1	42.0	43.7	8.9
50 to 99.....	22.1	42.9	38.4	41.2	42.6	30.4
100 to 133.....	24.7	42.8	42.7	38.5	41.6	27.4
						1.2

134 to 185.....	20.2	41.1	33.5	33.4	35.0	26.3	0.9
185 to 249.....	13.0	34.5	23.4	18.7	22.5	14.7	1.0
250 and over.....	4.5	18.1	11.7	6.9	6.5	6.3	0.7

 Source: CRS analysis of data from the March 1993 Current Population Survey.

FACTORS IN EMPLOYMENT-BASED COVERAGE

In the United States, health insurance offered on a job is the single most important source of coverage. Employer plans covered 150.5 million Americans in 1992, or approximately 59.3 percent of the population. If only the nonaged are considered, this figure rises to over two-thirds. Persons covered under employer plans are almost equally divided between those obtaining coverage through their own work (77.0 million) and those obtaining coverage as dependents on another family member's policy (73.6 million).

One important factor in employment-based coverage is the degree of attachment to the labor force. Employers who provide coverage to their full-time workers may not offer that coverage to part-time employees. Workers in seasonal industries, who are employed only part of the year, are also less likely to be covered. Table C-29 shows the workforce attachment of the population without health insurance coverage in 1992. Over one-third of the uninsured, 14.0 million, worked only part time or

part of the year, or were dependents of part time or part year workers, while another 16.1 percent had no work force attachment. However, 46.4 percent of the uninsured, approximately 17.3 million persons, were full year, full time workers or the dependents of such workers. All told, 31.4 million uninsured persons had at least some ties to the workforce.

The likelihood that workers will obtain coverage through their jobs is largely tied to two characteristics of employers: the size of the firm and the type of industry. Tables C-30 and C-32 show insurance coverage in 1992 for workers classed according to these two characteristics of their employers. As table C-30 indicates, workers in the smallest firms were least likely to obtain employer-based coverage and most likely to be uninsured.

TABLE C-29.--PERSONS WITHOUT HEALTH INSURANCE COVERAGE, BY

ATTACHMENT TO THE WORKFORCE, 1992
[Thousands]

Percent of	Workers	Dependents	Total
uninsured			
Nonworker.....	0	6,003	6,003
16.1			
Full year/full time worker.....	9,633	7,708	17,342
46.4			

Full year/part time worker.....	1,892	813	2,706
7.2			
Part year/full time worker.....	5,811	2,403	8,215
22.0			
Part year/part time worker.....	2,529	560	3,090
8.3			

Total.....	19,866	17,489	37,355
100.0			

\1\Includes both heads of household and dependents with no
workforce
attachment.

Note.--Items may not sum to total due to rounding. Full
year workers
were employed 50 or more weeks during the year. Full time
workers
worked an average of 35 or more hours per week during the
weeks they
were employed.

Source: CRS analysis of data from the March 1993 Current
Population
Survey.

TABLE C-30.--PERCENT OF WORKERS OBTAINING HEALTH
INSURANCE COVERAGE FROM SPECIFIED SOURCES, BY SIZE OF
EMPLOYER,
1992

Family

Firm size\1\

Own

job member's Medicare Medicaid Other\2\ Uninsured

job

1 to 9.....					
14.0	25.6	5.1	6.2	21.9	27.2
10 to 24.....					
25.0	29.0	2.3	7.1	11.3	25.3
25 to 99.....					
33.3	31.7	2.1	5.7	8.1	19.2
100 to 499.....					
39.3	35.7	1.6	4.8	5.5	12.9
500 to 999.....					
41.3	39.4	1.1	3.3	5.5	9.3
1,000 and over.....					
42.4	39.8	1.2	3.1	5.6	7.8
Unemployed or not in labor force.....					
5.0	6.8	48.9	21.1	6.2	11.9

-

Total.....					
28.0	29.9	11.5	7.9	8.9	14.7

\1\Firm size is that of the firm employing the worker for the longest period during the year.

\2\`Other' includes, for example, privately purchased health insurance and Department of Veterans Affairs health care services.

\3\Persons reporting coverage through their own current or past employment and also reporting that they did not work during the year. These include retirees, as well as some persons who responded inaccurately to one of the questions.

Source: CRS analysis of data from the March 1993 Current Population Survey.

TABLE C-31.--NUMBER OF WORKERS WITH
HEALTH INSURANCE COVERAGE FROM SPECIFIED SOURCES, BY FIRM
SIZE, 1992

[Thousands]

Family	Firm size\1\ Medicare			
Own job \2\ job	member's Uninsured	Medicare Total	Medicaid	Other
1 to 9.....	5,478.9	7,207.1	1,507.4	816.2
5,649.4	7,628.4	28,287.0		
10 to 24.....	4,345.6	2,695.5	293.8	421.2
1,428.1	3,017.4	12,202.0		
25 to 99.....	9,073.1	3,103.2	399.5	504.2
1,490.9	3,538.6	18,110.0		
100 to 499.....	11,642.0	2,846.5	357.0	430.9
1,146.8	2,676.3	19,100.0		
500 to 999.....	4,818.1	1,136.4	90.5	123.4
450.8	802.9	7,422.3		
1,000 plus.....	33,262.0	6,749.7	693.2	923.7
3,006.6	4,760.5	49,396.0		
Total.....	68,619.3	23,738.3	3,341.4	3,219.7

Agriculture, forestry and fisheries.....	10.6	19.1	5.8	8.2	26.6	29.4
Mining.....	37.0	46.3	1.1	2.8	5.0	7.7
Construction.....	22.2	31.0	1.7	5.9	12.4	26.6
Manufacturing, durable goods.....	39.2	42.9	1.1	2.6	4.2	9.9
Manufacturing, nondurable goods.....	40.0	37.9	1.5	4.1	4.9	13.5
Transportation, communications, and utilities.....	38.9	41.1	0.8	2.3	5.6	11.1
Wholesale trade.....	35.4	40.5	1.2	2.2	8.9	11.7
Retail trade.....	25.3	26.8	2.8	8.1	12.3	24.6
Finance, insurance, and real estate.....	40.6	35.9	2.1	2.3	10.1	9.0
Business and repair services.....	24.6	29.0	2.7	7.4	12.3	23.9
Personal services, including household.....	17.2	21.6	6.1	10.5	13.7	30.9
Entertainment and recreation services.....	27.5	24.6	4.3	7.5	13.7	22.3
Professional and related services.....	40.5	33.5	2.6	3.8	9.7	9.8
Public administration.....	41.9	44.3	1.4	1.6	6.5	4.2

\1\Industry is that in which the worker was employed the longest during the year.

\2\`Other'' includes, for example, privately purchased health insurance and Department of Veterans Affairs health care services.

Source: CRS analysis of data from the March 1993 Current Population Survey.

One major trend in employer health benefit plans in recent

years is a shift towards self-insurance, under which an employer directly assumes the financial risk for health care costs incurred by their employees. A self-insured firm may use an insurance company only to perform administrative tasks, such as claims processing, or it may carry out these functions in-house. Some firms are ``partially insured''; they retain responsibility for most health care costs but buy protection for extraordinary expenses. Because of the financial risks involved, smaller firms are more likely to buy full coverage from a health insurance company.

TABLE C-33.--INSURANCE FUNDING ARRANGEMENTS BY FIRM SIZE, 1992

[Percent of conventional plans using arrangement]

	1 to 24	25 to 99	100 to 999
1000 or more			
Fully insured.....	91	90	67
46			
Self-insured.....	9	10	33
54			

Source: Health Insurance Association of America, Employer Sponsored

Health Insurance in Private Sector Firms, 1992.

An examination of the trends in health insurance coverage using the Current Population Survey is problematic because the health insurance questions asked by this survey and the types of individuals surveyed were changed beginning with the March 1988 survey. These changes result in a drop in the number of uninsured from 1986 to 1987 (and later years) that is unrelated to actual changes in insurance coverage. Thus, the data for 1986 and prior years are not comparable to data for 1987 and later years.

Between 1979 and 1986, the percent of the nonaged population who were uninsured increased from 14.6 percent to 17.5 percent. The number of uninsured would have been expected to grow from 28.4 to 30.8 million simply because the overall nonaged population grew. However, the number of nonaged uninsured actually grew from 28.4 million to 36.8 million. That is, the number of uninsured increased by 8.4 million people, yet only 2.4 million or 29 percent of the growth was due to an expanding nonaged population.

Table C-34 shows trends in the nonaged uninsured for selected years from 1979 to 1992. Most of the change in health insurance coverage occurred between 1979 and 1984; from 1984 to 1986, coverage rates remained fairly constant. The number and percent of the nonaged uninsured increased each year over the 1987-92 period, with the nonaged uninsured increasing to

37.0

million persons and 16.6 percent of the population in 1992.

To examine why the uninsured increased since 1979, table C-35 displays insurance coverage by source and year.

TABLE C-34.--NUMBER AND PERCENT OF THE NONAGED POPULATION WITHOUT HEALTH INSURANCE, 1979 AND 1983-92

						1979
1983	1984	1985	1986	1987\1\ 1989\1\ 1990\1\ 1991\1\ 1992\1\ ----- ----- -----	1988\1\ ----- ----- -----	
Number uninsured (millions).....						28.4
34.8	36.8	36.7	36.8	30.7	32.4	
33.0	34.4	35.2	37.0			
Percent uninsured (percent).....						14.6
16.9	17.7	17.6	17.5	14.4	15.1	
15.3	15.7	15.9	16.6			

\1\Data for years after 1986 are not comparable to that for 1986 and prior years because of changes in the questions asked and the population groups surveyed.

Source: Table prepared by CRS based on data from the March 1980, and the March 1984 through the March 1993 CPS. Information from 1980 to 1982 is not presented due to errors on the CPS computer tapes for those years.

TABLE C-35.--SOURCES OF HEALTH INSURANCE COVERAGE BY YEAR FOR NONAGED POPULATION, 1979 AND

1983-92

Percentage of nonelderly population

						1979
1983	1984	1985	1986	1987\1\	1988\1\	
1989\1\	1990\1\	1991\1\	1992\1\			
Employment-based plans:						
Covered on own job.....						33.1
32.5	32.6	33.1	33.4	32.9	33.0	
33.4	32.6	32.3	31.3			
Covered through someone else.....						34.3
32.1	31.4	31.2	31.4	33.4	33.1	
33.5	32.6	32.3	31.7			

Total employment-based.....						67.4
64.6	64.0	64.3	64.8	66.3	66.1	
66.9	65.2	64.6	63.0			
Other plans\2\.....						17.9
18.5	18.3	18.1	17.7	19.3	18.8	
17.8	19.0	19.5	20.4			
Uninsured.....						14.6
16.9	17.7	17.6	17.5	14.4	15.1	
15.3	15.7	15.9	16.6			

Total.....						100.0
100.0	100.0	100.0	100.0	100.0	100.0	
100.0	100.0	100.0	100.0			

\1\Data for years after 1986 are not comparable to that for 1986 and prior years because of changes in the questions asked and the population groups surveyed.

\2\Excludes persons covered by employment-based plans.

Note.--Percentages may not add to 100.0 due to rounding.

Source: Table prepared by CRS based on data from the March 1980, and the March 1984 through the March 1993 CPS.

Information from 1980 to 1982 is not presented due to errors on the CPS computer tapes for those years.

The most dramatic trend shown in table C-35 is the decline from 1979 to 1986 in the percent of the non-aged population covered by employment-based plans through another family member, from 34.3 percent to 31.4 percent. This proportion declined consistently between 1979 and 1984, and then leveled off. On the other hand, the percent of the nonelderly population covered by health insurance from their own work actually increased between 1979 and 1986 from 33.1 to 33.4 percent. This coverage declined during the early 1980s but increased by nearly a full percentage point between 1983 and 1986.

Coverage through one's own job increased slightly in 1988 and 1989 and has been declining since then to 31.3 percent in 1992. Coverage from someone else's job declined slightly in 1988, rose slightly in 1989, and has declined to 31.7 percent in 1992 below the 1987 level of 33.4 percent. Coverage from plans not employment-based declined from 1987 to 1989, then increased in 1991 exceeding the 1987 level.

UNCOMPENSATED CARE COSTS IN PPS HOSPITALS,
1980-92

Uncompensated care is a term used to describe inpatient and outpatient care given to patients who are unable or unwilling to pay. It includes charity care and bad debts. Charity care is care given for which no payment is expected. Bad debt consists of charges that are not paid by uninsured individuals or partial charges, such as copayments, that are not paid by insured individuals. For this analysis, these charges have been adjusted to reflect the cost of care that was provided but not paid for.

Public hospitals and some private institutions receive government operating subsidies that at least partially offset their uncompensated care losses. These subsidies are not always directed specifically towards charity care, but they nonetheless serve to lessen the burden of a high charity care load. This analysis thus examines uncompensated care both before and net of government subsidies.

The information for this analysis was provided by the American Hospital Association from their Annual Survey of Hospitals. It describes the trend and distribution of uncompensated care in hospitals from 1980 to 1992.

The financial burden of uncompensated care increased substantially through the 1980s and continues to grow. Before offsetting operating subsidies from State and local governments, total uncompensated care costs in community hospitals increased 11.7 percent per year, reaching \$14.9 billion by 1992 (see table C-36). Over the 12-year period, this is about 1 percent faster than the growth in total hospital

costs. However, this masks the slowdown that occurred in more recent years. From 1980 to 1986, uncompensated care costs grew almost 3 percent faster than total hospital costs, but from 1986 to 1992, they grew almost 1 percent slower.

The portion of uncompensated care costs that was not covered by government operating subsidies grew even faster: 13 percent per year. This is because government subsidies have not increased as fast as total hospital cost inflation, with the lag being most pronounced starting in 1988 (see chart C-1). Between 1980 and 1992, the proportion of uncompensated care costs covered by government subsidies dropped from 28 percent to 19 percent.

The burden of uncompensated care is widespread. Uncompensated care has traditionally been associated with large, urban public hospitals; over the last decade, however, the problem increasingly affected the entire industry. In 1992, uncompensated care accounted for 6 percent of hospital costs before government subsidies and 5 percent net of government subsidies (see table C-37). Urban government and major public teaching hospitals carried the largest uncompensated care burden as a percentage of total expenses both before and after government subsidies; however, they also received the most relief from government subsidies. Geographically, rural hospitals receive proportionally less support than urban hospitals. Voluntary and proprietary hospitals, on average, receive almost no relief from uncompensated care through government subsidies, although they provide an amount of uncompensated care equal to 5 percent and 4 percent of total costs, respectively.

While a hospital's uncompensated care load is an important determinant of its overall financial condition, it is not the predominant factor in predicting financial performance. Perhaps the most important factor in this regard is the degree to which hospitals are able to generate revenue from other payers and non-patient care sources to cover their uncompensated care costs and Medicaid shortfalls.

TABLE C-36.--HOSPITAL UNCOMPENSATED CARE COSTS AND GOVERNMENT OPERATING SUBSIDIES, 1980-92

Amount (in billions)				Average annual percent change		
Measure				change		
1980	1986	1991	1992	1980-86	1986-92	1980-92
Uncompensated care costs before government subsidies.						
\$3.6	\$8.9	\$13.4	\$14.9	14.7	8.9	11.7
Government operating subsidies.....						
1.1	2.0	2.6	2.8	10.6	6.0	8.2
Uncompensated care costs net of government subsidies.						
2.8	6.9	10.8	12.1	16.1	9.7	12.8
Proportion of uncompensated care costs covered by government subsidies (percent).....						
27.7	22.3	19.6	18.9	.....	.....	.....

Note.--Includes all community hospitals.

Source: ProPAC analysis of American Hospital Association Annual Survey data.

CHART C-1. CUMULATIVE GROWTH IN UNCOMPENSATED CARE COSTS AND GOVERNMENT

SUBSIDIES, 1980-92

<CHART C-1>

TABLE C-37.--HOSPITAL UNCOMPENSATED CARE COSTS AS A PERCENT OF TOTAL

COSTS, BY HOSPITAL GROUP, 1992

[In percent]

Hospital group		Uncompensated care costs before government subsidies
Uncompensated care costs net of government subsidies		
All hospitals.....	4.9	6.0
Large urban.....	4.9	6.4
Other urban.....	4.9	5.6
Rural.....	4.8	5.3
Voluntary.....		4.8

4.6	
Proprietary.....	3.9
3.9	
Urban government.....	14.4
6.9	
Rural government.....	6.5
5.0	
Major teaching:	
Public.....	17.9
7.3	
Non-public.....	5.3
4.8	
Other teaching.....	4.9
4.9	
Non-teaching.....	4.6
4.6	
Disproportionate share:	
Large urban.....	8.3
5.7	
Other urban.....	6.8
5.6	
Rural.....	6.5
6.2	
Non-disproportionate share.....	4.2
4.1	

Note: Includes data for all community hospitals, except
teaching and DSH
hospitals which are PPS hospitals only.

Source: PropAC analysis of American Hospital Association
Annual Survey
data.

INTERNATIONAL HEALTH SPENDING\4\

This section analyzes trends in health expenditures for
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Organization for Economic Cooperation and Development (OECD) countries from 1970 to 1991. Table C-38 illustrates total health expenditures as a percentage of gross domestic product (GDP). In 1970, the mean percent of GDP was 5.1 percent, with the United States being 45 percent higher than the average with 7.4 percent of GDP. By 1991, the overall mean percent of GDP comprised of health expenditures had increased to 7.9 percent while the United States health spending as a share of GDP had increased to 13.4 percent, some 70 percent greater than the overall average.

\4\The data and analysis in this section are from Health Affairs, ``Health Care Systems in Twenty-four Countries,`` by George J. Schieber, Jean-Pierre Poullier, and Leslie M. Greenwald, Fall 1991. Also, OECD press release, March 5, 1993.

The second to the last column in table C-38 presents per capita health expenditures denominated in U.S. dollars. The last column illustrates public health expenditures as a percent of total health spending. This ranged from 61 percent in the United States to over 90 percent in Luxembourg, Norway, Sweden, Germany, Iceland, Ireland, Spain, Switzerland, and the U.K. with an OECD average of 84.2 percent.

TABLE C-38.--TOTAL HEALTH EXPENDITURE AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT [GDP], PER CAPITA HEALTH SPENDING AND PERCENT OF MEDICAL EXPENDITURES COVERED BY PUBLIC INSURANCE SCHEME, FOR SELECTED CALENDAR YEARS

1960-91

[In percent except

per capita]

Per	Country					1960
1970	1980	1985	1990	1991	capita	Percent\1\

Australia.....						4.9
5.7	7.3	7.7	8.2	8.6	\$1,407	70.0
Austria.....						4.4
5.4	7.9	8.1	8.3	8.4	1,448	84.0
Belgium.....						3.4
4.1	6.6	7.4	7.6	7.9	1,377	86.0
Canada.....						5.5
7.1	7.4	8.5	9.5	10.0	1,915	84.0
Denmark.....						3.6
6.1	6.8	6.3	6.3	6.5	1,151	85.0
Finland.....						3.9
5.7	6.5	7.2	7.8	8.9	1,426	82.0
France.....						4.2
5.8	7.6	8.5	8.8	9.1	1,650	74.5
Germany.....						4.8
5.9	8.4	8.7	8.3	8.5	1,659	92.0
Greece.....						2.9
4.0	4.3	4.9	5.4	5.2	404	85.0
Iceland.....						3.5
5.2	6.4	7.1	8.3	8.4	1,447	93.0
Ireland.....						4.0
5.6	9.2	8.2	7.0	7.3	840	90.0
Italy.....						3.6
5.2	6.9	7.0	8.1	8.3	1,408	75.0
Japan.....						3.0
4.6	6.6	6.6	6.6	6.6	1,267	87.0

Luxembourg.....							N/A
4.1	6.8	6.8	7.2	7.2	1,494	91.0	
Netherlands.....							3.9
6.0	8.0	8.0	8.2	8.3	1,360	71.0	
Norway.....							3.3
5.0	6.6	6.4	7.4	7.6	1,305	90.0	
New Zealand.....							4.3
5.2	7.2	6.5	7.2	7.6	1,050	N/A	
Portugal.....							N/A
3.1	5.9	7.0	6.7	6.8	624	N/A	
Spain.....							1.5
3.7	5.6	5.7	6.6	6.7	848	90.0	
Sweden.....							4.7
7.2	9.4	8.8	8.6	8.6	1,443	94.0	
Switzerland.....							3.3
5.2	7.3	7.6	7.8	7.9	1,713	91.0	
Turkey.....							N/A
N/A	4.0	2.8	4.0	4.0	142	N/A	
United Kingdom.....							3.9
4.5	5.8	6.0	6.2	6.6	1,035	93.0	
United States.....							5.3
7.4	9.2	10.5	12.4	13.4	2,867	61.0	
OECD Average.....							3.9
5.1	7.0	7.2	7.6	7.9	1,262	84.2	

 \1\Percent of medical expenditures covered by public insurance scheme.

Source: Schieber, George J. and Jean-Pierre Poullier. ``International Health Spending: Issues and Trends.'' Health Affairs, Spring 1991 p. 109; Schieber, George J., Jean-Pierre Poullier, and Leslie M. Greenwald, ``Health Care Systems in Twenty-four Countries.'' Health Affairs, Fall 1991, p. 24. Also, OECD press release, March 5, 1993.

