

Table 128. National health expenditures, average annual percent change, and percent distribution, by type of expenditure: United States, selected years 1960-2010

(Data are compiled from various sources by the Centers for Medicare & Medicaid Services)

Type of national health expenditure	1960	1970	1980	1990	2000	2005	2008	2009	2010
Amount in billions									
National health expenditures.....	\$27.4	\$74.9	\$255.8	\$724.3	\$1,377.2	\$2,029.1	\$2,403.9	\$2,495.8	\$2,593.6
Health consumption expenditures.....	24.8	67.1	235.7	675.6	1,289.6	1,902.6	2,250.1	2,349.5	2,444.6
Personal health care.....	23.4	63.1	217.2	616.8	1,165.4	1,697.2	2,010.2	2,109.0	2,186.0
Hospital care.....	9.0	27.2	100.5	250.4	415.5	609.4	729.3	776.1	814.0
Professional services.....	8.0	19.8	64.6	208.1	390.2	557.0	652.6	671.2	688.6
Physician and clinical services.....	5.6	14.3	47.7	158.9	290.9	416.9	486.6	502.7	515.5
Other professional services.....	0.4	0.7	3.5	17.4	37.0	53.0	63.6	66.0	68.4
Dental services.....	2.0	4.7	13.4	31.7	62.3	87.0	102.4	102.5	104.8
Other health, residential, and personal care	0.5	1.3	8.5	24.3	64.6	96.5	113.3	122.0	128.5
Home health care ¹	0.1	0.2	2.4	12.6	32.4	48.7	61.5	66.1	70.2
Nursing care facilities and continuing									
care retirement communities ¹	0.8	4.0	15.3	44.9	85.1	112.5	132.7	138.7	143.1
Retail outlet sales of medical products..	5.0	10.6	25.9	76.5	177.6	273.2	321.0	334.9	341.6
Prescription drugs.....	2.7	5.5	12.0	40.3	120.9	204.8	243.6	256.1	259.1
Durable medical equipment.....	0.7	1.7	4.1	13.8	25.1	31.2	34.9	35.2	37.7
Other nondurable medical products.....	1.6	3.3	9.8	22.4	31.6	37.2	42.5	43.6	44.8
Government administration ²	0.1	0.7	2.8	7.2	17.1	28.0	29.5	29.6	30.1
Net cost of health insurance ³	1.0	1.9	9.3	31.6	64.2	121.2	137.8	134.7	146.0
Government public health activities ⁴	0.4	1.4	6.4	20.0	43.0	56.2	72.7	76.2	82.5
Investment.....	2.6	7.8	20.1	48.7	87.5	126.5	153.8	146.3	149.0
Research ⁵	0.7	2.0	5.4	12.7	25.5	40.3	43.4	45.7	49.3
Structures and equipment.....	1.9	5.8	14.7	36.0	62.1	86.2	110.4	100.6	99.8
Average annual percent change from previous year shown									
National health expenditures.....	...	10.6	13.1	11.0	6.6	8.1	5.8	3.8	3.9
Health consumption expenditures.....	...	10.5	13.4	11.1	6.7	8.1	5.8	4.4	4.0
Personal health care.....	...	10.4	13.2	11.0	6.6	7.8	5.8	4.9	3.7
Hospital care.....	...	11.7	14.0	9.6	5.2	8.0	6.2	6.4	4.9
Professional services.....	...	9.5	12.6	12.4	6.5	7.4	5.4	2.9	2.6
Physician and clinical services.....	...	9.8	12.8	12.8	6.2	7.5	5.3	3.3	2.5
Other professional services.....	...	5.8	17.5	17.4	7.8	7.5	6.3	3.8	3.6
Dental services.....	...	8.9	11.0	9.0	7.0	6.9	5.6	0.1	2.2
Other health, residential, and personal care	...	10.0	20.7	11.1	10.3	8.4	5.5	7.7	5.3
Home health care ¹.....	...	7.2	28.2	18.0	9.9	8.5	8.1	7.5	6.2
Nursing care facilities and continuing									
care retirement communities ¹.....	...	17.5	14.4	11.4	6.6	5.7	5.7	4.5	3.2
Retail outlet sales of medical products..	...	7.7	9.4	11.4	8.8	9.0	5.5	4.3	2.0
Prescription drugs.....	...	7.4	8.1	12.9	11.6	11.1	6.0	5.1	1.2
Durable medical equipment.....	...	9.3	9.2	12.9	6.2	4.4	3.8	0.9	7.1
Other nondurable medical products.....	...	7.5	11.5	8.6	3.5	3.3	4.5	2.6	2.8
Government administration ².....	...	30.0	14.1	10.0	9.1	10.4	1.6	0.4	1.7
Net cost of health insurance ³.....	...	6.4	17.3	13.1	7.3	13.6	4.4	-2.2	8.4
Government public health activities ⁴.....	...	13.8	16.9	12.0	8.0	5.5	9.0	4.9	8.2
Investment.....	...	11.7	10.0	9.2	6.0	7.6	6.7	-4.9	1.9
Research ⁵.....	...	10.9	10.8	8.9	7.2	9.6	2.5	5.3	7.9
Structures and equipment.....	...	12.0	9.7	9.4	5.6	6.8	8.6	-8.9	-0.8

Percent distribution

National health expenditures..... ¹	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Health consumption expenditures.....	90.6	89.6	92.1	93.3	93.6	93.8	93.6	94.1	94.3
Personal health care.....	85.4	84.3	84.9	85.2	84.6	83.6	83.6	84.5	84.3
Hospital care.....	32.8	36.3	39.3	34.6	30.2	30.0	30.3	31.1	31.4
Professional services.....	29.3	26.4	25.3	28.7	28.3	27.4	27.1	26.9	26.6
Physician and clinical services.....	20.6	19.1	18.7	21.9	21.1	20.5	20.2	20.1	19.9
Other professional services.....	1.4	1.0	1.4	2.4	2.7	2.6	2.6	2.6	2.6
Dental services.....	7.3	6.3	5.2	4.4	4.5	4.3	4.3	4.1	4.0
Other health, residential, and personal care	1.6	1.8	3.3	3.4	4.7	4.8	4.7	4.9	5.0
Home health care ¹	0.2	0.3	0.9	1.7	2.4	2.4	2.6	2.6	2.7
Nursing care facilities and continuing									
care retirement communities ¹	3.0	5.4	6.0	6.2	6.2	5.5	5.5	5.6	5.5
Retail outlet sales of medical products..	18.4	14.1	10.1	10.6	12.9	13.5	13.4	13.4	13.2
Prescription drugs.....	9.8	7.3	4.7	5.6	8.8	10.1	10.1	10.3	10.0
Durable medical equipment.....	2.7	2.3	1.6	1.9	1.8	1.5	1.5	1.4	1.5
Other nondurable medical products.....	5.9	4.4	3.8	3.1	2.3	1.8	1.8	1.7	1.7
Government administration ²	0.2	1.0	1.1	1.0	1.2	1.4	1.2	1.2	1.2
Net cost of health insurance ³	3.7	2.5	3.6	4.4	4.7	6.0	5.7	5.4	5.6
Government public health activities ⁴	1.4	1.8	2.5	2.8	3.1	2.8	3.0	3.1	3.2
Investment.....	9.4	10.4	7.9	6.7	6.4	6.2	6.4	5.9	5.7
Research ⁵	2.5	2.6	2.1	1.8	1.8	2.0	1.8	1.8	1.9
Structures and equipment.....	6.8	7.8	5.7	5.0	4.5	4.2	4.6	4.0	3.8

...Category not applicable.

¹Includes expenditures for care in freestanding facilities only. Additional services of this type are provided in hospital-based facilities and are considered hospital care.

²Includes all administrative costs (federal and state and local employees' salaries, contracted employees including fiscal intermediaries, rent and building costs, computer systems and programs, other materials and supplies, and other miscellaneous expenses) associated with insuring individuals enrolled in the following health insurance programs: Medicare, Medicaid, Children's Health Insurance Program, Department of Defense, Department of Veterans Affairs, Indian Health Service, workers' compensation, maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, and other federal programs.

³Net cost of health insurance is calculated as the difference between calendar year incurred premiums earned and benefits paid for private health insurance. This includes administrative costs, and in some cases, additions to reserves, rate credits and dividends, premium taxes, and plan profits or losses. Also included in this category is the difference between premiums earned and benefits paid for the private health insurance companies that insure the enrollees of the following programs: Medicare, Medicaid, Children's Health Insurance Program, and workers' compensation (health portion only).

⁴Includes personal care services delivered by government public health agencies.

⁵Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded. They are included in the expenditure class in which the product falls because such expenditures are covered by the payment received for that product.

NOTES: Percents and average annual percent change are calculated using unrounded data. Starting with *Health, United States, 2010*, estimates are based on a revised methodology that incorporates available source data and various methodological and definitional changes. These revisions are due to a comprehensive change in the classification structure of how estimates are defined and presented. For more information on the impact of these revisions, see: <http://www.cms.gov/NationalHealthExpendData/downloads/benchmark2009.pdf>. See Appendix I, National Health Expenditure Accounts (NHEA). Data have been revised and differ from previous editions of *Health, United States*.

SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group, National Health Expenditure Accounts, National health expenditures, 2010. Available from: <http://www.cms.hhs.gov/NationalHealthExpendData/>. See Appendix I, National Health Expenditure Accounts (NHEA).

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