Outlays for health care in the nation reached $212.2 billion in calendar year 1979—12.5 percent higher than in 1978, according to preliminary figures compiled by the Health Care Financing Administration. This estimate represented $943 per person in the United States and was equal to 9.0 percent of the Gross National Product. This latest report in the annual series representing national health expenditures provides detailed estimates of health care spending by type of service and method of financing.

Overview

The nation spent an estimated $212.2 billion for health care in 1979, an amount equal to 9.0 percent of the Gross National Product. These figures reveal the following:

- Health care expenditures amounted to $943 per person in 1979 (Table 1). Of that amount, $406, or 43 percent, represented public spending.
- Health spending in 1979 increased 12.5 percent from 1978 levels, up from the 11 percent change seen in 1978.
- Expenditures for health care included $54.4 billion in premiums to private health insurance, $60.9 billion in Federal payments, and $30.5 billion in State and local government funds (Table 2).
- The bill for hospital care represented 40 percent of total health care spending in 1979 (Table 3). These expenditures increased 12.5 percent in 1979 to a level of $85.3 billion.
- Spending for the services of physicians increased 13.4 percent to $40.6 billion, 19 percent of all health care spending.
- All third parties combined—private health insurers, governments, philanthropy, and industry—financed 68 percent of the $188.6 billion in personal health care in 1979 (Table 4), ranging from 92 percent of hospital care services to 64 percent of physicians' services and 39 percent of the remainder (Table 5).
- Direct payments by consumers reached $60.0 billion in 1979 (Table 6). This represented 32 percent of all personal health care expenses.
- Outlays for health care benefits by the Medicare and Medicaid programs amounted to $29.3 billion and $21.7 billion respectively, combining to pay for 27 percent of all personal health care in the nation (Table 7). Benefits paid by the two programs for hospital care amounted to $29.7 billion.

Expenditures, 1965-1979

In 1979, the preliminary estimate of $212.2 billion for total national health expenditures represented 9.0 percent of the Gross National Product (GNP). This increased slightly from the 8.9 percent share estimated for 1977 and 1978.

Health care spending increased by 12.5 percent in 1979, accelerating from the 11.0 percent increase in 1978, but still in line with the longer run average of 12.2 percent annually over the period 1965 to 1979. GNP increases averaged 9.2 percent per year for the same period. This substantially greater growth rate in the health care sector compared to the rest of the economy resulted in the health care share of the GNP rising from 6.1 percent in 1965 to the 9.0 percent level seen today.

Government programs financed 43 percent of all health care—$91.4 billion or $406 per capita. This share was virtually unchanged from 1978. Government payments accelerated dramatically from 1965, with the inauguration of Medicare and Medicaid. In 1965, they financed 26 percent of the health care in the nation; by 1967, their share had grown to 37 percent. Growth has been moderate since that time.

Private spending, reaching $537 per capita in 1979, increased at a slightly lower rate than public expenditures.
REVISIONS

Some estimates published in the 1978 report have been revised in this report. Portions of some time series back to 1965 have been revised to reflect changes in some basic data sources, the interpretation made of them, and improvements in methodology. The estimates of expenditures that comprise the National Health Expenditures (NHE) series result from analyzing a multitude of data sources which reflect spending for health care and use of health care services. Revisions to these estimates are of two types. Estimates for the most recent two years are revised routinely, as they incorporate short-term forecasts of the levels of the principal data sources described in the final section of this report. In addition, information from each of the data sources must be reconciled with other related sources before being incorporated into the NHE accounting framework. As a result of this process, or with the availability of new or more reliable information, historical series are revised.

In this year's report, estimates of expenditures by private health insurers have been revised back to 1972, to eliminate estimated duplication in benefit payments. Hospital expenditure estimates prior to 1972 have undergone minor revisions to more accurately reflect the American Hospital Association Annual Survey data when adjusted to a calendar year basis. Expenditures for drugs and eyeglasses were revised for the period 1965 through 1971. Nursing home expenditures were revised from 1973 forward. Workers compensation expenditures were revised back to 1965 to incorporate estimates of prepayment and administrative cost.

PERSONAL HEALTH CARE

In the national health accounts, a distinction is made between national health expenditures and personal health care expenditures. NHE is the sum of personal health care expenditures, expenses for prepayment and administration of health insurance companies and government programs, government public health activities, research, and construction. The personal health care component measures spending for services to individuals, such as hospital care, services of physicians, drugs, etc.

As seen in Table A, personal health care expenses were $108.6 billion, an amount equal to 9.8 percent of personal income in 1979. This compares with $80 billion in 1972, which represented 8.5 percent of personal income, and reflects increases in growth similar to the relationship of national health expenditures and GNP (Table 1).

The growth in personal health care costs results from a variety of factors: population growth, changes in the utilization levels of goods and services, changes in the kinds of goods and services being used, and price inflation. Price increases are a major cause of expenditure growth. To measure inflation in the health care sector, a fixed weight price index for personal health care expenditures has been developed. (See the section on concepts and definitions for a discussion of this deflator.)

By using this index, the relative contribution of the factors affecting the increase in personal health expenditures can be determined. As shown in Table B, price inflation between 1972 and 1979 accounted for 66 percent of the increase in expenditures; population growth accounted for seven percent, and "intensity," reflecting changes in quantity and/or composition of goods and services, accounted for the remaining 27 percent. Had there been no inflation between 1972 and 1979, personal health care expenditures in 1979 would have been $71 billion lower (see Figure 4).

HOSPITAL CARE

Hospital care is the leading category of health spending and accounts for 40 percent of the health care dollar, as seen in Figure 2. The $85.3 billion spent for hospital care includes all inpatient and outpatient care in public and private hospitals and all services and supplies provided by hospitals (Table 3). Expenditures for physicians' services rendered in hospitals are excluded, except for the services of those who are hospital staff.

Hospital care continues to be one of the fastest growing expenditure categories, and the one receiving considerable public attention. Spending has more than tripled since 1970, an average increase of 13.3 percent per year. Of primary concern are the community hospitals. These non-Federal, short-term, general hospitals account for $69.8 billion, or 82 percent of all dollars spent for hospital care. The increase in expenditures for these hospitals has been averaging 14.4 percent per year since 1970. To analyze the growth in hospital expenditures, the change in the national hospital input price index (Freeland, Anderson, and Schendler, 1979) can be used. Between 1970 and 1978, 65 percent of the growth in expenditures was due to inflation. Another six percent of the increase was related to population growth, and the remaining 29 percent was the result of greater use and/or changes in the kinds and amounts of services provided.

Intesity can be measured in several ways. First, the number of inpatient days has increased eight percent since 1970 (Table C). Because the average number of days per stay has declined, it also appears that more resources per day are being used. Examples include increases in the number of laboratory tests, surgical operations, and outpatient visits. The number of hospital laboratory tests nearly doubled in six years, growing from 2.2 billion in 1972 to over 4 billion in 1977. In addition, surgical operations, which generally require more resources than medical stays, grew nearly 18 percent from 1972 to 1978. The number of outpatient visits also increased dramatically in this same period—by 24 percent. As a result, outpatient expenses represent over 12 percent of the community hospital bill. To the extent that these outpatient visits provide services that would otherwise be provided on an inpatient basis, they could have a moderating effect on overall costs. Frequently, however, they are providing services that substitute for services in a physician's office where they would be less expensive.
### TABLE A
Personal Health Care Expenditures in Current and Constant Dollars: Levels, Percentage Change, and Percentage of Personal Income, 1972-79.

| Year | Levels (Millions) | Percentage Change | Percentage of Personal Income |
|------|-------------------|------------------|-------------------------------|
|      | Current Dollars   | Constant Dollars | Current Dollars               | Constant Dollars |
| 1972 | $80,177           | $80,177          | —                             | —                |
| 1973 | 88,688            | 84,996           | 10.6%                         | 10.0%            |
| 1974 | 101,007           | 88,939           | 13.9%                         | 3.6%             |
| 1975 | 116,522           | 92,683           | 15.4%                         | 4.2%             |
| 1976 | 131,276           | 96,049           | 12.7%                         | 3.6%             |
| 1977 | 147,968           | 100,251          | 12.7%                         | 4.4%             |
| 1978 | 166,527           | 104,365          | 12.6%                         | 4.1%             |
| 1979 | 188,551           | 108,086          | 13.2%                         | 3.6%             |
| average |                  |                  | 13.0%                         | 4.4%             |

*Constant-dollar expenditures are derived by deflating current dollar expenditures by the fixed-weight deflator for personal health care expenditures (see text).*

*Constant-dollar personal income is derived by deflating current-dollar personal income with the personal consumption expenditures deflator from the national income and product accounts. (See Table 1, Business Conditions Digest; U.S. Department Commerce)*

Sources: Health Care Financing Administration; Personal income from the Bureau of Economic Analysis, U.S. Department of Commerce.

### TABLE B
Sources of Growth in Personal Health Care Expenditures, 1973-79

| Year | Personal Health Care Expenditures | Personal Health Care Expenditures Fixed-Weight Price Deflator | Population | Total | Prices | Population | Intensity |
|------|---------------------------------|-------------------------------------------------------------|------------|-------|--------|------------|-----------|
| 1973 | 10.6%                           | 4.4%                                                       | 0.8%       | 100.0%| 42.7%  | 7.3%       | 50.0%     |
| 1974 | 13.9%                           | 8.6%                                                       | 0.8%       | 100.0%| 55.5%  | 6.1%       | 28.4%     |
| 1975 | 15.4%                           | 10.7%                                                      | 0.8%       | 100.0%| 71.6%  | 5.5%       | 22.9%     |
| 1976 | 12.7%                           | 8.7%                                                       | 0.9%       | 100.0%| 70.4%  | 7.0%       | 22.6%     |
| 1977 | 12.7%                           | 8.0%                                                       | 0.8%       | 100.0%| 64.7%  | 6.6%       | 25.7%     |
| 1978 | 12.6%                           | 8.4%                                                       | 0.9%       | 100.0%| 67.0%  | 7.4%       | 25.6%     |
| 1979 | 13.2%                           | 9.2%                                                       | 1.0%       | 100.0%| 71.9%  | 6.6%       | 21.3%     |
| average | 13.0%                           | 8.3%                                                       | 0.8%       | 100.0%| 65.6%  | 6.6%       | 27.8%     |

Source: Health Care Financing Administration.

The growth in patient days has not kept pace with the growth in hospital beds. As a result, average occupancy rates have declined, dropping from a high of nearly 79 percent in 1969 to 74 percent in 1978—an indication that hospitals are maintaining more unused beds, with the attendant overhead costs. These rates have implications for new construction of hospital facilities.

**PHYSICIANS SERVICES**

The second largest expenditure item is physicians' services. Spending for these services accounted for 19 percent of all health care spending in 1979, or $40.6 billion. This amount included the cost of all services and supplies provided in physicians' offices, expenditures for services by private practitioners in hospitals and other institutions, and physician-ordered diagnostic laboratory work in independent clinical laboratories. Expenditures for physicians' services have been growing at a rapid pace. In 1965 they amounted to $8.5 billion or $43 per person; in 1979 they had jumped to $40.6 billion or $180 per person. (See Figure 1.)
A number of factors have contributed to the rapid growth in physician expenditures. The increasing number of physicians, as well as their specialization, has contributed to this growth. It has been suggested that physicians significantly influence the demand for their own services so that an increase in the supply of physicians will contribute to increased demand. Between 1965 and 1979, the number of active physicians grew from 285,000 to 422,000.

There is little doubt that increased concern over liability for malpractice has contributed to the number and complexity of diagnostic tests performed, adding to the cost of physicians' services. Finally, as third parties assume the financing of a larger share of these services, there is less “discounting” of charges for persons who are less able to pay, and greater proportionate reimbursement for services (Dyckman, 1978).

The total volume and per capita number of physician office visits have changed very little in recent years, but the number of services provided to patients has increased rapidly. For example, the National Center for Health Statistics' Health Interview Survey shows that total physician visits remained relatively constant from 1972, when 1,016 million visits were provided to the noninstitutional population, through 1978, when the same number of visits was provided. Per capita visits actually decreased over this period from 5.0 to 4.8. According to the industry, however, from 1972 to 1977, out-of-hospital laboratory tests (excluding X-rays and radiation therapy) increased from less than 900 million to over 1.5 billion—from 850 tests per 1,000 physician visits to 1,510. The increased testing and the increase in surgery discussed earlier contributed substantially to growing intensity, and therefore to costs, of physician services. From 1972 to 1979, the number of operations has grown from 15,229,000 to 18,640,000, a compound rate of growth of 2.9 percent. When compared with a population growth of under one percent a year, this growth in surgery is considerable.
Physicians influence health spending levels to a much greater extent than is indicated by the 19 percent share of spending devoted to their services. The primary decisions in determining who will be hospitalized and the type and quantity of services that will be provided are made by physicians. The level of expenditures for prescription drugs is similarly influenced by physicians.

NURSING HOME CARE

The fastest growing category of health care spending is for nursing home care. Expenditures have increased at an annual rate of 16 percent since 1970. Amounting to $17.8 billion in 1979, this care is provided in skilled nursing facilities, intermediate care facilities, and personal care homes with provision for nursing care. The relatively small amount of nursing home type care provided in hospitals is included with expenditures for hospital care.

As with hospital care, utilization and prices seem to be the dominant forces behind growth in expenditures for nursing home care. Reflecting increased life spans and changing social patterns in family responsibility for the elderly, the number of persons in nursing homes has increased significantly (Fisher, 1980). In recent years, nursing home use, measured by days of care, has been growing about four percent annually. Input price increased of about 8.7 percent per year have also contributed to this growth. The large wage component, subject to the new minimum wage law requirements along with the relatively large food and fuel components, indicates that price increases for nursing home care will continue to be rapid in the near future.

DRUGS AND MEDICAL SUNDRIES

This category accounted for eight percent of health spending ($17.0 billion) in 1979. This figure represents prescription drugs, over-the-counter drugs, and medical sundries dispensed through retail channels. Expenditures for drugs dispensed in inpatient settings, to hospital outpatients, by clinics, and directly by physicians are reported within those service categories. About 56 percent of all dollars for drugs and medical sundries is spent for prescription drugs alone.

From 1965 to 1979, spending for retail drugs and sundries has increased about 8.8 percent annually, a rate significantly below other major health care services. Consequently, its share of health care spending has declined from over 12 percent in 1965 to the 8.0 percent seen in 1979.

DENTISTS' SERVICES

Services of dentists, including the services of dental laboratories, accounted for expenditures of $13.6 billion in 1979. The share of total spending, 6.4 percent, has changed little since 1965, in spite of the 2.8 percent annual increase in dental visits between 1968 and 1978.

OTHER PERSONAL CARE

The remaining 6.7 percent in personal health care expenditures was for services of other health professionals, including most home health agencies, eyeglasses and orthopedic appliances, and the cost of providing care in industrial plants. These services have declined from an 8.5 percent share in 1965.

OTHER HEALTH CARE SPENDING

Personal health care spending totaled $189 billion in 1979. About 11 percent more, $23.6 billion, was spent for nonpersonal health care services, bringing the annual total to $212 billion. These expenditures covered the prepayment and administrative expense of private health insurance and public programs, the funding of government public health programs, research, and the construction of medical facilities. Expenditures for research (both biomedical and health care delivery) include only government funds for research and expenditures by research and development organizations. Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies (estimated at $1.8 billion in 1978) are not included with research expenditures but are assumed to be included in the expenditure class in which the product or service falls. (See "Definitions" section for a more detailed description of nonpersonal care categories.)

Financing of Health Care

Unlike other goods and services for which the consumer pays the provider directly, health care payments are frequently handled by a financial agent—a "third party." In 1979, more than two-thirds of the funds spent for personal health care were supplied by third parties, principally private health insurers and public agencies acting as insurers. The details of the payment method vary—the private health insurance organization may reimburse the provider in whole or in part for the cost of service, or the consumer may be reimbursed for money he or she has paid out for insured services. Public agencies may employ the private insurance industry to disburse provider payments on behalf of entitled beneficiaries, or government agencies may provide health care services directly to selected groups, for example, Veterans Administration services to veterans.

THIRD-PARTY PAYMENTS

In 1979, personal health care funds supplied by third parties amounted to $128.6 billion of the $188.6 billion in personal health expenditures, or 68 percent (Table 5). All levels of government—Federal, State, and local—financed the largest portion of that amount, $75.9 billion or 40 percent of the total. Private health insurance payments covered an additional 27 percent of personal health care. Care financed by private philanthropic organizations and amounts spent by industry for maintenance of in-plant health services amounted to a little over one percent of the total.
The growth in third party payments has been significant, increasing from less than half (48 percent) of all personal health care funds in 1965 to over two-thirds in 1979 (Table 4). The insurance share increased moderately from 24 to 27 percent over these 15 years. Public spending, on the other hand, nearly doubled—from 22 to 40 percent.

Coverage by both private insurance and government has concentrated on hospital care and physicians' services. In 1979 they paid 92 percent of spending for hospital care (including a one percent contribution from philanthropy). The increase in this share since 1965, when it was 83 percent, has not been dramatic, but the mix has changed: government payments increased from 39 to 56 percent of all hospital care during the period from 1965 to 1979 (Table 5), while the share paid by private insurance declined from 42 to 35 percent.

Third party payments to physicians have grown much more rapidly, from 39 to 64 percent of the total cost of physicians' services between 1965 and 1979. With the advent of Medicare and Medicaid, government payments to physicians have increased from seven to 26 percent of total spending. The share paid by private insurance increased from 32 to 37 percent.

For the remaining personal health care services, third parties pay a smaller, but growing, proportion. Payments by government and insurance doubled from 19 to 39 percent between 1965 and 1978. This growth was due primarily to growth in government payments for such things as nursing home care, drugs, etc.

PRIVATE HEALTH INSURANCE

In 1979, private insurers, including the Blue Cross and Blue Shield plans, commercial insurance companies, and independent plans, paid benefits amounting to $50.3 billion, or 27 percent of personal health care expenditures. In 1977, approximately 168 million persons, 76 percent of the U.S. population, were covered by private hospital insurance.

The premiums collected by private health insurers normally exceed the amounts paid out in benefits. This allows the insurer to cover the administrative cost of paying claims, to maintain appropriate and required reserves to cover anticipated claims, and to return a profit, in the case of for-profit companies. The difference between the premiums and benefit payments, the “net cost,” is included in the national health expenditure estimates under “Expenditures for Prepayment and Administration.” It is not classified in personal health care. Of the total $54.4 billion in premiums collected in 1979, $50.3 billion were paid in benefits. The remaining $4.1 billion represented the “net cost.” These premiums represented 26 percent of all national health spending. (See Carroll and Arnett, 1979, for a detailed discussion of the private health insurance industry.)

Consumer expenditures for health care represent that portion of the health care dollar that is not financed by public programs or paid by philanthropy or industry. It is the share that is potentially insurable through private health insurance. In 1979, consumer expenditures for personal health care were $110.3 billion, and only 46 percent was covered by insurance benefits. This percentage has increased from 32 percent in 1965.

The period of the 1950s was a time of rapid expansion for private health insurance. By 1965, 24 percent of personal health care was covered by private insurance. With the enactment of Medicare and Medicaid in 1965, government expenditures began to increase significantly, and the growth of the insurance share began to slow. In the last few years, it has stabilized at about 27 percent.

The impact of private health insurance has varied by type of care. Hospital care was the first type of service to be extensively covered by insurance. In 1960, private insurance covered 36 percent of hospital care expenditures. That share reached 42 percent by 1965. Extensions of coverage beyond surgical procedures in recent years has lead to a higher share of physicians' services being reimbursed by private insurance. This share rose from 29 percent in 1967 to 37 percent in 1979.

For other health care services, insurance coverage has been extremely limited. Dental care is the only other category with any significant private insurance share; insurance paid for about 23 percent of dental expenditures in 1979.

PUBLIC EXPENDITURES

Government-sponsored programs spent $75.9 billion and provided 40 percent of personal health care spending in 1979. All expenditures under programs established by public law are included here. Amounts spent under workers’ compensation programs, for example, are counted as government expenditures, although they include benefits paid by private insurers from premiums collected from private sources. Federal funds financed more than two-thirds of the public outlay, or $53.3 billion. State and local governments provided the remaining $22.6 billion. Table D indicates the shares of personal health care paid by public programs.

The two largest government programs involved in financing health care are Medicare and Medicaid, which together paid $51.0 billion in benefits in 1979. This amount financed over one-quarter of the total expenditures and two-thirds of all public spending for personal health care. In 1977, the administration of these two programs was consolidated under a new Federal agency—the Health Care Financing Administration (HCFA)—in the Department of Health, Education, and Welfare (now Health and Human Services).

Medicare

Nearly 28 million people, 90 percent of whom are age 65 or older, are enrolled under the Medicare program. In 1979, program expenditures totaled $30.3 billion, of which $29.3 billion represented benefit payments. An average of $1,788 per person was paid in 1979 for the approximately 16.4 million persons receiving benefits.
The Medicare program, established under Title XVIII of the Social Security Act, became effective July 1, 1966. Initially, it was designed as a Federal insurance program to protect the elderly (those age 65 years and older) from the high cost of obtaining adequate acute medical care. On July 1, 1973, permanently disabled workers (and their dependents) eligible for disability benefits and persons suffering from end-stage renal disease became eligible for Medicare benefits.

Medicare payments for hospital care in 1979 were $21.7 billion, representing 74 percent of program benefit payments and paying for 26 percent of all hospital care in the nation (Figure 3). Nearly all Medicare hospital benefits (98 percent) are for care in community hospitals, with most of that amount for acute care. Reimbursements for physicians’ services accounted for 22 percent of Medicare payments and 16 percent of all physician revenues. Payments for long-term care, such as nursing home care, are made only if such care is required for convalescence and skilled nursing care is provided. Approximately two percent of all nursing home expenditures was covered by Medicare in 1979.

Growth in total personal health care spending by Medicare was nearly 18 percent in 1973, up from 15 percent the previous year. Acceleration in hospital costs may be a factor here, offsetting the leveling off in expenditure growth which resulted from the inclusion of the new enrollment groups in 1973.

Unlike other Federal programs, Medicare is not financed solely by general revenues. The Hospital Insurance (HI) Program is financed largely through a payroll tax on employers and employees. The Supplemental Medical Insurance Program (SMI) is financed through premium payments and general revenues. The general revenue share of SMI has grown significantly, from about 50 percent in 1972 to 68 percent in 1979. This growth is due primarily to the legal restriction on premium increases. Premiums may not increase more than increases in monthly cash retirement and survivor benefits under the social security programs. Since SMI benefit payments have grown faster than premium payments limited by those provisions, the Federal share required to maintain the trust fund has grown proportionately faster.

TABLE D
Percentage of Public Expenditures for Personal Health Care Paid by Selected Public Programs, 1979

| All Personal Care | Hospital Services | Physicians' Services | Nursing Home Care |
|-------------------|-------------------|----------------------|-------------------|
| Medicare          | 38.6              | 45.4                 | 60.3              | 3.7               |
| Medicaid          | 28.5              | 16.8                 | 20.8              | 87.1              |
| Veterans' Administation | 7.0    | 9.3                  | 0.6               | 3.1               |
| Department of Defense | 5.3    | 6.2                  | 1.0               | —                 |
| Workers' Compensation | 4.4    | 3.6                  | 13.3              | —                 |
| State and Local Hospitals (Net of Reimbursement) | 9.8 | 14.3 | 4.0 | 6.1 |
| All Other         | 6.4              | 4.4                  | 4.0               | 6.1               |

Medicaid

In 1979, Medicaid paid $21.7 billion in benefits (Table 7), averaging $947 per person, on behalf of 22.9 million recipients. Expenditures were up 15 percent over 1978, somewhat higher than the increase in 1977.

Title XIX of the Social Security Act established a joint Federal-State program to provide medical assistance to certain categories of low-income persons. These include aged, blind, and disabled persons, or members of families with dependent children, when one parent is absent, incapacitated, or unemployed. Medicaid provides medical assistance to those people who are eligible to receive cash assistance under one of the existing welfare programs established under the Social Security Act (Title IV-A, Aid to Families with Dependent Children [AFDC], or Title XVI, Supplemental Security Income [SSI]). The program is State-administered and provides for Federal matching grants for a portion of the cost of providing medical benefits to the categorically eligible. In addition, if the State chooses, Federal matching funds are available for medical benefits for the “medically needy”—persons in one of the qualifying categories who have incomes too high for cash assistance but not adequate to pay their medical bills. The Federal share is derived from a formula based on a State’s per capita income. Currently, the Federal contribution ranges by State from 50 to 78 percent, with the national average at 56 percent.

Medicaid payments for hospital care were $8.0 billion in 1979, 9.4 percent of total hospital expenditures. The program covers much more long-term, nonacute institutional care than Medicare. Hospital payments include a larger portion of care in long-term care and psychiatric hospitals. Forty-one percent of Medicaid benefits were for nursing home expenditures. This $8.8 billion represented 49 percent of all spending for nursing homes and 87 percent of public spending for nursing homes in 1979. In recent years, benefits for intermediate-care facilities for the mentally retarded have been included in the Medicaid nursing home figures, accounting for about 16 percent of Medicaid nursing home benefits in 1979. Medicaid and Medicare are a major source of financing for home health agency services. Although the level of spending for home health services is relatively low, its recent and continuing growth makes it particularly
noteworthy. The basic services provided by home health agencies are home visits by nurses, aides, and other nonphysician health professionals. In 1972, about $280 million were spent for such home health services, about a third of which were funded by the Medicare and Medicaid programs. Home health visits were provided to about 250,000 people under Medicare and 113,000 under Medicaid. With concern over increasing populations in nursing homes, home health services have continued to be explored as a possible alternative to much more costly nursing home care, and the dollars committed to this area have expanded. By 1978, the level of total expenditures had risen to about $845 million, about 80 percent of which was funded by Medicare or Medicaid. Thus, most of the growth in spending for home health agencies was financed by the two HCFA programs. This growth was due mainly to the increase in the number of persons using such services. In 1978, nearly 770,000 Medicare recipients and over 300,000 Medicaid recipients were receiving home health care.

About eight percent of home health agency expenditures is provided by hospital-based agencies and is included in the hospital services sector of personal health care expenditures. The rest is included in "other professional services."

Other Public Program Expenditures

State spending for medical care for the poor who are not eligible for Medicaid or for Federal matching funds is classified as "other medical public assistance." In 1979, this spending amounted to $1.5 billion.

In addition, a large public contribution to health spending comes from State and local government outlays in their own hospitals. State and local governments spent an additional $8.8 billion for hospital care in 1979, after deducting reimbursements received from public and private sources. The Veterans Administration provided another seven percent of public spending, and the Department of Defense financed an additional five percent.

The category "Other Public Expenditures for Personal Health Care," shown in Table 7, includes a number of public programs not detailed in this report. These include maternal and child health programs, $690 million; medical payments under vocational rehabilitation, $275 million; temporary disability insurance, $77 million; Public Health Service and other Federal hospitals, $1,200 million; Indian Health Services, $340 million; and Alcohol, Drug Abuse, and Mental Health Administration, $897 million.

TRENDS IN PUBLIC SPENDING

About one-fifth of the U.S. population (47 million people) is covered by either Medicare or Medicaid, after corrections are made for duplication. Medicaid pays the Supplemental Medical Insurance premiums for some 3 million persons who show up as eligible and/or receiving benefits under both programs. The growth in service reimbursed by Medicare and Medicaid has dramatically altered the nature of public spending since 1965. At that time, the Federal and the State and local governments shared almost equally in spending for personal health care—with 10 and 11 percent, respectively. By 1979, the Federal portion had increased steadily to 28 percent, and the State and local share had remained nearly the same, at 12 percent. State and local spending is the net after Federal reimbursements and grants-in-aid for various programs have been deducted. The amounts received from the Federal government as revenue sharing funds and used for health programs are not deducted from State spending, since there is not adequate information to make this adjustment. During the fiscal year ending September 1977, States used $615 million in revenue sharing funds for health care purposes, much of which is reflected in "government public health activities."

Combined public spending for personal health care in 1979 was 40 percent of the total, or $75.9 billion. Because of the orientation of Medicare and Medicaid toward hospital care, public spending for hospital care jumped from 39 to 55 percent from 1965 to 1977. Since that time, it has varied between 52 and 55 percent, standing at 56 percent in 1979. The public share of spending for physicians' services nearly tripled to 20 percent in the same period and reached 25 percent in 1979.

PHILANTHROPY AND INDUSTRIAL IN-PLANT

Some health care is provided to industrial employees through in-plant health services. Expenditures for these services, classified under "other health services," are estimated at $1.3 billion in 1979. Private philanthropic organizations' funds for personal health care are classified by type of care and totaled over $1 billion in 1979. Administrative and fund-raising expenses of private charities are classified with expenses for prepayment and administration, while philanthropic support of research and construction is included with the respective expenditure categories.

DIRECT PAYMENTS

The portion of personal health care expenditures not paid by third-parties is known as "direct payments" or "out-of-pocket" costs. This amount excludes the consumer payments for Medicare or private health insurance premiums but includes deductible and coinsurance amounts. In 1979, direct payments amounted to $60.0 billion, or $267 per person.

There has been a decline in the share of out-of-pocket payments for health care, from a little over one-half in 1965 to less than one-third in 1979 because of the rapid growth in third-party payments, particularly those assumed by government. Per capita payment for personal health care in 1979 was $838, of which $267 was paid out-of-pocket.

The share of expenditures borne directly by the consumer varies by type of service (Table 5). In 1979, consumers paid only eight percent of hospital expenditures directly, an average of $31 per person. They paid 37 percent of physicians' expenditures directly, an average of $66 per person. For dentists, however, the direct share was 73 percent, and for drugs and drug sundries it was 84 percent. As shown in Table 5, the direct payment share for hospital and physicians'
services has been cut nearly in half since 1965. For all other services, however, private health insurance and public programs have not assumed as great a share of the burden.

Definitions, Concepts, and Sources of Data

Estimates of national health expenditures are compiled by type of expenditure (use of funds) and channel of financing (source of funds). In most instances, the total level of the expenditures for each type of service is developed for the nation as a whole; estimates for government spending for these services are then subtracted to derive the private contribution. The accounting framework used for national health expenditures identifies each dollar spent for health care and counts it only once as it moves through the complex financing channels of the American health care system.

HOSPITAL CARE

The estimates of expenditures for hospital care are compiled chiefly from data on hospital finances collected by the American Hospital Association (AHA) as part of the Annual Survey of Hospitals and the monthly National Hospital Panel Survey. The data from the monthly surveys are used to project levels of community hospital expenditures for periods more recent than the latest annual survey and to adjust the annual survey data to correspond to the various time periods for which estimates are made.

The composite estimate represents all spending for hospital services in the nation for both inpatient and outpatient care, including all services by hospital staff (including physicians salaried by the hospital) and spending for drugs and other supplies. Self-employed physicians' services in hospitals (surgeons, for example) are not counted as hospital expenditures. Anesthesia and X-ray services are sometimes classified as hospital care expenditures and sometimes as expenditures for physicians' services, depending on billing practices.

The objective is to identify outlays for hospital services rather than the cost of providing service. Total revenue data are used for community hospitals; for other types of hospitals, where revenue data are not available, total expenses are used. Certain adjustments are made in the AHA data: additions are made to allow for a small number of hospitals not included in the national totals, and estimates for Federal hospitals are based on figures obtained from the responsible agencies.

NURSING HOME CARE

Expenditures for nursing home care encompass spending in all facilities or parts of facilities providing some level of nursing care. Included are all nursing homes certified by Medicare and/or Medicaid as skilled nursing facilities, those certified by Medicaid as intermediate care facilities for regular patients as well as solely for the mentally retarded, and all other homes providing some level of nursing care, even though they are not certified under either program.

The estimates for total nursing home expenditures other than those intermediate care facilities serving the mentally retarded are derived from data on facilities, utilization, and costs. Sources for these data are the National Center for Health Statistics National Nursing Home Surveys and the Internal Revenue Service statistical reports. Estimates for years for which no data are available are based on indexes of prices paid by nursing homes for labor and nonlabor resources as well as utilization. The nonhospital portion of Medicaid expenditures for intermediate care facilities for the mentally retarded is added to regular nursing home expenditures.

SERVICES OF PHYSICIANS, DENTISTS, AND OTHER HEALTH PROFESSIONALS

Expenditures for the services of these practitioners are based primarily on data compiled from business income tax returns filed with the Internal Revenue Service. The Internal Revenue Service prepares summaries of the financial information on the return by type of business. Annual reports of these summaries are published in Statistics of Income—Business Income Tax Returns.

For physicians and dentists, business receipts (which excludes income not derived from practice) are totaled for sole proprietorships, partnerships, and incorporated practices. For physicians, that portion of spending for outpatient independent laboratory services billed directly to patients and not included with physicians' business receipts is added. So are estimated expenses of nonprofit group-practice prepayment plans in providing physicians' services (to the extent that they are not duplicated in physicians' income from self-employment). Estimated receipts by physicians for life insurance exams are deducted.

Physician group practices that are nonprofit corporations are included with prepayment plans as indicated above, or, in some cases, with hospital expenditures where services are provided under contract to hospitals.

The salaries of physicians and dentists on the staffs of hospitals and hospital outpatient facilities are considered a component of hospital care; if they are serving in field services of the Armed Forces their salaries are included in "other health services." Where they are separable, expenditures for the education and training of medical personnel are considered as expenditures for education and excluded from health expenditures.

Expenditures for nonprofit group-practice dental clinics are added to dentists' business receipts. No adjustment is necessary for dental laboratories, since all billings are assumed to be made through dentists' offices.

The Internal Revenue Service also compiles data on the income of other health professionals in private practice. These include private-duty nurses, chiropractors, and optometrists, as well as other undesignated health professionals. Estimates for home health agencies that are not hospital-based are added to the
private income of other health professionals. The portions of optometrists' receipts that represent the cost of eyeglasses are deducted, since they are included under spending for eyeglasses and appliances.

**DRUG AND DRUG SUNDRIES, EYEGLASSES, AND ORTHOPEDIC APPLIANCES**

Expenditures in these categories include only those for outpatient drugs and appliances and exclude those provided to hospital inpatients and nursing home patients and through physicians' offices. The basic source of the estimates for drugs and drug sundries and for eyeglasses and appliances is the estimate of personal consumption expenditures compiled by the Bureau of Economic Analysis of the Department of Commerce as part of the National Income and Product Accounts. This estimate is adjusted to levels of expenditure represented in the 1972 Census of Retail Trade. In addition, estimated payments by workers' compensation programs (a part of which is private consumer payment in the Commerce series but public expenditure in the NHE series) are deducted. The resulting private spending figure for drugs and appliances is combined with expenditures by public programs for these products to arrive at the total amount of expenditures for the nation.

**OTHER HEALTH SERVICES**

Items of expenditure that could not be classified elsewhere are brought together in the category "other health services." It includes the residual amount of expenditures for each public program not classified as a specific type of medical service. In addition, it includes (1) industrial in-plant services, (2) school health services, and (3) provision of care in Federal units other than hospitals.

Expenditures for industrial in-plant services consist of private industry spending for maintaining on-site health services. School health spending is reported under the source-of-fund category of "other public expenditures for personal health care." Expenditures for medical activities in Federal units other than hospitals are residual amounts that primarily represent the cost of maintaining military outpatient facilities (separately from hospitals) and field and shipboard medical stations.

**GOVERNMENT PUBLIC HEALTH ACTIVITIES**

The Federal portion of government public health activities consists of outlays for the organization and delivery of health services, the prevention and control of health problems, and similar health activities administered by various Federal agencies (chiefly the Department of Health and Human Services).

The State and local portions represent expenditures of all State and local health departments, less intergovernment payments to the States and localities for public health activities. They exclude expenditures of other State and local government departments for air pollution and water pollution control, sanitation, water supplies, and sewage treatment. The source of these data is Governmental Finances (annual statistical series) of the Bureau of the Census.

**EXPENSES FOR PREPAYMENT AND ADMINISTRATION**

Prepayment expense represents the difference between the earned premiums or subscription income of private health insurance organizations and their claims or benefit expenditures (or expenditures for providing such services, in the case of organizations that provide services directly). In other words, it is the amount retained by health insurance organizations for operating expenses, additions to reserves, and profits.

The administration component includes nonpersonal health expenditures of private voluntary health organizations for health education, lobbying, fundraising, etc. In addition, it includes administrative expenses of Federally financed health programs, where available. Such data were available for Medicare, Medicaid, and the Veterans Administration and Department of Defense contract programs for medical care.

**MEDICAL RESEARCH**

Expenditures for medical research include all spending for biomedical research and research in the delivery of health services by private organizations and public agencies whose primary object is to advance human health. Also included are those health-related research expenditures made by other Federal agencies. Research expenditures of drug and medical supply companies are excluded, since they are included in the cost of the product.

The Federal amounts are derived from agency reports. The amounts shown for State and local governments and private expenditures are based on published estimates prepared by the National Institutes of Health—primarily in the annual publication, Basic Data Relating to the National Institutes of Health.

**CONSTRUCTION OF MEDICAL FACILITIES**

Expenditures for construction represent "value put in place" for hospitals, nursing homes, medical clinics, and medical research facilities but not for private office buildings providing office and laboratory facilities for private practitioners. Also excluded are amounts spent for construction of water-treatment or sewage-treatment plants and Federal grants for these purposes.

The data for "value put in place" for construction of publicly and privately owned medical facilities in each year are taken from Department of Commerce reports.

**EXPENDITURES BY GOVERNMENT PROGRAMS**

All expenditures for health care that are channeled through any program established by public law are treated as a public expenditure in these estimates. Expenditures under workers' compensation programs, for example, are included with government expenditures, although they include benefits paid by private insurers from premiums that have been collected from private sources.
Funds disbursed by public programs are reported as program expenditures, including private contributions made by beneficiaries of the supplemental medical insurance (SMI) program under Medicare. The benefit expenditures reported in this series are not adjusted to eliminate the Medicare-Medicaid duplication from payments made by State governments into the Medicare trust fund (in the form of SMI premiums for public assistance and supplemental security income recipients) and reported as a Medicaid expenditure. This “buy-in” amount was $309 million in 1979.

**Federal Expenditures**

Federal program expenditures are based in part on data reported to the Office of Management and Budget by the various Federal agencies as part of the Federal budget process.

Several significant differences exist from spending reported in the Federal budget, however, because of the conceptual framework on which the national health expenditure series is based. Expenditures for education and training of health professionals are excluded from national health expenditures. These Federal expenditures include direct support of health professional schools and student assistance through loans and scholarships. Training is funded for a wide variety of health professionals, including physicians, dentists, nurses, mental health and other health professionals, research personnel, and para-medical personnel. Payments by agencies for health insurance for employees are included with other private health insurance expenditures, rather than as government expenditure.

Outlays of Federal programs by the type of health care provided are based on information obtained from the agencies that administer each program.

**State and Local Government Expenditures**

In general, all spending by State and local government units for health care that is reimbursed neither by Federal funds nor by patients or their agents is treated as State and local expenditures. For State-administered programs, such as Medicaid, the figure reported is the net of matching revenues from the Federal government.

As with Federal expenditures, payments for employee health insurance by State and local governments as employers are included under private health insurance expenditures.

**Implicit Price Deflator for Health Expenditures**

In order to examine trends in “real” personal health expenditures (those from which the effects of price changes have been removed), an implicit price deflator for personal health care is used. The deflator, a Paasche price index developed by HCFA, is the result of piecewise price adjustment of the components of personal health care expenditures. Conceptually, this composite deflator is superior to the medical care price index of the Consumer Price Index, since the weights are derived from total spending for each personal health category; the weights are adjusted each year to reflect changes in use, and, where possible, the price measures used are more reflective of overall spending in a category.

A fixed weight, or Laspeyres, price index was also derived to examine the effects of changes in price, population, and intensity on the growth of personal health care. The price for each type of service is the same as that used for the deflator discussed above; the weight attached to the price of each service is the 1972 level of spending for that service as a share of total personal health care expenditure.

**Private Health Insurance**

Estimates of benefits paid and the prepayment expense of private health insurance organizations are derived from the data series on the financial experience of private health insurance organizations compiled by the Health Care Financing Administration.
FIGURE 1
National Health Expenditures
Selected Calendar Years 1950-79

Source: Tables 1 and 2
FIGURE 2
Distribution of National Health Expenditures
By Type of Expenditure

Calendar Year 1965

Source: Table 2

Calendar Year 1979
FIGURE 3
Sources of Funds for Personal Health Care Expenditures, by Type of Expenditure 1979

Source: Tables 3 and 5
FIGURE 4
Sources of Growth in Personal Health Care Expenditures, 1972-1979

Source: text table A
# TABLE 1

**National Health Expenditures: Amount and Per Capita Amount by Major Source of Funds and Percentage of Gross National Product, Selected Calendar Years, 1929-1979**

| Year | National Health Expenditures (billions) | Per Capita Expenditures | Percentage Distribution of Funds | Addends: Gross National Product (billions) | Annual Percentage Changes |
|------|----------------------------------------|-------------------------|----------------------------------|-------------------------------------------|-------------------------|
| 1979 | $212.2 | $188.6 | $169.3 | $148.9 | $132.1 | $116.3 | $100.0 | $93.5 | $83.1 | $74.9 | $42.0 | $26.9 | $12.7 | $4.0 | $2.6 |
| 1978 | 9.0% | 8.9% | 8.9% | 8.7% | 8.6% | 8.2% | 7.9% | 8.0% | 7.8% | 7.6% | 6.1% | 5.3% | 4.4% | 4.0% | 3.5% |
| 1977 | $219.2 | $190.5 | $177.1 | $158.1 | $137.0 | $118.2 | $103.0 | $94.5 | $84.1 | $75.1 | $42.0 | $26.9 | $12.7 | $4.0 | $2.6 |
| 1976 | 9.0% | 8.9% | 8.9% | 8.7% | 8.6% | 8.2% | 7.9% | 8.0% | 7.8% | 7.6% | 6.1% | 5.3% | 4.4% | 4.0% | 3.5% |
| 1975 | $226.3 | $197.9 | $185.6 | $167.5 | $145.4 | $127.5 | $112.0 | $104.5 | $95.1 | $85.6 | $42.0 | $26.9 | $12.7 | $4.0 | $2.6 |
| 1974 | 9.0% | 8.9% | 8.9% | 8.7% | 8.6% | 8.2% | 7.9% | 8.0% | 7.8% | 7.6% | 6.1% | 5.3% | 4.4% | 4.0% | 3.5% |
| 1973 | $233.4 | $204.9 | $192.6 | $174.5 | $152.4 | $134.5 | $119.0 | $111.5 | $102.1 | $92.6 | $42.0 | $26.9 | $12.7 | $4.0 | $2.6 |
| 1972 | 9.0% | 8.9% | 8.9% | 8.7% | 8.6% | 8.2% | 7.9% | 8.0% | 7.8% | 7.6% | 6.1% | 5.3% | 4.4% | 4.0% | 3.5% |
| 1971 | $240.5 | $212.0 | $199.7 | $181.6 | $159.5 | $141.6 | $126.1 | $118.6 | $110.2 | $100.7 | $42.0 | $26.9 | $12.7 | $4.0 | $2.6 |
| 1970 | 9.0% | 8.9% | 8.9% | 8.7% | 8.6% | 8.2% | 7.9% | 8.0% | 7.8% | 7.6% | 6.1% | 5.3% | 4.4% | 4.0% | 3.5% |
| 1969 | $247.6 | $218.1 | $205.8 | $187.7 | $165.6 | $147.7 | $132.2 | $124.7 | $116.3 | $106.8 | $42.0 | $26.9 | $12.7 | $4.0 | $2.6 |
| 1968 | 9.0% | 8.9% | 8.9% | 8.7% | 8.6% | 8.2% | 7.9% | 8.0% | 7.8% | 7.6% | 6.1% | 5.3% | 4.4% | 4.0% | 3.5% |
| 1967 | $254.7 | $225.2 | $212.9 | $194.8 | $172.7 | $154.8 | $139.3 | $131.8 | $123.3 | $113.8 | $42.0 | $26.9 | $12.7 | $4.0 | $2.6 |
| 1966 | 9.0% | 8.9% | 8.9% | 8.7% | 8.6% | 8.2% | 7.9% | 8.0% | 7.8% | 7.6% | 6.1% | 5.3% | 4.4% | 4.0% | 3.5% |
| 1965 | $261.8 | $232.3 | $220.0 | $201.9 | $179.8 | $161.9 | $146.4 | $138.9 | $130.4 | $120.9 | $42.0 | $26.9 | $12.7 | $4.0 | $2.6 |
| 1964 | 9.0% | 8.9% | 8.9% | 8.7% | 8.6% | 8.2% | 7.9% | 8.0% | 7.8% | 7.6% | 6.1% | 5.3% | 4.4% | 4.0% | 3.5% |
| 1963 | $268.9 | $239.4 | $227.1 | $209.0 | $186.9 | $169.0 | $153.5 | $145.9 | $137.4 | $127.9 | $42.0 | $26.9 | $12.7 | $4.0 | $2.6 |
| 1962 | 9.0% | 8.9% | 8.9% | 8.7% | 8.6% | 8.2% | 7.9% | 8.0% | 7.8% | 7.6% | 6.1% | 5.3% | 4.4% | 4.0% | 3.5% |
| 1961 | $276.0 | $246.5 | $234.2 | $216.1 | $193.9 | $175.9 | $160.4 | $152.8 | $144.3 | $134.8 | $42.0 | $26.9 | $12.7 | $4.0 | $2.6 |
| 1960 | 9.0% | 8.9% | 8.9% | 8.7% | 8.6% | 8.2% | 7.9% | 8.0% | 7.8% | 7.6% | 6.1% | 5.3% | 4.4% | 4.0% | 3.5% |

Sources of Funds:
- Private Expenditures
- Public Expenditures
- Federal Expenditures
- State/Local Expenditures

Per Capita Expenditures:
- Private Expenditures
- Public Expenditures
- Federal Expenditures
- State/Local Expenditures

Percentage Distribution of Funds:
- Private Funds
- Public Funds
- Federal Funds
- State/Local Funds

Addends:
- Gross National Product (billions)
- Annual Percentage Changes
  - National Health Expenditures
  - Private Expenditures
  - Public Expenditures
  - Federal Expenditures
  - State/Local Expenditures
  - Gross National Product
- Population (thousands)

1Based on July 1 population estimates including outlying territories, armed forces, and Federal employees overseas and their dependents.

Source: Health Care Financing Administration
### Table 2A

National Health Expenditures by Type of Expenditure and Source of Funds, Per Capita Amounts, and Percentage Distribution, 1979

| Type of Expenditure                  | Private Consumer | Public State and Local |
|--------------------------------------|------------------|------------------------|
|                                      | Total            | Total                  | Total                     | Total |
|                                      | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) |
| Health Services and Supplies         | $212,199         | $120,806                | $114,393                 | $59,973            |
| Personal Health Care                 | 117,081          | 114,393                 | 114,393                  | 59,973             |
| Hospital Care                        | 65,342           | 65,342                  | 65,342                   | 65,342             |
| Physicians' Services                 | 45,994           | 45,994                  | 45,994                   | 45,994             |
| Other Professional Services          | 14,898           | 14,898                  | 14,898                   | 14,898             |
| Drugs and Medical Supplies           | 15,555           | 15,555                  | 15,555                   | 15,555             |
| Eyeglasses and Appliances            | 3,944            | 3,944                   | 3,944                    | 3,944              |
| Nursing Home Care                    | 7,705            | 7,705                   | 7,705                    | 7,705              |
| Other Health Services                | 1,263            | 1,263                   | 1,263                    | 1,263              |
| Prepayment and Administration        | 4,414            | 4,414                   | 4,414                    | 4,414              |
| Government Public Health Activities  | 6,047            | 6,047                   | 6,047                    | 6,047              |
| Research and Construction of Medical Facilities | 9,882 | 9,882                  | 9,882                    | 9,882             |
| Research¹ | 4,615 | 4,615                  | 4,615                    | 4,615              |
| Construction | 5,267 | 5,267                  | 5,267                    | 5,267              |

| Per Capita Amount                    | $942,94 $536,82 $508,32 $266,50 $241,82 $28,50 $406,12 $270,80 $155,32 |
| Health Services and Supplies         | 508,32 266,50 241,82 11,94 378,76 250,79 127,97 |
| Personal Health Care                 | 508,32 266,50 241,82 11,94 378,76 250,79 127,97 |
| Hospital Care                        | 469,95 265,50 233,45 10,70 337,20 236,90 100,31 |
| Physicians' Services                 | 133,09 65,82 67,27 .11 47,21 35,55 11,66 |
| Dentists' Services                   | 58,07 44,16 13,91 — 2,39 1,32 1,07 |
| Other Professional Services          | 15,27 12,58 2,68 .23 5,33 3,77 1,57 |
| Drugs and Medical Supplies           | 69,12 63,17 5,95 — 6,31 3,13 3,18 |
| Eyeglasses and Appliances            | 17,52 16,84 .69 — 1,82 1,47 .34 |
| Nursing Home Care                    | 33,76 33,24 .52 .48 44,89 24,27 20,63 |
| Other Health Services                | 5,70 — — — 5,70 12,37 4,95 |
| Prepayment and Administration        | 18,37 — — — 18,37 12,5 14,69 7,94 6,75 |
| Government Public Health Activities  | 18,82 — — — — 18,82 14,69 7,94 6,75 |
| Research and Construction of Medical Facilities | 15,555 | 15,29 15,29 15,29 15,29 15,29 15,29 |
| Research¹ | 1,27 | 1,27 — — — — 1,27 1,27 1,27 |
| Construction | 15,29 | 15,29 — — — — 15,29 15,29 15,29 |

| Percentage Distribution              | 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% |
| Health Services and Supplies         | 93.9 32.9 94.6 |
| Personal Health Care                 | 88.9 39.3 74.1 |
| Hospital Care                        | 40.2 31.2 42.1 |
| Physicians' Services                 | 19.1 24.8 8.6 |
| Dentists' Services                   | 6.4 10.8 5.8 |
| Other Professional Services          | 2.2 2.9 1.2 |
| Drugs and Medical Supplies           | 8.0 12.9 2.5 |
| Eyeglasses and Appliances            | 2.1 3.3 3.0 |
| Nursing Home Care                    | 8.4 6.4 15.2 |
| Other Health Services                | 2.4 1.1 3.7 |
| Prepayment and Administration        | 3.6 3.7 5.0 |
| Government Public Health Activities  | 2.9 — — 15.5 |
| Research and Construction of Medical Facilities | 4.7 | 3.1 5.4 |
| Research¹ | 2.2 | 2.2 — — — — 2.2 2.2 2.2 |
| Construction | 2.5 | 2.8 — — — — 2.8 2.8 2.8 |

¹Spending by philanthropic organizations, industrial implant services, and privately financed construction.
²Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but included in the expenditure class in which the product falls.
### Table 2B

**National Health Expenditures by Type of Expenditure and Source of Funds, Per Capita Amounts, and Percentage Distribution, 1975**

| Type of Expenditure                        | Private Total | Private Direct | Private Insurance | Other | Public Total | Federal | Local |
|-------------------------------------------|---------------|----------------|-------------------|-------|--------------|---------|-------|
| Amount (in millions)                      | $132,120      | $75,811        | $70,739           | $37,725 | $33,014       | $5,072  | $56,298|
| Health Services and Supplies              | 123,822       | 72,476         | 70,739            | 37,725 | 33,014        | 1,737   | 51,346|
| Personal Health Care                      | 116,522       | 70,341         | 68,802            | 37,725 | 31,077        | 1,539   | 46,182|
| Hospital Care                             | 52,141        | 23,286         | 22,744            | 3,786  | 16,766        | 542     | 28,855|
| Physicians' Services                      | 24,932        | 18,380         | 18,366            | 8,682  | 9,664         | 14      | 5,652 |
| Dentists' Services                        | 8,237         | 7,770          | 7,770             | 6,414  | 1,358         | —       | 467   |
| Other Professional Services               | 2,619         | 2,045          | 2,016             | 1,596  | 420           | 29      | 573   |
| Drugs and Medical Sundries                | 11,813        | 10,786         | 10,786            | 10,048 | 738           | —       | 1,027 |
| Eyeglasses and Appliances                 | 2,982         | 2,757          | 2,757             | 2,725  | 32            | —       | 226   |
| Nursing Home Care                         | 10,106        | 4,424          | 4,362             | 4,284  | 78            | 61      | 5,681 |
| Other Health Services                     | 3,662         | 892            | 892               | 892    | —             | 892     | 2,840 |
| Prepayment and Administration             | 4,143         | 2,136          | 1,937             | 1,937  | 199           | 199     | 2,007 |
| Government Public Health Activities       | 3,157         | —              | —                 | —      | —             | 3,157   | 1,221 |
| Research and Construction of Medical Facilities | 8,296       | 3,335          | —                 | —      | 3,335         | 4,683   | 3,164 |
| Researcha                                | 3,239         | 264            | —                 | —      | 264           | 2,975   | 2,999 |
| Construction                              | 5,059         | 3,071          | —                 | —      | 3,071         | 1,988   | 488   |

Per Capita amount:

| Type of Expenditure                        | Total | Percent Distribution |
|-------------------------------------------|-------|----------------------|
| Health Services and Supplies              | $607.58 | 100.00% |
| Personal Health Care                      | 535.85 | 100.00% |
| Hospital Care                             | 239.78 | 100.00% |
| Physicians' Services                      | 114.66 | 100.00% |
| Dentists' Services                        | 37.88  | 100.00% |
| Other Professional Services               | 12.04  | 100.00% |
| Drugs and Medical Sundries                | 54.33  | 100.00% |
| Eyeglasses and Appliances                 | 13.72  | 100.00% |
| Nursing Home Care                         | 46.47  | 100.00% |
| Other Health Services                     | 16.98  | 100.00% |
| Prepayment and Administration             | 19.05  | 100.00% |
| Government Public Health Activities       | 14.52  | 100.00% |
| Research and Construction of Medical Facilities | 39.16 | 100.00% |
| Researchb                                | 14.90  | 100.00% |
| Construction                              | 23.26  | 100.00% |

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*a* Spending by philanthropic organizations, industrial inplant services, and privately financed construction.

*b* Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but included in the expenditure class in which the product falls.
| Type of Expenditure                      | Private Total | Private Direct | Private Indurance | Private Other | Public Total | Federal | Local |
|----------------------------------------|---------------|---------------|-------------------|---------------|--------------|---------|-------|
| Health Services and Supplies           | $74,903       |               |                   |               | $27,809      | $17,617 | $10,191 |
| Personal Health Care                   | 69,583        | 44,534        | 43,313            | 26,128        | 17,185       | 1,221   | 9,304 |
| Hospital Care                          | 65,372        | 42,912        | 41,872            | 15,744        | 1,040        | 22,480  | 14,561 |
| Physicians' Services                   | 27,799        | 13,208        | 12,824            | 2,816         | 10,008       | 384     | 4,163 |
| Dentists' Services                     | 14,340        | 11,247        | 11,237            | 6,528         | 4,908        | 10      | 986   |
| Other Professional Services            | 4,750         | 4,526         | 4,526             | 240           |              | 223     | 193   |
| Drugs and Medical Sundries             | 1,926         | 1,817         | 1,817             | 1,815         |              | 109     | 79    |
| Eyeglasses and Appliances              | 4,897         | 2,421         | 2,387             | 2,375         | 12           | 34      | 2,276 |
| Nursing Home Care                      | 2,058         | 592           |                   |               |              | 592     | 1,466 |
| Prepayment and Administration          | 2,791         | 1,622         | 1,441             |               | 1,441        | 181     | 660   |
| Government Public Health Activities    | 1,420         |               |                   |               |              | 1,420   | 615   |
| Medical Facilities                     | 5,320         | 2,560         |                   |               | 2,560        | 2,760   | 1,872 |
| Research                              | 1,889         | 215           |                   |               | 215          | 1,874   | 1,491 |
| Construction                           | 3,431         | 2,345         |                   |               | 2,345        | 1,086   | 381   |
| Total                                  | $359.41       | $225.98       | $207.83           | $125.37       | $35.14       | $133.44 | $84.53 |
| Percentage Distribution                | 100.00%       | 100.00%       | 100.00%           | 100.00%       | 100.00%      | 100.00% | 100.00% |

1 Spending by philanthropic organizations, industrial inplant services, and privately financed construction.

2 Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but included in the expenditure class in which the product falls.

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### TABLE 2D
National Health Expenditures by Type of Expenditure and Source of Funds, Per Capita Amounts, and Percentage Distribution, 1985

| Type of Expenditure                  | Total (in millions) | 1984 | 1985 | 1986 | 1987 | Other | Total (in millions) | Federal | Local |
|-------------------------------------|---------------------|------|------|------|------|-------|---------------------|---------|-------|
| Total                               | $41,954             | $31,020 | $29,558 | $18,584 | $10,001 | $2,434 | $10,974 | $5,625 | $5,349 |
| Health Services and Supplies        | 38,551              | 28,584 | 18,584 | 10,001 | 866 | 8,999 | 4,144 | 4,854 |
| Personal Health Care                | 38,000              | 28,101 | 27,313 | 18,584 | 8,729 | 7,899 | 3,785 | 4,114 |
| Hospital Care                       | 13,685              | 8,473 | 8,164 | 2,374 | 5,790 | 309 | 5,412 | 2,430 | 2,982 |
| Physicians' Services                | 8,473               | 7,865 | 7,877 | 5,197 | 2,680 | 8 | 588 | 151 | 436 |
| Dentists' Services                  | 2,808               | 2,760 | 2,760 | 2,717 | 43 | — | 49 | 32 | 17 |
| Other Professional Services         | 1,033               | 994 | 976 | 897 | 79 | 18 | 39 | 12 | 26 |
| Drugs and Medical Supplies          | 5,212               | 5,015 | 5,015 | 4,881 | 135 | — | 197 | 120 | 76 |
| Eyeglasses and Appliances           | 1,211               | 1,182 | 1,182 | 1,181 | 1 | — | 29 | 12 | 17 |
| Nursing Home Care                   | 2,072               | 1,360 | 1,339 | 1,337 | 2 | 21 | 712 | 460 | 251 |
| Other Health Services               | 1,308               | 431 | — | — | 431 | 875 | 568 | 308 |
| Prepayment and Administration       | 1,730               | 1,451 | 1,272 | — | 1,272 | 178 | 288 | 14 | 271 |
| Government Public Health Activities | 814 | — | — | — | — | 814 | 344 | 469 |
| Research and Construction of Medical Facilities | 3,443 | 1,466 | — | — | — | 1,468 | 1,975 | 1,481 | 495 |
| Research²                          | 1,448               | 176 | — | — | — | 176 | 1,270 | 1,176 | 95 |
| Construction                        | 1,997               | 1,292 | — | — | — | 1,292 | 705 | 305 | 400 |
| **Per capita amount**               | $212.32             | $156.84 | $144.53 | $93.96 | $50.57 | $12.31 | $55.48 | $23.44 | $27.04 |

### Percentage Distribution

| Type of Expenditure | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Health Services and Supplies | 91.8 | 95.3 | 100.0 | 100.0 | 39.7 | 82.0 | 73.7 | 90.8 |
| Personal Health Care | 85.7 | 90.6 | 95.5 | 100.0 | 87.3 | 32.4 | 72.0 | 67.3 | 76.9 |
| Hospital Care | 33.1 | 27.3 | 28.6 | 12.8 | 57.9 | 12.7 | 49.3 | 43.2 | 55.6 |
| Physicians' Services | 20.2 | 25.4 | 27.6 | 28.0 | 26.8 | 5.4 | 5.4 | 2.7 | 8.2 |
| Dentists' Services | 6.7 | 8.9 | 9.7 | 14.8 | 14.8 | 4.4 | 4.4 | 6.3 | 8.3 |
| Other Professional Services | 2.5 | 3.2 | 3.4 | 4.8 | 0.8 | 9.9 | 9.9 | 7.6 | 5.6 |
| Drugs and Medical Supplies | 12.4 | 16.2 | 17.5 | 25.3 | 1.3 | 1.8 | 2.1 | 8.4 |
| Eyeglasses and Appliances | 2.9 | 3.8 | 4.1 | 6.4 | 6.4 | 4.3 | 4.3 | 7.2 |
| Nursing Home Care | 4.9 | 4.4 | 4.7 | 7.2 | 7.2 | 6.5 | 6.5 | 8.2 | 4.7 |
| Other Health Services | 3.1 | 1.4 | — | — | — | 17.7 | 8.0 | 10.1 | 5.7 |
| Prepayment and Administration | 4.1 | 4.7 | 4.5 | 12.7 | 7.3 | 2.6 | 2.6 | 5.1 |
| Government Public Health Activities | 1.9 | — | — | — | — | 7.4 | 6.1 | 8.8 |
| Research and Construction of Medical Facilities | 8.2 | 4.7 | — | — | — | 60.3 | 18.0 | 26.3 | 9.2 |
| Research² | 3.4 | 6.8 | — | — | — | 7.2 | 11.8 | 20.9 | 1.8 |
| Construction | 4.8 | 4.2 | — | — | — | 63.1 | 6.4 | 5.4 | 7.5 |

1 Spending by philanthropic organizations, industrial on-farm services, and privately financed construction.
2 Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but included in the expenditure class in which the product falls.
TABLE 3
National Health Expenditures by Type of Expenditure, Amount, Per Capita Amount, and Percentage Distribution, Selected Years, 1929-1979.

| Year | Type of Expenditure | 1979 (in billions) | 1978 (in billions) | 1977 (in billions) | 1976 (in billions) | 1975 (in billions) | 1974 (in billions) | 1973 (in billions) | 1972 (in billions) |
|------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|      | Total               | $1,121,996        | $1,085,432        | $1,048,765        | $1,064,872        | $1,120,132        | $1,116,284        | $1,103,045        | $923,951          |
|      | Health Services and Supplies | $188,624        | $169,757          | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Personal Health Care | $188,624        | $169,757          | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Hospital Care       | $188,624        | $169,757          | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Physicians' Services| $188,624        | $169,757          | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Dentists' Services  | $188,624        | $169,757          | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Other Professional Services | $188,624   | $169,757        | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Drugs and Medical Supplies | $188,624    | $169,757        | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Eyeglasses and Appliances | $188,624  | $169,757        | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Nursing Home Care   | $188,624        | $169,757          | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Other Health Services| $188,624        | $169,757          | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Prepayment and Administration | $188,624   | $169,757        | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Government Public Health | $188,624   | $169,757        | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Activities          | $188,624        | $169,757          | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Research and Construction of Medical Facilities | $188,624        | $169,757          | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Research*           | $188,624        | $169,757          | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |
|      | Construction        | $188,624        | $169,757          | $160,874          | $159,627          | $160,342          | $162,822          | $163,857          | $168,994          |

| Year | Per Capita Amount1 |
|------|-------------------|
| 1979 | $481.65           |
| 1978 | $440.34           |
| 1977 | $418.05           |
| 1976 | $409.99           |
| 1975 | $408.91           |
| 1974 | $404.08           |
| 1973 | $399.11           |
| 1972 | $391.05           |

| Year | Percentage Distribution |
|------|------------------------|
| 1979 | 100.00%                |
| 1978 | 100.00%                |
| 1977 | 100.00%                |
| 1976 | 100.00%                |
| 1975 | 100.00%                |
| 1974 | 100.00%                |
| 1973 | 100.00%                |
| 1972 | 100.00%                |

1Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.
2Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but included in the expenditure class in which the product falls.

(continued)
TABLE 3 (Cont'd)
National Health Expenditures by Type of Expenditure, Amount, Per Capita Amount, and Percentage Distribution, Selected Years, 1929-1979.

| Year | 1971       | 1970       | 1969       | 1968       | 1967       | 1966       | 1965       | 1964       | 1963       | 1962       | 1961       | 1960       | 1959       | 1958       | 1957       | 1956       |
|------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Type of Expenditure | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) | Amount (in millions) |
| Total | $394.74 | $358.41 | $212.32 | $146.30 | $186.88 | $229.62 | $29,949 |
| Health Services and Supplies | 354.82 | 333.89 | 194.91 | 137.00 | 75.66 | 28.74 | 27.77 |
| Personal Health Care | 86.17 | 133.86 | 182.02 | 128.81 | 70.37 | 28.76 | 25.83 |
| Hospital Care | 146.14 | 103.39 | 70.20 | 49.46 | 24.90 | 7.51 | 5.36 |
| Physicians' Services | 75.60 | 68.81 | 42.34 | 30.92 | 17.76 | 7.23 | 6.11 |
| Dentists' Services | 24.07 | 22.79 | 14.20 | 10.75 | 5.21 | 3.11 | 3.90 |
| Other Professional Services | 7.72 | 7.85 | 5.22 | 4.89 | 2.56 | 1.29 | 2.04 |
| Drugs and Medical Supplies | 41.17 | 39.39 | 28.35 | 19.89 | 11.18 | 4.73 | 4.69 |
| Eyeglasses and Appliances | 9.36 | 9.24 | 6.12 | 4.22 | 3.17 | 1.40 | 1.07 |
| Nursing Home Care | 26.76 | 22.54 | 10.48 | 5.26 | 1.21 | 0.25 | — |
| Other Health Services | 11.03 | 9.87 | 6.60 | 6.02 | 4.80 | 2.83 | 5.70 |
| Prepayment and Administration | 17.97 | 13.39 | 8.78 | 5.93 | 2.95 | 1.24 | 1.92 |
| Government Public Health Activities | 8.38 | 6.81 | 4.11 | 2.25 | 2.33 | 1.14 | 0.78 |
| Research and Construction of Medical Facilities | 26.72 | 25.53 | 17.41 | 9.30 | 6.21 | 0.88 | 1.72 |
| Research² | 9.69 | 9.06 | 7.31 | 3.60 | 0.76 | 0.02 | — |
| Construction | 19.03 | 16.46 | 10.10 | 5.70 | 5.45 | 0.86 | 1.72 |

Percentage Distribution

| Type of Expenditure | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
|---------------------|---------|---------|---------|---------|---------|---------|---------|
| Health Services and Supplies | 92.7 | 92.9 | 91.8 | 93.6 | 92.4 | 97.0 | 94.2 |
| Personal Health Care | 86.6 | 87.3 | 85.7 | 86.0 | 86.0 | 86.0 | 87.5 |
| Hospital Care | 37.0 | 37.1 | 33.1 | 33.8 | 30.4 | 25.4 | 18.2 |
| Physicians' Services | 19.2 | 19.1 | 20.2 | 21.1 | 21.7 | 24.4 | 27.5 |
| Dentists' Services | 6.1 | 6.3 | 6.7 | 7.4 | 7.6 | 10.5 | 13.2 |
| Other Professional Services | 2.0 | 2.1 | 2.5 | 3.2 | 3.1 | 4.4 | 6.9 |
| Drugs and Medical Supplies | 10.4 | 11.0 | 12.4 | 13.6 | 13.0 | 16.0 | 16.6 |
| Eyeglasses and Appliances | 2.4 | 2.6 | 2.9 | 2.9 | 3.9 | 4.7 | 3.6 |
| Nursing Home Care | 6.8 | 6.3 | 4.9 | 2.0 | 1.5 | 1.5 | — |
| Other Health Services | 2.8 | 2.7 | 3.1 | 4.1 | 4.2 | 2.8 | 1.7 |
| Prepayment and Administration | 4.0 | 3.7 | 4.1 | 4.1 | 3.6 | 4.2 | 3.8 |
| Government Public Health Activities | 2.1 | 1.9 | 1.9 | 1.5 | 2.9 | 3.8 | 2.6 |
| Research and Construction of Medical Facilities | 7.3 | 7.1 | 8.2 | 6.4 | 7.6 | 3.0 | 5.8 |
| Research² | 2.5 | 2.5 | 3.4 | 2.5 | 3.9 | 0.9 | — |
| Construction | 4.8 | 4.8 | 4.8 | 3.9 | 6.7 | 2.9 | 5.8 |

¹Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.
²Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but included in the expenditure class in which the product falls.
TABLE 4
Personal Health Care Expenditures* by Third Parties: Amount, Per Capita Amount and Percentage Distribution, Selected Years, 1929-1979.

| Year | All Third-Parties | Private | Other | Public | Federal | State and Local |
|------|-------------------|---------|-------|--------|---------|-----------------|
|      | Total Payments    | Total   | Insurance |       | Total   |                |
| 1929 | $3,202             | $373    | —      | $64   | $289    | $87             | $202        |
| 1935 | 2,663              | 468     | —      | 74    | 392     | 91              | 301         |
| 1940 | 3,546              | 662     | —      | 94    | 570     | 145             | 425         |
| 1950 | 10,885             | 7,133   | 3,752  | 992   | 320     | 2,440           | 1,136       | 1,304       |
| 1955 | 15,706             | 9,132   | 6,576  | 2,536 | 432     | 3,608           | 1,546       | 1,982       |
| 1960 | 23,680             | 12,990  | 10,690 | 4,996 | 537     | 5,157           | 2,199       | 2,958       |
| 1965 | 30,000             | 16,584  | 17,416 | 8,729 | 765     | 7,699           | 3,765       | 4,114       |
| 1966 | 39,883             | 19,746  | 20,107 | 9,142 | 813     | 10,153          | 5,291       | 4,882       |
| 1967 | 44,890             | 19,355  | 25,535 | 9,545 | 815     | 15,175          | 5,971       | 5,603       |
| 1968 | 50,766             | 20,766  | 30,000 | 11,344 | 862   | 17,794        | 11,452      | 6,342       |
| 1969 | 57,276             | 23,159  | 34,117 | 13,069 | 901   | 20,147         | 13,212      | 6,934       |
| 1970 | 65,372             | 26,126  | 39,244 | 15,744 | 1,040 | 22,460         | 14,561      | 7,899       |
| 1971 | 71,979             | 27,479  | 44,500 | 17,714 | 1,205 | 25,582         | 16,804      | 8,778       |
| 1972 | 80,177             | 30,674  | 49,502 | 19,433 | 1,266 | 28,804         | 18,968      | 9,836       |
| 1973 | 88,888             | 33,410  | 55,278 | 21,911 | 1,291 | 32,076         | 21,125      | 10,951      |
| 1974 | 101,007            | 35,233  | 65,774 | 25,751 | 1,468 | 38,555         | 25,866      | 12,689      |
| 1975 | 116,522            | 37,725  | 78,797 | 31,077 | 1,539 | 46,182         | 31,531      | 14,650      |
| 1976 | 131,276            | 41,554  | 89,722 | 36,528 | 1,743 | 51,450         | 36,261      | 15,170      |
| 1977 | 147,988            | 48,855  | 99,113 | 38,819 | 2,157 | 58,138         | 41,083      | 17,055      |
| 1978 | 166,627            | 53,057  | 113,570 | 44,969 | 2,196 | 66,405         | 46,718      | 19,687      |
| 1979 | 188,551            | 59,973  | 128,578 | 50,286 | 2,407 | 75,884         | 53,311      | 22,573      |

*Includes all expenses for health services and supplies other than (a) prepayment and administration (b) government public health activities.

**Includes prepayment expense as well as benefit payments.

*Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas and their dependents.

Per Capita Amount*

| Year | Per Capita Amount |
|------|------------------|
| 1929 | $25.88           |
| 1935 | $22.86           |
| 1940 | 20.55            |
| 1949 | 20.56            |
| 1950 | 20.57            |
| 1955 | 20.58            |
| 1960 | 20.61            |
| 1965 | 20.62            |
| 1966 | 20.63            |
| 1967 | 20.64            |
| 1968 | 20.65            |
| 1969 | 20.66            |
| 1970 | 20.67            |
| 1971 | 20.68            |
| 1972 | 20.69            |
| 1973 | 20.70            |
| 1974 | 20.71            |
| 1975 | 20.72            |
| 1976 | 20.73            |
| 1977 | 20.74            |
| 1978 | 20.75            |
| 1979 | 20.76            |

(continued)
### TABLE 4 (Cont'd)

Personal Health Care Expenditures¹ by Third Parties; Amount, Per Capita Amount and Percentage Distribution, Selected Years, 1929-1979.

| Year    | Total              | Direct Payments | Total Insurance | Other |
|---------|--------------------|-----------------|-----------------|-------|
|         | Percentage Distribution |                  |                 |       |
| 1929    | 100.0%             | 88.4%           | 11.6%           | 2.6%  |
| 1935    | 100.0%             | 82.4%           | 17.6%           | 2.8%  |
| 1940    | 100.0%             | 81.3%           | 18.7%           | 2.6%  |
| 1950    | 100.0%             | 65.5%           | 34.5%           | 2.9%  |
| 1955    | 100.0%             | 58.1%           | 41.9%           | 2.8%  |
| 1960    | 100.0%             | 54.9%           | 45.1%           | 2.3%  |
| 1965    | 100.0%             | 51.6%           | 48.4%           | 2.2%  |
| 1966    | 100.0%             | 49.5%           | 50.5%           | 2.0%  |
| 1967    | 100.0%             | 43.1%           | 56.9%           | 1.8%  |
| 1968    | 100.0%             | 40.9%           | 59.1%           | 1.7%  |
| 1969    | 100.0%             | 40.0%           | 60.0%           | 1.6%  |
| 1970    | 100.0%             | 38.2%           | 61.8%           | 1.7%  |
| 1971    | 100.0%             | 38.3%           | 61.7%           | 1.6%  |
| 1972    | 100.0%             | 37.7%           | 62.3%           | 1.5%  |
| 1973    | 100.0%             | 34.9%           | 65.1%           | 1.5%  |
| 1974    | 100.0%             | 32.4%           | 67.6%           | 1.3%  |
| 1975    | 100.0%             | 31.7%           | 68.3%           | 1.3%  |
| 1976    | 100.0%             | 33.0%           | 67.0%           | 1.5%  |
| 1977    | 100.0%             | 31.8%           | 68.2%           | 1.3%  |
| 1978    | 100.0%             | 31.8%           | 68.2%           | 1.3%  |
| 1979    | 100.0%             | 31.8%           | 68.2%           | 1.3%  |

¹Includes all expenses for health services and supplies other than (a) prepayment and administration (b) government public health activities.

²Includes prepayment expense as well as benefit payments.

*Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas and their dependents.

### TABLE 5

Selected Types of Personal Health Care Expenditures, by Source of Funds, Amounts, Per Capita Amounts, and Percentage Distribution, 1950-1979

| Year    | Total Payments | Total Amount (in millions) | Hospital Care Amount (in millions) |
|---------|----------------|---------------------------|------------------------------------|
|         | Total          | Direct                    | Private                            | Public                           |
|         | Year           | Payments                  | Amount                             |                                  |
|         |                |                           | $3,851                             | $1,152                           | $2,699                           | $680 | $135 | $1,884 |
| 1950    | 5,900          | 1,318                     | 4,582                              | 1,679                            | 175                             | 2,728 |
| 1955    | 9,092          | 1,804                     | 7,288                              | 3,304                            | 230                             | 3,754 |
| 1960    | 13,885         | 2,374                     | 11,510                             | 5,790                            | 309                             | 5,412 |
| 1965    | 15,662         | 2,457                     | 13,205                             | 5,993                            | 307                             | 6,905 |
| 1966    | 18,251         | 1,821                     | 16,430                             | 6,133                            | 277                             | 10,019 |
| 1967    | 21,019         | 1,887                     | 19,132                             | 7,322                            | 292                             | 11,518 |
| 1968    | 24,018         | 2,386                     | 21,631                             | 8,356                            | 295                             | 12,980 |
| 1969    | 27,799         | 2,616                     | 24,983                             | 10,008                           | 384                             | 14,591 |
| 1970    | 30,769         | 2,614                     | 28,155                             | 11,263                           | 450                             | 16,441 |
| 1971    | 34,974         | 3,722                     | 31,252                             | 12,199                           | 479                             | 18,574 |
| 1972    | 38,673         | 4,212                     | 34,461                             | 13,458                           | 473                             | 20,530 |
| 1973    | 44,769         | 4,255                     | 40,514                             | 15,437                           | 580                             | 24,497 |
| 1974    | 52,141         | 3,973                     | 48,164                             | 18,766                           | 542                             | 28,855 |
| 1975    | 59,808         | 4,690                     | 55,198                             | 21,838                           | 629                             | 32,687 |
| 1976    | 67,721         | 6,886                     | 60,836                             | 22,903                           | 936                             | 37,018 |
| 1977    | 75,842         | 6,348                     | 69,494                             | 26,704                           | 866                             | 41,925 |
| 1978    | 85,342         | 6,905                     | 78,437                             | 29,803                           | 942                             | 47,692 |

(continued)
**TABLE 5 (Cont'd)**
Selected Types of Personal Health Care Expenditures, by Source of Funds, Amounts, Per Capita Amounts, and Percentage Distribution, 1950-1979

| Year | Hospital Care | Direct | Private |
|------|---------------|--------|---------|
|      | Total         | Payments | Total | Insurance | Other | Public |
| 1950 | $24.90        | $7.45   | $17.45 | $4.40      | $0.87 | $12.18 |
| 1955 | 35.04         | 7.63    | 27.21  | 9.97       | 1.04  | 16.20  |
| 1960 | 49.46         | 9.81    | 39.65  | 17.97      | 1.25  | 20.43  |
| 1965 | 70.20         | 12.00   | 58.20  | 29.27      | 1.56  | 27.36  |
| 1966 | 78.29         | 12.28   | 66.01  | 29.96      | 1.53  | 34.52  |
| 1967 | 90.24         | 9.01    | 81.24  | 30.33      | 1.37  | 49.54  |
| 1968 | 102.00        | 9.24    | 93.66  | 35.84      | 1.43  | 56.39  |
| 1969 | 116.43        | 11.57   | 104.86 | 40.51      | 1.43  | 62.93  |
| 1970 | 133.39        | 13.51   | 119.88 | 48.02      | 1.84  | 70.01  |
| 1971 | 146.14        | 12.42   | 133.72 | 53.49      | 2.14  | 78.09  |
| 1972 | 164.71        | 17.53   | 147.18 | 57.45      | 2.26  | 87.47  |
| 1973 | 180.77        | 19.69   | 161.08 | 62.91      | 2.21  | 95.96  |
| 1974 | 207.55        | 19.73   | 187.83 | 71.57      | 2.69  | 113.57 |
| 1975 | 239.78        | 18.29   | 221.49 | 86.30      | 2.49  | 132.70 |
| 1976 | 272.70        | 21.02   | 251.68 | 98.76      | 2.87  | 149.04 |
| 1977 | 306.29        | 31.05   | 275.24 | 103.58     | 4.23  | 167.42 |
| 1978 | 339.94        | 25.45   | 314.48 | 119.69     | 3.68  | 187.91 |
| 1979 | 379.23        | 30.68   | 348.54 | 132.43     | 4.18  | 211.93 |

| Year | Hospital Care | Per Capita Amount* |
|------|---------------|---------------------|
| 1950 | $24.90        | 17.45               |
| 1955 | 35.04         | 27.21               |
| 1960 | 49.46         | 39.65               |
| 1965 | 70.20         | 58.20               |
| 1966 | 78.29         | 66.01               |
| 1967 | 90.24         | 81.24               |
| 1968 | 102.00        | 93.66               |
| 1969 | 116.43        | 104.86              |
| 1970 | 133.39        | 119.88              |
| 1971 | 146.14        | 133.72              |
| 1972 | 164.71        | 147.18              |
| 1973 | 180.77        | 161.08              |
| 1974 | 207.55        | 187.83              |
| 1975 | 239.78        | 221.49              |
| 1976 | 272.70        | 251.68              |
| 1977 | 306.29        | 275.24              |
| 1978 | 339.94        | 314.48              |
| 1979 | 379.23        | 348.54              |

| Year | All Third-Parties | Percentage Distribution |
|------|-------------------|-------------------------|
| 1950 | 100.0%            | 29.9%                   | 70.1%                   | 17.7%              | 3.5%             | 48.9%          |
| 1955 | 100.0%            | 22.3%                   | 77.7%                   | 28.5%              | 2.5              | 41.3%          |
| 1960 | 100.0%            | 19.3%                   | 80.2%                   | 36.3%              | 2.2              | 39.0%          |
| 1965 | 100.0%            | 17.1%                   | 82.9%                   | 41.7%              | 2.0              | 44.1%          |
| 1966 | 100.0%            | 15.7%                   | 84.3%                   | 38.3%              | 1.5              | 54.9%          |
| 1967 | 100.0%            | 9.0%                    | 91.0%                   | 33.6%              | 1.4              | 54.8%          |
| 1968 | 100.0%            | 9.9%                    | 91.1%                   | 34.8%              | 1.2              | 54.0%          |
| 1969 | 100.0%            | 10.1%                   | 89.9%                   | 36.0%              | 1.4              | 52.5%          |
| 1970 | 100.0%            | 8.5%                    | 91.5%                   | 36.6%              | 1.5              | 53.4%          |
| 1971 | 100.0%            | 10.6%                   | 89.4%                   | 34.9%              | 1.4              | 53.1%          |
| 1972 | 100.0%            | 10.9%                   | 89.1%                   | 34.8%              | 1.2              | 53.1%          |
| 1973 | 100.0%            | 9.5%                    | 90.5%                   | 34.5%              | 1.3              | 54.7%          |
| 1974 | 100.0%            | 7.6%                    | 92.4%                   | 36.0%              | 1.0              | 55.3%          |
| 1975 | 100.0%            | 7.7%                    | 92.3%                   | 36.6%              | 1.1              | 54.7%          |
| 1976 | 100.0%            | 10.1%                   | 89.9%                   | 33.8%              | 1.4              | 54.7%          |
| 1977 | 100.0%            | 6.4%                    | 91.6%                   | 35.2%              | 1.1              | 55.3%          |
| 1978 | 100.0%            | 8.1%                    | 91.9%                   | 34.9%              | 1.1              | 55.9%          |

1 Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.
2 Includes dentists' services, other professional services, drugs and medical sundries, eyeglasses and appliances, nursing home care, and other health care services.
3 Included in direct payments: data not available separately.
4 Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

(continued)
TABLE 5 (Cont'd)
Selected Types of Personal Health Care Expenditures, by Source of Funds, Amounts, Per Capita Amounts, and Percentage Distribution, 1950-1979

| Year | Total | Physicians' Services Amount (in millions) | | Direct Payments | Total | Private Insurance | Other | Public |
|------|-------|------------------------------------------|--|------------------|-------|-------------------|-------|--------|
| 1950 | $2,747 | | | $2,285 | $462 | $312 | $7 | $143 |
| 1955 | 3,689 | | | 2,576 | 1,113 | 857 | 8 | 248 |
| 1960 | 5,684 | | | 3,716 | 1,968 | 1,593 | 9 | 366 |
| 1965 | 8,473 | | | 5,197 | 3,276 | 2,680 | 8 | 588 |
| 1966 | 9,175 | | | 5,492 | 3,683 | 2,831 | 9 | 843 |
| 1967 | 10,142 | | | 5,133 | 5,009 | 2,964 | 9 | 2,036 |
| 1968 | 11,104 | | | 5,127 | 5,977 | 3,489 | 10 | 2,478 |
| 1969 | 12,648 | | | 5,785 | 6,663 | 4,029 | 10 | 2,624 |
| 1970 | 14,340 | | | 6,328 | 8,012 | 4,908 | 10 | 3,093 |
| 1971 | 15,918 | | | 7,008 | 8,910 | 5,440 | 11 | 3,458 |
| 1972 | 17,162 | | | 7,155 | 10,006 | 6,056 | 12 | 3,938 |
| 1973 | 19,075 | | | 7,702 | 11,373 | 6,934 | 14 | 4,425 |
| 1974 | 21,245 | | | 7,644 | 13,800 | 8,245 | 12 | 5,343 |
| 1975 | 24,932 | | | 8,682 | 16,250 | 9,684 | 14 | 6,552 |
| 1976 | 27,565 | | | 9,353 | 18,212 | 11,195 | 15 | 7,002 |
| 1977 | 31,852 | | | 11,867 | 19,985 | 11,904 | 19 | 8,062 |
| 1978 | 35,802 | | | 12,903 | 22,899 | 13,578 | 21 | 9,300 |
| 1979 | 40,599 | | | 14,813 | 25,786 | 15,138 | 24 | 10,624 |

| Year | Per Capita Amount1 |
|------|-------------------|
| 1950 | $17.76 | $14.77 | $2.99 | $2.02 | $0.05 | $0.92 |
| 1955 | 21.91 | 15.30 | 6.61 | 5.09 | $0.05 | 1.47 |
| 1960 | 30.92 | 20.21 | 10.71 | 8.67 | $0.05 | 1.99 |
| 1965 | 42.84 | 26.28 | 16.56 | 13.55 | $0.04 | 2.97 |
| 1966 | 45.86 | 27.45 | 18.41 | 14.15 | $0.04 | 4.21 |
| 1967 | 50.15 | 25.38 | 24.77 | 14.66 | $0.05 | 10.07 |
| 1968 | 54.36 | 25.10 | 29.26 | 17.08 | $0.05 | 12.13 |
| 1969 | 61.31 | 28.04 | 33.27 | 19.53 | $0.05 | 13.69 |
| 1970 | 68.81 | 30.37 | 38.44 | 23.55 | $0.05 | 14.84 |
| 1971 | 75.60 | 33.28 | 42.32 | 25.84 | $0.05 | 16.43 |
| 1972 | 80.82 | 33.70 | 47.12 | 26.52 | $0.06 | 18.54 |
| 1973 | 89.16 | 36.00 | 53.16 | 32.41 | $0.06 | 20.68 |
| 1974 | 98.49 | 35.44 | 63.05 | 38.23 | $0.06 | 24.77 |
| 1975 | 114.68 | 39.93 | 74.73 | 44.53 | $0.06 | 30.13 |
| 1976 | 125.69 | 42.86 | 83.04 | 51.05 | $0.07 | 31.93 |
| 1977 | 144.08 | 53.87 | 90.39 | 53.84 | $0.08 | 36.46 |
| 1978 | 160.47 | 57.83 | 102.64 | 60.86 | $0.09 | 41.69 |
| 1979 | 180.41 | 65.62 | 114.59 | 67.27 | $0.11 | 47.21 |

1Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.
2Includes dentists' services, other professional services, drugs and medical sundries, eyeglasses and appliances, nursing home care, and other health care services.
3Included in direct payments: data not available separately.

(continued)
### TABLE 5 (Cont'd)
Selected Types of Personal Health Care Expenditures, by Source of Funds, Amounts, Per Capita Amounts, and Percentage Distribution, 1950-1979

| Year | Physicians' Services | All Third-Parties | Other Personal Health Care | Amount (in millions) |
|------|----------------------|-------------------|---------------------------|----------------------|
|      | Total Percentage Distribution | Direct Payments | Total | Private | Total | Insurance | Other | Public |
|      |                      | Amount | Percentage | Payments | Amount | Percentage | Payments | Amount | Percentage | Payments | Amount | Percentage | Payments | Amount | Percentage | Payments |
| 1950 | 100.0% | 83.2% | 16.8% | 11.4% | .3% | 5.2% |
| 1955 | 100.0 | 68.3 | 31.7 | 23.2 | .2 | 6.7 |
| 1960 | 100.0 | 65.4 | 34.6 | 26.0 | .2 | 6.4 |
| 1965 | 100.0 | 61.3 | 38.7 | 31.6 | .1 | 6.9 |
| 1966 | 100.0 | 59.9 | 40.1 | 30.9 | .1 | 9.2 |
| 1967 | 100.0 | 50.6 | 49.4 | 29.2 | .1 | 20.1 |
| 1968 | 100.0 | 46.2 | 53.8 | 31.4 | .1 | 22.3 |
| 1969 | 100.0 | 45.7 | 54.3 | 31.9 | .1 | 22.3 |
| 1970 | 100.0 | 44.1 | 55.9 | 34.2 | .1 | 21.6 |
| 1971 | 100.0 | 44.0 | 56.0 | 34.2 | .1 | 21.7 |
| 1972 | 100.0 | 41.7 | 58.3 | 35.3 | .1 | 22.9 |
| 1973 | 100.0 | 40.4 | 59.6 | 36.4 | .1 | 23.2 |
| 1974 | 100.0 | 36.0 | 64.0 | 38.8 | .1 | 25.1 |
| 1975 | 100.0 | 34.8 | 65.2 | 38.8 | .1 | 26.3 |
| 1976 | 100.0 | 33.9 | 68.1 | 40.6 | .1 | 25.4 |
| 1977 | 100.0 | 37.3 | 62.7 | 37.4 | .1 | 25.3 |
| 1978 | 100.0 | 36.0 | 64.0 | 37.9 | .1 | 25.0 |
| 1979 | 100.0 | 36.5 | 63.5 | 37.3 | .1 | 26.2 |

1. Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.
2. Includes dentists' services, other professional services, drugs and medical sundries, eyeglasses and appliances, nursing home care, and other health care services.
3. Included in direct payments: data not available separately.

(continued)
TABLE 5 (Cont'd)
Selected Types of Personal Health Care Expenditures, by Source of Funds, Amounts, Per Capita Amounts, and Percentage Distribution, 1950-1979

| Year | Total | Direct Payments | Total | Insurance | Private | Other | Public |
|------|-------|-----------------|-------|-----------|---------|-------|--------|
|      | Total | Per Capita Amount |       | Percentage Distribution |   |       |        |
|      |       |                  |       |            | 1 |       |        |
| 1950 | $27.72 | $23.90 | $3.82 | 3 | $1.15 | $2.67 |
| 1955 | 36.34 | 31.11 | 5.23 | 3 | 1.48 | 3.75 |
| 1960 | 48.44 | 40.64 | 7.80 | 3 | 0.54 | 1.62 | 5.64 |
| 1965 | 66.38 | 58.97 | 13.00 | 3 | 1.31 | 2.38 | 8.60 |
| 1966 | 75.60 | 61.32 | 20.25 | 3 | 1.59 | 2.49 | 12.02 |
| 1967 | 81.57 | 67.32 | 23.94 | 3 | 2.21 | 2.62 | 15.43 |
| 1968 | 91.27 | 67.32 | 23.94 | 3 | 2.61 | 2.74 | 18.59 |
| 1969 | 99.91 | 72.66 | 27.26 | 3 | 3.31 | 2.89 | 21.05 |
| 1970 | 111.48 | 81.49 | 29.99 | 3 | 3.97 | 3.10 | 22.92 |
| 1971 | 120.13 | 84.81 | 35.32 | 3 | 4.80 | 3.53 | 26.99 |
| 1972 | 132.06 | 93.23 | 38.83 | 3 | 5.54 | 3.65 | 29.63 |
| 1973 | 144.62 | 100.47 | 44.14 | 3 | 7.10 | 3.76 | 33.29 |
| 1974 | 162.24 | 108.18 | 54.06 | 3 | 9.59 | 4.06 | 40.41 |
| 1975 | 181.41 | 115.27 | 66.14 | 3 | 12.08 | 4.52 | 49.55 |
| 1976 | 200.18 | 125.81 | 74.37 | 3 | 15.73 | 5.01 | 53.63 |
| 1977 | 218.88 | 136.24 | 82.64 | 3 | 18.15 | 5.43 | 59.06 |
| 1978 | 246.44 | 151.52 | 94.92 | 3 | 21.01 | 5.87 | 68.04 |
| 1979 | 278.21 | 169.99 | 108.22 | 3 | 23.75 | 6.41 | 78.07 |

**Other Personal Health Care**

- **All Third-Parties**
- **Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.**
- **Includes dentists' services, other professional services, drugs and medical sundries, eyeglasses and appliances, nursing home care, and other health care services.**
- **Included in direct payments: data not available separately.**
TABLE 6
Personal Health Care Expenditures by Selected Third-Party Payers and Type of Expenditure, Amount, Per Capita Amount, and Percentage Distribution, 1979

| Source of Payment                  | Total       | Hospital Care | Physicians Services | Dentists Services | Other Professional Services | Drugs and Medical Supplies | Appliances and Sundries | Nursing Home Care | Other Health Services |
|-----------------------------------|-------------|---------------|--------------------|-------------------|---------------------------|---------------------------|--------------------------|-------------------|----------------------|
| Total                             | 188,551     | 85,342        | 40,599             | 13,607            | 4,687                     | 16,975                    | 4,353                    | 17,607            | 5,180                |
| Direct Payments                   | 59,973      | 6,906         | 14,813             | 9,938             | 2,832                     | 14,216                    | 3,789                    | 17,481            | —                    |
| Third-Party Payments              | 128,578     | 78,437        | 25,766             | 3,659             | 1,855                     | 2,760                     | 564                      | 103,320           | 5,180                |
| Private Health Insurance          | 50,266      | 29,903        | 15,138             | 3,130             | 604                       | 1,339                     | 155                      | 117               | —                    |
| Philanthropy and Industrial In-Plant | 2,407    | 942           | 24                 | —                 | 52                        | —                         | —                        | 107               | 1,283                |
| Government                        | 75,884      | 47,932        | 10,624             | 539               | 1,200                     | 1,420                     | 400                      | 10,102            | 3,987                |
| Federal                           | 53,311      | 34,986        | 7,999              | 298               | 848                       | 705                       | 352                      | 5,491             | 2,783                |
| Medicare¹                         | 29,529      | 21,551        | 6,407              | 552               | —                         | 249                       | 373                      | 97                | —                    |
| Medicaid                          | 11,770      | 4,347         | 1,203              | 243               | 249                       | 665                       | —                        | 4,775             | 287                  |
| Other                             | 12,113      | 8,888         | 389                | 54                | 47                        | 39                        | 82                      | 313               | 2,399                |
| State and Local                   | 22,573      | 12,806        | 2,625              | 241               | 352                       | 716                       | 77                      | 4,642             | 1,114                |
| Medicaid¹                         | 9,913       | 3,662         | 1,015              | 205               | 210                       | 560                       | —                       | 4,021             | 241                  |
| Other                             | 12,660      | 9,144         | 1,611              | 36                | 143                       | 155                       | 77                      | 621               | 874                  |
| **Total**                         | **837.85**  | **379.23**    | **180.41**         | **60.48**         | **20.83**                 | **75.43**                 | **19.34**                | **79.13**         | **23.02**            |

| Per Capita Amount¹                 |             |               |                    |                   |                           |                           |                          |                   |                      |
| Total                             | 31.6        | 8.1           | 36.5               | 73.0              | 60.4                      | 83.7                      | 87.0                     | 42.0              | —                    |
| Direct Payments                   | 68.2        | 91.9          | 63.5               | 27.0              | 38.6                      | 16.3                      | 13.0                     | 58.0              | 100.0                |
| Private Health Insurance          | 26.7        | 34.9          | 37.3               | 23.0              | 12.9                      | 7.9                       | 3.6                      | —                 | 7.0                  |
| Philanthropy and Industrial In-Plant | 1.3       | 1.1           | 1.7                | 1.1               | —                         | —                         | —                        | 5.6               | 24.8                 |
| Government                        | 40.2        | 55.8          | 26.2               | 4.0               | 25.6                      | 8.4                       | 9.4                      | 55.7              | 75.2                 |
| Federal                           | 28.3        | 40.9          | 16.7               | 2.2               | 18.1                      | 4.2                       | 7.6                      | 30.7              | 53.7                 |
| Medicare                          | 16.0        | 25.4          | 15.8               | 1.2               | 10.2                      | 7.6                       | 5.7                      | 2.1               | 5.3                  |
| Medicaid                          | 6.2         | 9.1           | 3.0                | 1.8               | 6.5                       | 3.9                       | —                       | 28.8              | 5.5                  |
| Other                             | 6.5         | 10.4          | 1.0                | 4.0               | 1.0                       | 2.2                       | 1.9                      | 1.8               | 46.3                 |
| State and Local                   | 12.0        | 15.0          | 6.5                | 1.8               | 7.5                       | 4.2                       | 1.8                      | 26.1              | 21.5                 |
| Medicaid                          | 5.3         | 4.3           | 2.5                | 1.5               | 4.5                       | 3.3                       | —                       | 22.6              | 4.6                  |
| Other                             | 6.7         | 10.7          | 4.0                | 3.2               | 2.0                       | 3.9                       | 1.6                      | 3.5               | 16.9                 |

¹Represents total expenditures from trust funds for benefits. Trust fund income includes premium payments paid by or on behalf of beneficiaries.
²Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.
³Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

(continued)


| Source of Payment                      | Total        | Hospital Care | Physicians Services | Dentists Services | Other Professional Services | Drugs and Medical Supplies | Sundries Appliances | Nursing Home Care | Other Health Services |
|----------------------------------------|--------------|---------------|--------------------|-------------------|-----------------------------|---------------------------|---------------------|-------------------|---------------------|
| Amount (in millions)                   | 116,522      | 52,141        | 24,932             | 8,237             | 2,619                       | 11,813                    | 2,982               | 10,105            | 3,992               |
| Direct Payments                        | 37,725       | 9,378         | 6,682              | 6,412             | 1,596                       | 10,048                    | 2,725               | 4,284             | —                   |
| Third-Party Payments                   | 78,797       | 16,414        | 16,250             | 1,825             | 1,022                       | 1,766                     | 257                 | 5,821             | 3,992               |
| Private Health Insurance               | 31,077       | 15,766        | 9,684              | 1,358             | 420                         | 738                       | 32                  | 78                | —                   |
| Philanthropy and Industrial In-Plant   | 1,539        | 542           | 14                 | —                 | 29                          | —                         | —                   | —                 | 61                  |
| Government                             | 46,182       | 28,855        | 6,552              | 467               | 573                         | 1,027                     | 226                 | 5,861             | 2,900               |
| Federal                                | 31,531       | 20,253        | 4,685              | 275               | 375                         | 527                       | 174                 | 3,186             | 2,076               |
| Medicare†                              | 15,888       | 11,493        | 3,339              | —                 | —                           | 114                       | 291                 | 43                | —                   |
| Medicaid‡                              | 7,431        | 2,642         | 1,049              | 205               | 139                         | 496                       | —                   | 2,720             | 179                 |
| Other                                  | 8,512        | 6,009         | 279                | 70                | 37                          | 30                        | 61                  | 174               | 1,854               |
| State and Local                        | 14,650       | 8,602         | 1,887              | 192               | 198                         | 500                       | 51                  | 2,496             | 723                 |
| Medicaid§                              | 5,873        | 2,087         | 828                | 162               | 110                         | 393                       | —                   | 2,150             | 141                 |
| Other                                  | 6,778        | 5,515         | 1,059              | 30                | 88                          | 107                       | 51                  | 346               | 582                 |
| Per Capita Amount*                     | $353.85      | $239.78       | $114.68            | $37.88            | $12.04                      | $54.33                    | $13.72              | $46.47            | $16.98              |
| Direct Payments                        | 173.49       | 19.29         | 39.93              | 29.49             | 7.34                        | 46.21                     | 12.53               | 19.70             | —                   |
| Third-Party Payments                   | 362.37       | 221.49        | 74.73              | 8.39              | 4.70                        | 8.12                      | 1.18                | 26.77             | 18.98               |
| Private Health Insurance               | 142.91       | 86.30         | 44.53              | 6.24              | 1.93                        | 3.40                      | .15                 | .35               | —                   |
| Philanthropy and Industrial In-Plant   | 7.08         | 2.49          | .05                | —                 | .13                         | —                         | —                   | .28               | 4.10                |
| Government                             | 212.38       | 132.70        | 30.13              | 2.15              | 2.64                        | 4.72                      | 1.04                | 28.13             | 12.87               |
| Federal                                | 145.00       | 93.14         | 21.45              | 2.62              | 1.72                        | 2.42                      | .90                 | 14.65             | 9.55                |
| Medicare†                              | 71.69        | 53.36         | 15.58              | —                 | .91                         | —                         | .52                 | 1.34              | .20                 |
| Medicaid‡                              | 34.17        | 12.15         | 4.92               | .94               | .64                         | 2.29                      | —                   | 12.51             | .02                 |
| Other                                  | 39.15        | 27.63         | 1.28               | .32               | .37                         | .14                       | .28                 | .80               | 8.53                |
| State and Local                        | 67.37        | 39.56         | 8.85               | .88               | .91                         | .23                       | .23                 | 11.48             | 3.33                |
| Medicaid§                              | 27.01        | 9.60          | 3.81               | .75               | .51                         | .18                       | —                   | 9.89              | .65                 |
| Other                                  | 40.37        | 29.96         | 4.87               | .14               | .41                         | .49                       | .23                 | 1.59              | 2.68                |

1 Represents total expenditures from trust funds for benefits. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

2 Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

3 Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

(continued)
### TABLE 6 (Cont'd)
Personal Health Care Expenditures by Selected Third-Party Payers and Type of Expenditure, Amount, Per Capita Amount, and Percentage Distribution, 1970

| Source of Payment | Hospital Care | Physicians Services | Dentists' Services | Other Professional Services | Drugs and Medical Supplies | Appliances | Nursing Home Care | Other Health Services |
|-------------------|---------------|---------------------|-------------------|---------------------------|---------------------------|------------|------------------|---------------------|
| Total             | 65,372        | 27,799              | 14,340            | 4,750                     | 1,595                     | 5,208      | 1,526            | 4,957               |
| Direct Payments   | 26,128        | 2,816               | 6,328             | 4,286                     | 1,094                     | 7,414      | 1,815            | 2,375               |
| Third-Party Payments | 39,244      | 24,883              | 8,012             | 463                       | 500                       | 794        | 111              | 2,322               |
| Private Health Insurance | 15,744    | 10,008              | 4,908             | 240                       | 262                       | 310        | 3                | 12                  |
| Philanthropy and Industrial In-Plant | 1,040 | 364                 | 10                | —                         | 77                        | —          | 46               | 259                 |
| Government        | 22,460        | 14,581              | 3,093             | 223                       | 218                       | 454        | 108              | 2,276               |
| Federal           | 14,561        | 9,428               | 2,332             | 130                       | 138                       | 239        | 79               | 1,329               |
| Medicare          | 7,096         | 4,978               | 1,720             | —                         | 77                        | —          | 46               | 259                 |
| Medicaid          | 2,795         | 1,226               | 380               | 91                        | 41                        | 226        | —                | 779                 |
| Other             | 4,669         | 3,226               | 133               | 39                        | 20                        | 13         | 33               | 301                 |
| State and Local   | 7,899         | 5,163               | 961               | 93                        | 80                        | 245        | 29               | 938                 |
| Medicaid          | 2,310         | 1,012               | 314               | 75                        | 34                        | 167        | —                | 644                 |
| Other             | 5,589         | 4,161               | 547               | 18                        | 46                        | 69         | 25               | 294                 |

| Source of Payment | Per Capita Amount |
|-------------------|-------------------|
| Total             | 313.68            |
| Direct Payments   | 125.37            |
| Third-Party Payments | 188.31       |
| Private Health Insurance | 75.54    |
| Philanthropy and Industrial In-Plant | 4.99    |
| Government        | 107.77            |
| Federal           | 60.87             |
| Medicare          | 34.96             |
| Medicaid          | 13.41             |
| Other             | 22.40             |
| State and Local   | 37.90             |
| Medicaid          | 11.08             |
| Other             | 26.82             |

| Source of Payment | Percentage Distribution |
|-------------------|-------------------------|
| Total             | 100.0%                  |
| Direct Payments   | 40.0%                   |
| Third-Party Payments | 60.0%          |
| Private Health Insurance | 24.1%           |
| Philanthropy and Industrial In-Plant | 1.6%         |
| Government        | 34.4%                   |
| Federal           | 22.3%                   |
| Medicare          | 10.3%                   |
| Medicaid          | 4.3%                    |
| Other             | 7.1%                    |
| State and Local   | 12.1%                   |
| Medicaid          | 3.5%                    |
| Other             | 8.5%                    |

*Represents total expenditures from trust funds for benefits. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

*Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

*Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

(continued)
### TABLE 6 (Cont'd)

**Personal Health Care Expenditures by Selected Third-Party Payers and Type of Expenditure, Amount, Per Capita Amount, and Percentage Distribution, 1965**

| Source of Payment | Total Amount (in millions) | Hospital Care | Physicians Services | Dentists Services | Other Professional Services | Drugs and Medical Supplies | Appliances | Nursing Home Care | Other Health Services |
|-------------------|-----------------------------|---------------|---------------------|------------------|---------------------------|---------------------------|------------|------------------|----------------------|
| **Total**         | $35,000                     | $13,885       | $8,473              | $2,809           | $1,033                    | $5,212                    | $1,211     | $2,072           | $1,306                |
| **Direct Payments** | 18,584                     | 2,374         | 3,197               | 2,717            | 897                       | 4,688                     | 1,181      | 1,337            | —                    |
| **Third-Party Payments** | 17,416                     | 11,510        | 3,276               | 92               | 136                       | 331                       | 30         | 735              | 1,306                |
| Private Health Insurance | 8,729                      | 5,780         | 2,580               | 43               | 79                        | 135                       | 1          | 2                | —                    |
| Philanthropy and Industrial In-Plant | 7,856                     | 309           | 592                 | 49               | 39                        | 197                       | 29         | 712              | 675                  |
| Government | 7,856                       | 5,412         | 559                 | 49               | 39                        | 197                       | 29         | 712              | 675                  |
| Federal | 3,795                       | 2,450         | 151                 | 32               | 12                        | 120                       | 12         | 460              | 668                  |
| Medicare | —                           | —             | —                   | —                | —                         | —                         | —          | —                | —                    |
| Medicaid | —                           | —             | —                   | —                | —                         | —                         | —          | —                | —                    |
| Other | 3,795                       | 2,450         | 151                 | 32               | 12                        | 120                       | 12         | 460              | 668                  |
| State and Local | 4,114                      | 2,962         | 436                 | 17               | 26                        | 76                        | 17         | 251              | 308                  |
| Medicaid | —                           | —             | —                   | —                | —                         | —                         | —          | —                | —                    |
| Other | 4,114                       | 2,962         | 436                 | 17               | 26                        | 76                        | 17         | 251              | 308                  |
| **Per Capita Amount** | **192.02**                | **70.20**     | **42.84**           | **14.20**        | **5.22**                  | **26.35**                 | **6.12**   | **10.48**        | **6.60**              |
| **Direct Payments** | 93.96                      | 12.00         | 26.28               | 13.74            | 4.54                      | 24.68                     | 5.97       | 6.78             | —                    |
| **Third-Party Payments** | 88.06                      | 58.20         | 16.56               | 4.6              | 0.6                       | 1.67                      | 0.15       | 3.72             | 6.60                  |
| Private Health Insurance | 44.13                      | 29.27         | 13.55               | 0.22             | 0.40                      | 0.58                      | 0.01       | 0.1              | —                    |
| Philanthropy and Industrial In-Plant | 3.98                       | 1.55          | 0.3                 | —                | 0.01                      | —                         | —          | 1.1              | 2.18                  |
| Government | 39.94                       | 27.36         | 2.97                | 0.25             | 0.20                      | 0.09                      | 0.15       | 3.60             | 4.43                  |
| Federal | 18.14                       | 12.28         | 0.76                | 0.18             | 0.06                      | 0.51                      | 0.33       | 2.33             | 2.67                  |
| Medicare | —                           | —             | —                   | —                | —                         | —                         | —          | —                | —                    |
| Medicaid | —                           | —             | —                   | —                | —                         | —                         | —          | —                | —                    |
| Other | 19.14                       | 12.28         | 0.76                | 0.16             | 0.06                      | 0.51                      | 0.33       | 2.33             | 2.67                  |
| State and Local | 20.60                      | 15.08         | 2.21                | 0.06             | 0.13                      | 0.39                      | 0.08       | 1.27             | 1.55                  |
| Medicaid | —                           | —             | —                   | —                | —                         | —                         | —          | —                | —                    |
| Other | 20.60                       | 15.08         | 2.21                | 0.06             | 0.13                      | 0.39                      | 0.08       | 1.27             | 1.55                  |
| **Percentage Distribution** | **100.0%**                 | **100.0%**    | **100.0%**          | **100.0%**       | **100.0%**                | **100.0%**                | **100.0%** | **100.0%**       | **100.0%**            |
| **Direct Payments** | 51.6                       | 17.1          | 61.3                | 96.7             | 86.9                      | 93.6                      | 97.5       | 64.5             | —                    |
| **Third-Party Payments** | 48.4                       | 82.9          | 38.7                | 3.3              | 13.1                      | 6.4                       | 2.5        | 35.5             | 100.0                 |
| Private Health Insurance | 24.2                       | 41.7          | 31.5                | 1.5              | 7.6                       | 2.6                       | 1.1        | .1               | —                    |
| Philanthropy and Industrial In-Plant | 2.2                        | 2.2           | 1.0                 | 1.8              | 18                        | 18                        | 2.3        | —                | 33.0                  |
| Government | 21.9                       | 39.0          | 6.9                 | 1.7              | 3.7                       | 3.8                       | 2.4        | 34.3             | 67.0                  |
| Federal | 10.5                        | 17.5          | 1.8                 | 1.1              | 1.2                       | 2.3                       | 1.0        | 22.2             | 43.5                  |
| Medicare | —                           | —             | —                   | —                | —                         | —                         | —          | —                | —                    |
| Medicaid | —                           | —             | —                   | —                | —                         | —                         | —          | —                | —                    |
| Other | 10.5                        | 17.5          | 1.8                 | 1.1              | 1.2                       | 2.3                       | 1.0        | 22.2             | 43.5                  |
| State and Local | 11.4                       | 21.5          | 5.1                 | 0.6              | 2.5                       | 1.5                       | 1.4        | 12.1             | 23.5                  |
| Medicaid | —                           | —             | —                   | —                | —                         | —                         | —          | —                | —                    |
| Other | 11.4                        | 21.5          | 5.1                 | 0.6              | 2.5                       | 1.5                       | 1.4        | 12.1             | 23.5                  |

1 Represents total expenditures from trust funds for benefits. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

2 Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

3 Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

HEALTH CARE FINANCING REVIEW/SUMMER 1980
TABLE 7
Expenditures for Health Services and Supplies Under Public Programs by Program, Type of Expenditure, and Source of Funds (in millions)

1979

| Program Area | Total | Personal Health Care | Government Public Health Activities |
|--------------|-------|----------------------|-------------------------------------|
|              | Total | Physicians' Services | Other Drugs and Alcohol | Other Professional Medical and Appliance Services | Home Care | Other Health Services | Administration |
|              | Hospital Care | Dentists' Services | and Medical Supplies | and Appliances | |
|              | Total | Total | Total | Total | Total | Total |
| All Public Programs | 85,237 | 75,584 | 47,692 | 16,524 | 539 | 1,200 | 1,420 | 409 | 10,102 | 3,897 | 3,306 | 6,047 |
| Total Federal Expenditures | 56,439 | 53,311 | 34,886 | 7,999 | 296 | 848 | 705 | 332 | 5,461 | 2,783 | 1,787 | 1,341 |
| Total State and Local Expenditures | 28,798 | 22,573 | 12,906 | 2,625 | 241 | 352 | 716 | 77 | 4,844 | 1,144 | 1,519 | 4,706 |
| Major Program Areas: | | | | | | | | | | | | |
| Medicare | 30,338 | 29,328 | 21,651 | 6,407 | — | — | 552 | — | 249 | 373 | 97 | 1,010 |
| Medicaid | 22,796 | 21,683 | 8,009 | 2,217 | 448 | 459 | 1,226 | — | 8,706 | 528 | 1,113 | — |
| Federal Expenditures | 12,464 | 11,770 | 4,347 | 1,203 | 243 | 249 | 665 | — | 4,775 | 287 | 694 | — |
| State and Local Expenditures | 10,332 | 9,913 | 3,062 | 1,015 | 205 | 210 | 560 | — | 4,021 | 241 | 419 | — |
| Other Public Assistance Payments for Medical Care | 1,530 | 1,530 | 565 | 157 | 32 | 32 | 86 | — | 621 | 37 | — | — |
| Federal Expenditures | 1,530 | 1,530 | 565 | 157 | 32 | 32 | 86 | — | 621 | 37 | — | — |
| State and Local Expenditures | 5,355 | 5,305 | 4,444 | 61 | 36 | 13 | 48 | 313 | 391 | 50 | — | — |
| Veterans' Medical Care | 4,023 | 4,000 | 2,837 | 107 | 2 | — | 11 | — | 1,043 | 23 | — | — |
| Department of Defense Medical Care | 3,442 | 3,342 | 1,696 | 1,411 | — | 103 | 66 | 66 | — | 1,100 | — | — |
| Federal Employees | 106 | 106 | 71 | 27 | — | 6 | 2 | 2 | — | — | — | — |
| State and Local Programs | 4,333 | 3,233 | 1,625 | 484 | — | 66 | 64 | 64 | — | 1,100 | — | — |
| State and Local Hospitals (net) | 8,028 | 6,828 | 6,826 | — | — | — | — | — | — | — | — | — |
| Other Public Expenditures for Personal Health Care* | 3,879 | 3,669 | 1,062 | 205 | 22 | 55 | 18 | 46 | — | 1,801 | 10 | — |
| Federal | 2,810 | 2,800 | 1,536 | 195 | 17 | 40 | 14 | 33 | — | 965 | 10 | — |
| State and Local | 1,069 | 1,069 | 125 | 70 | 5 | 14 | 5 | 13 | — | 836 | — | — |
| Government Public Health Activities | 6,047 | — | — | — | — | — | — | — | — | 6,047 | — | — |
| Federal | 1,341 | — | — | — | — | — | — | — | — | 1,341 | — | — |
| State and Local | 4,706 | — | — | — | — | — | — | — | — | 4,706 | — | — |

1Represents total expenditures from trust funds for benefits and administrative costs. Trust fund income includes premium payments paid by or on behalf of beneficiaries.
2Includes funds paid into Medicare trust funds by States under “buy-in” agreements to cover premiums for public assistance recipients and for persons who are medically indigent.
3Includes care for retirees and military dependents. Payments for services other than hospital care and other health services represent only those made under contract medical programs.
4Expenditures for State and local government hospitals not offset by other revenues.
5Includes program spending for Maternal and Child Health; Vocational Rehabilitation medical payments; Temporary Disability Insurance medical payments; PHS and other Federal hospitals; Indian Health Services; Alcoholism, Drug Abuse, and Mental Health; and school health.

(continued)
TABLE 7 (Cont'd)
Expenditures for Health Services and Supplies Under Public Programs by Program, Type of Expenditure, and Source of Funds (in millions)

1975

| Program Area | Total | Personal Health Care | Government Public Health Activities |
|--------------|-------|----------------------|------------------------------------|
|              | Hotel Care | Physicians’ Services | Den- AND Medical and Ap- rilances | Nursing Home Care | Other Health Service | Administration |
|              | Physicians’ Services | Den- AND Medical and Ap- rilances | Nursing Home Care | Other Health Service | Administration |
| Total State and Local Expenditures | 17,431 | 8,602 | 1,887 | 192 | 196 | 500 | 51 | 2,496 | 723 | 845 | 1,936 |
| Total Federal Expenditures | 33,915 | 20,253 | 4,665 | 275 | 375 | 527 | 174 | 3,186 | 2,676 | 1,163 | 1,221 |
| Total Federal Trust Fund Income | 51,346 | 28,855 | 6,552 | 407 | 573 | 1,027 | 226 | 5,681 | 2,600 | 2,007 | 3,157 |

1Represents total expenditures from trust funds for benefits and administrative costs. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

2Includes funds paid into Medicare trust funds by States under “buy-in” agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

3Includes care for retirees and military dependents. Payments for services other than hospital care and other health services represent only those made under contract medical programs.

4Expenditures for State and local government hospitals not offset by other revenues.

5Includes program spending for Maternal and Child Health; Vocational Rehabilitation medical payments; Temporary Disability Insurance medical payments; PHS and other Federal hospitals; Indian Health Services; Alcoholism, Drug Abuse, and Mental Health; and school health.

(continued)
### TABLE 7 (Cont'd)
Expenditures for Health Services and Supplies Under Public Programs by Program, Type of Expenditure, and Source of Funds (in millions)

#### 1970

| Program Area | Total | Personal Health Care | Government Public Health Activities |
|--------------|-------|----------------------|------------------------------------|
| Total State and Local Expenditures | 9,304 | 7,899 | 5,163 |
| Government | 2,795 | 2,310 | 1,225 |
| Federal | 2,324 | 1,952 | 1,012 |
| Medicaid | 1,420 | 1,051 | 545 |
| Medicare | 1,420 | 1,051 | 545 |
| Other Public Assistance Payments for Medical Care | 8,850 | 7,450 | 4,578 |
| Federal Expenditures | 2,324 | 1,952 | 1,012 |
| State and Local Expenditures | 6,526 | 5,500 | 3,566 |
| Veterans' Medical Care | 1,420 | 1,051 | 545 |
| Department of Defense Medical Care | 1,420 | 1,051 | 545 |
| Workers Compensation | 1,420 | 1,051 | 545 |
| State and Local Programs | 1,420 | 1,051 | 545 |
| State and Local Hospitals (net) | 1,420 | 1,051 | 545 |
| Other Public Expenditures for Personal Health Care | 1,420 | 1,051 | 545 |
| Federal | 1,420 | 1,051 | 545 |
| State and Local | 1,420 | 1,051 | 545 |
| Government Public Health Activities | 1,420 | 1,051 | 545 |
| Federal | 1,420 | 1,051 | 545 |
| State and Local | 1,420 | 1,051 | 545 |

1 Represents total expenditures from trust funds for benefits and administrative costs. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

2 Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

3 Includes care for retirees and military dependents. Payments for services other than hospital care and other health services represent only those made under contract medical programs.

4 Expenditures for state and local government hospitals not offset by other revenues.

5 Includes program spending for Maternal and Child Health; Vocational Rehabilitation medical payments; Temporary Disability Insurance medical payments; PHS and other Federal hospitals; Indian Health Services; Alcoholism, Drug Abuse, and Mental Health; and school health.

(continued)
### TABLE 7 (Cont’d)

**Expenditures for Health Services and Supplies Under Public Programs by Program, Type of Expenditure, and Source of Funds (in millions)**

| Program Area | Total | Personal Health Care | Government Public Health Activities |
|--------------|-------|----------------------|-------------------------------------|
| **Health Services and Supplies** | | | |
| Total | 9,999 | 3,899 | 5,112 | 588 | 49 | 29 | 197 | 29 | 712 | 875 | 286 | 814 |
| Total Federal Expenditures | 4,144 | 3,785 | 1,440 | 151 | 32 | 12 | 120 | 12 | 450 | 588 | 14 | 344 |
| Total State and Local Expenditures | 4,854 | 4,114 | 2,812 | 456 | 17 | 28 | 76 | 17 | 251 | 308 | 271 | 469 |
| **Major Program Areas:** | | | |
| Medicaid | - | - | - | - | - | - | - | - | - | - | - | - |
| Medicare | - | - | - | - | - | - | - | - | - | - | - | - |
| Federal Expenditures | - | - | - | - | - | - | - | - | - | - | - | - |
| State and Local Expenditures | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Public Assistance Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| for Medical Care | 2,112 | 2,111 | 885 | 174 | 44 | 13 | 177 | 12 | 705 | 103 | - | - |
| Federal Expenditures | 1,359 | 1,359 | 576 | 112 | 29 | 8 | 114 | 12 | 454 | 66 | - | - |
| Veterans’ Medical Care | 753 | 753 | 319 | 62 | 16 | 6 | 63 | 12 | 251 | 37 | - | - |
| Department of Defense Medical Care | 1,145 | 1,145 | 1,061 | 10 | 1 | - | 3 | 7 | 28 | 10 | - | - |
| Workers Compensation | 880 | 609 | 213 | 353 | - | 18 | 12 | 12 | 271 | - | - | - |
| Federal Employees | 11 | 11 | 7 | 3 | - | 1 | - | - | - | - | - | - |
| State and Local Programs | 869 | 586 | 206 | 350 | - | 17 | 12 | 12 | 271 | - | - | - |
| State and Local Hospitals (net) | 2,389 | 2,389 | 2389 | - | - | - | - | - | - | - | - | - |
| **Other Public Expenditures for** | | | |
| Personal Health Care | 645 | 644 | 219 | 45 | 3 | 8 | 4 | 10 | 356 | 1 | - |
| Federal | 272 | 271 | 151 | 21 | 2 | 3 | 3 | 5 | 65 | 1 | - |
| State and Local | 374 | 374 | 68 | 24 | 1 | 4 | 1 | 5 | 271 | - | - |
| Government Public Health Activities | 814 | - | - | - | - | - | - | - | - | 814 | - | - |
| Federal | 344 | - | - | - | - | - | - | - | - | 344 | - | - |
| State and Local | 480 | - | - | - | - | - | - | - | - | 480 | - | - |

*Represents total expenditures from trust funds for benefits and administrative costs. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

†Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

‡Includes payments made under contract medical programs.

§Represents total expenditures from trust funds for benefits and administrative costs. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

*Includes program spending for Maternal and Child Health; Vocational Rehabilitation medical payments; Temporary Disability Insurance medical payments; PHS and other Federal hospitals; Indian Health Services; Alcoholism, Drug Abuse, and Mental Health; and school health.

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