

**Data from the 2002 NHEA-Aligned Medical Expenditure Panel Survey (MEPS):
Projected Medical Expenditures by Type of Service and Source of Payment for Age,
Race and Sex through 2016**

Data File Documentation

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1. Introduction

This document describes projected household expenditure data from the 2002 Medical Expenditure Panel Survey (MEPS) Household Component file aligned with the 2002 National Health Expenditure Accounts (NHEA). MEPS is issued by the Center for Financing, Access and Cost Trends (CFACT), within the Agency for Healthcare Research and Quality (AHRQ) and the NHEA is issued by the Office of the Actuary within the Centers for Medicare and Medicaid Services (CMS). The 2002 NHEA-aligned MEPS is a product of the Division of Modeling and Simulation (DMS) within CFACT, produced with the cooperation of CMS¹.

Projected expenditures are calculated in a two step process. First, core data from the 2002 NHEA-aligned MEPS file are projected to each end year through 2016 by adjusting MEPS person weights using Census projections² for population totals, fertility and mortality over time. Then, the re-weighted NHEA-aligned MEPS expenditures are calibrated annually by type of service and source of payment categories so that growth in the re-weighted NHEA-aligned MEPS expenditures matches growth in the projected NHEA^{3, 4}. Users should be aware that these estimates are surrounded by uncertainty from a wide variety of sources detailed in Section 5 of this document⁵.

¹ For more details on NHEA-aligned MEPS, see: Sing et. al., 2006. "Reconciling Medical Expenditure Estimates from the MEPS and NHEA, 2002," *Health Care Financing Review* and Selden and Sing, 2008 "Aligning the Medical Expenditure Panel Survey to Aggregate U.S Benchmarks," AHRQ Working Paper #08006. (available online at www.meps.ahrq.gov/mepsweb/data_stats/Pub_ProdResults_Details.jsp?pt=Working%20Paper&opt=2&id=862).

² Projected Population Totals, Projected Births and Projected Deaths by Age, Sex, Race, and Hispanic Origin based on the 2000 Census are issued by the Population Projections Branch at the Census Bureau. These projections are available online in the files NP2008_D1, NP2008_D2 and NP2002_D3 respectively and can be downloaded from the Census Bureau website: <http://www.census.gov/population/www/projections/downloadablefiles.html> (accessed March 2008).

³ CMS's 2005 figures from file NHE65-16.CSV are used for NHEA expenditures. In NHE65-15.CSV, data for 1965-2005 represent historical expenditures, while data for 2006-2016 are projected expenditures. This data file is available to the public on the CMS web site by using the link entitled "The NHE Historical and Projections 1965-2016" on the following page: http://www.cms.hhs.gov/NationalHealthExpendData/03_NationalHealthAccountsProjected.asp#TopOfPage (accessed December 1, 2007).

⁴ In order to calibrate NHEA-aligned MEPS to the NHEA, nursing home and assisted living expenditures by type of service and source of payment first had to be added to the NHEA-aligned MEPS expenditures because the survey does not collect these expenditures. There will be more detail on this adjustment in section 4 of this documentation.

⁵ The sample design of the host datasets used for modeling efforts is often characterized by a complex multi-stage area probability design that includes disproportionate sampling of specified policy relevant population groups. As a consequence of departures from simple random sampling assumptions, the variances of the model based estimates derived from the host survey must take into account the complex survey design. Consequently, the error estimates that characterize these model-based estimates should reflect the component of variance attributable to the underlying sample and survey design. Furthermore,

