

STATISTICAL BRIEF #466

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Trends in National Health Care Expenses Per Person in the U.S. Civilian Noninstitutionalized Population, 1996-2012

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Introduction

This Statistical Brief presents estimates of the percentage of persons with any health care expense for the U.S. civilian noninstitutionalized population, based on the Household Component of the Medical Expenditure Panel Survey (MEPS-HC) for the years 1996 through 2012. Estimates are shown separately for the non-elderly and elderly populations. Average and median expense per person with an expense are also included. In order to examine growth in expenses after accounting for inflation (i.e., real expenses), all dollar amounts for 1996 to 2011 are inflated to 2012 dollars based on the GDP Price Index (http://www.meps.ahrq.gov/mepsweb/about_meps/Price_Index.shtml). All differences between estimates discussed in the text are statistically significant at the 0.05 level.

Findings

Among those under age 65, the percentage of uninsured persons with any medical expense decreased from 62.1 percent in 1996 to 55.8 percent in 2012 (figure 1). However, there was no significant difference in the percentage of persons under age 65 with any medical expense for those with any private insurance or those with public only insurance, when comparing the years 1996 and 2012. For elderly persons, there was no significant difference in the percentage of persons with any health care expense when comparing 1996 to 2012.

For persons under age 65 with private insurance, the mean expense for persons with a health care expense increased from \$2,604 in 1996 (adjusted to 2012 dollars) to \$4,407 in 2012 (figure 2). Moreover, for those under age 65 with a health care expense, persons with public insurance only and the uninsured saw an increase in mean expense when comparing 1996 with 2012 (\$3,182 versus \$4,402, and \$1,287 versus \$2,198, respectively). Among the elderly with any health care expense, the mean expense increased from \$7,689 in 1996 to \$9,678 in 2012.

Median expenses were substantially lower than mean expenses because a relatively small proportion of persons accounts for a large proportion of expenses. When comparing 1996 (adjusted to 2012 dollars) with 2012, for those under age 65 with any expense for medical care, the median expense increased for persons with any private insurance, public insurance only, and for the uninsured (\$714 versus \$1,161, \$522 versus \$701, and \$311 versus \$489, respectively) (figure 3). For the elderly, the median expense for persons with a health care expense increased from \$2,687 in 1996 to \$4,290 in 2012.

Data Source

The estimates in this Statistical Brief are based upon data from the MEPS Full Year Consolidated Data Files for 1996–2012 (HC-012, HC-020, HC-028, HC-038, HC-050, HC-060, HC-070, HC-079, HC-089, HC-097, HC-105, HC-113, HC-121, HC-129, HC-138, HC-147, and HC-155).

Highlights

- When comparing 1996 with 2012, for the uninsured under age 65, the percentage with any medical care expense decreased from 62.1 percent in 1996 to 55.8 percent in 2012.
- After adjusting for inflation, among persons under age 65 with any health care expenses, the average annual expense increased for persons with any private insurance, public only insurance, and the uninsured when comparing 1996 with 2012.
- For the elderly with any health care expenses, the mean annual expense increased from \$7,689 in 1996 (adjusted to 2012 dollars) to \$9,678 in 2012.
- After adjusting for inflation, the median annual expense for those with any health care expenses increased for the elderly, as well as among persons under age 65 for both insured (private or public) and uninsured persons, when comparing 1996 to 2012.

Definitions

Expenditures

Expenditures include total direct payments from all sources to hospitals, physicians, home health providers (agency and paid independent providers), dental providers, other types of health care providers (e.g., physical therapists, chiropractors, optometrists, etc.), and pharmacies for services reported by respondents in the MEPS-HC. Expenditures for hospital-based services include those for both facility and separately billed physician services.

Health insurance status

Individuals under age 65 were classified in the following three insurance categories, based on household responses to health insurance status questions:

- Any private health insurance: Individuals who, at any time during the year, had insurance that provides coverage for hospital and physician care (other than Medicare, Medicaid/CHIP, or other public hospital/physician coverage) were classified as having private insurance. Coverage by TRICARE (Armed Forces-related coverage) was also included as private health insurance. Insurance that provides coverage for a single service only, such as dental or vision coverage, was not included.
- Public coverage only: Individuals were considered to have public coverage only if they met both of the following criteria: 1) They were not covered by private insurance at any time during the year, and 2) they were covered by any of the following public programs at any point during the year: Medicare, Medicaid/CHIP, or other public hospital/physician coverage.
- Uninsured: The uninsured were defined as people not covered by private hospital/physician insurance, Medicare, TRICARE, Medicaid/CHIP, or other public hospital/physician programs at any time during the entire year or period of eligibility for the survey.

About MEPS-HC

MEPS-HC is a nationally representative longitudinal survey that collects detailed information on health care utilization and expenditures, health insurance, and health status, as well as a wide variety of social, demographic, and economic characteristics for the U.S. civilian noninstitutionalized population. It is cosponsored by the Agency for Healthcare Research and Quality (AHRQ) and the National Center for Health Statistics.

MEPS data are derived from both the Medical Provider Component (MPC) and Household Component (HC). MPC data are generally used for hospital-based events (e.g., inpatient stays, emergency room visits, and outpatient department visits), prescribed medicine purchases, and home health agency care. Office-based physician care estimates use a mix of HC and MPC data while estimates for non-physician office visits, dental and vision services, other medical equipment and services, and independent provider home health care services are based on HC-provided data. Details on the estimation process can be found in Machlin, S.R. and Dougherty, D.D. *Overview of Methodology for Imputing Missing Expenditure Data in the Medical Expenditure Panel Survey*. Methodology Report No. 19. March 2007. Agency for Healthcare Research and Quality, Rockville, MD.

http://www.meps.ahrq.gov/mepsweb/data_files/publications/mr19/mr19.pdf

For more information about MEPS, call the MEPS information coordinator at AHRQ (301-427-1406) or visit the MEPS Web site at <http://www.meps.ahrq.gov/>.

References

Cohen, J. *Design and Methods of the Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 1. AHCPR Pub. No. 97-0026. Rockville, MD. Agency for Health Care Policy and Research, 1997.

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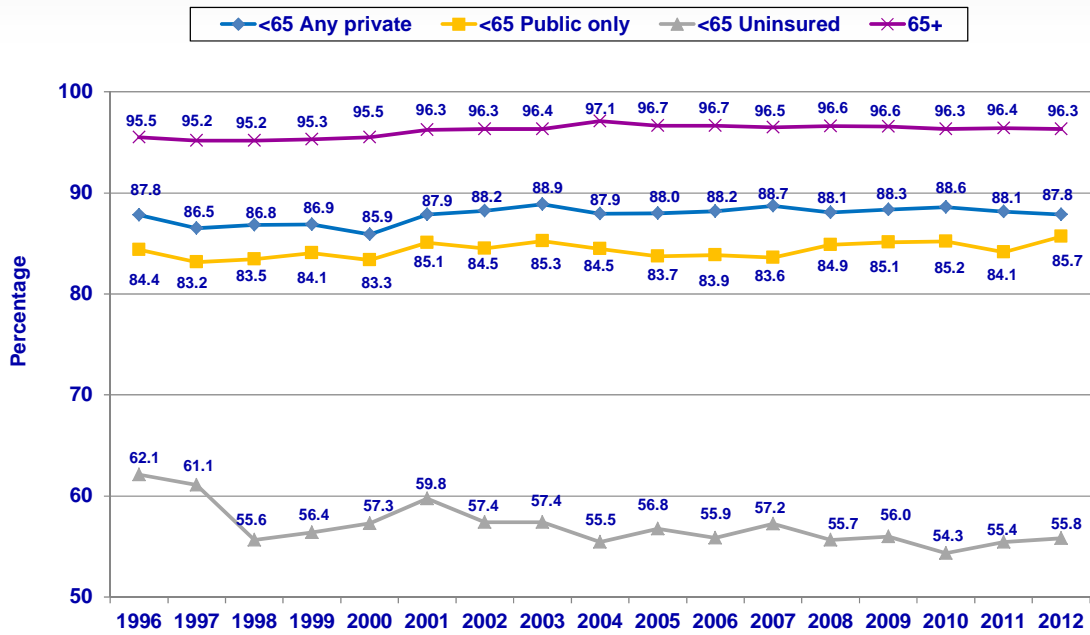
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please email us at MEPSProjectDirector@ahrq.hhs.gov or send a letter to the address below:

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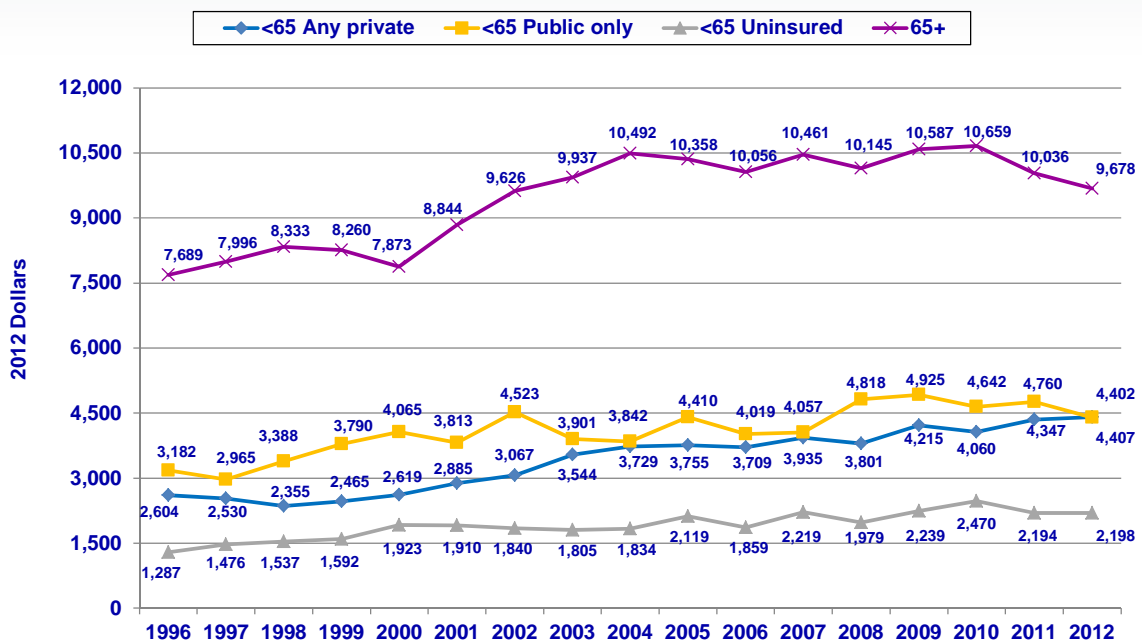
Figure 1. Percentage of persons with any health care expense, by insurance status and age, 1996–2012



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 1996–2012 Full Year Consolidated Data Files



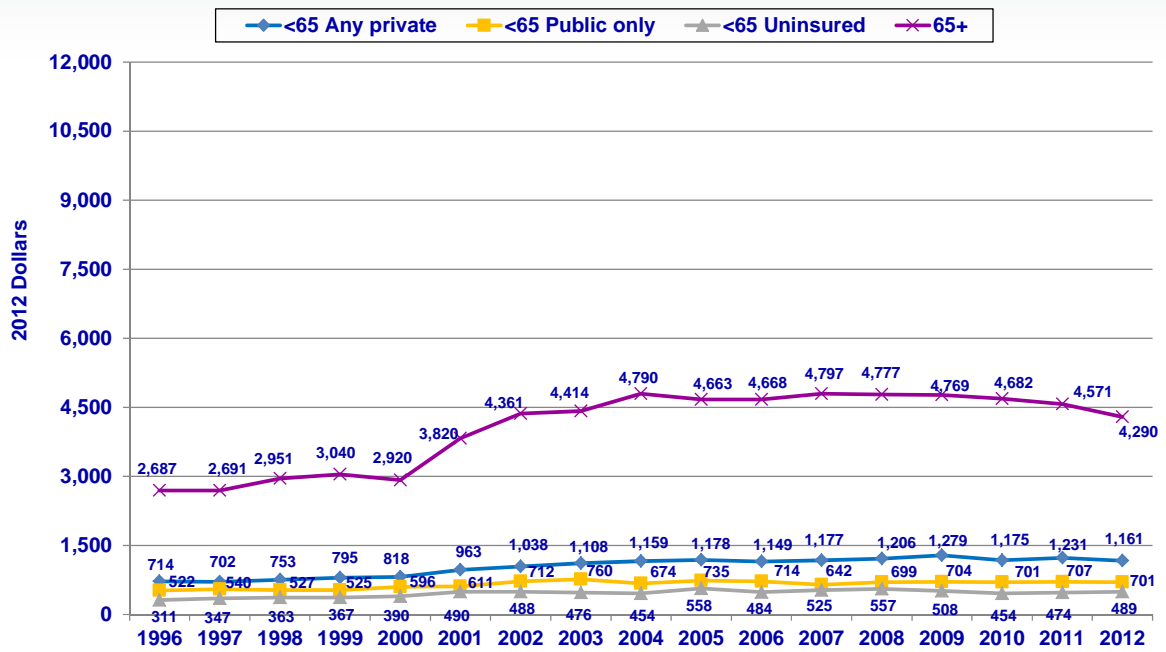
Figure 2. Mean expenses for persons with health care expenses, by insurance status and age, 1996–2012



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 1996–2012 Full Year Consolidated Data Files



Figure 3. Median expenses for persons with health care expenses, by insurance status and age, 1996–2012



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 1996–2012 Full Year Consolidated Data Files