

**EXHIBIT 3. National Health Expenditures by Type and Payer, 2014**

Type of expenditure	Payer amount (millions)							
	Total	Medicaid	CHIP	Medicare	Private insurance	Other health insurance <sup>1</sup>	Other third party payers <sup>2</sup>	Out of pocket
<b>Total</b>	<b>\$3,031,292</b>	<b>\$495,766</b>	<b>\$13,183</b>	<b>\$618,706</b>	<b>\$990,988</b>	<b>\$98,245</b>	<b>\$484,585</b>	<b>\$329,819</b>
Hospital care	971,836	168,012	3,362	250,323	362,097	56,999	99,669	31,373
Physician and clinical services	603,655	63,993	3,169	138,366	254,656	22,065	67,371	54,035
Dental services	113,549	10,068	1,458	410	54,070	1,333	485	45,726
Other professional services <sup>3</sup>	84,398	6,266	250	19,617	29,713	–	7,259	21,292
Home health care	83,198	29,645	36	34,728	8,278	429	2,714	7,369
Other non-durable medical products <sup>4</sup>	56,936	–	–	2,251	–	–	–	54,685
Prescription drugs	297,698	27,333	1,413	86,388	127,288	8,514	2,040	44,722
Durable medical equipment <sup>5</sup>	46,355	6,120	124	7,739	8,174	–	607	23,592
Nursing care facilities and continuing care retirement communities <sup>6</sup>	155,586	49,594	10	35,704	13,083	4,731	11,306	41,159
Other health, residential, and personal care services <sup>7</sup>	150,396	83,878	1,017	5,184	11,441	948	42,061	5,867
Administration <sup>8</sup>	234,830	50,858	2,346	37,996	122,187	3,226	18,217	–
Public health activity	78,993	–	–	–	–	–	78,992	–
Investment	153,862	–	–	–	–	–	153,862	–

## EXHIBIT 3. (continued)

Type of expenditure	Share of total							
	Total	Medicaid	CHIP	Medicare	Private insurance	Other health insurance <sup>1</sup>	Other third party payers <sup>2</sup>	Out of pocket
<b>Total</b>	<b>100.0%</b>	<b>16.4%</b>	<b>0.4%</b>	<b>20.4%</b>	<b>32.7%</b>	<b>3.2%</b>	<b>16.0%</b>	<b>10.9%</b>
Hospital care	100.0	17.3	0.3	25.8	37.3	5.9	10.3	3.2
Physician and clinical services	100.0	10.6	0.5	22.9	42.2	3.7	11.2	9.0
Dental services	100.0	8.9	1.3	0.4	47.6	1.2	0.4	40.3
Other professional services <sup>3</sup>	100.0	7.4	0.3	23.2	35.2	–	8.6	25.2
Home health care	100.0	35.6	0.0	41.7	9.9	0.5	3.3	8.9
Other non-durable medical products <sup>4</sup>	100.0	–	–	4.0	–	–	–	96.0
Prescription drugs	100.0	9.2	0.5	29.0	42.8	2.9	0.7	15.0
Durable medical equipment <sup>5</sup>	100.0	13.2	0.3	16.7	17.6	–	1.3	50.9
Nursing care facilities and continuing care retirement communities <sup>6</sup>	100.0	31.9	0.0	22.9	8.4	3.0	7.3	26.5
Other health, residential, and personal care services <sup>7</sup>	100.0	55.8	0.7	3.4	7.6	0.6	28.0	3.9
Administration <sup>8</sup>	100.0	21.7	1.0	16.2	52.0	1.4	7.8	–
Public health activity	100.0	–	–	–	–	–	100.0	–
Investment	100.0	–	–	–	–	–	100.0	–

**Notes:** Every five years the national health expenditure accounts undergo a comprehensive revision that includes the incorporation of newly available source data, methodological and definitional changes, and benchmark estimates from the U.S. Census Bureau's quinquennial economic census. As a result of this revision in 2014, the figures shown here may reflect methodological and definitional shifts within payer and service categories from prior publications of MACStats. For example, the 2014 methodology implements a new method for allocating Medicaid managed care premiums to the goods and services categories for states that have a large percentage of Medicaid managed care spending. This change caused a downward revision for hospitals and home health care and an upward revision for other service categories.

– Dash indicates zero; 0.0% indicates an amount less than 0.05% that rounds to zero.

**EXHIBIT 3. (continued)**

- <sup>1</sup> U.S. Department of Defense and U.S. Department of Veterans' Affairs.
- <sup>2</sup> Includes all other public and private programs and expenditures except for out-of-pocket amounts.
- <sup>3</sup> The other professional services category includes services provided in establishments operated by health practitioners other than physicians and dentists, including those provided by private-duty nurses, chiropractors, podiatrists, optometrists, and physical, occupational, and speech therapists, among others.
- <sup>4</sup> The other non-durable medical products category includes the retail sales of non-prescription drugs and medical sundries.
- <sup>5</sup> The durable medical equipment category includes retail sales of items such as contact lenses, eyeglasses, and other ophthalmic products, surgical and orthopedic products, hearing aids, wheelchairs, and medical equipment rentals.
- <sup>6</sup> The nursing care facilities and continuing care retirement communities category includes nursing and rehabilitative services provided in freestanding nursing home facilities that are generally provided for an extended period of time by registered or licensed practical nurses and other staff.
- <sup>7</sup> The other health, residential, and personal care category includes spending for Medicaid home and community-based waivers, care provided in residential facilities for people with intellectual disabilities or mental health and substance abuse disorders, ambulance services, school health, and work site health care.
- <sup>8</sup> The administrative category includes the administrative cost of health care programs (e.g., Medicare and Medicaid) and the net cost of private health insurance (administrative costs, as well as additions to reserves, rate credits and dividends, premium taxes, and plan profits or losses).

**Sources:** Office of the Actuary (OACT), Centers for Medicare & Medicaid Services, 2015, *National health expenditures by type of service and source of funds: Calendar years 1960–2014*, Baltimore, MD: OACT, <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/NHE2014.zip>. OACT, 2014, *National health expenditure accounts: Methodology paper, 2014*, <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/DSM-14.pdf>. OACT, 2014, *Summary of 2014 comprehensive revision to the national health expenditure accounts*, <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/benchmark2014.pdf>.