

Agency for Health Care Administration

State Center for Health Statistics

Document Abstract

November 2003

Title: Florida Health Care Expenditures, 2001

Summary: In 2001 personal health care expenditures in Florida reached \$77.3 billion, up from \$71.0 billion in 2000, an increase of 8.9%. Among health services, expenditures for medicinal drugs increased by \$1.3 billion, a 12.8% rise in spending.

From 2000 to 2001, Medicare expenditures increased 12.3%, while Medicaid expenditures increased by 14.7%, as enrollment increased 9.7% during this period. HMO expenditures were \$11.5 billion in 2001. The annual rate of growth of HMO expenditures has declined since 1995, and the growth rate from 2000 to 2001 (11.0%) was the second smallest increase recorded since 1992.

Florida expenditures were \$4,698 per capita in 2001, representing 16.2% of personal income. U.S. expenditures were \$4,341 per capita, or 14.2% of personal income.

Future Policy Implications: Florida health care spending is affected by the higher number of elderly residents and Medicare beneficiaries in Florida compared to other states. The growth of medicinal drug and other health care expenditures will impact benefits provided by public and private health plans, as well as consumer spending for personal health care.

Relevant Florida Statutes: Section 408.063(5), Florida Statutes, requires an annual comprehensive report of state health care expenditures.

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Executive Summary

In 2001, personal health care expenditures in Florida reached \$77.3 billion, up from \$71.0 billion in 2000. That represents an increase of 8.9% in health care costs, the largest annual percentage increase in costs in this report's history, beginning in 1992. Among health services, expenditures for medical laboratories (13.8%) and medicinal drugs (12.8%) had the highest percentage increases. Medicaid, with a 14.7% increase, had the greatest growth in expenditures among payers, along with a corresponding increase in the number of people eligible for Medicaid services.

From 1992 to 2001, personal health care expenditures increased 71.5%. Among health services, expenditures for "specialized government and other services" (a miscellaneous category that includes certain Medicaid social services), medicinal drugs, and nursing homes had the largest sustained increase. Over the past five years (1997-2001), only medicinal drugs have shown an annual growth rate of greater than 10%.

Among payers, growth in Medicare expenditures had slowed considerably in recent years. For example, from 1997 to 2000 annual growth averaged 4.0%, compared to an average annual growth of 14.3% from 1992 to 1994. However, from 2000 to 2001, growth increased by 12.3%, the first double-digit increase since 1993-94. Over the period 1997-2001, the growth rate of Medicaid expenditures increased in each year, in conjunction with large increases in enrollee caseload. Although spending per enrollee has increased in each year since 1997, the rate of increase has recently declined.

HMO expenditures were \$11.5 billion in 2000. HMO expenditures include Medicare, Medicaid, and private HMO expenditures. The annual rate of growth of HMO expenditures has declined since 1995, and the growth rate from 2000 to 2001 (11.0%) was the second lowest throughout the ten-year period. (However, in the previous 12-month period a 0.7% growth in expenditures was observed.)

Excluding expenditures for health care services delivered to nonresidents, personal health care spending for Florida residents was \$76.9 billion, or \$4,698 per capita in 2001. Health care spending was 16.2% of the total personal income of Florida residents. U.S. personal health care expenditures were \$4,341 per capita, accounting for 14.2% of personal income.

Florida health care spending is affected by the higher proportion of elderly residents and Medicare beneficiaries in Florida compared to other states. In 2001, the percentage of Florida residents aged 65 years and older was 17.3%, compared to 12.4% for the U.S.

Personal health care expenditures equal total revenues received by health care providers. Health care providers include all practitioners and facilities that offer health care services and medical supplies to individual patients. Public health education and regulation expenditures and health insurance administrative costs are not included in personal health care expenditures.

Introduction

Personal health care expenditures equal total revenues received by health care providers as compensation for their services from consumers, insurers, and government agencies. This report provides information about trends in health care expenditures for: (1) health care services, (2) health care payers, and (3) health maintenance organizations (HMOs). Personal health care expenditures include all services provided on an individual basis. Expenditures for public health education and regulation and the administrative costs of health insurers are excluded.

The health care expenditures in this report describe payments for services delivered in Florida, including services delivered to nonresidents. Reported expenditures per capita and expenditures as a percent of personal income were adjusted to reflect resident spending. On a statewide basis, the difference between provider-receipts and resident-based expenditures was less than 1.0%.

Health care services are categorized according to the definitions of the *U.S. Standard Industrial Classification Manual*¹ (refer to **Appendix 1**) and other categories described in **Appendix 2, Sources and Methods for Health Care Services Expenditures**. The 1997 Economic Census conducted by the U.S. Census used the North American Industry Classification System (NAICS).^{2,3,4} Data for health care services were mapped into the health care services categories of the Standard Industrial Classification as described in **Appendix 3**.⁵

Health care payers are categorized according to definitions used by the U.S. Centers for Medicare & Medicaid Services (CMS) described in **Appendix 4**. Health care payers include all governmental programs and subsidies, insurance plans, out-of-pocket payments, and other private sources such as investments, donors or various enterprises.

Florida health care expenditures were developed by AHCA using reports from government agencies, mainly data on employee wages that constitute approximately 40% of total personal health care expenditures.⁶ For health services, Florida wage data were obtained for all health services except medicinal drugs, durable medical equipment, and specialized government and other services. Expenditures for specialized government and other services were estimated using national data. National and state data from the 1997 Economic Census were used to estimate medicinal drugs and durable medical equipment. Data sources and methods for health service expenditures are described in **Appendix 2**.

National health care expenditure figures obtained from CMS are a major data source for this report. When CMS releases the latest data in the annual report, *National Health Expenditures*, the data from many previous years are revised.⁷ Therefore, figures for Florida expenditures in the years 1992-2000 shown in this report will be different from figures for the same years as displayed in previous editions of this report.

Payer expenditures were estimated using national data and the total of Florida health care services expenditures. Florida data were obtained for Medicaid and Medicare expenditures. Data sources and methods for payer expenditures are described in **Appendix 5**, which also details the method used to estimate resident-based expenditures.⁸ Finally, HMO expenditures and revenue were obtained from reports prepared by the Florida Department of Financial Services.

Health Care Expenditures by Service

In 2001 personal health care expenditures in Florida reached \$77.3 billion, up from \$71.0 billion (revised) in 2000. That represents an increase of 8.9% in health care costs, the largest annual percentage increase in costs since the inception of this report in 1992. Expenditures increased by a rate of 6.8% from 1999 to 2000.

Table 1 displays the percent change in health care services expenditures from 2000 to 2001. Health care services with greater than a 10% increase since 2001 were: (1) medical laboratories, (2) medicinal drugs and (3) specialized government and other services (which includes certain Medicaid social services). However, in terms of dollars, the largest increases were seen for hospitals and physicians.

Table 1
Expenditures by Health Service, 2000-2001

Health Services	Expenditures		Percent Change
	2000	2001	2000-2001
Hospitals	\$24,324	\$26,297	8.1%
Physicians	16,201	17,640	8.9%
Dentists	3,449	3,677	6.6%
Medical Laboratories	1,992	2,266	13.8%
Other Professionals	4,553	4,831	6.1%
Home Health	2,187	2,334	6.7%
Medicinal Drugs	10,156	11,459	12.8%
Durable Medical Equipment	1,327	1,374	3.5%
Nursing Homes	4,735	5,114	8.0%
Specialized Government Services	2,086	2,349	12.6%
Total Personal Health Care	71,010	77,341	8.9%

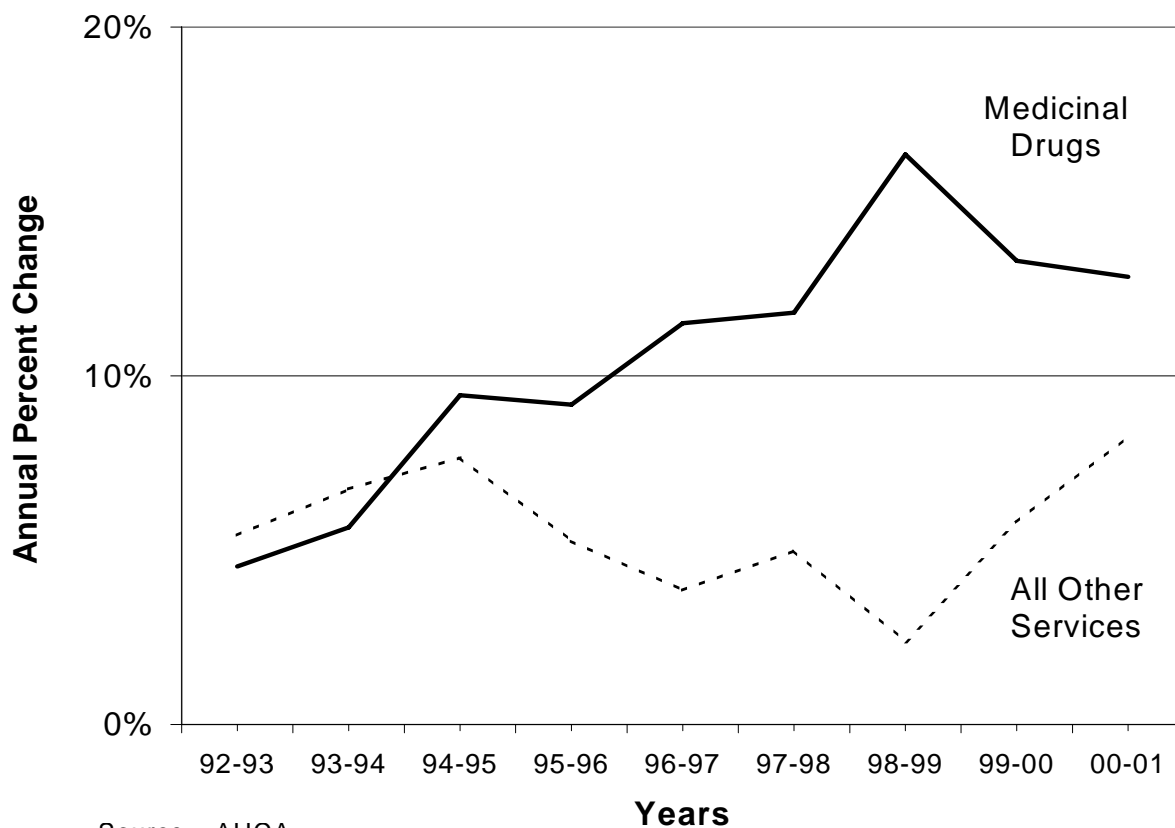
Note: Expenditures in \$ millions.

Source: AHCA

Figure 1 highlights the annual percent change in expenditures since 1992 for medicinal drugs, as compared to the sum of all other services. The figure shows that, between 1992 and 1995, the annual growth rate for drugs paralleled that of all other services. However, beginning in 1996, the trends began to diverge, with the growth rate for drugs exceeding that of all other services. This trend peaked between 1998-1999, and the growth rates have converged somewhat since then, due in part to a reduction in the growth rate for drugs, combined with large rate increases for some other services. However, in 2001, the rate for drugs (12.8%) was about 50% higher than the rate for all other services (8.3%).

Additional details on expenditures for health care services, for each year from 1992 to 2001, are reported in **Appendix 6**.

Figure 1
Expenditures for Medicinal Drugs and All Other Services
Annual Percent Change, 1992-2001



Source: AHCA

Table 2 and **Figure 2** display the percentage of total personal health care expenditures among health services in 1992, 2000 and 2001. Over the ten-year period, the proportion of total expenditures declined in the two largest categories, hospital and physician services, while medicinal drugs had the largest proportional increase. Between 2000 and 2001, the proportion of expenditures for hospitals continued to decrease, while the proportion for medicinal drugs had the largest increase.

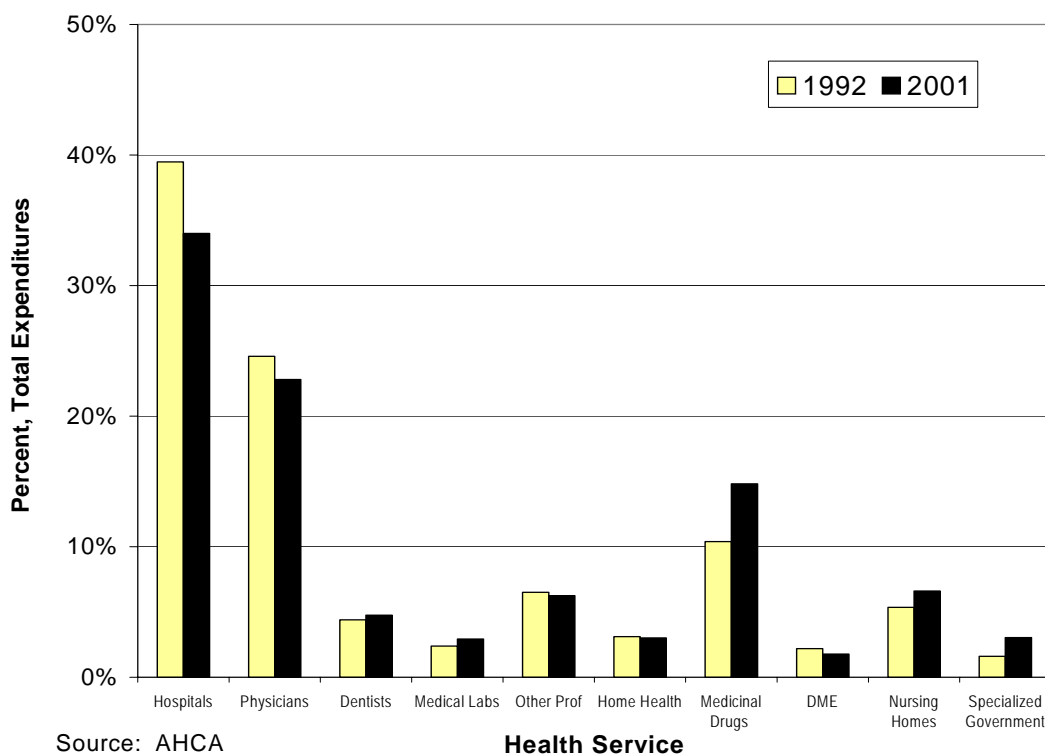
Table 2
Expenditures by Health Service
Percent of Total Expenditures, 1992, 2000 and 2001

Health Services	1992		2000		2001	
	Amount	Percent	Amount	Percent	Amount	Percent
Hospitals	\$17,804	39.5%	\$24,324	34.3%	\$26,297	34.0%
Physicians	11,087	24.6%	16,201	22.8%	17,640	22.8%
Dentists	1,980	4.4%	3,449	4.9%	3,677	4.8%
Medical Laboratories	1,080	2.4%	1,992	2.8%	2,266	2.9%
Other Professionals	2,936	6.5%	4,553	6.4%	4,831	6.2%
Home Health	1,404	3.1%	2,187	3.1%	2,334	3.0%
Medicinal Drugs	4,683	10.4%	10,156	14.3%	11,459	14.8%
Durable Medical Equipment	942	2.1%	1,327	1.9%	1,374	1.8%
Nursing Homes	2,414	5.4%	4,735	6.7%	5,114	6.6%
Specialized Government	724	1.6%	2,086	2.9%	2,349	3.0%
Total Personal Health Care	45,055	100.0%	71,010	100.0%	77,341	100.0%

Note: Expenditures in \$ millions; Numbers and percents may not add to totals due to rounding.

Source: AHCA

Figure 2
Expenditures by Health Service
Percent of Total Expenditures, 1992 and 2001



Source: AHCA

Health Care Expenditures by Payer

Appendix 7 displays the percent change in expenditures by payer from 1992 to 2001. Between 2000 and 2001, expenditures increased by less than 10% for each payer except Medicare (12.3% increase) and Medicaid (14.7% increase). Compared with the previous 12 months, growth in expenditures 2000-2001 increased for all payers except for Other Private Sources.

Table 3 shows figures for the Medicaid caseload (number of eligible enrollees), total expenditures and expenditures per enrollee for 1996-2001. Between 2000 and 2001, expenditures increased 14.7%, but enrollment increased by 9.7%, yielding a per-enrollee increase of 4.6%.

Table 3
Florida Medicaid Program
Annual Percentage Change in Average Monthly Caseload
Total Expenditures and Expenditures per Eligible, 1996-2001

	1996	1997	1998	1999	2000	2001
Caseload (Eligibles)	1,539,120	1,484,403	1,461,252	1,539,819	1,710,471	1,876,909
Percent Change		-3.6%	-1.6%	5.4%	11.1%	9.7%
Expenditures (\$millions)	\$6,210	\$6,446	\$6,779	\$7,355	\$8,332	\$9,560
Percent Change		3.8%	5.2%	8.5%	13.3%	14.7%
Expenditures/Eligible	\$4,035	\$4,343	\$4,639	\$4,776	\$4,871	\$5,094
Percent Change		7.6%	6.8%	3.0%	2.0%	4.6%

Source: AHCA and Florida Office of Economic and Demographic Research (EDR)

Table 4 shows figures for the Medicare beneficiaries, total expenditures and expenditures per beneficiary for 1996-2001. Like the Medicaid program, the annual percentage change in expenditures for Medicare has been increasing since 1998. Unlike Medicaid, however, the number of beneficiaries has shown only slight increases since that year. The result is a much larger increase in spending per beneficiary for Medicare (11.0%) compared with Medicaid (4.6%) over the period 2000-2001.

Table 4
Florida Medicare Program
Annual Percentage Change in Average Monthly Enrollment
Total Expenditures and Expenditures per Beneficiary, 1996-2001

	1996	1997	1998	1999	2000	2001
Beneficiaries	2,685,198	2,727,545	2,760,956	2,770,576	2,803,961	2,838,345
Percent Change		1.6%	1.2%	0.3%	1.2%	1.2%
Expenditures (\$millions)	\$16,113	\$17,303	\$17,695	\$18,256	\$19,451	\$21,852
Percent Change		7.4%	2.3%	3.2%	6.5%	12.3%
Expenditures/Beneficiary	\$6,001	\$6,344	\$6,409	\$6,589	\$6,937	\$7,699
Percent Change		5.7%	1.0%	2.8%	5.3%	11.0%

Source: Centers for Medicare & Medicaid Services

Appendix 7 also shows that out-of-pocket spending increased at a lower rate than overall health care spending for most years from 1992 to 2001. This reduction in out-of-pocket spending may be due to the growth of HMOs, since HMOs usually offer lower out-of-pocket costs than traditional insurance. Out-of-pocket spending does not include employee expenditures for health insurance. Employee expenditures for health insurance premiums are included in private insurance expenditures.

Table 5 displays the percentage of total personal health care expenditures among health payers in 1992, 2000 and 2001. Over the two most recent report years (2000-2001) there was little change in the proportion of expenditures for most payers, except for Medicaid (0.7 percentage point increase in share) and Medicare (0.9 percentage point increase). Conversely, the share for out-of-pocket spending decreased by 0.8 percentage points from 2000 to 2001.

Comparing the proportion of expenditures in 2001 against that in 1992, reveals that only two payers showed increases, Medicare (4.9 percentage point increase), followed by Medicaid (2.6). The proportion of total expenditures held relatively steady for private insurance, but decreased for out-of-pocket (a 4.4 percentage point decrease since 1992).

Table 5
Expenditures by Payer
Percent of Total Expenditures, 1992, 2000 and 2001

Health Care Payer	1992		2000		2001	
	Amount	Percent	Amount	Percent	Amount	Percent
Medicaid	\$4,419	9.8%	\$8,332	11.7%	\$9,560	12.4%
Medicare	10,520	23.4%	19,451	27.4%	21,852	28.3%
Other Public Funds	4,185	9.3%	4,933	6.9%	5,387	7.0%
Private Insurance	14,829	32.9%	23,465	33.0%	25,341	32.8%
Out-of-Pocket	8,920	19.8%	11,504	16.2%	11,912	15.4%
Other Private Sources	2,182	4.8%	3,326	4.7%	3,290	4.3%
Total Personal Health Care	45,055	100.0%	71,010	100.0%	77,341	100.0%

Note: Expenditures in \$ millions; Numbers and percents may not add to totals due to rounding.

Source: AHCA

Comparison of Florida and the United States

Table 6 shows health care expenditures per capita and as a percent of personal income for Florida residents and the nation in 1992 and 2001.⁹ In 2001, health care expenditures were 16.2% of personal income in Florida, an increase from 15.9% in 2000. That proportion had been steadily decreasing since 1992 due to increases in personal income that were greater than increases in health care expenditures. However, the proportion increased from 2000 to 2001, suggesting that increases in health care costs are surpassing rises in personal income.

Personal health care expenditures for the nation were 14.2% of personal income in 2001, up from 13.6% in 2000 and 1992. Health care spending of Florida residents reached \$4,698 per capita in 2001, while U.S. spending per capita was \$4,341. Excluding expenditures for nonresidents, personal health care spending was \$76.9 billion in Florida.

Table 6
Per Capita Health Care Expenditures and
Percent of Personal Income
Florida and the United States, 1992 and 2001

	Florida		United States	
	1992	2001	1992	2001
Per Capita	\$3,286	\$4,698	\$2,842	\$4,341
Percent of Personal Income	16.1%	16.2%	13.6%	14.2%

Source: AHCA and CMS

Florida health care spending is affected by the higher number of elderly residents and Medicare beneficiaries in Florida compared to other states. In 2001, the percentage of Florida residents ages 65 years and older was 17.3%, compared to 12.4% for the U.S. Total health care spending of persons 65 years and over is about six times that of persons under age eighteen.¹⁰ In 1997 median total drug expenditures by the elderly was 5.6 times greater than that of the non-elderly.¹¹ An implication of these findings is that states with a higher proportion of older residents will have higher health care expenditures.

Table 7 details facility charges by age group for inpatient hospitalizations and ambulatory surgery visits from data reported to AHCA by hospitals and ambulatory surgery centers in Florida. The table shows that the percentage of charges for the older age group exceed their proportion of the population. This is especially true for inpatient hospitalization, where 17.3% of the population accounted for 50.5% of charges. Comparing the older to the younger age group shows that the ratio of spending per person was 4.9 in 2001. (A ratio of 1.0 would indicate equal spending for the two age groups. The figure of 4.9 indicates that spending amongst the older age group is nearly five times that of the younger group.) The age group differences were less pronounced with ambulatory surgery, where the older age group accounted for 37.2% of charges. The ratio of spending, elderly to non-elderly, was 2.8 in 2001.

Table 7
Per Capita Facility Charges
by Age Group and Facility Type
Florida, 2001

Age Group (Years)	Charges (Sum)	Percent Charges	Population	Percent Population	Charges / Population
Inpatient Hospital					
0 - 64	\$21,625,131,742	49.5%	13,537,037	82.7%	\$1,597
65 +	\$22,018,711,004	50.5%	2,836,293	17.3%	\$7,763
Ambulatory Surgery					
0 - 64	\$5,463,082,198	62.8%	13,537,037	82.7%	\$404
65 +	\$3,236,436,610	37.2%	2,836,293	17.3%	\$1,141

Source: AHCA and Florida Office of Economic and Demographic Research

Table 8 displays expenditures for health services in the U.S. and Florida in 2001, and shows that Florida had a lower percentage of expenditures for hospital services than the nation. Further, although Florida has a higher proportion of elderly residents, nursing home expenditures were a lower percentage of total expenditures in Florida (6.6%), than in the U.S. (8.0%). For services with more than \$10 billion in expenditures in Florida, the percentage in Florida exceeded that in the U.S. for medicinal drugs and physician services. The percentage in Florida was also greater for other professionals, home health and durable medical equipment.

Table 8
Expenditures by Health Service
Percent of Total Expenditures
Florida and the United States, 2001

Health Services	Florida		United States	
	Expenditures	Percent	Expenditures	Percent
Hospitals	\$26,297	34.0%	\$451,220	36.5%
Physicians *	19,906	25.7%	313,649	25.4%
Dentists	3,677	4.8%	65,568	5.3%
Other Professionals	4,831	6.2%	42,333	3.4%
Home Health	2,334	3.0%	33,168	2.7%
Medicinal Drugs	11,459	14.8%	172,331	13.9%
Durable Medical Equipment	1,374	1.8%	18,379	1.5%
Nursing Homes	5,114	6.6%	98,911	8.0%
Specialized Government Services	2,349	3.0%	40,861	3.3%
Total Personal Health Care	77,341	100.0%	1,236,422	100.0%

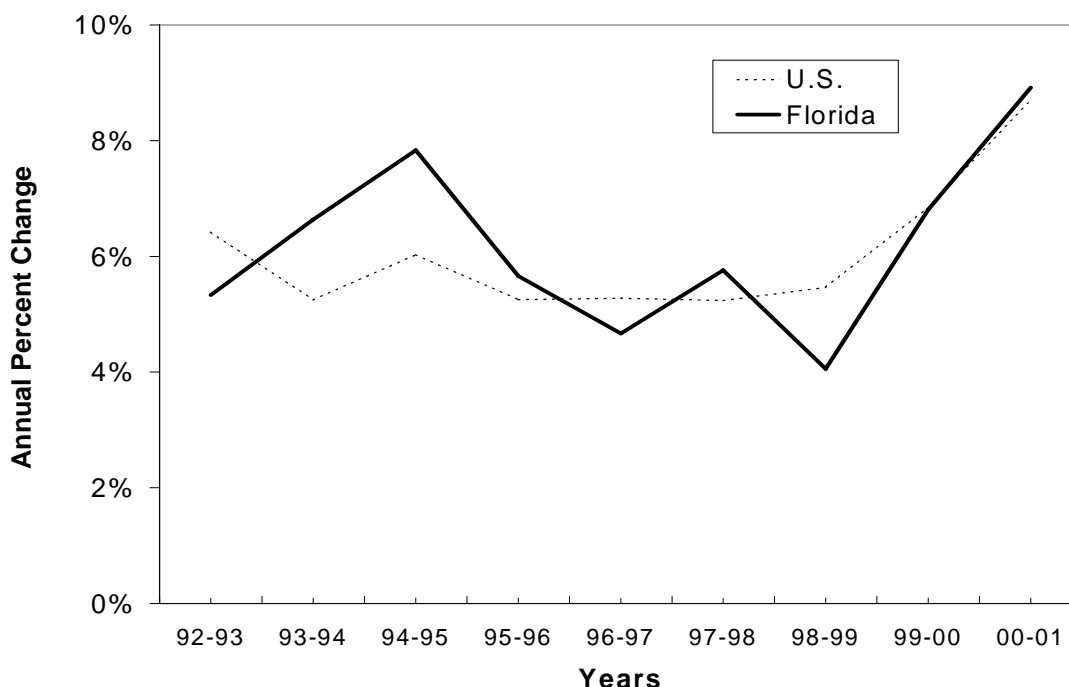
* Includes expenditures for Medical Laboratories.

Note: Expenditures in \$ millions. Numbers and percents may not add to totals due to rounding.

Source: AHCA and CMS

Figure 3 shows the annual percentage change in expenditures for Florida and the U.S. since 1992. For most years, the growth rate in Florida exceeded that of the U.S., for example, between 2000 and 2001 Florida's growth was 0.2 percentage points above the U.S.

Figure 3
Total Personal Health Care Expenditures
Annual Percent Change
Florida and the United States, 1992-2001



Source: AHCA and CMS

Table 9 displays health care payer expenditures in the U.S. and Florida in 2001. Florida had a greater percentage of Medicare expenditures (28.3%) than the nation (19.0%), and a lower percentage of Medicaid and Out-of-Pocket expenditures than the U.S.

Table 9
Expenditures by Payer
Percent of Total Expenditures
Florida and the United States, 2001

Health Care Payer	Florida		United States	
	Expenditures	Percent	Expenditures	Percent
Medicaid	\$9,560	12.4%	\$209,557	16.9%
Medicare	21,852	28.3%	234,520	19.0%
Other Public Funds	5,387	7.0%	92,925	7.5%
Private Insurance	25,341	32.8%	437,174	35.4%
Out-of-Pocket	11,912	15.4%	205,497	16.6%
Other Private Sources	3,290	4.3%	56,749	4.6%
Total	77,341	100.0%	1,236,422	100.0%

Note: Expenditures in \$ millions; Numbers may not add to totals due to rounding.

Source: AHCA and CMS

HMO Expenditures and Premium Revenue

The amount and percent change in total HMO expenditures for each individual year, 1992 to 2001, are reported in **Appendix 8**. The appendix shows that the annual rate of growth of HMO expenditures has generally declined since 1995. The second smallest growth rate occurred between 2000 and 2001 (11.0%), an increase, however, from 0.7% between 1999-2000.

Table 10 shows the proportion of total HMO premium revenue by source (Medicare, Medicaid and commercial) in 1992, 2000 and 2001. The data show that in 2001 Medicare premiums were 38.8% of the total revenue, down from 41.0% in 2000, but higher than 35.5% in 1992. Commercial premiums were 53.5% of the total, up from 52.0% in 2000, but lower than 58.8% in 1992. Medicaid premiums were 7.6% in 2001, up from 7.0% in 2000 and 5.7% in 1992.

Table 10
HMO Premium Revenue by Revenue Source
Percent of Total Revenue, 1992, 2000 and 2001

Revenue Source	1992		2000		2001	
	Amount	Percent	Amount	Percent	Amount	Percent
Commercial	\$1,972	58.8%	\$6,182	52.0%	\$6,812	53.5%
Medicare	1,192	35.5%	4,876	41.0%	4,942	38.8%
Medicaid	191	5.7%	830	7.0%	968	7.6%
Total Premiums	3,355	100.0%	11,887	100.0%	12,721	100.0%

Note: Amount in \$ millions.

Source: Florida Department of Financial Services

Appendix 8 shows the percent change in HMO premium revenue by source for the period 1992-2001. From 2000 to 2001, total HMO premium revenues increased by 7.0%, the second smallest annual increase in revenue since 1992.

Table 11 shows that the decrease in HMO premium revenue was associated with a 3.3% decrease in overall enrollment, the second consecutive decrease observed since 1992. The decrease was greatest with Medicare HMO plans, followed by commercial HMOs. Conversely, Medicaid HMOs had a 13.3% increase in enrollment, 2000-2001, (following a 12.4% increase from 1999-2000), which led to an increase of 16.6% in revenue.

Table 11 also displays trends in HMO premiums per enrollee for Medicare, Medicaid and commercial insurance. Over the most recent 12-month period (2000-2001) premiums per enrollee increased by 3.0% for Medicaid, 12.5% for Medicare and 15.0% for commercial insurance, the largest annual increase for that payer over the past ten years.

Table 11
Annual Percentage Change in HMO Enrollment,
Premiums and Premiums per Enrollee
by Payer, 1996-2001

Commercial Insurance						
	1996	1997	1998	1999	2000	2001
Enrollment	3,182,114	3,345,652	3,708,661	3,704,200	3,679,935	3,526,504
Percent Change		5.1%	10.9%	-0.1%	-0.7%	-4.2%
Premiums (\$millions)	\$3,824	\$4,338	\$5,114	\$5,751	\$6,182	\$6,812
Percent Change		13.4%	17.9%	12.4%	7.5%	10.2%
Premiums / Enrollee	\$1,202	\$1,297	\$1,379	\$1,553	\$1,680	\$1,932
Percent Change		7.9%	6.4%	12.6%	8.2%	15.0%
Medicare						
	1996	1997	1998	1999	2000	2001
Enrollment	575,371	689,622	773,461	793,442	741,091	667,808
Percent Change		19.9%	12.2%	2.6%	-6.6%	-9.9%
Premiums (\$millions)	\$2,973	\$3,808	\$4,569	\$4,901	\$4,876	\$4,942
Percent Change		28.1%	20.0%	7.3%	-0.5%	1.4%
Premiums / Enrollee	\$5,167	\$5,521	\$5,907	\$6,177	\$6,579	\$7,400
Percent Change		6.9%	7.0%	4.6%	6.5%	12.5%
Medicaid						
	1996	1997	1998	1999	2000	2001
Enrollment	398,399	380,117	399,726	441,757	496,609	562,606
Percent Change		-4.6%	5.2%	10.5%	12.4%	13.3%
Premiums (\$millions)	\$542	\$572	\$640	\$716	\$830	\$968
Percent Change		5.5%	11.9%	11.9%	15.9%	16.6%
Premiums / Enrollee	\$1,360	\$1,504	\$1,600	\$1,620	\$1,670	\$1,720
Percent Change		10.6%	6.4%	1.3%	3.1%	3.0%
All Payers						
	1996	1997	1998	1999	2000	2001
Enrollment	4,155,884	4,415,391	4,881,848	4,939,399	4,917,635	4,756,918
Percent Change		6.2%	10.6%	1.2%	-0.4%	-3.3%
Premiums (\$millions)	\$7,339	\$8,718	\$10,323	\$11,368	\$11,887	\$12,721
Percent Change		18.8%	18.4%	10.1%	4.6%	7.0%
Premiums / Enrollee	\$1,766	\$1,974	\$2,115	\$2,301	\$2,417	\$2,674
Percent Change		11.8%	7.1%	8.8%	5.0%	10.6%

Source: Office of Insurance Regulation, Department of Financial Services

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Appendices

- 1: Health Services Summary Description
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- 3: North American Industry Classification System (NAICS)-Health Services Description
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Appendix 1: Health Services Summary Description

Physicians

Offices and clinics of doctors of medicine (SIC 801). Offices of physicians with M.D. degrees. Includes clinics staffed by physicians. Includes ambulatory surgical centers and emergency or urgent care centers. Includes offices of pathologists, radiologists, and ophthalmologists.

Offices and clinics of doctors of osteopathy (SIC 803). Offices of physicians with D.O. degrees. Includes clinics staffed by osteopathic physicians.

Dentists

Offices and clinics of dentists (SIC 802). Offices of dentists with D.D.S. or D.M.D. degrees. Includes clinics staffed by dentists.

Other Health Professionals

Offices and clinics of chiropractors (SIC 8041).

Offices and clinics of optometrists (SIC 8042).

Offices and clinics of podiatrists (SIC 8043).

Offices and clinics of health practitioners, not elsewhere classified (SIC 8049). Includes offices of midwives, nutritionists, physical and occupational therapists, psychologists, nurses in independent practice and others.

Nursing Homes

Skilled nursing care facilities (SIC 8051).

Intermediate care facilities (SIC 8052).

Nursing and personal care facilities, not elsewhere classified (SIC 8059). Rest homes and convalescent homes *where health care is a major element*.

Hospitals

General medical and surgical hospitals (SIC 8062).

Psychiatric hospitals (SIC 8063).

Specialty hospitals except psychiatric (SIC 8069).

Laboratories

Medical laboratories (SIC 8071). Includes medical laboratories and diagnostic imaging centers or clinics.

Dental laboratories (SIC 8072).

Appendix 1 (continued): Health Services Summary Description

Home Health (Freestanding)

Home health care services (SIC 8082). Does not include nurse registries. Does not include hospital-based home health care services.

Miscellaneous Clinics

Kidney dialysis centers (SIC 8092).

Specialty outpatient facilities, not elsewhere classified (SIC 8093). Includes outpatient mental health clinics, alcohol and drug treatment, family planning services, outpatient medical rehabilitation centers, and others.

Health and allied services, not elsewhere classified (SIC 8099). Includes blood banks and donor stations, childbirth preparation services, physical examination services and others.

Note: Health Maintenance Organizations primarily engaged in providing medical services or other health services are included.

Appendix 2: Sources and Methods for Health Care Services Expenditures*

SERVICE	DATA SOURCE	METHODS AND COMMENTS
Hospitals	1997 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2000)	Wage adjusted** revenue in 1997 times ratio: estimated year payroll expenditures divided by 1997 payroll expenditures.
Physicians	1997 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2000)	Wage adjusted** revenue in 1997 times ratio: estimated year payroll expenditures divided by 1997 payroll expenditures.
Dentists	1997 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2000)	Wage adjusted** revenue in 1997 times ratio: estimated year payroll expenditures divided by 1997 payroll expenditures.
Medical Laboratories	1997 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2000)	Wage adjusted** revenue in 1997 times ratio: estimated year payroll expenditures divided by 1997 payroll expenditures.
Other Professionals and Miscellaneous Clinics	1997 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2000)	Wage adjusted** revenue in 1997 times ratio: estimated year payroll expenditures divided by 1997 payroll expenditures.
Home Health	1997 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2000)	Wage adjusted** revenue in 1997 times ratio: estimated year payroll expenditures divided by 1997 payroll expenditures.
Medicinal Drugs	National Health Care Expenditures, U.S. CMS and 1992 and 1997 Economic Census	Ratio of Florida / U.S. sales, drug stores, times national health care expenditures. Beginning with 1999 NHE, "Medicinal Drugs" = "Prescription Drugs" + "Other Non-Durable Medical Products."
Durable Medical Equipment	National Health Care Expenditures, U.S. CMS and 1992 and 1997 Economic Census	Ratio of Florida / U.S. sales, optical goods stores, times national health care expenditures.
Nursing Homes	1997 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2000)	Wage adjusted** revenue in 1997 times ratio: estimated year payroll expenditures divided by 1997 payroll expenditures.
Specialized Government and Other Services	National Health Care Expenditures, U.S. CMS	Ratio of Florida / U.S. population times national health care expenditures.

*To estimate resident expenditures, Florida personal health care expenditures were reduced by the CMS reported Medicare net flow (border crossing) ratio of 0.9805 for Florida (1991) weighted by the proportion of Medicare expenditures to total health care expenditures in Florida.

**Total 1997 receipts/revenue reported by the U.S. Census times the ratio of total 1997 annual wages reported by the Florida Department of Labor and Employment Security and the annual payroll reported in the 1997 Economic Census of the U.S. for each respective health service category.

Appendix 3: North American Industry Classification System (NAICS) Health Services Description

Physicians

Offices of physicians (NAICS 6211). Includes offices of physicians, mental health specialists (NAICS 621112).

HMO medical centers (NAICS 621491).

Freestanding ambulatory surgical and emergency centers (NAICS 621493).

Dentists

Offices of dentists (NAICS 6212).

Other Health Professionals

Offices of chiropractors (NAICS 62131).

Offices of optometrists (NAICS 62132).

Offices of mental health practitioners, except physicians (NAICS 62133).

Offices of physical, occupational and speech therapists, and audiologists (NAICS 62134).

Offices of podiatrists (NAICS 621391).

Offices of all other miscellaneous health practitioners (NAICS 621399).

Nursing Homes

Nursing care facilities (NAICS 6231).

Residential mental retardation facilities (NAICS 62321).

Continuing care retirement communities (NAICS 623311).

Hospitals

General medical and surgical hospitals (NAICS 6221).

Psychiatric and substance abuse hospitals (NAICS 6222).

Specialty hospitals except psychiatric and substance abuse hospitals (NAICS 6223).

Laboratories

Medical laboratories (NAICS 621511).

Diagnostic imaging centers (NAICS 621512).

Home Health (Freestanding)

Home health care services (NAICS 6216).

**Appendix 3 (continued):
North American Industry Classification System (NAICS)
Health Services Description**

Miscellaneous Clinics

Family planning centers (NAICS 62141).

Outpatient mental health and substance abuse centers (NAICS 62142).

Kidney dialysis centers (NAICS 621492).

All other outpatient care centers (NAICS 621498).

Blood and organ banks (NAICS 621991).

Other health and allied services (NAICS 621999).

Appendix 4: Health Care Payers Summary Description

Total Personal Health Care Expenditures

Payer expenditures equal the total of health services expenditures in Florida.

Medicare

Medicare is a federal health insurance program for persons 65 years and older and certain persons with disabilities. Expenditures to Florida health care providers as reported by CMS, including HMO expenditures.

Medicare-Medicaid Crossover

Medicaid payments to Medicare as reported by AHCA. These payments are *deducted* from total Medicare spending.

Medicaid

Medicaid is a state and federal program that provides funds for health care services needed by low-income individuals and families. Expenditures include payments to HMOs and to the Medicaid State Children's Health Insurance Program (SCHIP) Expansion-Title XIX.

Other Government Funding

Includes veteran benefits, military health programs, and workers' compensation. Includes spending for state and local assistance programs, state and local hospital subsidies, the State Children's Health Insurance Program (SCHIP) - Title XXI, the maternal and child health programs, and other programs providing personal health care.

Estimated from national data adjusted for Florida Medicare and Medicaid expenditures.

Private Insurance

Includes commercial group and individual insurance, commercial health maintenance organization coverage, and self-insured employer plans. Includes the health insurance coverage of government employees.

Estimated from national data adjusted for Florida Medicare and Medicaid expenditures.

Other Private

Expenditures include donations, investments, revenues from gift shops, and other miscellaneous sources.

Estimated from national data adjusted for Florida Medicare and Medicaid expenditures.

Out-of-Pocket

Expenditures by consumers to health care providers. Excludes spending on health insurance premiums. Excludes patient payments to providers subsequently reimbursed by insurers. Includes deductibles and coinsurance.

Estimated from national data adjusted for Florida Medicare and Medicaid expenditures.

Appendix 5: Sources and Methods for Health Care Payer Expenditures

SERVICE	DATA SOURCE	METHODS AND COMMENTS
Medicaid	AHCA	Total reported expenditures adjusted to calendar year. Includes SCHIP Expansion (Title XIX).
Medicare	U.S. Centers for Medicare & Medicaid Services	Total reported expenditures adjusted to calendar year excluding Medicaid supplemental medical insurance expenditures.
Other Public Funds	National Health Expenditures, U.S. Centers for Medicare & Medicaid Services	Florida health services expenditures allocated by ratio of U.S. other public fund expenditures to total personal health care expenditures, adjusted for reported Medicare and Medicaid expenditures in Florida. Includes SCHIP (Title XXI).
Private Insurance	National Health Expenditures, U.S. Centers for Medicare & Medicaid Services	Florida health services expenditures allocated by ratio of U.S. private insurance expenditures to total personal health care expenditures, adjusted for reported Medicare and Medicaid expenditures in Florida.
Out-of-Pocket	National Health Expenditures, U.S. Centers for Medicare & Medicaid Services	Florida health services expenditures allocated by ratio of U.S. out-of-pocket expenditures to total personal health care expenditures, adjusted for reported Medicare and Medicaid expenditures in Florida.
Other Private Sources	National Health Expenditures, U.S. Centers for Medicare & Medicaid Services	Florida health services expenditures allocated by ratio of U.S. other private sources expenditures to total personal health care expenditures, adjusted for reported Medicare and Medicaid expenditures in Florida.

Note: To estimate resident expenditures, Florida personal health care expenditures were reduced by CMS reported Medicare net flow (border crossing) ratio of 0.9805 for Florida (1991) weighted by the proportion of Medicare expenditures to total health care expenditures in Florida.

Appendix 6: Health Care Expenditures by Service, 1992-2001

Health Care Expenditures by Service, Florida, 1992-2001

Health Services	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Hospitals	\$17,804	\$18,547	\$19,507	\$20,581	\$21,282	\$21,999	\$23,117	\$23,556	\$24,324	\$26,297
Physicians	11,087	11,304	11,739	12,932	13,473	13,942	14,566	15,104	16,201	17,640
Dentists	1,980	2,124	2,267	2,434	2,647	2,806	2,997	3,165	3,449	3,677
Medical Laboratories	1,080	1,138	1,204	1,233	1,308	1,299	1,361	1,620	1,992	2,266
Other Professionals	2,936	3,325	3,716	3,899	4,296	4,642	4,810	4,495	4,553	4,831
Home Health	1,404	1,702	1,964	2,127	2,158	2,133	2,067	1,956	2,187	2,334
Medicinal Drugs	4,683	4,896	5,172	5,661	6,180	6,891	7,705	8,964	10,156	11,459
Durable Medical Equipment	942	986	1,027	1,093	1,178	1,208	1,260	1,293	1,327	1,374
Nursing Homes	2,414	2,617	2,985	3,415	3,774	3,948	4,315	4,435	4,735	5,114
Specialized Government	724	864	1,076	1,251	1,422	1,543	1,694	1,897	2,086	2,349
TOTAL PERSONAL HEALTH CARE	45,055	47,503	50,656	54,625	57,718	60,412	63,892	66,484	71,010	77,341

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Source: AHCA

Percent Change, Health Care Expenditures by Service, Florida, 1992-2001

Health Services	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Hospitals	4.2%	5.2%	5.5%	3.4%	3.4%	5.1%	1.9%	3.3%	8.1%
Physicians	2.0%	3.8%	10.2%	4.2%	3.5%	4.5%	3.7%	7.3%	8.9%
Dentists	7.3%	6.7%	7.4%	8.7%	6.0%	6.8%	5.6%	9.0%	6.6%
Medical Laboratories	5.3%	5.8%	2.4%	6.1%	-0.7%	4.7%	19.1%	22.9%	13.8%
Other Professionals	13.2%	11.8%	4.9%	10.2%	8.1%	3.6%	-6.5%	1.3%	6.1%
Home Health	21.2%	15.4%	8.3%	1.5%	-1.2%	-3.1%	-5.4%	11.8%	6.7%
Medicinal Drugs	4.5%	5.6%	9.4%	9.2%	11.5%	11.8%	16.3%	13.3%	12.8%
Durable Medical Equipment	4.6%	4.1%	6.5%	7.7%	2.5%	4.3%	2.6%	2.6%	3.5%
Nursing Homes	8.4%	14.1%	14.4%	10.5%	4.6%	9.3%	2.8%	6.8%	8.0%
Specialized Government	19.4%	24.5%	16.3%	13.7%	8.5%	9.8%	11.9%	10.0%	12.6%
TOTAL PERSONAL HEALTH CARE	5.4%	6.6%	7.8%	5.7%	4.7%	5.8%	4.1%	6.8%	8.9%

Note: Percent change values may differ due to rounding of reported expenditures values.

Source: AHCA

Appendix 7: Health Care Expenditures by Payer, 1992-2001

Health Care Expenditures by Payer, Florida, 1992-2001

Health Care Payer	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Medicaid	\$4,419	\$5,092	\$5,631	\$6,035	\$6,210	\$6,446	\$6,779	\$7,355	\$8,332	\$9,560
Medicare	10,520	12,004	13,746	14,847	16,113	17,303	17,695	18,256	19,451	21,852
Other Public Funds	4,185	4,154	4,312	4,422	4,451	4,327	4,508	4,618	4,933	5,387
Private Insurance	14,829	15,322	16,077	17,661	18,651	19,367	20,855	21,848	23,465	25,341
Out-of-Pocket	8,920	8,664	8,517	8,959	9,373	9,849	10,708	11,016	11,504	11,912
Other Private Sources	2,182	2,266	2,373	2,702	2,919	3,119	3,347	3,392	3,326	3,290
TOTAL PERSONAL HEALTH CARE	45,055	47,503	50,656	54,625	57,718	60,412	63,892	66,484	71,010	77,341

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Source: AHCA

Percent Change, Health Care Expenditures by Payer, Florida, 1992-2001

Health Care Payer	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Medicaid	15.2%	10.6%	7.2%	2.9%	3.8%	5.2%	8.5%	13.3%	14.7%
Medicare	14.1%	14.5%	8.0%	8.5%	7.4%	2.3%	3.2%	6.5%	12.3%
Other Public Funds	-0.7%	3.8%	2.5%	0.7%	-2.8%	4.2%	2.4%	6.8%	9.2%
Private Insurance	3.3%	4.9%	9.9%	5.6%	3.8%	7.7%	4.8%	7.4%	8.0%
Out-of-Pocket	-2.9%	-1.7%	5.2%	4.6%	5.1%	8.7%	2.9%	4.4%	3.5%
Other Private Sources	3.9%	4.7%	13.9%	8.0%	6.9%	7.3%	1.4%	-2.0%	-1.1%
TOTAL PERSONAL HEALTH CARE	5.4%	6.6%	7.8%	5.7%	4.7%	5.8%	4.1%	6.8%	8.9%

Note: Percent change values may differ due to rounding of reported expenditures values.

Source: AHCA

Appendix 8: HMO Expenditures and Premium Revenue, 1992-2001

Total HMO Expenditures, Florida, 1992-2001

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total Expenditures	2,835	3,398	4,095	5,306	6,391	7,640	9,125	10,275	10,346	11,484
Percent Change		19.9%	20.5%	29.6%	20.4%	19.6%	19.4%	12.6%	0.7%	11.0%

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Percent change values may differ due to rounding of reported expenditures values.

Source: Florida Department of Financial Services

	2,835	3,398	4,095	5,306	6,391	7,640	9,125	10,275	10,346	11,484
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HMO Premium Revenue and Annual Percentage Change, Florida, 1992-2001

Revenue Source	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Commercial	\$1,972	\$2,207	\$2,605	\$3,245	\$3,824	\$4,338	\$5,114	\$5,751	\$6,182	\$6,812
Percent Change		11.9%	18.1%	24.5%	17.9%	13.4%	17.9%	12.4%	7.5%	10.2%
Medicare	1,192	1,562	1,810	2,269	2,973	3,808	4,569	4,901	4,876	4,942
Percent Change		31.0%	15.9%	25.3%	31.0%	28.1%	20.0%	7.3%	-0.5%	1.4%
Medicaid	191	399	576	719	542	572	640	716	830	968
Percent Change		108.4%	44.4%	24.8%	-24.6%	5.5%	11.9%	11.9%	15.9%	16.6%
Total	3,355	4,168	4,992	6,233	7,339	8,718	10,323	11,368	11,887	12,721
Percent Change		24.2%	19.8%	24.9%	17.8%	18.8%	18.4%	10.1%	4.6%	7.0%

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Percent change values may differ due to rounding of reported revenue values.

Source: Florida Department of Financial Services

Notes
