

Agency for Health Care Administration

State Center for Health Statistics

Document Abstract

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Title: Florida Health Care Expenditures, 2003

Summary: In 2003, personal health care expenditures in Florida reached \$92.2 billion, up from \$85.8 billion in 2002, an increase of 7.5%. Among health services, expenditures for medicinal drugs increased by \$1.5 billion, a 9.7% rise in spending, followed by the increase in hospital expenditures (7.9%).

From 2002 to 2003, total Medicare expenditures increased 15.3%, while Medicaid expenditures increased by 13.1%, as Medicaid enrollment increased 3.6% during this period. Total HMO expenditures were \$9.8 billion in 2003. HMO expenditures continued to decline, decreasing by 12.6% from 2002 to 2003, as enrollment decreased by 3.6%.

Florida expenditures were \$5,398 per capita in 2003, representing 17.9% of personal income. U.S. expenditures were \$4,955 per capita, or 15.7% 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. The impact of Medicaid Reform efforts will be measured, in part, by any change in the double-digit increases in Medicaid expenditures seen since 1999.

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

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Acknowledgments

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Executive Summary

In 2003, personal health care expenditures in Florida reached \$92.2 billion, up from \$85.8 billion in 2002. That represents an increase of 7.5% in health care costs, following an increase of 7.0% from 2001 to 2002. That is the third largest annual percentage increase in expenditures in this report's history, beginning in 1992. This increase is higher than increases measured by two national indices of health care inflation, (Consumer Price Index-Medical Care, 4.0% and Hospital Input Price Index, 3.8%).

Among health services, expenditures for specialized government services (10.2%), medicinal drugs (9.7%) and hospitals (7.9%) had the highest percentage increases. Medicare, with a 15.3% increase, had the greatest growth in expenditures among payers, followed by Medicaid with a 13.1% increase.

For the third consecutive year, the rate of growth of Medicaid expenditures decreased from the previous year. Still, the spending rate increased from 2002 by 13.1%, down slightly from the previous year's growth rate of 13.3%. From 1998 to 2002, Medicaid expenditures increased in each year in conjunction with large increases in enrollee caseload. However, from 2002 to 2003 the caseload grew by only 3.6%, down considerably from the double-digit increases in caseload observed from 1998 to 2001. Since the growth of expenditures exceeded the growth in enrollment from 2002 to 2003, spending per enrollee increased by 9.2%.

Growth in Medicare expenditures increased substantially in 2003 compared with 2002 (15.3%) unlike the previous six years where the annual growth was under 10%. The last time the Medicare program had expenditure increases greater than 15% was between 1994 and 1996. In contrast with Medicaid, the number of Medicare beneficiaries has grown by a small percentage annually. Therefore, from 2002-2003 spending per beneficiary increased by 13.5%, by far the largest increase in this rate over the past seven years.

HMO expenditures totaled \$9.8 billion in 2003 down 12.6% from \$11.3 billion in 2002, which was down 2.0% from 2001. HMO expenditures include Medicare, Medicaid, and private HMO expenditures. The annual rate of growth of HMO expenditures has declined since 1995, but the negative annual change in rate from 2001 to 2003 had not been previously observed.

Excluding expenditures for health care services delivered to nonresidents, personal health care spending for Florida residents was \$91.8 billion, or \$5,398 per capita in 2003. Health care spending was 17.9% of the total personal income of Florida residents. U.S. personal health care expenditures were \$4,955 per capita, accounting for 15.7% 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 2003, the percentage of Florida residents aged 65 years and older was 17.2%, compared to 12.4% for the United States.

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.

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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 insurers are excluded.

The health care expenditures in this report describe payments for services delivered in Florida, including services delivered to nonresidents. 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%.

Health care services are categorized according to the definitions of the North American Industry Classification System (NAICS)¹ (**Appendix 1**) and other categories described in **Appendix 2**. The 2002 Economic Census conducted by the U.S. Census also used the NAICS.^{2,3,4} All previous editions of this report classified services according to the categories of the *U.S. Standard Industrial Classification Manual* (SIC).⁵

To maintain consistency in the categories over the years, expenditures grouped under the NAICS were mapped to the old SIC categories using the document *1987 SIC Matched to 2002 NAICS, Service Industries*.⁶ The results of this mapping can be seen in **Appendix 1**. There is not, however, a perfect one-to-one correspondence between some NAICS and SIC categories. For example, to construct a new Nursing Home group one must aggregate several NAICS categories, some of which contain expenditures that are not strictly nursing home, e.g., continuing care retirement communities. The result is a less than perfect bridge from the old SIC categories to the new NAICS ones. The two service categories potentially affected the most by this mismatch are nursing homes and hospitals.

Health care payers are categorized according to definitions used by the U.S. Centers for Medicare & Medicaid Services (CMS) described in **Appendix 3**. 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.⁷ 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 2002 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.⁸ Therefore, figures for Florida expenditures in the years 1992-2002 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 expenditures. Florida data were obtained for Medicaid and Medicare expenditures. Data sources and methods for payer expenditures are described in **Appendix 4**, which also details the method used to estimate resident-based expenditures.⁹ Finally, HMO expenditures and revenue were obtained from reports prepared by the Florida Department of Financial Services.

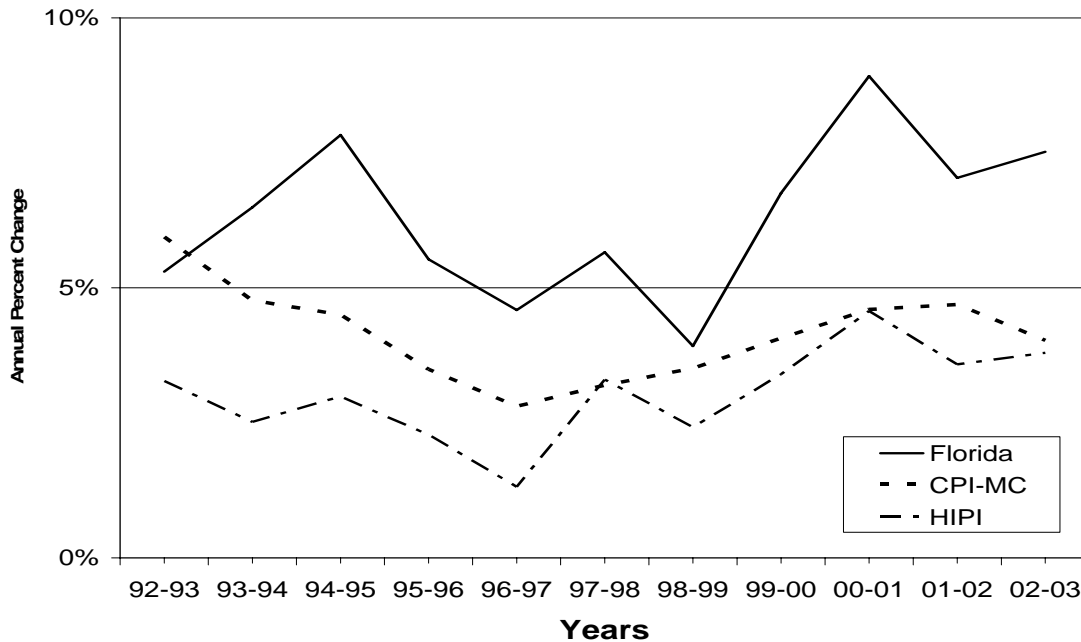
Health Care Expenditures by Service

In 2003 personal health care expenditures in Florida reached \$92.2 billion, a 7.5% increase over the \$85.8 billion spent in 2002, following an increase of 7.0% from 2001 to 2002. That is the third largest annual percentage increase in expenditures since the inception of this report in 1992. However, those percentage increases were lower than the increase from 2000 to 2001, where expenditures rose by a rate of 8.9%.

Figure 1 shows the annual percentage change in expenditures from 1992 to 2003 for Florida (as calculated by AHCA) in comparison with two national health care inflation indices: The Consumer Price Index-Medical Care component as provided by the U.S. Bureau of Labor Statistics and the Hospital Input Price Index as provided by the CMS. See **Appendix 5** for a listing of the inflation indices and the annual percentage change.

The figure shows that the percentage change in expenditures in Florida was consistently higher than the percentage change as measured in the national indices. The difference between Florida's annual change and that of the national indices had been small from 1992 to 1999. Beginning in 2000, Florida's annual health care inflation increased at a higher rates than that seen in the national indices. Between 2002-2003, Florida expenditures increased by 7.5%, as compared with the national indices (CPI-MC, 4.0% and HIPI, 3.8%).

Figure 1
Annual Percentage Change in Expenditures, 1992-2003
Comparison of Three Indices for Health Care Inflation



Source: AHCA; U.S. Bureau of Labor Statistics; CMS

Another way to examine inflation in health care expenditures is to inflation adjust the raw expenditures figures using the national CPI-MC inflation index. Starting with expenditures in 1992 (\$47.0 billion) as the anchor, spending increased by 96.1% to \$92.2 billion in 2003. By inflation adjusting these figures, keeping expenditures in 1992 dollars, the increase was 34.7% to \$63.3 billion in 2003.

Table 1 displays the percentage change in health care services expenditures from 2002 to 2003. The difference in overall spending (\$6.4 billion) represents a 7.5% increase. Only one health care service had a greater than a 10% increase between 2002 and 2003, that is, specialized government services (which includes certain Medicaid social services). However, the increase for medicinal drugs was still large, at 9.7%

One other service (hospitals) had a percentage increase greater than the total expenditures increase of 7.5%. The 7.9% increase in hospital services represents an absolute dollar increase of \$2.3 billion. In addition to hospital services, physicians and medicinal drugs had spending increases greater than \$1 billion.

Table 1
Expenditures by Health Service, 2002-2003

Health Services	Expenditures		Difference	Percent Change
	2002	2003	2002-2003	2002-2003
Hospitals	\$28,957	\$31,257	\$2,300	7.9%
Physicians	20,630	21,968	1,338	6.5%
Dentists	3,986	4,270	284	7.1%
Medical Laboratories	2,448	2,602	154	6.3%
Other Professionals	4,782	4,997	215	4.5%
Home Health	2,730	2,927	197	7.2%
Medicinal Drugs	12,777	14,017	1,240	9.7%
Durable Medical Equipment	1,426	1,483	57	4.0%
Nursing Homes	5,397	5,795	398	7.4%
Specialized Government Services	2,627	2,894	267	10.2%
Total Personal Health Care	85,760	92,210	6,450	7.5%

Note: Expenditures in \$ millions.

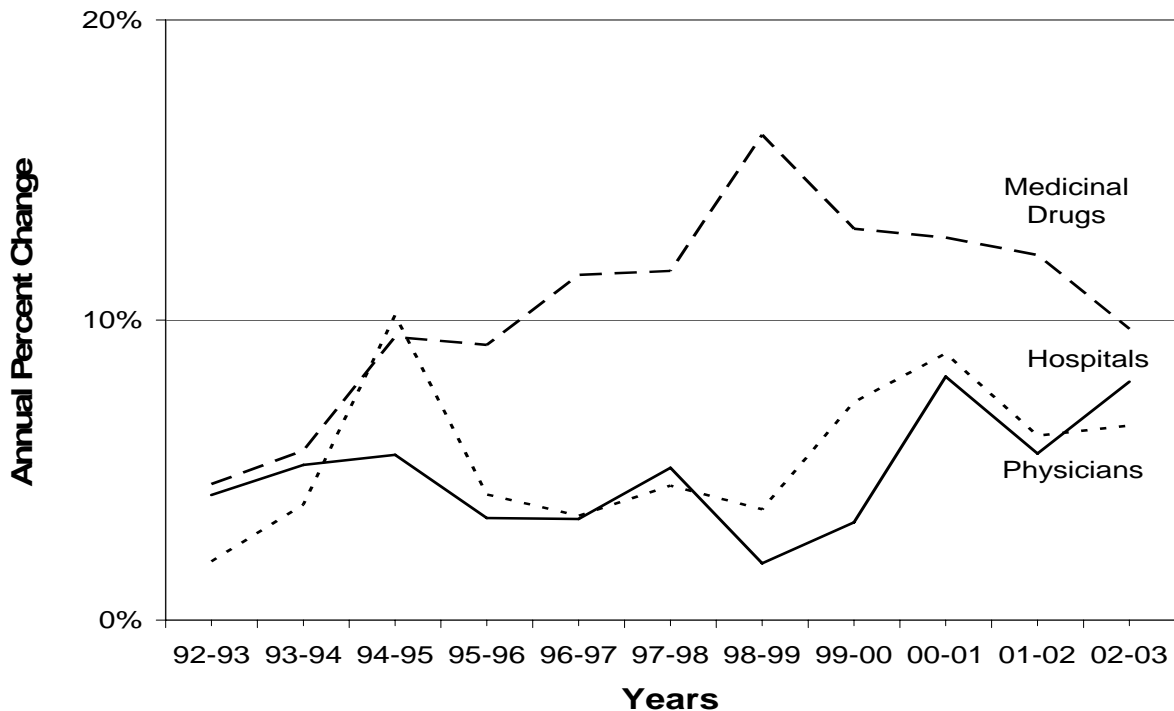
Source: AHCA

Figure 2 highlights the annual percentage change in expenditures since 1992 for medicinal drugs, hospital and physician services. Together these three components account for 72.9% of total personal health care expenditures. The figure shows that, between 1992 and 1995, the annual growth rate for drugs paralleled that of physician services. However, beginning in 1996, the trends began to diverge, where the growth rate for drugs exceeded that of the other two services.

This trend peaked between 1998-1999, but the growth rates have converged since then, due in part to a reduction in the growth rate for drugs, combined with large rate increases for the other services. Between 1998-1999, the growth rate for drugs (16.2%) was nearly 753% higher than the growth rate for hospital services (1.9%). Between 2002-2003, the growth rate for drugs was only 23% greater than the growth for hospital services.

Additional details on expenditures for health care services, for each year from 1992 to 2003, are reported in **Appendix 6**.

Figure 2
Expenditures for Medicinal Drugs, Hospital and Physician Services
Annual Percentage Change, 1992-2003



Source: AHCA

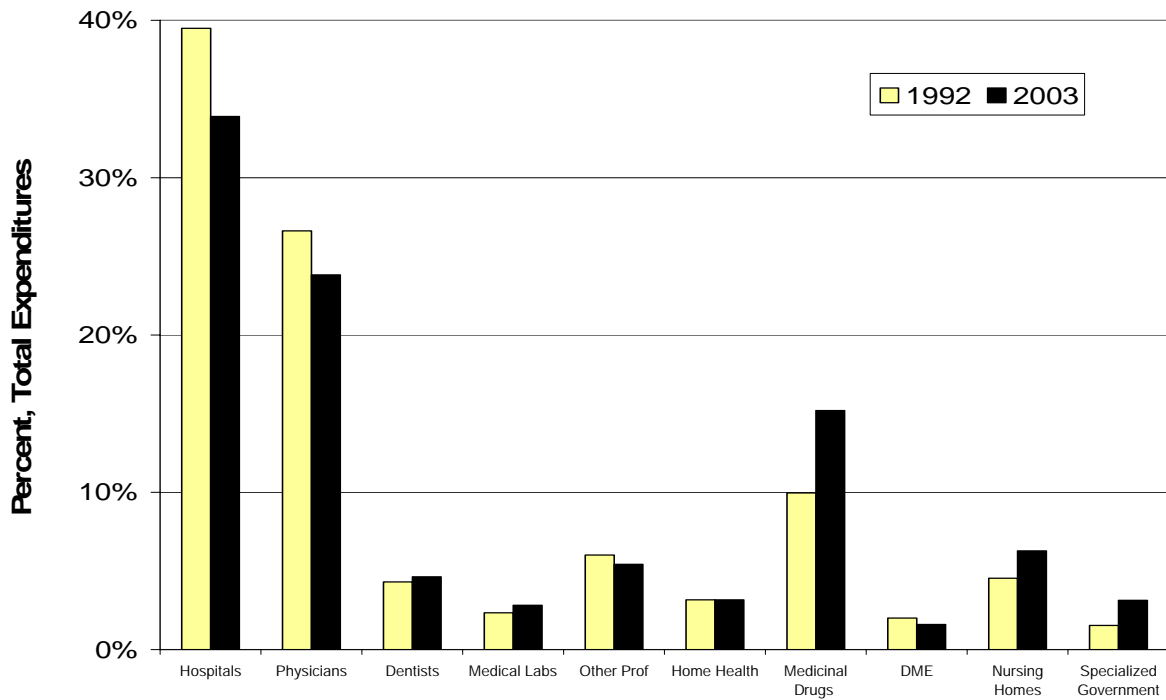
Table 2 and **Figure 3** display the percentage of total health care expenditures among health services in 1992, 2002 and 2003. Over the twelve-year period, the proportion of total expenditures declined in the two largest categories, hospital and physician services, while medicinal drugs and nursing homes had the largest proportional increases. Between 2002 and 2003, the proportion of expenditures for physicians continued to decrease, while the proportion for medicinal drugs had the largest proportional increase.

Table 2
Expenditures by Health Service
Percent of Total Expenditures, 1992, 2002 and 2003

Health Services	1992		2002		2003	
	Amount	Percent	Amount	Percent	Amount	Percent
Hospitals	\$18,573	39.5%	\$28,957	33.8%	\$31,257	33.9%
Physicians	12,516	26.6%	20,630	24.1%	21,968	23.8%
Dentists	2,025	4.3%	3,986	4.6%	4,270	4.6%
Medical Laboratories	1,100	2.3%	2,448	2.9%	2,602	2.8%
Other Professionals	2,830	6.0%	4,782	5.6%	4,997	5.4%
Home Health	1,489	3.2%	2,730	3.2%	2,927	3.2%
Medicinal Drugs	4,684	10.0%	12,777	14.9%	14,017	15.2%
Durable Medical Equipment	942	2.0%	1,426	1.7%	1,483	1.6%
Nursing Homes	2,138	4.5%	5,397	6.3%	5,795	6.3%
Specialized Government	724	1.5%	2,627	3.1%	2,894	3.1%
Total Personal Health Care	47,021	100.0%	85,760	100.0%	92,210	100.0%

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

Figure 3
Expenditures by Health Service
Percent of Total Expenditures, 1992 and 2003



Source: AHCA

Health Care Expenditures by Payer

Appendix 7 displays the percentage change in expenditures by payer from 1992 to 2003. Between 2002 and 2003, expenditures increased by more than 10% for two payers: Medicare, 15.3% and Medicaid, 13.3%. Increases for all other payers, mainly private insurance and out-of-pocket, were less than 5%. For all payers, the growth in expenditures between 2002-2003 increased by 7.9%.

Table 3 shows figures for the Medicaid caseload (number of eligible enrollees), total expenditures and expenditures per enrollee for 1997-2003. Between 2002 and 2003, expenditures increased by 13.1%, while the caseload increased by 3.6%, yielding a per-enrollee increase of 9.2%. That increase continues a trend of an increasing annual percentage change since 2000.

Table 3
Florida Medicaid Program
Annual Percentage Change in Average Monthly Caseload
Total Expenditures and Expenditures per Eligible, 1997-2003

	1997	1998	1999	2000	2001	2002	2003
Caseload (Eligibles)	1,484,403	1,461,252	1,539,819	1,710,471	1,876,909	2,005,354	2,076,560
Percent Change		-1.6%	5.4%	11.1%	9.7%	6.8%	3.6%
Expenditures (\$millions)	\$6,446	\$6,779	\$7,355	\$8,332	\$9,560	\$10,828	\$12,243
Percent Change		5.2%	8.5%	13.3%	14.7%	13.3%	13.1%
Expenditures/Eligible	\$4,343	\$4,639	\$4,776	\$4,871	\$5,094	\$5,400	\$5,896
Percent Change		6.8%	3.0%	2.0%	4.6%	6.0%	9.2%

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

Table 4 shows figures for the Medicare beneficiary enrollment, total expenditures and expenditures per beneficiary for 1997-2003. From 1998 to 2002, annual expenditures for Medicare increased by a smaller amount compared to Medicaid. However, between 2002 and 2003 that situation reversed where the increase in Medicare expenditures was 2.2 percentage points greater than the increase for Medicaid. In contrast with Medicaid, the number of Medicare beneficiaries has grown by a steady, small percentage annually. The result is a larger increase in spending per beneficiary for Medicare (13.5%) compared with Medicaid (9.2%) over the period 2002-2003.

Table 4
Florida Medicare Program
Annual Percentage Change in Average Monthly Enrollment
Total Expenditures and Expenditures per Beneficiary, 1997-2003

	1997	1998	1999	2000	2001	2002	2003
Beneficiaries	2,727,545	2,760,956	2,770,576	2,803,961	2,838,345	2,876,168	2,920,971
Percent Change		1.2%	0.3%	1.2%	1.2%	1.3%	1.6%
Expenditures (\$millions)	\$16,599	\$16,766	\$16,929	\$17,867	\$19,149	\$19,826	\$22,856
Percent Change		1.0%	1.0%	5.5%	7.2%	3.5%	15.3%
Expenditures/Beneficiary	\$6,086	\$6,073	\$6,110	\$6,372	\$6,747	\$6,893	\$7,825
Percent Change		-0.2%	0.6%	4.3%	5.9%	2.2%	13.5%

Source: Centers for Medicare & Medicaid Services; Consolidated Federal Funds Report

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 2003. This reduction in out-of-pocket spending may have been due to the growth of HMOs, since HMOs usually offer lower out-of-pocket costs than traditional insurance. However, with a recent reduction in the proportion of health insurance that are HMO health plans, the proportion of out-of-pocket spending may increase. 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, 2002 and 2003. Over the two most recent report years (2002-2003) two payer showed a positive change in their proportion of expenditures: Medicare, a 1.7 percentage point increase and Medicaid, a 0.7 point increase. Conversely, the share for all other payers decreased over this period, particularly private insurance (a 1.2 percentage point decrease) and out-of-pocket (a 0.6 point decrease).

Comparing the proportion of expenditures in 2003 against that in 1992, reveals that three payers showed increases, led by Medicaid (3.9 percentage points), followed by Medicare (3.0 points) and private insurance (1.2 points). The proportion of total expenditures decreased for out-of-pocket (4.8 points) and other public funds (2.4 points).

Table 5
Expenditures by Payer
Percent of Total Expenditures, 1992, 2002 and 2003

Health Care Payer	1992		2002		2003	
	Amount	Percent	Amount	Percent	Amount	Percent
Medicaid	\$4,419	9.4%	\$10,828	12.6%	\$12,243	13.3%
Medicare	10,254	21.8%	19,826	23.1%	22,856	24.8%
Other Public Funds	4,495	9.6%	6,491	7.6%	6,647	7.2%
Private Insurance	15,928	33.9%	31,075	36.2%	32,348	35.1%
Out-of-Pocket	9,581	20.4%	13,892	16.2%	14,373	15.6%
Other Private Sources	2,344	5.0%	3,648	4.3%	3,743	4.1%
Total Personal Health Care	47,021	100.0%	85,760	100.0%	92,210	100.0%

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

Source: AHCA; Consolidated Federal Funds Report

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 2003.¹⁰ In 2003, health care expenditures were 17.9% of personal income in Florida, an increase from 17.2% in 2002. That proportion had been steadily decreasing from 1992 to 2000 due to increases in personal income that were greater than increases in health care expenditures. However, beginning in 2001, the proportion has increased in each year, suggesting that increases in health care costs are surpassing increases in personal income.

Personal health care expenditures for the nation were 15.7% of personal income in 2003, up from 15.1% in 2002 and 13.6% in 1992. Health care spending of Florida residents reached \$5,398 per capita in 2003, while U.S. spending per capita was \$4,955. Excluding expenditures for nonresidents, personal health care spending was \$91.8 billion in Florida in 2003. (To estimate resident expenditures, Florida personal health care expenditures were reduced by the Medicare net flow border crossing ratio of 0.9805 for Florida (1991)⁹, weighted by the proportion of Medicare expenditures to total health care expenditures in Florida.)

Table 6
Per Capita Health Care Expenditures and
Percent of Personal Income
Florida and the United States, 1992, 2002 and 2003

	Florida			United States		
	1992	2002	2003	1992	2002	2003
Total Expenditures *	\$46,821.3	\$85,373.7	\$91,764.4	\$728,933.0	\$1,342,886.0	\$1,440,759.0
Population *	13.7	16.7	17.0	256.5	288.0	290.8
Expenditures Per Capita	\$3,430	\$5,115	\$5,398	\$2,842	\$4,663	\$4,955
Total Personal Income *	\$278,700.3	\$495,429.2	\$511,950.6	\$5,349,384.0	\$8,872,521.0	\$9,156,108.0
Percent of Personal Income	16.8%	17.2%	17.9%	13.6%	15.1%	15.7%

* Figures in millions.

Source: AHCA, CMS and U.S. Bureau of Census

Florida health care spending is affected by the higher number of elderly residents and Medicare beneficiaries in Florida compared to other states. In 2003, the percentage of Florida residents ages 65 years and older was 17.2%, compared to 12.4% for the U.S. In the U.S. between 1991 and 1998, total health care spending of persons 65 years and over was about six times that of persons under age eighteen.¹¹ In 1997 median total drug expenditures by the elderly was 5.6 times greater than that of the non-elderly.¹² An implication of these findings is that states with a higher proportion of older residents will have higher health care expenditures.

Table 7 (next page) 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 for 2003. The table shows that the percentage of charges for the older age group exceeds their proportion of the population. This is especially true for inpatient hospitalization, where 17.2% of the population accounted for 49.4% of charges. Inpatient hospitalization spending per person among the older age group (ages 65 and over) was nearly five times that of the younger group (ages 0 through 64). The age group differences were less pronounced with ambulatory surgery, where the older age group accounted for 36.3% of charges. For these services, spending for the elderly group was nearly three times that for the younger group.

Table 7
Per Capita Facility Charges
by Age Group and Facility Type
Florida, 2003

Age Group (Years)	Charges (Sum)	Percent Charges	Population	Percent Population	Charges / Population
Inpatient Hospital					
0 - 64	\$29,457,839,732	50.6%	14,103,277	82.8%	\$2,089
65 +	\$28,750,507,966	49.4%	2,895,904	17.2%	\$9,928
Ambulatory Surgery					
0 - 64	\$7,452,403,212	63.7%	14,103,277	82.8%	\$528
65 +	\$4,255,782,853	36.3%	2,895,904	17.2%	\$1,470

Source: AHCA and Florida Office of Economic and Demographic Research

Table 8 displays expenditures for health services in the U.S. and Florida in 2003, 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 (6.3%), than in the U.S. (7.7%). For services with more than \$10 billion in expenditures in Florida, the percentage in Florida exceeded that in the U.S. for physicians by 0.9 percentage points and medicinal drugs by 0.5 percentage points. The percentage in Florida was also greater for other professionals (a difference of 2.1 percentage points), home health (0.4 points difference) and durable medical equipment (0.2 points difference).

Table 8
Expenditures by Health Service
Percent of Total Expenditures
Florida and the United States, 2003

Health Services	Florida		United States	
	Expenditures	Percent	Expenditures	Percent
Hospitals	\$31,257	33.9%	\$515,866	35.8%
Physicians *	24,570	26.6%	369,746	25.7%
Dentists	4,270	4.6%	74,270	5.2%
Other Professionals	4,997	5.4%	48,507	3.4%
Home Health	2,927	3.2%	40,009	2.8%
Medicinal Drugs	14,017	15.2%	211,672	14.7%
Durable Medical Equipment	1,483	1.6%	20,393	1.4%
Nursing Homes	5,795	6.3%	110,797	7.7%
Specialized Government Services	2,894	3.1%	49,499	3.4%
Total Personal Health Care	92,210	100.0%	1,440,759	100.0%

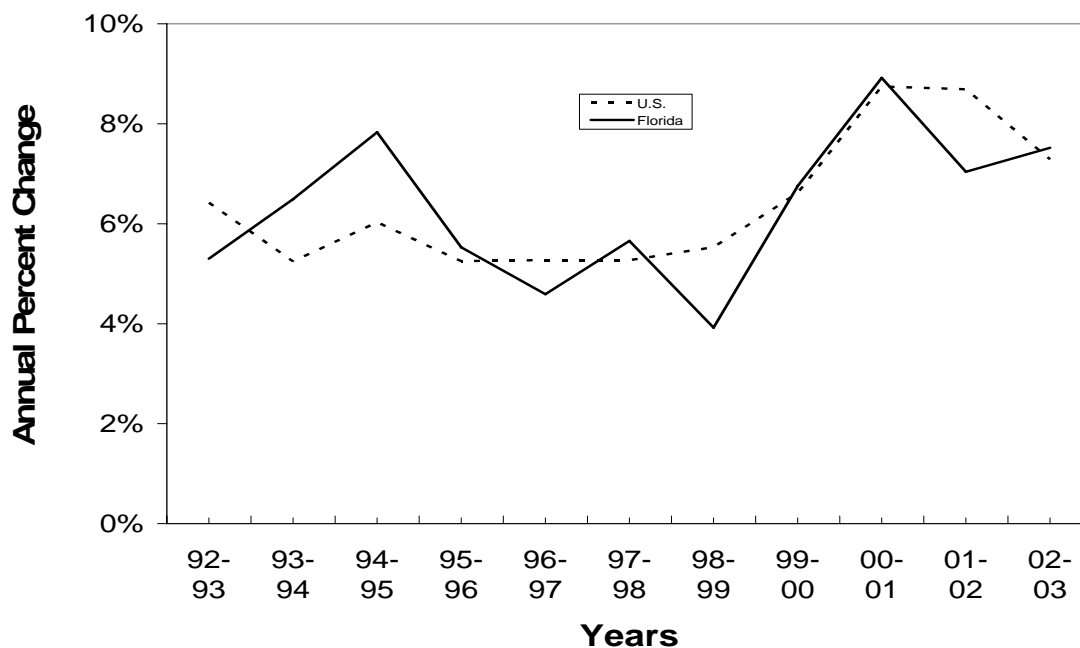
* Includes expenditures for Medical Laboratories.

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

Source: AHCA and CMS

Figure 4 shows the annual percentage change in expenditures for Florida and the U.S. since 1992. Over the past eleven years, the percentage change in Florida exceeded that of the U.S. for seven of those years. Between 2002 and 2003 Florida's percentage change (7.5%) was 0.2 percentage points greater than the rate for the U.S. (7.3%).

Figure 4
Total Personal Health Care Expenditures
Annual Percentage Change
Florida and the United States, 1992-2003



Source: AHCA and CMS

Table 9 displays health care payer expenditures by payer in the U.S. and Florida in 2003. Florida had a greater percentage of Medicare expenditures (24.8%) than the nation (19.1%), but a lower percentage of Medicaid expenditures (13.3%) than the U.S. (17.4%).

Table 9
Expenditures by Payer
Percent of Total Expenditures
Florida and the United States, 2003

Health Care Payer	Florida		United States	
	Expenditures	Percent	Expenditures	Percent
Medicaid	\$12,243	13.3%	\$250,002	17.4%
Medicare	22,856	24.8%	274,916	19.1%
Other Public Funds	6,647	7.2%	106,595	7.4%
Private Insurance	32,348	35.1%	518,737	36.0%
Out-of-Pocket	14,373	15.6%	230,483	16.0%
Other Private Sources	3,743	4.1%	60,026	4.2%
Total	92,210	100.0%	1,440,759	100.0%

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

Source: AHCA; CMS; CFFR

HMO Expenditures and Premium Revenue

The amount and percentage change in total HMO expenditures and premiums for each year, 1992 to 2003, are reported in **Appendix 8**. Since 1995, the annual rate of growth of HMO expenditures has declined. A small increase in HMO expenditures occurred between 2002 and 2003 (0.2%), following a decrease (-2.0%) from the previous period, in contrast to the double-digit increases observed throughout the 1990s. A major reason for the leveling of expenditures is the decline in enrollment for commercial HMOs, down 19.0% from a peak in 1998.

Figure 5 compares the annual percentage change in HMO expenditures and premium revenue from 1992 to 2003. Between 1992 and 2001, the increase in expenditures was generally greater than that for premiums. However, between 2001 and 2003, premium increases have exceeded those for expenditures.

Figure 5
HMO Expenditures and Premium Revenue
Annual Percentage Change, 1992-2003

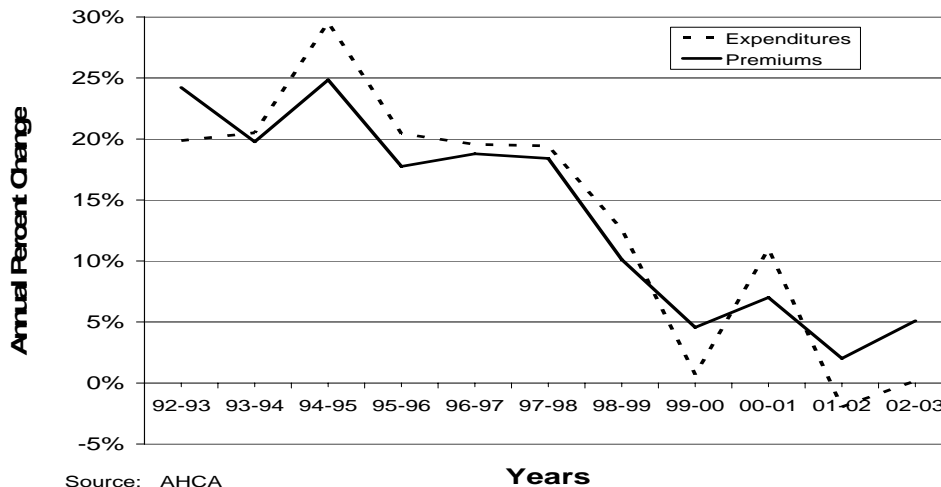


Table 10 shows the proportion of total HMO premium revenue by source (Medicare, Medicaid and commercial) in 1992, 2002 and 2003. The data show that in 2003 Medicare premiums were 31.9% of the total revenue, lower than 34.1% in 2002 and 35.5% in 1992. Commercial premiums were 59.2% of the total, higher than 57.0% in 2002, and 58.8% in 1992. Medicaid premiums were 8.9% in 2003, unchanged from 2002, but up from 5.7% in 1992.

Table 10
HMO Premium Revenue by Revenue Source
Percent of Total Revenue, 1992, 2002 and 2003

Revenue Source	1992		2002		2003	
	Amount	Percent	Amount	Percent	Amount	Percent
Commercial	\$1,972	58.8%	\$7,399	57.0%	\$8,074	59.2%
Medicare	1,192	35.5%	4,424	34.1%	4,352	31.9%
Medicaid	191	5.7%	1,154	8.9%	1,213	8.9%
Total Premiums	3,355	100.0%	12,978	100.0%	13,639	100.0%

Note: Amount in \$ millions.

Source: Florida Department of Financial Services

Table 11 shows that, for all payers, the increase in HMO premium revenue from 2002 to 2003 (5.1%) was associated with a 3.6% decrease in overall enrollment, the fourth consecutive decrease observed since 1999. That yielded a 9.0% increase in premium revenue per enrollee over that period.

More detailed information on enrollment and premium revenue is presented in **Appendix 9**, aggregated by plan type. The appendix shows that the greatest enrollment decrease was with commercial HMO plans, followed by Medicare HMOs. Conversely, Medicaid HMOs had a 6.0% increase in enrollment, 2002-2003, which led to an increase of 5.1% in revenue, the smallest increase in enrollment and premium revenue since 1996-1997.

Appendix 9 also shows that between 2002 and 2003 premiums per enrollee increased by 15.4% for commercial insurance and 3.1% for Medicare. Conversely, Medicaid showed a decrease of 0.8% on that measure, the only decrease noted since 1997.

Table 11
Annual Percentage Change in HMO Enrollment,
Premiums and Premiums per Enrollee, 1997-2003

	1997	1998	1999	2000	2001	2002	2003
Enrollment	4,415,391	4,881,848	4,939,399	4,917,635	4,756,918	4,407,869	4,248,511
Percent Change		10.6%	1.2%	-0.4%	-3.3%	-7.3%	-3.6%
Premiums (\$millions)	\$8,718	\$10,323	\$11,368	\$11,887	\$12,721	\$12,978	\$13,639
Percent Change		18.4%	10.1%	4.6%	7.0%	2.0%	5.1%
Premiums / Enrollee	\$1,974	\$2,115	\$2,301	\$2,417	\$2,674	\$2,944	\$3,210
Percent Change		7.1%	8.8%	5.0%	10.6%	10.1%	9.0%

Source: Office of Insurance Regulation, Department of Financial Services

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Appendices

- 1: Health Care Services Description
- 2: Sources and Methods for Health Care Services Expenditures
- 3: Health Care Payer Description
- 4: Sources and Methods for Health Care Payer Expenditures
- 5: Comparison of Three Indices of Health Care Inflation, 1992-2003
- 6: Health Care Expenditures by Service, 1992-2003
- 7: Health Care Expenditures by Payer, 1992-2003
- 8: HMO Expenditures and Premium Revenue, 1992-2003
- 9: HMO Enrollment, Premiums and Premiums per Enrollee by Payer, 1997-2003

Appendix 1: Health Care Services Description Match of SIC to NAICS Categories

Physicians (SIC 801; Includes Osteopaths, SIC 803)

Offices of physicians, except mental health specialists (NAICS 621111).

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

HMO medical centers (NAICS 621491).

Freestanding ambulatory surgical and emergency centers (NAICS 621493).

Dentists (SIC 802)

Offices of dentists (NAICS 621210).

Other Health Professionals (SIC 804)

Offices of chiropractors (NAICS 621310).

Offices of optometrists (NAICS 621320).

Offices of mental health practitioners, except physicians (NAICS 621330).

Offices of physical, occupational and speech therapists, and audiologists (NAICS 621340).

Offices of podiatrists (NAICS 621391).

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

Nursing Homes (SIC 805)

Nursing care facilities (NAICS 623110).

Residential mental retardation facilities (NAICS 623210).

Continuing care retirement communities (NAICS 623311).

Hospitals (SIC 806)

General medical and surgical hospitals (NAICS 622110).

Psychiatric and substance abuse hospitals (NAICS 622210).

Specialty hospitals except psychiatric and substance abuse hospitals (NAICS 622310).

Note: Service categories are based on the North American Industry Classification System (NAICS). SIC: Standard Industrial Classification System.

**Appendix 1 (continued):
Health Care Services Description
Match of SIC to NAICS Categories**

Laboratories (SIC 807)

Medical laboratories (NAICS 621511).

Diagnostic imaging centers (NAICS 621512).

Dental laboratories (NAICS 339116).

Home Health (Freestanding) (SIC 808)

Home health care services (NAICS 621610).

Miscellaneous Clinics (SIC 809)

Family planning centers (NAICS 621410).

Outpatient mental health and substance abuse centers (NAICS 621420).

Kidney dialysis centers (NAICS 621492).

All other outpatient care centers (NAICS 621498).

Blood and organ banks (NAICS 621991).

All other miscellaneous ambulatory health care services (NAICS 621999).

Note: Service categories are based on the North American Industry Classification System (NAICS). SIC: Standard Industrial Classification System.

Appendix 2: Sources and Methods for Health Care Services Expenditures

SERVICE	DATA SOURCE	METHODS AND COMMENTS
Hospitals	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2003)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Physicians	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2003)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Dentists	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2003)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Medical Laboratories	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2003)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Other Professionals and Miscellaneous Clinics	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2003)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Home Health	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2003)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Medicinal Drugs	National Health Care Expenditures, U.S. CMS and 1997 and 2002 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 1997 and 2002 Economic Census	Ratio of Florida / U.S. sales, optical goods stores, times national health care expenditures.
Nursing Homes	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2003)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 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.

*Total 2002 receipts/revenue reported by the U.S. Census times the ratio of total 2002 annual wages reported by the Bureau of Labor Market Information and the annual payroll reported in the 2002 Economic Census of the U.S. for each respective health service category.

Appendix 3: Health Care Payer 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 in the Consolidated Federal Funds Report, U.S. Census Bureau, 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. Includes Florida KidCare program.

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 4: 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. Census Bureau, Consolidated Federal Funds Report	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.

**Appendix 5:
Comparison of Three Indices of Health Care Inflation, 1992-2003**

Year	Florida ¹		HIPI ²		CPI-MC ³	
	Expenditures	% Change	Index	% Change	Index	% Change
1992	47,021		0.885		190.1	
1993	49,514	5.3%	0.914	3.3%	201.4	5.9%
1994	52,729	6.5%	0.937	2.5%	211.0	4.8%
1995	56,858	7.8%	0.965	3.0%	220.5	4.5%
1996	60,001	5.5%	0.987	2.3%	228.2	3.5%
1997	62,755	4.6%	1.000	1.3%	234.6	2.8%
1998	66,305	5.7%	1.033	3.3%	242.1	3.2%
1999	68,905	3.9%	1.058	2.4%	250.6	3.5%
2000	73,560	6.8%	1.094	3.4%	260.8	4.1%
2001	80,122	8.9%	1.144	4.6%	272.8	4.6%
2002	85,760	7.0%	1.185	3.6%	285.6	4.7%
2003	92,210	7.5%	1.230	3.8%	297.1	4.0%

Notes:

¹ Florida Expenditures; Source: AHCA

² Hospital Input Price Index; Source: CMS

³ Consumer Price Index-Medical Care component; Source: U.S. Bureau of Labor Statistics

Appendix 6: Health Care Expenditures by Service, 1992-2003

Health Care Expenditures by Service, Florida, 1992-1997

Health Services	1992	1993	1994	1995	1996	1997
Hospitals	\$18,573	\$19,348	\$20,350	\$21,471	\$22,202	\$22,950
Physicians	12,516	12,761	13,252	14,599	15,210	15,739
Dentists	2,025	2,173	2,319	2,490	2,708	2,870
Medical Laboratories	1,100	1,159	1,227	1,256	1,332	1,324
Other Professionals	2,830	3,204	3,580	3,759	4,139	4,472
Home Health	1,489	1,805	2,083	2,255	2,289	2,262
Medicinal Drugs	4,684	4,896	5,172	5,661	6,180	6,891
Durable Medical Equipment	942	986	1,027	1,093	1,178	1,208
Nursing Homes	2,138	2,317	2,644	3,024	3,342	3,496
Specialized Government	724	864	1,076	1,251	1,422	1,543
TOTAL PERSONAL HEALTH CARE	47,021	49,514	52,729	56,858	60,001	62,755

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

Source: AHCA

Percent Change, Health Care Expenditures by Service, Florida, 1992-1997

Health Services	1992-93	1993-94	1994-95	1995-96	1996-97
Hospitals	4.2%	5.2%	5.5%	3.4%	3.4%
Physicians	2.0%	3.8%	10.2%	4.2%	3.5%
Dentists	7.3%	6.7%	7.4%	8.7%	6.0%
Medical Laboratories	5.3%	5.8%	2.4%	6.1%	-0.7%
Other Professionals	13.2%	11.7%	5.0%	10.1%	8.0%
Home Health	21.2%	15.4%	8.3%	1.5%	-1.2%
Medicinal Drugs	4.5%	5.6%	9.4%	9.2%	11.5%
Durable Medical Equipment	4.6%	4.1%	6.5%	7.7%	2.5%
Nursing Homes	8.4%	14.1%	14.4%	10.5%	4.6%
Specialized Government	19.4%	24.5%	16.3%	13.7%	8.5%
TOTAL PERSONAL HEALTH CARE	5.3%	6.5%	7.8%	5.5%	4.6%

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

Source: AHCA

**Appendix 6 (continued):
Health Care Expenditures by Service, 1992-2003**

Health Care Expenditures by Service, Florida, 1998-2003

Health Services	1998	1999	2000	2001	2002	2003
Hospitals	\$24,117	\$24,574	\$25,375	\$27,434	\$28,957	\$31,257
Physicians	16,444	16,986	18,216	19,829	20,630	21,968
Dentists	3,066	3,238	3,528	3,761	3,986	4,270
Medical Laboratories	1,386	1,651	2,030	2,309	2,448	2,602
Other Professionals	4,632	4,328	4,383	4,652	4,782	4,997
Home Health	2,192	2,074	2,320	2,476	2,730	2,927
Medicinal Drugs	7,693	8,937	10,102	11,391	12,777	14,017
Durable Medical Equipment	1,260	1,288	1,327	1,378	1,426	1,483
Nursing Homes	3,821	3,927	4,193	4,528	5,397	5,795
Specialized Government	1,694	1,904	2,088	2,365	2,627	2,894
TOTAL PERSONAL HEALTH CARE	66,305	68,905	73,560	80,122	85,760	92,210

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

Source: AHCA

Percent Change, Health Care Expenditures by Service, Florida, 1998-2003

Health Services	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Hospitals	5.1%	1.9%	3.3%	8.1%	5.6%	7.9%
Physicians	4.5%	3.3%	7.2%	8.9%	4.0%	6.5%
Dentists	6.8%	5.6%	9.0%	6.6%	6.0%	7.1%
Medical Laboratories	4.7%	19.1%	22.9%	13.8%	6.0%	6.3%
Other Professionals	3.6%	-6.6%	1.3%	6.1%	2.8%	4.5%
Home Health	-3.1%	-5.4%	11.8%	6.7%	10.3%	7.2%
Medicinal Drugs	11.6%	16.2%	13.0%	12.8%	12.2%	9.7%
Durable Medical Equipment	4.3%	2.3%	3.0%	3.9%	3.5%	4.0%
Nursing Homes	9.3%	2.8%	6.8%	8.0%	19.2%	7.4%
Specialized Government	9.8%	12.4%	9.6%	13.3%	11.0%	10.2%
TOTAL PERSONAL HEALTH CARE	5.7%	3.9%	6.8%	8.9%	7.0%	7.5%

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

Source: AHCA

Appendix 7: Health Care Expenditures by Payer, 1992-2003

Health Care Expenditures by Payer, Florida, 1992-1997

Health Care Payer	1992	1993	1994	1995	1996	1997
Medicaid	\$4,419	\$5,092	\$5,631	\$6,035	\$6,210	\$6,446
Medicare	10,254	10,579	11,432	13,490	15,810	16,599
Other Public Funds	4,495	4,623	4,920	4,887	4,781	4,687
Private Insurance	15,928	17,054	18,329	19,542	20,009	20,994
Out-of-Pocket	9,581	9,643	9,709	9,911	10,061	10,651
Other Private Sources	2,344	2,523	2,709	2,994	3,130	3,377
TOTAL PERSONAL HEALTH CARE	47,021	49,514	52,729	56,858	60,001	62,755

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

Source: AHCA

Percent Change, Health Care Expenditures by Payer, Florida, 1992-1997

Health Care Payer	1992-93	1993-94	1994-95	1995-96	1996-97
Medicaid	15.2%	10.6%	7.2%	2.9%	3.8%
Medicare	3.2%	8.1%	18.0%	17.2%	5.0%
Other Public Funds	2.9%	6.4%	-0.7%	-2.2%	-2.0%
Private Insurance	7.1%	7.5%	6.6%	2.4%	4.9%
Out-of-Pocket	0.7%	0.7%	2.1%	1.5%	5.9%
Other Private Sources	7.6%	7.4%	10.5%	4.5%	7.9%
TOTAL PERSONAL HEALTH CARE	5.3%	6.5%	7.8%	5.5%	4.6%

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

Source: AHCA

**Appendix 7 (continued):
Health Care Expenditures by Payer, 1992-2003**

Health Care Expenditures by Payer, Florida, 1998-2003

Health Care Payer	1998	1999	2000	2001	2002	2003
Medicaid	\$6,779	\$7,355	\$8,332	\$9,560	\$10,828	\$12,243
Medicare	16,766	16,929	17,867	19,149	19,826	22,856
Other Public Funds	4,876	5,053	5,396	6,030	6,491	6,647
Private Insurance	22,689	23,884	25,906	28,621	31,075	32,348
Out-of-Pocket	11,600	12,023	12,528	13,210	13,892	14,373
Other Private Sources	3,594	3,662	3,532	3,551	3,648	3,743
TOTAL PERSONAL HEALTH CARE	66,305	68,905	73,560	80,122	85,760	92,210

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

Source: AHCA

Percent Change, Health Care Expenditures by Payer, Florida, 1998-2003

Health Care Payer	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Medicaid	5.2%	8.5%	13.3%	14.7%	13.3%	13.1%
Medicare	1.0%	1.0%	5.5%	7.2%	3.5%	15.3%
Other Public Funds	4.0%	3.6%	6.8%	11.8%	7.6%	2.4%
Private Insurance	8.1%	5.3%	8.5%	10.5%	8.6%	4.1%
Out-of-Pocket	8.9%	3.6%	4.2%	5.4%	5.2%	3.5%
Other Private Sources	6.4%	1.9%	-3.5%	0.5%	2.7%	2.6%
TOTAL PERSONAL HEALTH CARE	5.7%	3.9%	6.8%	8.9%	7.0%	7.5%

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

Source: AHCA

Appendix 8: HMO Expenditures and Premium Revenue, 1992-2003

Total HMO Expenditures, Florida, 1992-1997

	1992	1993	1994	1995	1996	1997
Total Expenditures	\$2,835	\$3,398	\$4,095	\$5,306	\$6,391	\$7,640
Percent Change		19.9%	20.5%	29.6%	20.4%	19.6%

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

HMO Premium Revenue and Percentage Change, Florida, 1992-1997

Revenue Source	1992	1993	1994	1995	1996	1997
Commercial	\$1,972	\$2,207	\$2,605	\$3,245	\$3,824	\$4,338
Percent Change		11.9%	18.1%	24.5%	17.9%	13.4%
Medicare	1,192	1,562	1,810	2,269	2,973	3,808
Percent Change		31.0%	15.9%	25.3%	31.0%	28.1%
Medicaid	191	399	576	719	542	572
Percent Change		108.4%	44.4%	24.8%	-24.6%	5.5%
Total	3,355	4,168	4,992	6,233	7,339	8,718
Percent Change		24.2%	19.8%	24.9%	17.8%	18.8%

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

**Appendix 8 (continued):
HMO Expenditures and Premium Revenue, 1992-2003**

Total HMO Expenditures, Florida, 1998-2003

	1998	1999	2000	2001	2002	2003
Total Expenditures	\$9,125	\$10,275	\$10,346	\$11,484	\$11,259	\$11,279
Percent Change	19.4%	12.6%	0.7%	11.0%	-2.0%	0.2%

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

HMO Premium Revenue and Percentage Change, Florida, 1998-2003

Revenue Source	1998	1999	2000	2001	2002	2003
Commercial	\$5,114	\$5,751	\$6,182	\$6,812	\$7,399	\$8,074
Percent Change	17.9%	12.4%	7.5%	10.2%	8.6%	9.1%
Medicare	4,569	4,901	4,876	4,942	4,424	4,352
Percent Change	20.0%	7.3%	-0.5%	1.4%	-10.5%	-1.6%
Medicaid	640	716	830	968	1,154	1,213
Percent Change	11.9%	11.9%	15.9%	16.6%	19.3%	5.1%
Total	10,323	11,368	11,887	12,721	12,978	13,639
Percent Change	18.4%	10.1%	4.6%	7.0%	2.0%	5.1%

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

Appendix 9: HMO Enrollment, Premiums and Premiums per Enrollee by Payer, 1997-2003

Commercial Insurance							
	1997	1998	1999	2000	2001	2002	2003
Enrollment	3,345,652	3,708,661	3,704,200	3,679,935	3,526,504	3,178,263	3,005,760
Percent Change		10.9%	-0.1%	-0.7%	-4.2%	-9.9%	-5.4%
Premiums (\$millions)	\$4,338	\$5,114	\$5,751	\$6,182	\$6,812	\$7,399	\$8,074
Percent Change		17.9%	12.4%	7.5%	10.2%	8.6%	9.1%
Premiums / Enrollee	\$1,297	\$1,379	\$1,553	\$1,680	\$1,932	\$2,328	\$2,686
Percent Change		6.4%	12.6%	8.2%	15.0%	20.5%	15.4%
Medicare							
	1997	1998	1999	2000	2001	2002	2003
Enrollment	689,622	773,461	793,442	741,091	667,808	574,622	548,478
Percent Change		12.2%	2.6%	-6.6%	-9.9%	-14.0%	-4.5%
Premiums (\$millions)	\$3,808	\$4,569	\$4,901	\$4,876	\$4,942	\$4,424	\$4,352
Percent Change		20.0%	7.3%	-0.5%	1.4%	-10.5%	-1.6%
Premiums / Enrollee	\$5,521	\$5,907	\$6,177	\$6,579	\$7,400	\$7,700	\$7,935
Percent Change		7.0%	4.6%	6.5%	12.5%	4.1%	3.1%
Medicaid							
	1997	1998	1999	2000	2001	2002	2003
Enrollment	380,117	399,726	441,757	496,609	562,606	654,985	694,273
Percent Change		5.2%	10.5%	12.4%	13.3%	16.4%	6.0%
Premiums (\$millions)	\$572	\$640	\$716	\$830	\$968	\$1,154	\$1,213
Percent Change		11.9%	11.9%	15.9%	16.6%	19.2%	5.1%
Premiums / Enrollee	\$1,504	\$1,600	\$1,620	\$1,670	\$1,720	\$1,762	\$1,747
Percent Change		6.4%	1.3%	3.1%	3.0%	2.5%	-0.8%
All Payers							
	1997	1998	1999	2000	2001	2002	2003
Enrollment	4,415,391	4,881,848	4,939,399	4,917,635	4,756,918	4,407,869	4,248,511
Percent Change		10.6%	1.2%	-0.4%	-3.3%	-7.3%	-3.6%
Premiums (\$millions)	\$8,718	\$10,323	\$11,368	\$11,887	\$12,721	\$12,978	\$13,639
Percent Change		18.4%	10.1%	4.6%	7.0%	2.0%	5.1%
Premiums / Enrollee	\$1,974	\$2,115	\$2,301	\$2,417	\$2,674	\$2,944	\$3,210
Percent Change		7.1%	8.8%	5.0%	10.6%	10.1%	9.0%

Source: Office of Insurance Regulation, Department of Financial Services