

Use of CE Data in the National Health Expenditure Accounts

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- **Presentation to the Consumer Expenditure Survey Data Users' Needs Forum**
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National Health Expenditures Accounts

- **What is it – what does it measure?**
- **Who uses the NHEA**
- **CE data in the NHEA**
 - **Out-of-pocket spending**
 - **Individually purchased health insurance**
 - **Special Studies**
- **Future needs**

National Health Expenditure Accounts—What is it?

- **National Health Expenditure Accounts**
 - **Historical spending, 1960-2008**
 - **Health Spending By Sponsor, 1987 -2008**
 - **Projections**
 - Short term (10 years)
 - Long term (75 years)
 - **State Health Expenditure Accounts**
 - Spending by state of provider
 - Per capita spending by state of residency
 - **Expenditures By Age Group**
 - **Sector Analysis**

Customers--Who Are They?

- Congress
- Federal agencies
- State governments
- Researchers/educators
- Marketing departments
- Wall Street
- Publications
- Students

Recent NHEA Products

- **September 2007- Health Spending Estimates by State of Residence, 1991-2004**
http://www.cms.hhs.gov/NationalHealthExpendData/05_NationalHealthAccountsStateHealthAccounts.asp#TopOfPage
- **November 2007 – Health Spending Estimates by Age, 1987, 1996, 1999, 2002, and 2004**
<http://content.healthaffairs.org/cgi/content/abstract/hlthaff.27.1.w1v1?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=&fulltext=hartman&andorexactfulltext=and&searchid=1&FIRSTINDEX=0&resourcetype=HWCIT>
- **January 2010 – National Health Expenditures, 1960-2008**
<http://content.healthaffairs.org/cgi/reprint/29/1/147>
- **February 2010 – National Health Expenditures Projections, 2009-2019**
<http://content.healthaffairs.org/cgi/content/abstract/hlthaff.2009.1074>

Use of CE in the National Health Expenditure Accounts

- **Out-of-pocket spending**
- **Individually purchased health insurance**
- **Special studies**

Out-of-pocket Spending for Health Care

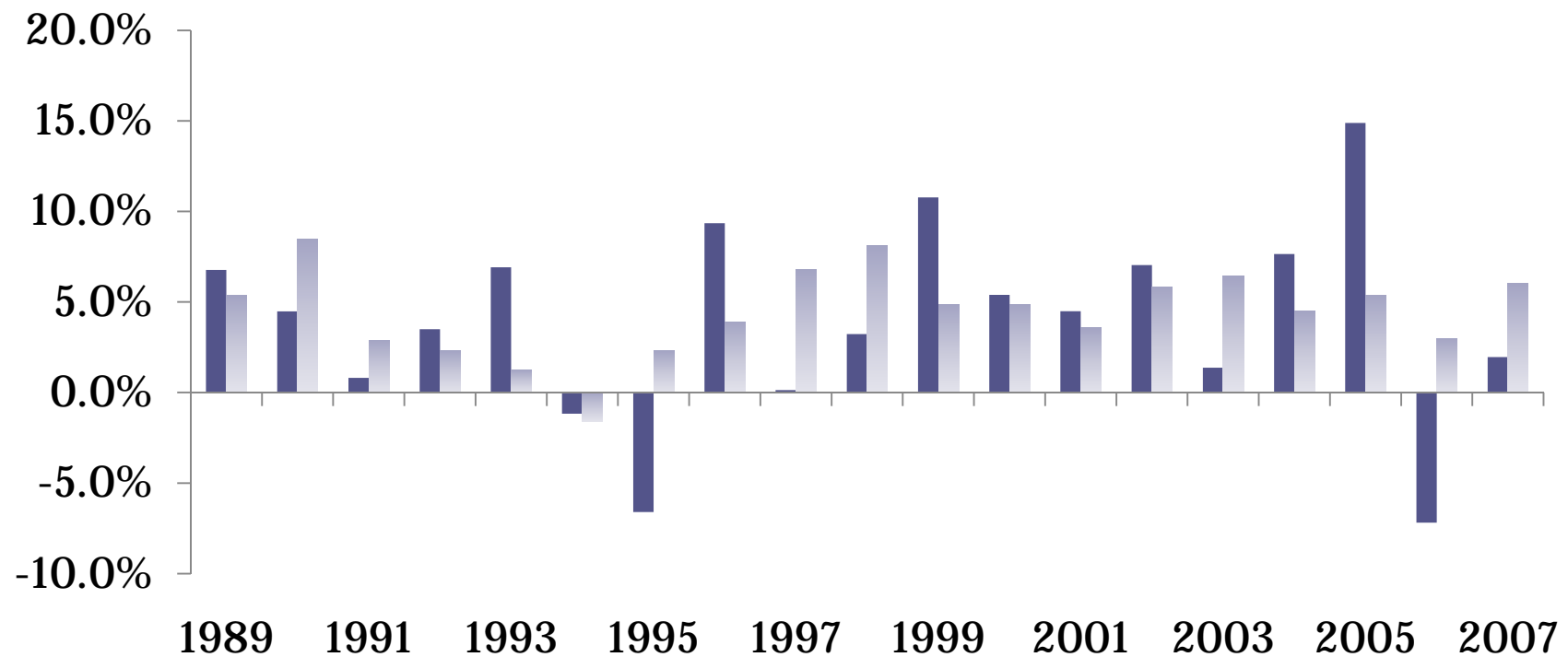
Out-of-pocket spending for health care consists of direct spending by consumers for all health care goods and services. Included in this estimate is the amount paid out-of-pocket for services not covered by insurance and the amount of coinsurance and deductibles required by private health insurance (including provider payments covered by Health Savings Accounts) and by public programs such as Medicare and Medicaid (and not paid by some other third party).

Out of Pocket Spending On Health, Consumer Expenditure Survey Data

- Annual data
- Integrated survey
- By age of head of households
- By income quintiles

Growth in Out of Pocket Spending, 1989-2007

■ Consumer Expenditure Survey
■ National Health Expenditure Accounts



Individually Purchased Health Insurance

Individually purchased premiums are any plan that is not purchased or paid “to or through” the employer. These may include group plans through trade associations, individual plans from an insurance broker, or Medicare supplemental plans.

Individually Purchased Health Insurance, Consumer Expenditure Data

- Annual data
- By age of head of household
- Special runs

CE Data Variables Used for Individually Purchased Health Insurance

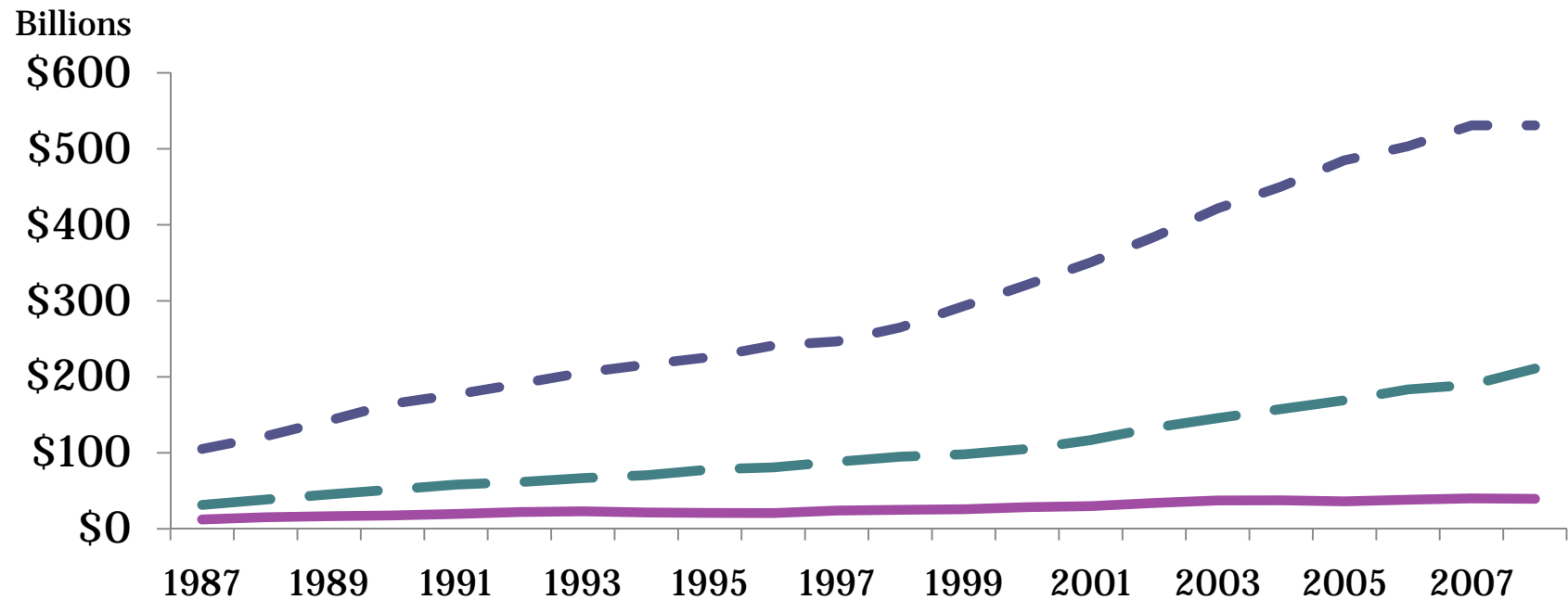
- First level items:
 - *Individually obtained*-The health insurance policy is obtained by the CU.
 - *Employer obtained*-The health insurance policy is obtained through an employer.
 - *Other group obtained*- The health insurance policy is obtained from some other source.

- Second level items:
 - *..._emp pays*-The total cost of the policy is paid for by the employer or a labor union.
 - *CU pays partial*-The cost of the policy is partially paid for by the CU.
 - *CU pays all*-The CU pays for the total cost of the policy.
 - *..._other pays*-The total cost of the policy is paid for by someone other than the CU or the employer.

- Third level items (only for the *CU pays partial* and *CU pays all* categories):
 - *..._CU part (all)_ded*-At least some of the CU's contribution to the policy is deducted from the CU's paycheck.
 - *..._CU part (all)_no ded*-None of the CU's contribution to the policy is deducted from the CU's paycheck.
 - *..._CU part (all)_?*-It is not known if any of the CU's contribution to the policy is deducted from the paycheck.

Health Insurance Premiums, 1987-2008

- Employer Premiums
- Employee Premiums
- Individually Purchased Premiums



SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group

Special Studies

- **Out of pocket spending on health as share of income**
 - Medicare Current Beneficiary Survey
 - CE
- **Variables**
 - Total OOP (excluding private health insurance premiums)
 - Income (before taxes)
 - Number of consumer units
 - Average number of persons in consumer unit >65
 - Total private health insurance premiums
 - Medicare premiums

Out-of-Pocket Spending Distribution and Share of Income, Medicare Beneficiary Survey and Consumer Expenditure Survey, 2005

Percent of Total OOP Spending on Health Care	MCBS	CE
Total OOP Spending	100 %	100%
Direct OOP spending	51.9%	45.0%
Total health care premiums	48.1%	55.0%
Private premiums	27.2%	29.7%
Medicare premiums	20.9%	25.3%
Total OOP as a share of income	11.1%	9.3%

Areas of Improvements

- **Timeliness**
- **Sample size**
- **Underreporting**
- **Reconciliation with other surveys**
- **Impact of the Affordable Care Act on:**
 - **Out of pocket health spending**
 - **Health insurance**
 - **Premium**
 - **Coverage**