

Table 1: Trends in Medical Spending and Income

Country	Spending (\$1990)			Spending/GDP		
	1960	1990	Growth	1960	1990	Growth
Canada	\$473	\$1,770	4.4%	5.5%	9.5%	1.8%
France	326	1,532	5.2	4.2	8.8	2.4
Germany	425	1,486	4.2	4.7	8.3	1.8
Italy	223	1,236	5.7	3.3	8.1	2.5
Japan	117	1,171	7.7	2.9	6.7	2.7
UK	349	972	3.4	3.9	6.2	1.5
US	621	2,566	4.7	5.2	12.2	2.8
G-7 Average	\$407	\$1,808	5.0%	4.5%	8.5%	2.1%
Ratio: US/G-7	1.53	1.42		1.16	1.44	
OECD Average *	\$376	\$1,680	5.0%	4.1%	8.0%	2.2%
Ratio: US/OECD	1.65	1.53		1.27	1.53	

\* The OECD average excludes Luxembourg, Portugal, and Turkey, for which data were not available in 1960.

Table 2: Sources of Health Insurance Coverage for the United States Population

Source	Groups Insured	Share of Total Population	Share of Total Spending
<i>Public</i>			
Medicare	Elderly; Disabled; End-Stage Renal Disease	12%	18%
Medicaid	Elderly; Blind and Disabled; Poor Women and Children	8	14
Champus/Champva	Dependents of Military Personnel	1	12**
<i>Private</i>			
Employer-sponsored	Workers and Dependents	56	54
Non-group	Families	7	
<i>Uninsured</i>	---	15	2

Source: Employee Benefit Research Institute (1994) and National Health Accounts.  
 \*\* Includes all other public spending on health services and supplies.

Table 3: Accounting for the Increase in Health Costs

Factor	Increase Due To	Share of Total
Total Increase	790%	---
Static Factors	399%	51%
Demographics	14%	2%
Income	37	5
Spread of Insurance	100	13
Relative Price Change	147	19
Administrative Expense	101	13
Factor Rents	0	0
Residual	391%	49%

Source: Author's calculations as described in the text.

Table 4: Growth in Spending for AMIs, 1984-91

Measure	Year		Annual Percent Change
	1984	1991	
Total Reimbursement (\$billion)	\$2.6	\$3.4	3.9%
Number of Patients	233,295	227,182	-0.4
Average Reimbursement per Patient	\$11,175	\$14,772	4.0%
Average Reimbursement Medical Management	\$9,829	\$10,783	1.3%
Catheterization	15,380	13,716	-1.6
Angioplasty	25,841	17,040	-5.9
Bypass Surgery	28,135	32,117	1.9
Treatments*			
Medical Management	88.7%	59.4%	-4.2
Catheterization	5.5	15.5	1.4
Angioplasty	0.9	12.0	1.6
Bypass Surgery	4.9	13.0	1.2
Share of Cost Increase:			
Prices	24%		
Quantities	106%		
Covariance	-31%		

Note: Costs for 1984 are in 1991 dollars, adjusted using the GDP deflator.

\* Growth is average percentage point change each year.

Table 5: Distribution of Benefit Cost

Percentile	Total	Firm Size				
		≤50	51-100	101-500	501-1000	>1000
Benefit Cost						
10	\$831	\$782	\$925	\$833	\$1,017	\$1,069
50	1,366	1,385	1,353	1,227	1,343	1,422
90	2,126	2,143	2,034	1,753	1,734	2,143
90/10	156%	174%	120%	111%	71%	100%

Note: Data are from Cutler (1994a).