

**Table 4**  
**National Health Expenditures by Type of Expenditure:**

Type of Expenditure	2016 Expenditures	% of Expenditures
<b>TOTAL (billions)</b>	<b>\$3,337.2</b>	<b>100%</b>
Hospital Care	1,082.5	32%
Physician and Clinical Services	664.9	20%
Other Professional Services	92.0	3%
Dental Services	124.4	4%
Other Health, Residential, and Personal Care <sup>3</sup>	173.5	5%
Home Health Care <sup>4</sup>	92.4	3%
Nursing Care Facilities and Continuing Care Retirement (	162.7	5%
Prescription Drugs	328.6	10%
Durable Medical Equipment	51.0	2%
Other Non-Durable Medical Products	62.2	2%
Government Administration <sup>6</sup>	43.8	1%
Net Cost of Health Insurance <sup>7</sup>	219.8	7%
Government Public Health Activities	82.2	2%
Research <sup>8</sup>	47.7	1%
Structures and Equipment	109.7	3%

<sup>1</sup> Includes Children's Health Insurance Program (Titles XIX and XXI), Department of Defense, and Department of Veterans Affairs.

<sup>2</sup> Includes worksite health care, other private revenues, Indian Health Service, workers' compensation, general assistance, maternal and child health, vocational rehabilitation, other federal programs, Substance Abuse and Mental Health Services Administration, other state and local programs, and school health.

<sup>3</sup> Includes expenditures for residential care facilities (NAICS 623210 and 623220), ambulance providers (NAICS 621910), medical care delivered in non-traditional settings (such as community centers, senior citizens centers, schools, and military field stations), and expenditures for Home and Community Waiver programs under Medicaid.

<sup>4</sup> Includes freestanding facilities only. Additional services of this type provided in hospital-based facilities are counted as hospital care.

<sup>5</sup> Includes care provided in nursing care facilities (NAICS 6231), continuing care retirement communities (623311), state and local government nursing facilities, and nursing facilities operated by the Department of Veterans Affairs (DVA).

<sup>6</sup> Includes administrative costs (federal and state and local employees' salaries, contracted employees including fiscal intermediaries, rent and building costs, computer systems and programs, other materials and supplies, and other miscellaneous expenses) associated with insuring individuals enrolled in the following health insurance programs: Medicare, Medicaid, Children's Health Insurance Program, Department of Defense, Department of Veterans Affairs, Indian Health Service, workers' compensation, maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, and other federal programs.

<sup>7</sup> Net cost of health insurance is calculated as the difference between CY incurred premiums earned and benefits paid for private health insurance. This includes administrative costs, and in some cases, additions to reserves, rate credits and dividends, premium taxes, and plan profits or losses. Also included in this category is the difference between premiums earned and benefits paid for the private health insurance companies that insure the enrollees of the following programs: Medicare, Medicaid, Children's Health Insurance Program, and workers' compensation (health portion only).

<sup>8</sup> Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures" but are included in the expenditure class in which the product falls.

Note: Numbers may not add to totals because of rounding. The figure 0.0 denotes amounts less than \$50 million. Dashes (--) indicate "not applicable". Dollar amounts shown are in current dollars. Percent changes are calculated from unrounded data.

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

## NATIONAL HEALTH EXPENDITURES PER PERSON Grouped for Potential New Benchmark Categories

Benchmark Categories -->		Category 1	Category 2	Category 3	Category 4	Category 5	Category NA
NHE Accounts	\$ Per Person	Health Care Services in Traditional Settings	Residential, Home, Nursing Facilities, etc	Dental Services	Public Health (no public works)	New Health Care Facilities and Equipment	Not Applicable LNF
		%    \$	%    \$	%    \$	%    \$	%    \$	%    \$
<b>NHE Total</b>	<b>10,348</b>	<b>7,749</b>	<b>1,329</b>	<b>393</b>	<b>255</b>	<b>340</b>	<b>284</b>

Hospital Care	3,357	100%	3,357	0%	-	0%	-	0%	-	0%	-	0%	-
Physician and Clinical Services	2,062	100%	2,062	0%	-	0%	-	0%	-	0%	-	0%	-
Other Professional Services	285	100%	285	0%	-	0%	-	0%	-	0%	-	0%	-
Dental Services	386	0%	-	0%	-	100%	386	0%	-	0%	-	0%	-
Other Health, Residential, and Personal Care <sup>3</sup>	538	0%	-	100%	538	0%	-	0%	-	0%	-	0%	-
Home Health Care <sup>4</sup>	287	0%	-	100%	287	0%	-	0%	-	0%	-	0%	-
Nursing Care Facilities and Continuing Care Retirement Communities <sup>4,5</sup>	505	0%	-	100%	505	0%	-	0%	-	0%	-	0%	-
Prescription Drugs	1,019	100%	1,019	0%	-	0%	-	0%	-	0%	-	0%	-
Durable Medical Equipment	158	100%	158	0%	-	0%	-	0%	-	0%	-	0%	-
Other Non-Durable Medical Products	193	100%	193	0%	-	0%	-	0%	-	0%	-	0%	-
Government Administration <sup>6</sup>	136	0%	-	0%	-	0%	-	0%	-	0%	-	100%	136
Net Cost of Health Insurance <sup>7</sup>	682	99%	675	0%	-	1%	7	0%	-	0%	-	0%	-
Government Public Health Activities	255	0%	-	0%	-	0%	-	100%	255	0%	-	0%	-
Research <sup>8</sup>	148	0%	-	0%	-	0%	-	0%	-	0%	-	100%	148
Structures and Equipment	340	0%	-	0%	-	0%	-	0%	-	100%	340	0%	-

We can calculate a benchmark for each category from NHE data. This approach preserves traditional LNF category (FEHP/BCBS) and adds "wrap-around" IHS programs and IHCIA authorized services. Per person expenditures based on a US population of 322.5 million persons.

Health Care Services in Traditional Settings	Includes health care services very much similar to FEHP BCBS benefits. Per person expenditures is very close to \$7,515 estimated for BCBS Benchmark.
Residential, Home, Nursing Facilities, etc	Includes health services mix in non-traditional settings (home, work, nursing facilities). Neither IHS nor insurance plans cover, but IHCIA authorizes most.
Dental Services	Account is separately identified for both NHE and IHS. A comparison is simple and direct.
Public Health (no public works)	Public health activities do not include public works such water and waste, e.g., sanitation facilities construction by IHS.
New Health Care Facilities and Equipment	Annual expenditures for NEW health care facilities and equipment. Once constructed, useful life of a facility is 30-40 years.
Not Applicable to IHS Programs	Research and Govt administration (CMS, VA, states, etc) is not applicable to IHS or insurance plans such as FEHP BCBS.

IHS/Tribal IHCIF Workgroup - Internal (DRAFT) Working Document  
**2017 IHS EXPENDITURES PER PERSON**  
**Grouped for Potential New Benchmark Categories**  
 Excluding Alternate Resources Collections

Benchmark Categories -->		Category 1	Category 2	Category 3	Category 4	Category 5	Category NA
Type of Expenditure	\$ Per Person	Health Care Services in Traditional Settings	Residential, Home, Nursing Facilities, etc	Dental Services	Public Health (no public works)	New Health Care Facilities and Equipment	Not Applicable to LNF
	\$	% \$	% \$	% \$	% \$	% \$	% \$
<b>TOTAL</b>	<b>3,024</b>	<b>2,411</b>	<b>105</b>	<b>117</b>	<b>176</b>	<b>89</b>	<b>127</b>
HOSPITALS & CLINICS	1,181	100%	1,181	0%	0%	0%	0%
DENTAL	111	0%	-	100%	111	0%	0%
MENTAL HEALTH	57	85%	48	15%	9	0%	0%
ALC & SUB ABUSE	133	50%	67	50%	67	0%	0%
PUBLIC HLTH NURSING	48	0%	-	0%	0%	100%	48
HEALTH EDUCATION	11	50%	6	50%	6	0%	0%
COMMUNITY HLTH REP	37	0%	-	0%	0%	100%	37
IMMUNIZATION	1	100%	1	0%	0%	0%	0%
URBAN PROJ	29	0%	-	0%	0%	0%	100%
IND HLTH PROFESSIONS	30	0%	-	0%	0%	0%	100%
TRIBAL MGMT	2	0%	-	0%	0%	0%	100%
DIRECT OPERATIONS	43	86%	37	5%	2	9%	4
CONTRACT SUP	438	86%	377	5%	22	9%	39
SELF GOVERNANCE	4	0%	-	0%	0%	0%	0%
PAT REF CARE	567	100%	567	0%	0%	0%	0%
FAC CONSTRUCTION	72	0%	-	0%	0%	0%	100%
FAC MAINT & IMPR	46	90%	41	0%	5%	5%	2
FACILITIES SUPPORT	83	90%	75	0%	5%	5%	4
OEH&E	10	25%	3	0%	0%	50%	5
ENVR HLTH	45	20%	9	0%	0%	80%	36
EQUIPMENT	14	0%	-	0%	0%	0%	100%
SANITATION WORKS	62	0%	-	0%	0%	0%	100%

We can calculate IHS expenditures in each category from IHS accounts. This approach preserves traditional LNF category (FEHP/BCBS) and adds "wrap-around" IHS programs and IHCIA authorized services. Per person expenditures based on a IHS user population of 1,638,000 + 48,000 Non-CHSDA user count.

Health Care Services in Traditional Settings	Includes IHS services very much similar to FEHP BCBS benefits. Per person expenditures is very close to \$7,515 estimated using insurance premiums data.
Residential, Home, Nursing Facilities, etc	IHS spends very little in this category (home, work, nursing facilities). IHCIA authorizes most if not all these. % fractions are rough estimates.
Dental Services	IHS dental expenditures are easy to compare to NEH dental account expenditures.
Public Health (no public works)	Includes tiny fractional indirect support from several IHS accounts. Excludes modest fractional indirect support for Category 1 and all sanitation projects.
New Health Care Facilities and Equipment	Annual expenditures for NEW health care facilities and equipment plus fractional indirect support.
Not Applicable to IHS Programs	Urban Projects, Indian Health Professions, Tribal Mngt Grants, Self-Gov Grants are not applicable to IHS or insurance plans and are therefore excluded.

**COMPARISON OF NHE & IHS PER PERSON EXPENDITURES  
Grouped for Potential New Benchmark Categories**

Benchmark Categories -->		Category 1	Category 2	Category 3	Category 4	Category 5	Category NA
Type of Expenditure	\$ Per Person	Health Care Services in Traditional Settings	Residential, Home, Nursing Facilities, etc	Dental Services	Public Health (no public works)	New Health Care Facilities and Equipment	Not Applicable to LNF
		\$ per person	\$ per person	\$ per person	\$ per person	\$ per person	\$ per person
NHE EXPENDITURES	10,348	\$ 7,749	\$ 1,329	\$ 393	\$ 255	\$ 340	\$ 284
ALTERNATE RESOURCES		25% \$ (1,937)	45% \$ (598)	10% \$ (39)	0% \$ -	0% \$ -	na
NET NHE BENCHMARK		\$ 5,811	\$ 731	\$ 353	\$ 255	\$ 340	na
IHS EXPENDITURES		\$ 2,411	\$ 105	\$ 117	\$ 176	\$ 89	\$ 127
IHS LNF ESTIMATE		41%	14%	33%	69%	26%	na
UNMET NEED (billions)	\$ 7.75	\$ 5.73	\$ 1.06	\$ 0.40	\$ 0.13	\$ 0.42	

Notes

Estimates of alternate resources strongly affect LNF results. These are alternate resource guesstimates.