

STATISTICAL BRIEF #197

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Medical Expenditures of the Non-Elderly by Age and Insurance Status, 2004

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Introduction

The Household Component of the Medical Expenditure Panel Survey (MEPS-HC) includes information on the demographic characteristics and insurance status of the civilian noninstitutionalized population as well as its medical expenditures. This Statistical Brief describes medical expenditures of the non-elderly (under age 65) by age group and insurance status in 2004. Only differences between estimates for selected groups that are statistically significant at the 0.05 level are discussed in the text.

Findings

Distribution and medical expenditures of the non-elderly by insurance status

Table 1 shows the distribution and total medical expenditures of non-elderly people in the U.S. civilian noninstitutionalized population by insurance status in 2004. Medical expenditures of the non-elderly are not uniformly distributed by insurance status. People with private health insurance for all or part of the year were responsible for 79 percent of all medical expenditures even though they represented 71.2 percent of the non-elderly population. In contrast, people who were uninsured for the entire year (i.e., full-year uninsured) accounted for 4.8 percent of all medical expenditures while representing 14.1 percent of the non-elderly population.

Proportion of non-elderly people with medical expenditures by age group, insurance status, and type of care

Table 2 shows the proportion of non-elderly people with medical expenditures by age group, insurance status, and type of care in 2004. The full-year uninsured were less likely than people with private or public only insurance to have medical expenditures regardless of age or type of care. These differences are most pronounced in the 18–44 age group where, for example, 48.1 percent of the full-year uninsured had some type of medical expenditure compared to 84 percent with private insurance and 83.7 percent with public only insurance.

Highlights

- Among non-elderly people of all ages, the 71.2 percent with private insurance during all or part of 2004 accounted for 79 percent of the medical expenditures, while the 14.1 percent without any private or public insurance during the year (i.e., the full-year uninsured) accounted for 4.8 percent of the medical expenditures.
- The proportion of full-year uninsured people with medical expenditures was consistently lower than that of people with private or public only insurance in 2004. Differences are most pronounced in the 18–44 age group where 48.1 percent of the full-year uninsured had some type of medical expenditure compared to 84 percent with private insurance and 83.7 percent with public only insurance.
- In the 45–64 age group, the proportion of people with public only insurance who had medical expenditures exceeded that of people with private insurance for hospital care (52.6 percent vs. 33.2 percent), office-based medical provider care (85 percent vs. 80.8 percent), and prescription drugs (85.2 percent vs. 77 percent).
- The average expenditure of people with public only insurance who had medical expenditures exceeded that of privately insured people for all types of care in the 18–44 age group (\$4,174 vs. \$2,668) and the 45–64 age group (\$8,491 vs. \$5,166). People with public only insurance had higher average expenditures for prescription drugs than privately insured people 18–44, (\$1,224 vs. \$561) and 45–64 (\$3,186 vs. \$1,317).

The proportion of people with public only insurance who had medical expenditures exceeded that of people with private insurance in some instances. Among 45–64 year olds, for example, the public only insurance group was more likely to have expenses for hospital care (52.6 percent vs. 33.2 percent), office-based medical provider care (85 percent vs. 80.8 percent), and prescription drugs (85.2 percent vs. 77 percent).

Average medical expenditure of non-elderly people with expenditures, by age group, insurance status, and type of expenditure

Table 3 shows the average expenditure of non-elderly people who had medical expenditures by age group, insurance status, and type of expenditure in 2004. The average expenditure of people who had medical expenditures varies considerably by age group and type of expenditure, but it is nearly always lower among the full-year uninsured than the privately insured. The one exception is hospital expenditures by 45–64 year olds, where the difference between the average expenditure by full-year uninsured and privately insured people who had hospital expenditures is not statistically significant. All other differences between the average expenditure for these two groups are statistically significant at the 0.05 level in table 3.

The average expenditure of publicly insured people exceeded that of privately insured people in several of the age and type of expenditure categories. The average expenditure for all types of care was \$4,174 vs. \$2,668 in the 18–44 age group and \$8,491 vs. \$5,166 in the 45–64 age group. In addition, the average expenditure for prescription drugs was \$1,224 vs. \$561 in the 18–44 age group and \$3,186 vs. \$1,317 in the 45–64 age group.

Data Source

This Statistical Brief uses data from the 2004 Full Year Consolidated Data File (HC-089). This file is available on the MEPS Web site at http://www.meps.ahrq.gov/mepsweb/data_stats/download_data_files.jsp.

Definitions

Population

The statistics are for people who lived in the community for all or part of the year and were under the age of 65.

Age

Age is that of the sample person as of December 31st of the reported year.

Insurance status

Insurance categories are hierarchical. Private insurance includes anyone who had any private insurance (including TRICARE) at any time during the year. Public insurance includes anyone who had any public insurance at any time during the year. Uninsured refers to people who did not have any private or public insurance at any time during the year.

Expenditures

The MEPS includes expenditures for eight types of medical events: hospital stays, emergency room visits, outpatient department visits, office-based medical provider visits, dental visits, home health care, other medical expenses, and prescription medicines. Expenditures for these events include all direct payments by individuals, private insurance (including TRICARE), Medicare, Medicaid, and other sources such as the Veterans Administration, Workers' Compensation, and miscellaneous public sources to providers of the services.

About MEPS-HC

MEPS-HC is a nationally representative longitudinal survey of the U.S. civilian noninstitutionalized population. It collects detailed information on healthcare use and expenditures by payment source, health insurance, health status, access, and quality. The survey is cosponsored by the Agency for Healthcare Research and Quality and the National Center for Health Statistics.

For more information about MEPS, call the MEPS information coordinator at AHRQ (301-427-1406) or visit the MEPS Web site at <http://www.meps.ahrq.gov>.

References

For a detailed description of the MEPS-HC survey and sample design, and methods used to minimize sources on nonsampling error, see the following publications:

Cohen J. *Design and Methods of the Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 1. AHCPR Pub. No. 97-0026. Rockville, MD: Agency for Healthcare Policy and Research, 1997. http://www.meps.ahrq.gov/mepsweb/data_files/publications/mr1/mr1.shtml

Cohen S. *Sample Design of the 1996 Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 2. AHCPR Pub. No. 97-0027. Rockville, MD: Agency for Healthcare Policy and Research, 1997. http://www.meps.ahrq.gov/mepsweb/data_files/publications/mr2/mr2.shtml

Cohen, S. Design Strategies and Innovations in the Medical Expenditure Panel Survey. *Medical Care*, July 2003; 41(7) Supplement: III-5–III-12.

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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please e-mail us at mepsdpd@ahrq.gov or send a letter to the address below:

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Table 1. Distribution and medical expenditures of the non-elderly by insurance status, 2004

Insurance status	Number of people (in millions)	Percentage of total non-elderly	Expenditures ¹ (\$billions)	Percentage of total expenditures
All non-elderly				
Private insurance	182.7	71.2	508.3	79.0
Public only	37.8	14.7	104.2	16.2
Full-year uninsured	36.0	14.1	31.1	4.8
Total	256.5	100.0	643.6	100.0

¹Expenditures are for all types of care.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2004.

Table 2. Proportion of non-elderly people with medical expenditures, by age group, insurance status and type of care, 2004

Age and insurance status	All medical care ¹	Hospital care ²	Office-based medical provider care ³	Prescription drugs ⁴
All non-elderly (0–64)				
Private insurance	87.9	25.3	73.7	62.9
Public only	84.4	31.8	70.6	59.3
Full-year uninsured	55.6	12.8	38.3	35.0
0–17 years old				
Private insurance	90.3	17.8	76.1	50.9
Public only	82.4	21.8	67.7	48.1
Full-year uninsured	63.3	11.5	48.0	30.6
18–44 years old				
Private insurance	84.0	24.2	67.2	60.0
Public only	83.7	40.1	68.8	66.8
Full-year uninsured	48.1	11.8	31.3	30.7
45–64 years old				
Private insurance	91.2	33.2	80.8	77.0
Public only	93.1	52.6	85.0	85.2
Full-year uninsured	68.6	16.3	49.5	48.3

¹Any type of care.

²Any inpatient, outpatient, or emergency room care.

³Any office-based medical provider care.

⁴Any prescription medicine purchase.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2004.

Table 3. Average medical expenditure of non-elderly people with expenditures, by age group, insurance status, and type of expenditure, 2004

Age and insurance status	All medical care expenditures ¹	Hospital expenditures ²	Office-based medical provider expenditures ³	Prescription drug expenditures ⁴
All non-elderly (0–64)				
Private insurance	3,165	4,558	944	790
Public only	3,261	3,753	751	1,261
Full-year uninsured	1,556	2,679	541	526
0–17 years old				
Private insurance	1,467	2,442	474	279
Public only	1,106	1,841	317	304
Full-year uninsured	849	1,382	324	123
18–44 years old				
Private insurance	2,668	3,878	842	561
Public only	4,174	4,515	933	1,224
Full-year uninsured	1,108	1,696	470	325
45–64 years old				
Private insurance	5,166	6,179	1,427	1,317
Public only	8,491	5,516	1,703	3,186
Full-year uninsured	2,695	4,932	774	984

¹Expenditures are for any type of care.

²Expenditures are for inpatient, outpatient, and emergency room care.

³Expenditures are for office-based medical provider care.

⁴Expenditures are for prescription medicine purchases.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2004.