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ABSTRACT

This report provides estimates of health care expenditures for poor, near poor, and low income people in the United States; i.e., people whose income is less than 200 percent of the Federal Poverty Line. It highlights the characteristics of poor or near poor and low income persons and their expenditures for health care. The estimates are from the 2002 Medical Expenditure Panel Survey (MEPS) and cover the U.S. civilian noninstitutionalized population. While providing an overview of total health care expenses for the population, the report focuses on estimates of expenses for hospital services, office-based medical provider services, and prescription medicines. Detailed comparisons are made by type of service, source of payment, and selected demographic characteristics of the population. All differences between estimates discussed in the text are statistically significant at the 0.05 level.

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Introduction

This report uses the 2002 Medical Expenditure Panel Survey (MEPS) to provide estimates of health care expenditures for the United States civilian noninstitutionalized population stratified by income level and selected demographic characteristics. The population is divided into three income groups according to the Federal Poverty Line (FPL): the poor or near poor (at or below 125 percent of FPL), the low income (125 percent to 200 percent of FPL), and the middle or high income (above 200 percent of FPL). The primary focus is on comparisons of hospital services, office-based medical provider services, and prescription medicines received by the poor or near poor and the low income.

Expenditures for these services, which are defined as direct payments for health services and care received during the year, include out-of-pocket payments by individuals and payments by private insurance, Medicare, Medicaid, and other sources. Hospital expenses include both facility charges and physician fees. Ambulatory care (outpatient, emergency room, or office-based services) includes expenses for physician and non-physician services. Payments for over-the-counter drugs are not included in the estimates. All mean and median expenses are estimated at the person level for persons with expenses. All differences between estimates discussed in the text are statistically significant at the 0.05 level.

Table 1 of the report shows the distribution of the U.S. civilian noninstitutionalized population by income group and selected demographic characteristics. Tables 2-4 contain estimates of health care use and expenditures by income group and type of service. These tables show that use and expenditures by the poor or near poor and low income groups are often substantially different from those for the middle or high income group. For that reason, tables 5-

7 highlight the characteristics of the combined population of poor, near poor, and low income persons and their health care expenditures.

Selected Population Characteristics

Table 1 shows the distribution of the population by income and selected demographic characteristics. Of the 288 million civilian noninstitutionalized people in 2002, over 88 million were poor or near poor (48 million) or low income (40 million). People characterized as poor, near poor, or low income constituted 30.6 percent of the total population. In comparison to the middle or high income group, the poor or near poor and low income groups had higher representations of children and elderly, females, racial and ethnic minorities, uninsured and public-only insured persons, and persons in poor or fair health.

Children under 6 represented 8.1 percent of the population, but the poor or near poor and the low income groups had higher proportions of children in this age group (12.5 percent and 9.6 percent). Children age 6 to 17 represented 17.2 percent of the population but had higher representation in the poor or near group (21.8 percent) and the low income group (19.5 percent). At the upper end of the age continuum, the elderly (age 65 and over) represented 12.6 percent of the population, but had higher representation in the low income group (18.5 percent).

Females representing 51.1 percent of the total population had higher representation in the poor or near poor (55.5 percent) and low income (53.9 percent) groups. Hispanics (of any race) represented 13.8 percent of the total population, but had higher representation in the poor or near (24.5 percent) and the low income (22.0 percent) groups. Blacks, single race, also had higher representation in the poor or near poor (22.2 percent) and the low income (15.2 percent) groups than they did in the total population (12.1 percent).

Nearly three quarters of the non-elderly population had private insurance (72.9 percent) for all or part of the year, with the rest split between uninsured all year (13.4 percent) or public-only insurance for all or part of the year (13.8 percent). Compared to all non-elderly persons, the poor or near poor and low income groups had high proportions of people with public-only insurance (49.8 percent and 22.7 percent) and uninsured people (24.2 percent and 24.9 percent).

Medicare beneficiaries in the 65 and over age group included 29.2 percent with Medicare only, 59.9 percent with supplemental private insurance, and 10.9 percent with other public insurance. Medicare only coverage was more common among people in the poor or near poor and low income groups (33.8 percent and 33.7 percent) than it was among people in the middle or high income group (26.5 percent). In addition, compared to the middle or high income group, the poor or near poor and low income groups had higher proportions of beneficiaries with other public insurance and lower proportions with supplemental private insurance.

Self-reported health status also varied by income group. Overall, 10.8 percent of the population reported being in poor or fair health, but the percentage was higher in the poor or near poor and low income groups (19.7 percent and 14.9 percent).

Total Health Care Expenses

Table 2 shows, by age and income group, health care expenditures for all types of health care, including hospital services, office-based services, home health care, dental services, prescription medicines, and medical supplies, and the distribution of payments by source. In 2002, 85.2 percent of the total population had health care expenses. This group spent $810.7 billion on health care, with a median expense of $960 and a mean expense of $3,302 per person

with an expense. Median expenses were substantially lower than mean expenses because a small proportion of the population had a large proportion of the total expenses.

The proportion of persons with an expense was larger in the middle or high income group (87.8 percent) than it was in the other two income groups (78.9 percent for the poor or near poor and 79.5 percent for the low income group). However, variation in the proportion of persons with an expense was confined to the income groups containing people under the age of 65. The proportion of persons age 65 and over with an expense was the same in each of the three income groups (approximately 96 percent).

Table 2 also shows the percent of expenses paid by source. In the aggregate, 19.1 percent of all health care expenses were paid out of pocket, 39.7 percent by private insurance, 22.0 percent by Medicare, 10.8 by Medicaid, and 8.3 percent by other sources. Within the 0-64 year-old age group, the poor or near poor and low income groups paid relatively less out of pocket (14.4 percent and 15.7 percent) compared to the middle or high income group (22.5 percent). Medicaid paid the largest share of expenses for poor or near poor persons (43.4 percent), while private insurance paid the largest share for middle or high income persons (62.7 percent).

Within the 65 and older age group, Medicare paid the largest share of expenses regardless of income (54.9 to 57.7 percent of total expenses), but other payment shares varied by income group and source. Low income people paid about the same share out of pocket (13.2 percent) as Medicaid paid for them (12.7 percent). Middle or high income people paid about the same share out of pocket (17.7 percent) as private insurance paid for them (19.0 percent).

Core Service Use by Type of Service and Income

Table 3 shows the proportion of people with expenses for hospital inpatient, outpatient, or emergency room services, office-based medical provider services, and prescription medicines. These services accounted for approximately 85 percent of all health expenditures in 2002, but the proportion of people with an expense varied by income group and type of care. The poor or near poor and low income groups had a higher proportion of people with hospital inpatient expenses (10.2 percent and 9.3 percent) than the middle or high income group (6.5 percent), and a higher proportion of the poor or near poor group (18.5 percent) and the low income group (15.8 percent) had emergency room expenses compared to the middle or high income group (11.7 percent).

However, the proportion of the poor or near poor group (65.7 percent) and the low income group (66.9 percent) with office-based doctor expenses was less than that of the middle or high income group (74.9 percent). Similarly, the proportion with prescription medicine expenses was lower in the poor or near poor group (59.0 percent) and the low income group (60.2 percent) than it was in the middle or high income group (66.5 percent). The poor or near poor group also was less likely than the middle or high income group to have expenses for hospital outpatient services (14.4 percent versus 17.3 percent).

Core Service Expenses by Type of Service and Income

Table 4 shows, by income group, expenses for inpatient hospital services, ambulatory care services, and prescribed medicines. Median and mean expenses for persons with outpatient and emergency room expenses varied by income group. For outpatient services, the low income group had a lower mean expense per person with an expense ($1,345) than the poor or near poor ($1,647) and the middle or high income ($1,697) groups, while the middle or high income group

had higher median expense per person with an expense ($639) than the poor or near poor ($467) and the low income ($451) groups. For emergency room services, the mean expense per person with an expense was higher for the middle or high income group ($787) than for the poor or near poor ($582) and the low income ($686) groups. The median expense per person with an expense was also substantially higher for the middle or high income group ($426) than that for the poor or near poor ($278) and the low income ($340) groups.

Expenses for people with office-based provider services and prescription medicines also varied across the income groups. The median expense per person with an expense for office-based health care was higher for the middle or high income group ($308) than for the other two income groups ($275 for the poor or near poor group and $287 for the low income group). For persons with prescription medicine expenses, the middle or high income group had lower mean expense ($755) than both the poor or near poor ($980) and the low income ($928) groups.

A Closer Look at the Poor, Near Poor and Low Income

Tables 2 to 4 provide estimates of health care use and expenses by income group. The estimates for the poor or near poor and low income groups are often substantially different from those for the middle or high income group. Although insurance coverage can vary substantially between the poor or near poor and the low income groups, the remainder of this report focuses on health expenditures for the combined population of poor, near poor, and low income people stratified by selected demographic characteristics.

Hospital Inpatient Expenses

Nearly 10 percent of the poor, near poor and low income people had hospital inpatient expenses in 2002 (Table 5). The total inpatient expense for this group was $104.1 billion, and the median and mean were $5,616 and $12,066 for persons with expenses. Among adults, a higher proportion of elderly people age 65 and over (22.3 percent) had inpatient expenses than did 45-64 year-olds (12.8 percent) or 18-44 year-olds (8.9 percent). Median inpatient expenses per person with an expense were higher for the elderly ($7,848) and 45-64 year-olds ($6,369) than for 18-44 year-olds ($4,359). Mean expenses per person with an expense also were higher for the elderly ($14,797) and 45-64 year-olds ($15,361) than for 18-44 year-olds ($7,935).

A higher proportion of females (11.7 percent) had inpatient expenses than males (7.5 percent). However, among people with expenses, median and mean expenses were higher for males ($6,873 and $14,599) than for females ($5,226 and $10,731).

Hispanics (of any race) were less likely to have inpatient expenses than non-Hispanics (6.2 percent versus 10.9 percent). Median and mean expenses per person with an expense were lower for Hispanics ($4,172 and $9,014) than for non-Hispanics ($5,912 and $12,593). Whites, single race, were more likely than Blacks, single race, to have inpatient expenses (11.9 percent versus 9.7 percent). Whites, single race, also had higher mean expenses per person with an expense than Blacks, single race ($13,429 versus $10,604).

Among people under age 65, the public-only insurance group (primarily Medicaid) was most likely to have inpatient expenses (10.5 percent), followed by the privately insured (7.1 percent) and the uninsured (3.3 percent). The median expense per person with expenses was lower for the uninsured ($2,789) than for the privately insured ($5,164) and the publicly insured

($4,426), but the mean expense per person with expenses was the same for all three insurance categories.

People in excellent health were least likely to have inpatient expenses (3.7 percent), while those in poor health were most likely (35.0 percent). Median and mean expenses per person with an expense also were higher for those in poor health than for those in excellent or very good health.

Ambulatory Care Expenses

Over 70 percent of the poor, near poor, and low income people had ambulatory care expenses, totaling more than $81 billion with a median expense of $387 and a mean expense of $1,311 for persons with expenses (Table 6). Among adults age 18 and over, 91.2 percent of the elderly had ambulatory care expenses, followed by 77.0 percent of the 45-64 year-olds and 60.9 percent of the 18-44 year-olds. Among children, the 0-5 year-olds were more likely to have ambulatory care expenses (79.2 percent) than the 6-17 year-olds (61.0 percent).

The mean expense per person with an expense was highest for the elderly ($2,170), followed by 45-64 year-old adults ($1,947) and 18-44 year-old adults ($1,179). Children had the lowest mean expense ($526 to $529).

Females were more likely to have ambulatory care expenses (77.0 percent) than males (61.9 percent). The median expense per person with an expense also was higher for females ($427) than for males ($324).

Hispanics (of any race) were less likely to have ambulatory care expenses than non-Hispanics (58.5 percent versus 73.7 percent). Median and mean expenses per person with an expense also were lower for Hispanics ($238 and $969) than they were for non-Hispanics ($437

and $1,394). Among non-Hispanics, Whites, single race, had the highest proportion of people with expenses (78.0 percent) and Asians, single race, had the lowest proportion (56.4 percent). Whites, single race, and Other Races had higher median expenses per person with an expense ($515 and $401) compared to Blacks, single race, and Asians, single race ($296 and $261).

For people under 65, the uninsured were less likely to have ambulatory care expenses (43.0 percent) than the publicly insured (75.1 percent) and the privately insured (72.6 percent). In addition, uninsured people with expenses had lower median and mean expenses compared to both publicly and privately insured people.

People in poor health were mostly like to have ambulatory care expense (94.1 percent), while those in excellent health were least likely (61.6 percent). Median and mean expenses per person with an expense also were highest for those in poor health ($1,309 and $3,172) and lowest for those in excellent health ($221 and $591).

Prescription Medicine Expenses

Prescription medicine expenses for poor, near poor, and low income people were more than $50 billion in 2002, with a a median expense of $265 and a mean expense of $956 per person with an expense (Table 7). The elderly were most likely to have prescription medicine expenses (89.5 percent), while 6-17 year-old children were least likely (43.0 percent). The median expense for the elderly ($1,131) was higher than that for 45-64 year-olds ($752), and the mean expense for persons with expenses was highest for 45-64 year-olds ($1,584) and the elderly ($1,697).

Females were more likely than males to have prescription medicine expenses (67.0 percent versus 50.5 percent). In addition, the median expense per person with an expense was higher for females ($316) than for males ($203).

Hispanics (of any race) were less likely than non-Hispanics to have prescription medicine expenses (42.5 percent versus 63.9 percent). The median and mean expenses per person with an expense were higher for non-Hispanics ($332 and $1,037) than for Hispanics ($96 and $583). Whites, single race, were most likely to have prescription medicine expenses (70.0 percent), while Hispanics and Asians, single race, were least likely (45.2 percent and 40.6 percent). Median and mean expenses per person with an expense were highest for Whites, single race ($390 and $1,104) and lowest for Asians, single race ($94 and $428).

The proportion of people under the age of 65 with prescription medicine expenses was higher for the privately insured (60.8 percent) and the publicly insured (58.6 percent) than for the uninsured (36.4 percent). The mean expense per person with an expense was higher among those with public insurance ($963) than for the privately insured ($583) or the uninsured ($525). Elderly Medicare beneficiaries with other public insurance also had high mean and median expenses per person with an expense compared to other elderly Medicare beneficiaries.

Prescription drug expenditures tracked inpatient and ambulatory care expenditures by health status. Those in poor health were mostly like to have a prescription expense (91.6 percent) and those in excellent health were least likely (44.1 percent). Median and mean prescription medicine expenditures also were notably higher for people in poor health ($1,958 and $2,661) than they were for people in excellent health ($81 and $313).

Summary

In 2002, nearly 31 percent of the U.S. civilian noninstitutionalized population was poor, near poor, or low income. This group included 44 million people with an income below 125 percent of Federal poverty threshold (the poor and near poor) and another 40 million people with an income at 125 to 200 percent of Federal poverty threshold (the low income). Compared to the middle or high income population, the poor or near poor and low income groups had larger proportions of children, women, Hispanics (of any race) and Blacks (single race), uninsured people, and people in fair or poor health.

Poor or near poor and low income people were more likely to have hospital inpatient and emergency room expenses than middle or high income people. They were less likely to have hospital outpatient and office-based doctor expenses and prescription medicine expenses. In addition, expenditures per person with an expense tended to vary by income. Comparisons of total health care expenditures among people under age 65, for example, showed that the poor or near poor had a lower median expense per person with an expense and a higher mean expense per person with an expense than those in the middle or high income group.

Health care expenditures also varied within the combined population of poor, near poor, and low income people. Non-Hispanics (as a group) always had higher mean and median expenses per person with an expense than Hispanics had for hospital and ambulatory care services and prescription medicines. In the non-Hispanic group, Whites, single race, had higher mean inpatient expenses per person with an expense than Blacks, single race. In addition, differences in median and mean expenses per person with an expense were observed within the poor, near poor, and low income population when it was stratified by characteristics such as gender, health insurance status, or health status.

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Table 1. Distribution of the civilian community population by selected demographic characteristics and income: United States, 2002

Population characteristics	All incomes	Percent of population by income[a]		
		Poor or near poor	Low income	Middle or high income
Total population (in thousands)	288,182	48,086	40,170	199,926
	Population as a Percentage of Column Total			
Age				
5 and under	8.1	12.5	9.6	6.7
6 to 17	17.2	21.8	19.5	15.6
18 to 44	38.6	36.8	37.1	39.3
45 to 64	23.6	15.8	15.3	27.1
65 and over	12.6	13.1	18.5	11.3
Gender				
Male	48.9	44.5	46.1	50.5
Female	51.1	55.5	53.9	49.5
Race/ethnicity				
Hispanic or Latino (any race)	13.8	24.5	22.0	9.5
Non-Hispanic or Latino	86.2	75.5	78.0	90.5
White, single race	67.8	47.4	56.1	75.1
Black, single race	12.1	22.2	15.2	9.1
Asian, single race	4.0	2.5	3.8	4.4
Other single/multiple races	2.3	3.3	3.1	1.9
Health insurance status[b]				
Under 65				
Any private	72.9	26.0	52.4	87.7
Public only	13.8	49.8	22.7	3.7
Uninsured	13.4	24.2	24.9	8.7
65 and over				
Medicare only	29.2	33.8	33.7	26.5
Medicare and private	59.9	39.6	52.0	68.2
Medicare and other public	10.9	26.6	14.3	5.3
Health Status[c]				
Excellent	30.9	24.2	24.7	33.8
Very Good	33.1	25.8	30.6	35.3
Good	25.2	30.3	29.8	23.1
Fair	7.8	13.7	10.8	5.8
Poor	3.0	6.0	4.1	2.0

[a] Poor or near poor—person in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.
[b] Uninsured refers to persons uninsured for the entire year. Public and private health insurance categories refer to individuals with public or private insurance at any time during the period; individuals with both public and private insurance and those with TRICARE (Armed Forces-related coverage) are classified as having private insurance. Counts may not add up to the total population because data on this variable were not available for some sampled persons.
[c] Counts may not add up to the total population because data on this variable were not available for some sampled persons.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Table 2. Total health care expenditures[a] and median and mean expenditures per person with expense by age, income and source of payment: United States, 2002

Age and income[b]	Persons (in thous)	Percent with an expense	Total expenses (in millions)	Distribution of expenses for persons with an expense[c]		Percent distribution of expenses by source				
				Median	Mean	Out of Pocket	Private insurance[d]	Medicare	Medicaid	Other[e]
All ages	288,182	85.2	810,724	960	3,302	19.1	39.7	22.0	10.8	8.3
Poor or near poor	48,086	78.9	144,314	804	3,802	14.0	13.7	29.4	32.3	10.7
Low income	40,170	79.5	123,397	845	3,863	16.7	27.0	30.5	13.6	12.2
Middle or high income	199,926	87.8	543,013	1,004	3,092	21.1	49.6	18.2	4.5	6.8
0 to 64										
Poor or near poor	41,771	76.4	91,857	565	2,879	14.4	17.0	13.2	43.4	12.1
Low income	32,743	75.9	66,905	530	2,691	15.7	40.6	8.6	20.8	14.3
Middle or high income	177,412	86.7	379,696	838	2,469	22.5	62.7	2.4	5.2	7.2
65 and over										
Poor or near poor	6,315	95.8	52,456	3,824	8,666	13.2	8.0	57.7	12.7	8.2
Low income	7,427	95.4	56,493	3,697	7,973	17.9	10.8	56.5	5.1	9.7
Middle or high income	22,514	96.8	163,317	3,389	7,498	17.7	19.0	54.9	2.7	5.8

[a] Total includes expenditures for hospital services, office-based provider services, home health care, dental services, prescription medicines, and medical supplies.
[b] Poor or Near poor—person in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.
[c] All expense distribution, including means and medians, are based on persons with an expense.
[d] Private insurance includes TRICARE (Armed Forces-related coverage).
[e] Other includes payments from the Department of Veterans Affairs (except TRICARE); other Federal sources (Indian Health Service, military treatment facilities, and other care provided by the Federal Government); various state and local sources (community and neighborhood clinics, state and local health departments, and State programs other than Medicaid); Worker's Compensation; various unclassified sources (e.g., automobile, homeowner's, or other liability insurance, and other miscellaneous or unknown sources); Medicaid payments reported for persons who were not reported as enrolled in the Medicaid program at any time during the year; and private insurance payments reported for persons without any reported private health insurance coverage during the year.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Table 3. Distribution of people with health care expenditures for core services[a] by type of service and income: United States, 2002

Type of service	All incomes	Income groups[b]		
		Poor or near poor	Low income	Middle or high income
Total population (in thousands)	288,182	48,086	40,170	199,926
	People with expenses as a percentage of column total			
Inpatient hospital stays[c]	7.5	10.2	9.3	6.5
Ambulatory care[d]	70.8	69.9	70.5	76.9
Outpatient visits	16.7	14.4	16.1	17.3
Emergency room visits[e]	13.4	18.5	15.8	11.7
Office-based doctor visits[f]	72.2	65.7	66.9	74.9
Prescription medicines	64.4	59.0	60.2	66.5

[a] Core services include hospital services, office-based provider services, and prescription medicines.
[b] Poor or near poor—person in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.
[c] Inpatient stays include hospitalizations with and without an overnight stay.
[d] Ambulatory care visits include visits to physician or nonphysician providers in hospital outpatient departments or emergency rooms or doctor's offices.
[e] Does not include emergency room visits leading to a hospital inpatient stay.
[f] Office–based doctor visits includes visits to physician or nonphysician providers.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Table 4. Core service[a] expenditures and median and mean expenses per person with expenditures by type of service and income: United States, 2002

Type of service	All incomes			Distribution of total, median, and mean expenses[b] by income[c]								
				Poor or near poor			Low income			Middle or high income		
	Total (mil)	Median	Mean	Total (mil)	Median	Mean	Total (mil)	Median	Mean	Total (mil)	Median	Mean
Inpatient hospital stays[d]	256,059	5,734	11,855	54,594	5,299	11,118	49,495	5,907	13,317	151,970	5,852	11,715
Ambulatory care[e]	286,799	411	1,330	44,902	373	1,336	36,288	404	1,281	205,609	422	1,337
Outpatient visits	78,915	581	1,642	11,434	467	1,647	8,684	451	1,345	58,798	639	1,697
Emergency room visits[f]	27,879	377	723	5,166	278	582	4,347	340	686	18,367	426	787
Office-based provider visits[g]	180,004	299	865	28,302	275	896	23,258	287	865	128,444	308	858
Prescription medicines	150,616	271	812	27,784	256	980	22,452	281	928	100,381	273	755

[a] The core services include hospital services, office-based provider services, and prescription medicines.
[b] Mean and median expenses are for persons with expenses.
[c] Poor or near poor—persons in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.
[d] Hospital inpatient, outpatient, and emergency room expenses include facility charges and separately billing doctor fees.
[e] Ambulatory care expenses include expenses for outpatient, emergency room, or office-based doctor services.
[f] Emergency room expenses exclude expenses associated with visits leading to a hospital inpatient stay.
[g] Office-based provider expenses include expenses for visits to physician and nonphysician providers.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Table 5. Hospital inpatient expenditures[a] for poor, near poor, and low-income populations[b] by selected demographic characteristics: United States, 2002

Population Characteristics	Persons (in thousands)	Percent with an expense	Expenses for persons with an expense		
			Total (in millions)	Median	Mean
Total	88,256	9.8	104,089	5,616	12,066
Age					
5 and under	9,892	4.9	—	—	—
6 to17	18,299	2.2	—	—	—
18 to 44	32,612	8.9	23,095	4,359	7,935
45 to 64	13,712	12.8	26,910	6,369	15,361
65 and over	13,742	22.3	45,425	7,848	14,797
Gender					
Male	39,882	7.5	43,439	6,873	14,599
Female	48,374	11.7	60,650	5,226	10,731
Race/ethnicity					
Hispanic or Latino (of any race)	20,602	6.2	11,466	4,172	9,014
Non-Hispanic or Latino	67,654	10.9	92,623	5,912	12,593
White, single race	45,327	11.9	72,263	5,978	13,429
Black, single race	16,768	9.7	17,328	5,797	10,604
Asian, single race	2,729	3.9	—	—	—
Other races/multiple races	2,830	8.2	—	—	—
Health Insurance Status[c]					
Under 65					
any private	28,044	7.1	25,795	5,164	12,902
public only	28,203	10.5	27,663	4,426	9,359
uninsured	18,267	*3.3	5,206	2,789	8,648
65 and over					
Medicare only	4,603	23.9	17,230	8,436	15,681
Medicare and private	6,319	21.0	18,557	6,950	13,989
Medicare and other public	2,724	23.4	9,599	8,681	15,042
Health Status[c]					
Excellent	21,463	3.7	4,881	4,112	6,110
Very Good	24,643	6.0	10,609	4,446	7,205
Good	26,468	9.8	36,268	5,462	14,041
Fair	10,921	19.0	25,934	6,307	12,513
Poor	4,515	35.0	22,906	7,336	14,485

[a] Expenses for Inpatient services include room and board and all hospital diagnostic and laboratory expenses associated with the basic facility charge and payments for separately billed physician inpatient services. Median and mean expenses are for persons with expenses.

[b] Poor or near poor—person in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.

[c] Counts may not add up to the total population because data on this variable were not available for some sampled persons.

— Less than 100 sample cases.

* Relative standard error equal to or greater than 30 percent.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Table 6. Ambulatory care expenditures[a] for poor, near poor, and low-income populations[b] by selected demographic characteristics: United States, 2002

Population characteristics	Person (in thousands)	Percent with an expense	Expense for persons with an expense		
			Total (in millions)	Median	Mean
Total	88,256	70.2	81,190	387	1,311
Age					
5 and under	9,892	79.2	4,116	237	526
6 to17	18,299	61.0	5,902	159	529
18 to 44	32,612	60.9	23,404	333	1,179
45 to 64	13,712	77.0	20,566	646	1,947
65 and over	13,742	91.2	27,203	968	2,170
Gender					
Male	39,882	61.9	29,674	324	1,203
Female	48,374	77.0	51,516	427	1,383
Race/ethnicity					
Hispanic or Latino (of any race)	20,602	58.5	11,679	238	969
Non-Hispanic or Latino	67,654	73.7	69,511	437	1,394
White, single race	45,327	78.0	50,888	515	1,440
Black, single race	16,768	65.6	14,627	296	1,329
Asian, single race	2,729	56.4	1,782	261	1,158
Other races/multiple races	2,830	70.4	2,214	401	1,111
Health Insurance Status[c]					
Under 65					
any private	28,044	72.6	21,982	326	1,079
public only	28,203	75.1	26,928	324	1,271
uninsured	18,267	43.0	5,078	199	647
65 and over					
Medicare only	4,603	91.1	8,470	973	2,021
Medicare and private	6,319	92.3	13,612	1,041	2,334
Medicare and other public	2,724	90.7	5,102	930	2,065
Health Status[c]					
Excellent	21,463	61.6	7,813	221	591
Very Good	24,643	65.3	16,559	306	1,030
Good	26,468	71.3	24,803	388	1,315
Fair	10,921	86.0	18,461	798	1,966
Poor	4,515	94.1	13,470	1,309	3,172

[a] Ambulatory care expenses are for visits to physician or nonphysician providers seen in office-based settings or clinics, hospital outpatient departments, hospital emergency rooms and clinics owned and operated by hospitals. The hospital expenses include facility charges and separately billing doctor charges. Median and mean expenses are for persons with expenses.

[b] Poor or near poor—person in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.

[c] Counts may not add up to the total population because data on this variable were not available for some sampled persons.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Table 7. Prescription medicines expenditures[a] for poor, near poor, and low-income populations[b] by selected demographic characteristics: United States, 2002

Population Characteristics	Person (in thousands)	Percent with an expense	Expense for persons with an expense		
			Total (in millions)	Median	Mean
Total	88,256	59.5	50,236	265	956
Age					
5 and under	9,892	52.1	711	41	138
6 to17	18,299	43.0	2,322	64	295
18 to 44	32,612	52.4	10,281	150	602
45 to 64	13,712	73.9	16,042	752	1,584
65 and over	13,742	89.5	20,880	1,131	1,697
Gender					
Male	39,882	50.5	19,048	203	946
Female	48,374	67.0	31,188	316	962
Race/ethnicity					
Hispanic or Latino (of any race)	20,602	45.2	5,431	96	583
Non-Hispanic or Latino	67,654	63.9	44,805	332	1,037
White, single race	45,327	70.0	35,016	390	1,104
Black, single race	16,768	51.8	7,753	204	893
Asian, single race	2,729	40.6	474	94	428
Other races/multiple races	2,830	60.6	1,562	218	911
Health Insurance Status[c]					
Under 65					
any private	28,044	60.8	9,939	158	583
public only	28,203	58.6	15,932	148	963
uninsured	18,267	36.4	3,485	129	525
65 and over					
Medicare only	4,603	89.7	6,137	1,028	1,487
Medicare and private	6,319	91.0	9,181	1,114	1,598
Medicare and other public	2,724	87.6	5,537	1,560	2,320
Health Status[c]					
Excellent	21,463	44.1	2,966	81	313
Very Good	24,643	53.7	7,149	141	540
Good	26,468	62.7	14,006	294	844
Fair	10,921	82.7	15,078	892	1,669
Poor	4,515	91.6	11,001	1,958	2,661

[a] Expenses for all prescribed medicines initially purchased or otherwise obtained during the year, as well as any refills, are included. Median and mean expenses are for persons with expenses

[b] Poor or near poor—person in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.

[c] Counts may not add up to the total population because data on this variable were not available for some sampled persons.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Technical Appendix

The data source for this report is the Medical Expenditure Panel Survey (MEPS), an ongoing annual survey of the civilian noninstitutionalized population that collects detailed information on health care use and expenditures (including sources of payment), health insurance, health status, access, and quality. MEPS also collects detailed demographic and economic information on the people in the households surveyed. Expenditure data in MEPS are obtained from both the household interview and the Medical Provider Component, which collects data from a sample of respondents' hospitals, physicians, home health care providers, and pharmacies. (See the section "MEPS Expenditures Methodology" in this appendix for more details.)

More information about MEPS can be found at http://www.meps.ahrq.gov. Detailed descriptions of the survey and its methodology have been previously published (Cohen JW, 1997; Cohen SB, 2000; Cohen SB, 2003).

Definitions

Expenditures. Expenditures in this report refer to what is actually paid for health care services. More specifically, in MEPS, expenditures are defined as the sum of direct payments for care received, including out-of-pocket payments for care received and payments made by private insurance, Medicare, Medicaid, and other sources. Payments for over-the-counter drugs and alternative care services are not included in MEPS total expenditures. Indirect payments not related to specific medical events, such as Medicaid Disproportionate Share and Medicare Direct Medical Education subsidies, are also not included.

This definition of expenditures differs somewhat from that used in predecessor surveys, the 1987 National Medical Expenditure Survey and the 1977 National Medical Care Expenditure Survey, in which charges rather than payments were used to measure medical expenditures. Users who wish to compare the expenditure data presented in this report with data from the 1987 survey should consult Zuvekas and Cohen (2002).

Types of services. The expenditures for total health services (Table 2) represent all types of services defined in MEPS, including hospital, office-based, home health, dental services, prescription medicines, and medical supplies. The expenditures for the core services presented in this report represent a subset of the services, including the following:

• *Hospital inpatient services*. This category includes room and board and all hospital diagnostic and laboratory expenses associated with the basic facility charge, payments for separately billed physician inpatient services, and emergency room expenses incurred immediately prior to inpatient stays. Expenses for reported hospital stays with the same admission and discharge dates are also included. Expenses for newborns who left the hospital on the same day as the mother are included in the mother's record.

• *Hospital outpatient services*. This category includes expenses for visits to both physicians and other medical providers seen in hospital outpatient departments, including payments for services covered under the basic facility charge and those for separately billed physician services.

• *Emergency room services.* This category includes expenses for visits to medical providers seen in emergency rooms (except visits resulting in a hospital admission). These expenses include payments for services covered under the basic facility charge and those for separately billed physician services.

• *Office-based medical provider services.* This category includes expenses for visits to medical providers seen in office-based settings or clinics.

• *Prescription medicines*. This category includes expenses for all prescribed medications initially purchased or otherwise obtained during 2000, as well as any refills.

Sources of payment. Estimates of sources of payment presented in this report represent the percentage of the total sum of expenditures paid for by each source. Sources of payment are classified as follows:

• *Out of pocket by user or family.*

• *Private insurance*-Includes payments made by insurance plans covering hospital and medical care (excluding payments from Medicare, Medicaid, and other public sources). Payments from Medigap plans or TRICARE (Armed-Forces-related coverage) are also included. Payments from plans that provide coverage for a single service only, such as dental or vision coverage, are not included.

• *Medicare*-A federally financed health insurance plan for the elderly, persons receiving Social Security disability payments, and most persons with end-stage renal disease. Medicare Part A, which provides hospital insurance, is automatically given to those who are eligible for Social Security. Medicare Part B provides supplementary medical insurance that pays for medical expenses and can be purchased for a monthly premium.

• *Medicaid*-A means-tested government program jointly financed by Federal and State funds that provides health care to those who are eligible. Program eligibility criteria vary significantly by State, but the program is designed to provide health coverage to families and individuals who are unable to afford necessary medical care.

• *Other*-Includes payments from the Department of Veterans Affairs (except TRICARE); other Federal sources (Indian Health Service, military treatment facilities, and other care provided by the Federal Government); various State and local sources (community and neighborhood clinics, State and local health departments, and State programs other than Medicaid); Workers' Compensation; various unclassified sources (e.g., automobile, homeowner's, or other liability insurance, and other miscellaneous or unknown sources); Medicaid payments reported for persons who were not reported as enrolled in the Medicaid program at any time during the year; and private insurance payments reported for persons without any reported private health insurance coverage during the year.

Age. The respondent was asked to report the age of each family member as of the date of each interview. In this report, age is based on the sampled person's age as of December 31st of the reported year. If data were not collected at the end of the year because the sampled person was out of scope (e.g., deceased or institutionalized), then age at the time of the last inscope interview(s) was used.

Race/ethnicity. New standards for racial and ethnic classifications were used by the U.S. Census Bureau in the 2000 decennial census. All other Federal programs adopted the new standards by 2003. These changes conform to the revisions of the standards for the classification of Federal data on race and ethnicity promulgated by the Office of Management and Budget (OMB) in October 1997. For 1996 through 2002, racial and ethnic classifications were Hispanic, white non-Hispanic, black non-Hispanic, and other non-Hispanic. As of 2003, the racial and ethnic classifications are Hispanic or Latino, white non-Hispanic or Latino single race, black non-Hispanic or Latino single race, and other single race/multiple race non-Hispanic or Latino.

Health insurance status. Individuals under age 65 were classified into the following three insurance categories based on household responses to health insurance status questions administered during Rounds 1-3 of the MEPS Household Component.

• *Any private health insurance*-Individuals who, at any time during the year, had insurance that provides coverage for hospital and physician care (other than Medicare, Medicaid, or other public hospital/physician coverage) are classified as having private insurance. Coverage by TRICARE (Armed-Forces-related coverage) is also included as private health insurance.

Insurance that provides coverage for a single service only, such as dental or vision coverage, is not included.

• *Public coverage only*-Individuals are considered to have public coverage only if they met both of the following criteria:

- They were not covered by private insurance at any time during the year.

- They were covered by one of the following public programs at any point during the year: Medicare, Medicaid, or other public hospital/physician coverage.

• *Uninsured*-The uninsured are defined as people not covered by Medicare, TRICARE, Medicaid, other public hospital/physician programs, or private hospital/physician insurance at any time during the entire year or period of eligibility for the survey. Individuals covered only by noncomprehensive State-specific programs (e.g., Maryland Kidney Disease Program, Colorado Child Health Plan) or private single-service plans (e.g., coverage for dental or vision care only, coverage for accidents or specific diseases) are not considered to be insured.

Individuals age 65 and over were classified into the following three insurance categories:

- *Medicare only.*
- *Medicare and private.*
- *Medicare and other public.*

Income. Each year persons were classified according to their family's income. In this report, income is expressed in terms of poverty status, the ratio of the family's income to the Federal poverty thresholds, which control for the size of the family and the age of the head of the family. In this report, the following classification was used.

• *Poor or Near Poor*-Persons in families with income less than 125 percent of the poverty line, including those whose losses exceeded their earnings, resulting in negative income.

• *Low income*-Persons in families with income from 125 percent to less than 200 percent of the poverty line.

• Middle or *High income*-Persons in families with income at or over 200 percent of the poverty line.

In MEPS, personal income from each household member was summed to create family income. Potential income sources asked about in the survey interview include annual earnings from wages, salaries, bonuses, tips, and commissions; business and farm gains and losses; unemployment and Workers' Compensation payments; interests and dividends; alimony, child support, and other private cash transfers; private pensions; individual retirement account (IRA) withdrawals; Social Security and Department of Veterans Affairs payments; Supplemental Security Income and cash welfare payments from public assistance; TANF (Temporary Assistance for Needy Families, formerly known as Aid to Families with Dependent Children or AFDC); gains or losses from estates, trusts, partnerships, C corporations, rent, and royalties; and a small amount of other income.

Perceived health status. In every round of MEPS, the respondent was asked to rate the health of every member of the family. The exact wording of the question is as follows: "In general, compared to other people of (PERSON)'s age, would you say that (PERSON)'s health is excellent, very good, good, fair, or poor?" In the tables, this variable usually reflects responses to the last interview for the calendar year (Round 3 or Round 5). However, if no response was obtained from that interview, then reported health status was based on the most recent of the prior two interviews. A small proportion of persons had no valid response for health status on any of the three interviews.

Sample Design

Each year, the MEPS Household Component (HC) sample is drawn from those households that completed the prior year's National Health Interview Survey (NHIS). For example, households selected for participation in MEPS Panel 7 (beginning in 2002) completed interviews in the 2001 NHIS, the sample for MEPS Panel 6 (beginning in 2001) was drawn from the 2000 NHIS, and so on. Because NHIS is used as a sampling frame, the MEPS design is not only nationally representative of the civilian noninstitutionalized population, but also includes an oversampling of Hispanics and blacks. NHIS is conducted by the National Center for Health Statistics (NCHS), Centers for Disease Control and Prevention.

MEPS collects data via an overlapping panel design. Each household completes five interviews ("rounds" of data collection) over a period of 21/2 years, providing data for two full calendar years. Data from Rounds 1, 2, and 3 provide information for the first year of estimation, and data from Rounds 3, 4, and 5 provide data for the second year of estimates. The estimates in

this report for calendar year 2002 were based on data collected from Rounds 3, 4, and 5 of MEPS Panel 6 and Rounds 1, 2, and 3 of MEPS Panel 7. (Note that the reference period for Round 3 of a MEPS panel overlaps two calendar years.) In MEPS, a single respondent provides most of the information on the health care experience of the entire family via computer-assisted personal interviewing (CAPI).

The MEPS response rate reflects response to both MEPS and NHIS. The overall response rate for MEPS Panel 6 in 2001, including the NHIS response rate, was 64.0 percent. The overall response rate for Panel 7 in 2002, including the NHIS response rate, was 65.6 percent. The response rate for 2002 MEPS annual estimates after combining both panels was 64.7 percent.

Accuracy of Estimates

The estimates of total expenditures in each table are based on 37,418 sampled persons. They were weighted to develop population estimates for a total of 288,181,763 persons who were in the U.S. civilian noninstitutionalized population for part or all of 2002. All expenditures for persons who were in the target population for the full year, from January 1 through December 31, 2002, were included in the estimates. People with part-year information include newborns; people who died during the year; and people who resided in an institution, were in the military, or lived outside the country for part of the year. Expenditures for deceased persons were measured for the period from January 1 through the date of death, while those for newborns were measured from the date of birth through December 31. Expenses incurred during periods of full-time active-duty military service, institutionalization, or residency outside the country were not included.

Tests of statistical significance were used to determine whether the differences between populations exist at specified levels of confidence or whether they occurred by chance. Differences were tested using Z-scores having asymptotic normal properties at the 0.05 level of significance. Only statistically significant differences between estimates are discussed in the text. However, it should be noted that each individual significance test was conducted at the 0.05 level, which does not control the error rate for all significance tests conducted simultaneously at the 0.05 level.

The statistics presented in this report are affected by both sampling error and sources of nonsampling error, which include nonresponse bias, respondent reporting errors (response errors), interviewer effects, and data processing misspecifications. The nonsampling errors, such as response errors, are difficult to measure, but every effort is made to minimize such errors at each step of the MEPS operation. The sampling error, however, can be measured by the variance of the estimator. A Taylor-series approach in SUDAAN is used to produce appropriate standard errors for weighted estimates from MEPS with its complex survey design. Standard errors for the MEPS estimates in this report are shown in Tables A-G. The MEPS person-level estimation weights include nonresponse adjustments and poststratification adjustments to population estimates derived from the Current Population Survey based on cross-classifications by region, MSA status, age, race/ethnicity, and sex. For a detailed description of the MEPS survey design, sample design, estimation strategies, and methods used to minimize sources of nonsampling error, see JW Cohen (1997), SB Cohen (1997), and SB Cohen (2003).

Estimates presented in the tables are rounded as follows:

- Percentages are rounded to the nearest 0.1 percentage point.
- Mean and median expenditures are rounded to the nearest dollar.
- Total expenditures are rounded to the nearest million dollar unit.

Some of the estimates for population totals of subgroups presented in the tables will not add exactly to the overall estimated population total as a consequence of rounding.

MEPS Expenditures Methodology

Expenditure estimates in this report are based on the sum of total payments for medical events in 2002 reported in the MEPS HC. The HC collected annual data on the use of and associated expenditures for office- and hospital-based care, emergency room services, home health care, dental services, prescription medicines, and vision aids and other medical equipment and services. In addition, the MEPS Medical Provider Component (MPC) collected expenditure data from a sample of medical and pharmaceutical providers that provided care and medicines to sample people in 2002. Expenditure data collected in the MPC are generally regarded as more accurate than comparable data collected in the HC and were used to improve the overall quality of MEPS expenditure data in this report. For a more detailed description of the MPC, see Machlin and Taylor (2000).

Expenditure data were imputed to replace missing data, provide estimates for care delivered under capitated reimbursement arrangements, and adjust household-reported insurance payments because respondents were often unaware that their insurer paid a discounted amount to the provider. This section contains a general description of the approaches used for these three situations. A more detailed description of the editing and imputation procedures is provided in

the documentation for the MEPS event-level files, which are available through the AHRQ Web site at http://www.meps.ahrq.gov/. For more information on the approach used to impute missing expenditure data on prescription medicines, see Moeller, Stagnitti, Horan, et al. (2001).

Missing data on expenditures were imputed using a weighted sequential hot-deck procedure for most medical visits and services. In general, this procedure imputes data from events with complete information to events with missing information but similar characteristics. For each event type, selected predictor variables with known values (e.g., total charge; demographic characteristics; region; provider type; and characteristics of the event of care, such as whether it involved surgery) were used to form groups of donor events with known data on expenditures, as well as identical groups of recipient events with missing data. Within such groups, data were assigned from donors to recipients, taking into account the weights associated with the complex MEPS survey design. Only MPC data were used as donors for hospital-based events, while data from both the HC and MPC were used as donors for office-based physician visits.

Because payments for medical care provided under capitated reimbursement arrangements and through public clinics and Department of Veterans Affairs (VA) hospitals are not tied to particular medical events, expenditures for events covered under those types of arrangements and settings were also imputed. Events covered under capitated arrangements were imputed from events covered under managed care arrangements that were paid based on a discounted fee-for-service method, while imputations for visits to public clinics and VA hospitals were based on similar events that were paid on a fee-for-service basis. As for other events, selected predictor variables were used to form groups of donor and recipient events for the imputations.

An adjustment also was applied to some HC-reported expenditure data because an evaluation of matched HC/MPC data showed that respondents who reported that charges and payments were equal were often unaware that insurance payments for the care had been based on a discounted charge. To compensate for this systematic reporting error, a weighted sequential hot-deck imputation procedure was implemented to determine an adjustment factor for HC-reported insurance payments when charges and payments were reported to be equal. As for the other imputations, selected predictor variables were used to form groups of donor and recipient events for the imputation process.

In some situations, it was reported that one charge covered multiple contacts between a sampled person and a medical provider (e.g., obstetrical services, orthodontia). In these situations, total payments for the fee (sometimes called a flat or global fee) were included if the initial service was provided in 2002. For example, all payments for an orthodontist's fee that covered multiple visits over 3 years were included if the initial visit occurred in 2002. However, if a 2002 visit to an orthodontist was part of a flat fee for which the initial visit occurred in 2001, then none of the payments for the flat fee were included. Most of the expenditures for medical care reported by MEPS participants were associated with medical events that were not part of a flat-fee arrangement.

Sample respondents sometimes reported medical events for which no payments actually were made. This situation could occur for several reasons, including when free care or a free sample of medicine was provided, bad debt was incurred, no charge was made for a followup visit (e.g., after a surgical procedure), or care was covered under a flat-fee arrangement beginning in an earlier year. These types of events were treated as valid $0 payments when developing the estimates contained in this report.

Because of methodological differences, caution should be used when comparing the estimates in this report with data from other sources. National health care expenditures from MEPS, for example, are lower than the expenditures for personal health care typically cited from the National Health Accounts (NHA) of the Centers for Medicare & Medicaid Services. The primary reasons for the differences are that the NHA include a wider variety of expenses and also include expenses for people who are not part of the community population. A comparison of MEPS and NHA estimates for comparable expenditures and population has been previously published (Selden, Levit, Cohen, et al., 2001).

Table A. Standard errors for distribution of the civilian community population by selected demographic characteristics and income: United States, 2002

Corresponds to Table 1

Population characteristics	All income	Percent of population by income[a] Poor or near poor	Low income	Middle or high income
		Standard error		
Total population (in millions)	5,848	1,594	1,369	4,545
Age				
5 and under	0.19	0.50	0.50	0.22
6 to 17	0.26	0.66	0.67	0.30
18 to 44	0.33	0.66	0.79	0.40
45 to 64	0.33	0.60	0.60	0.42
65 and over	0.36	0.69	1.03	0.38
Sex				
Male	0.26	0.66	0.78	0.28
Female	0.26	0.66	0.78	0.28
Race/ethnicity				
Hispanic or Latino (of any race)	0.65	1.37	1.34	0.50
Non-Hispanic or Latino	0.65	1.37	1.34	0.50
White, single race	0.85	1.63	1.49	0.72
Black, single race	0.55	1.25	1.06	0.46
Asian, single race	0.30	0.48	0.71	0.35
Other single/multiple races	0.23	0.53	0.43	0.19
Health insurance status[b]				
Under 65				
Any private	0.65	0.85	1.40	0.44
Public only	0.49	1.11	1.01	0.22
Uninsured	0.37	0.87	1.10	0.35
65 and over				
Medicare only	1.10	2.19	2.12	1.37
Medicare and private	1.22	2.37	2.39	1.44
Medicare and other public	0.67	2.19	1.57	0.49
Health status[c]				
Excellent	0.50	0.86	0.95	0.60
Very Good	0.41	0.87	1.11	0.49
Good	0.39	0.84	0.93	0.41
Fair	0.19	0.50	0.54	0.20
Poor	0.13	0.35	0.38	0.11

[a] Poor or near poor—person in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.
[b] Uninsured refers to persons uninsured for the entire year. Public and private health insurance categories refer to individuals with public or private insurance at any time during the period; individuals with both public and private insurance and those with TRICARE (Armed Forces-related coverage) are classified as having private insurance. Counts may not add up to the total population because data on this variable were not available for some sampled persons.
[c] Counts may not add up to the total population because data on this variable were not available for some sampled persons.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Table B. Standard errors for total health care expenditures[a] and median and mean expenditures per person with expense by age, income and source of payment: United States, 2002
Corresponds to Table 2

Income[b] and Age	Percent with an expense	Total expenses	Distribution of expenses for persons with an expense[c]		Percent distribution of expenses by source				
			Median	Mean	Out of Pocket	Private insurance[d]	Medicare	Medicaid	Other[e]
	Standard error								
All ages	0.32	21,307	20	67	0.43	0.90	0.85	0.70	0.43
Poor or Near Poor	0.70	8,149	47	195	0.78	1.86	1.89	1.95	0.91
Low Income	0.74	7,951	55	224	1.00	2.78	2.67	1.58	1.60
Middle or High Income	0.31	15,460	22	65	0.50	1.01	1.00	0.77	0.41
0 to 64									
Poor or Near Poor	0.78	5,666	30	161	1.04	3.00	2.32	2.38	1.24
Low Income	0.89	5,888	22	213	1.13	3.89	1.80	2.47	2.15
Middle or High Income	0.33	11,428	17	52	0.59	1.04	0.40	1.08	0.49
65 and over									
Poor or Near Poor	0.75	4,521	241	596	1.00	0.95	2.46	1.82	1.42
Low Income	0.84	5,299	191	614	1.59	2.24	3.42	1.07	2.46
Middle or High Income	0.40	8,652	95	282	0.94	1.08	1.61	0.54	0.65

[a] Total includes expenditures for hospital services, office-based provider services, home health care, dental services, prescription medicines, and medical supplies.
[b] Poor or Near poor—person in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.
[c] All expense distribution, including means and medians, are based on persons with an expense.
[d] Private insurance includes TRICARE (Armed Forces-related coverage).
[e] Other includes payments from the Department of Veterans Affairs (except TRICARE); other Federal sources (Indian Health Service, military treatment facilities, and other care provided by the Federal Government); various state and local sources (community and neighborhood clinics, state and local health departments, and State programs other than Medicaid); Worker's Compensation; various unclassified sources (e.g., automobile, homeowner's, or other liability insurance, and other miscellaneous or unknown sources); Medicaid payments reported for persons who were not reported as enrolled in the Medicaid program at any time during the year; and private insurance payments reported for persons without any reported private health insurance coverage during the year.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Table C. Standard errors for distribution of people with health care expenditures for core services[a] by type of service and income: United States, 2002
Corresponds to Table 3

Type of service	All incomes	Income groups[b]		
		Poor or near poor	Low income	Middle or high income
	Standard error			
Total population (in millions)	5,848	1,594	1,369	4,545
Inpatient hospital stays[c]	0.18	0.43	0.52	0.19
Ambulatory care[d]	0.39	0.86	0.90	0.43
Outpatient visits	0.37	0.62	0.78	0.41
Emergency Room visits[e]	0.25	0.67	0.68	0.25
Office-based doctor visits[f]	0.41	0.88	0.92	0.44
Prescription medicines	0.43	0.91	0.93	0.46

[a] Core services include hospital services, office-based provider services, and prescription medicines.
[b] Poor or near poor—person in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.
[c] Inpatient stays include hospitalizations with and without an overnight stay.
[d] Ambulatory care visits include visits to physician or nonphysician providers in hospital outpatient departments or emergency rooms or doctor's offices.
[e] Does not include emergency room visits leading to a hospital inpatient stay.
[f] Office–based doctor visits includes visits to physician or nonphysician providers.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Table D. Standard errors for core service[a] expenditures and median and mean expenditures per person with expense by type of service and income: United States, 2002

Corresponds to Table 4

Type of service	Distribution of total, median, and mean expenses by income[c]						
	All income		Poor or near poor		Low income		Middle or high
	Median	Mean	Median	Mean	Median	Mean	Median
	Standard error						
Inpatient hospital stays[d]	155	451	266	1044	448	1381	209
Ambulatory care[e]	7	23	16	59	20	58	8
Emergency Room visits[f]	8	22	11	39	25	50	11
Office-based provider visits[g]	5	15	9	39	13	42	5
Prescription medicines	7	16	18	40	21	44	8

[a] The core services include hospital services, office-based provider services, and prescription medicines.
[b] Mean and median expenses are for persons with expenses.
[c] Poor or near poor—persons in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.
[d] Hospital inpatient, outpatient, and emergency room expenses include facility charges and separately billing doctor fees.
[e] Ambulatory care expenses include expenses for outpatient, emergency room, or office-based doctor services.
[f] Emergency room expenses exclude expenses associated with visits leading to a hospital inpatient stay.
[g] Office-based provider expenses include expenses for visits to physician and nonphysician providers.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Table E. Standard errors for hospital inpatient expenditures[a] for poor, near poor, and low-income populations[b] by selected demographic characteristics: United States, 2002

Corresponds to Table 5

Population characteristics	Percent with an expense	Expense for persons with an expense		
		Total	Median	Mean
	Standard error	(in millions)		
Total	0.37	8,793	231	842
Age				
5 and under	0.65	—	—	—
6 to17	0.32	—	—	—
18 to 44	0.47	2,646	259	789
45 to 64	0.95	4,539	750	2,310
65 and over	1.15	5,362	574	1,299
Gender				
Male	0.45	5,951	702	1,678
Female	0.51	5,891	183	870
Race/ethnicity				
Hispanic or Latino (of any race)	0.45	1,905	297	1,161
Non-Hispanic or Latino	0.45	8,492	319	945
White, single race	0.58	8,011	375	1,194
Black, single race	0.73	2,234	551	1,224
Asian, single race	1.24	—	—	—
Other races/multiple races	1.38	—	—	—
Health Insurance Status[c]				
Under 65				
any private	0.53	5,121	344	2,293
public only	0.61	3,021	337	852
uninsured	*0.49	1,576	573	2,354
65 and over				
Medicare only	2.10	3,250	1,332	2,141
Medicare and private	1.80	3,427	819	1,892
Medicare and other public	2.22	1,592	1,015	2,119
Health Status[c]				
Excellent	0.44	907	409	782
Very Good	0.49	1,346	405	747
Good	0.60	6,179	461	2,038
Fair	1.17	3,322	560	1,431
Poor	2.52	3,037	943	1,404

[a] Expenses for Inpatient services include room and board and all hospital diagnostic and laboratory expenses associated with the basic facility charge and payments for separately billed physician inpatient services. Median and mean expenses are for persons with expenses.

[b] Poor or near poor—person in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.

[c] Counts may not add up to the total population because data on this variable were not available for some sampled persons.

— Less than 100 sample cases.

* Relative standard error equal to or greater than 30 percent.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Table F. Standard errors for ambulatory care expenditures[a] for poor, near poor, and low-income populations[b] by selected demographic characteristics: United States, 2002

Corresponds to Table 6

Population characteristics	Percent with use	Total expenses in millions	Expenses for persons with an expense	
			Median	Mean
	Standard error			
Total	0.69	3,293	13	44
Age				
5 and under	1.39	306	11	33
6 to17	1.33	592	8	49
18 to 44	0.91	1,498	16	65
45 to 64	1.09	1,448	45	121
65 and over	0.84	1,971	58	114
Gender				
Male	0.86	1,873	14	66
Female	0.66	2,191	16	49
Race/ethnicity				
Hispanic or Latino (of any race)	1.23	1,180	11	71
Non-Hispanic or Latino	0.73	3,160	17	53
White, single race	0.79	2,484	23	54
Black, single race	1.54	1,654	22	133
Asian, single race	4.04	517	45	303
Other races/multiple races	3.75	416	53	110
Health Insurance Status[c]				
Under 65				
any private	1.02	1,406	16	58
public only	1.03	1,837	14	74
uninsured	1.28	476	12	53
65 and over				
Medicare only	1.27	1,091	84	208
Medicare and private	1.33	1,338	108	171
Medicare and other public	1.76	696	81	208
Health Status[c]				
Excellent	1.33	562	10	34
Very Good	1.03	1,250	16	66
Good	1.10	1,837	26	89
Fair	1.18	1,390	46	124
Poor	0.91	1,364	106	286

[a] Expenses for ambulatory services include visits to physician or nonphysician providers seen in office-based settings or clinics, hospital outpatient departments, hospital emergency rooms (including visits resulting in an overnight hospital stay), and clinics owned and operated by hospitals.

[b] Poor or near poor—person in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.

[c] Counts may not add up to the total population because data on this variable were not available for some sampled persons.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.

Table G. Standard errors for prescription medicines expenditures[a] for poor, near poor, and low-income populations[b] by selected demographic characteristics: United States, 2002

Corresponds to Table 7

Population Characteristics	Percent with use	Total expenses in millions	Expenses for persons with an expense	
			Median	Mean
	Standard Error			
Total	0.70	2,183	15	33
Age				
5 and under	1.72	96	4	16
6 to17	1.26	368	5	44
18 to 44	0.97	761	9	37
45 to 64	1.12	1,011	49	77
65 and over	0.91	1,349	61	69
Gender				
Male	0.92	1,216	16	51
Female	0.75	1,393	18	35
Race/ethnicity				
Hispanic or Latino (of any race)	1.23	556	6	46
Non-Hispanic or Latino	0.77	2,117	19	38
White, single race	0.82	1,887	24	44
Black, single race	1.53	713	23	62
Asian, single race	3.81	107	28	80
Other races/multiple races	3.52	301	64	99
Health Insurance Status[c]				
Under 65				
any private	1.07	716	10	37
public only	1.14	1,089	12	57
uninsured	1.29	369	14	47
65 and over				
Medicare only	1.27	560	89	92
Medicare and private	1.26	742	85	71
Medicare and other public	2.15	698	151	217
Health Status[c]				
Excellent	1.19	263	6	26
Very Good	1.15	440	10	27
Good	1.05	847	22	42
Fair	1.17	1,058	62	88
Poor	1.45	921	97	139

[a] Expenses for all prescribed medicines initially purchased or otherwise obtained during the year, as well as any refills, are included. Free samples are included in the estimate of percentage of persons with any expense.

[b] Poor or near poor—person in families with income less than 125 percent of the poverty line; low income—persons in families with income from 125 percent to less than 200 percent of the poverty line; middle or high income—persons in families with income at or over 200 percent of the poverty line.

[c] Counts may not add up to the total population because data on this variable were not available for some sampled persons.

Note: Restricted to civilian noninstitutionalized population. Percents may not add to 100 because of rounding.

Source: Center for Financing, Access, and Cost Trends (CFACT), Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey, 2002.