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TRENDS
IN
HEALTH CARE EXPENDITURES
MAINE 1974-1978

August, 1980
Maine Department of Human Services
Bureau of Health Planning and Development

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TRENDS IN HEALTH CARE EXPENDITURES

MAINE

1974-1978

by

Bruce Armstrong, Research Consultant

Maine Department of Human Services
Bureau of Health Planning and Development
Division of Data and Research

August, 1981



PREFACE

Trends in Health Care Expenditures, Maine 1974-1978^{1/}, continues the series of funds flow reports with which we hope to be able to provide insight into trends in health care spending in Maine. U.S. data are provided so that expenditures and sources of funds may be examined and points of difference noted.

Data for 1974-1977 have been revised^{2/} in this report and may not agree with data published in previous reports^{3/}. The revised data supersede all previously published figures.

This report was prepared by Bruce Armstrong, Research Consultant, under the general supervision of Ellen Naor, Director, Division of Data and Research. Sue Whitley and Barbara Webster typed the report and helped prepare the charts contained within it.

^{1/} All data in this publication have been adjusted to calendar years.

^{2/} The revisions were based on figures considered to be more reliable than the data previously gathered. The original methodology was applied to the new data for 1974-1978.
(For complete methodology see Health Care Expenditures, Maine 1974-1975, Appendix A.)

^{3/} Health Care Expenditures, Maine 1974-1975. September, 1979.
Health Care Expenditures, Maine 1976-1977. October, 1980.
Health Care Expenditures, Maine 1974-1979. November, 1980.



HIGHLIGHTS

- . In 1978 the total Maine personal health expenditures were \$778 million. This compares to a total of \$460 million in 1974.
- . Per capita personal health expenditures in 1978 were \$712.70, an increase of 62.3 percent over 1974 levels.
- . Per capita health expenditures as a percent of per capita personal income was 11.3 percent, up from 9.2 percent in 1974.
- . Hospitals were the largest expenditure item; 41.9 percent of all health expenditures in 1978, an increase of 2.2% over 1974 (39.7%).
- . Of total public dollars spent on health care, 51.8 percent of the funds went for hospital expenditures in 1978. In 1974, hospitals accounted for 54.5% of total public dollars.
- . Public sources financed 19.6 percent of all nursing home expenditures in 1978.
- . Consumer out-of-pocket payments accounted for 30.6 percent of all sources of funds in 1978, 5.1% less than in 1974 (36.0%).
- . From 1974 to 1978 health expenditures in Maine increased by 62.3 percent while income increased by only 40.9 percent.

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YEARLY EXPENDITURES

Tables 1-5 describe the flow of funds through the health care system three ways. First, by displaying total dollars, we can see how much money was spent for each type of expenditure by each source of funds. For example, in Table 1 Private Insurance provided \$40,039 for physician expenditures in 1978. Continuing on to the second part of Table 1, Percent of Expenditure Financed by Specified Source of Funds, it can be seen that the \$40,039 expenditure represents 30.0% of total physician expenditures. Finally in the third section of Table 1, Percent of Funding Source by Type of Expenditure, we see that the \$40,039 also represents 20.8% of all private insurance payments during 1978.

Table 1 describes outlays for the health care delivery system in 1978. Tables 2-5 cover the years 1977-1974.

Table 1
HEALTH EXPENDITURES BY TYPE OF EXPENDITURE AND SOURCE OF FUNDS
Maine, 1978
\$(000's)

Type of Expenditure	Total	Source of Funds						
		Public			Private			
		Total Public	Federal	State and Local	Total Private	Federal Insurance	Private Insurance	Consumer and Other
	777,911	325,089	252,198	72,891	452,822	22,763	192,021	238,038
Hospitals	326,318	168,547	143,551	24,996	157,771	9,637	117,038	31,096
Physicians	131,542	26,328	21,969	4,359	105,214	11,474	40,039	53,701
Dentists	35,256	2,328	1,616	712	32,928	-	3,651	29,277
Other Professionals	15,953	2,581	2,349	232	13,372	375	2	12,995
Drugs and Sundries	64,551	7,442	5,156	2,286	57,109	68	2,077	54,964
Eyeglasses & App.	15,612	664	487	177	14,948	-	-	14,948
Nursing Home Care	97,154	63,576	42,905	20,671	33,578	29	8	33,541
Prepayment/Admin.	37,127	9,933	6,722	3,211	27,194	246	26,948	-
GPHA*	17,405	17,405	11,252	6,153	-	-	-	-
Other Health Services	36,993	26,285	16,191	10,094	10,708	934	2,258	7,516

Percent of Expenditure Financed by Specified Source of Funds

	100	41.8	32.4	9.4	58.2	2.9	24.7	30.6
Hospitals	100	51.7	44.0	7.7	48.3	3.0	35.9	9.5
Physicians	100	20.0	16.7	3.3	80.0	8.7	30.4	40.8
Dentists	100	6.6	4.6	2.0	93.4	-	10.4	83.0
Other Professionals	100	16.2	14.7	1.5	83.8	2.4	-	81.5
Drugs and Sundries	100	11.5	8.0	3.5	88.5	0.1	3.2	85.2
Eyeglasses and App.	100	4.3	3.1	1.1	95.8	-	-	95.8
Nursing Home Care	100	65.4	44.2	21.3	34.6	-	0.1	34.5
Prepayment/Admin.	100	26.8	18.1	8.7	73.3	0.7	72.6	-
GPHA*	100	100.0	64.7	35.3	-	-	-	-
Other Health Services	100	71.0	43.8	27.2	29.0	2.5	6.1	20.3

Percent of Funding Source by Type of Expenditure

	100	100	100	100	100	100	100	100
Hospitals	41.9	51.8	56.9	34.3	34.8	42.3	61.0	13.1
Physicians	16.9	8.1	8.7	6.0	23.2	50.4	20.9	22.6
Dentists	4.5	0.7	0.6	1.0	7.3	-	1.9	12.3
Other Professionals	2.1	0.8	0.9	0.3	3.0	1.6	-	5.5
Drugs and Sundries	8.3	2.3	2.0	3.1	12.6	0.3	1.1	23.1
Eyeglasses and App.	2.0	0.2	0.2	0.2	3.3	-	-	6.3
Nursing Home Care	12.5	19.6	17.0	28.4	7.4	0.1	-	14.1
Prepayment/Admin.	4.8	3.1	2.7	4.4	6.0	1.1	14.0	-
GPHA*	2.2	5.4	4.5	8.4	-	-	-	-
Other Health Services	4.8	8.1	6.4	13.8	2.4	4.1	1.2	3.2

*Government Public Health Activities

Table 2
HEALTH EXPENDITURES BY TYPE OF EXPENDITURE AND SOURCE OF FUNDS
Maine, 1977
\$(000's)

Type of Expenditure	Total	Source of Funds						
		Public			Private			
		Total Public	Federal	State and Local	Total Private	Federal Insurance	Private Insurance	Consumer and Other
	681,139	291,794	229,355	62,439	389,345	21,065	174,008	194,277
Hospitals	287,615	153,804	132,257	21,547	133,811	8,991	100,282	24,538
Physicians	120,442	23,959	20,208	3,751	96,483	10,799	36,170	49,514
Dentists	32,489	2,154	1,505	649	30,335	-	5,412	24,923
Other Professionals	14,263	3,679	2,864	815	10,584	358	570	9,656
Drugs and Sundries	54,509	6,564	4,641	1,923	47,945	56	2,100	45,789
Eyeglasses and App.	14,101	400	298	102	13,701	-	265	13,436
Nursing Home Care	75,853	56,033	38,441	17,592	19,820	23	182	19,615
Prepayment/Admin.	36,242	7,853	5,235	2,618	28,389	251	28,138	-
GHPA*	12,755	12,755	7,767	4,988	-	-	-	-
Other Health Services	32,870	24,593	16,139	8,454	8,277	587	889	6,801

*Government Public Health Activities

Percent of Expenditure Financed by Specified Source of Funds

	100.0	42.8	33.7	9.2	57.2	3.1	25.5	28.5
Hospitals	100.0	53.5	46.0	7.5	46.5	3.1	34.9	8.5
Physicians	100.0	19.9	16.8	3.1	80.1	9.0	30.0	41.1
Dentists	100.0	6.6	4.6	2.0	93.4	-	16.7	76.7
Other Professionals	100.0	25.8	20.1	5.7	74.2	2.5	4.0	67.7
Drugs and Sundries	100.0	12.0	8.5	3.5	88.0	0.1	3.9	84.0
Eyeglasses and App.	100.0	2.8	2.1	0.7	97.2	-	1.9	95.3
Nursing Home Care	100.0	73.9	50.7	23.2	26.1	-	0.2	25.9
Prepayment/Admin.	100.0	21.7	14.4	7.2	78.3	0.7	77.6	-
GHPA*	100.0	100.0	60.9	39.1	-	-	-	-
Other Health Services	100.0	74.8	49.1	25.7	25.2	1.8	2.7	20.7

*Government Public Health Activities

Percent of Funding Source by Type of Expenditure

	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hospitals	42.2	52.7	57.6	34.5	34.4	42.7	57.6	12.6
Physicians	17.7	8.2	8.8	6.0	24.8	51.3	20.8	25.5
Dentists	4.8	0.8	0.7	1.0	7.8	-	3.1	12.8
Other Professionals	2.1	1.3	1.2	1.3	2.7	1.7	0.3	5.0
Drugs and Sundries	8.0	2.2	2.0	3.1	12.3	0.3	1.2	23.6
Eyeglasses and App.	2.1	0.1	0.1	0.2	3.5	-	0.2	6.9
Nursing Home Care	11.1	19.2	16.8	28.2	5.1	0.1	0.1	10.1
Prepayment/Admin.	5.3	2.7	2.3	4.2	7.3	1.2	16.2	-
GHPA*	1.9	4.4	3.4	8.0	-	-	-	-
Other Health Services	4.8	8.4	7.0	13.5	2.1	2.8	0.5	3.5

*Government Public Health Activities

Table 3
HEALTH EXPENDITURES BY TYPE OF EXPENDITURE AND SOURCE OF FUNDS
Maine, 1976
\$(000's)

Type of Expenditure	Total	Source of Funds						
		Public			Private			
		Total Public	Federal	State and Local	Total Private	Federal Insurance	Private Insurance	Consumer and Other
	589,111	244,010	190,503	53,507	345,101	19,789	146,739	178,573
Hospitals	250,314	132,769	113,121	19,648	117,545	8,884	87,938	20,723
Physicians	105,293	19,581	16,416	3,165	85,712	9,599	31,971	44,142
Dentists	29,457	2,108	1,467	641	27,349	-	4,444	22,905
Other Professionals	12,190	1,856	1,542	314	10,334	304	543	9,487
Drugs and Sundries	50,285	5,815	4,125	1,690	44,470	44	1,641	42,785
Eyeglasses and App.	13,308	393	306	87	12,915	-	52	12,863
Nursing Home Care	63,776	44,547	30,598	13,949	19,229	13	168	19,048
Prepayment/Admin.	25,965	5,758	3,865	1,893	20,207	396	19,811	-
GHPA*	10,013	10,013	5,315	4,698	-	-	-	-
Other Health Services	28,510	21,170	13,748	7,422	7,340	549	171	6,620

*Government Public Health Activities

Percent of Expenditure Financed by Specified Source of Funds

	100.0	41.4	32.3	9.1	58.6	3.4	24.9	30.3
Hospitals	100.0	53.0	45.2	7.9	47.0	3.6	35.1	8.3
Physicians	100.0	18.6	15.6	3.0	81.4	9.1	30.4	41.9
Dentists	100.0	7.2	5.0	2.2	92.8	-	15.1	77.8
Other Professionals	100.0	15.2	12.7	2.6	84.8	2.5	4.5	77.9
Drugs and Sundries	100.0	11.6	8.2	3.4	88.4	-	3.3	85.1
Eyeglasses and App.	100.0	3.0	2.3	0.7	97.1	-	0.4	96.7
Nursing Home Care	100.0	69.9	48.0	21.9	30.2	-	0.3	29.9
Prepayment/Admin.	100.0	22.4	15.0	7.4	78.4	1.5	76.9	-
GHPA*	100.0	100.0	53.1	46.9	-	-	-	-
Other Health Services	100.0	74.3	48.2	26.0	25.8	1.9	0.6	23.2

*Government Public Health Activities

Percent of Funding Source by Type of Expenditure

	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hospitals	42.5	54.4	59.4	36.7	34.1	44.9	59.9	11.6
Physicians	17.9	8.0	8.6	5.9	24.8	48.5	21.8	24.7
Dentists	5.0	0.9	0.8	1.2	7.9	-	3.0	12.8
Other Professionals	2.1	0.8	0.8	0.6	3.0	1.5	0.4	5.3
Drugs and Sundries	8.5	2.4	2.2	3.2	12.9	0.2	1.1	24.0
Eyeglasses and App.	2.3	0.2	0.2	0.2	3.7	-	-	7.2
Nursing Home Care	10.8	18.3	16.1	26.1	5.6	-	0.1	10.7
Prepayment/Admin.	4.4	2.4	2.0	3.5	5.9	2.0	13.5	-
GHPA*	1.7	4.1	2.8	8.8	-	-	-	-
Other Health Services	4.8	8.7	7.2	13.9	2.1	2.8	0.1	3.7

*Government Public Health Activities

Table 4
HEALTH EXPENDITURES BY TYPE OF EXPENDITURE AND SOURCE OF FUNDS
Maine, 1975
\$(000's)

Type of Expenditure	Total	Source of Funds						
		Public			Private			
		Total Public	Federal	State and Local	Total Private	Federal Insurance	Private Insurance	Consumer and Other
	517,219	204,655	155,075	49,580	312,564	17,153	126,493	168,918
Hospitals	211,077	111,713	92,123	19,590	99,364	6,462	72,516	20,386
Physicians	98,783	16,198	13,255	2,943	82,585	9,628	28,640	44,317
Dentists	28,071	2,140	1,511	629	25,931	-	3,296	22,635
Other Professionals	10,810	1,415	1,116	299	9,395	583	928	7,884
Drugs and Sundries	47,571	5,591	3,915	1,676	41,980	-	1,185	40,795
Eyeglasses and App.	12,053	487	365	122	11,566	-	52	11,514
Nursing Home Care	52,708	36,767	24,791	11,976	15,941	-	52	15,889
Prepayment/Admin.	22,703	2,701	1,959	742	20,002	285	19,717	-
GHPA*	9,169	9,169	3,398	5,771	-	-	-	-
Other Health Services	24,274	18,474	12,642	5,832	5,800	195	107	5,498

*Government Public Health Activities

Percent of Expenditure Financed by Specified Source of Funds

	100.0	39.6	30.0	9.6	60.4	3.3	24.5	32.7
Hospitals	100.0	52.9	43.6	9.3	47.1	3.1	34.4	9.7
Physicians	100.0	16.4	13.4	3.0	83.6	9.8	29.0	44.9
Dentists	100.0	7.6	5.4	2.2	92.4	-	11.7	80.6
Other Professionals	100.0	13.1	10.3	2.8	86.9	5.4	8.6	72.9
Drugs and Sundries	100.0	11.8	8.2	3.5	88.3	-	2.5	85.8
Eyeglasses and App.	100.0	4.0	3.0	1.0	96.0	-	0.4	95.5
Nursing Home Care	100.0	69.8	47.0	22.7	30.2	-	0.1	30.2
Prepayment/Admin.	100.0	11.9	8.6	3.3	88.1	1.3	86.8	-
GHPA*	100.0	100.0	37.1	62.9	-	-	-	-
Other Health Services	100.0	76.1	52.1	24.0	23.9	0.8	0.4	22.7

*Government Public Health Activities

Percent of Funding Source by Type of Expenditure

	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hospitals	40.8	54.6	59.4	39.5	31.8	37.7	57.3	12.1
Physicians	19.1	7.9	8.5	5.9	26.4	56.1	22.6	26.2
Dentists	5.4	1.0	1.0	1.3	8.3	0.0	2.6	13.4
Other Professionals	2.1	0.7	0.7	0.6	3.0	3.4	0.7	4.7
Drugs and Sundries	9.2	2.7	2.5	3.4	13.4	-	0.9	24.2
Eyeglasses and App.	2.3	0.2	0.2	0.2	3.7	-	-	6.8
Nursing Home Care	10.2	18.0	16.0	24.2	5.1	-	0.0	9.4
Prepayment/Admin.	4.4	1.3	1.3	1.5	6.4	1.7	15.6	-
GHPA*	1.8	4.5	2.2	11.6	-	-	-	-
Other Health Services	4.7	9.0	8.2	11.8	1.9	1.1	0.1	3.3

*Government Public Health Activities

Table 5

HEALTH EXPENDITURES BY TYPE OF EXPENDITURE AND SOURCE OF FUNDS
Maine, 1974
\$(000's)

Type of Expenditure	Total	Source of Funds						
		Public			Private			
		Total Public	Federal	State and Local	Total Private	Federal Insurance	Private Insurance	Consumer and Other
	460,492	172,182	126,274	45,908	288,310	15,423	112,490	160,397
Hospitals	183,010	93,871	74,723	19,148	89,139	5,704	59,350	24,085
Physicians	90,473	11,017	8,567	2,450	79,456	8,635	25,229	45,592
Dentists	23,854	1,760	1,196	564	22,094	-	2,482	19,612
Other Professionals	9,497	1,094	826	268	8,403	551	902	6,950
Drugs and Sundries	43,807	4,690	3,295	1,395	39,117	14	1,489	37,614
Eyeglasses and App.	11,123	439	216	223	10,684	45	-	10,639
Nursing Home Care	43,388	30,151	19,788	10,363	13,237	46	-	13,191
Prepayment/Admin.	25,547	2,358	1,552	806	23,189	244	22,945	-
GHPA*	9,770	9,770	3,276	6,494	-	-	-	-
Other Health Services	20,023	17,032	12,835	4,197	2,991	184	93	2,714

*Government Public Health Activities

Percent of Expenditure Financed by Specified Source of Funds

	100.0	36.7	26.9	9.8	63.3	3.3	24.0	36.0
Hospitals	100.0	51.3	40.8	10.5	48.7	3.1	32.4	13.2
Physicians	100.0	12.2	9.5	2.7	87.8	9.5	27.9	50.4
Dentists	100.0	7.4	5.0	2.4	92.6	0.0	10.4	82.2
Other Professionals	100.0	11.5	8.7	2.8	88.5	5.8	9.5	73.2
Drugs and Sundries	100.0	10.7	7.5	3.2	89.3	0.0	3.4	85.9
Eyeglasses and App.	100.0	4.0	1.9	2.0	96.1	0.4	0.0	95.7
Nursing Home Care	100.0	69.5	45.6	23.9	30.5	0.1	0.0	30.4
Prepayment/Admin.	100.0	9.2	6.1	3.2	90.8	1.0	89.8	0.0
GHPA*	100.0	100.0	33.5	66.5	0.0	0.0	0.0	0.0
Other Health Services	100.0	85.1	64.1	21.0	14.9	0.9	0.5	13.6

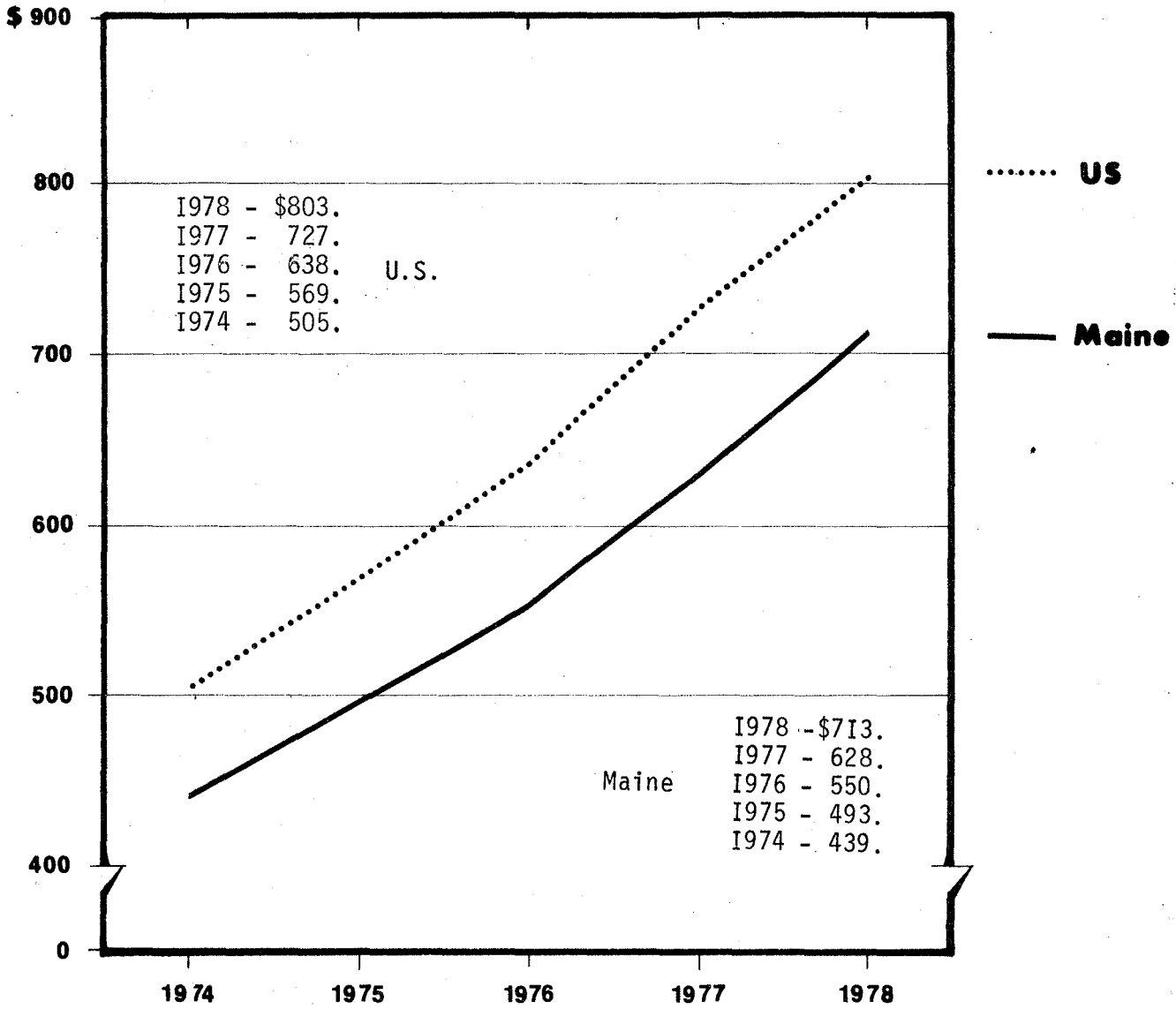
*Government Public Health Activities

Percent of Funding Source by Type of Expenditure

	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hospitals	39.7	54.5	59.2	41.7	30.1	37.0	52.8	15.0
Physicians	19.6	6.4	6.8	5.3	27.6	56.0	22.4	28.4
Dentists	5.2	1.0	0.9	1.2	7.7	0.0	2.2	12.2
Other Professionals	2.1	0.6	0.7	0.6	2.9	3.6	0.8	4.3
Drugs and Sundries	9.5	2.7	2.6	3.0	13.6	0.1	1.3	23.5
Eyeglasses and App.	2.4	0.3	0.2	0.5	3.7	0.3	0.0	6.6
Nursing Home Care	9.4	17.5	15.7	22.6	4.6	0.3	0.0	8.2
Prepayment/Admin.	5.5	1.4	1.2	1.8	8.0	1.6	20.4	0.0
GHPA*	2.1	5.7	2.6	14.1	0.0	0.0	0.0	0.0
Other Health Services	4.3	9.9	10.2	9.1	1.0	1.2	0.1	1.7

*Government Public Health Activities

Figure 1
 TOTAL PER CAPITA HEALTH EXPENDITURES
 Maine and U.S.
 1974-1978



TREND ILLUSTRATIONS AND TABULAR DESCRIPTIONS

Figure 1 illustrates the overall increase of per capita health expenditures in Maine and the U.S. from 1974-1978. Figures 2-9 and Tables 6-15 display and compare other aspects of health expenditures in Maine and the U.S. for this five year period.

Tables 6 and 7 display the yearly per capita expenditures and per capita percent distributions. Per capita sources of funds are exhibited in Tables 8 and 9. Figures 2 and 5 diagram selected data from the tables beneath them while Figures 3 and 4 illustrate selected data from Tables 6 and 8.

In Tables 10 and 11, yearly increases and decreases^{1/} of health expenditures and sources of funds for Maine and the U.S. from 1974 to 1978 are compared. Figure 6 illustrates the fluctuation of several types of health care expenditures and Figure 7 depicts the yearly change in funding levels from selected sources.

Total increases for expenditures and sources of funds can be seen in Tables 12 and 13.

Tables 14 and 15 juxtapose health expenditures and personal income. Figures 8 and 9 describe data from Table 15 graphically.

The tables which provided statistics for the United States^{2/} in this report did not include a category for Federal Private Insurance, so for purposes of comparison, the dollar amounts in that category for Maine were included in the Consumer and Other source of funds category.

^{1/} All decreases are designated by < >.

^{2/} Source: Robert M. Gibson, "National Health Expenditures," Health Care Financing Review, Summer, 1980.

Table 6
 PER CAPITA HEALTH EXPENDITURE BY TYPE OF EXPENDITURE
 Maine, U.S. 1974-1978
 (\$)

Type of Expenditure	Maine				
	1974	1975	1976	1977	1978
TOTALS	438.98	493.06	550.06	627.78	712.70
Hospitals	174.46	201.22	233.72	265.08	298.96
Physicians	86.25	94.17	98.31	111.01	120.51
Dentists	22.74	26.76	27.50	29.94	32.30
Other Professionals	9.05	10.31	11.38	13.15	14.62
Drugs and Sundries	41.76	45.35	46.95	50.24	59.14
Eyeglasses & Appliances	10.60	11.49	12.43	13.00	14.30
Nursing Home Care	41.36	50.25	59.55	69.91	89.01
Prepayment/Administration	24.35	21.64	24.24	33.40	34.01
G.P.H.A.	9.31	8.74	9.35	11.76	15.95
Other Health Services	19.09	23.14	26.62	30.29	33.89

U.S.

TOTALS	504.91	569.42	637.53	727.23	802.81
Hospitals	207.55	239.78	272.70	306.29	339.94
Physicians	98.49	114.66	125.69	144.06	160.47
Dentists	34.15	37.88	43.08	47.65	53.31
Other Professionals	10.34	12.04	14.60	16.13	18.29
Drugs and Sundries	51.17	54.33	58.28	63.26	68.91
Eyeglasses and Appliances	12.55	13.72	14.68	15.79	17.68
Nursing Home Care	39.72	46.47	51.93	57.94	67.69
Prepayment/Administration	23.96	19.05	21.58	38.49	32.28
G.P.H.A.	12.66	14.52	17.38	19.52	23.68
Other Health Services	14.32	16.98	17.62	18.12	20.56

Table 6 compares Maine per capita expenditures with those of the U.S. Overall expenditures per person in Maine are only 86 to 88% of the U.S. total in the years 1974-1978. For example, in 1978, Maine per capita expenditures were \$712.70 which is 88.7% of the U.S. total \$802.81. But, as can be seen in Table 14 on page 19, Maine per capita income tends to be less than U.S. per capita income. For example, in 1978, Maine per capita income (\$6,335) was only 80% of U.S. per capita income (\$7,888).

Figure 2
 PERCENT OF TOTAL HEALTH EXPENDITURES
 FOR SELECTED TYPES OF EXPENDITURES
 Maine 1974-1978

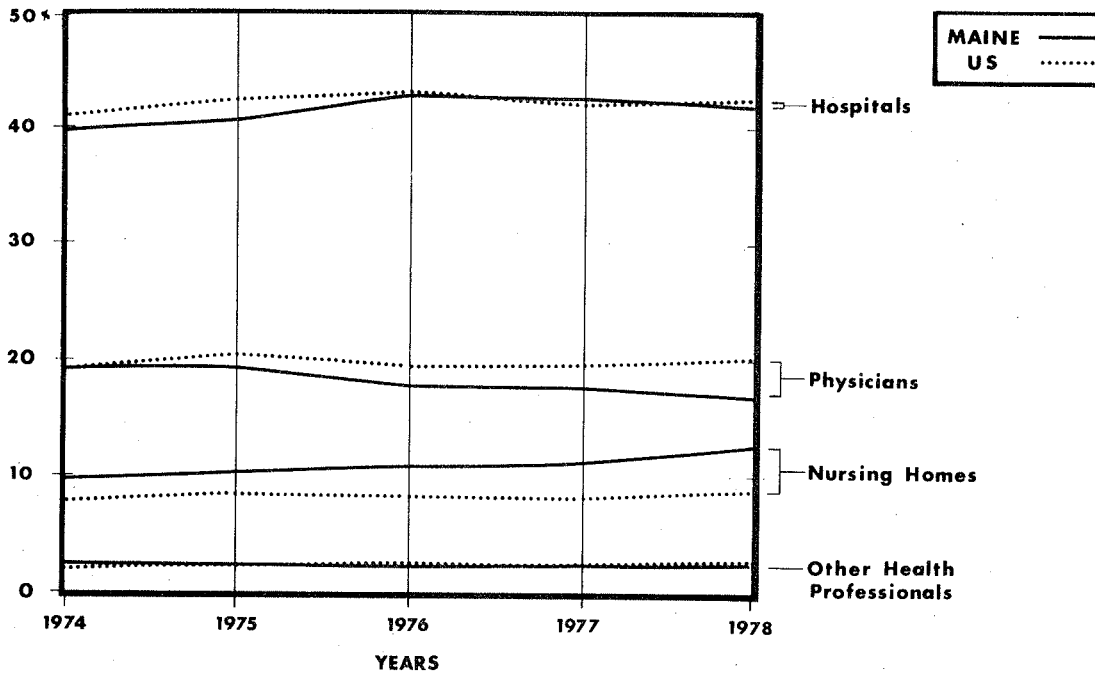
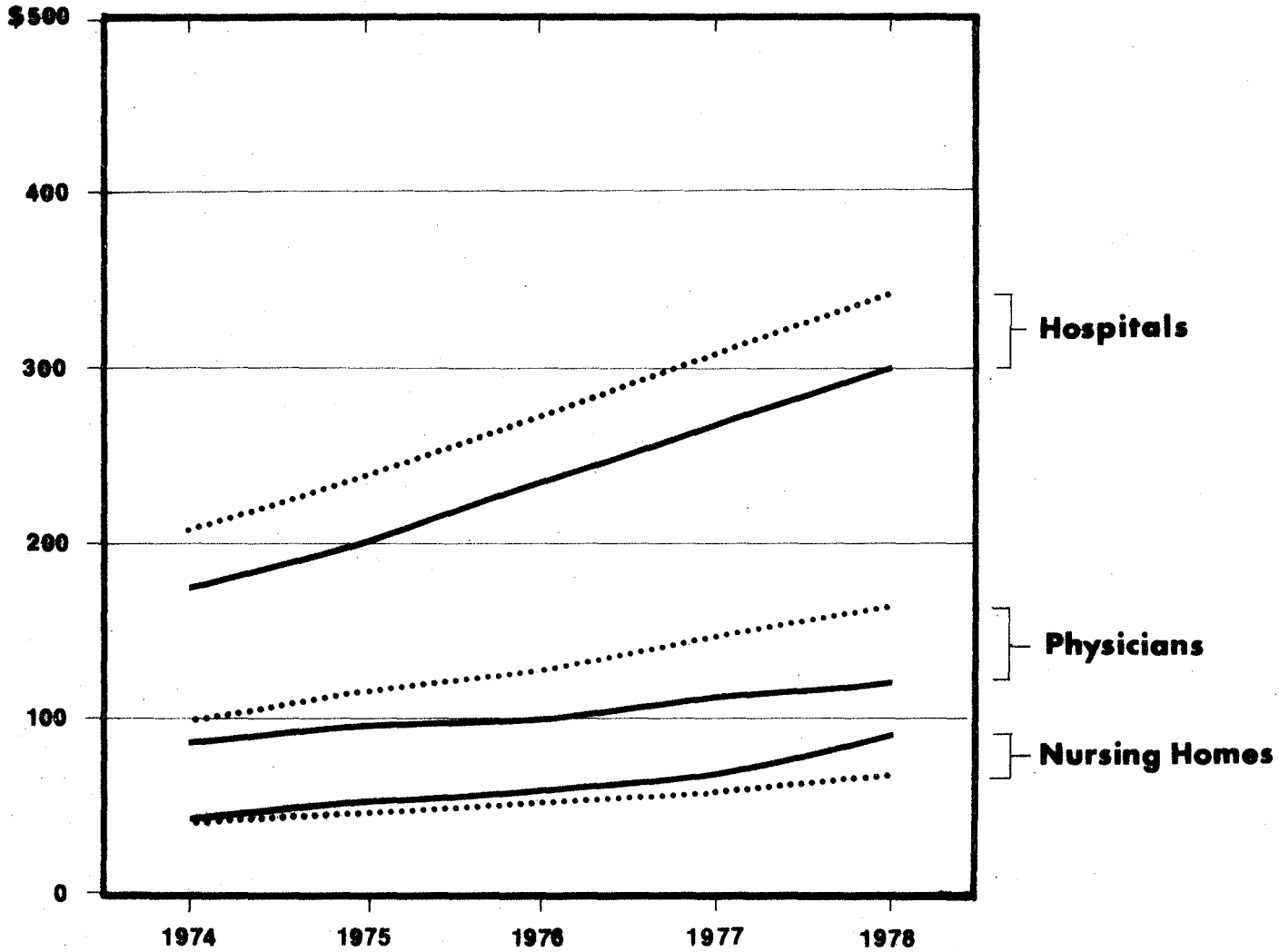


Table 7
 PERCENT DISTRIBUTION OF PER CAPITA HEALTH EXPENDITURES
 BY TYPE OF EXPENDITURE
 Maine, U.S. 1974-1978

Type of Expenditure	Maine					U.S.				
	1974	1975	1976	1977	1978	1974	1975	1976	1977	1978
TOTALS	100	100	100	100	100	100	100	100	100	100
Hospitals	39.7	40.8	42.5	42.2	41.9	41.1	42.1	42.8	42.1	42.3
Physicians	19.6	19.1	17.9	17.7	16.9	19.5	20.1	19.7	19.8	20.0
Dentists	5.2	5.4	5.0	4.8	4.5	6.8	6.7	6.8	6.6	6.6
Other Professionals	2.1	2.1	2.1	2.1	2.1	2.0	2.1	2.3	2.2	2.3
Drugs and Sundries	9.5	9.2	8.5	8.0	8.3	10.1	9.5	9.1	8.7	8.6
Eyeglasses & Appliances	2.4	2.3	2.3	2.1	2.0	2.5	2.4	2.3	2.2	2.2
Nursing Home Care	9.4	10.2	10.8	11.1	12.5	7.9	8.2	8.1	8.0	8.4
Prepayment/Administration	5.5	4.4	4.4	5.3	4.8	4.7	3.3	3.4	5.3	4.0
G.P.H.A.*	2.1	1.8	1.7	1.9	2.2	2.5	2.5	2.7	2.7	2.9
Other Health Services	4.3	4.7	4.8	4.8	4.8	2.8	3.0	2.8	2.5	2.6

Overall, Maine and U.S. expenditures have maintained similar and consistent distributions; however, during the period from 1974-1978 two categories of expenditures in Maine have diverged from those of the U.S.. Physician expenditures are becoming a smaller part of total health care expenditures in Maine (from 19.6% in 1974 to 16.9% in 1978) while at the same time expenditures in Maine for nursing homes are consuming an increasingly greater portion (9.4% in 1974 to 12.5% in 1978).

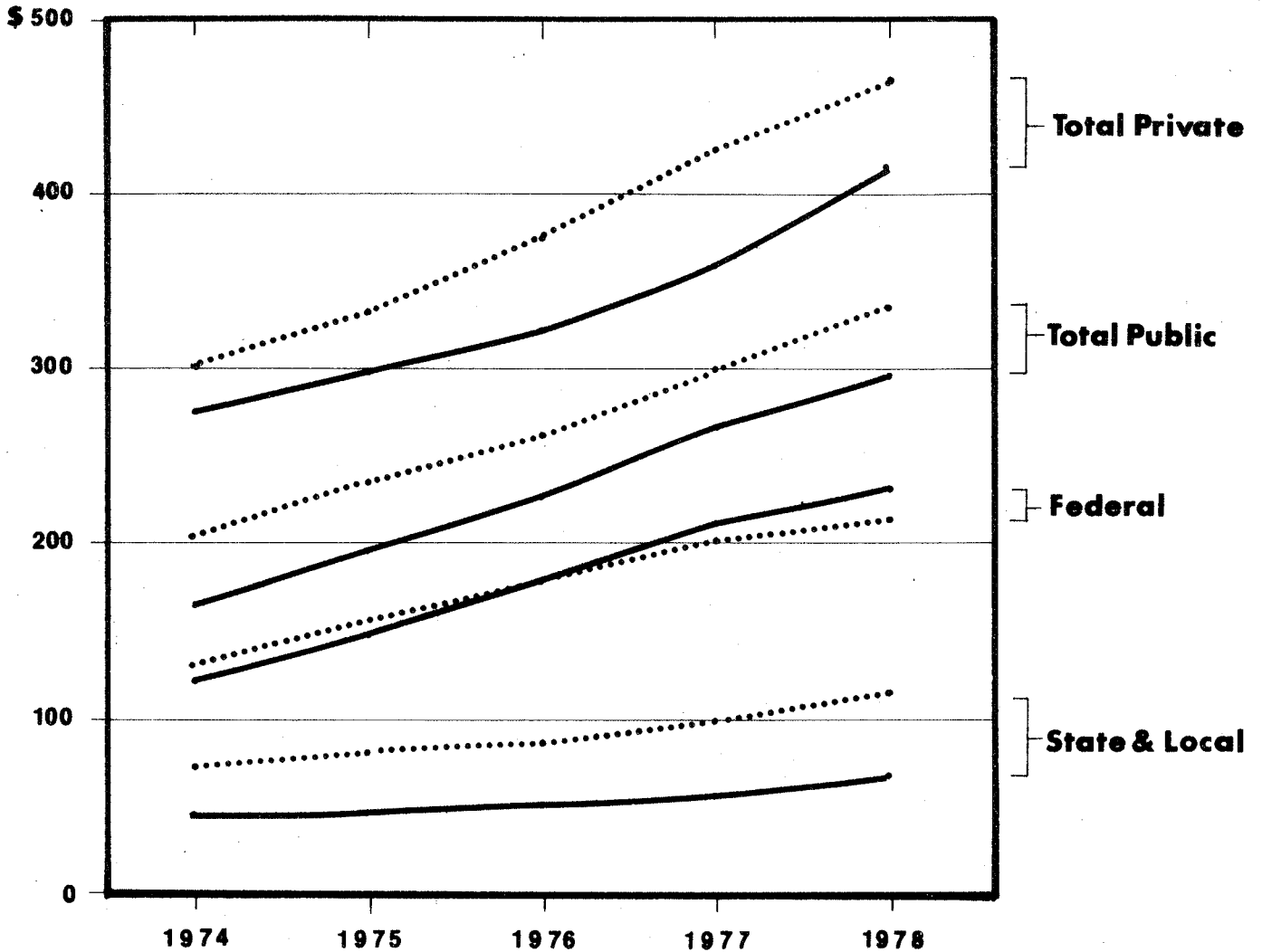
Figure 3
 PER CAPITA HEALTH EXPENDITURES
 FOR SELECTED TYPES OF EXPENDITURE
 Maine and U.S.
 1974-1978



— Maine
 US

Source: Table 6

Figure 4
 PER CAPITA HEALTH EXPENDITURES
 FOR SELECTED SOURCES OF FUNDS
 Maine and U.S.
 1974-1978



— Maine
 US

Source: Table 8

Table 8
 PER CAPITA HEALTH EXPENDITURES BY SOURCE OF FUNDS
 Maine, U.S. 1974-1978

Sources	Maine				
	1974	1975	1976	1977	1978
TOTALS	438.98	493.06	550.06	627.78	712.70
Total Public	164.14	195.10	227.83	268.93	297.84
Federal	120.38	147.83	177.87	211.39	231.06
State and Local	43.76	47.26	49.96	57.55	66.78
Total Private	274.84	297.96	322.22	358.84	414.86
Private Insurance	107.24	120.58	137.01	160.37	175.92
Consumer and Other	167.60	177.38	185.21	198.46	238.93

U.S.

TOTAL	504.91	569.42	637.53	727.23	802.81
Total Public	203.39	236.13	262.12	300.17	335.53
Federal	132.31	155.96	177.34	201.68	223.31
State and Local	71.08	80.15	84.79	98.49	112.22
Total Private	301.51	333.29	375.41	427.06	467.28
Private Insurance	130.17	151.82	177.12	194.82	218.35
Consumer and Other	171.34	181.47	198.29	232.24	248.93

Public sources of funding in Maine differ somewhat from those of the U.S. In Maine, per capita expenditures from State and local sources have been considerably less than the U.S. average, while since 1976, the per capita amount of federal funds expended on health care in Maine has exceeded the U.S. average.

Figure 5

PERCENT OF TOTAL HEALTH EXPENDITURES FOR SELECTED SOURCES OF FUNDS
Maine 1974-1978

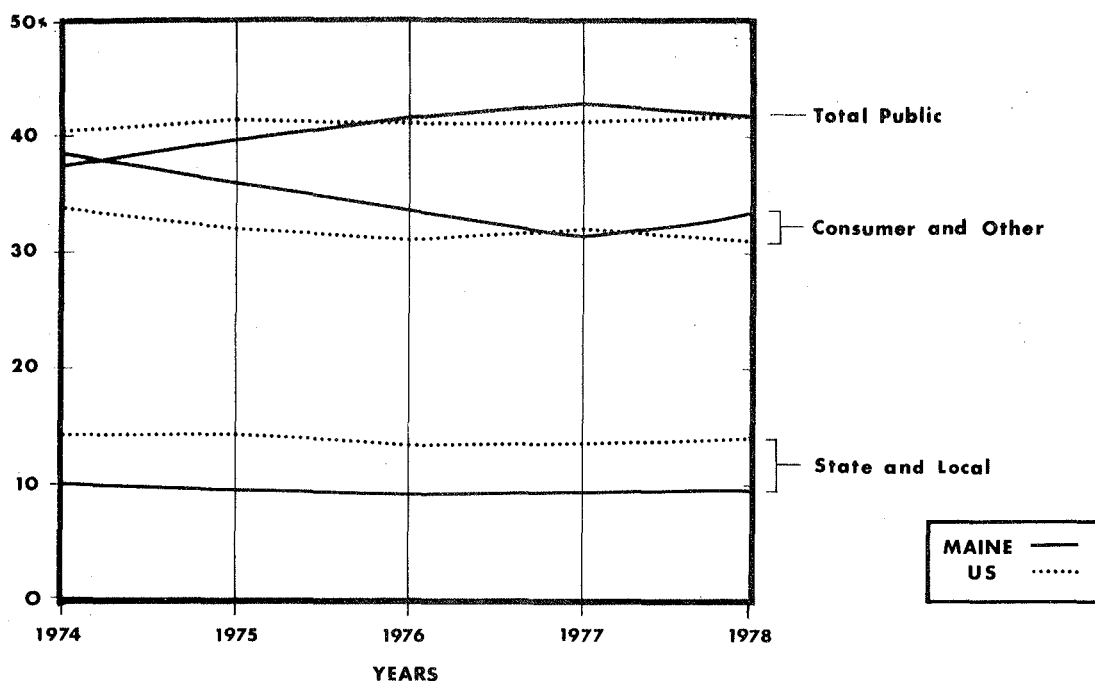


Table 9
PERCENT DISTRIBUTION OF PER CAPITA HEALTH EXPENDITURES
BY SOURCE OF FUNDS
Maine, U.S. 1974-1978

	Maine					U.S.				
	1974	1975	1976	1977	1978	1974	1975	1976	1977	1978
TOTAL	100	100	100	100	100	100	100	100	100	100
Total Public	37.4	39.6	41.4	42.8	41.8	40.3	41.5	41.1	41.3	41.8
Federal	27.4	30.0	32.3	33.7	32.4	26.2	27.4	27.8	27.7	27.8
State and Local	10.0	9.6	9.1	9.2	9.4	14.1	14.1	13.3	13.5	14.0
Total Private	62.6	60.4	58.6	57.2	58.2	59.7	58.5	58.9	58.7	58.2
Private Insurance	24.4	24.5	24.9	25.5	24.7	25.8	26.7	27.8	26.8	27.2
Consumer and Other	38.2	36.0	33.6	31.6	33.5	33.9	31.9	31.1	31.9	31.0

While the percentage distribution for health care expenditures remained consistent in Maine, analysis of sources of funds showed a slight shift in the proportions of total public funds to total private funds. Total public increased from 37.4% in 1974 to 42.8% in 1977 and total private decreased from 62.6% in 1974 to 57.2% in 1977. In 1978, following a similar though less pronounced occurrence in the U.S. between 1976 and 1977, that divergent trend reversed bringing total private back up to 58.2% and total public to 41.8%.

Figure 6
 YEARLY PERCENT OF INCREASE
 FOR SELECTED TYPES OF HEALTH EXPENDITURES
 Maine 1974-1978

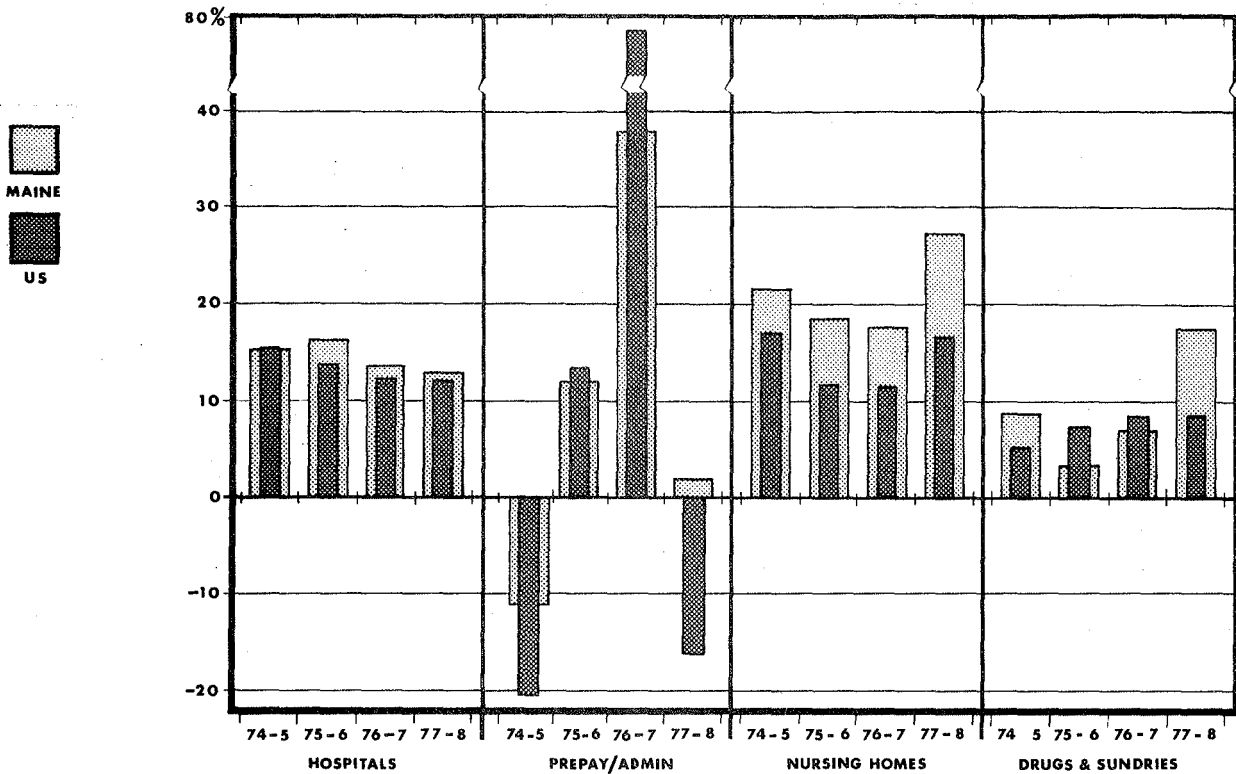


Table 10
 YEARLY PERCENT OF INCREASE IN PER CAPITA HEALTH EXPENDITURES BY TYPE OF EXPENDITURE
 Maine, U.S. 1974-1978

Type of Expenditure	Maine				Avg. Inc.	U.S.				Avg. Inc.
	74-5	75-6	76-7	77-8	74-78	74-5	75-6	76-7	77-8	74-78
TOTALS	12.3	11.6	14.1	13.5	12.9	12.8	12.0	14.1	10.4	12.3
Hospitals	15.3	16.2	13.4	12.8	14.4	15.5	13.8	12.3	11.0	13.2
Physicians	9.2	4.4	12.9	8.6	8.8	16.4	9.6	14.6	11.4	13.0
Dentists	17.7	2.8	8.9	7.9	9.3	10.9	13.7	10.6	11.9	11.8
Other Professionals	13.9	10.4	15.6	11.2	12.8	16.4	21.3	10.5	13.4	15.4
Drugs and Sundries	8.6	3.5	7.0	17.7	9.2	6.2	7.3	8.5	8.9	7.7
Eyeglasses & Appliances	8.4	8.2	4.6	10.0	7.8	9.3	7.0	7.6	12.0	9.0
Nursing Home Care	21.5	18.5	17.4	27.3	21.2	17.0	11.7	11.6	16.8	14.3
Prepayment/Administration	<11.1>	12.0	37.8	1.8	10.1	<20.5>	13.3	78.4	<16.1>	13.8
G.P.H.A.*	<6.1>	7.0	25.8	35.6	15.6	14.7	19.7	12.3	21.3	17.0
Other Health Services	21.2	15.0	13.8	11.9	15.5	18.6	3.8	2.8	13.5	9.7

*Government Public Health Activities

Table 10 indicates that considerable year to year fluctuation can occur, as seen for example in Hospital and Prepayment Administration expenditures. Prepayment and Administration expenditures in Maine increased 37.8% from 1976 to 1977; from 1977 to 1978 this category increased by only 1.8%. During the same time periods, fluctuation in Prepayment and Administration expenditures for the U.S. were even more extreme; from 1976 to 1977, expenditures increased by 78.4% but from 1977 to 1978 they decreased by 16.1%. Changes in hospital expenditures, however, were more consistent from year to year for both Maine and the U.S., fluctuating within a 5.2% range. The U.S. had the

Figure 7

YEARLY PERCENT OF INCREASE FOR SELECTED SOURCES OF FUNDS
Maine 1974-1978

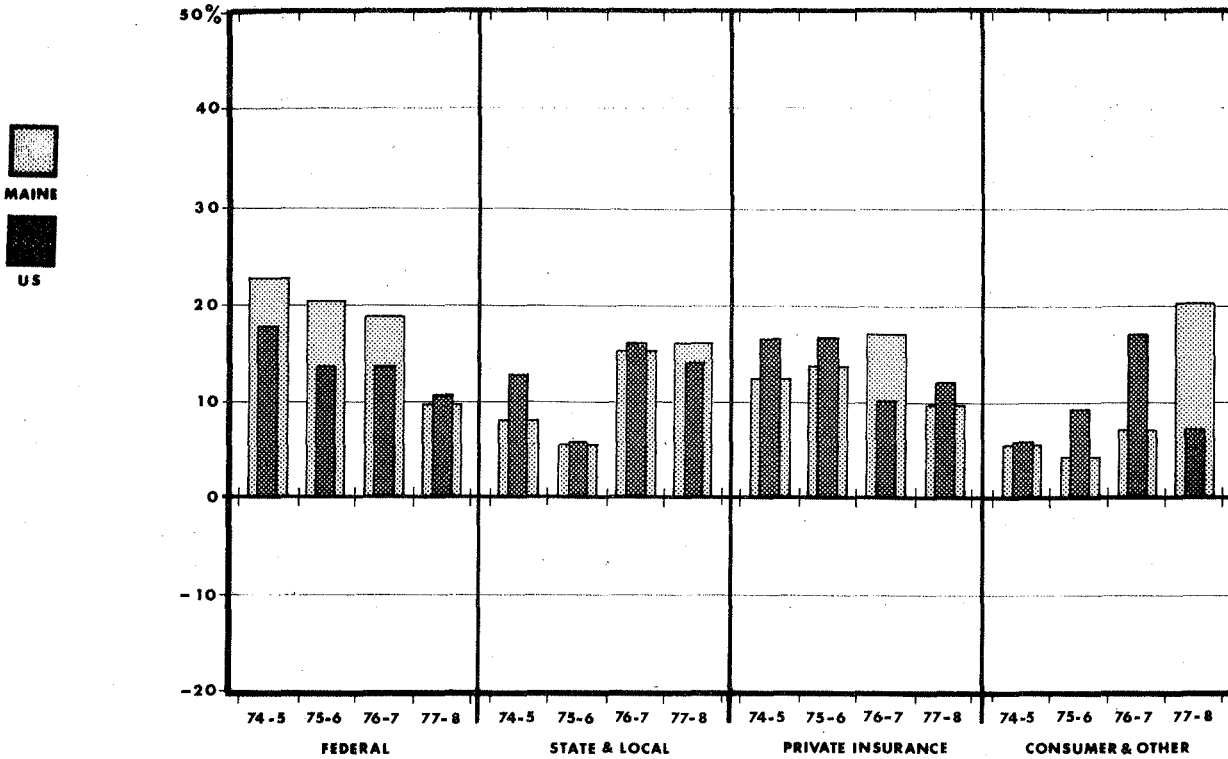


Table 11

YEARLY PERCENT OF INCREASE IN PER CAPITA HEALTH EXPENDITURES BY SOURCES OF FUNDS
Maine, U.S. 1974-1978

	Maine				Avg. Inc.	U.S.				Avg. Inc.
	74-5	75-6	76-7	77-8	74-8	74-5	75-6	76-7	77-8	74-8
Total	12.3	11.6	14.1	13.5	12.9	12.8	12.0	14.1	10.4	12.3
Total Public	18.9	16.8	18.0	10.8	16.1	16.1	11.0	14.5	11.8	13.4
Federal	22.8	20.3	18.8	9.3	17.8	17.9	13.7	13.7	10.7	14.0
State and Local	8.0	5.7	15.2	16.0	11.2	12.8	5.8	16.2	13.9	12.2
Total Private	8.4	8.1	11.4	15.6	12.1	10.5	12.6	13.8	9.4	11.6
Private Insurance	12.4	13.6	17.0	9.7	13.2	16.6	16.7	10.0	12.1	13.9
Consumer and Other	5.8	4.4	7.1	20.3	10.4	5.9	9.3	17.1	7.2	9.9

smallest increase (11.0%) from 1977 to 1978, and Maine had the largest increase (16.2%) from 1975 to 1976.

From 1974 to 1978, funding by state and local sources increased at an increasingly greater rate in Maine. The increase in state and local sources was 8.0% from 1974 to 1975, while from 1977 to 1978, the increase was 16.0%. Concurrently, increases by federal sources decreased each year, from 22.8% in 1974 to 9.3% in 1978. A similar trend was experienced by the U.S.

Table 12
 TOTAL INCREASE OF PER CAPITA HEALTH EXPENDITURES
 BY TYPE OF EXPENDITURE
 Maine, U.S. 1974-1978
 (Dollars and Percentage)

Type of Expenditure	\$ Per Capita Increases		Percentage Increases	
	ME ¹	U.S.	ME	U.S.
Total	273.72	297.90	61.5	59.0
Hospitals	124.50	132.89	69.3	63.8
Physicians	34.26	61.98	39.7	62.9
Dentists	9.56	19.16	42.0	56.1
Other Professionals	5.57	7.95	61.5	76.9
Drugs and Sundries	17.38	17.74	41.6	34.7
Eyeglasses & Appliances	3.70	5.13	34.9	40.9
Nursing Home Care	47.65	27.97	115.2	70.4
Prepayment/Administration	9.66	8.32	39.7	34.7
GPHA*	6.64	11.02	71.3	87.0
Other Health Services	14.80	6.24	77.5	43.6

*Government Public Health Activities

Table 13
 TOTAL INCREASE OF PER CAPITA HEALTH EXPENDITURES
 BY SOURCE OF FUNDS
 Maine, U.S. 1974-1978
 (Dollars and Percentage)

Sources	\$ Per Capita Increases		Percentage Increases	
	ME	U.S.	ME	U.S.
TOTAL	273.72	297.90	61.5	59.0
Public Total	133.70	132.14	81.5	65.0
Federal	110.68	91.00	91.9	68.8
State & Local	23.02	41.14	52.6	57.9
Total Private	140.02	165.77	51.0	55.0
Private Insurance	68.68	88.18	64.0	67.7
Consumer & Other	71.33	77.59	42.6	45.3

From 1974 to 1978 Maine's per capita health expenditures increased by \$273.72, while the U.S. as a whole experienced an increase of \$297.90. When viewed as percentage increases over the same period of time, Maine's expenditures increased by 62.4%, compared to a U.S. increase of 59.0%. One notable increase occurred in Maine: nursing home expenditures more than doubled for a total increase of 115.2% over the five year period.

Table 14
 PER CAPITA INCOME AND HEALTH EXPENDITURES
 Maine, U.S. 1974-1978

Years	\$ Per Capita Income		\$ Per Capita Expenses		Expenditures as a % of Income	
	ME	U.S. ²	ME	U.S.	ME	U.S.
1974	4,495	5,486	439	505	9.8	9.2
1975	4,762	5,893	493	569	10.4	9.7
1976	5,356	6,436	550	638	10.3	9.9
1977	5,768	7,038	628	727	10.9	10.3
1978	6,335	7,840	713	803	11.3	10.2

¹Source: Health Care Financing Review, Summer 1980.

²Survey of Current Business, April 1979, 1980; August 1978.

Table 12 provides a comparison of annual personal income to health care expenditures. For example, in 1978 in Maine, \$6,335 was the average per capita income. Of that amount, each person spent \$713 for health care. In other words, in Maine during 1978, the amount which was spent on health care represented 11.3% of personal income.

Table 15
 TOTAL INCREASE OF PER CAPITA HEALTH EXPENDITURES
 Maine, U.S. 1974-1978
 Percent of Increase

Years	Income		Health Expenses	
	ME	U.S.	ME	U.S.
1974-1978*	40.9	42.9	62.3	59.0
1974-1975	5.9	7.4	12.3	12.8
1975-1976	12.5	9.2	11.6	12.0
1976-1977	7.7	9.4	14.1	14.1
1977-1978	9.8	11.4	13.5	10.4

*Represents total increase.

In Table 13 the percentage increase of personal income is compared to the percentage increase of health care expenditures. The first row of figures (1974-1978) represents the total increase while the remaining rows describe yearly increases.

Figure 16 compares the yearly increases of personal income and health care expenditures. Figure 17 describes the total increase which occurred from 1974 to 1978.

Both Maine and the U.S. experienced periods when income increased more than health expenses but the general trend indicates that health expenses are consuming an increasingly greater portion of our income.

Figure 8
 YEARLY PERCENT OF INCREASE OF PER CAPITA HEALTH EXPENSES AND INCOME
 Maine and U.S. 1974-1978

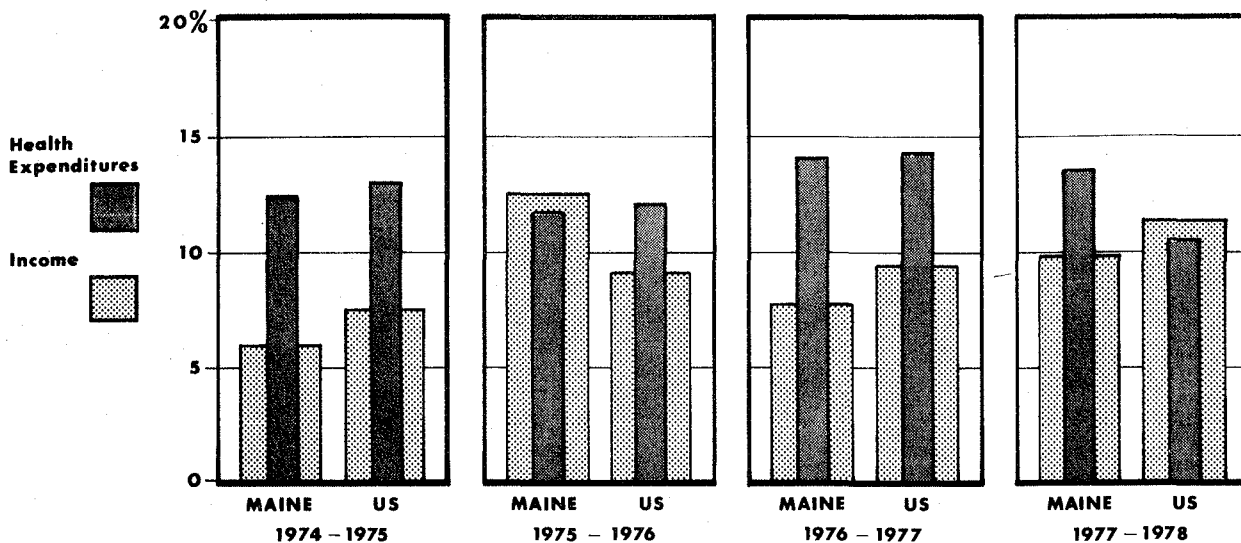
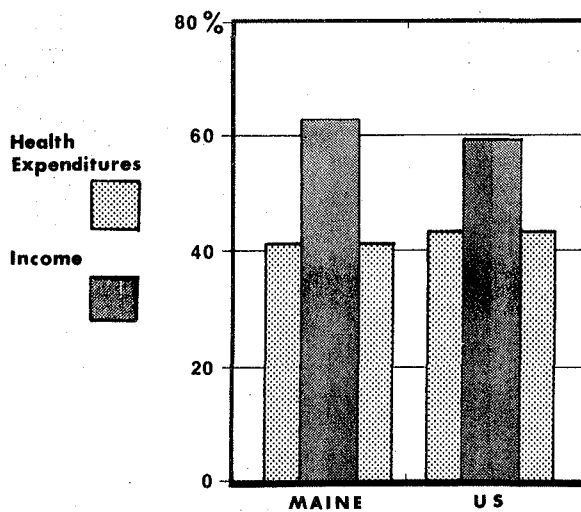


Figure 9
 TOTAL PERCENT INCREASE OF PER CAPITA HEALTH EXPENSES AND INCOME
 Maine and U.S. 1974-1978



RA 410.54 M2 A727
Armstrong, Bruce,
Trends in health care
expenditures, Maine 1974-78

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