

Personal Health Care Expenditures in North Dakota: 2004

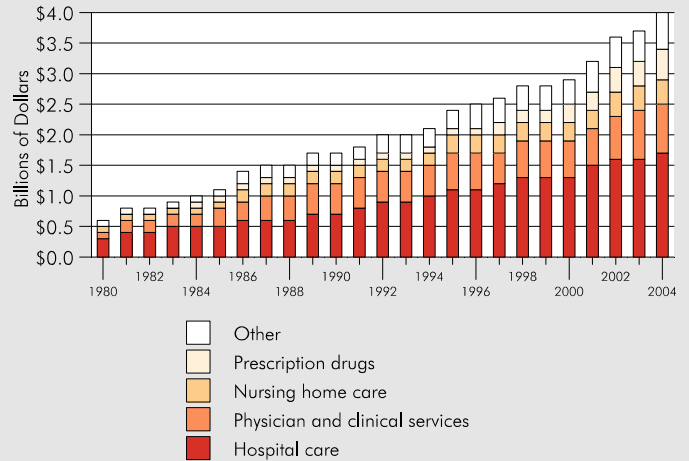
Health care spending in North Dakota was nearly \$4 billion in 2004, increasing nearly 8 percent per year, on average, since 2000. In 2004, hospital care accounted for 43 percent of health care spending in North Dakota (\$1.7 billion). Physician and clinical services captured 21 percent of monies spent on health care statewide in 2004 (\$836 million) (Table 1).

Prescription drugs purchased in North Dakota, which comprised 12 percent of total health care spending statewide in 2004 (\$459 million), increased an average of 14 percent per year from 2000 to 2004. Nursing home care in North Dakota, which comprised 10 percent of total spending in 2004 (\$396 million), increased 4 percent per year, on average, since 2000 (Table 1).

Nationally, an estimated \$1.6 trillion was spent on health care in 2004. From 2000 to 2004, spending nationwide grew an average of 8 percent per year (Figure 2). North Dakota represented 0.3 percent of total personal health care spending nationwide in 2004.

These estimates represent health care spending that occurred in a specific state, not spending by state residents.

Figure 1. Personal Health Care Expenditures: North Dakota
1980 to 2004



Notes: These estimates represent health care spending occurring in North Dakota, not spending by North Dakota residents. The numbers in this figure represent billions of dollars (i.e., \$3.5 represents \$3.5 billion or \$3,500,000,000).

Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group, <http://www.cms.hhs.gov/>

Figure 2. Average Annual Percent Change in Personal Health Care Expenditures by State: 2000 to 2004

Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group, <http://www.cms.hhs.gov/>

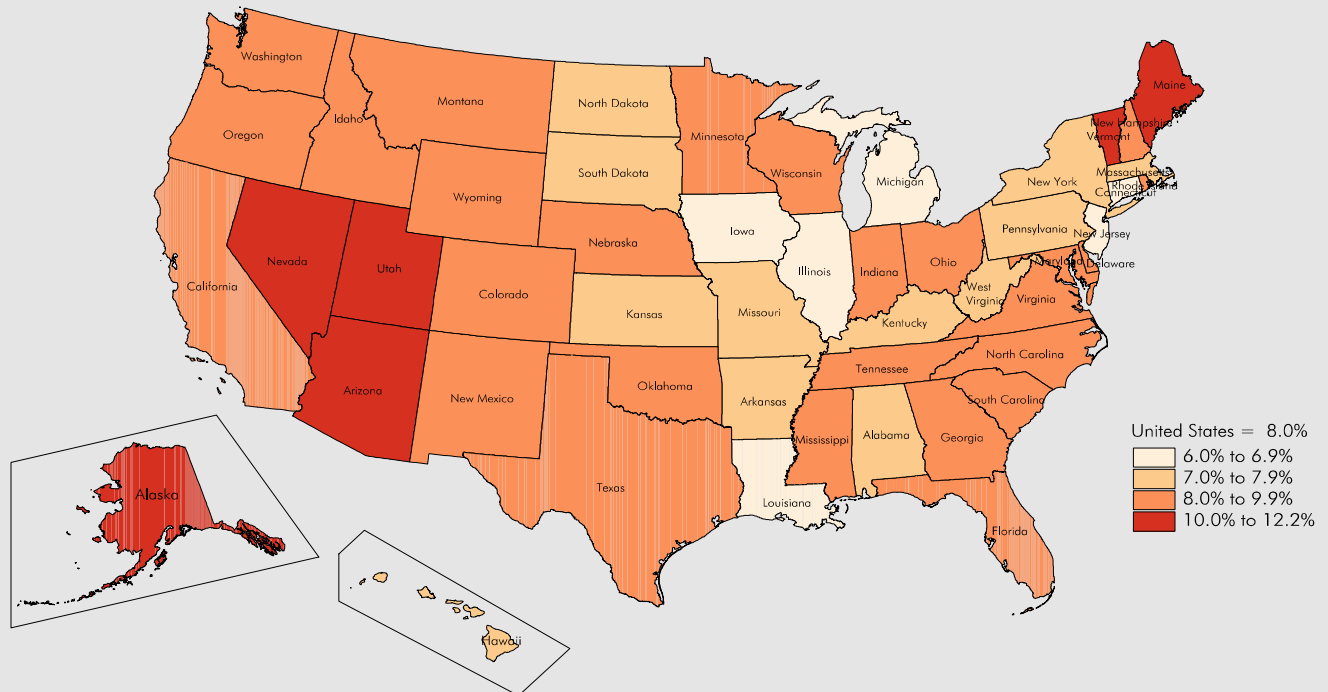


Table 1. Personal Health Care Expenditures (PHCE) in North Dakota: 1980 to 2004

Notes: These estimates represent health care spending occurring in North Dakota, not spending by North Dakota residents. The numbers in this table represent millions of dollars (i.e., \$3,984 represents \$3,984,000,000).

Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group, <http://www.cms.hhs.gov/>

	1980	1985	1990	1995	2000	2001	2002	2003	2004
Personal Health Care (millions of dollars)	\$634	\$1,116	\$1,716	\$2,381	\$2,942	\$3,200	\$3,541	\$3,685	\$3,984
Hospital care	314	524	719	1,069	1,304	1,462	1,628	1,593	1,715
Physician and clinical services	142	254	462	577	585	614	668	762	836
Other professional services	12	20	47	68	86	89	92	102	113
Dental services	31	46	63	96	125	131	161	168	186
Home health care	1	3	11	19	16	16	13	16	19
Prescription drugs	31	57	94	133	275	323	377	413	459
Other non-durable medical products	23	39	52	59	73	74	76	78	78
Durable medical products	10	17	27	37	48	49	52	59	59
Nursing home care	61	140	211	259	339	345	368	382	396
Other personal health care	8	16	31	64	92	97	105	112	124
Percent Distribution of PHCE in ND (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Hospital care	49.5	47.0	41.9	44.9	44.3	45.7	46.0	43.2	43.1
Physician and clinical services	22.4	22.8	26.9	24.2	19.9	19.2	18.9	20.7	21.0
Other professional services	1.9	1.8	2.7	2.9	2.9	2.8	2.6	2.8	2.8
Dental services	4.9	4.1	3.7	4.0	4.2	4.1	4.5	4.6	4.7
Home health care	0.2	0.2	0.6	0.8	0.6	0.5	0.4	0.4	0.5
Prescription drugs	5.0	5.1	5.5	5.6	9.4	10.1	10.7	11.2	11.5
Other non-durable medical products	3.7	3.5	3.0	2.5	2.5	2.3	2.1	2.1	2.0
Durable medical products	1.5	1.5	1.6	1.5	1.6	1.5	1.5	1.6	1.5
Nursing home care	9.7	12.6	12.3	10.9	11.5	10.8	10.4	10.4	9.9
Other personal health care	1.3	1.4	1.8	2.7	3.1	3.0	3.0	3.0	3.1
Annual Growth in PHCE in ND from previous year (%)	--	7.1%	7.3%	9.3%	4.3%	8.8%	10.7%	4.1%	8.1%
Hospital care	--	4.2	9.5	8.4	0.9	12.1	11.3	-2.1	7.7
Physician and clinical services	--	11.5	2.1	11.8	5.1	5.0	8.7	14.2	9.7
Other professional services	--	-22.9	14.8	5.9	7.4	3.7	3.6	10.2	10.8
Dental services	--	-5.3	4.5	10.1	2.7	4.8	23.0	4.7	10.3
Home health care	--	24.1	22.3	29.7	-12.5	-2.2	-15.5	18.2	17.4
Prescription drugs	--	9.8	12.8	10.9	18.2	17.2	16.9	9.6	11.1
Other non-durable medical products	--	6.6	6.3	4.5	2.6	1.4	3.1	2.4	0.4
Durable medical products	--	13.9	6.9	8.0	2.6	2.2	6.7	13.5	-1.2
Nursing home care	--	18.0	8.4	6.3	6.5	1.9	6.7	3.8	3.4
Other personal health care	--	35.1	9.7	14.2	8.2	6.4	7.9	6.2	11.4
North Dakota PHCE as a Share of U.S. (%)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Hospital care	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Physician and clinical services	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Other professional services	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Dental services	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Home health care	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Prescription drugs	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other non-durable medical products	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Durable medical products	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Nursing home care	0.3	0.4	0.4	0.3	0.4	0.3	0.3	0.3	0.3
Other personal health care	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2

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Health Care Spending in North Dakota Reaches Nearly \$4 Billion in 2004

Health care expenditures in North Dakota were estimated at \$3.984 billion in 2004, increasing nearly 8 percent per year, on average, since 2000.

This month's "Economic Brief," a monthly publication from the North Dakota State Data Center at North Dakota State University, focuses on health care spending by type of establishment (e.g., hospitals, clinics, nursing homes) and for medical products (e.g., prescription drugs, over-the-counter medicines, durable medical products such as eyeglasses and hearing aids) purchased at retail outlets. The estimates are based on the location of the provider, not purchaser's state of residence. The estimates provide a useful measure in determining health care spending's role in North Dakota's economy. In 2004, the state added almost \$23 billion to its economy through the production of goods and services, commonly referred to as gross state product. In that same year, approximately \$4 billion was spent on health care in the state. "This comparison demonstrates the sizeable cost of health care in North Dakota. Health care spending will only grow as the leading edge of the baby boomers turns 65 in less than 2 years," said Richard Rathge, director of the State Data Center.

In 2004, hospital care accounted for 43 percent of health care spending in North Dakota (\$1.7 billion). Physician and clinical services captured 21 percent of monies spent on health care statewide in 2004 (\$836 million). Prescription drugs purchased in North Dakota, which comprised 12 percent of total health care spending statewide in 2004 (\$459 million), increased an average of 14 percent per year from 2000 to 2004. Nursing home care in North Dakota, which comprised 10 percent of total spending in 2004 (\$396 million), increased 4 percent per year, on average, since 2000.

Nationally, an estimated \$1.6 trillion was spent on health care in 2004. From 2000 to 2004, spending nationwide grew an average of 8 percent per year. North Dakota represented 0.3 percent of total personal health care spending nationwide in 2004.
