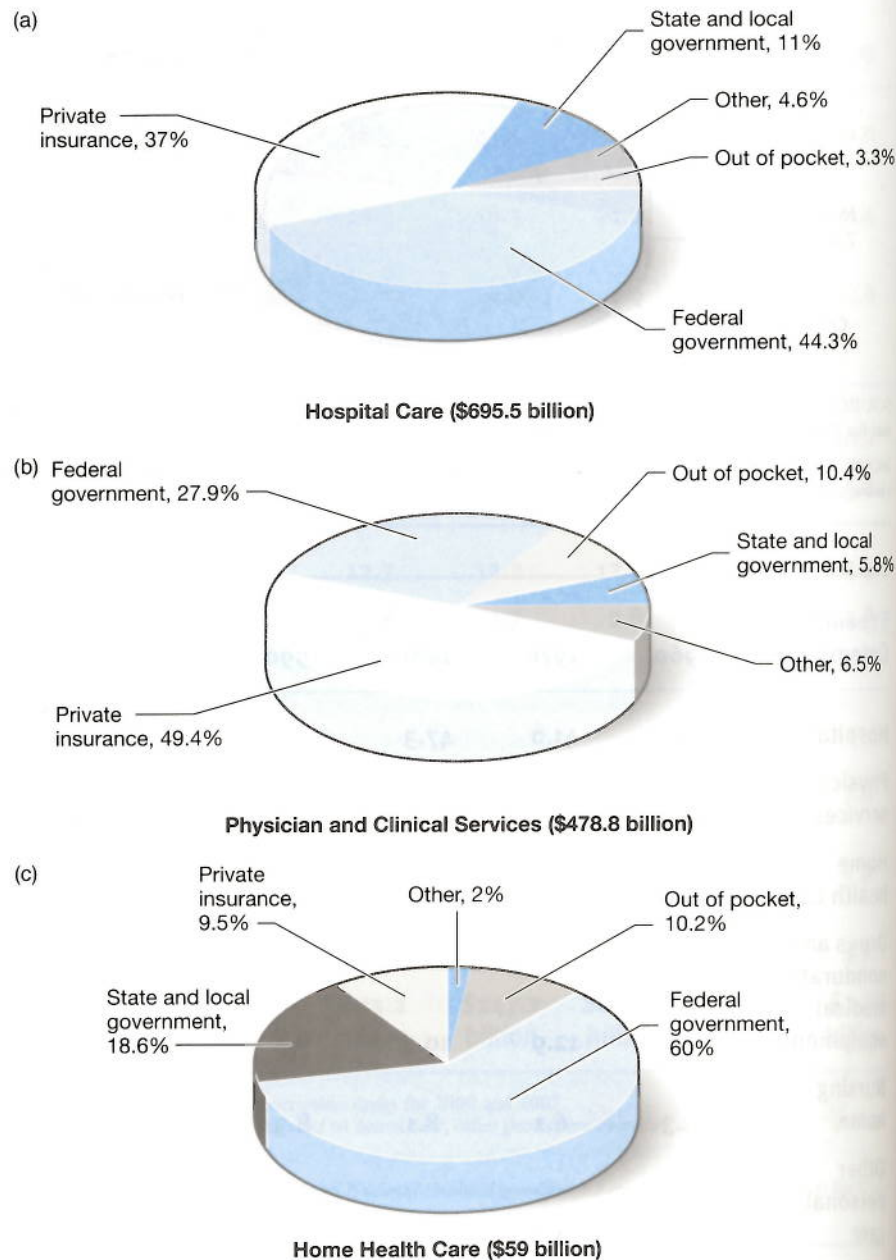


EXHIBIT 7.9

Sources of Funds for Select Personal Health Services, 2007



Sources of Funds for Select Personal Health Expenditures

Examining the proportion of total expenditures, by type of service, covered by various sources of funds, provides additional insight into how the U.S. health services system is financed. Exhibit 7.9 charts the funding sources for various components of personal health services, including hospital care, physician services, home health services, drugs and other nondurable medical equipment, and nursing home care.

(d)

Out of pocket, 21.0%

Private insurance, 43.6%

(e)

State and local government, 18.7%

Private insurance, 7.5%

Federal government, 43.4%

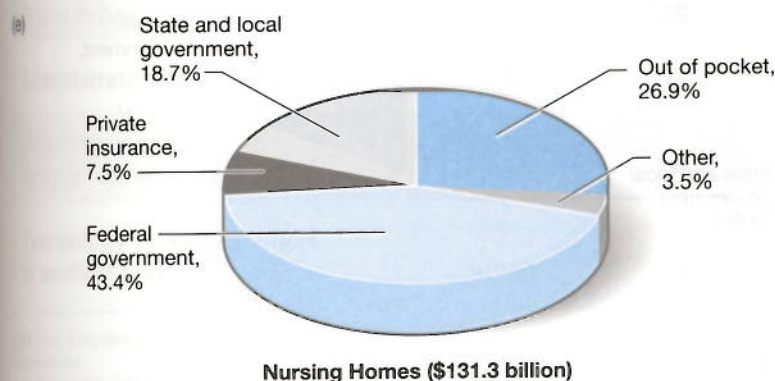
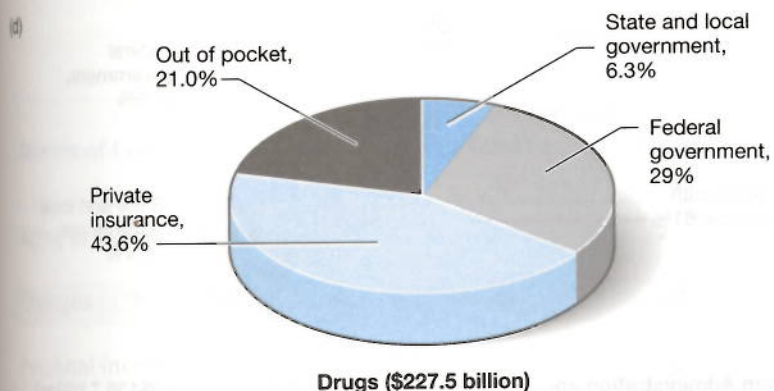
SOURCE: Data for these exhibits are from the Centers for Medicare & Medicaid Services.

In 2007, the federal government funded 43.4 percent of hospital care, 27.9 percent of physician and clinical services, 60 percent of home health care, 43.6 percent of nursing home care, and 43.4 percent of durable medical equipment. Private insurance funded 37.0 percent of hospital care, 49.4 percent of physician services, 9.5 percent of home health care, 7.5 percent of durable medical equipment, and 43.6 percent of nursing home care. Out of pocket payments fund 3.3 percent of hospital care, 10.4 percent of physician services, 10.2 percent of home health care, 21.0 percent of durable medical equipment, and 18.7 percent of nursing home care. Other sources of funds include state and local government, other, and out of pocket.

Sources of funds for health insurance and prescription drug expenditures are the largest funders of health care.

EXHIBIT 7.9

Continued



SOURCE: Data for these exhibits came from *National Health Expenditures Report for 2007*, published by the Centers for Medicare & Medicaid Services in 2008.

In 2007, the federal government was the payer for 44.3 percent of all hospital care, 27.9 percent of all physician services, 60.0 percent of home health care, 29.0 percent of drugs and nondurable medical equipment, and 43.4 percent of nursing home care. Private insurance is the source of funds for 37.0 percent of hospital expenditures, 49.4 percent of physician services, 9.5 percent of home health care, 43.6 percent of drug and nondurable medical equipment, and 43.4 percent of nursing home care. Out-of-pocket payments fund 3.3 percent of hospital care, 10.4 percent of expenditures for physician services, 10.2 percent of home health care, nearly 21 percent of prescription drug expenditures, and 26.9 percent of nursing home care. Note that these proportions differ from those in Exhibit 7.2, which are based on total health expenditures.

Sources of funds for program administration and the net cost of private health insurance and public health are shown in Exhibit 7.10. Private (other) funds are the largest funding sources for program administration and the net