

### Table 9. MEPS Health Expenditures

The data were from the Medical Expenditure Panel Survey (MEPS), conducted by the U.S. Agency of Health Research and Quality. MEPS is a probability survey that provides nationally representative estimates of health care use, expenditures, sources of payment, and insurance coverage for the U.S. civilian population. This survey collects detailed information on individuals of each medical care episode by type of services including physician office visits, hospital emergency room visits, hospital outpatient visits, hospital inpatient stays, all other medical provider visits, and use of prescribed medicines. This detailed information allows one to develop models of health care utilization to predict future expenditures. You can learn more about MEPS at <http://www.meps.ahrq.gov/mepsweb/>.

We consider MEPS data from the panels 7 and 8 of 2003 that consists of 18,735 individuals between ages 18 and 65. From this sample, we took a random sample of 2,000 individuals. From this sample, there are 157 individuals that had positive inpatient expenditures. There are also 1,352 that had positive outpatient expenditures. We will analyze these two samples separately. Our dependent variables consist of amounts of expenditures for inpatient (EXPENDIP) and outpatient (EXPENDOP) visits. For MEPS, outpatient events include hospital outpatient department visits, office-based provider visits and emergency room visits excluding dental services. (Dental services, compared to other types of health care services, are more predictable and occur in a more regular basis.) Hospital stays with the same date of admission and discharge, known as “zero-night stays”, were included in outpatient counts and expenditures. (Payments associated with emergency room visits that immediately preceded an inpatient stay were included in the inpatient expenditures. Prescribed medicines that can be linked to hospital admissions were included in inpatient expenditures, not in outpatient utilization.)

File Name: HealthExpend	Number of obs: 2000	Number of variables: 28
Variable	Number of Obs Missing	Description
AGE		Age in years between 18 and 65
ANYLIMIT		Any activity limitation (=1 if any functional/activity limitation, =0 if otherwise)
COLLEGE		1 if college or higher degree
HIGHSCH		1 if high school degree
GENDER		Indicate gender of patient (=1 if female, =0 if male)
MNHPOOR		Self-rated mental health (=1 if poor or fair, =0 if good to excellent mental health)
insure		Insurance coverage (=1 if covered by public/private health insurance in any month of 1996, =0 if have no health insurance in 1996)
USC		1 if dissatisfied with one's usual source of care
UNEMPLOY		Employment status of patients
MANAGEDCARE		1 if enrolled in an HMO or gatekeeper plan
famsize		Family size of patients
COUNTIP		Number of inpatient visits
EXPENDIP		Amounts of expenditures for inpatient visits
COUNTOP		Number of outpatient visits
EXPENDOP		Amounts of expenditures for outpatient visits
RACE		Race of patient described by words (Asian, Black, Native, White and other)
RACE1		Race of patient described by numbers (=1 if Asian, =2 if Black, =3 if Native, =4 if White and =0 if others)
REGION		Region of patient described by words (WEST, NORTHEAST, MIDWEST and SOUTH)
REGION1		Region of patient described by numbers (=0 if WEST, =1 if NORTHEAST, =2 if MIDWEST and =3 if SOUTH)
EDUC		Level of education received described by words (LHIGHSC, HIGHSCH and COLLEGE)
EDUC1		Level of education received described by numbers (=0 if lower than high school, =1 if high school and =2 if college)
MARISTAT		Married status of patients described by words (NEVMAR, MARRIED, WIDOWED and DIVSEP)
MARISTAT1		Married status of patients described by words (=0 if never married, =1 if married, =2 if widowed and =3 if divorced or seperated)
INCOME		Income compared to poverty line described by words (POOR, NPOOR, LINCOME, MINCOME and HINCOME)
INCOME1		Income compared to poverty line described by numbers (=0 if poor, =1 if near poor, =2 if low income, =3 if middle income and =4 if high income)
PHSTAT		Self-rated physical health status described by words (EXCE, VGOO, GOOD, FAIR and POOR)
PHSTAT1		Self-rated physical health status described by numbers (=0 if excellent, =1 if very good, =2 if good, =3 if fair and =4 if poor)
INDUSCLASS		Industry each patient belongs to

Source: Medical Expenditure Panel Survey (MEPS).

Table 9

Example of the first five observations:

	AGE	ANYLIMIT	COLLEGE	HIGHSCH	GENDER	MNHPOOR	insure	USC	UNEMPLOY	MANAGEDCARE	famsize
1	30	0	0	0	0	0	0	0	0	0	3
2	56	1	0	1	0	0	1	1	1	1	3
3	55	1	1	0	0	0	1	1	0	0	2
4	47	0	1	0	1	0	1	1	0	0	2
5	50	0	1	0	1	0	1	1	1	1	1
	COUNTIP	EXPENDIP	COUNTOP	EXPENDOP	RACE	RACE1	REGION	REGION1	EDUC	EDUC1	
1	0	0.00	0	0.00	WHITE	4	MIDWEST	2	LHIGHSC	0	
2	0	0.00	5	2384.56	BLACK	2	SOUTH	3	HIGHSCH	1	
3	2	16121.45	42	29729.56	WHITE	4	MIDWEST	2	COLLEGE	2	
4	0	0.00	4	110.00	BLACK	2	NORTHEAST	1	COLLEGE	2	
5	0	0.00	43	3298.95	WHITE	4	WEST	0	COLLEGE	2	
	MARISTAT	MARISTAT1	INCOME	INCOME1	PHSTAT	PHSTAT1	INDUSCLASS				
1	MARRIED	1	MINCOME	3	EXCE	0	TRANSINFO				
2	MARRIED	1	MINCOME	3	GOOD	2					
3	MARRIED	1	HINCOME	4	EXCE	0	NATRESOURCE				
4	MARRIED	1	HINCOME	4	FAIR	3					
5	DIVSEP	3	LINCOME	2	GOOD	2					