

Medical Image of the Week: Medical Administrative Growth

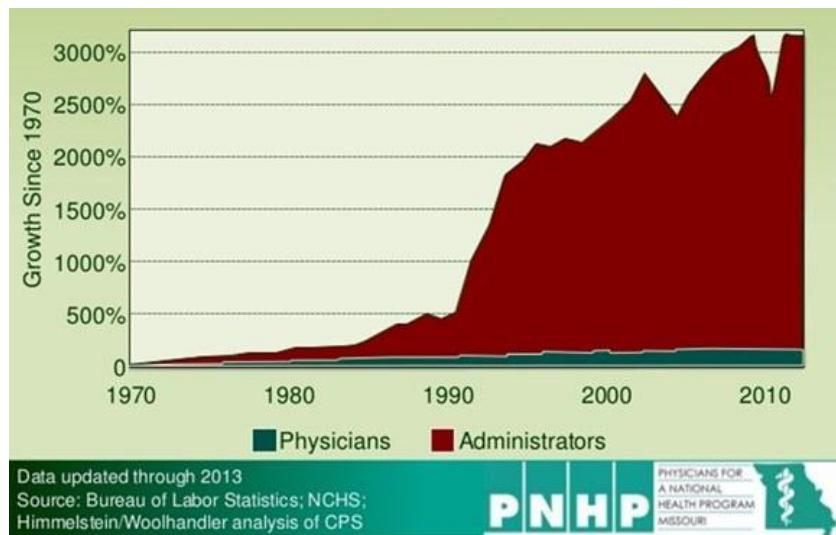


Figure 1. Growth of administrators compared to physicians 1970-2010 (used with permission of David Himmelstein).

It is generally agreed that healthcare costs are too high in the US. Although there has been considerable finger pointing, there is little doubt that administrative costs are far outpacing other healthcare costs. In ground-breaking work published in 1991, Woolhandler and Himmelstein (1) found that US administrative health care costs increased 37% between 1983 and 1987. They estimated these costs accounted for nearly a quarter of all health care expenditures. They followed their 83-87 report by examining data from 1999 (2). US administrative costs had risen to 31% of US health care expenditures. Himmelstein now estimates that administrative costs may now account for up to 40% of healthcare costs (Robbins RA, personal communication). The trend is perhaps best illustrated by Figure 1 showing growth of administrators compared to physicians from 1970-2010 (3).

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References

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2. Woolhandler S, Campbell T, Himmelstein DU. Costs of health care administration in the United States and Canada. *N Engl J Med.* 2003;349(8):768-75. [\[CrossRef\]](#) [\[PubMed\]](#)
3. Bureau of Labor Statistics. NCHS. Himmelstein and Woolhandler analysis of current population survey. Available at: <http://www.pnhp.org/> (accessed 7/9/18).