

Labor compensation, purchased goods, service biggest spends

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(HealthDay)—Labor compensation remains the single largest contributor

to costs among physicians' offices, hospitals, and outpatient care centers, according to a report published in the July issue of *Health Affairs*.

Sherry Glied, Ph.D., from New York University in New York City, and colleagues calculated revenues and detailed expenditures for physicians' offices, hospitals, and outpatient care centers in 1997, 2002, 2007, and 2012, using Census Bureau and Bureau of Labor Statistics sources.

The researchers found that between 1997 and 2012, spending in physicians' offices, hospitals, and [outpatient care](#) centers rose by \$580 billion, and employment rose by 1.7 million people. In 2012, just under half of all revenues were spent on labor. While the labor compensation share of spending declined slightly overall, the share of compensation paid to physicians and nurses increased. Nonprofessional labor grew during the study period, but employment of this group did not account for much of the sector's increased spending. The majority of the 1997 to 2012 spending increase went to producers of purchased materials and services, which currently account for more than one-third of payments.

"Changes in the health care sector—including the development of new delivery systems and the introduction of new technologies—are likely to alter where the money in the sector goes and who receives how much of it in the future," the authors write.

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