Health Care Costs 101: A Continuing Economic Threat
Introduction

US health spending reached $3.3 trillion in 2016, or $10,348 per capita, and accounted for 17.9% of gross domestic product (GDP). Health spending slowed somewhat in 2016, following the coverage expansions of 2015 and 2014. National health spending increased 4.3% in 2016, down from 5.8% in 2015 and 5.1% in 2014. Despite this slowdown, 2016 health spending grew 1.5 percentage points faster than the economy (GDP grew at a rate of 2.8%).

Looking ahead, health spending is projected to grow at an average rate of 5.5% per year (1.0 points faster than the economy) between 2017 and 2026. At this rate, health care would consume a growing portion of the economy, totaling $5.7 trillion and accounting for one-fifth of GDP by 2026.

*Health Care Costs 101: A Continuing Economic Threat*, which relies on the most recent data available, details how much is spent on health care in the US, which services are purchased, and who pays.

**KEY FINDINGS INCLUDE:**

- Per capita health spending increased 3.5% in 2016 and crossed the $10,000 per capita threshold for the first time.
- Prescription drug spending declined dramatically from 8.9% in 2015 to 1.3% in 2016, driven in part by fewer new medications on the market, slower brand name drug spending, and reduced spending on generic drugs.
- Households and the federal government each accounted for 28% of health spending in 2016.
- As ACA coverage expansion matured in 2016, the rate of increase in federal spending slowed to 3.9%, lower than private business (5.0%) or households (4.6%).
- Federal subsidies for ACA marketplace (individual coverage) premiums and cost sharing totaled $33 billion, accounting for 3.5% of federal health spending and 3.0% of private health insurance spending.
- Public health insurance, including Medicare and Medicaid, paid the largest share of spending (41%) in 2016. Private health insurance paid for a third of health spending and consumers’ out-of-pocket spending accounted for 11%.
Spending growth slowed in 2016 to 4.3%, down from 5.8% in 2015, as ACA enrollment expansions leveled off and prescription drug spending decelerated. The 2016 increase was slightly lower than the 4.5% average growth between 2006 and 2016.

Note: Health spending refers to national health expenditures.

Health spending reached $3.3 trillion in 2016 and is projected to reach $5.7 trillion by 2026. Between 2017 and 2026, health spending is projected to grow at an average rate of 5.5% per year.

Notes: *Health spending* refers to national health expenditures (NHE). Projections shown as $P$.

Health Spending as a Share of GDP
United States, 1966 to 2016, Selected Years, and 10-Year Projection

Over the past 50 years, health care has accounted for a growing share of GDP. In 2016, health care's share of GDP reached 17.9%, up slightly from 17.7% in 2015. By 2026, it is projected to reach 19.7% — or nearly one of every five dollars in the economy.

Notes: Health spending refers to national health expenditures (NHE). Projections shown as P. The 2016 figure reflects a 2.8% increase in gross domestic product (GDP) and a 4.3% increase in national health spending over the prior year. See page 30 for a comparison of economic growth and health spending growth.

Notes: Health spending refers to national health expenditures (NHE). Projections shown as P.
## Health Insurance Spending per Enrollee
### United States, 2015, 2016, and 10-Year Projection

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>2015</th>
<th>2016</th>
<th>2026P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>$11,951</td>
<td>$12,046</td>
<td>$18,525</td>
</tr>
<tr>
<td>Medicaid</td>
<td>$7,870</td>
<td>$7,941</td>
<td>$12,247</td>
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<tr>
<td>Employer-Sponsored</td>
<td>$5,496</td>
<td>$5,727</td>
<td>$8,717</td>
</tr>
<tr>
<td>Marketplace</td>
<td>$4,442</td>
<td>$4,706</td>
<td>N/A</td>
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</table>

**Notes:** Marketplace is individual health insurance coverage purchased on federal- and state-run health exchanges such as healthcare.gov and Covered California. Marketplace per enrollee spending includes premium and cost-sharing subsidies. Employer-sponsored insurance figures include both the employer and worker contribution to premiums. Per enrollee spending in 2016 not shown: Medigap ($2,571), other direct-purchase insurance ($3,960), and Children's Health Insurance Program ($2,617). The 2026 projection reflects average growth of 4.4% per year for Medicare and Medicaid and 4.3% per year for employer-sponsored insurance over the projection period (2017–2026). Projections shown as P.

Health Insurance Spending per Enrollee
United States, 2000 to 2016

Per enrollee spending for Medicare and Medicaid have diverged since 2000. The large increase in Medicare spending in 2006 coincided with the implementation of the Medicare drug benefit. Shifts in Medicaid eligibility to cover more children and nondisabled adults have helped hold down Medicaid’s per enrollee spending.

Note: Employer-sponsored insurance figures include both the employer and worker contribution to premiums. Marketplace is individual health insurance coverage purchased on federal- and state-run health exchanges such as healthcare.gov and Covered California. Marketplace per enrollee spending includes premium and cost-sharing subsidies. Growth is the average annual spending growth rate for 2000 to 2016.

Major Programs as a Share of the Federal Budget
United States, 1967 to 2017

Notes: Spending shares computed as a percentage of federal outlays. All outlays reflect federal spending only (i.e., Medicaid outlays shown reflect federal portion). Since 2011, defense spending has declined not only in share, but in dollars (from $699.4 billion in 2011 to $583.7 billion in 2016).


Since 2015, defense has consumed a smaller share of the federal budget than Medicare.
Health spending in the US far exceeded that of other developed countries, both in per capita spending and as a percentage of GDP. Unlike in the US, in most developed countries, the public sector dominated health spending.

*Estimate.

Note: US spending per capita as reported by OECD differs from figures reported elsewhere in this report.


PAYER DEFINITIONS
Out-of-pocket is consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums.
Other private is computed as total spending less public spending and out-of-pocket spending.
Health Spending, by Type of Medical Condition
United States, 2014 and 10-Year Average Annual Growth

<table>
<thead>
<tr>
<th>Medical Condition</th>
<th>Spending (in billions)</th>
<th>10-Year Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routine Care, Signs, and Symptoms</td>
<td>$266.4</td>
<td>6.4%</td>
</tr>
<tr>
<td>Circulatory Conditions</td>
<td>$245.3</td>
<td>2.1%</td>
</tr>
<tr>
<td>Musculoskeletal Conditions</td>
<td>$201.8</td>
<td>5.3%</td>
</tr>
<tr>
<td>Respiratory Conditions</td>
<td>$162.5</td>
<td>3.7%</td>
</tr>
<tr>
<td>Endocrine System Conditions</td>
<td>$157.5</td>
<td>6.1%</td>
</tr>
<tr>
<td>Nervous System Conditions</td>
<td>$146.4</td>
<td>6.3%</td>
</tr>
<tr>
<td>Neoplasms</td>
<td>$137.4</td>
<td>5.0%</td>
</tr>
<tr>
<td>Injury and Poisoning</td>
<td>$124.6</td>
<td>4.2%</td>
</tr>
<tr>
<td>Genitourinary Conditions</td>
<td>$120.9</td>
<td>4.8%</td>
</tr>
<tr>
<td>Digestive Conditions</td>
<td>$120.8</td>
<td>4.7%</td>
</tr>
<tr>
<td>Mental Illness</td>
<td>$101.5</td>
<td>6.3%</td>
</tr>
<tr>
<td>Infectious Diseases</td>
<td>$85.4</td>
<td>11.1%</td>
</tr>
<tr>
<td>Other</td>
<td>$80.7</td>
<td>5.9%</td>
</tr>
<tr>
<td>Skin Conditions</td>
<td>$48.5</td>
<td>5.8%</td>
</tr>
<tr>
<td>Pregnancy</td>
<td>$47.4</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

Notes: Spending classified by medical condition accounted for 84% of the $2.45 trillion in 2014 health spending under the health care satellite accounts (which consist of medical services by disease and by provider, plus medical products and appliances). Medical condition spending does not include spending on dental services, nursing homes, or medical products and equipment. Ten-year growth percentages are average annual. See Appendices C and D for medical condition detail.


Health Care Costs 101
Spending Levels

When classifying health spending by medical condition, the most money was spent on routine care ($266 billion), followed by circulatory system conditions (which include hypertension and heart disease). Over the past 10 years, spending on infectious diseases grew the fastest (11.1% per year on average) and spending on circulatory conditions grew at the slowest pace (2.1% per year).
Health Spending Distribution, by Category
United States, 2016

TOTAL SPENDING:
$3.3 trillion

Notes: Health spending refers to national health expenditures. For additional detail on spending categories, see page 15 and Appendix A. Further definitions available at www.cms.gov.

Health Care Costs 101
Spending Levels

Hospital and physician services combined accounted for over half of health care spending. Prescription drugs, the third-largest category, accounted for another 10% of spending.

SPENDING CATEGORY DEFINITIONS
Government administration includes the administrative costs of government health care programs such as Medicare and Medicaid.
Investment includes noncommercial research, structures, and equipment.
Net cost of health insurance reflects the difference between benefits and premiums for private insurance.
Other health care refers to the category other health, residential, and personal care.
Other medical products refers to durable medical equipment and nondurable medical products.
Personal Health Care Spending, Adjusted for Inflation
United States, 1966 to 2016, Selected Years

Notes: Personal health care spending excludes government administration, the net cost of health insurance, public health activities, noncommercial research, and investment. For additional detail on spending categories, see Appendix A.


Health Care Costs 101
Spending Levels

The rise in health spending cannot be completely attributed to medical price increases or population growth. In inflation adjusted dollars,* per capita spending grew more than fourfold, from $1,761 per person in 1966 to $7,848 in 2016. Possible reasons for this growth include changes in the volume and mix of services, technological advances, and shifts in the age and gender mix of the population.

*Inflation adjustments remove the impact of changes in health care prices. For further information on price deflators, see Definitions, Sources, Methods and NHE Deflator Methodology at www.cms.gov.
Factors Contributing to per Capita Spending Growth
United States, 2012 to 2016

Nonprice Factors
- Volume and Mix of Services
- Age and Gender

Price Factors
- Economy-Wide Inflation
- Medical-Specific Price Inflation

Increases in the volume and mix of services served as the largest contributor to per capita spending growth in 2014, 2015, and 2016. Expansion of health insurance in 2014 and 2015 contributed to the growth in services. Medical-specific price inflation — above and beyond economy-wide inflation — was negligible (+/− 0.1%) between 2014 and 2016.

Notes: Volume and mix of services, also referred to as use and intensity, is computed as a residual and includes any measurement error. The impact of population growth is removed.

# Health Spending Summary, by Category

United States, 2015, 2016, and 20-Year Look Back

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Care</td>
<td>$350.8</td>
<td>$1,033.4</td>
<td>$1,082.5</td>
<td>33%</td>
<td>32%</td>
<td>32%</td>
<td>5.8%</td>
<td>5.7%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Physician and Clinical Services</td>
<td>$228.4</td>
<td>$631.0</td>
<td>$664.9</td>
<td>21%</td>
<td>20%</td>
<td>20%</td>
<td>5.5%</td>
<td>5.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Dental Services</td>
<td>$46.9</td>
<td>$118.9</td>
<td>$124.4</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>5.0%</td>
<td>4.4%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Other Professional Services</td>
<td>$28.9</td>
<td>$87.8</td>
<td>$92.0</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>6.0%</td>
<td>5.9%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Nursing Care Facilities</td>
<td>$69.2</td>
<td>$158.1</td>
<td>$162.7</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
<td>4.4%</td>
<td>3.7%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Home Health Services</td>
<td>$35.7</td>
<td>$88.8</td>
<td>$92.4</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>4.9%</td>
<td>5.8%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Other Health Care</td>
<td>$46.0</td>
<td>$164.8</td>
<td>$173.5</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
<td>6.9%</td>
<td>8.7%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Prescription Drugs</td>
<td>$68.1</td>
<td>$324.5</td>
<td>$328.6</td>
<td>6%</td>
<td>10%</td>
<td>10%</td>
<td>8.2%</td>
<td>8.9%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Other Medical Products</td>
<td>$43.4</td>
<td>$108.2</td>
<td>$113.2</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
<td>4.9%</td>
<td>4.3%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Net Cost of Health Insurance</td>
<td>$48.8</td>
<td>$207.7</td>
<td>$219.8</td>
<td>5%</td>
<td>6%</td>
<td>7%</td>
<td>7.8%</td>
<td>6.1%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Government Administration</td>
<td>$10.9</td>
<td>$42.1</td>
<td>$43.8</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>7.2%</td>
<td>2.8%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Public Health Activities</td>
<td>$32.4</td>
<td>$81.7</td>
<td>$82.2</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>4.8%</td>
<td>2.9%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Investment</td>
<td>$64.8</td>
<td>$153.7</td>
<td>$157.4</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
<td>4.5%</td>
<td>2.7%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

*Growth rate for 1996–2016 is average annual; others are annual changes.

Notes: Health spending refers to national health expenditures. For additional detail on spending categories, see Appendix A. Further definitions available at [www.cms.gov](http://www.cms.gov).


**Health Care Costs 101**

Spending Levels

The 2016 growth rate in US health spending (4.3%) was lower than the previous year (5.8%) and the 20-year average (5.8%). Over the past 20 years, hospital care has remained the largest spending category. Prescription drugs have experienced the greatest increase in share (rising from 6% of spending in 1996 to 10% in 2016).

**Spending Category Definitions**

- **Government administration** includes the administrative costs of government health care programs such as Medicare and Medicaid.
- **Investment** includes noncommercial research, structures, and equipment.
- **Net cost of health insurance** reflects the difference between benefits and premiums for private insurance and includes administrative expenses, premium taxes, and profits.
- **Other health care** refers to the category other health, residential, and personal care.
- **Other medical products** refers to durable medical equipment and nondurable medical products.
Health Spending Distribution, by Sponsor
United States, 2016

Health Care Costs 101
Sponsors

Sponsors finance the nation’s health care by paying insurance premiums, out-of-pocket expenses and payroll taxes, or by directing general tax revenues to health care. In 2016, the federal government and households were the largest sponsors.

SPONSOR DEFINITIONS
Federal government sponsors health care via general tax revenues, plus payroll tax and employer contributions to health insurance premiums for its workers.
Households sponsor health care through out-of-pocket costs, health insurance premiums, and payroll taxes.
Other private contributions include philanthropy, privately funded structures and equipment, and investment income.
Private business sponsors health care through employer contributions to health insurance premiums and payroll taxes.
State and local government sponsors health care programs and pays payroll taxes and health insurance premiums for its workers.

Notes: Health spending refers to national health expenditures. Sponsors are the entities that are ultimately responsible for financing the health care bill. See page 18 for trend data. Segments don’t sum to 100% due to rounding.
Medicaid accounted for the largest share (39%) of federal spending on health care. Marketplace tax credits and subsidies totaled 4% of federal health spending. Out-of-pocket spending was the largest component of household health spending at 38%. Employer contributions to workers’ health insurance premiums made up the majority (76%) of private business health spending.

*Includes premiums paid by individuals for marketplace plans, Medigap, and other directly purchased health insurance, such as coverage purchased off-exchange.

Notes: Health spending refers to national health expenditures. Sponsors are the entities that are ultimately responsible for financing the health care bill. Other health programs includes Department of Defense and Veterans Affairs health care, maternal and child health, and Children’s Health Insurance Program (CHIP). Marketplace is individual coverage purchased on federal- and state-run health exchanges, such as healthcare.gov and Covered California. Medicaid buy-in premiums for Medicare are reflected under Medicaid. Household spending figures exclude government-paid advance premium tax credit (APTC) and cost-sharing reductions (CSR). Not shown: other private revenues ($225.2 billion), which includes philanthropy, investment income, and private investment in noncommercial research, structures, and equipment. Figures may not total 100% due to rounding.

In the past 10 years, the federal government has sponsored a growing share of health spending, while the shares sponsored by households and business declined. The federal share leveled off at about 28% in the 2014 to 2016 period.
### Health Spending Summary, by Sponsor
United States, 2015, 2016, and 20-Year Look Back

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</tr>
</thead>
<tbody>
<tr>
<td><strong>National Health Expenditures</strong></td>
<td>$1,074.4</td>
<td>$3,200.8</td>
<td>$3,337.2</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>5.8%</td>
<td>5.8%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Household</td>
<td>$337.7</td>
<td>$897.5</td>
<td>$938.8</td>
<td>31%</td>
<td>28%</td>
<td>28%</td>
<td>5.2%</td>
<td>5.0%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Private Business</td>
<td>$250.4</td>
<td>$633.3</td>
<td>$664.6</td>
<td>23%</td>
<td>20%</td>
<td>20%</td>
<td>5.0%</td>
<td>4.4%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Other Private Revenues</td>
<td>$84.1</td>
<td>$211.8</td>
<td>$225.2</td>
<td>8%</td>
<td>7%</td>
<td>7%</td>
<td>5.0%</td>
<td>3.1%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Federal Government</td>
<td>$229.9</td>
<td>$908.9</td>
<td>$944.1</td>
<td>21%</td>
<td>28%</td>
<td>28%</td>
<td>7.3%</td>
<td>8.9%</td>
<td>3.9%</td>
</tr>
<tr>
<td>State and Local Government</td>
<td>$172.4</td>
<td>$549.3</td>
<td>$564.5</td>
<td>16%</td>
<td>17%</td>
<td>17%</td>
<td>6.1%</td>
<td>4.8%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

*Growth rate for 1996–2016 is average annual; others are annual increases.

Notes: Health spending refers to national health expenditures. Sponsors are the entities that are ultimately responsible for financing the health care bill. Other private revenue includes philanthropy, privately funded structures and equipment, and investment income. See page 17 for detail on how sponsors finance health care spending. Figures may not sum due to rounding.


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Health Care Costs 101
Sponsors

Over the past 20 years, federal government spending grew at an average rate of 7.3% per year, faster than spending by other government and private sponsors. In 2016, households spent almost as much on health care as the federal government: Each accounted for 28% of health spending.
Sponsors of Private Health Insurance
United States, 2016

Spending on private health insurance totaled $1.1 trillion in 2016. Private business and households were the largest funders of private health insurance, accounting for 45% and 32%, respectively. In addition to spending on government workers’ premiums, the federal government funded ACA-related individual market subsidies (premium tax credits and cost-sharing subsidies), which accounted for 3% ($33 billion) of all private health insurance spending.

**Notes:** Sponsors are the entities that are ultimately responsible for financing the health care bill. ESI refers to employer-sponsored insurance; P&C refers to property and casualty insurance. Direct purchase insurance includes premiums paid by individuals for marketplace plans, Medigap, and other directly purchased health insurance, such as coverage purchased off-exchange. Marketplace is individual health insurance coverage purchased on federal- and state-run health exchanges, such as healthcare.gov and Covered California. Segments don’t sum to 100% due to rounding.

Sponsors of Medicare
United States, 2016

Medicare is financed by general revenue, payroll taxes, and premiums. The payroll taxes contributed by employees, businesses, and government accounted for about 40% of spending. Premiums paid by individuals were roughly 10%, while general revenue and other sources accounted for the remaining half.

Notes:
Sponsors are the entities that are ultimately responsible for financing the health care bill. Segments may not sum to their category subtotals due to rounding.


1 Reflects premiums paid by individuals to Supplementary Medical Insurance Trust Fund (for Part B, professional services, and Part D, prescription drugs).
In 2016, public health insurance paid the largest share of health care costs (41%). Medicare accounted for 20% of all health spending while Medicaid paid for 17%. Private health insurance paid for just over a third of health spending. Consumers’ out-of-pocket spending accounted for 11%.

Notes: Health spending refers to national health expenditures. Other is other public health insurance. P&C refers to property and casualty. Segments don’t sum to 100% due to rounding. See page 23 for historical distribution.

Payment Sources
United States, 1966 to 2016

Over time, out-of-pocket spending has shrunk as a share of all health spending, while Medicare and Medicaid’s share has expanded.

PAYER DEFINITIONS
Other payers includes worksite health care, Indian Health Services, workers’ compensation, maternal and child health, and vocational rehabilitation.

Other public health insurance includes Departments of Defense and Veterans Affairs health care and the Children’s Health Insurance Program (CHIP).

Out-of-pocket includes consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums.

Note: Health spending refers to national health expenditures.
### Health Spending Distribution, by Payer

**United States, 2014 to 2016 and 10-Year Projection**

<table>
<thead>
<tr>
<th>Payment Source</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2026P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Health Insurance</td>
<td>33.0%</td>
<td>33.4%</td>
<td>33.7%</td>
<td></td>
</tr>
<tr>
<td>Medicare</td>
<td>20.5%</td>
<td>20.3%</td>
<td>20.1%</td>
<td>24.0%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>16.4%</td>
<td>17.0%</td>
<td>16.9%</td>
<td>24.0%</td>
</tr>
<tr>
<td>Out-of-Pocket</td>
<td>10.9%</td>
<td>10.6%</td>
<td>10.6%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Other Public Health</td>
<td>3.7%</td>
<td>3.8%</td>
<td>3.8%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Notes: *Health spending* refers to national health expenditures. Projections shown as P. See page 23 for historical distribution. Not shown: other payers, public health activities, and investment, which totaled 15.5%, 15.0%, 14.9%, and 13.9% in 2014, 2015, 2016, and 2026P, respectively.

## Health Spending Summary, by Payer
### United States, 2015, 2016, and 20-Year Look Back

<table>
<thead>
<tr>
<th></th>
<th>SPENDING (IN BILLIONS)</th>
<th>DISTRIBUTION</th>
<th>GROWTH*</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Health Expenditures</td>
<td>$1,074.4</td>
<td>$3,200.8</td>
<td>$3,337.2</td>
</tr>
<tr>
<td>Out-of-Pocket</td>
<td>$150.4</td>
<td>$339.3</td>
<td>$352.5</td>
</tr>
<tr>
<td>Private Health Insurance</td>
<td>$343.7</td>
<td>$1,068.8</td>
<td>$1,123.4</td>
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<tr>
<td>Medicare</td>
<td>$198.8</td>
<td>$648.8</td>
<td>$672.1</td>
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<tr>
<td>Medicaid</td>
<td>$152.2</td>
<td>$544.1</td>
<td>$565.6</td>
</tr>
<tr>
<td>• Federal</td>
<td>$ 91.1</td>
<td>$343.1</td>
<td>$358.1</td>
</tr>
<tr>
<td>• State</td>
<td>$ 61.1</td>
<td>$201.0</td>
<td>$207.5</td>
</tr>
<tr>
<td>Other Public Health Insurance</td>
<td>$ 27.5</td>
<td>$121.1</td>
<td>$125.8</td>
</tr>
<tr>
<td>Other Payers</td>
<td>$104.7</td>
<td>$243.3</td>
<td>$258.3</td>
</tr>
<tr>
<td>Public Health Activities</td>
<td>$ 32.4</td>
<td>$81.7</td>
<td>$82.2</td>
</tr>
<tr>
<td>Investment</td>
<td>$ 64.8</td>
<td>$153.7</td>
<td>$157.4</td>
</tr>
</tbody>
</table>

*Growth rate for 1996–2016 is average annual; others are annual changes.

Notes: Health spending refers to national health expenditures. Columns may not sum due to rounding.


---

### Health Care Costs 101
#### Payment Sources

Medicare and Medicaid accounted for a larger share of spending in 2016 than in 1996. Medicaid’s expansion occurred mainly through federal spending, which grew 7.1% over the period, versus 6.3% growth for state and local government.

#### Payer Definitions

Other payers includes worksite health care, Indian Health Services, workers’ compensation, maternal and child health, and vocational rehabilitation.

Other public health insurance includes Departments of Defense and Veterans Affairs and the Children’s Health Insurance Program (CHIP).

Out-of-pocket includes consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums.
Out-of-Pocket Spending per Capita
United States, 1966 to 2016, Selected Years

Out-of-pocket spending on health care reached $1,093 per person in 2016. Although the dollar amount spent out of pocket has risen steadily, the share of total health spending from this source has declined. In 1966, the $92 spent out of pocket accounted for 40% of the $228 per capita health spending. In 2016, the average $1,093 spent out of pocket was about 11% of the $10,348 spent per capita.

Notes: Health spending refers to national health expenditures. Figures not adjusted for inflation.
Payer Mix, by Service Category
United States, 2016

PAYER SEGMENTS IN BILLIONS

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Payer Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Care</td>
<td>$1,082.5 Private Insurance: $426.7, Out-of-Pocket: $32.7, Other Payers: $287.3, Medicare: $148.9, Medicaid: $45.8, Other Public Insurance: $114.2, Nursing Care Facilities: $142.6, Dental: $45.0, Home Health: $37.5, All Other Care and Products: $104.8</td>
</tr>
<tr>
<td>Physician and Clinical Services</td>
<td>$664.9 Private Insurance: $287.3, Out-of-Pocket: $32.7, Other Payers: $142.6, Medicare: $45.8, Medicaid: $114.2, Other Public Insurance: $55.8, Nursing Care Facilities: $142.6, Dental: $45.0, Home Health: $37.5, All Other Care and Products: $104.8</td>
</tr>
<tr>
<td>Prescription Drugs</td>
<td>$328.6 Private Insurance: $142.6, Out-of-Pocket: $32.7, Other Payers: $142.6, Medicare: $45.8, Medicaid: $114.2, Other Public Insurance: $55.8, Nursing Care Facilities: $142.6, Dental: $45.0, Home Health: $37.5, All Other Care and Products: $104.8</td>
</tr>
</tbody>
</table>

Notes: All other care and products consists of durable medical equipment, nondurable medical products, other professional services, and other health, residential, and personal care. Segments may not sum due to rounding. For additional detail on spending categories, see Appendix A. Further definitions available at www.cms.gov.


Health Care Costs 101
Payment Sources

The payer mix for health care differs by service provided. Home health services are most commonly paid for by Medicare and Medicaid, while most dental services are paid for by private health insurance and out-of-pocket.

For an interactive look at how the payer mix by service category has changed over time, visit www.chcf.org.

PAYER DEFINITIONS
Other payers includes worksite health care, Indian Health Services, workers’ compensation, maternal and child health, and vocational rehabilitation.

Other public health insurance includes Departments of Defense and Veterans Affairs and the Children’s Health Insurance Program (CHIP).

Out-of-pocket includes consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums.
Spending Distribution, Private Insurance vs. Out-of-Pocket
United States, 2016

- **Private Insurance**
  - Hospital Care: 38%
  - Physician and Clinical Services: 26%
  - Prescription Drugs: 13%
  - Net Cost of Health Insurance: 0%
  - Dental Services: 5%
  - Other Professional Services: 3%
  - Nursing Care Facilities: 1%
  - Other Health Care: 1%
  - Other Medical Products: 1%
  - Home Health Services: 1%

- **Out-of-Pocket**
  - Hospital Care: 9%
  - Physician and Clinical Services: 17%
  - Prescription Drugs: 13%
  - Net Cost of Health Insurance: 12%
  - Dental Services: 14%
  - Other Professional Services: 6%
  - Nursing Care Facilities: 12%
  - Other Health Care: 2%
  - Other Medical Products: 24%
  - Home Health Services: 2%

Private insurance spent the largest portion of its health care dollars on hospital care (38%). In contrast, other medical products, a category including eyeglasses, over-the-counter medications, and durable items such as wheelchairs, was the largest category of out-of-pocket spending.

Notes: Health spending refers to national health expenditures. For additional detail on spending categories, see Appendix A. Further definitions available at [www.cms.gov](http://www.cms.gov).

Spending Distribution, Medicare vs. Medicaid
United States, 2016

Notes: Health spending refers to national health expenditures. Not shown: dental services (<1% of Medicare and 2% of Medicaid). For additional detail on spending categories, see Appendix A. Further definitions available at [www.cms.gov](http://www.cms.gov).

Health Care Costs 101
Payment Sources

The largest expense category for both Medicare and Medicaid was hospital care. Medicaid’s second-largest spending category was other health care, which includes Medicaid home- and community-based waiver programs providing alternatives to long-term institutional services.

SPENDING CATEGORY DEFINITIONS

Government administration includes the administrative costs of government health care programs such as Medicare and Medicaid.

Net cost of health insurance reflects the difference between benefits and premiums for private insurance and includes administrative expenses, premium taxes, and profits.

Other health care refers to the category other health, residential, and personal care.

Other medical products refers to durable medical equipment and nondurable medical products.
Health Spending vs. Inflation and the Economy
United States, 1966 to 2016

ANNUAL GROWTH RATES

- Health Spending
- CPI
- GDP

Spending growth peaked: 16.0% (1981)
OPEC oil crisis (1974)
RECESSION PERIODS
Lowest spending growth: 2.9% (2013)
ACA implemented (2014)
ACA signed into law (2010)

Notes:
Health spending refers to national health expenditures. CPI refers to consumer price index and GDP refers to gross domestic product. See page 14 for detail on the components of health spending growth.


Over the last 50 years, health spending has outpaced both inflation and economic growth. From 2010 to 2013, health care grew at a rate similar to the economy. Health spending grew faster in 2014 and 2015, as millions of people gained health insurance. Spending slowed in 2016, as post-ACA enrollment began to stabilize.
Health Spending vs. the Economy
United States, 2014 to 2016 and 10-Year Projections

ANNUAL GROWTH RATES AND PROJECTIONS

Health Spending vs. GDP

Notes: Health spending refers to national health expenditures. GDP refers to gross domestic product. Projections shown as P.

Health Care Costs 101
Growth Trends

Over the period 2017 to 2026, health spending is projected to increase at an average rate of 5.5% per year, one percentage point faster than gross domestic product (GDP). Based on these estimates, health care is expected to account for one-fifth of the economy by 2026.
### Growth Rates, by Spending Category

#### United States, 2016

<table>
<thead>
<tr>
<th>Spending Category</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cost of Health Insurance</td>
<td>5.8%</td>
</tr>
<tr>
<td>Physicians and Clinical Services</td>
<td>5.4%</td>
</tr>
<tr>
<td>Other Health Care</td>
<td>5.3%</td>
</tr>
<tr>
<td>Hospital Care</td>
<td>4.7%</td>
</tr>
<tr>
<td>Other Professional Services</td>
<td>4.7%</td>
</tr>
<tr>
<td>Dental Services</td>
<td>4.6%</td>
</tr>
<tr>
<td>Other Medical Products</td>
<td>4.6%</td>
</tr>
<tr>
<td>Government Administration</td>
<td>4.0%</td>
</tr>
<tr>
<td>Home Health Care</td>
<td>4.0%</td>
</tr>
<tr>
<td>Nursing Care Facilities</td>
<td>2.9%</td>
</tr>
<tr>
<td>Investment</td>
<td>2.4%</td>
</tr>
<tr>
<td>Prescription Drugs*</td>
<td>1.3%</td>
</tr>
<tr>
<td>Public Health Activity</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

*In 2016, 22 new drugs were approved, about half the number approved in 2015 (45) and 2014 (41).

Notes: For additional detail on spending categories, see Appendix A. Further definitions available at [www.cms.gov](http://www.cms.gov).


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### Health Care Costs 101

Growth rates by spending category ranged from a 0.6% for public health activity to 5.8% for the net cost of health insurance. Growth in prescription drug spending declined dramatically, from 8.9% in 2015 (not shown) to 1.3%, as fewer new drugs were approved, generic drug spending declined, and brand-name drug spending slowed.

---

### Spending Category Definitions

- **Government administration** includes the administrative costs of health care programs such as Medicare and Medicaid.
- **Net cost of health insurance** refers to the difference between private health insurance expenditures and benefits, and includes administrative costs, additions to reserves, rate credits and dividends, premium taxes and fees, and profits or losses.
- **Other health care** refers to the category other health, residential, and personal care.
- **Other medical products** refers to durable medical equipment and nondurable medical products.
- **Other professional services** consists of care provided in establishments operated by health care providers other than physicians or dentists, such as chiropractors, podiatrists, and speech therapists.
Annual Growth in Health Spending, by Sponsor
United States, 2016

- Other Private Revenue: 6.3%
- Private Business: 5.0%
- Household: 4.6%
- Federal Government: 3.9%
- State and Local Government: 2.8%

**Overall: 4.3%**

*See page 35 for detail on changes in household spending.*

Notes: Health spending refers to national health expenditures. Sponsors are the entities that are ultimately responsible for financing the health care bill. Other private revenue includes philanthropy, privately funded structures and equipment, and investment income. Marketplace is individual health insurance coverage purchased on federal- and state-run health exchanges, such as healthcare.gov and Covered California. See pages 16, 17, and 19 for detail on how sponsors finance health care spending.

Annual Growth Rates, Largest Spending Categories
United States, 1996 to 2016

Over the past 20 years, annual growth in prescription drug spending has been more volatile than other major categories, and ranged from 0.1% to 18.2%. Increasing an average of 8.2% annually between 1996 and 2016, prescription drug spending has grown faster than spending on hospital (5.8%) or physician and clinical services (5.5%).

Notes: Health spending refers to national health expenditures. CPI is consumer price index. Growth is the average annual spending growth rate for 1996 to 2016.
Growth in Household Health Care Spending
United States, 2016

Medical Portion of Property and Casualty Insurance

- 8.7%

Medicare Part B and D Premiums

- 8.3%

Medicare Payroll Tax (employee or enrollee share)

- 5.4%

Employer-Sponsored Insurance (employee share)

- 4.6%

Out-of-Pocket Health Spending

- 3.9%

Direct Purchase Insurance (household contribution)

- 0.2%

OVERALL: 4.6%

Notes: Health spending refers to national health expenditures. Direct purchase insurance includes premiums paid by individuals for marketplace plans, Medigap, and other directly purchased health insurance, such as coverage purchased off-exchange. Marketplace is individual health insurance coverage purchased on federal- and state-run health exchanges, such as healthcare.gov and Covered California. Household health care spending excludes any subsidies provided for premiums or cost sharing by the ACA.

The impact of federal health policy decisions and economic conditions can be seen in the acceleration and deceleration of health care spending. For example, in 2015 and 2016, federal spending slowed as ACA coverage expansions leveled off.
Annual Change in Health Spending, by Payer
United States, 2016

- Other Payers: 6.1%
- Private Health Insurance: 5.1%
- Medicaid (Federal): 4.4%
- Out-of-Pocket: 3.9%
- Other Public Health Insurance: 3.9%
- Medicare: 3.6%
- Medicaid (State): 3.2%

OVERALL: 4.3%

Notes: Health spending refers to national health expenditures. Not shown: public health activities (0.6%) and investment (2.4%). Medicaid overall, federal and state combined, grew 3.9%.

Health Care Costs 101
Growth Trends

Spending growth ranged from 3.2% to 6.1% among payers, a narrower spread than in the past two years (not shown). With the stabilization of ACA enrollment in 2016, federal Medicaid spending increased at a pace similar to other payers.

PAYER DEFINITIONS
- Other payers includes worksite health care, Indian Health Services, workers’ compensation, maternal and child health, and vocational rehabilitation.
- Other public health insurance includes Departments of Defense and Veterans Affairs and the Children’s Health Insurance Program (CHIP).
- Out-of-pocket includes consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums.
Annual Growth Rates, by Payer
United States, 2006 to 2016

Changes in government policy and large economic shifts affect spending growth. During the great recession, out-of-pocket spending slowed as consumers tightened their belts; federal Medicaid spending accelerated as the economic recovery program increased federal Medicaid funds to states. More recently, during the 2014 ACA implementation, spending by federal Medicaid and private insurance sources accelerated as millions gained coverage.

Notes: Marketplace is individual health insurance coverage purchased on federal- and state-run health exchanges, such as healthcare.gov and Covered California. Not shown: other public health insurance, other payers, public health activities, investment. See page 25 for historical and page 39 for projected growth rates.

Annual Growth Projections, by Payer
United States, 2014 to 2016 and 10-Year Projections


Overall health spending is projected to increase 5.5% per year (not shown) for the 2017 to 2026 period. Medicare is expected to have the highest growth rate as baby boomers age into the program. Medicaid spending slowed in 2016 as enrollment stabilized; looking ahead, Medicaid projections reflect an increasing share of enrollment in the “aged and disabled” category.
Share of Population vs. Personal Health Care Spending by Age Group, United States, 2012

The elderly population, 65 and over, made up 14% of the US population and accounted for 34% of personal health care spending. In contrast, children made up 25% of the population and accounted for 12% of personal health spending.

Notes: Personal health care spending excludes net cost of health insurance, government administration, public health activities, and investment. See Appendix B for spending category detail by age group and gender.

Personal Health Care Spending per Capita
by Age Group, United States, 2012

Per capita health spending varies by age. Personal health care spending among young, working-age adults (19 to 44) totaled $4,458 per person, 26% more than children, but less than half as much as older working adults (45 to 64). Spending on those age 85 and over averaged $32,411 per person.

Notes: Personal health care spending excludes net cost of health insurance, government administration, public health activities, and investment. Per capita spending for all people age 65 and older was $18,988. See Appendix B for spending category detail by age group and gender.
Overall, females spent 22% more than males on personal health care, a difference of $1,527 per year. Gender differences were greatest for women of child-bearing age, due to increased hospital and physician services, and for women age 85 and older, due largely to more nursing facility care.

Personal Health Care Spending per Capita by Gender and Age Group, United States, 2012

<table>
<thead>
<tr>
<th>Age and Gender</th>
<th>Females</th>
<th>Males</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 and younger</td>
<td>$3,399</td>
<td>$3,698</td>
</tr>
<tr>
<td>19 to 44</td>
<td>$5,579</td>
<td>$3,352</td>
</tr>
<tr>
<td>45 to 64</td>
<td>$9,808</td>
<td>$9,203</td>
</tr>
<tr>
<td>65 to 84</td>
<td>$16,857</td>
<td>$16,890</td>
</tr>
<tr>
<td>85 and older</td>
<td>$33,662</td>
<td>$29,922</td>
</tr>
</tbody>
</table>

ALL MALES: $6,788  ALL FEMALES: $8,315

Notes: Personal health care spending excludes net cost of health insurance, government administration, public health activities, and investment. Per capita spending for all people age 65 and older was $18,988 ($19,558 for females and $18,251 for males). See Appendix B for spending category detail by age group and gender.

Over the 10-year period shown, per person spending increased most slowly among the elderly and fastest among children. In contrast, overall spending totals, which also reflect the increasing numbers of the elderly, grew much faster.

Note: The slower per person growth for the elderly is attributed, in part, to low rates of increase in nursing facility care (e.g., average 1.6% annually for 85+) resulting from state efforts to support home-based care alternatives to institutional care. Rising insurance levels among children may have boosted health spending in the youngest age group. Source: Author calculation based on National Health Expenditure age and gender data, 2002–2012, Centers for Medicare & Medicaid Services (CMS), [www.cms.gov](http://www.cms.gov).
### Personal Health Care Spending per Capita
by Category and Age Group, United States, 2012

<table>
<thead>
<tr>
<th>Category</th>
<th>18 AND YOUNGER</th>
<th>19 TO 44</th>
<th>45 TO 64</th>
<th>65 TO 84</th>
<th>85 AND OLDER</th>
<th>ALL AGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Health Care</td>
<td>$3,552</td>
<td>$4,458</td>
<td>$9,513</td>
<td>$16,872</td>
<td>$32,411</td>
<td>$7,564</td>
</tr>
<tr>
<td>Hospital Care</td>
<td>1,468</td>
<td>1,785</td>
<td>3,732</td>
<td>6,150</td>
<td>9,300</td>
<td>2,879</td>
</tr>
<tr>
<td>Physician and Clinical Services</td>
<td>872</td>
<td>1,185</td>
<td>2,467</td>
<td>3,653</td>
<td>4,242</td>
<td>1,796</td>
</tr>
<tr>
<td>Dental Services</td>
<td>380</td>
<td>220</td>
<td>411</td>
<td>507</td>
<td>379</td>
<td>347</td>
</tr>
<tr>
<td>Other Professional Services</td>
<td>115</td>
<td>164</td>
<td>314</td>
<td>569</td>
<td>591</td>
<td>247</td>
</tr>
<tr>
<td>Nursing Care Facilities</td>
<td>14</td>
<td>31</td>
<td>248</td>
<td>1,778</td>
<td>9,745</td>
<td>473</td>
</tr>
<tr>
<td>Home Health Care</td>
<td>98</td>
<td>78</td>
<td>155</td>
<td>731</td>
<td>3,518</td>
<td>245</td>
</tr>
<tr>
<td>Other Health Care</td>
<td>263</td>
<td>401</td>
<td>525</td>
<td>591</td>
<td>1,349</td>
<td>440</td>
</tr>
<tr>
<td>Prescription Drugs</td>
<td>261</td>
<td>446</td>
<td>1,270</td>
<td>1,977</td>
<td>1,900</td>
<td>826</td>
</tr>
<tr>
<td>Durable Medical Equipment</td>
<td>57</td>
<td>80</td>
<td>169</td>
<td>347</td>
<td>598</td>
<td>139</td>
</tr>
<tr>
<td>Other Nondurable Medical Products</td>
<td>25</td>
<td>68</td>
<td>223</td>
<td>570</td>
<td>789</td>
<td>171</td>
</tr>
</tbody>
</table>

Note: Personal health care spending excludes net cost of health insurance, government administration, public health activities, and investment.


Spending on health services varied with age. The $3,552 in total personal health spending on children compared to $32,411 for the oldest age group. Prescription drug spending on young working age adults ($446) was lower than for older working age adults ($1,270).
Data Resources

Economic Data

Journal Publications Authored by CMS Staff

National Health Expenditures

AGE AND GENDER
• Data and Resources
  www.cms.gov

HEALTH CARE SATELLITE ACCOUNT
Disease-Based Health Care Measures, Bureau of Economic Analysis
• Introduction
  www.bea.gov (PDF)
• Data and Resources
  www.bea.gov

HISTORICAL INFORMATION / OVERVIEW
• Data by Service Category, Payer, and Sponsor
  www.cms.gov
• Definitions, Sources, Methods
  www.cms.gov (PDF)
• Overview of National Health Expenditure Resources
  www.cms.gov
• Quick Reference Definitions
  www.cms.gov (PDF)
• Highlights
  www.cms.gov (PDF)

PROJECTIONS
• Data and Methodology: www.cms.gov
• Forecast Summary: www.cms.gov (PDF)

STATE INFORMATION
• Residence: www.cms.gov
• Provider: www.cms.gov
## Appendix A: Health Spending, by Category, 2015 to 2016 and Historical Look Back

<table>
<thead>
<tr>
<th>SPENDING (IN BILLIONS)</th>
<th>DISTRIBUTION</th>
<th>GROWTH *</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Health Expenditures</td>
<td>$1,074.4</td>
<td>$2,156.2</td>
</tr>
<tr>
<td>Health Consumption Expenditures</td>
<td>$1,009.6</td>
<td>$2,031.0</td>
</tr>
<tr>
<td>Personal Health Care</td>
<td>$917.5</td>
<td>$1,804.3</td>
</tr>
<tr>
<td>- Hospital Care</td>
<td>350.8</td>
<td>651.2</td>
</tr>
<tr>
<td>- Professional Services</td>
<td>304.2</td>
<td>581.8</td>
</tr>
<tr>
<td>- Physician and Clinical Services</td>
<td>228.4</td>
<td>434.7</td>
</tr>
<tr>
<td>- Dental Services</td>
<td>46.9</td>
<td>91.8</td>
</tr>
<tr>
<td>- Other Professional Services</td>
<td>28.9</td>
<td>55.3</td>
</tr>
<tr>
<td>- Nursing Care Facilities</td>
<td>69.2</td>
<td>115.9</td>
</tr>
<tr>
<td>- Home Health Services</td>
<td>35.7</td>
<td>52.1</td>
</tr>
<tr>
<td>- Other Health Care</td>
<td>46.0</td>
<td>101.1</td>
</tr>
<tr>
<td>- Retail Outlet Sales</td>
<td>111.5</td>
<td>302.3</td>
</tr>
<tr>
<td>- Prescription Drugs</td>
<td>68.1</td>
<td>224.1</td>
</tr>
<tr>
<td>- Durable Medical Equipment</td>
<td>17.4</td>
<td>34.4</td>
</tr>
<tr>
<td>- Other Nondurable Medical Products</td>
<td>26.0</td>
<td>43.7</td>
</tr>
<tr>
<td>Administration</td>
<td>59.7</td>
<td>165.8</td>
</tr>
<tr>
<td>- Net Cost of Health Insurance</td>
<td>48.8</td>
<td>137.2</td>
</tr>
<tr>
<td>- Government Administration</td>
<td>10.9</td>
<td>28.7</td>
</tr>
<tr>
<td>Public Health Activities</td>
<td>32.4</td>
<td>60.9</td>
</tr>
<tr>
<td>Investment</td>
<td>$64.8</td>
<td>$125.2</td>
</tr>
<tr>
<td>- Noncommercial Research</td>
<td>17.8</td>
<td>41.2</td>
</tr>
<tr>
<td>- Structures and Equipment</td>
<td>47.0</td>
<td>84.0</td>
</tr>
</tbody>
</table>

*Growth rates for the 1996–2016 and 2006-2016 periods are average annual; 2015 and 2016 are the growth/decline over previous year.

Notes: Health spending refers to national health expenditures. Figures may not sum due to rounding. Further definitions available at www.cms.gov. An Excel version of this table is available at www.chcf.org.

Appendix B: Personal Health Care Spending, by Gender, Age, and Category, 2012

<table>
<thead>
<tr>
<th></th>
<th>FEmales</th>
<th>MAles</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0 to 18</td>
<td>19 to 44</td>
<td>45 to 64</td>
</tr>
<tr>
<td>PER CAPITA</td>
<td>$3,399</td>
<td>$5,579</td>
<td>$9,808</td>
</tr>
<tr>
<td>Hospital Care</td>
<td>1,412</td>
<td>2,348</td>
<td>3,618</td>
</tr>
<tr>
<td>Physician and Clinical Services</td>
<td>828</td>
<td>1,777</td>
<td>2,733</td>
</tr>
<tr>
<td>Dental Services</td>
<td>421</td>
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10-Year Growth:

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### Appendix B: Personal Health Care Spending, by Gender, Age, and Category, 2012, continued

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Notes: *Personal health care spending* excludes net cost of health insurance, government administration, public health activities, and investment. *10-Year Growth* refers to average annual rate from 2002 to 2012. An Excel version of this table is available at [www.chcf.org](http://www.chcf.org).

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Note: Personal health care spending excludes net cost of health insurance, government administration, public health activities, and investment. 10-Year Growth refers to average annual rate from 2002 to 2012.
An Excel version of this table is available at [www.chcf.org](http://www.chcf.org).
## Appendix C: Medical Conditions

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## Appendix D: Health Spending, by Medical Condition, United States, 2013 to 2014 and 10-Year Look Back

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<tr>
<td>Routine care, signs, and symptoms</td>
<td>142.9</td>
<td>252.4</td>
<td>266.4</td>
<td>11%</td>
<td>13%</td>
<td>13%</td>
<td>6.4%</td>
<td>5.7%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Circulatory</td>
<td>198.8</td>
<td>234.7</td>
<td>245.3</td>
<td>16%</td>
<td>12%</td>
<td>12%</td>
<td>2.1%</td>
<td>–0.1%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Musculoskeletal</td>
<td>119.9</td>
<td>190.8</td>
<td>201.8</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>5.3%</td>
<td>4.0%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Respiratory</td>
<td>113.2</td>
<td>161.5</td>
<td>162.5</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
<td>3.7%</td>
<td>2.7%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Endocrine system</td>
<td>87.0</td>
<td>141.9</td>
<td>157.5</td>
<td>7%</td>
<td>7%</td>
<td>8%</td>
<td>6.1%</td>
<td>3.9%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Nervous system</td>
<td>79.8</td>
<td>136.0</td>
<td>146.4</td>
<td>6%</td>
<td>7%</td>
<td>7%</td>
<td>6.3%</td>
<td>3.7%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Neoplasms</td>
<td>84.1</td>
<td>126.4</td>
<td>137.4</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>5.0%</td>
<td>1.6%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Injury and poisoning</td>
<td>82.9</td>
<td>118.7</td>
<td>124.6</td>
<td>7%</td>
<td>6%</td>
<td>6%</td>
<td>4.2%</td>
<td>0.1%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Genitourinary</td>
<td>75.7</td>
<td>114.1</td>
<td>120.9</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>4.8%</td>
<td>4.2%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Digestive</td>
<td>76.2</td>
<td>114.5</td>
<td>120.8</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>4.7%</td>
<td>5.9%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Other</td>
<td>45.5</td>
<td>90.2</td>
<td>80.7</td>
<td>4%</td>
<td>5%</td>
<td>4%</td>
<td>5.9%</td>
<td>–8.7%</td>
<td>–10.4%</td>
</tr>
<tr>
<td>Mental illness</td>
<td>55.0</td>
<td>89.5</td>
<td>101.5</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
<td>6.3%</td>
<td>2.2%</td>
<td>13.4%</td>
</tr>
<tr>
<td>Infectious diseases</td>
<td>29.9</td>
<td>71.4</td>
<td>85.4</td>
<td>2%</td>
<td>4%</td>
<td>4%</td>
<td>11.1%</td>
<td>4.2%</td>
<td>19.6%</td>
</tr>
<tr>
<td>Pregnancy</td>
<td>30.4</td>
<td>47.5</td>
<td>47.4</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>4.6%</td>
<td>6.2%</td>
<td>–0.2%</td>
</tr>
<tr>
<td>Skin</td>
<td>27.5</td>
<td>45.4</td>
<td>48.5</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>5.8%</td>
<td>6.0%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

*Growth rate for 2004–2014 is average annual, 2013 and 2014 are the growth/decline over previous year.

Notes: Spending classified by medical condition accounted for 84% of the $2.45 trillion in 2014 health spending under the health care satellite accounts (which consist of medical services by disease and provider, plus medical products and appliances). Medical condition spending does not include spending on dental services, nursing homes, or medical products and equipment. Ten-year growth percentages are average annual. See Appendix C for medical condition detail. An Excel version of this table is available at [www.chcf.org](http://www.chcf.org).