

# CALIFORNIA Health Care Almanac



AUGUST 2023

## National Health Spending: Use of Services Increases

# Executive Summary

*National Health Spending: Use of Services Increases* provides a detailed look at national health spending in 2021, as well as projections for the next decade.

National health spending totaled \$4.3 trillion in 2021, or \$12,914 per person. In 2021, health spending increased 2.7%, down sharply from the 10.3% increase in 2020. The slowdown in health spending growth was driven largely by declines in federal government spending related to the COVID-19 pandemic. Health spending accounted for 18.3% of gross domestic product (GDP) in 2021, down from 19.7% of GDP in 2020.

National health care spending is projected to grow at an average annual rate of 5.4% between 2022 and 2031. By 2031, health care spending is expected to reach \$7.2 trillion and account for one-fifth (19.6%) of GDP.

**KEY FINDINGS INCLUDE:**

- In 2021, the federal government financed about one-third of national health spending (34%), more than households (27%), private business (17%), or state and local governments (15%).
- Overall federal health spending declined 3.5% in 2021, in contrast to the 36.8% increase in 2020, the first year of the COVID-19 pandemic.
- Public health insurance paid for 42% of health spending in 2021 Medicare, 21%; Medicaid, 17%; and other public programs, 4%
- Out-of-pocket spending increased by 10.4% in 2021, a reversal from the 2.6% decline in 2020.
- The net cost of insurance, which includes administrative expense and profit, declined 13.9% in 2021, a sharp contrast to the 26% increase in 2020.
- Between 2022 and 2031, Medicare is projected to grow 7.5% per year, faster than Medicaid (5.0%), private health insurance (5.4%), and out-of-pocket spending (4.3%).

See current and past editions of this Almanac, formerly called Health Care Costs 101, at [www.chcf.org/collection/health-care-costs-spending-almanac](http://www.chcf.org/collection/health-care-costs-spending-almanac).

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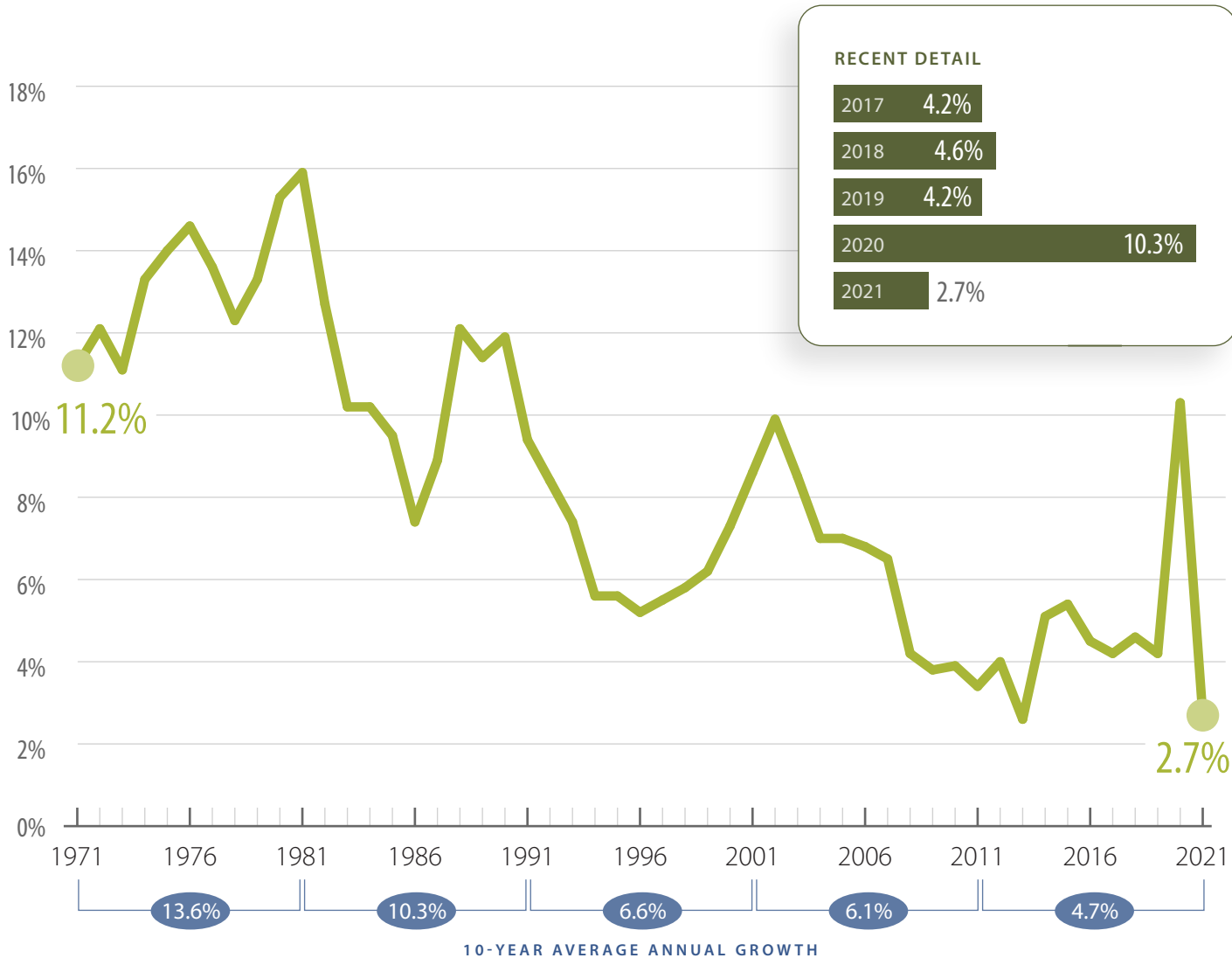
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# Health Spending, Annual Growth Rates

United States, 1971 to 2021



## Health Care Costs 101

Spending Levels

Health spending increased 2.7% in 2021, down sharply from the 10.3% increase in 2020. The slowdown in health spending growth was largely due to declines in federal government spending related to the COVID-19 pandemic.

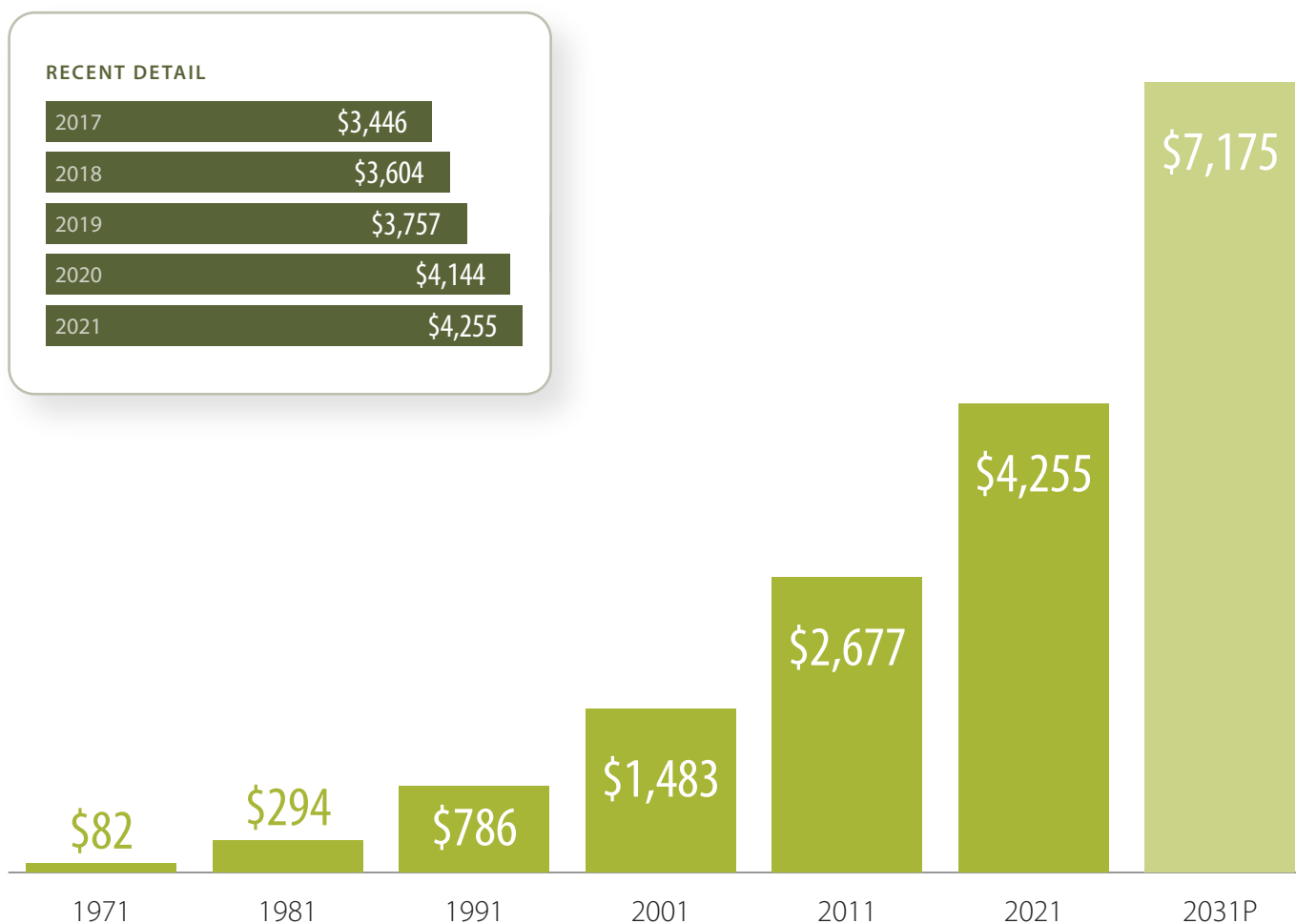
Notes: Health spending refers to national health expenditures. Ten-year average annual growth rates were calculated by the author.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Health Spending

## United States, 1971 to 2021, Selected Years, and 10-Year Projection

IN BILLIONS



### Health Care Costs 101

#### Spending Levels

Health spending was \$4.3 trillion in 2021 and is projected to reach \$7.2 by 2031. Between 2021 and 2031, health spending is projected to grow at an average rate of 5.4% per year (not shown).

Notes: *Health spending* refers to national health expenditures. Projections shown as *P* and based on current law as of December 2021.

Sources: National Health Expenditure (NHE) historical data (1960–2021), Centers for Medicare & Medicaid Services (CMS); and NHE projections (2022–31), CMS.

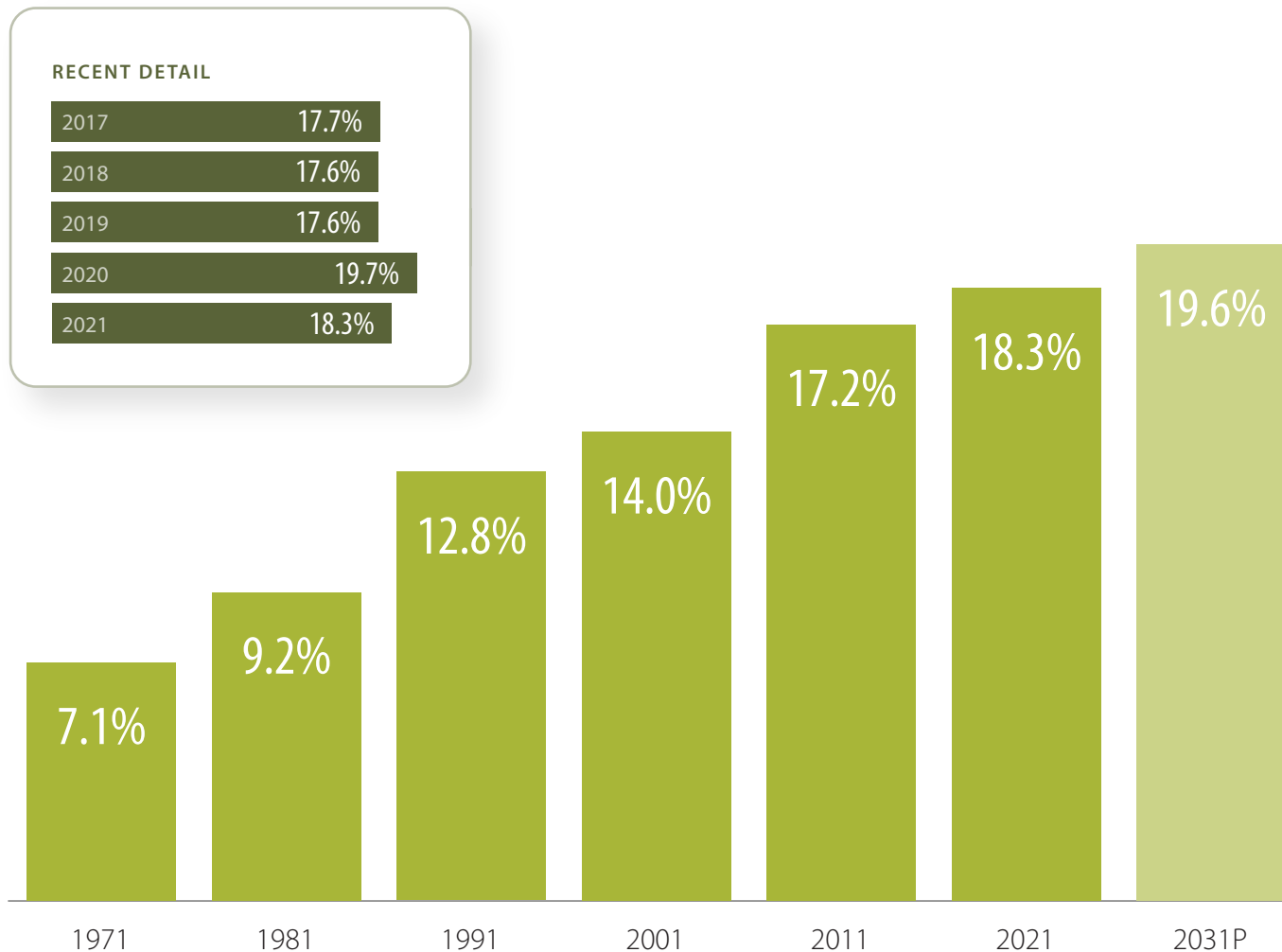
# Health Spending as a Share of GDP

United States, 1971 to 2021, Selected Years, and 10-Year Projection

## Health Care Costs 101

Spending Levels

In 2021, health spending accounted for 18.3% of gross domestic product (GDP), down from 19.7% in 2020. The decline was due to health spending increasing at a slower rate (2.7%) than GDP (10.7%). Health spending's share of GDP in 2031 is projected to be 19.6%.



Notes: *Health spending* refers to national health expenditures. *GDP* is gross domestic product. Projections shown as *P* and based on current law as of December 2021. See page 28 for a comparison of growth rates in gross domestic product and health spending.

Sources: National Health Expenditure (NHE) historical data (1960–2021), Centers for Medicare & Medicaid Services (CMS); and NHE projections (2022–31), CMS.

# Health Spending per Capita

United States, 2011 to 2021, Selected Years, and Two-Year Projection



## Health Care Costs 101

Spending Levels

In 2021, US health spending reached \$12,914 per person and is projected to reach \$13,998 per person in 2023. Per capita health spending grew at an annual average rate of 4.2% between 2011 and 2021. During the same 10-year period, average annual economic growth per capita was 3.5% (not shown).

Notes: *Health spending* refers to national health expenditures. Projections shown as *P* and based on current law as of December 2021. *Average annual growth* was calculated by the author.

Sources: National Health Expenditure (NHE) historical data (1960–2021), Centers for Medicare & Medicaid Services (CMS); and NHE projections (2022–31), CMS.

# Health Spending per Enrollee

## United States, 2020, 2021, and 20-Year Look Back

### Health Care Costs 101

#### Spending Levels

In 2021, per enrollee spending was the highest for Medicare and the lowest for the Children's Health Insurance Program. Between 2001 and 2021, average annual growth in per enrollee spending ranged from 1.8% for Medicaid to 9.4% for other direct purchase insurance.

Per Enrollee Table	SPENDING (PER ENROLLEE)			AVERAGE ANNUAL GROWTH		
	2001	2020	2021	2001–21	2020	2021
Medicare	\$6,328	\$13,518	\$14,405	4.2%	1.5%	6.6%
Medicaid	\$6,095	\$8,824	\$8,666	1.8%	4.3%	-1.8%
CHIP	\$1,308	\$2,996	\$3,034	4.3%	7.2%	1.3%
Employer-Sponsored	\$2,531	\$5,825	\$6,157	4.5%	-0.1%	5.7%
Marketplace	NA	\$6,870	\$6,849	NA	-3.2%	-0.3%
Other Direct Purchase	\$1,031	\$5,720	\$6,247	9.4%	1.6%	9.2%

Notes: *CHIP* is Children's Health Insurance Program. *Employer-sponsored* includes both the employer and worker contributions to premiums. *Marketplace* is individual health coverage purchased on federal- and state-run health exchanges such as [healthcare.gov](https://www.healthcare.gov) and Covered California. Marketplace per enrollee spending includes premium and cost-sharing subsidies. *Other direct purchase* includes insurance purchased on the private market that is not associated with an employer, Medigap, or marketplace plan. Growth percentages for 2001–21 are average annual rates and were calculated by the author; 2020 and 2021 percentages are annual rates. Not shown: Medigap and total direct purchase, which includes marketplace, Medigap, and other direct purchase.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Health Spending per Enrollee

## United States, 2020, 2021, and 10-Year Projection

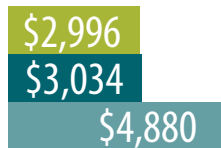
### Medicare



### Medicaid



### CHIP



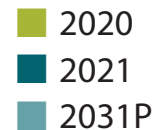
### Employer-Sponsored



### Marketplace



### Other Direct Purchase



Notes: *CHIP* is Children's Health Insurance Program. *Employer-sponsored* includes both the employer and worker contributions to premiums. *Marketplace* is individual health coverage purchased on federal- and state-run health exchanges such as [healthcare.gov](https://www.healthcare.gov) and Covered California. Marketplace per enrollee spending includes premium and cost-sharing subsidies. *Other direct purchase* includes insurance purchased on the private market that is not associated with an employer, Medigap, or marketplace plan. Not shown: Medigap (\$2,817 in 2021) and total direct purchase (\$5,005 and \$8,129 in 2021 and 2031 respectively), which includes marketplace, Medigap, and other direct purchase. Projections shown as *P* and based on current law as of December 2021. Projections for marketplace and other direct purchase were not available.

Sources: National Health Expenditure (NHE) historical data (1960–2021), Centers for Medicare & Medicaid Services (CMS); and NHE projections (2022–31), CMS.

## Health Care Costs 101

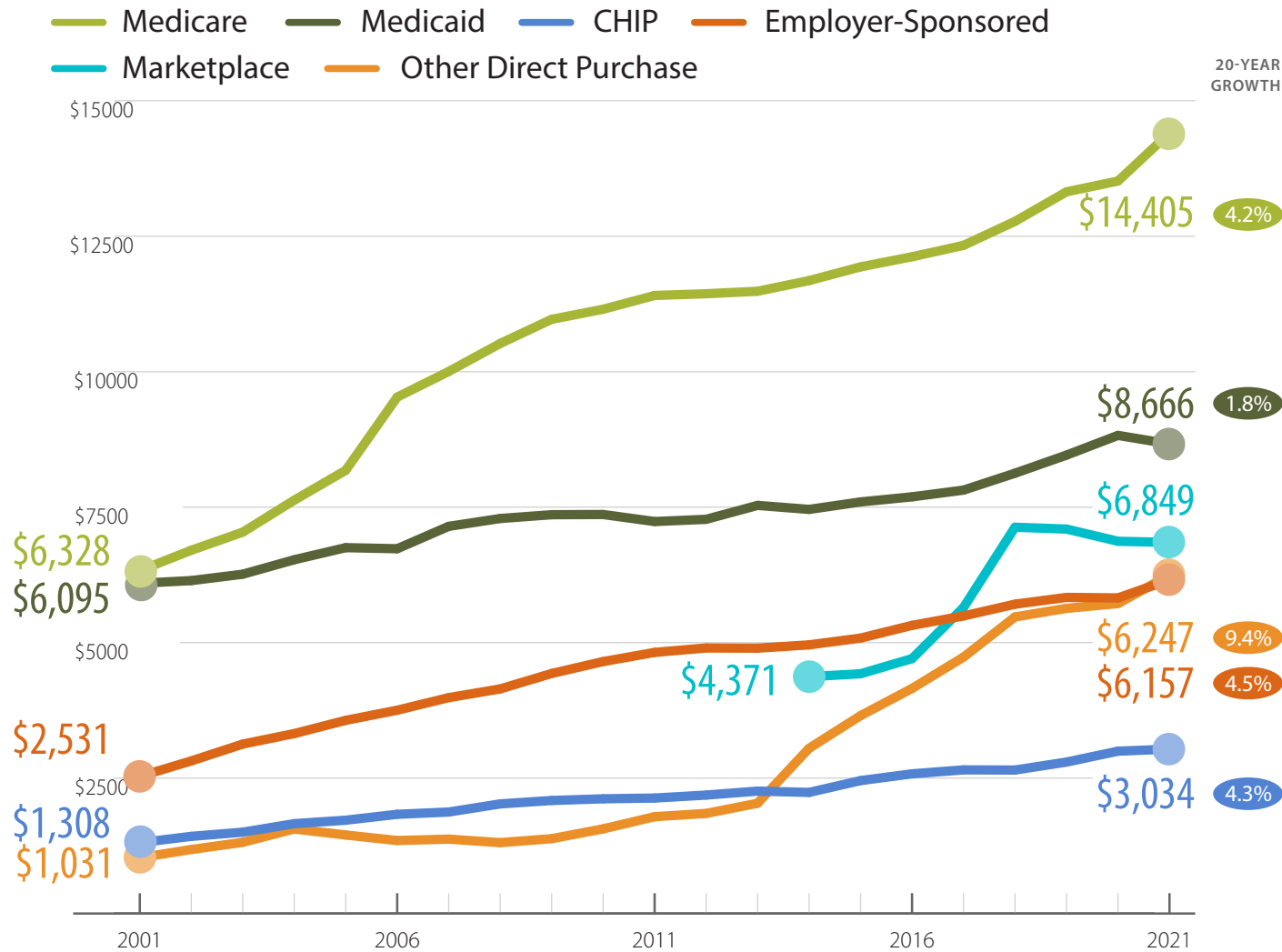
### Spending Levels

In 2021, Medicaid spending per enrollee was slightly lower than in 2020, while marketplace spending per enrollee was relatively unchanged. Employer-sponsored health insurance spending per enrollee was \$6,157 in 2021, \$700 lower than marketplace spending. In 2031, Medicare spending per enrollee is projected to exceed \$24,000.



# Health Spending per Enrollee

United States, 2001 to 2021



Notes: *CHIP* is Children's Health Insurance Program. *Marketplace* is individual health 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. *Other direct purchase* includes insurance purchased on the private market that is not associated with an employer, Medigap, or marketplace plan. Twenty-year growth percentages are average annual rates (2001–21) and were calculated by the author. Not shown: Medigap and total direct purchase insurance, which includes marketplace, Medigap, and other direct purchase.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

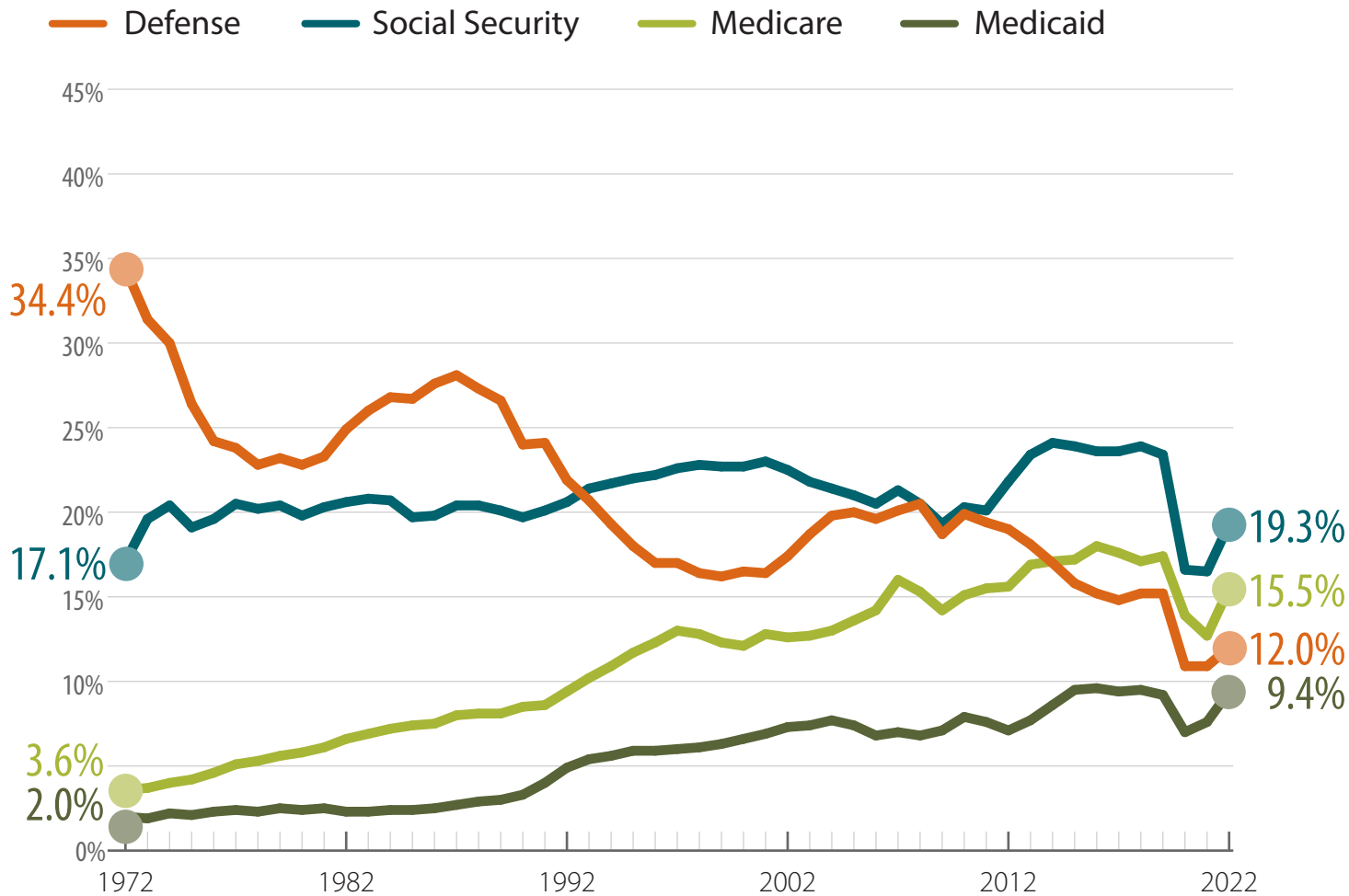
## Health Care Costs 101

Spending Levels

Since 2001, Medicare and Medicaid per enrollee spending trajectories have diverged. Expanded Medicare benefits, such as the introduction of prescription drug coverage in 2006, added to Medicare spending. Shifts in Medicaid eligibility to cover more adults who are not disabled have contributed to slower growth in Medicaid per enrollee spending.

# Major Programs as a Share of the Federal Budget

United States, 1972 to 2022



## Health Care Costs 101

Spending Levels

Between 1972 and 2022, the share of the federal budget spent on the Medicare and Medicaid programs increased, and the share spent on defense decreased.

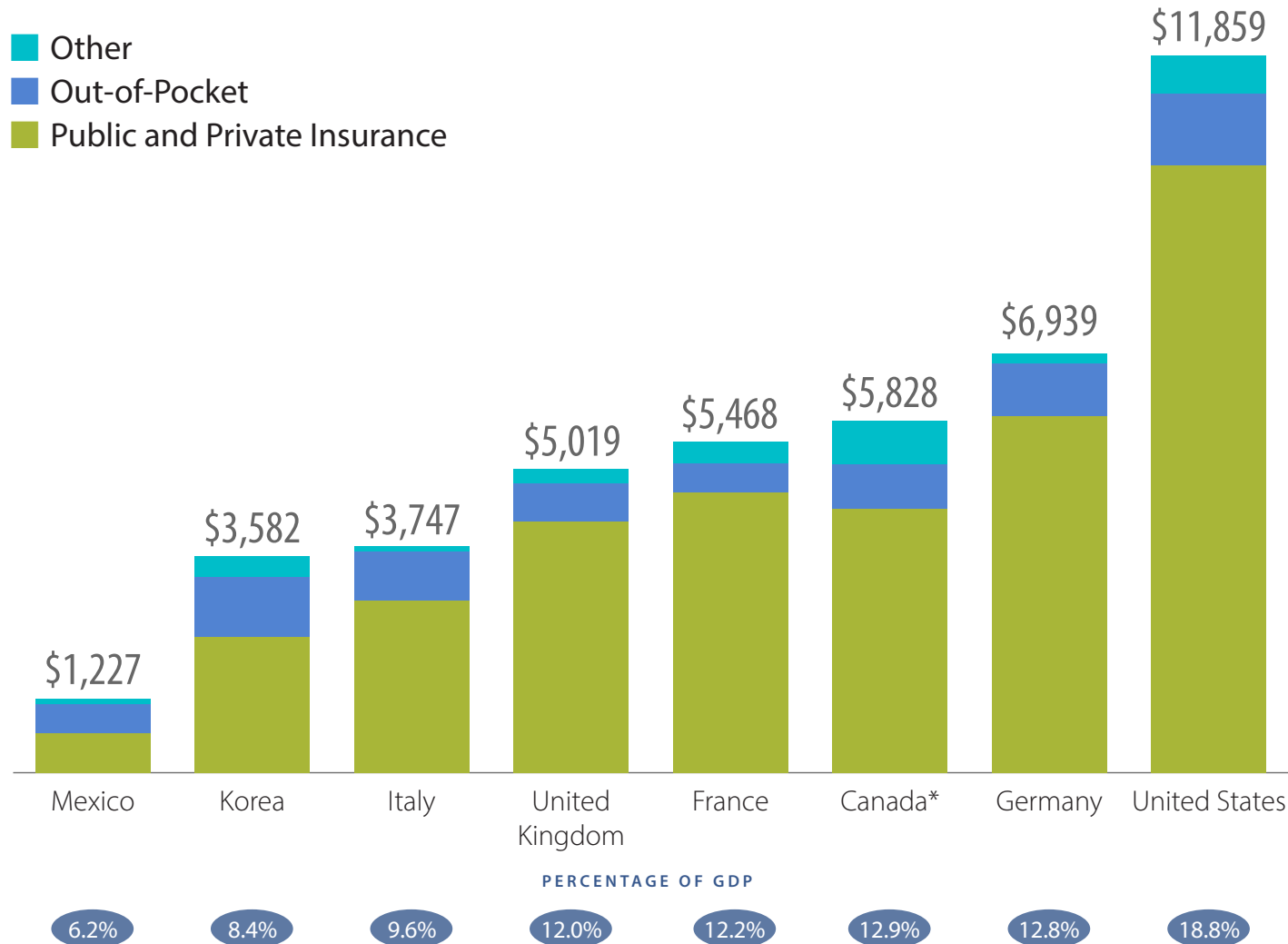
Notes: Spending shares are percentages of federal outlays. Outlays reflect federal spending only (e.g., Medicaid outlays shown reflect federal portion).

Source: Author calculations based on "Historical Budget Data" in *The Budget and Economic Outlook: 2023 to 2033*, Congressional Budget Office, February 2023.

# Health Spending per Capita and as a Share of GDP

Selected Developed Countries, 2020

- Other
- Out-of-Pocket
- Public and Private Insurance



\* Provisional values

Notes: US spending per capita as reported by Organisation for Economic Co-operation and Development (OECD) differs from figures reported elsewhere in this report. *GDP* is gross domestic product. *Public and private insurance* is government and compulsory in the source and includes publicly funded (including Medicare, Medicaid, Veterans Affairs, and Dept. of Defense), employer-sponsored, and individually purchased health insurance. *Out-of-pocket* is consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums. *Other* is residual (total spending less government and compulsory spending and out-of-pocket spending).

Source: "OECD Health Statistics 2022: Frequently Requested Data," OECD, November 30, 2022.

## Health Care Costs 101

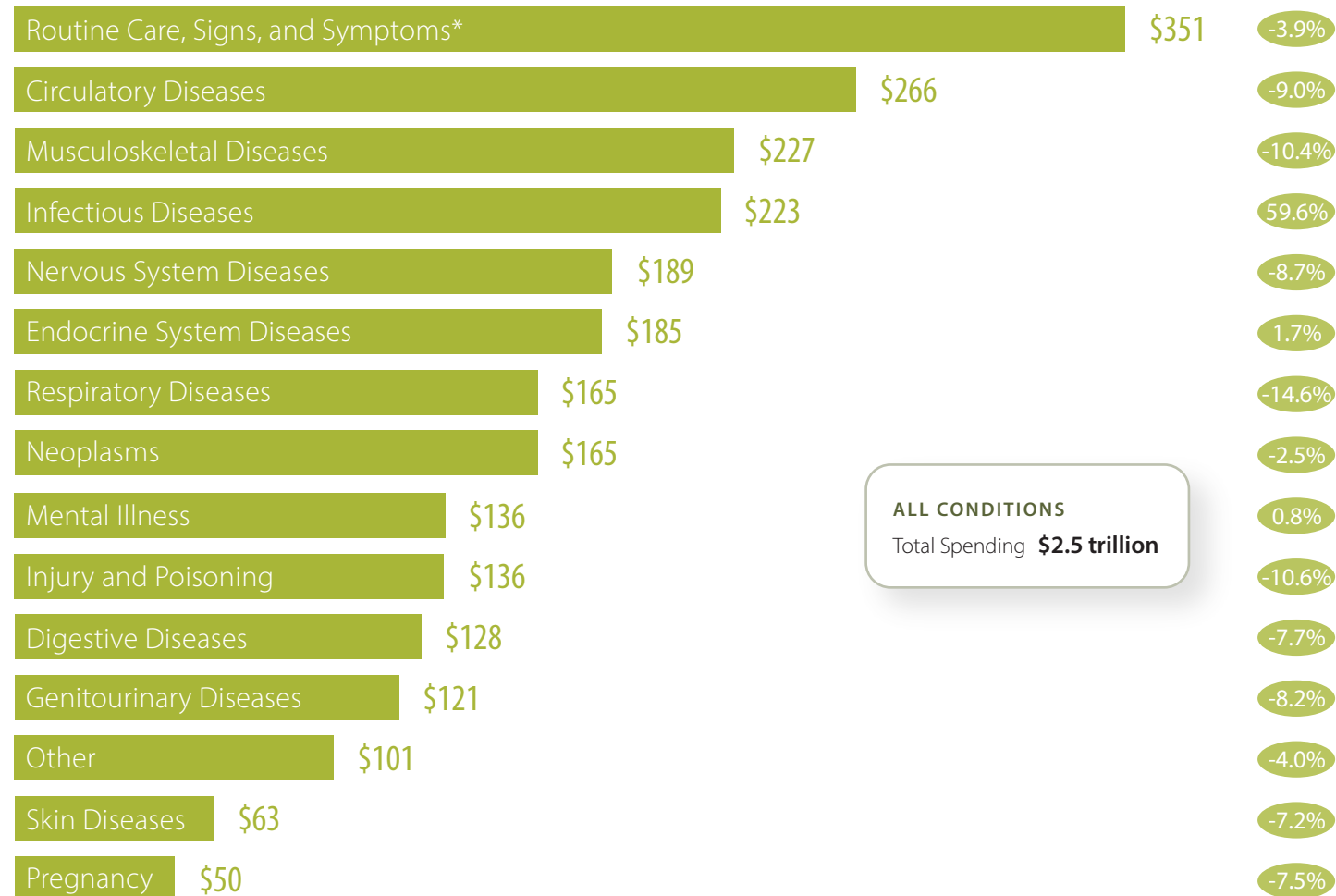
Spending Levels

Health spending in the US far exceeded that of other developed countries, both in per capita spending and as a percentage of gross domestic product (GDP). US health spending per capita was more than twice that of most other developed countries shown. The US was the only country that is a member of the Organization for Economic Cooperation and Development spending more than 13% of GDP on health care.

# Health Spending by Medical Condition

## United States, 2020

IN BILLIONS



\* Source uses symptoms; signs; and ill-defined conditions.

Notes: *Growth rate* is change in 2020 spending over 2019. Spending on the medical conditions shown accounted for about 85% of the \$3.0 trillion in 2020 health care spending under the health care satellite accounts. Spending on medical services by provider, such as dental services and nursing homes, and medical products, appliances, and equipment, are not shown. See [Appendix B](#) for more detail.

Source: *Blended Account, 2000–2020*, Bureau of Economic Analysis, February 10, 2023.

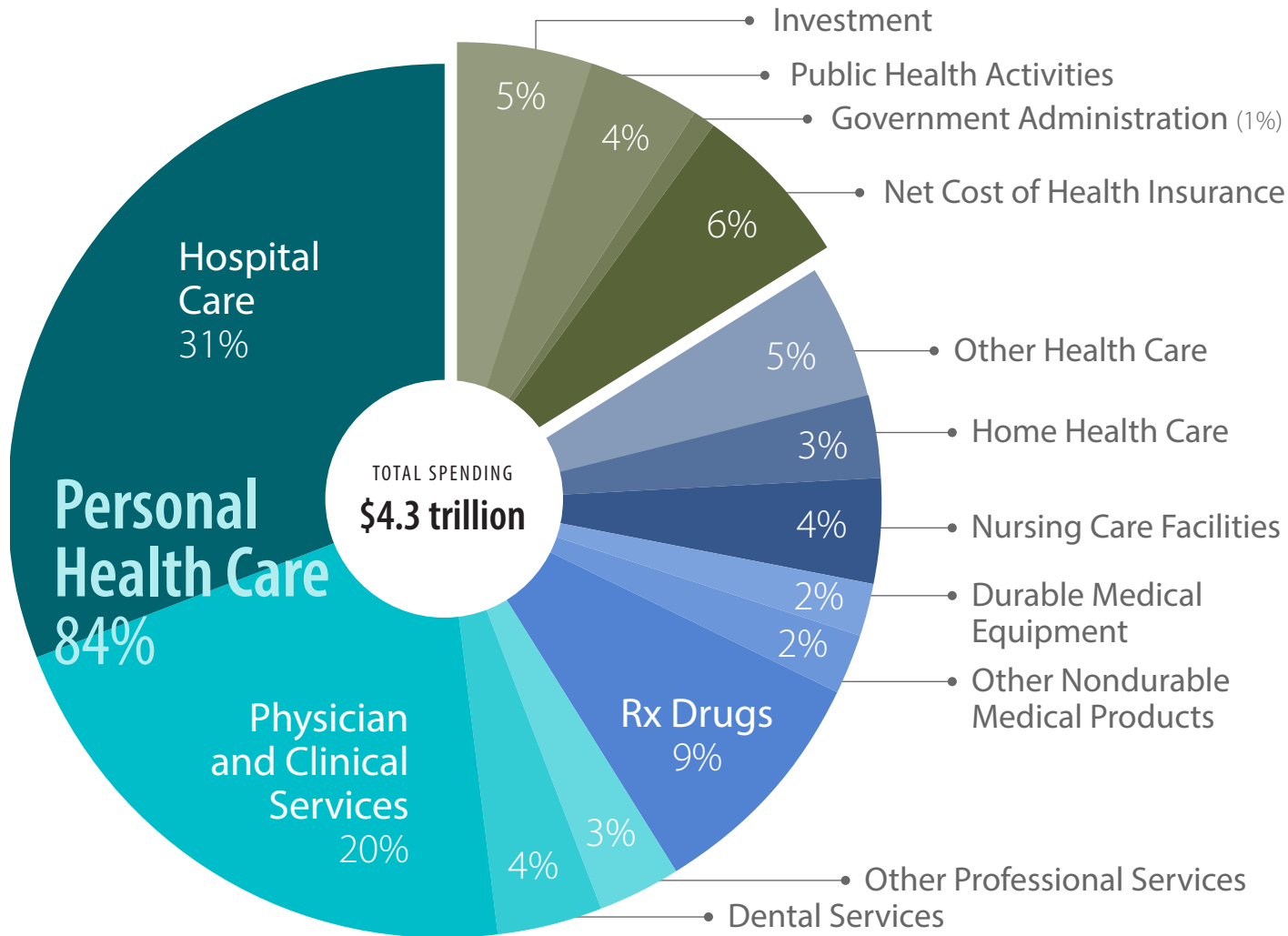
### Health Care Costs 101

Spending Levels

In 2020, the first year of the COVID-19 pandemic, spending on infectious diseases increased 60%. In contrast, spending decreased for 12 of the 15 medical conditions defined in the health care satellite accounts, likely the result of temporary closures of nonemergency health care settings and an increase in patients postponing nonemergency care.

# Health Spending by Category

United States, 2021



Notes: *Health spending* refers to national health expenditures. Figures may not sum due to rounding. For additional detail on spending categories, see page 15 and Appendix A.  
Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

## Health Care Costs 101

Spending Levels

Hospital and physician services combined were about half of health spending in 2021. Prescription drugs, at 9% of health spending, represented the third-largest category. The net cost of health insurance accounted for an additional 6% of health spending.

### SPENDING CATEGORY DEFINITIONS

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

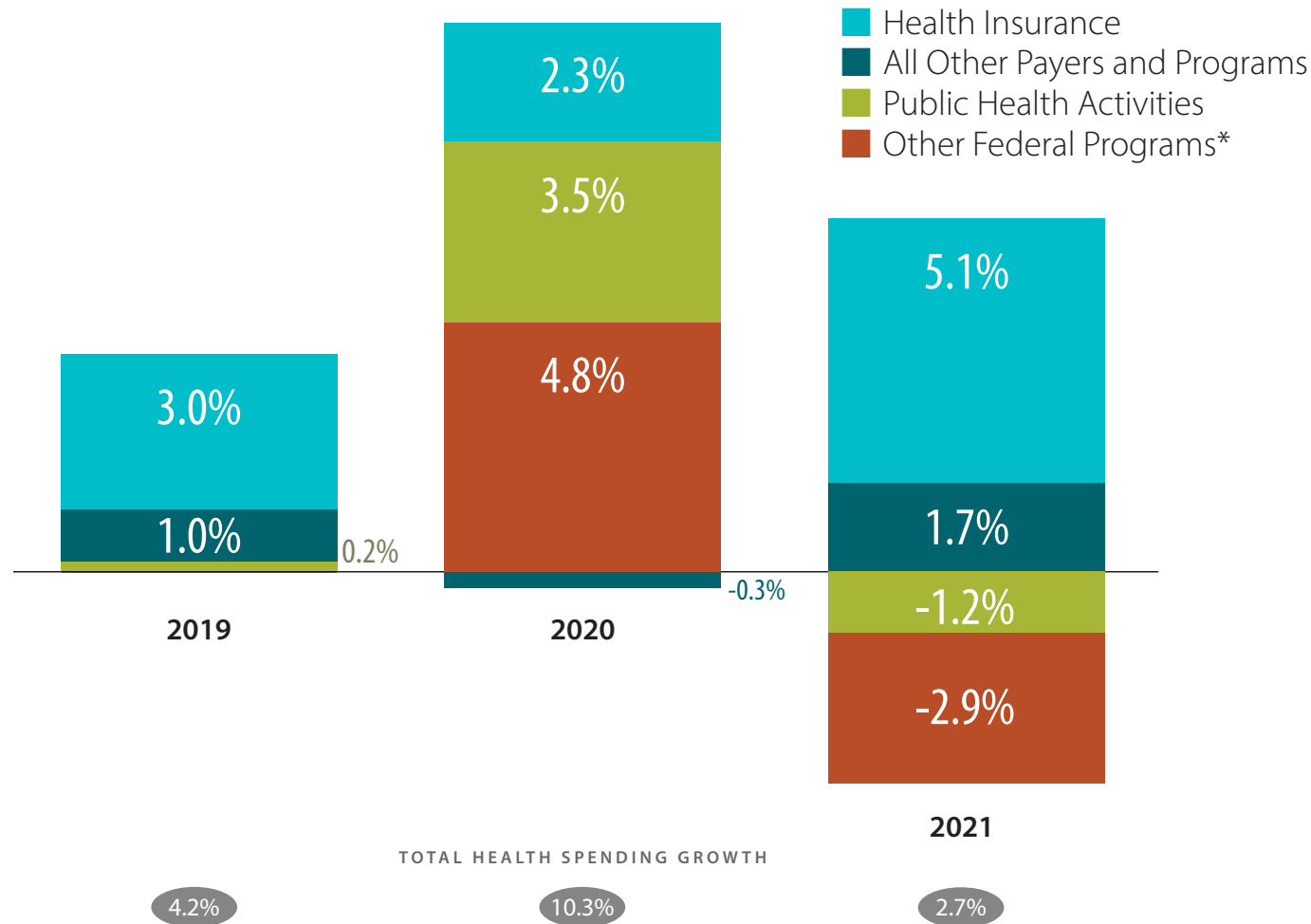
**Investment** is noncommercial research, structures, and equipment.

**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 other health, residential, and personal care.

# Components of National Health Spending Growth

United States, 2019 to 2021



\* Includes federal Paycheck Protection Loans (\$52.4 and \$21.4 billion in 2020 and 2021, respectively) and the Provider Relief Fund (\$121.6 and \$28.3 billion in 2020 and 2021), which furnished providers with direct payments to offset lost revenue and to prepare for COVID-19 response.

Note: *Health insurance* includes public and private insurance.

Sources: Anne B. Martin et al., "National Health Care Spending in 2021: Decline in Federal Spending Outweighs Greater Use of Health Care," *Health Affairs* 42, no. 1 (Jan. 2023), exhibit 4; National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services; and unpublished data points related to article's Exhibit 4 provided by Office of the Actuary, Centers for Medicare & Medicaid Services.

## Health Care Costs 101

Spending Levels

In 2021, reductions in public health activities and other federal programs\* spending offset increases in health insurance and all other payers and programs. This contrasted with 2020, when public health activities and other federal programs were responsible for the majority of the overall 10.3% increase.

# Health Spending, by Category

## United States, 2020, 2021, and 20-Year Look Back

	SPENDING (IN BILLIONS)			DISTRIBUTION			GROWTH		
	2001	2020	2021	2001	2020	2021	2001–21	2020	2021
National Health Expenditures	\$1,483.4	\$4,144.1	\$4,255.1	100%	100%	100%	5.4%	10.3%	2.7%
Hospital Care	449.4	1,267.8	1,323.9	30%	31%	31%	5.6%	6.2%	4.4%
Physician and Clinical Services	312.7	818.4	864.6	21%	20%	20%	5.2%	6.6%	5.6%
Dental Services	67.7	139.3	161.8	5%	3%	4%	4.5%	-3.0%	16.1%
Other Professional Services	40.3	117.7	130.6	3%	3%	3%	6.1%	6.1%	11.0%
Nursing Care Facilities	90.8	196.9	181.3	6%	5%	4%	3.5%	13.1%	-7.9%
Home Health Care	34.3	125.0	125.2	2%	3%	3%	6.7%	11.2%	0.2%
Other Health Care	69.5	210.7	223.5	5%	5%	5%	6.0%	8.2%	6.1%
Prescription Drugs	140.6	350.6	378.0	9%	8%	9%	5.1%	3.7%	7.8%
Durable Medical Equipment	25.4	55.1	67.1	2%	1%	2%	5.0%	-2.4%	21.8%
Other Nondurable Medical Products	26.1	85.4	97.4	2%	2%	2%	6.8%	5.1%	14.1%
Net Cost of Health Insurance	70.4	296.8	255.7	5%	7%	6%	6.7%	26.0%	-13.9%
Government Administration	19.7	48.1	51.5	1%	1%	1%	4.9%	1.1%	7.0%
Public Health Activities	46.8	238.3	187.6	3%	6%	4%	7.2%	122.5%	-21.3%
Investment	90.0	193.9	207.0	6%	5%	5%	4.3%	-0.1%	6.8%

Notes: *Health spending* refers to national health expenditures. Growth percentages for 2001–21 are average annual rates and were calculated by the author; 2020 and 2021 percentages are annual rates. Figures may not sum due to rounding. For additional detail on spending categories, see [Appendix A](#). Further definitions available at [www.cms.gov](http://www.cms.gov).

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

### Health Care Costs 101

#### Spending Levels

In 2021, the 2.7% overall increase in health spending was substantially lower than the 10.3% 2020 increase and half of the 20-year average annual increase (5.4%). The 2021 increase was the net result of greater use of medical goods and services and reduced federal government spending on public health activities.

#### SPENDING CATEGORY DEFINITIONS

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

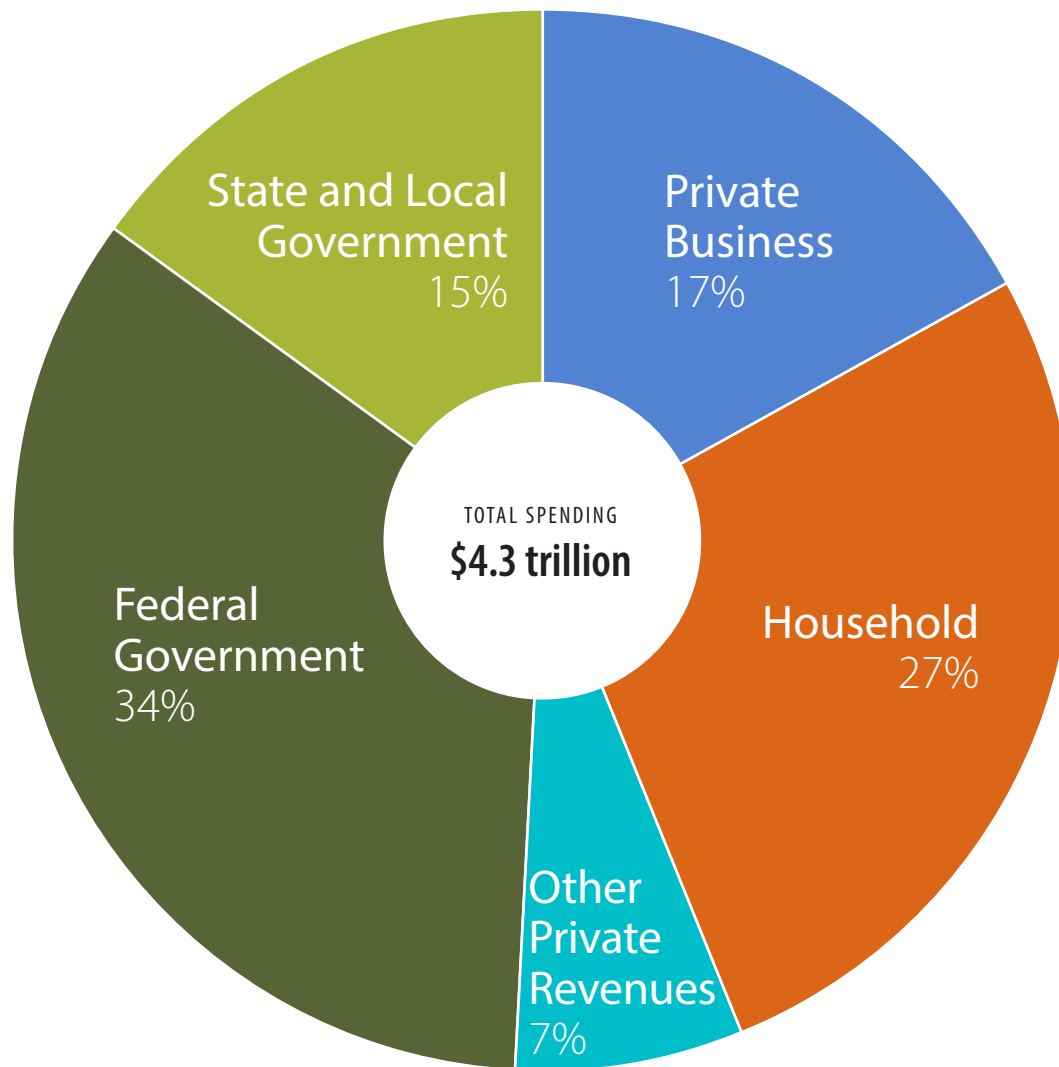
**Investment** is noncommercial research, structures, and equipment.

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

**Other health care** refers to other health, residential, and personal care.

# Health Spending, by Sponsor

## United States, 2021



Notes: *Health spending* refers to national health expenditures. *Sponsors* are the entities ultimately responsible for financing the health care bill. See page 18 for trend data. Figures may not sum due to rounding.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

### 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 2021, the federal government was the largest sponsor (34%), followed by households (27%) and private business (17%).

#### 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 revenues** include philanthropy, investment income, and private investment in research, structures, and equipment.

**Private business** sponsors health care through employer contributions to health insurance premiums and payroll taxes.

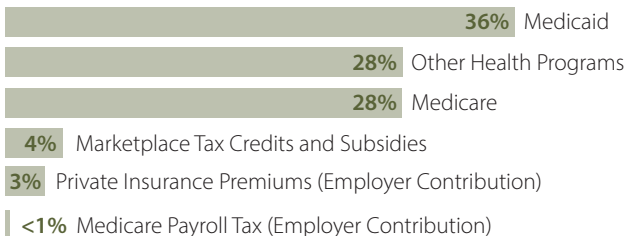
**State and local government** sponsors health care programs by paying payroll taxes and health insurance premiums for its workers.



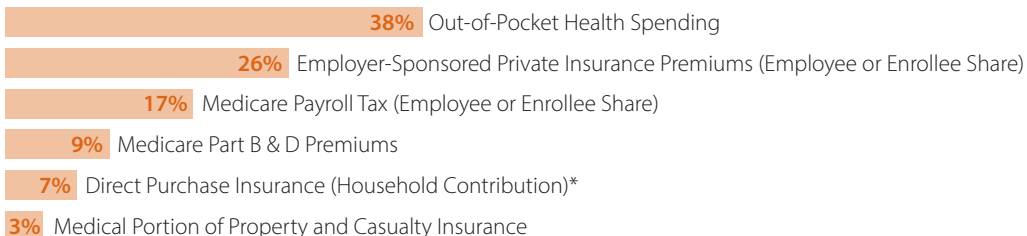
# Health Spending, by Sponsor Detail

## United States, in Billions, 2021

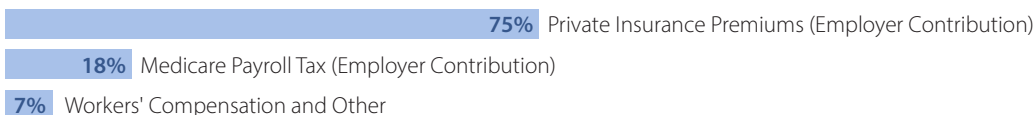
### Federal Government \$1,457.2



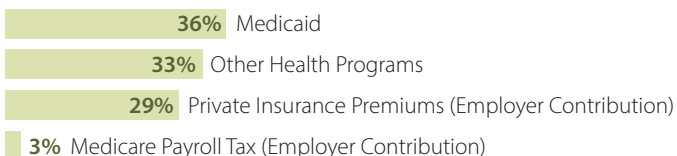
### Households \$1,143.6



### Private Business \$734.0



### State and Local Government \$629.0



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

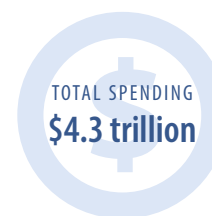
Notes: *Health spending* refers to national health expenditures. *Sponsors* are the entities ultimately responsible for financing the health care bill. Federal *other health programs* includes federal public health, COVID-19-related spending for the Provider Relief Fund and Paycheck Protection Loans, Departments of Defense and Veterans Affairs health care, Maternal and Child Health, and Children's Health Insurance Program (CHIP). State *other health programs* includes public health spending, CHIP, and school health. *Marketplace* is individual coverage purchased on federal- and state-run health exchange, such as [healthcare.gov](https://www.healthcare.gov) and Covered California. Medicaid buy-in premiums for Medicare are reflected under Medicaid. Household spending excludes government-paid advance premium tax credit and cost-sharing reductions. Not shown: other private revenues (\$291 billion), which includes philanthropy, investment income, and private investment in research, structures, and equipment. Figures may not sum due to rounding.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

## Health Care Costs 101

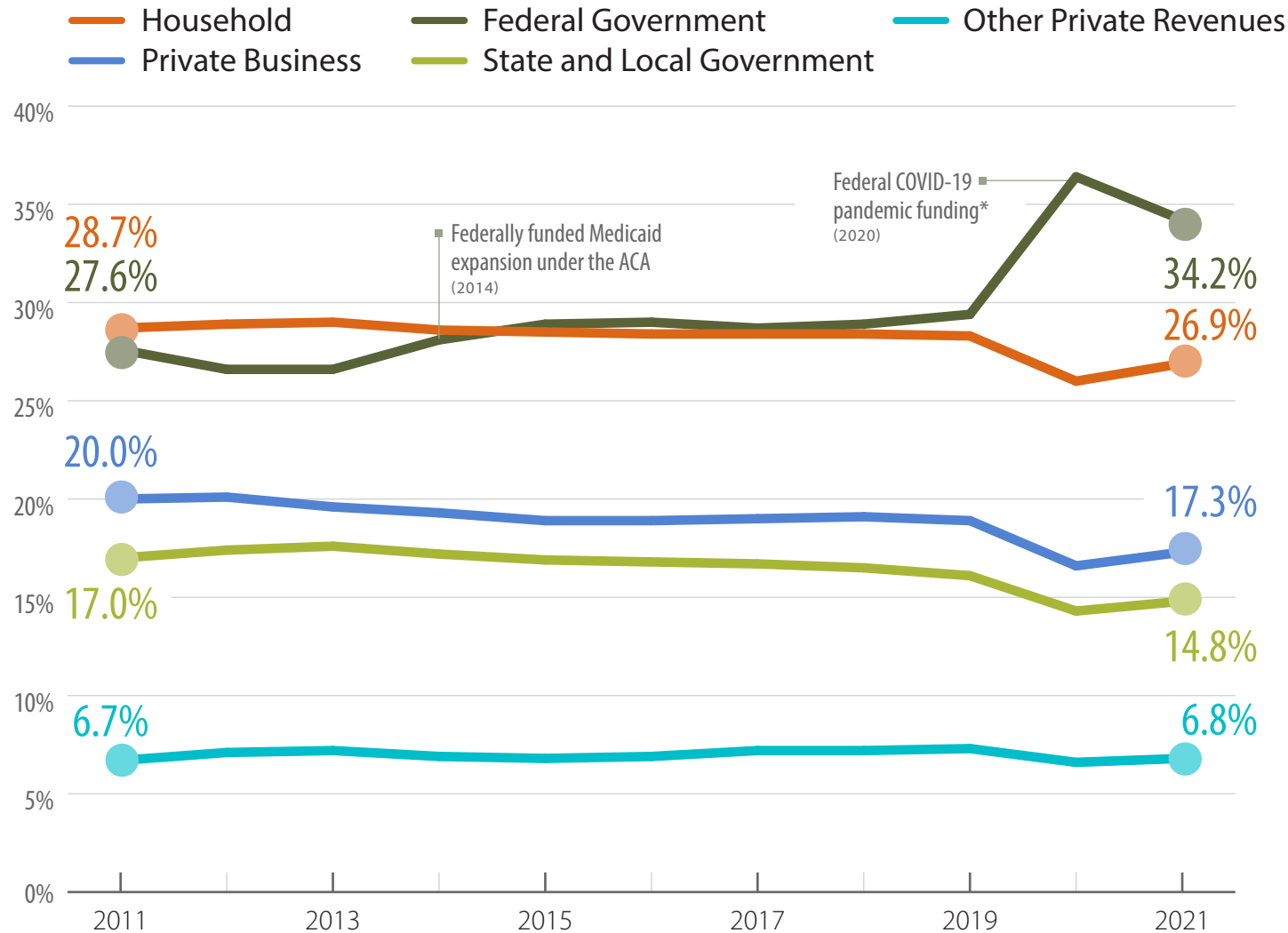
### Sponsors

In 2021, Medicaid (36%), Medicare (28%), and other health programs (28%), which included COVID-19-related public health spending and provider relief programs, were the largest components of health spending by the federal government. Out-of-pocket spending accounted for the biggest share (38%) of health spending by households. Employer contributions to workers' health insurance premiums accounted for the majority (75%) of private business health spending.



# Health Spending, by Sponsor

United States, 2011 to 2021



## Health Care Costs 101

### Sponsors

The federal government's share of health spending declined slightly in 2021 after a sharp increase in 2020.

\* Federal COVID-19 pandemic spending in 2020 and 2021 included spending for the Public Health and Social Services Emergency Fund (\$121.0 billion and \$61.5 billion, respectively) plus provider assistance through the Paycheck Protection Program (\$52.4 billion and \$21.4 billion and the Provider Relief Fund (\$121.6 billion and \$28.3 billion).

Notes: *Health spending* refers to national health expenditures. *Sponsors* are the entities ultimately responsible for financing the health care bill. See page 17 for detail on how sponsors finance health care spending. *Other private* includes philanthropy, investment income, and private investment in research, structures, and equipment.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Health Spending, by Sponsor

## United States, 2020, 2021, and 20-Year Look Back

	SPENDING (IN BILLIONS)			DISTRIBUTION			GROWTH		
	2001	2020	2021	2001	2020	2021	2001-21	2020	2021
National Health Expenditures	\$1,483.4	\$4,144.1	\$4,255.1	100%	100%	100%	5.4%	10.3%	2.7%
Private Business	362.3	689.0	734.0	24%	17%	17%	3.6%	-2.9%	6.5%
Household	461.7	1,077.7	1,143.6	31%	26%	27%	4.6%	1.2%	6.1%
Other Private Revenues	103.0	272.5	291.3	7%	7%	7%	5.3%	-0.1%	6.9%
Federal Government	308.7	1,510.4	1,457.2	21%	36%	34%	8.1%	36.8%	-3.5%
State and Local Government	247.7	594.4	629.0	17%	14%	15%	4.8%	-1.9%	5.8%

### Health Care Costs 101

#### Sponsors

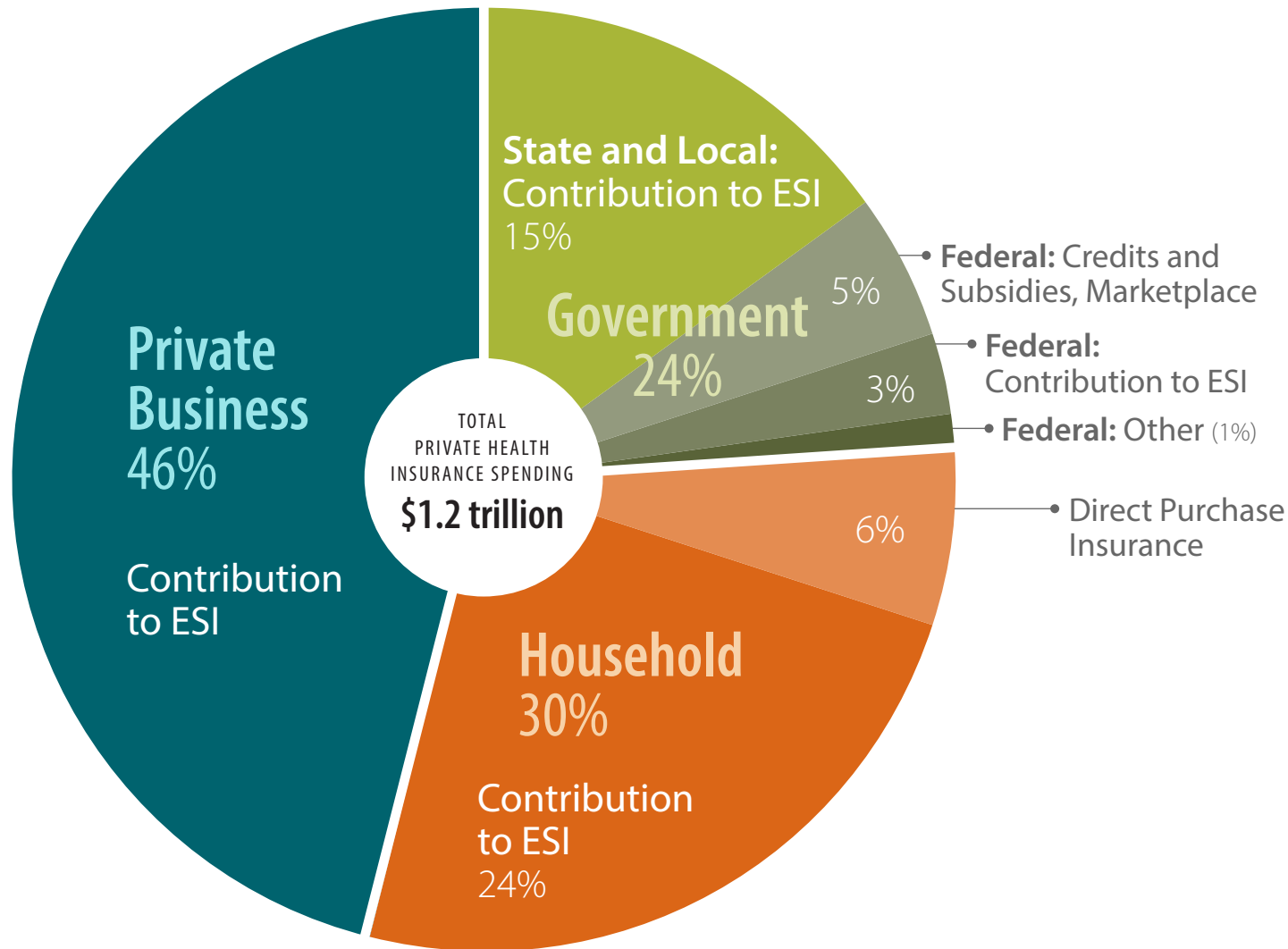
Between 2001 and 2021, federal health spending increased at an average annual rate of 8.1%, higher than the average increases for all other sponsors.

Notes: *Health spending* refers to national health expenditures. *Sponsors* are the entities ultimately responsible for financing the health care bill. Growth percentages for 2001-21 are average annual rates and were calculated by the author; 2020 and 2021 percentages are annual rates. *Other private revenues* includes philanthropy, investment income, and private investment in research, structures, and equipment. Figures may not sum due to rounding. See [page 17](#) for detail on how sponsors finance health care spending.

Source: National Health Expenditure historical data (1960-2021), Centers for Medicare & Medicaid Services.

# Private Health Insurance, by Sponsor

## United States, 2021



### Health Care Costs 101

#### Sponsors

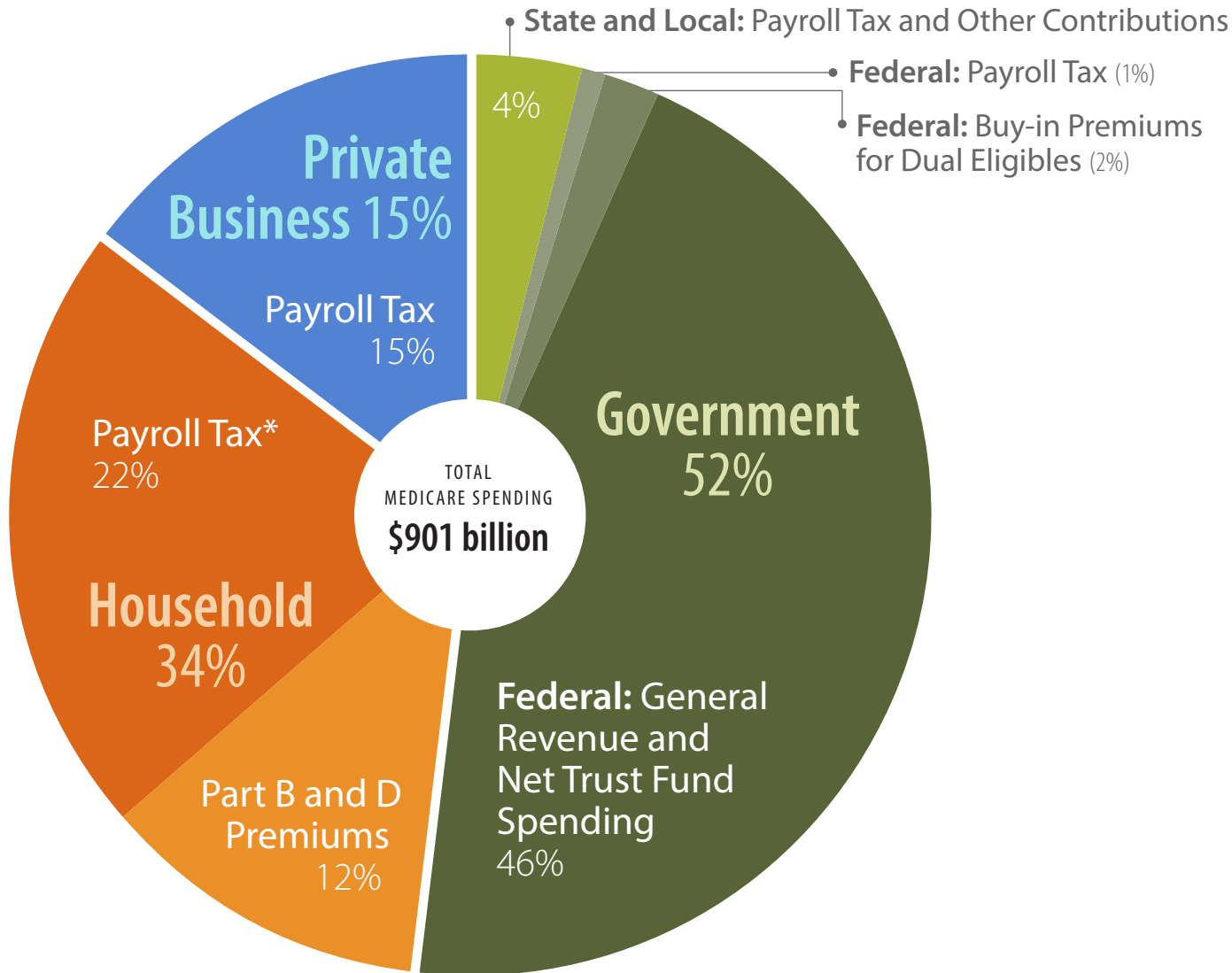
In 2021, private business was the largest funder of private health insurance, accounting for 46%. Households paid 30% of private health insurance through contributions to employer-sponsored insurance and direct purchase insurance. Governments paid the remaining portion, which included contributions to their workers' insurance premiums. Federally funded marketplace credits and subsidies totaled \$60 billion, or 5% of total private health insurance.

Notes: *Sponsors* are the entities ultimately responsible for financing the health care bill. *ESI* is employer-sponsored insurance. *Marketplace* is individual health insurance coverage purchased on federal- and state-run health exchanges such as healthcare.gov and Covered California. *Direct purchase insurance* includes premiums paid by individuals for marketplace plans, Medigap, and other directly purchased health insurance. Figures may not sum due to rounding.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Medicare, by Sponsor

## United States, 2021



### Health Care Costs 101

#### Sponsors

Medicare is financed by general revenue, payroll taxes, and premiums. In 2021, government sources accounted for about half of Medicare spending, mainly from federal general revenue and net trust fund spending. Households funded about a third of Medicare, by workers remitting payroll taxes and enrollees paying Medicare Part B and D premiums. Private business payroll taxes accounted for the remaining 15%.

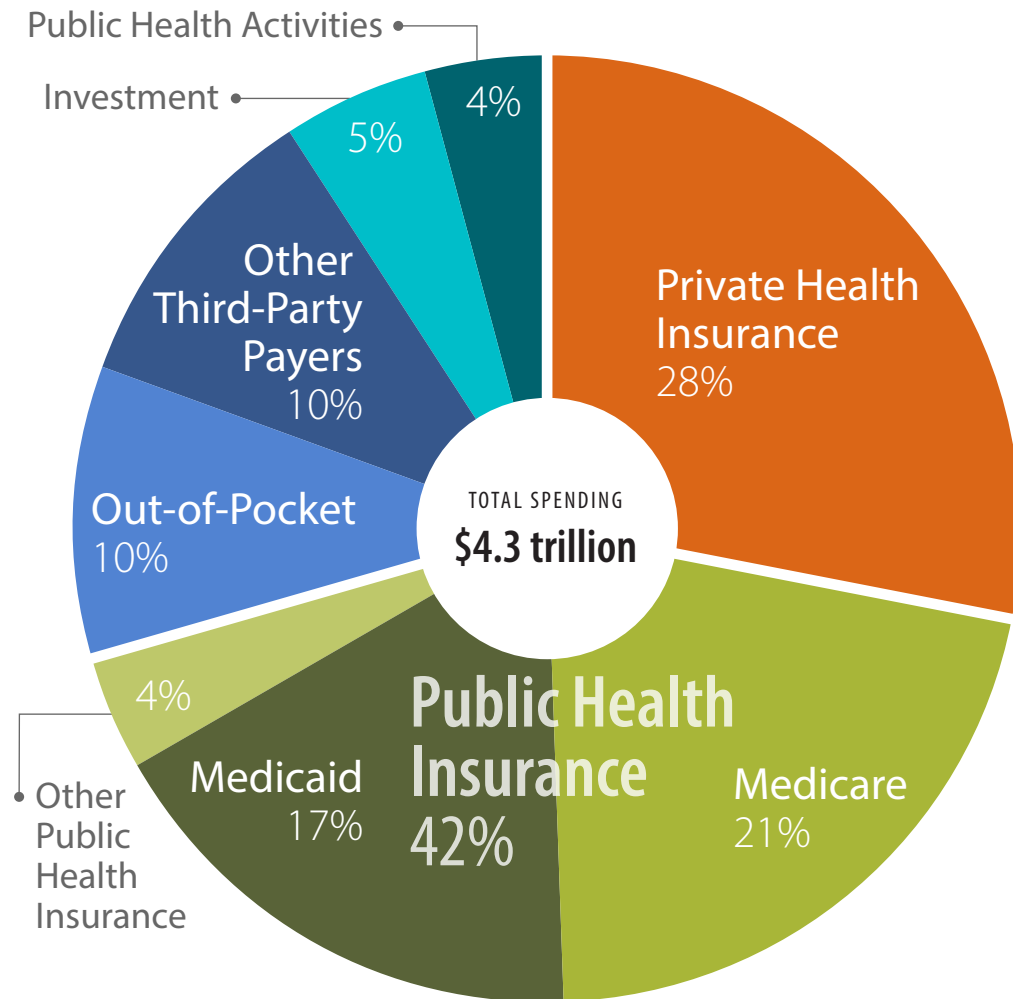
\* Includes employee and self-employed tax, and voluntary premiums paid to Medicare Hospital Insurance Trust Fund (Part A).

Notes: *Sponsors* are the entities ultimately responsible for financing the health care bill. Medicare Part B premiums cover professional services, and Part D premiums cover prescription drugs. Figures may not sum due to rounding.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Health Spending, by Payer

## United States, 2021



### PRIVATE HEALTH INSURANCE \$1.2 TRILLION

Employer-Sponsored	88%
Marketplace	7%
Medigap	3%
Other Direct Purchase	2%

## Health Care Costs 101

### Payment Sources

In 2021, all public health insurance combined paid for 42% of health spending (21% by Medicare and 17% by Medicaid). Private health insurance accounted for 28% of health spending. Out-of-pocket spending by consumers was 10%.

#### PAYER DEFINITIONS

**Investment** is noncommercial research, structures, and equipment.

**Other public health insurance** includes Departments of Defense and Veterans Affairs health care and the Children's Health Insurance Program. Source uses *other health insurance programs*.

**Other third-party payers** includes worksite health care, other private revenues, Indian Health Services, workers' compensation, maternal and child health, vocational rehabilitation, and other programs.

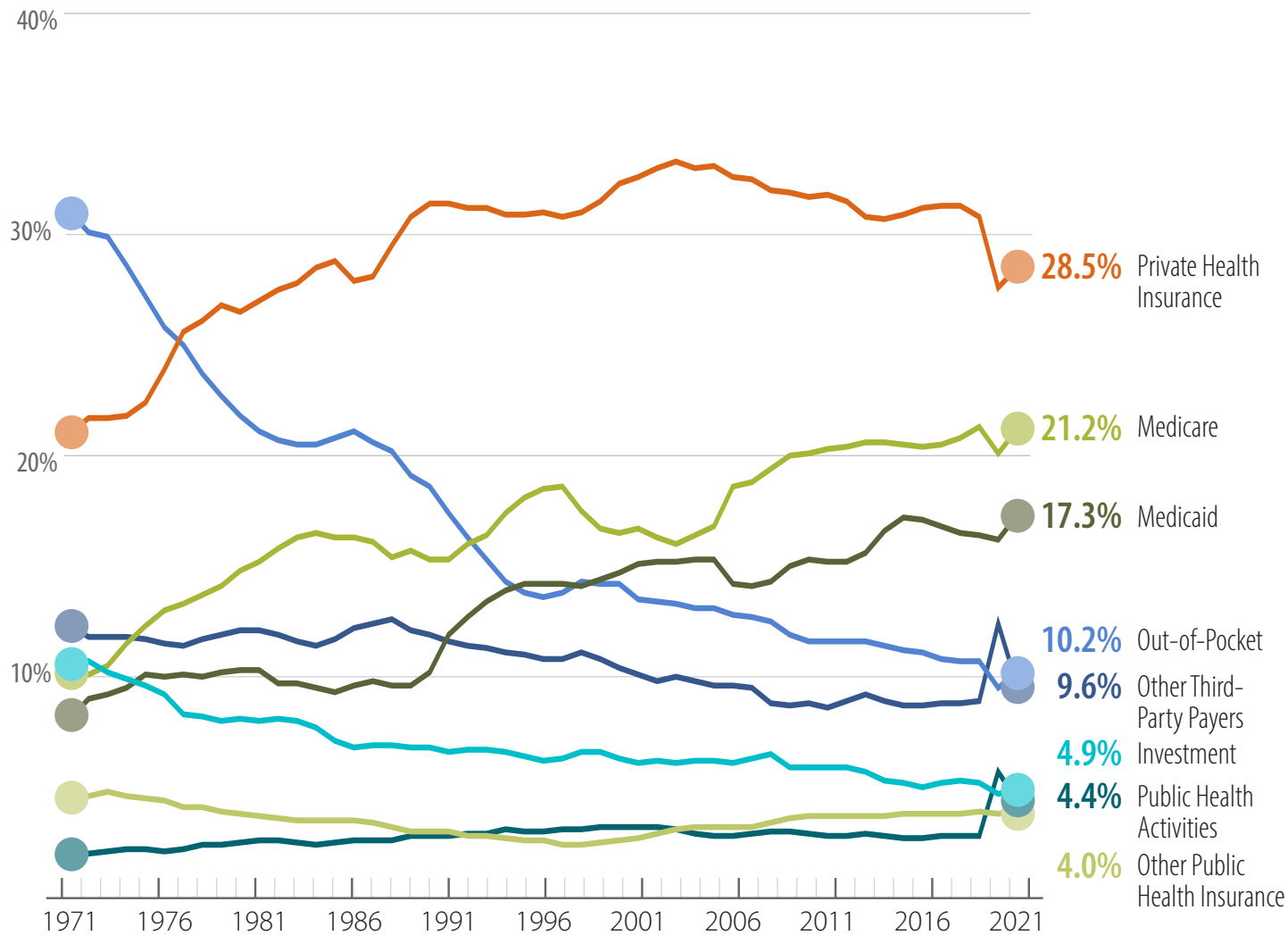
**Out-of-pocket** includes consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums.

Notes: *Health spending* refers to national health expenditures. *Other public health insurance* is other health insurance programs in the source. Figures may not sum due to rounding.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Health Spending, by Payer

## United States, 1971 to 2021



Notes: Health spending refers to national health expenditures. Other public health insurance is other health insurance programs in the source.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

### Health Care Costs 101

#### Payment Sources

In 2021, the share of spending paid by private health insurance, Medicare, and Medicaid was higher than in 1971. In contrast, shares paid out-of-pocket have declined since 1971. The impact of COVID-19 can be seen in the surge of spending by public health and other third-party payers\* in 2020 and its decline in 2021.

\* Included pandemic-related provider assistance in 2020 and 2021 through the Paycheck Protection Program (\$52.4 billion and \$21.4 billion, respectively) and the Provider Relief Fund (\$121.6 billion and \$28.3 billion).

#### PAYER DEFINITIONS

**Other third-party payers** includes worksite health care, other private revenues, Indian Health Services, workers' compensation, Maternal and Child Health, vocational rehabilitation, and other programs.

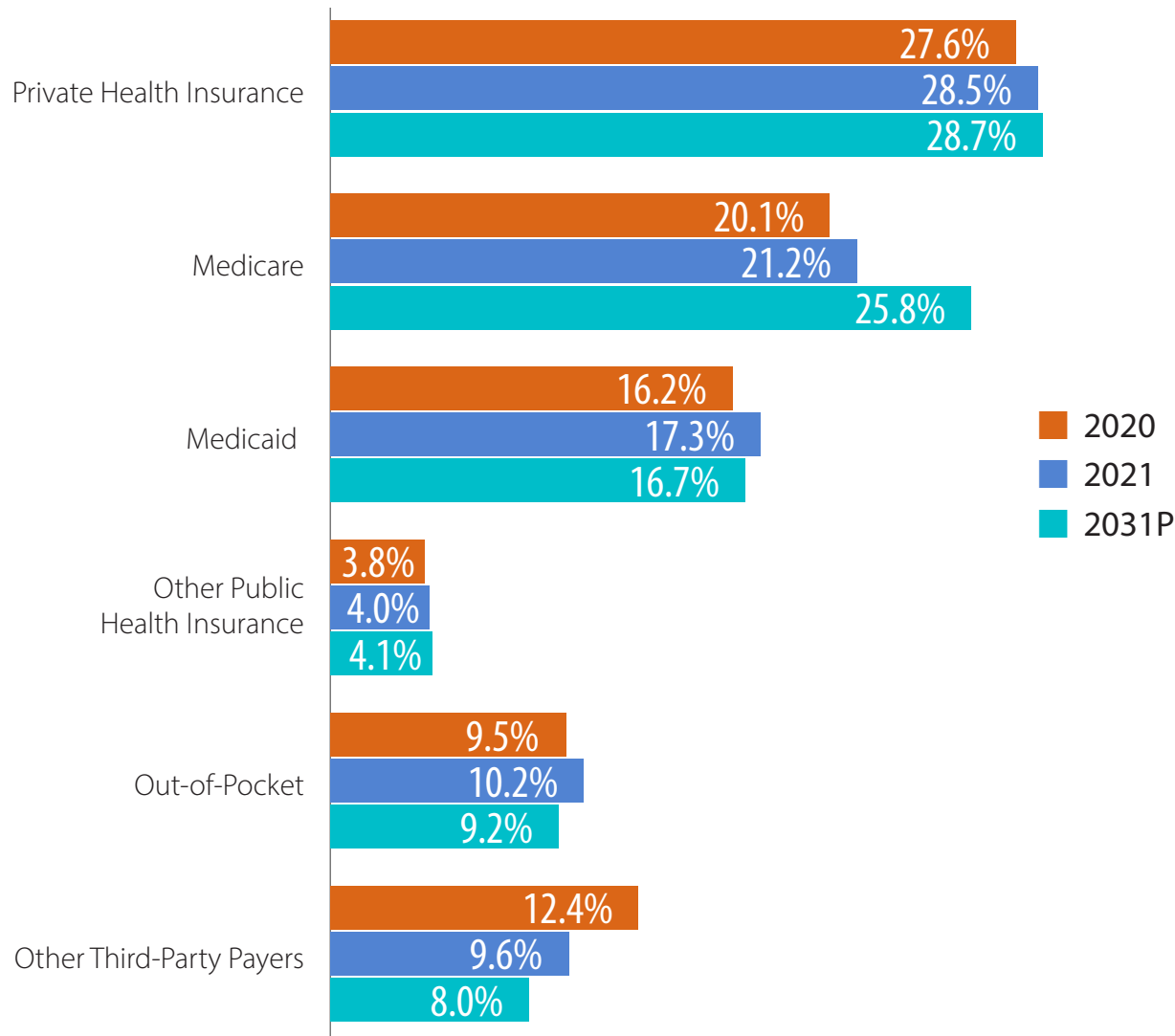
**Other public health insurance** includes Departments of Defense and Veterans Affairs health care and the Children's Health Insurance Program.

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

**Investment** is noncommercial research, structures, and equipment.

# Health Spending, by Payer

## United States, 2020, 2021, and 10-Year Projection



Notes: *Health spending* refers to national health expenditures. Projections shown as *P* and based on current law as of December 2021. *Other public health insurance* is other health insurance programs in the source. See page 23 for historical distribution. Not shown: public health activities and investment, which totaled 10.4%, 9.3%, and 7.5% in 2020, 2021, and 2031P, respectively.

Sources: National Health Expenditure (NHE) historical data (1960–2021), Centers for Medicare & Medicaid Services (CMS); and NHE projections (2022–31), CMS.

### Health Care Costs 101

#### Payment Sources

As the population ages, Medicare's share of spending is expected to grow. While Medicare paid for just over \$1 in every \$5 in 2021, it will pay for about \$1 of every \$4 in 2031. By contrast, little change is projected in the share of spending paid by private insurance and Medicaid.

#### PAYER DEFINITIONS

**Other public health insurance** includes Departments of Defense and Veterans Affairs health care and the Children's Health Insurance Program. Source uses *other health insurance programs*.

**Other third-party payers** includes worksite health care, other private revenues, Indian Health Services, workers' compensation, Maternal and Child Health, vocational rehabilitation, and other programs.

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



# Health Spending, by Payer

## United States, 2020, 2021, and 20-Year Look Back

	SPENDING (IN BILLIONS)			DISTRIBUTION			GROWTH		
	2001	2020	2021	2001	2020	2021	2001–21	2020	2021
<b>Total National Health Spending</b>	<b>\$1,483.4</b>	<b>\$4,144.1</b>	<b>\$4,255.1</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>5.4%</b>	<b>10.3%</b>	<b>2.7%</b>
Out-of-Pocket	200.9	392.3	433.2	14%	9%	10%	3.9%	-2.6%	10.4%
Private Health Insurance	483.4	1,145.2	1,211.4	33%	28%	28%	4.7%	-1.1%	5.8%
Medicare	247.7	831.2	900.8	17%	20%	21%	6.7%	3.6%	8.4%
Medicaid	224.1	672.0	734.0	15%	16%	17%	6.1%	9.3%	9.2%
Federal	132.2	460.6	513.0	9%	11%	12%	7.0%	18.8%	11.4%
State and Local	91.9	211.4	221.0	6%	5%	5%	4.5%	-7.0%	4.6%
Other Public Health Insurance	40.7	157.1	172.1	3%	4%	4%	7.5%	8.3%	9.6%
Other Third-Party Payers	149.9	514.0	409.0	10%	12%	10%	5.1%	54.1%	-20.4%
Other Federal Programs	5.3	193.1	71.9	<1%	5%	2%	13.9%	1,276.0%	-62.7%
All Other	144.6	320.9	337.0	10%	8%	8%	4.3%	0.5%	5.0%
Public Health Activities	46.8	238.3	187.6	3%	6%	4%	7.2%	122.5%	-21.3%
Federal	5.8	135.8	78.8	<1%	3%	2%	14.0%	921.4%	-41.9%
State and Local	41.0	102.5	108.8	3%	2%	3%	5.0%	9.3%	6.1%
Investment	90.0	193.9	207.0	6%	5%	5%	4.3%	-0.1%	6.8%

Notes: *Health spending* refers to national health expenditures. *Other public health insurance* is other health insurance programs in the source. Growth percentages for 2001–21 are average annual rates and were calculated by the author; 2020 and 2021 percentages are annual rates. Figures may not sum due to rounding.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

### Health Care Costs 101

#### Payment Sources

In 2021, the federal government reduced spending on public health activities (41.9%) and other federal programs (62.7%) relative to 2020. Out-of-pocket spending increased (10.4%) as activities such as office visits and elective procedures resumed. Medicaid spending increased faster (9.2%) than overall spending, due in part to enrollment growth.

#### PAYER DEFINITIONS

**Investment** is noncommercial research, structures, and equipment.

**Other public health insurance** includes Departments of Defense and Veterans Affairs health care and the Children's Health Insurance Program.

**Other third-party payers** includes worksite health care, other private revenues, Indian Health Services, workers' compensation, Maternal and Child Health, vocational rehabilitation, and other programs.

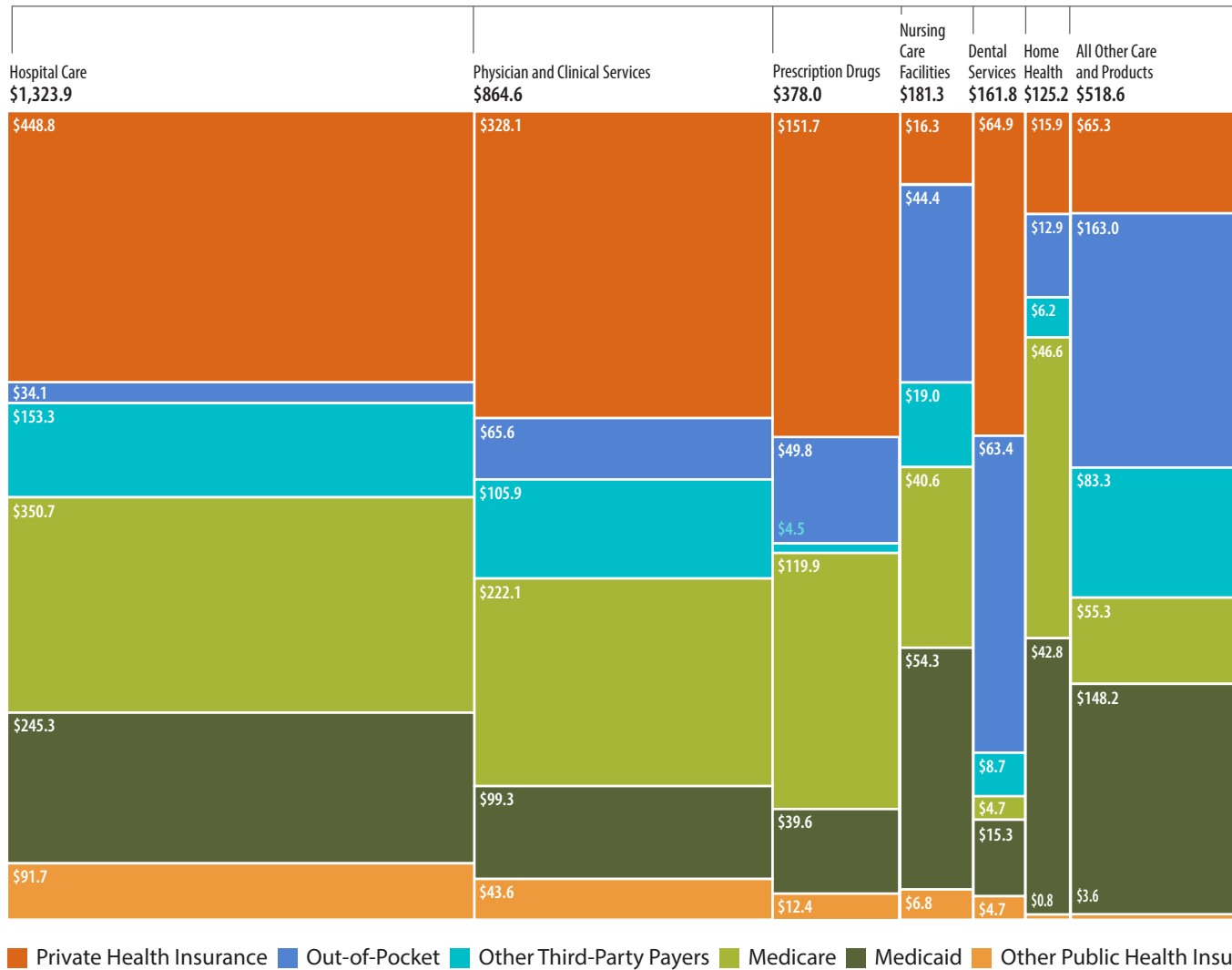
**Out-of-pocket** includes consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums.

# Personal Health Care Spending, by Payer and Category

## United States, 2021

DOLLARS IN BILLIONS

Personal Health Care: **\$3.6 trillion**



### Health Care Costs 101

#### Payment Sources

The payer mix for health care differed by spending category in 2021. For example, most prescription drugs were paid for by private health insurance and Medicare, while most dental care was paid for by private health insurance and out of pocket.

#### PAYER DEFINITIONS

**Other public health insurance** includes Departments of Defense and Veterans Affairs health care and the Children's Health Insurance Program.

**Other third-party payers** includes worksite health care, other private revenues, Indian Health Services, workers' compensation, Maternal and Child Health, vocational rehabilitation, and other programs.

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

Notes: *All other care and products* includes durable medical equipment, other nondurable medical products, other professional services, and other health, residential, and personal care. *Other public health insurance* is other health insurance programs in the source. Figures may not sum due to rounding. For additional detail on spending categories, see Appendix A. Further definitions available at [www.cms.gov](http://www.cms.gov).

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Health Spending by Category, Selected Payers

## United States, 2021

	SPENDING DISTRIBUTION			
	PRIVATE HEALTH INSURANCE	OUT-OF-POCKET	MEDICARE	MEDICAID
<b>Total Spending (Billions)</b>	<b>\$1,211.4</b>	<b>\$433.2</b>	<b>\$900.8</b>	<b>\$734.0</b>
Hospital Care	37%	8%	39%	33%
Physician and Clinical Services	27%	15%	25%	14%
Other Professional Services	3%	7%	4%	1%
Dental Services	5%	15%	1%	2%
Nursing Care Facilities	1%	10%	5%	7%
Home Health Care	1%	3%	5%	6%
Other Health Care	1%	2%	<1%	18%
Prescription Drugs	13%	12%	13%	5%
Durable Medical Equipment	1%	7%	1%	1%
Other Nondurable Medical Products	0%	22%	<1%	0%
Net Cost of Health Insurance	10%	0%	5%	8%
Government Administration	0%	0%	1%	4%

Notes: *Health spending* refers to national health expenditures. Figures may not sum due to rounding. For additional detail on spending categories, see [Appendix A](#). Further definitions available at [www.cms.gov](http://www.cms.gov).

Source: Author calculations based on [National Health Expenditure historical data \(1960–2021\)](#), Centers for Medicare & Medicaid Services.

### Health Care Costs 101

#### Payment Sources

In 2021, hospital care was the largest spending category for private health insurance, Medicare, and Medicaid. The largest spending category for out-of-pocket spending was other nondurable medical products, which includes nonprescription drugs and sundries.

#### SPENDING CATEGORY DEFINITIONS

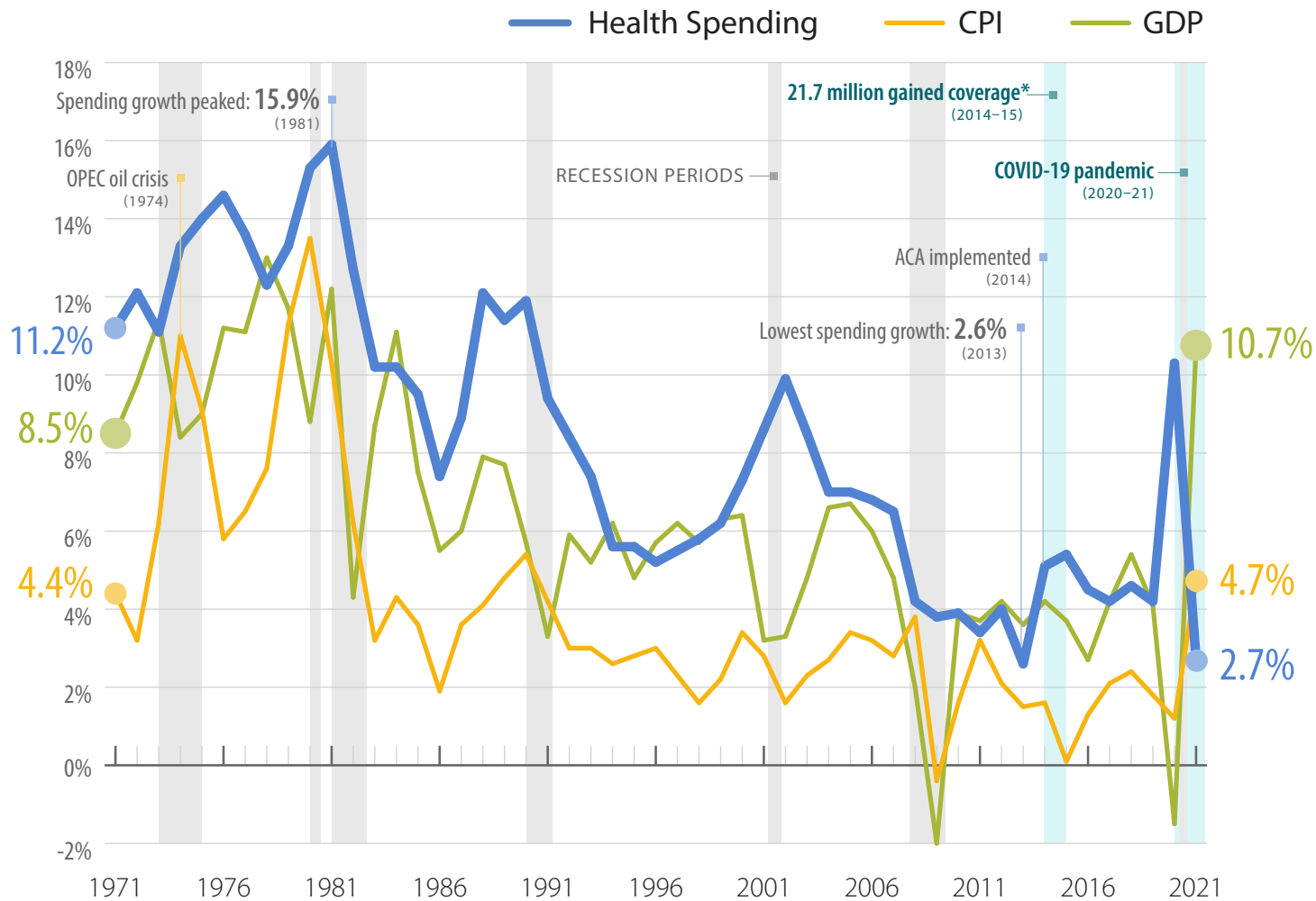
**Government administration** includes the administrative costs of government health care programs such as Medicare and Medicaid.

**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 other health, residential, and personal care.

# Health Spending, Inflation, and GDP

United States, 1971 to 2021



## Health Care Costs 101

Growth Trends

In 2021, the economy, as measured by gross domestic product, grew by 10.7% after declining by 1.5% in 2020. Health spending, which increased by 10.3% in 2020 largely due to the COVID-19 pandemic, slowed to 2.7% in 2021. In general, health spending has outpaced both inflation and economic growth over the last 50 years.

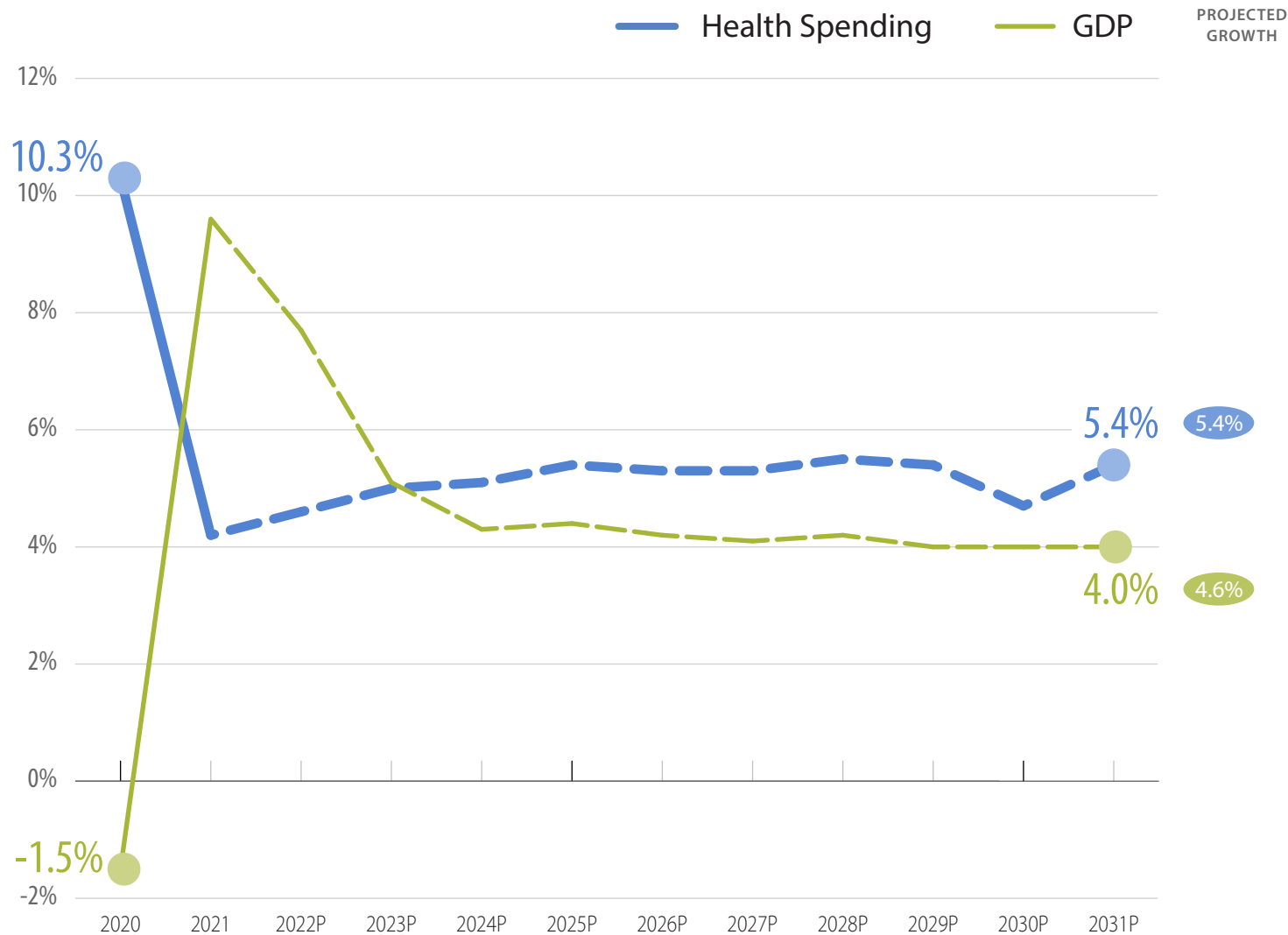
\* 12.4 million additional Medicaid (21%); 9.3 million additional privately insured (4.9%).

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

Sources: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services; and “Consumer Price Index,” US Bureau of Labor Statistics.

# Annual Growth, Health Spending Versus GDP

## United States, 2020, 2021, and 10-Year Projection



### Health Care Costs 101

#### Growth Trends

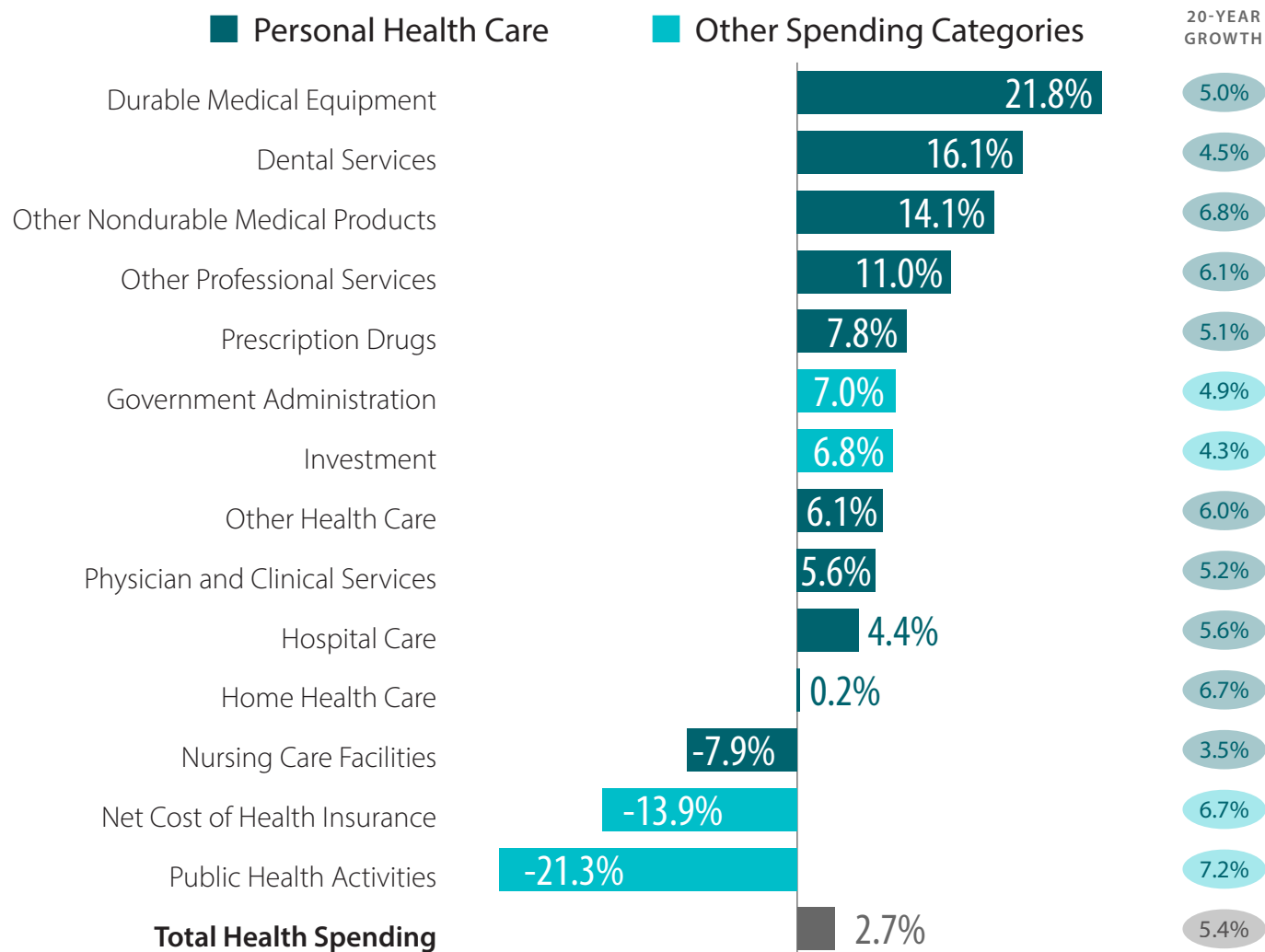
Between 2022 and 2031, the 5.4% average annual growth rate for health spending is expected to outpace the gross domestic product (GDP) growth of 4.6%. As a result, health spending's share of GDP is projected to be 19.6% in 2031 (not shown).

Notes: *Health spending* is national health expenditures. *GDP* is gross domestic product. Projections shown as *P* and based on current law as of December 2020. Projected growth percentages are average annual rates (2022–31).

Sources: National Health Expenditure (NHE) historical data (1960–2020), Centers for Medicare & Medicaid Services (CMS); and NHE projections (2022–31), CMS.

# Annual Growth in Health Spending, by Category

## United States, 2021



### Health Care Costs 101

#### Growth Trends

In 2021, use of health services increased, returning to prepandemic levels (not shown). Spending on durable medical equipment, which includes eyeglasses and contact lenses, increased the most, by 21.8%. Spending on public health activities declined 21.3% in 2021 as the federal government reduced its COVID-19-related spending.

#### SPENDING CATEGORY DEFINITIONS

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

**Investment** is 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 other health, residential, and personal care.

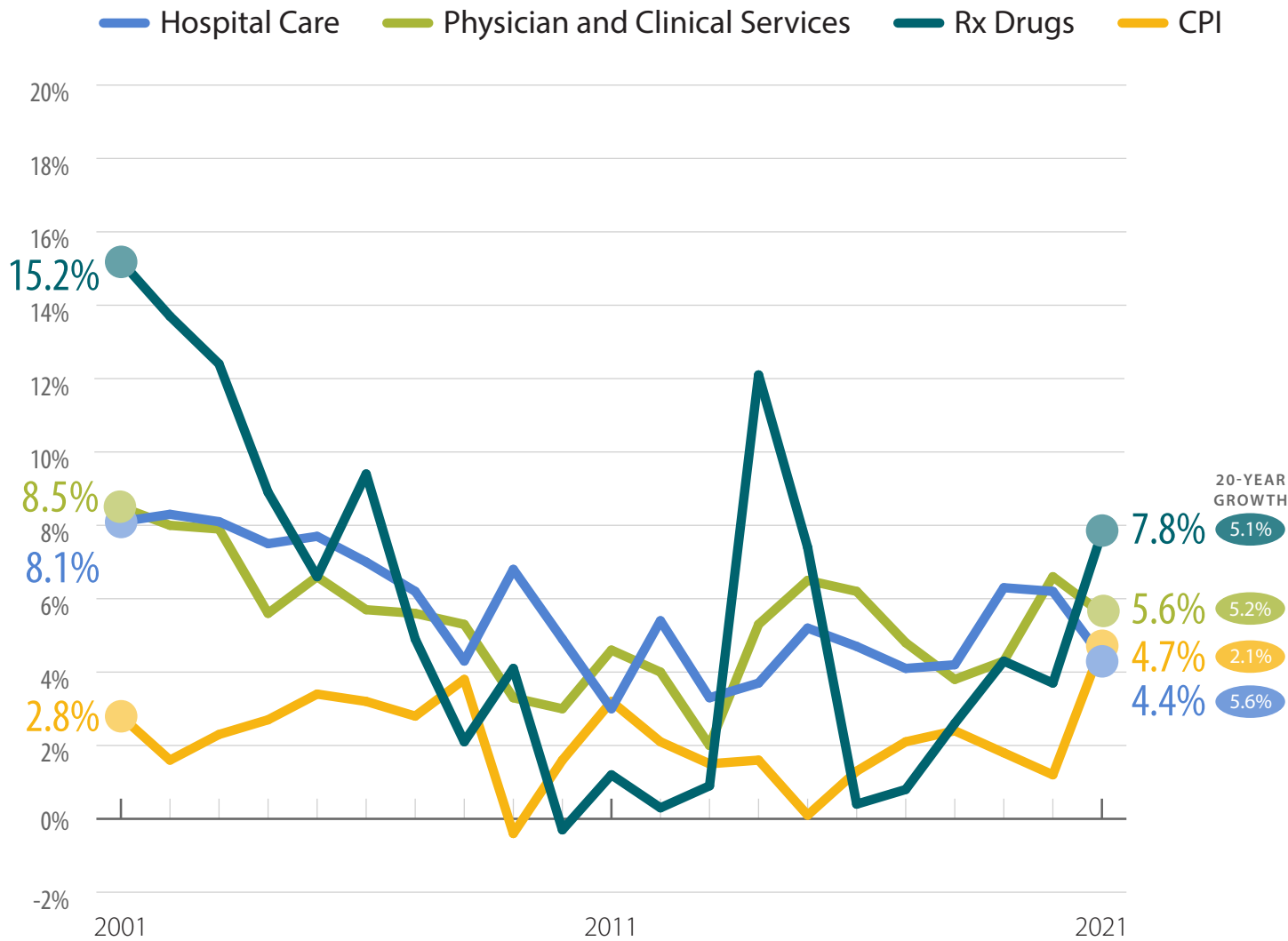
**Other medical products** is durable medical equipment and nondurable medical products.

Notes: Twenty-year growth percentages are average annual rates (2001–21) and were calculated by the author. For additional detail on spending categories, see Appendix A. For further definitions, see *National Health Expenditure Accounts: Methodology Paper, 2021 — Definitions, Sources, and Methods*, Centers for Medicare & Medicaid Services.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Annual Growth in Health Spending, by Largest Categories

## United States, 2001 to 2021



### Health Care Costs 101

#### Growth Trends

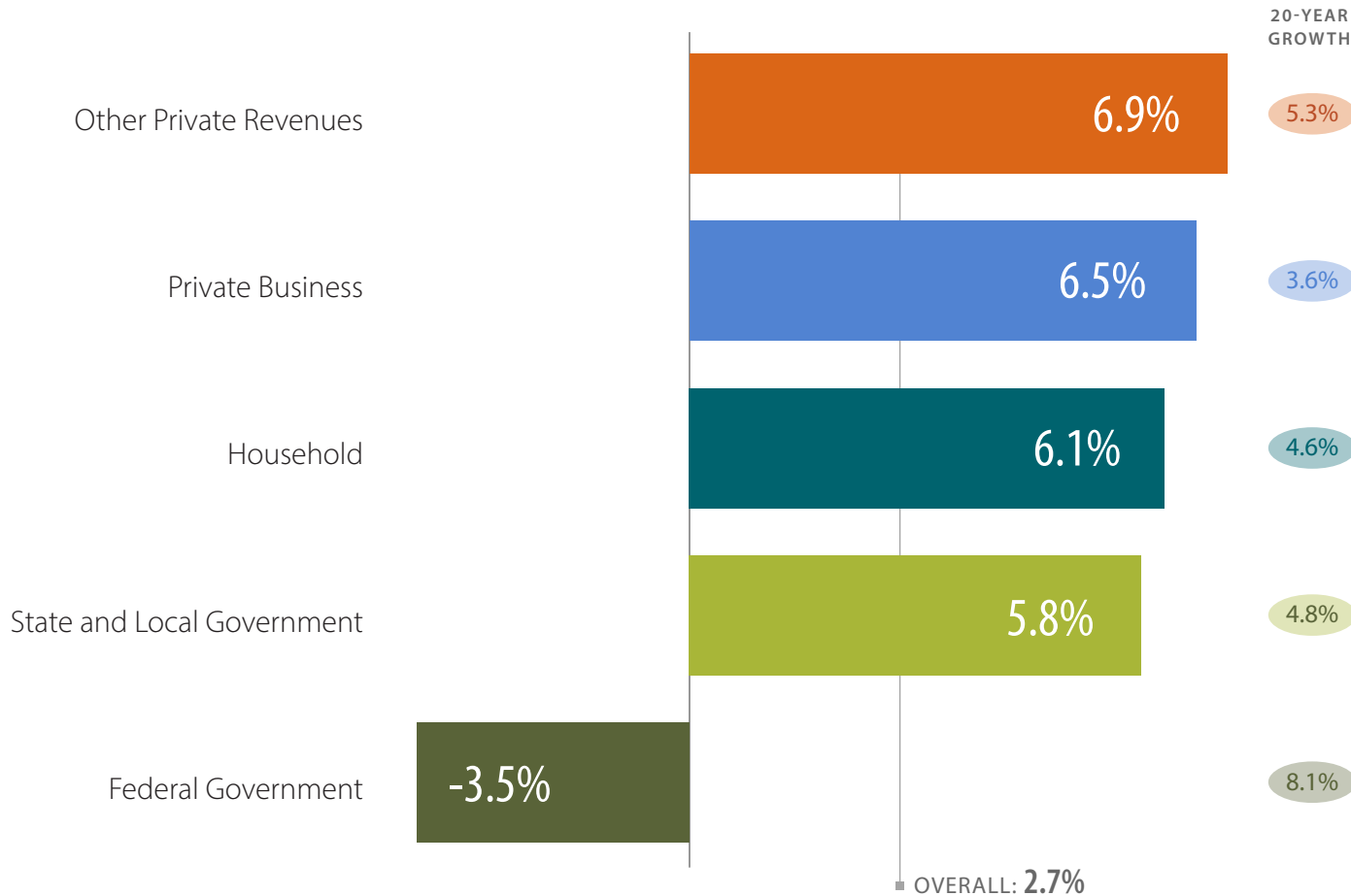
Between 2001 and 2021, growth in the largest health spending categories routinely exceeded growth in the consumer price index. While year-to-year changes in prescription drug spending were more volatile, the 20-year average annual growth for prescription drug spending (5.1%) was similar to growth for hospital care (5.6%) and physician and clinical services (5.2%).

Notes: *Health spending* refers to national health expenditures. *CPI* is consumer price index. Twenty-year growth percentages are average annual rates (2001–21) and were calculated by the author.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Annual Growth in Health Spending, by Sponsor

## United States, 2021



### Health Care Costs 101

#### Growth Trends

In 2021, federal government spending declined 3.5%, due in part to a reduction in COVID-19-related spending. Spending by all other sponsors grew as use of health care services increased. Private business spending increased 6.5% due to higher per enrollee spending, after declining 2.9% in 2020 (not shown). Household spending increased 6.1% in 2021, partially due to a 10% increase in out-of-pocket spending.

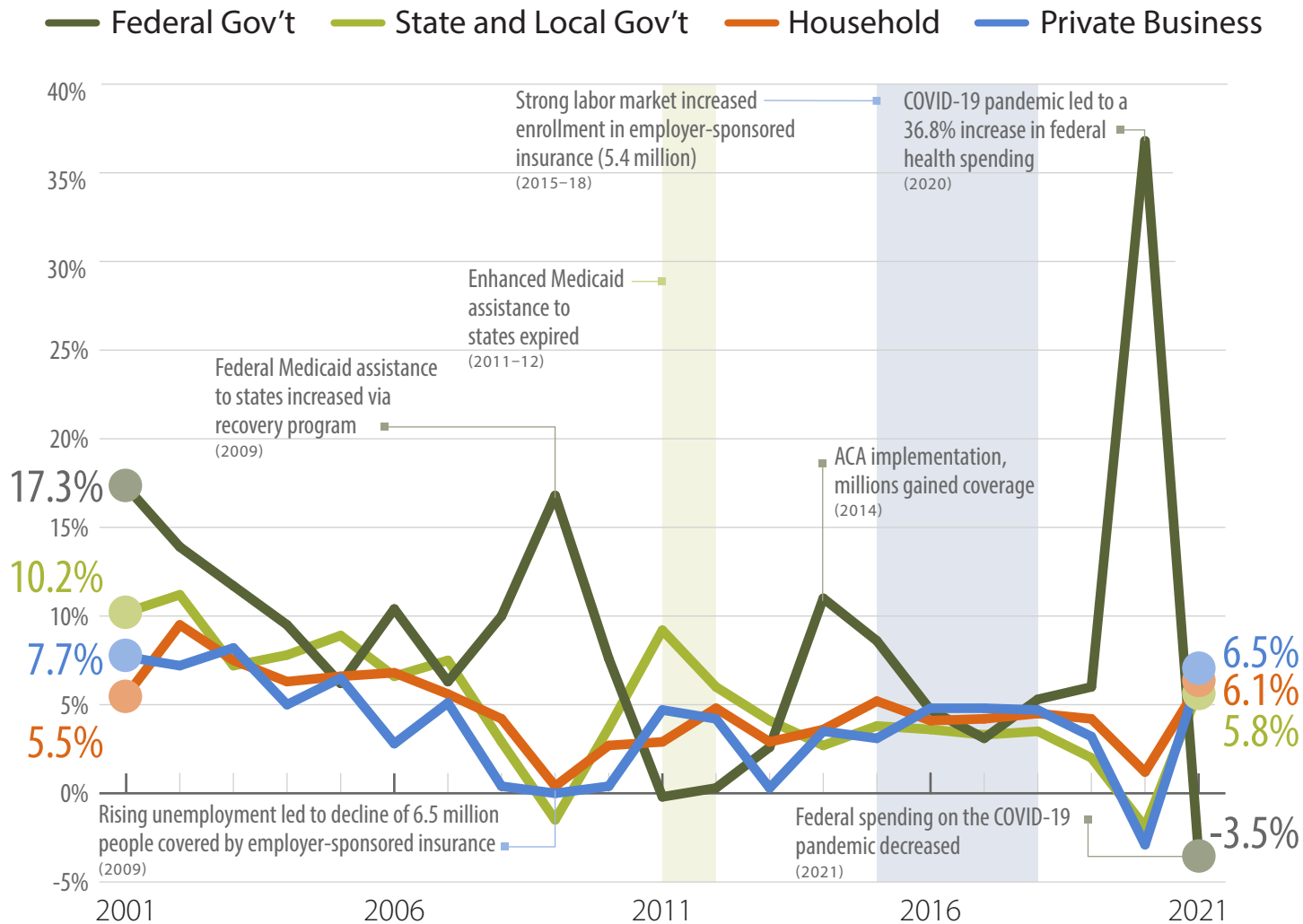
Notes: *Health spending* refers to national health expenditures. *Sponsors* are the entities ultimately responsible for financing the health care bill. *Other private revenues* includes philanthropy, investment income, and private investment in research, structures, and equipment. See pages 16, 17, and 19 for detail on how sponsors finance health care spending. Twenty-year growth percentages are average annual rates (2001–21) and were calculated by the author.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.



# Annual Growth in Health Spending, by Sponsor

## United States, 2001 to 2021



### Health Care Costs 101

#### Growth Trends

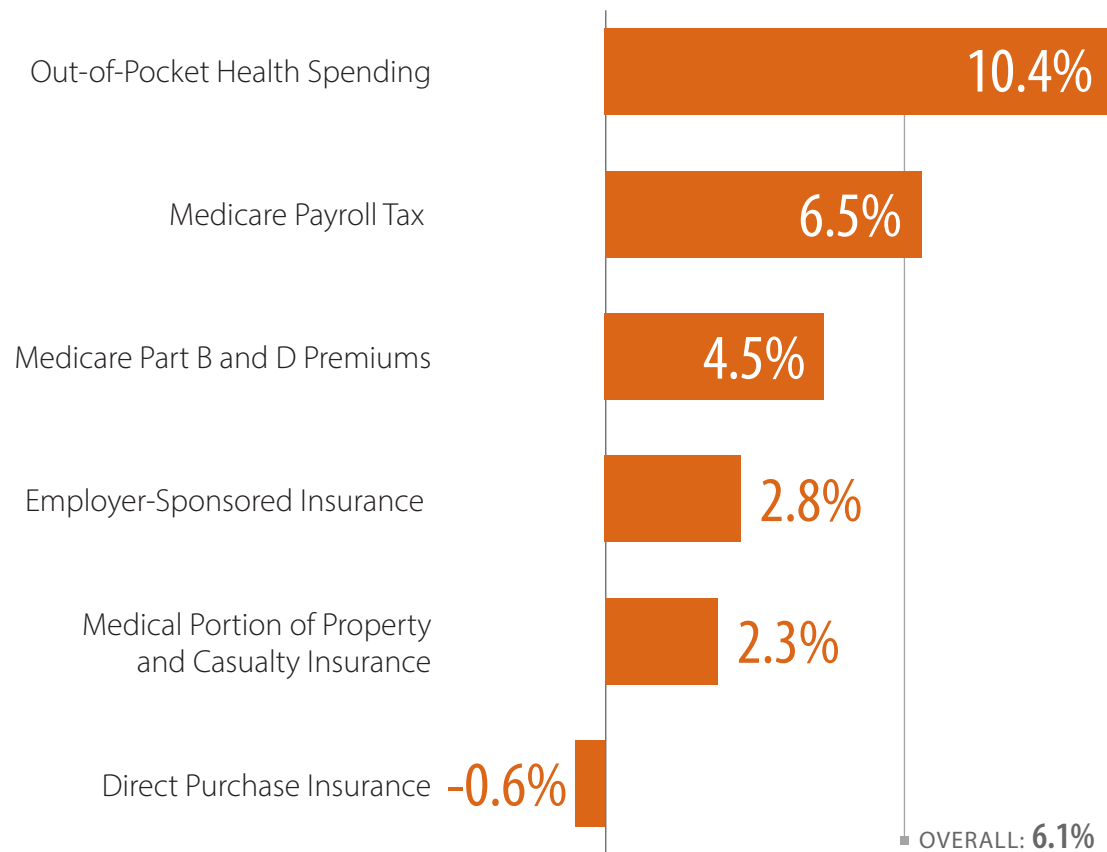
The impact of federal policy decisions and economic conditions can be seen in the acceleration and deceleration of health spending. For example, federal spending increased dramatically in 2020 as the federal government responded to the COVID-19 pandemic and declined in 2021 as COVID-19-related spending was reduced.

Notes: Health spending refers to national health expenditures. Sponsors are the entities ultimately responsible for financing the health care bill. See pages 16, 17, and 19 for detail on how sponsors finance health care spending. ACA is Affordable Care Act.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Annual Growth in Household Health Spending

## United States, 2021



### Health Care Costs 101

#### Growth Trends

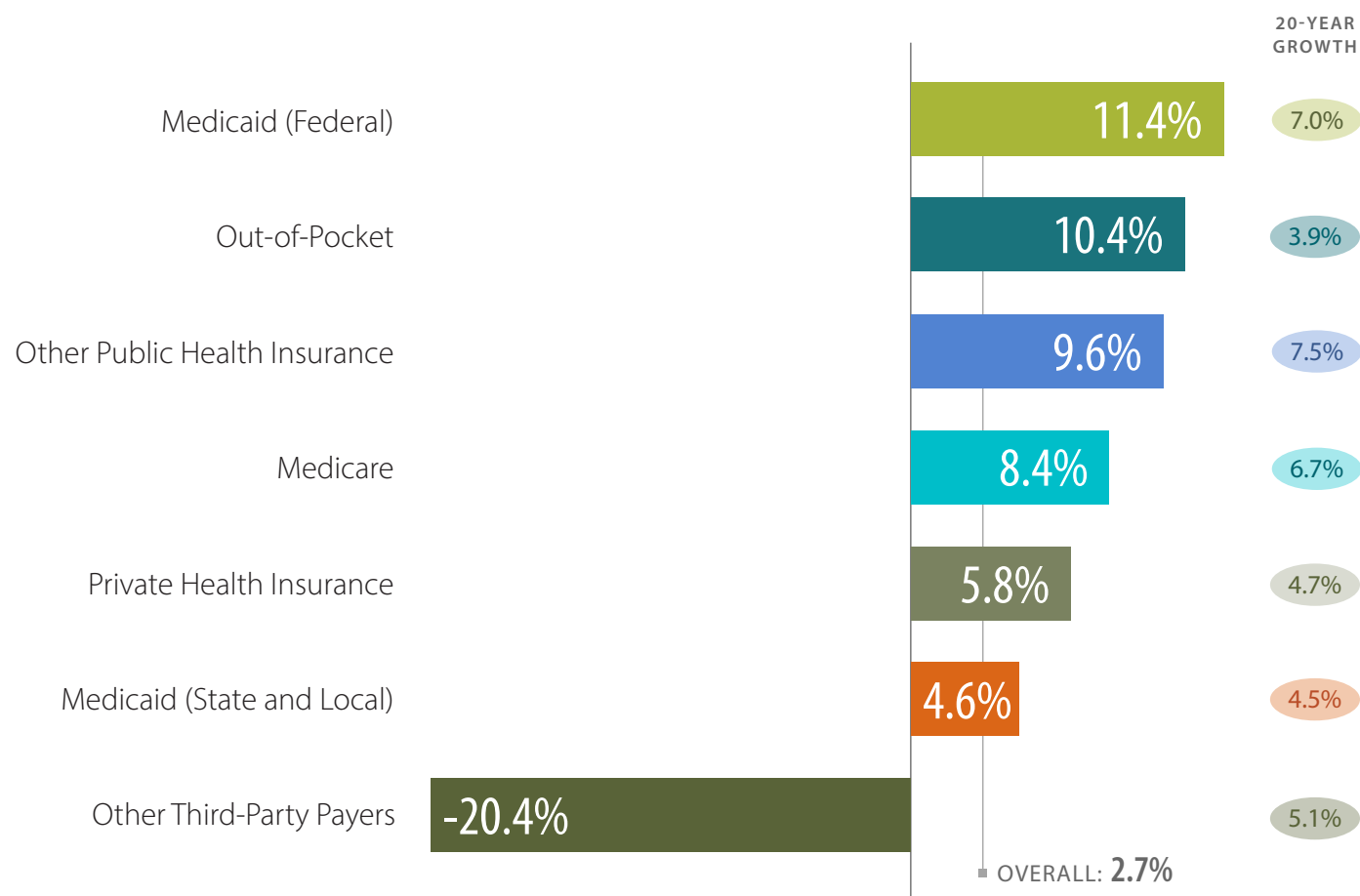
Overall health spending by households grew by 6.1% in 2021, up from 1.2% in 2020 (not shown). Out-of-pocket health spending, the largest component of household spending, increased by 10.4%, driven by an acceleration in spending on most medical goods and services. The largest increases occurred in spending for durable medical equipment and dental care.

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. *Marketplace* is individual health insurance coverage purchased on federal- and state-run health exchange, such as [healthcare.gov](https://www.healthcare.gov) and Covered California. Household health care spending excludes any subsidies provided for premiums or cost sharing by the Affordable Care Act.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Annual Growth in Health Spending, by Payer

## United States, 2021



### Health Care Costs 101

#### Growth Trends

Federal Medicaid spending grew the fastest (11.4%), reflecting increased enrollment and enhanced federal Medicaid assistance to states. Out-of-pocket spending increased 10.4% as use of health care services increased. Spending by other third-party payers decreased by 20.4%, driven by reductions in federal COVID-19-related assistance to providers.

#### PAYER DEFINITIONS

**Other third-party payers** includes worksite health care, other private revenues, Indian Health Services, workers' compensation, Maternal and Child Health, vocational rehabilitation, and other programs.

**Other public health insurance** includes Departments of Defense and Veterans Affairs health care and the Children's Health Insurance Program.

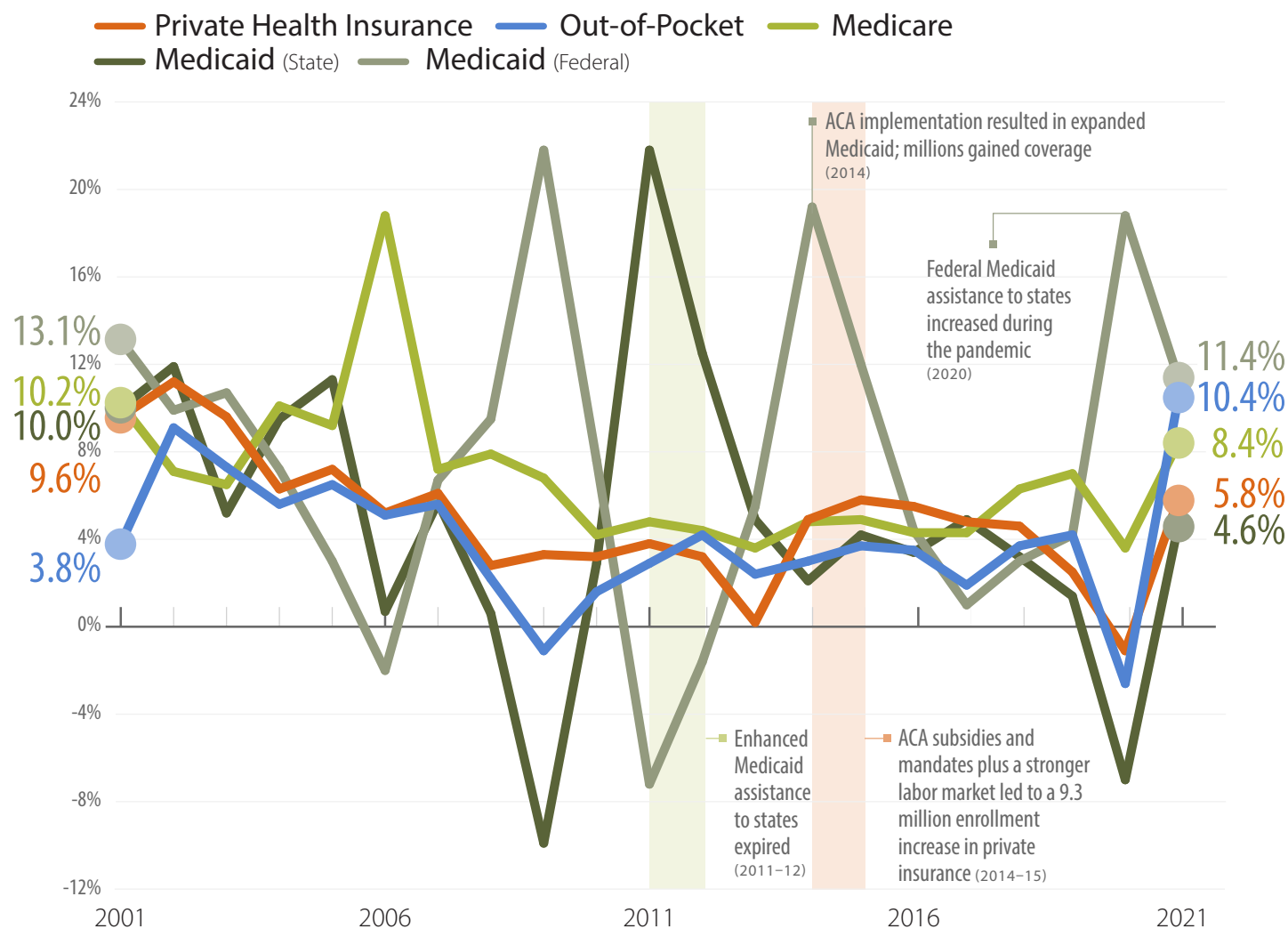
**Out-of-pocket** includes consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums.

Notes: *Health spending* refers to national health expenditures. *Other public health insurance* is other health insurance programs in the source. Public health activities (-21.3%) and investment (6.8%) are not shown. Overall Medicaid (federal and state combined) grew 9.2%. Twenty-year growth percentages are average annual rates (2001–21) and were calculated by the author.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Annual Growth in Health Spending, Selected Payers

## United States, 2001 to 2021



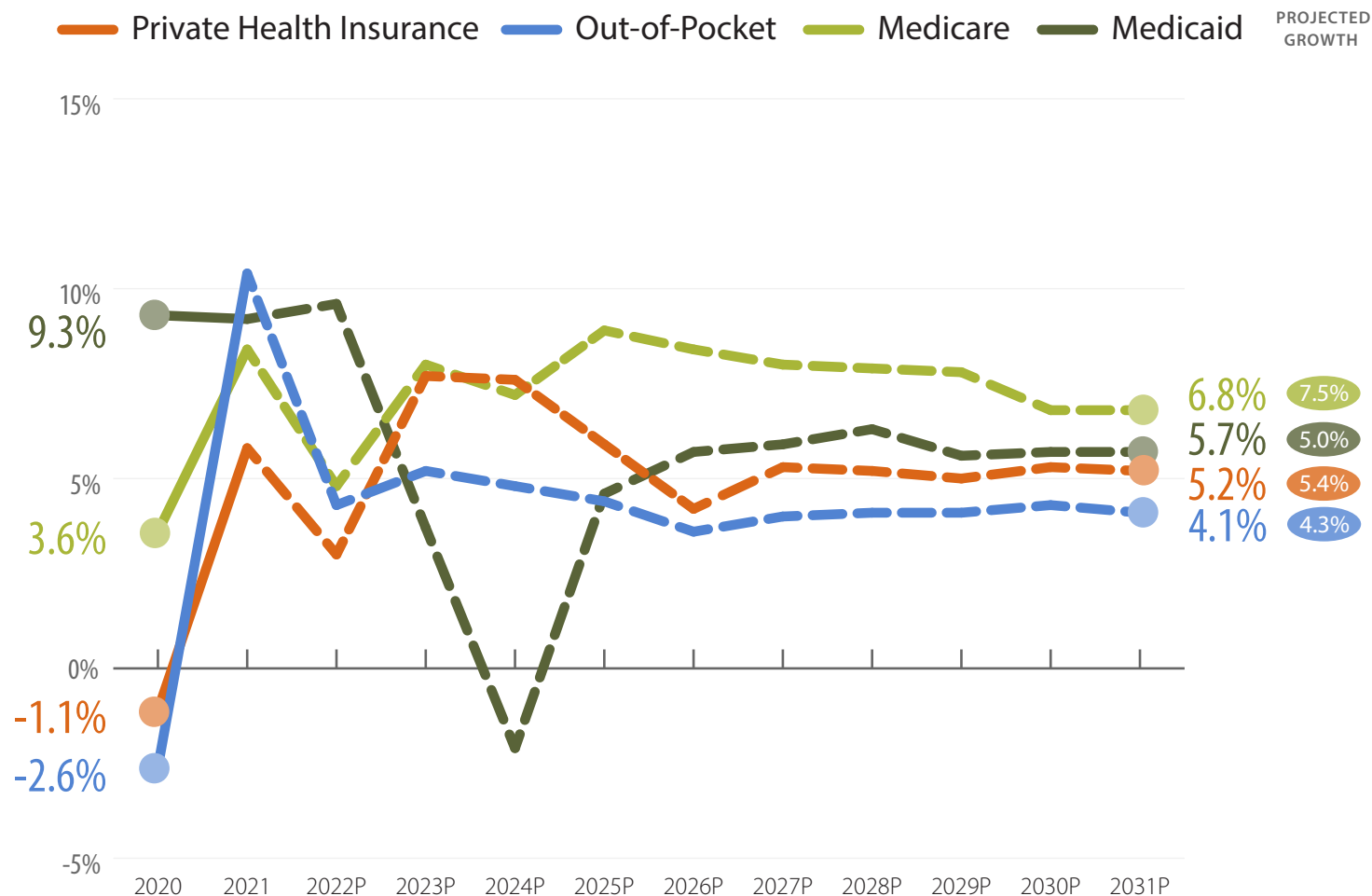
The impact of federal policy decisions and economic conditions can be seen in the acceleration and deceleration of health care spending. For example, federal spending increased dramatically in 2020 as the federal government responded to the COVID-19 pandemic and declined in 2021 as COVID-19-related spending was reduced.

Notes: ACA is Affordable Care Act. *Out-of-pocket* includes consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums. Not shown: other public health insurance, other third-party payers, public health activities, and investment. See page 37 for projected growth rates.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

# Annual Growth in Health Spending, Selected Payers

United States, 2020, 2021 and 10-Year Projections



## Health Care Costs 101

Growth Trends

Medicare is projected to grow faster than other payers between 2022 and 2031. Medicaid spending is expected to decline by 2.1% in 2024, when enrollment is projected to decline by eight million due to the end of the continuous enrollment requirement.\*

Notes: Projections shown as P and based on current law as of December 2020. Projected growth percentages are average annual rates (2022–31) and were calculated by the author.

Sources: Anne B. Martin et al., "National Health Care Spending in 2021: Decline in Federal Spending Outweighs Greater Use of Health Care," *Health Affairs* 42, no. 1 (Jan. 2023), exhibit 4; National Health Expenditure (NHE) historical data (1960–2021), Centers for Medicare & Medicaid Services (CMS); and NHE projections (2022–31), CMS.

\* The continuous enrollment requirement, part of the Families First Coronavirus Response Act, ended March 31, 2023.

# Data Resources

## National Health Expenditures

### OVERVIEW

- National Health Expenditure Data
- Quick Definitions for National Health Expenditure Accounts (NHEA) Categories (PDF)

### HISTORICAL

- Data and Resources
- Anne B. Martin et al., "National Health Care Spending in 2021: Decline in Federal Spending Outweighs Greater Use of Health Care," *Health Affairs* 42, no. 1 (Jan. 2023): 6-17.

### PROJECTIONS

- Data and Resources
- John A. Poisal et al., "National Health Expenditure Projections, 2021-30: Growth to Moderate as COVID-19 Impacts Wane," *Health Affairs* 41, no. 4 (April 2022): 474-486.

### AGE AND GENDER

- Data and Resources

## Disease-Based Health Care Spending

US Bureau of Economic Analysis

- Data and Resources
- Abe Dunn et al., "Introducing the New Health Care Satellite Account," January 2015. (PDF)

## Economic Data

- *The Budget and Economic Outlook: 2023 to 2033*. Congressional Budget Office, February 15, 2023.
- Consumer Price Index. US Bureau of Labor Statistics
- "OECD Health Statistics 2022, Frequently Requested Data." Organisation for Economic Co-operation and Development. last updated November 30, 2022.

## COVID-19

- Accounting for Federal COVID Expenditures in the National Health Expenditure Accounts (PDF), CMS.

## Health Care Costs 101

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### ABOUT THIS SERIES

The California Health Care Almanac is an online clearinghouse for data and analysis examining the state's health care system. It focuses on issues of quality, affordability, insurance coverage and the uninsured, and the financial health of the system with the goal of supporting thoughtful planning and effective decisionmaking. Learn more at [www.chcf.org/almanac](http://www.chcf.org/almanac).

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### FOR MORE INFORMATION



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[www.chcf.org](http://www.chcf.org)

## Appendix A. Health Spending, by Category, United States, 2001 to 2021, Selected Years

	SPENDING (IN BILLIONS)				DISTRIBUTION				GROWTH/DECLINE *			
	2001	2011	2020	2021	2001	2011	2020	2021	2001–21	2011–21	2020	2021
<b>National Health Expenditures</b>	<b>\$1,483.4</b>	<b>\$2,676.5</b>	<b>\$4,144.1</b>	<b>\$4,255.1</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>5.4%</b>	<b>4.7%</b>	<b>10.3%</b>	<b>2.7%</b>
<b>Health Consumption Expenditures</b>	<b>1,393.4</b>	<b>2,517.8</b>	<b>3,950.1</b>	<b>4,048.1</b>	<b>93.9%</b>	<b>94.1%</b>	<b>95.3%</b>	<b>95.1%</b>	<b>5.5%</b>	<b>4.9%</b>	<b>10.9%</b>	<b>2.5%</b>
▶ <b>Personal Health Care</b>	<b>1,256.5</b>	<b>2,253.9</b>	<b>3,367.0</b>	<b>3,553.4</b>	<b>84.7%</b>	<b>84.2%</b>	<b>81.2%</b>	<b>83.5%</b>	<b>5.3%</b>	<b>4.7%</b>	<b>6.1%</b>	<b>5.5%</b>
▶ Hospital Care	449.4	833.2	1,267.8	1,323.9	30.3%	31.1%	30.6%	31.1%	5.6%	4.7%	6.2%	4.4%
▶ Professional Services	420.7	716.6	1,075.5	1,157.0	28.4%	26.8%	26.0%	27.2%	5.2%	4.9%	5.2%	7.6%
▶ Physician and Clinical Services	312.7	535.8	818.4	864.6	21.1%	20.0%	19.7%	20.3%	5.2%	4.9%	6.6%	5.6%
▶ Dental Services	67.7	108.0	139.3	161.8	4.6%	4.0%	3.4%	3.8%	4.5%	4.1%	-3.0%	16.1%
▶ Other Professional Services	40.3	72.8	117.7	130.6	2.7%	2.7%	2.8%	3.1%	6.1%	6.0%	6.1%	11.0%
▶ Nursing Care Facilities	90.8	145.3	196.9	181.3	6.1%	5.4%	4.8%	4.3%	3.5%	2.2%	13.1%	-7.9%
▶ Home Health Care	34.3	74.6	125.0	125.2	2.3%	2.8%	3.0%	2.9%	6.7%	5.3%	11.2%	0.2%
▶ Other Health Care	69.5	130.7	210.7	223.5	4.7%	4.9%	5.1%	5.3%	6.0%	5.5%	8.2%	6.1%
▶ Retail Outlet Sales	192.0	353.5	491.1	542.5	12.9%	13.2%	11.9%	12.7%	5.3%	4.4%	3.2%	10.5%
▶ Prescription Drugs	140.6	256.3	350.6	378.0	9.5%	9.6%	8.5%	8.9%	5.1%	4.0%	3.7%	7.8%
▶ Durable Medical Equipment	25.3	40.6	55.1	67.1	1.7%	1.5%	1.3%	1.6%	5.0%	5.2%	-2.4%	21.8%
▶ Other Nondurable Medical Products	26.1	56.6	85.4	97.4	1.8%	2.1%	2.1%	2.3%	6.8%	5.6%	5.1%	14.1%
▶ <b>Administration</b>	<b>90.1</b>	<b>189.5</b>	<b>344.9</b>	<b>307.1</b>	<b>6.1%</b>	<b>7.1%</b>	<b>8.3%</b>	<b>7.2%</b>	<b>6.3%</b>	<b>4.9%</b>	<b>21.8%</b>	<b>-11.0%</b>
▶ Net Cost of Health Insurance	70.4	156.5	296.8	255.7	4.7%	5.8%	7.2%	6.0%	6.7%	5.0%	26.0%	-13.9%
▶ Government Administration	19.7	33.0	48.1	51.5	1.3%	1.2%	1.2%	1.2%	4.9%	4.5%	1.1%	7.0%
▶ <b>Public Health Activities</b>	<b>46.8</b>	<b>74.4</b>	<b>238.3</b>	<b>187.6</b>	<b>3.2%</b>	<b>2.8%</b>	<b>5.7%</b>	<b>4.4%</b>	<b>7.2%</b>	<b>9.7%</b>	<b>122.5%</b>	<b>-21.3%</b>
<b>Investment</b>	<b>\$90.0</b>	<b>\$158.7</b>	<b>\$193.9</b>	<b>\$207.0</b>	<b>6.1%</b>	<b>5.9%</b>	<b>4.7%</b>	<b>4.9%</b>	<b>4.3%</b>	<b>2.7%</b>	<b>-0.1%</b>	<b>6.8%</b>
▶ Noncommercial Research	28.5	49.6	60.1	61.5	1.9%	1.9%	1.5%	1.4%	3.9%	2.2%	6.3%	2.3%
▶ Structures and Equipment	61.5	109.2	133.8	145.6	4.1%	4.1%	3.2%	3.4%	4.4%	2.9%	-2.7%	8.8%

Notes: *Health spending* refers to national health expenditures. Growth percentages for 2001–21 and 2011–21 are average annual rates and were calculated by the author; 2020 and 2021 percentages are annual rates. Figures may not sum due to rounding. For further definitions, see *National Health Expenditure Accounts: Methodology Paper, 2021 — Definitions, Sources, and Methods*, Centers for Medicare & Medicaid Services.

Source: National Health Expenditure historical data (1960–2021), Centers for Medicare & Medicaid Services.

## Appendix B. Health Spending, by Medical Condition, United States, 2015 to 2020, Selected Years

	SPENDING (IN BILLIONS)				DISTRIBUTION				GROWTH		
	2015	2018	2019	2020	2015	2018	2019	2020	2015–20	2019	2020
All Diseases/Conditions	\$2,144.4	\$2,452.4	\$2,587.2	\$2,506.3	100%	100%	100%	100%	3.2%	5.5%	-3.1%
Routine Care, Signs and Symptoms*	286.6	350.6	364.9	350.7	13%	14%	14%	14%	4.1%	4.1%	-3.9%
Circulatory Diseases	254.5	273.7	292.0	265.7	12%	11%	11%	11%	0.9%	6.7%	-9.0%
Musculoskeletal Diseases	213.9	243.3	253.5	227.0	10%	10%	10%	9%	1.2%	4.2%	-10.4%
Infectious Diseases	109.2	134.0	139.6	222.9	5%	5%	5%	9%	15.3%	4.2%	59.6%
Nervous System Diseases	161.2	195.5	206.7	188.7	8%	8%	8%	8%	3.2%	5.7%	-8.7%
Endocrine System Diseases	144.8	169.6	182.4	185.5	7%	7%	7%	7%	5.1%	7.5%	1.7%
Respiratory Diseases	166.0	186.5	193.4	165.2	8%	8%	7%	7%	-0.1%	3.7%	-14.6%
Neoplasms	138.3	156.1	169.4	165.1	6%	6%	7%	7%	3.6%	8.5%	-2.5%
Mental Illness	104.7	122.1	135.1	136.1	5%	5%	5%	5%	5.4%	10.7%	0.8%
Injury and Poisoning	133.8	143.5	151.6	135.5	6%	6%	6%	5%	0.3%	5.6%	-10.6%
Digestive Diseases	113.5	132.6	139.1	128.4	5%	5%	5%	5%	2.5%	4.9%	-7.7%
Genitourinary Diseases	126.1	125.9	132.3	121.4	6%	5%	5%	5%	-0.8%	5.1%	-8.2%
Other	89.5	100.0	105.0	100.8	4%	4%	4%	4%	2.4%	5.0%	-4.0%
Skin Diseases	54.3	64.4	67.9	63.0	3%	3%	3%	3%	3.0%	5.4%	-7.2%
Pregnancy	47.9	54.8	54.6	50.5	2%	2%	2%	2%	1.0%	-0.5%	-7.5%

\* Source uses *symptoms; signs; and ill-defined conditions*.

Notes: Spending on medical condition (shown) accounted for 85% of the \$3.0 trillion in 2020 health care spending under the health care satellite accounts. Spending on medical services by provider, such as dental services and nursing homes, and medical products, appliances, and equipment, are not shown. Growth percentages for 2015–20 are average annual rates and were calculated by the author; 2019 and 2020 percentages are annual rates. Figures may not sum due to rounding.

Source: *Blended Account, 2000–2020*, Bureau of Economic Analysis, February 10, 2023.