

CALIFORNIA Health Care Almanac



JUNE 2021

Health Care Costs 101: Spending Growth Outpaces Economy

Executive Summary

Health Care Costs 101: US Spending Growth Outpaces Economy provides a detailed look at national health care spending in 2019, just prior to the onset of the COVID-19 pandemic.

National health care spending increased 4.6% in 2019 to \$3.8 trillion, growing faster than both the economy (4.0%) and consumer prices (1.8%). The 2019 increase was similar to its growth of 4.7% in 2018. In 2019, health care spending accounted for 17.7% of the economy and averaged \$11,582 per person, more than twice the amount spent by most developed countries.

KEY FINDINGS ABOUT US HEALTH SPENDING IN 2019 INCLUDE:

- As in prior years, hospital and physician care remained the largest spending categories, accounting for 31% and 20%, respectively, of health care spending, followed by prescription drugs at 10%.
- Home health care had the largest growth rate in 2019, increasing by 7.7%.
- The net cost of health insurance category — which includes administrative costs and profit — declined 3.8% in 2019 largely due to the suspension of the health insurance providers tax.* Over the past 20 years, the net cost of health insurance was the fastest growing category of spending, with an annual average growth rate of 7.7%.
- Public health insurance (\$1.6 trillion), which includes Medicare (\$799 billion) and Medicaid (\$613 billion), paid for 41% of all spending, while private health insurance (\$1.2 trillion) paid for 31%.
- Medicare spending grew 6.7% in 2019, driven by growth in both enrollment (2.6%) and per enrollee spending (4.0%). It outpaced growth by private health insurance (3.7%), Medicaid (2.9%), and other payers.
- The federal government and households financed similar shares (29% and 28%, respectively) of the nation's health care bill. The largest expenses for households were out-of-pocket spending and contributions to employer-sponsored health insurance.
- Federal subsidies for ACA marketplace (individual coverage) premiums and cost sharing totaled \$50 billion in 2019, financing 5% of private health insurance spending.

See current and past editions of Health Care Costs 101 at www.chcf.org/collection/health-care-costs-spending-almanac.

*The Affordable Care Act Provision 9010 established the health insurance providers fee, implemented in 2014.

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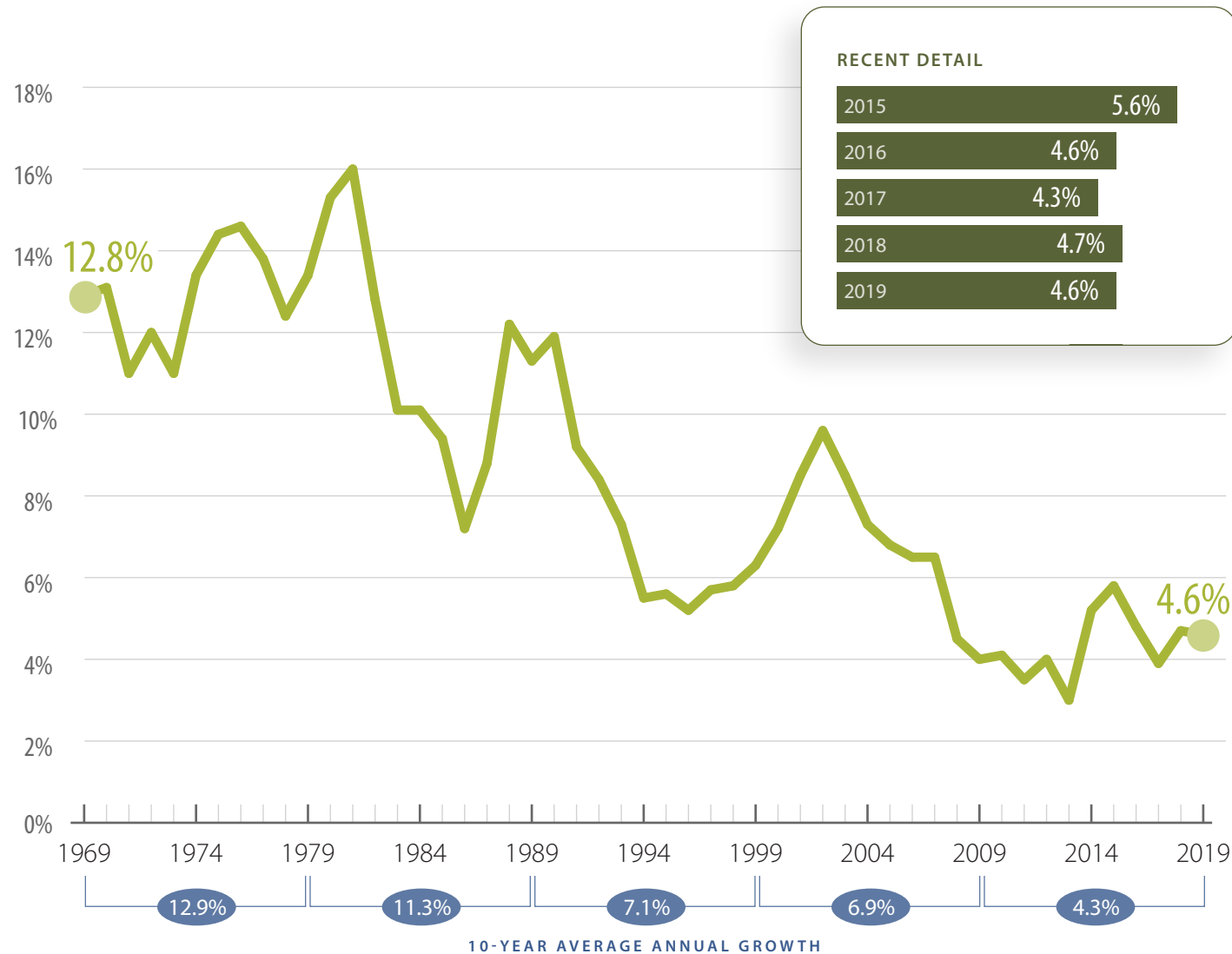
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Annual Growth Rates in Health Spending

United States, 1969 to 2019



Health Care Costs 101

Spending Levels

Health care spending grew 4.6% in 2019, similar to the 4.7% rate of growth in 2018. The 10-year average growth between 2009 and 2019 was lower than the 10-year averages from prior periods.

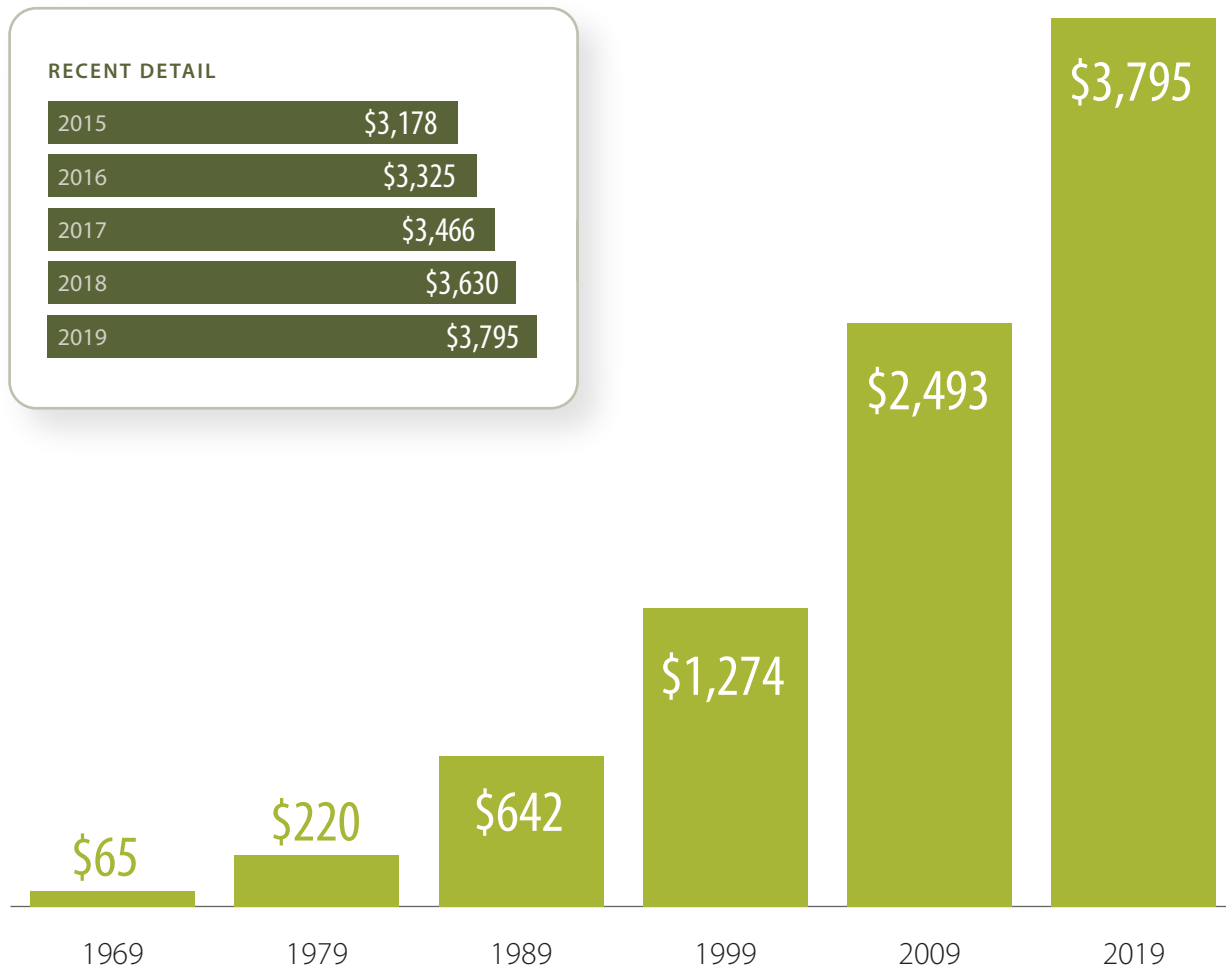
Note: *Health spending* refers to national health expenditures.

Source: Author calculations based on National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Spending

United States, 1969 to 2019, Selected Years

IN BILLIONS



Health Care Costs 101

Spending Levels

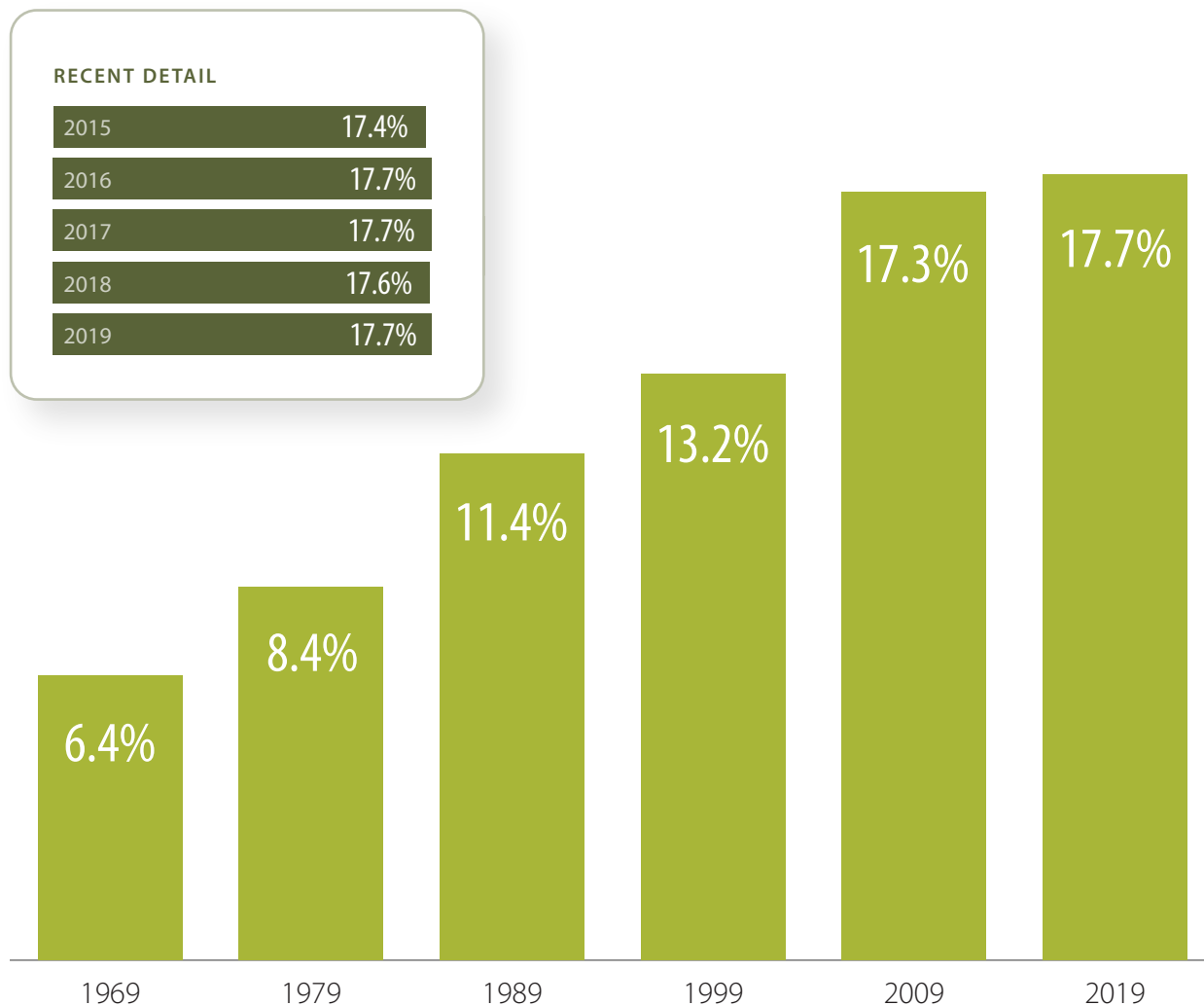
Health spending reached \$3.8 trillion in 2019.

Notes: *Health spending* refers to national health expenditures.

Sources: National Health Expenditure (NHE) historical data (1960–2019), Centers for Medicare & Medicaid Services (CMS).

Health Spending as a Share of GDP

United States, 1969 to 2019, Selected Years



Notes: *Health spending* refers to national health expenditures. In 2019, health care's share of GDP reflected a 4.0% increase in gross domestic product (GDP) and a 4.6% increase in national health spending over the prior year. See page 30 for a comparison of economic growth and health spending growth.

Sources: National Health Expenditure (NHE) historical data (1960–2019), Centers for Medicare & Medicaid Services (CMS).

Health Care Costs 101

Spending Levels

Over the past 50 years, health care has accounted for a growing share of GDP. In 2019, health care's share of GDP remained nearly unchanged from the prior year, as health care and the economy grew at similar rates.

Health Spending per Capita

United States, 2009 to 2019, Selected Years



Health Care Costs 101

Spending Levels

In 2019, US health spending reached \$11,582 per person. Per capita spending grew at a 10-year annual average rate of 3.6% between 2009 and 2019.

Notes: *Health spending* refers to national health expenditures.

Sources: National Health Expenditure (NHE) historical data (1960–2019), Centers for Medicare & Medicaid Services (CMS).

Health Insurance Spending per Enrollee

United States, 2018 and 2019

Medicare



Medicaid



Employer-Sponsored



Marketplace



Health Care Costs 101

Spending Levels

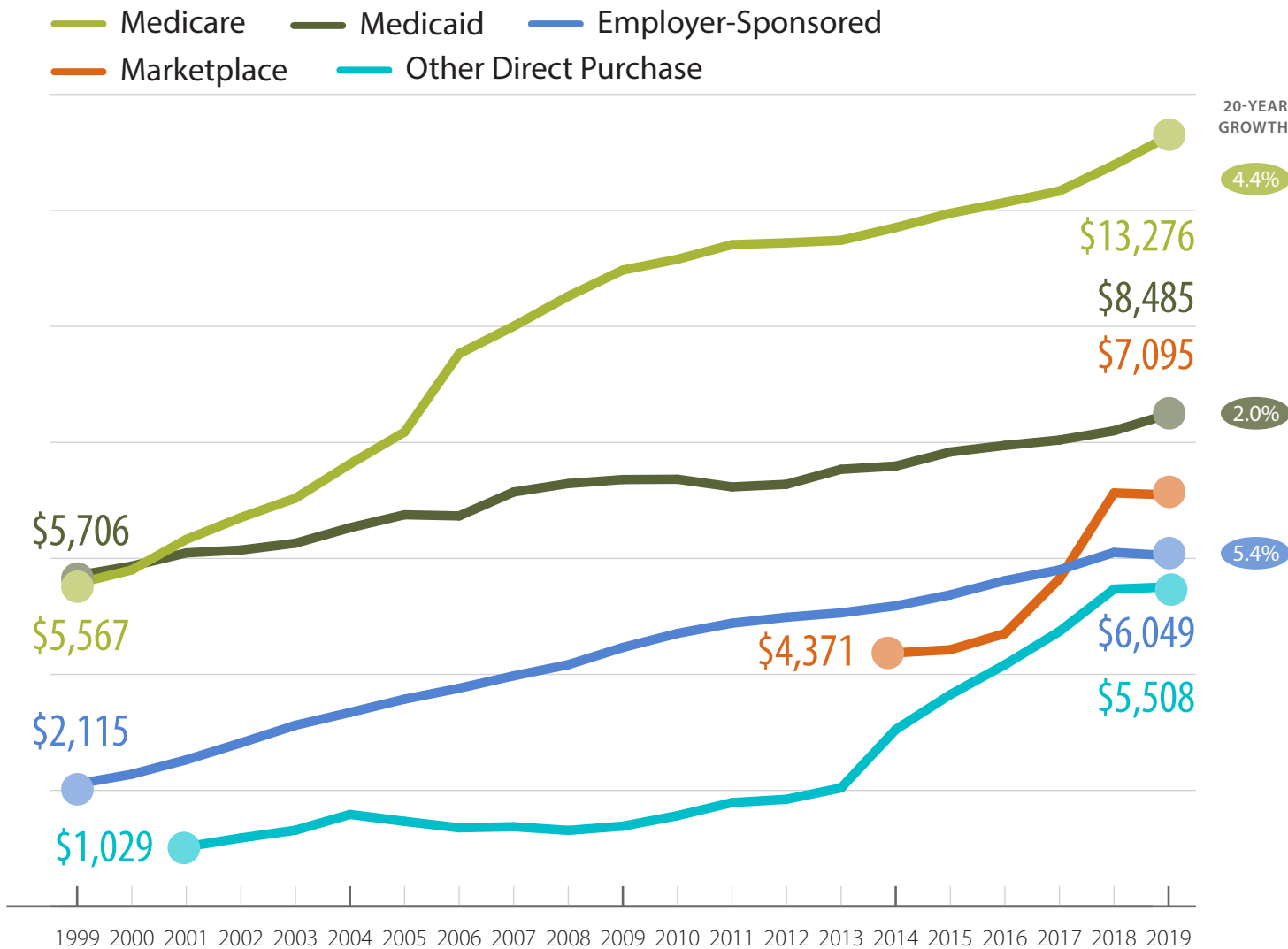
In 2019, spending per enrollee in federal- and state-run health insurance marketplaces such as Covered California was 18% higher than employer-sponsored insurance (ESI). At \$13,276 per enrollee, Medicare spending was double ESI levels in 2019.

Notes: *Employer-sponsored* figures include both the employer and worker contribution to premiums. *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. Per enrollee spending in 2019 not shown: Medigap (\$2,726), other direct purchase insurance (\$5,508), and Children's Health Insurance Program (\$2,807).

Sources: National Health Expenditure (NHE) historical data (1960–2019), Centers for Medicare & Medicaid Services (CMS).

Health Insurance Spending per Enrollee

United States, 1999 to 2019



Health Care Costs 101

Spending Levels

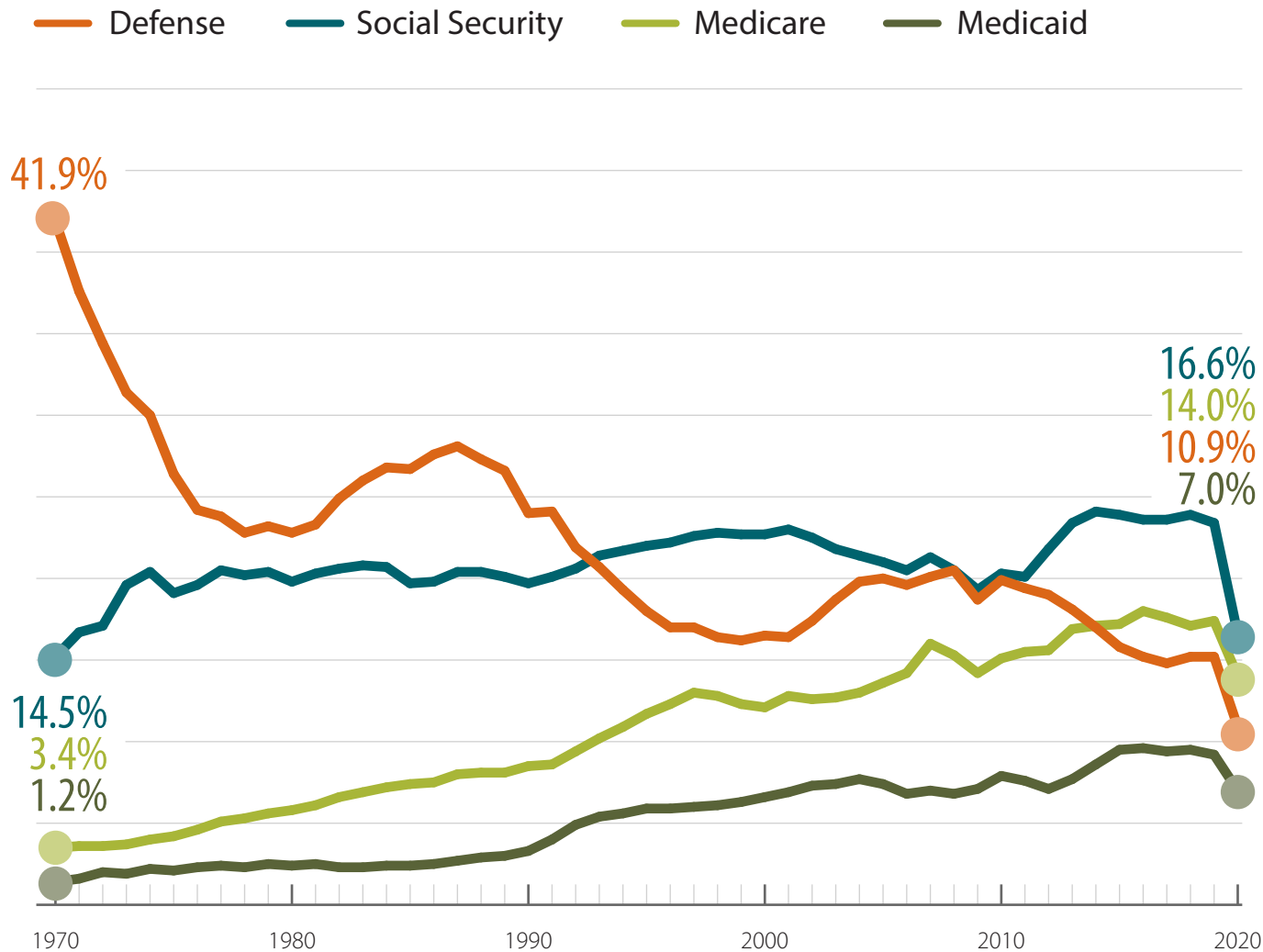
Since 1999, the trajectories of Medicaid and Medicare spending have diverged. Shifts in Medicaid eligibility to cover more children and nondisabled adults have contributed to slower growth in Medicaid's per enrollee spending. The addition of prescription drug coverage to Medicare benefits in 2006 increased Medicare spending per enrollee. The sharp increases in marketplace spending in 2017 and 2018 leveled off in 2019.

Notes: *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. Twenty-year growth percentages are average annual (1999–2019).

Sources: National Health Expenditure (NHE) historical data (1960–2019), Centers for Medicare & Medicaid Services.

Major Programs as a Share of the Federal Budget

United States, 1970 to 2020



Health Care Costs 101

Spending Levels

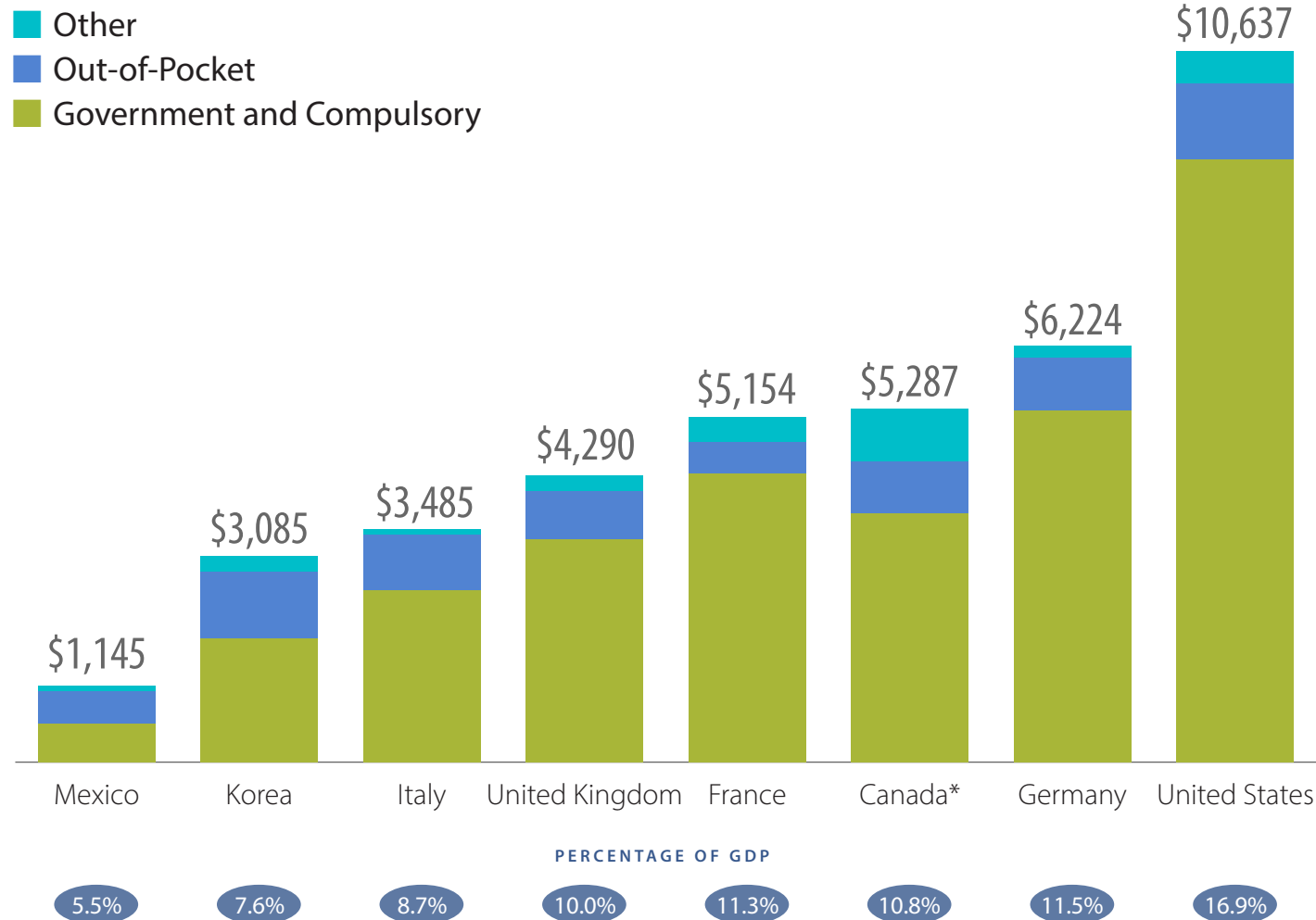
Federal spending overall increased by 47% in 2020, largely due to the government response to the COVID-19 pandemic. As a result, spending as a share of federal outlays plunged for major pre-pandemic programs. Between 2019 and 2020, Medicare fell from 17.4% to 14.0% of outlays, Medicaid fell from 9.2% to 7.0%, defense fell from 15.2% to 10.9%, and social security fell from 23.4% to 16.6%.

Notes: Spending shares computed as percentages of federal outlays. Outlays reflect federal spending only (e.g., Medicaid outlays shown reflect federal portion). 2020 figures reflect increases of 5.5%, 4.9%, 18.3% and 12.0% in defense, social security, Medicare, and Medicaid outlays and an increase in total outlays of 47.3%.

Source: Author calculations based on "Historical Budget Data," in *The Budget and Economic Outlook: 2021 to 2031*, Congressional Budget Office, February 2021.

Health Spending per Capita and as a Share of GDP

Selected Developed Countries, 2018



*Provisional values

Notes: US spending per capita as reported by the OECD differs from figures reported elsewhere in this report. *GDP* is gross domestic product. *Government and compulsory* 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 total spending less government and compulsory spending and out-of-pocket spending.

Source: "OECD Health Statistics 2020: Frequently Requested Data," OECD, June 2020.

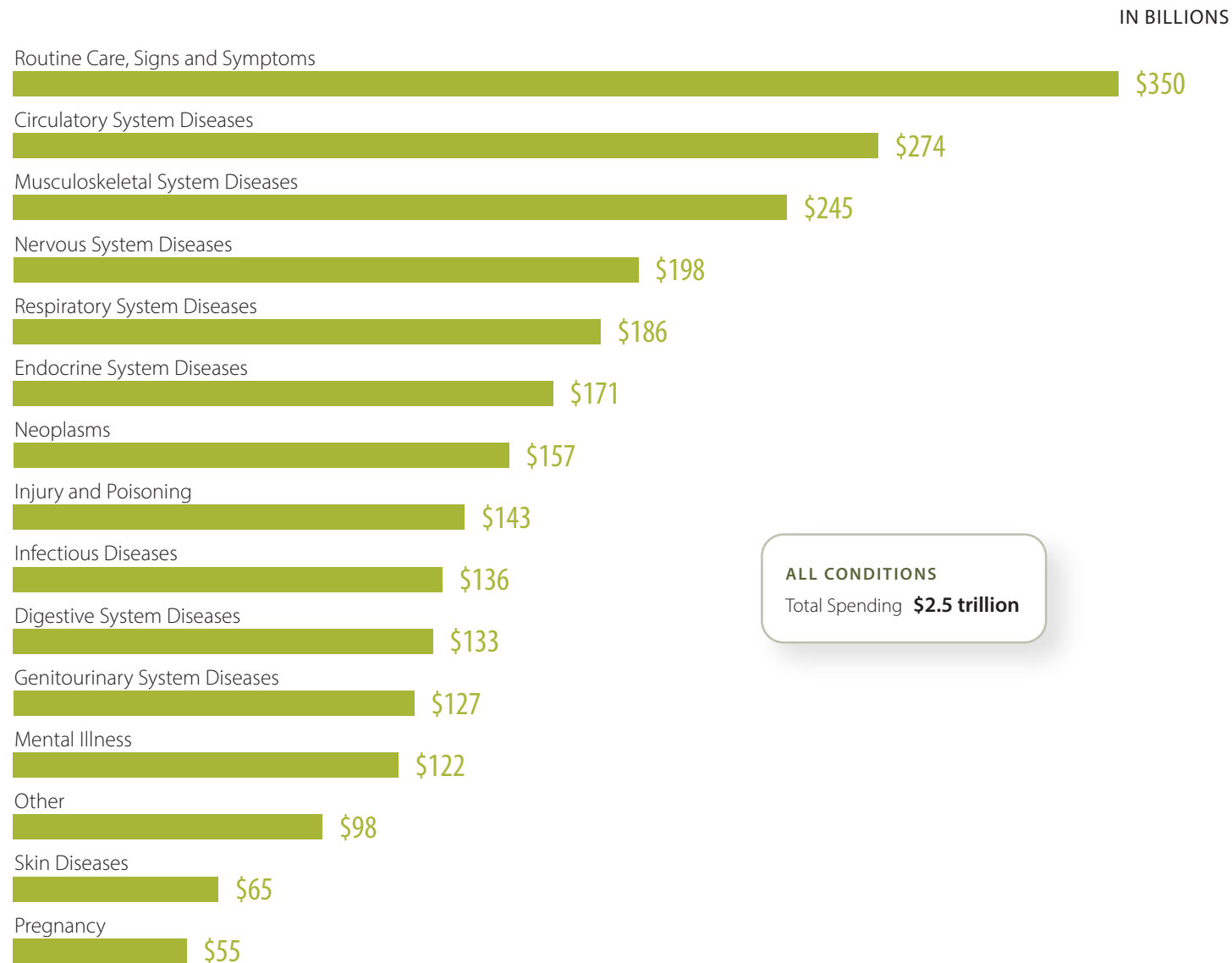
Health Care Costs 101

Spending Levels

Health spending in the US far exceeded that of other developed countries, both in terms of per capita spending and as a percentage of GDP. US health spending per capita was more than twice that of most other developed countries shown.

Health Spending by Medical Condition

United States, 2018



Health Care Costs 101

Spending Levels

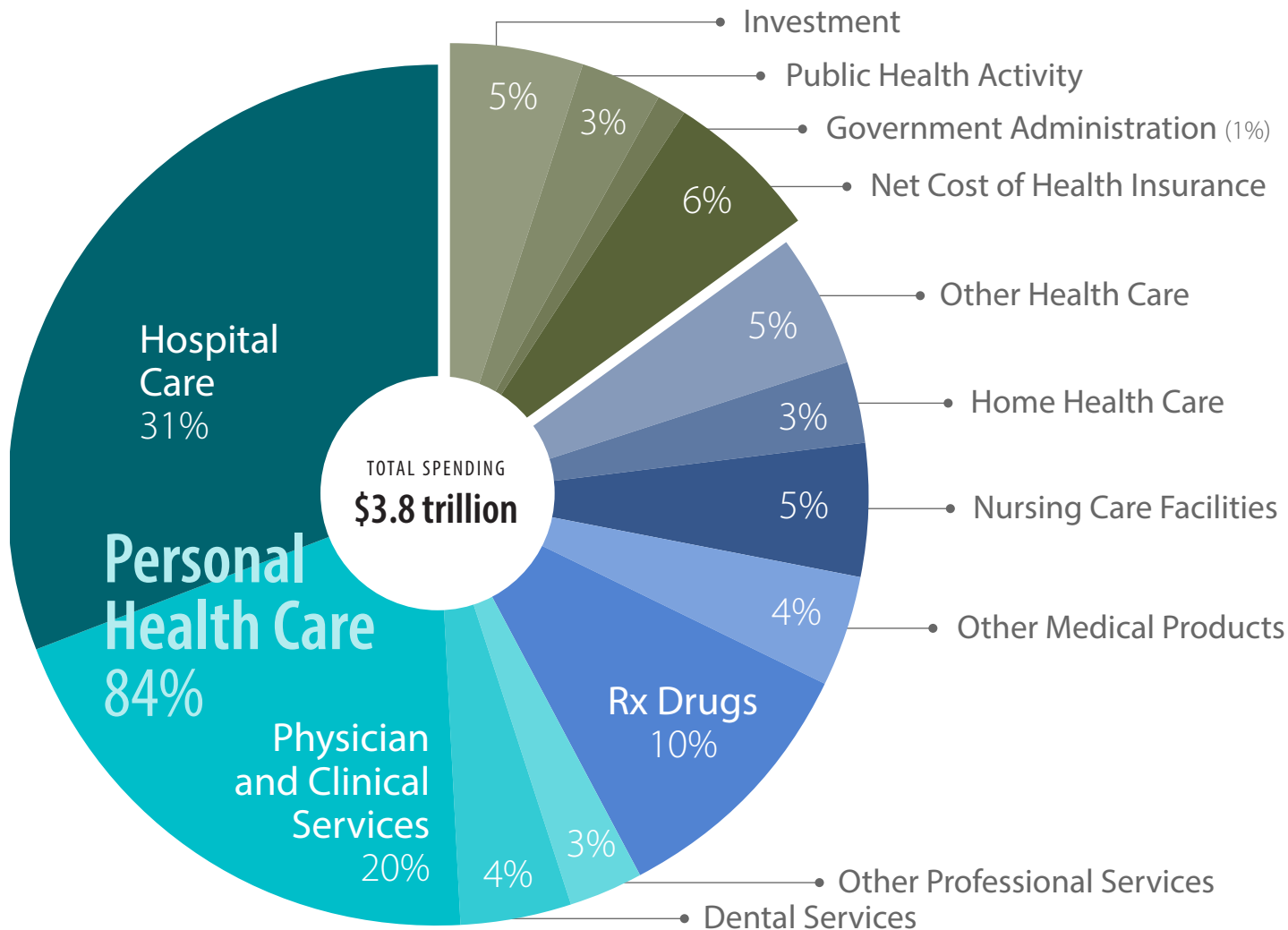
In 2018, when classifying health spending by medical condition, the most money was spent on routine care (\$350 billion), followed by circulatory system conditions (includes hypertension and heart disease).

Notes: Spending on medical conditions (shown) accounted for 84% of the \$2.9 trillion in 2018 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 C for more detail.

Source: *Blended Account, 2000–18*, Health Care Satellite Account, Bureau of Economic Analysis, March 16, 2021.

Health Spending Distribution, by Spending Category

United States, 2019



Notes: *Health spending* refers to national health expenditures. Segments may not sum to 100% due to rounding. For additional detail on spending categories, see page 15 and Appendix A. The periodic revision to health spending accounts that impacted the 1960–2019 data resulted in a decrease in spending attributable to hospitals, as some hospital spending was reclassified as physician and clinical.

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Care Costs 101

Spending Levels

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

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.

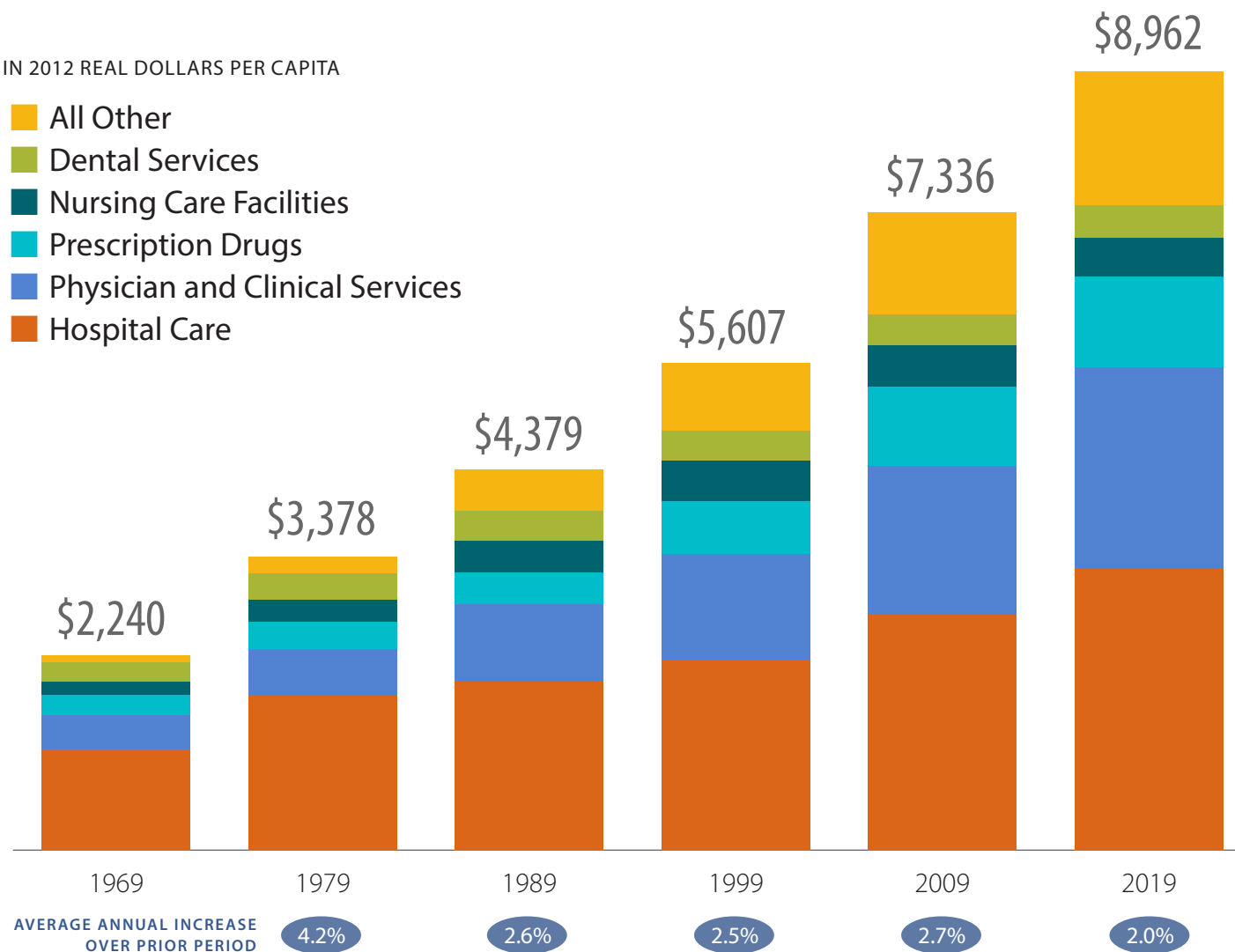
Other medical products is durable medical equipment and nondurable medical products.

Personal Health Care Spending, Adjusted for Inflation

United States, 1969 to 2019, Selected Years

IN 2012 REAL DOLLARS PER CAPITA

- All Other
- Dental Services
- Nursing Care Facilities
- Prescription Drugs
- Physician and Clinical Services
- Hospital Care



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

Source: Author calculations based on National Health Expenditure (NHE) historical data (1960–2019), Centers for Medicare & Medicaid Services (CMS), including unpublished CMS data associated with NHE Tables, CMS, table 23.

Health Care Costs 101

Spending Levels

In inflation-adjusted dollars,* per capita spending grew fourfold, from \$2,240 per person in 1969 to \$8,962 in 2019. Possible reasons for this growth include changes in the volume and mix of services, technological advances, and shifts in the age mix of the population.

*Inflation adjustments remove the impact of changes in health care prices. For further information on price deflators, see *Definitions, Sources, and Methods* and *NHE Deflator Methodology* at www.cms.gov.

Factors Contributing to Per Capita Spending Growth

United States, 2015 to 2019

	2015	2016	2017	2018	2019
Nonprice Factors	4.1%	2.5%	2.5%	1.9%	2.9%
Volume and Mix of Services	3.5%	2.0%	1.9%	1.4%	2.5%
Demographic Factors	0.6%	0.5%	0.6%	0.5%	0.5%
Price Factors	0.8%	1.3%	1.1%	2.3%	1.1%
Economy-Wide Inflation	1.0%	1.1%	1.9%	2.4%	1.8%
Medical-Specific Price Inflation	-0.2%	0.2%	-0.8%	-0.1%	-0.7%
Net Growth Per Capita Health Spending	4.9%	3.8%	3.6%	4.2%	4.1%

Health Care Costs 101

Spending Levels

The volume and mix of services grew by 2.5%, accounting for more than half of the 2019 increase in per capita spending. Economy-wide inflation rose 1.8%, which accounted for about a quarter of the increase. Medical-specific price inflation – above and beyond economy-wide inflation – was negative for the third consecutive year.

Note: *Volume and mix of services*, also referred to as “residual use and intensity,” is calculated by removing the effects of demographic factors, and price growth from the nominal expenditure level. *Demographic* factors reflect age and time-to-death.

Sources: Anne B. Martin et al., “National Health Care Spending In 2019: Steady Growth for the Fourth Consecutive Year,” *Health Affairs* 40, no. 1 (Jan. 2021), exhibit 3; and unpublished data points related to article’s Exhibit 3 provided by Office of the Actuary, Centers for Medicare & Medicaid Services.

Health Spending Summary, by Category

United States, 2018, 2019, and 20-Year Look Back

	SPENDING (IN BILLIONS)			DISTRIBUTION			GROWTH		
	1999	2018	2019	1999	2018	2019	1999–2019	2018	2019
National Health Expenditures	\$1,273.6	\$3,629.7	\$3,795.4	100%	100%	100%	5.6%	4.7%	4.6%
Hospital Care	393.6	1,122.5	1,192.0	31%	31%	31%	5.7%	4.2%	6.2%
Physician and Clinical Services	269.5	738.2	772.1	21%	20%	20%	5.4%	4.0%	4.6%
Dental Services	57.3	137.4	143.2	4%	4%	4%	4.7%	4.8%	4.2%
Other Professional Services	34.6	103.9	110.6	3%	3%	3%	6.0%	7.5%	6.5%
Nursing Care Facilities	80.6	167.2	172.7	6%	5%	5%	3.9%	2.3%	3.3%
Home Health Services	32.8	105.4	113.5	3%	3%	3%	6.4%	5.5%	7.7%
Other Health Care	59.2	191.3	193.6	5%	5%	5%	6.1%	3.0%	1.2%
Prescription Drugs	105.3	349.8	369.7	8%	10%	10%	6.5%	3.8%	5.7%
Other Medical Products	46.3	132.6	139.6	4%	4%	4%	5.7%	4.2%	5.3%
Net Cost of Health Insurance	54.8	249.5	239.9	4%	7%	6%	7.7%	13.9%	-3.8%
Government Administration	14.5	47.3	49.0	1%	1%	1%	6.3%	5.1%	3.5%
Public Health Activities	40.7	94.5	97.8	3%	3%	3%	4.5%	2.6%	3.5%
Investment	84.4	190.2	201.7	7%	5%	5%	4.5%	4.8%	6.0%

Notes: *Health spending* refers to national health expenditures. *Growth* for 1999–2019 is average annual rate; 2018 and 2019 are annual rates. For additional detail on spending categories, see Appendix A. Further definitions available at www.cms.gov.

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Care Costs 101

Spending Levels

Health care spending growth in 2019 (4.6%) was lower than the 20 year average (5.6%). Hospital care has remained the largest spending category. In 2019, the largest growth occurred in home health care (7.7%). The net cost of health insurance category, often one of the fastest growing, declined 3.8%, mainly due to suspension of the health insurance providers tax.*

*The Affordable Care Act Provision 9010 established the health insurance providers fee, implemented in 2014.

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.

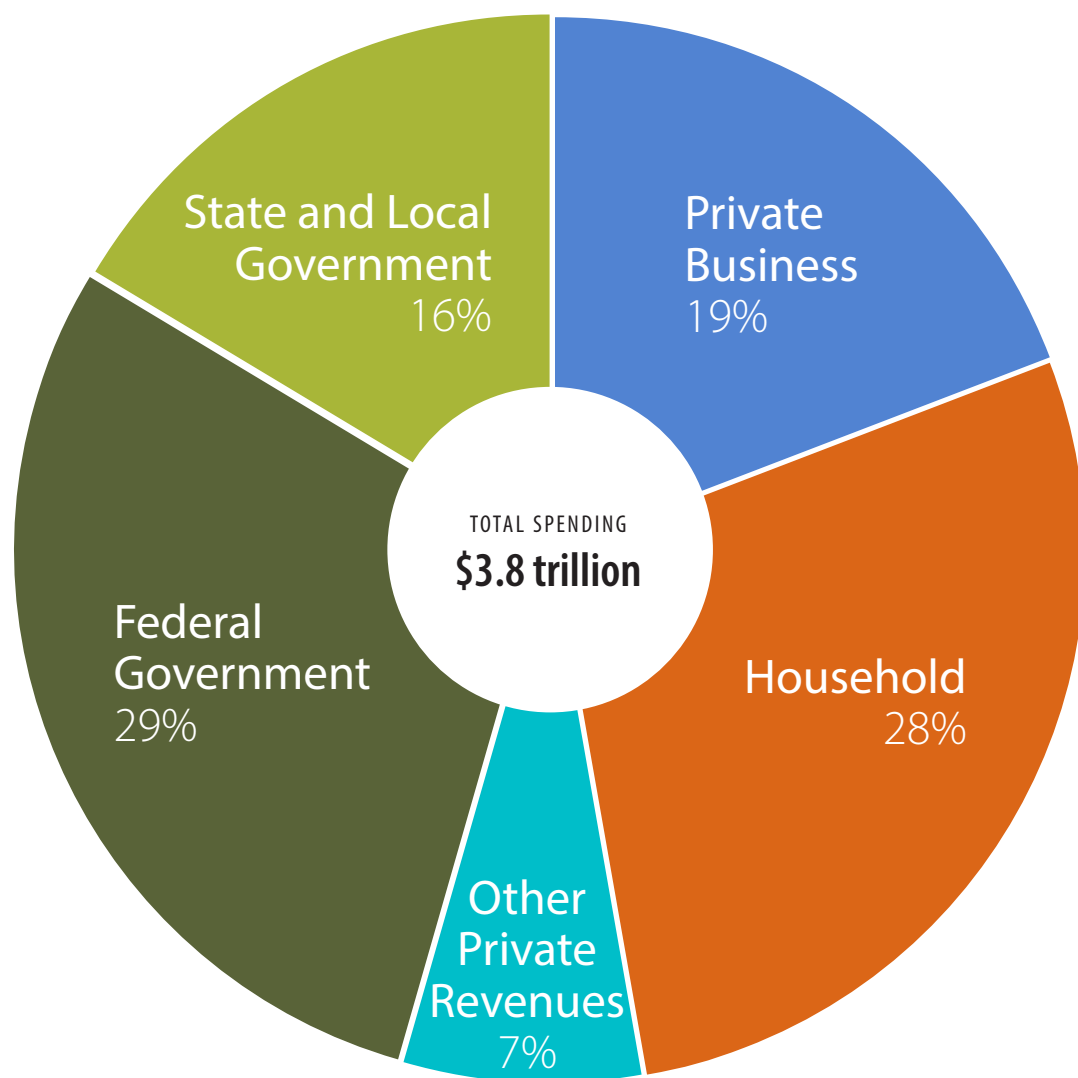
Net cost of health insurance reflects the difference between benefits and premiums for private insurance and includes administrative expenses, premium taxes, and profits.

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

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

Health Spending Distribution, by Sponsor

United States, 2019



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.

Source: National Health Expenditure historical data (1960–2019), 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 2019, the federal government (29%) and households (28%) were the largest sponsors, followed by private business at 19%.

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 and pays payroll taxes and health insurance premiums for its workers.

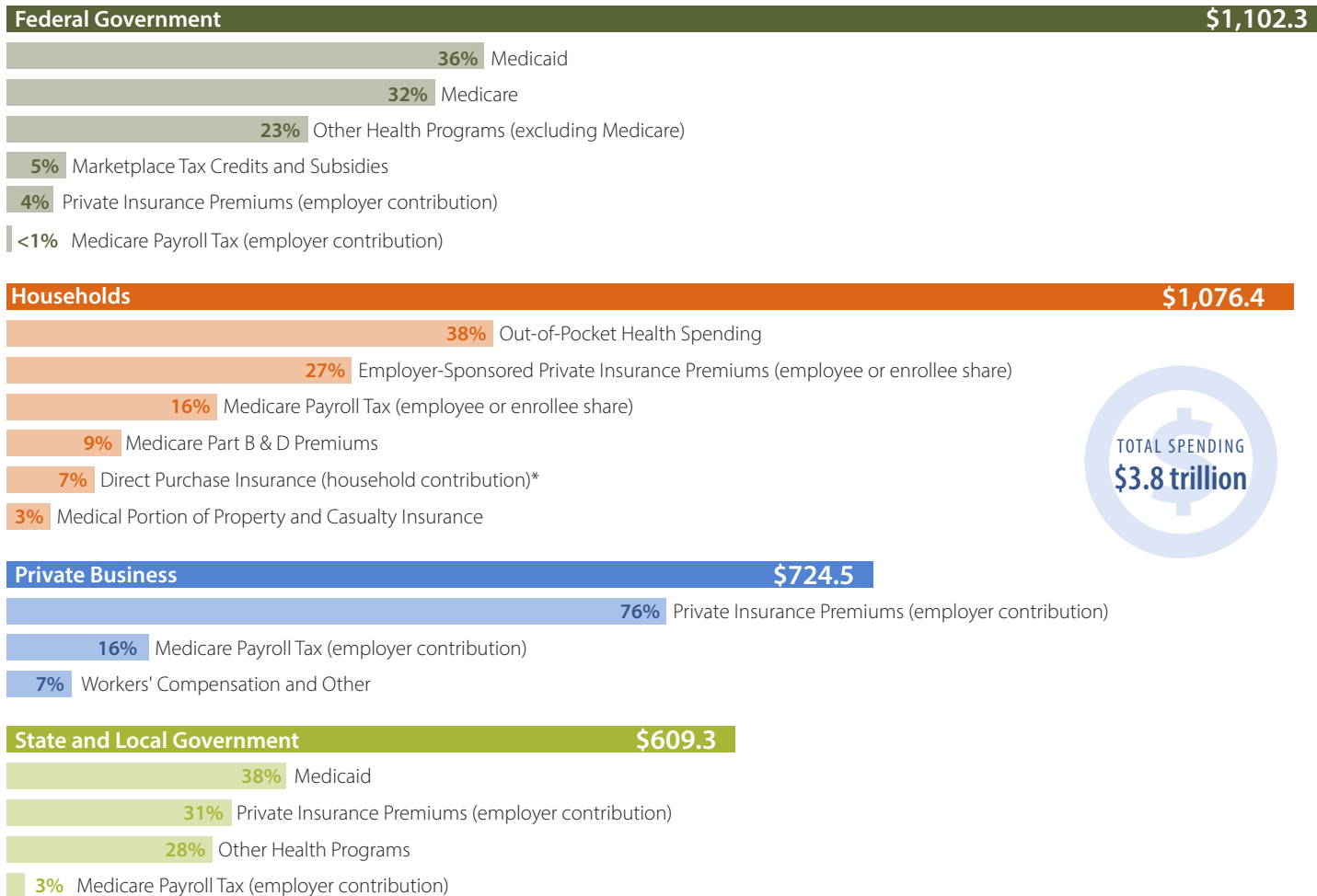
Health Spending Distribution, Sponsor Detail

United States, 2019

Health Care Costs 101

Sponsors

IN BILLIONS



TOTAL SPENDING
\$3.8 trillion

Medicaid was the largest component (36%) of health spending by the federal government, followed by Medicare (32%). Marketplace tax credits and subsidies were 5% of federal government health spending. Out-of-pocket spending accounted for the largest share (38%) of household health spending. Employer contributions to workers' health insurance premiums made up the majority (76%) of private business health spending.

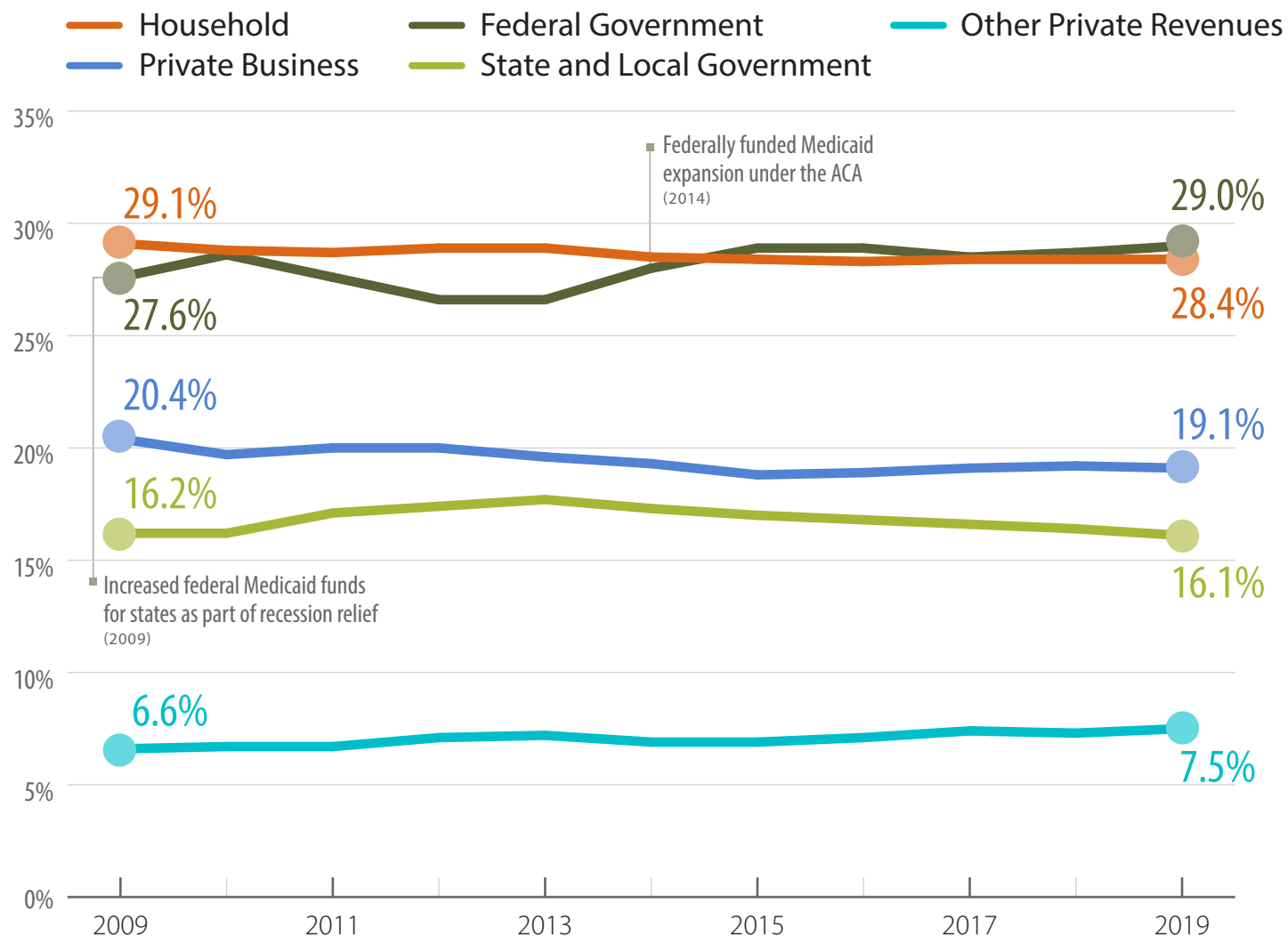
*Includes premiums paid by individuals for marketplace plans, Medigap, and other directly purchased health insurance.

Notes: *Health spending* refers to national health expenditures. *Sponsors* are the entities 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 excludes government-paid advance premium tax credit and cost-sharing reductions. Not shown: other private revenues (\$282.9 billion), which includes philanthropy, investment income, and private investment in research, structures, and equipment. Figures may not total 100% due to rounding.

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Spending Distribution, by Sponsor

United States, 2009 to 2019



Over the past 10 years, sponsors' share of spending has remained relatively steady.

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

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Spending Summary, by Sponsor

United States, 2018, 2019, and 20-Year Look Back

	SPENDING (IN BILLIONS)			DISTRIBUTION			GROWTH		
	1999	2018	2019	1999	2018	2019	1999–2019	2018	2019
National Health Expenditures	\$1,273.6	\$3,629.7	\$3,795.4	100%	100%	100%	5.6%	4.7%	4.6%
Private Business	304.8	698.3	724.5	24%	19%	19%	4.4%	5.7%	3.7%
Household	406.1	1,030.1	1,076.4	32%	28%	28%	5.0%	4.8%	4.5%
Other Private Revenues	105.9	264.2	282.9	8%	7%	7%	5.0%	2.4%	7.1%
Federal Government	247.7	1,042.2	1,102.3	19%	29%	29%	7.8%	5.4%	5.8%
State and Local Government	209.1	594.8	609.3	16%	16%	16%	5.5%	3.3%	2.4%

Health Care Costs 101

Sponsors

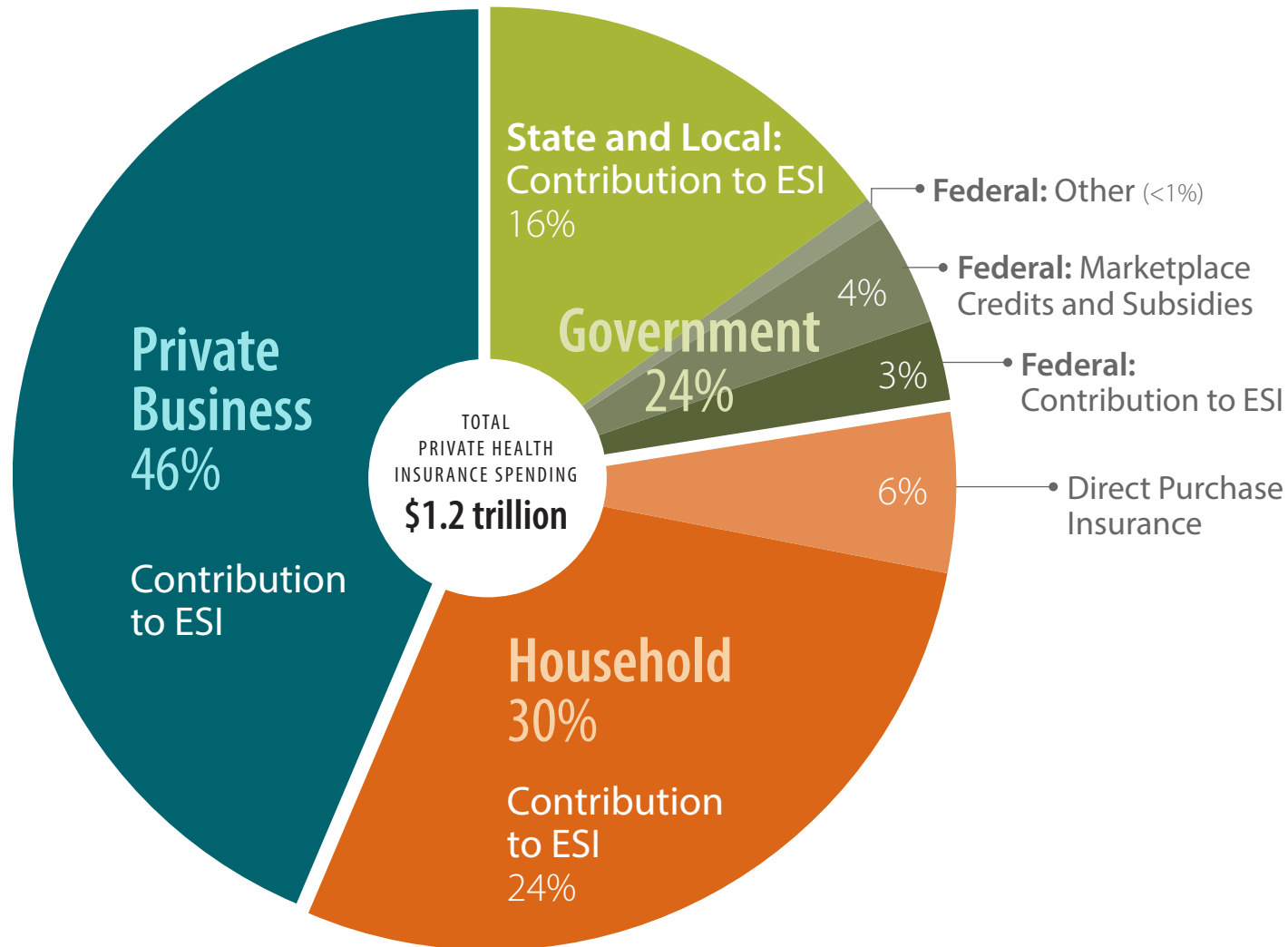
Over the past 20 years, federal government spending on health care grew at an average rate of 7.8% per year, faster than spending by other sponsors. The federal government's share of national health spending increased from 19% in 1999 to 29% in 2019 while the share of health spending sponsored by private business and households decreased.

Notes: *Health spending* refers to national health expenditures. *Sponsors* are the entities ultimately responsible for financing the health care bill. Growth for 1999–2019 is average annual rate; 2018 and 2019 are annual rates. *Other private revenues* includes philanthropy, investment income, and private investment in research, structures, and equipment. Figures may not total 100% due to rounding. See page 17 for detail on how sponsors finance health care spending.

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Sponsors of Private Health Insurance Spending

United States, 2019



Health Care Costs 101

Sponsors

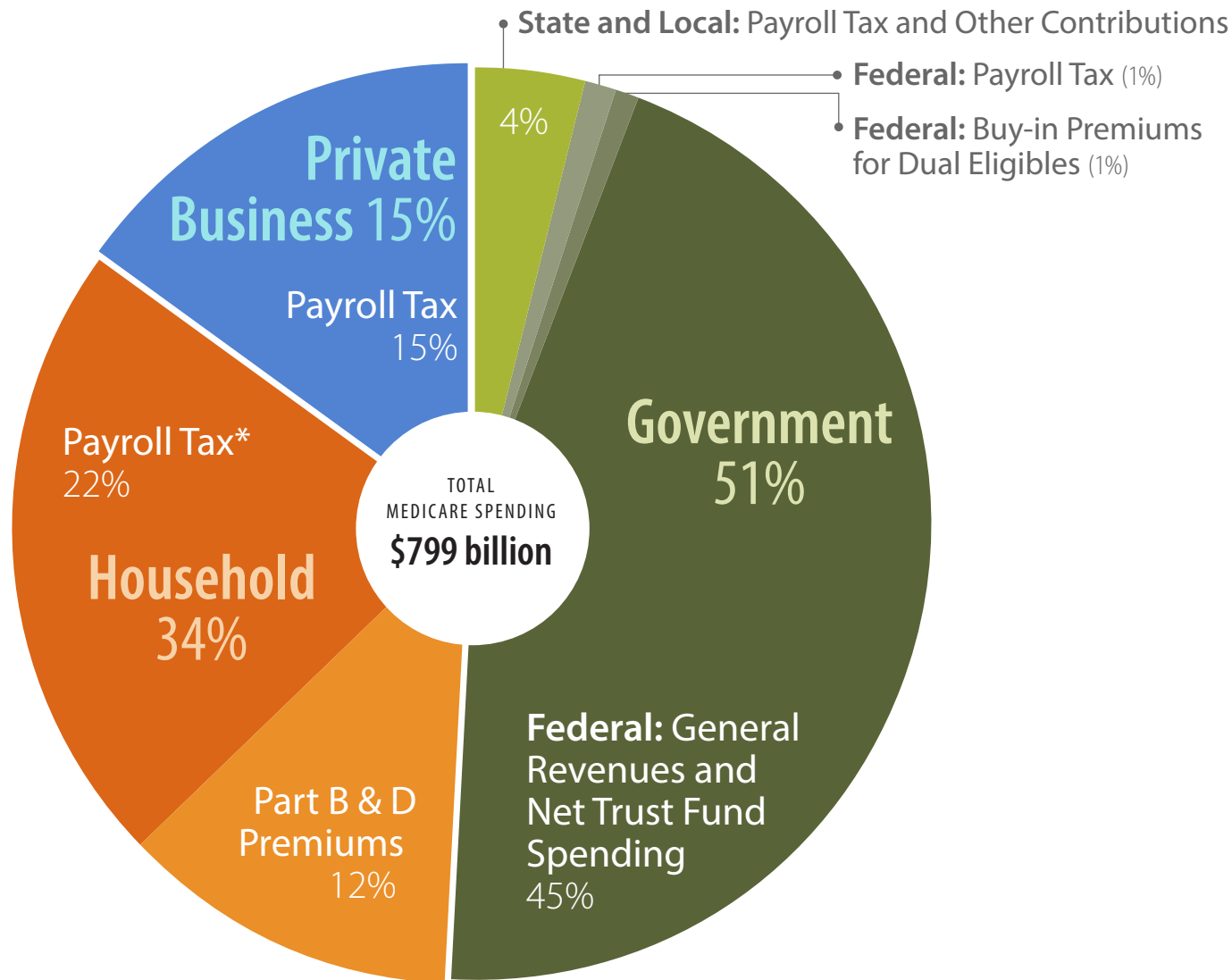
Total spending on private health insurance was \$1.2 trillion in 2019. Private business and households were the largest funders of private health insurance, accounting for 46% and 30%, respectively. In addition to contributing to government workers' insurance premiums, the federal government spent \$50 billion on marketplace tax credits and cost-sharing subsidies.

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. Segments may not total 100% due to rounding.

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Sponsors of Medicare Spending

United States, 2019



*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. Segments may not total 100% due to rounding.

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Care Costs 101

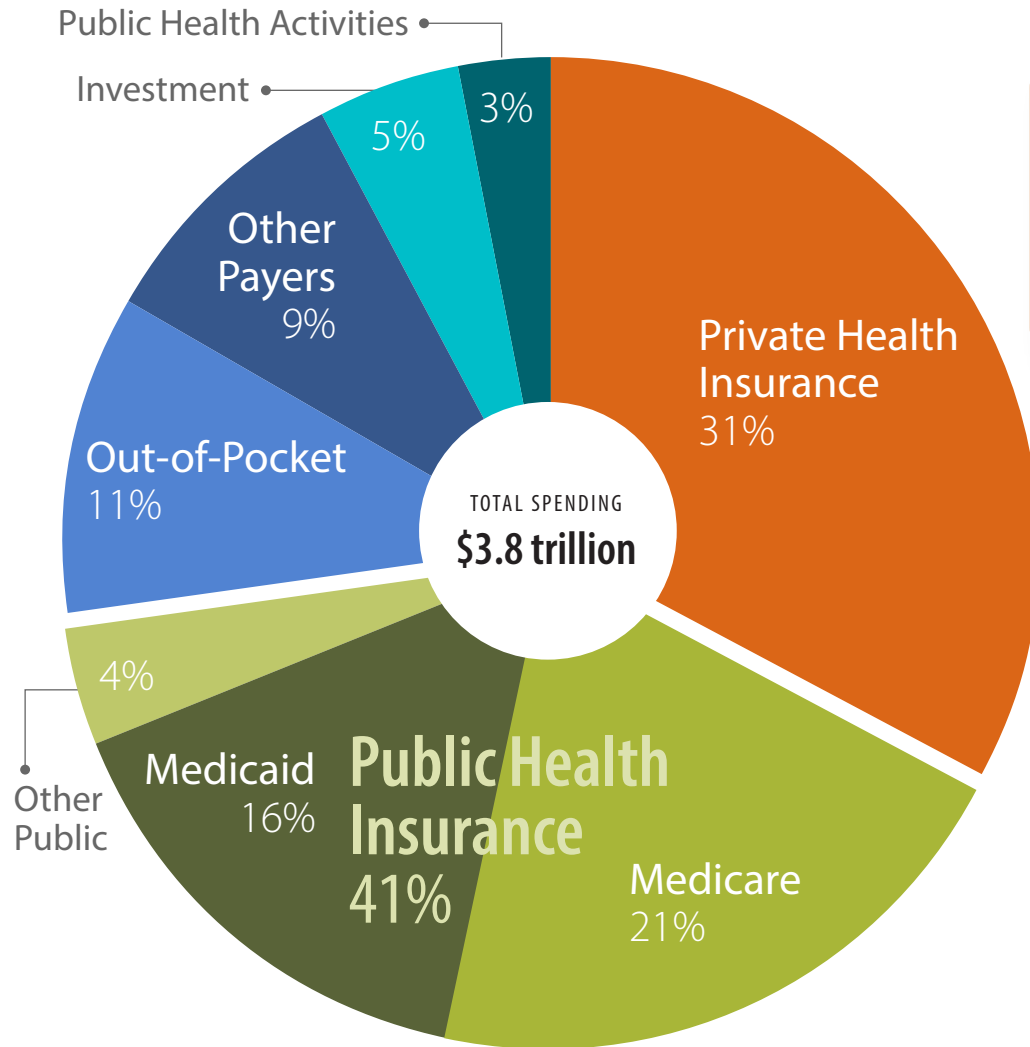
Sponsors

Medicare is financed by general revenues, payroll taxes, and premiums. In 2019, the payroll taxes contributed by employees, businesses, and government accounted for about 39%[†] of Medicare spending. Part B and Part D Premiums paid by individuals were 12%, while general revenues and other sources accounted for the remaining half.

[†]Payroll contributions by sponsor: households (22%), business (15%), federal government (1%), and state and local government (2%).

Health Spending Distribution, by Payer

United States, 2019



PRIVATE HEALTH INSURANCE
\$1.2 TRILLION

Employer-Sponsored	89%
Marketplace	6%
Medigap	3%
Other Direct Purchase	2%

Health Care Costs 101

Payment Sources

In 2019, all public health insurance combined paid for 41% of health spending. Medicare paid for 21% and Medicaid paid for 16% of health spending. Private health insurance paid for 31% of health spending. Consumers' out-of-pocket spending on health accounted for 11%.

PAYER DEFINITIONS

Investment is noncommercial research, structures, and equipment.

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

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

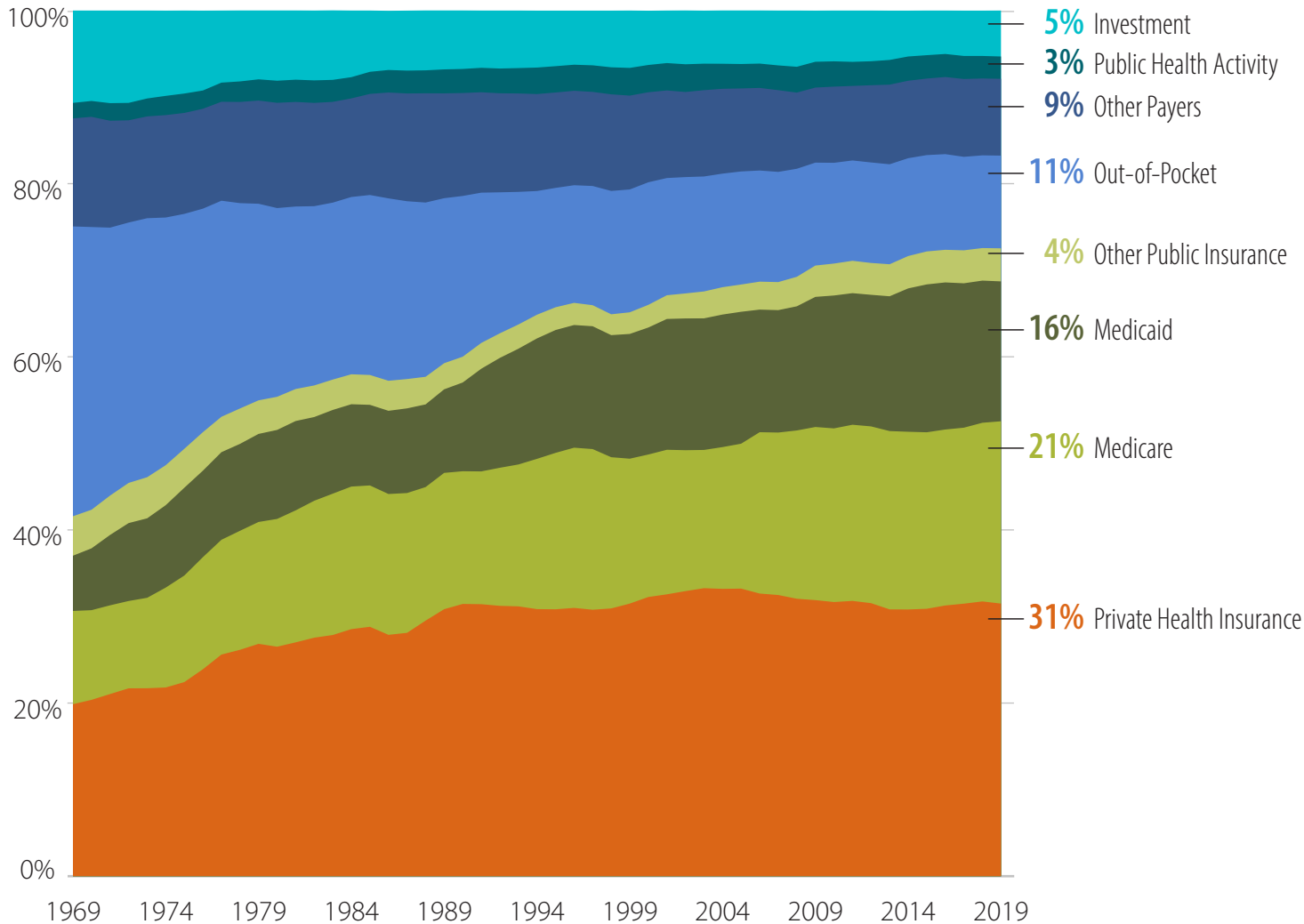
Out-of-pocket includes consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums.

Notes: Health spending refers to national health expenditures. Segments may not total 100% due to rounding.

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Spending Distribution, by Payer

United States, 1969 to 2019



Note: *Health spending* refers to national health expenditures.

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Care Costs 101

Payment Sources

Over time, the out-of-pocket share of spending has shrunk, while public insurance (specifically Medicare and Medicaid, and Other Public) has expanded. Between 1969 and 2019, the share of consumer out-of-pocket spending decreased from 33% to 11%, while the share of public insurance increased from 22% to 41%.

PAYER DEFINITIONS

Other payers includes worksite health care, Indian Health Services, workers' compensation, Maternal and Child Health, and vocational rehabilitation.

Other public 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 Distribution, by Payer

United States, 2018 and 2019

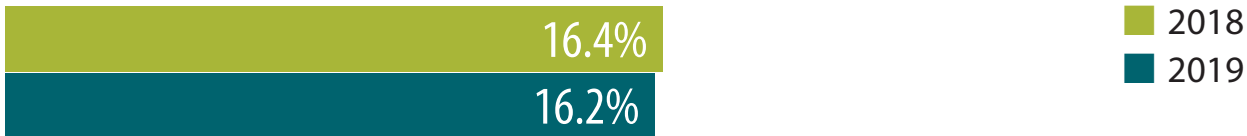
Private Health Insurance



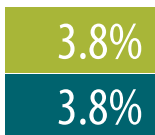
Medicare



Medicaid



Other Public Insurance



Out-of-Pocket



Notes: *Health spending* refers to national health expenditures. Projections shown as *P* and based on current law as of December 2019. See page 23 for historical distribution. Not shown: other payers, public health activities, and investment, which totaled 16.7% and 16.8% in 2018 and 2019, respectively.

Sources: National Health Expenditure (NHE) historical data, 1960–2019, Centers for Medicare & Medicaid Services (CMS); and NHE projections (2020–29), CMS.

Health Care Costs 101

Payment Sources

The health spending distribution remained relatively unchanged between 2018 and 2019.

PAYER DEFINITIONS

Other public 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.

Health Spending Summary, by Payer

United States, 2018, 2019, and 20-Year Look Back

	SPENDING (IN BILLIONS)			DISTRIBUTION			GROWTH		
	1999	2018	2019	1999	2018	2019	1999–2019	2018	2019
National Health Expenditures	\$1,273.6	\$3,629.7	\$3,795.4	100%	100%	100%	5.6%	4.7%	4.6%
Out-of-Pocket	180.8	388.8	406.5	14%	11%	11%	4.1%	3.8%	4.6%
Private Health Insurance	401.0	1,152.2	1,195.1	31%	32%	31%	5.6%	5.6%	3.7%
Medicare	213.2	749.1	799.4	17%	21%	21%	6.8%	6.3%	6.7%
Medicaid	183.5	596.0	613.5	14%	16%	16%	6.2%	3.1%	2.9%
• Federal	107.2	372.1	387.5	8%	10%	10%	6.6%	3.4%	4.1%
• State and Local	76.3	223.8	226.0	6%	6%	6%	5.6%	2.6%	1.0%
Other Public Insurers	31.9	136.5	144.8	3%	4%	4%	7.9%	3.3%	6.1%
Other Payers	138.1	322.5	336.6	11%	9%	9%	4.6%	3.5%	4.4%
Public Health Activities	40.7	94.5	97.8	3%	3%	3%	4.5%	2.6%	3.5%
Investment	84.4	190.2	201.7	7%	5%	5%	4.5%	4.8%	6.0%

Notes: *Health spending* refers to national health expenditures. Growth for 1999–2019 is average annual rate; 2018 and 2019 are annual rates. Columns may not sum due to rounding.

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Care Costs 101

Payment Sources

In 2019, Medicare spending was the fastest-growing payer (6.7%), driven by increases in both enrollment and per enrollee spending. Medicaid grew more slowly (2.9%) in 2019 than other payers, likely due to declines in enrollment.

PAYER DEFINITIONS

Other payers includes worksite health care, Indian Health Services, workers' compensation, Maternal and Child Health, and vocational rehabilitation.

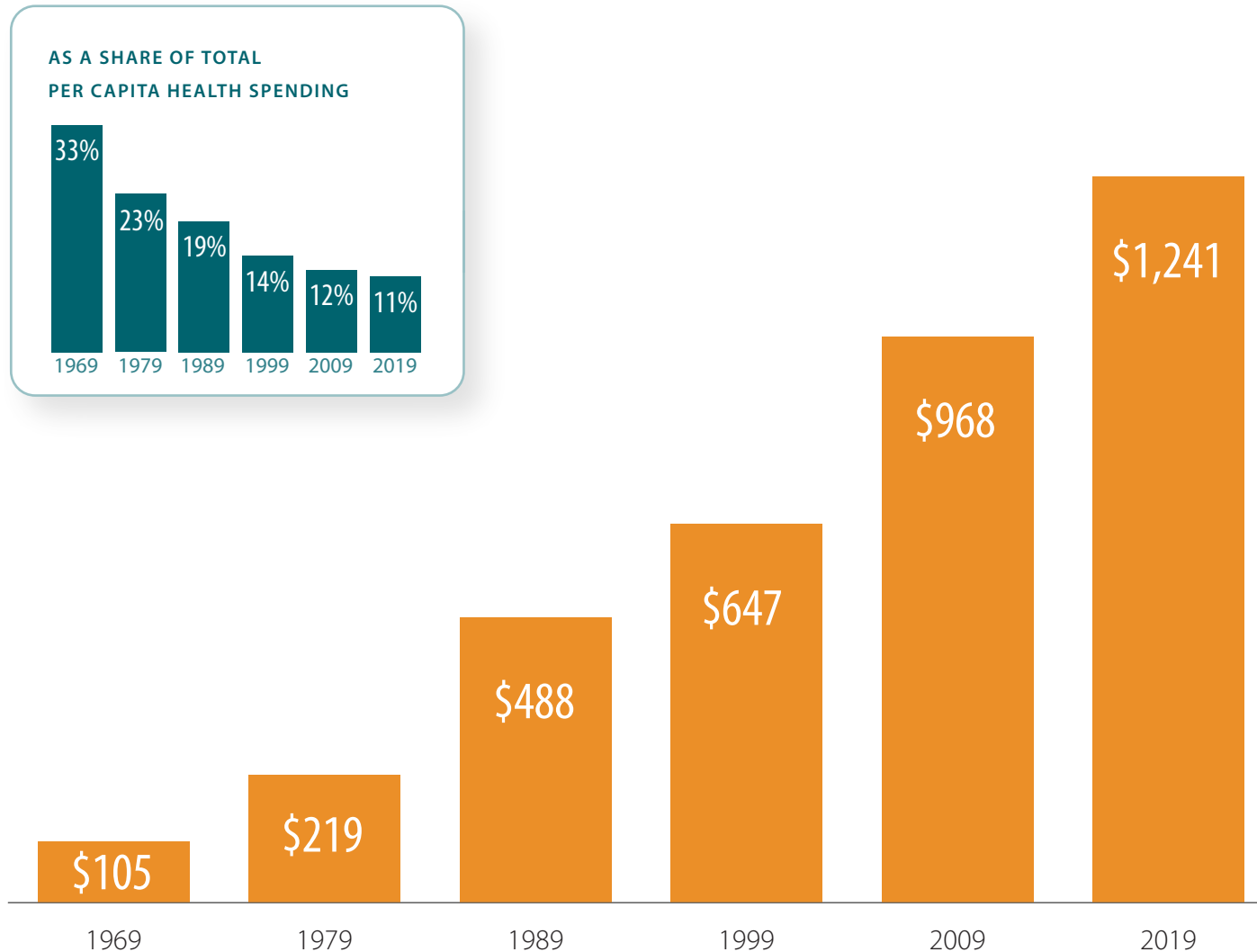
Other public insurance includes Departments of Defense and Veterans Affairs health care and the Children's Health Insurance Program.

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.

Out-of-Pocket Spending per Capita

United States, 1969 to 2019, Selected Years



Health Care Costs 101

Payment Sources

Out-of-pocket spending on health care reached \$1,241 per person in 2019. Although out-of-pocket spending has risen steadily, its share of total health spending has declined. In 1969, the \$105 spent out of pocket accounted for 33% of the \$315 per capita health spending. In 2019, the \$1,241 spent out of pocket was about 11% of the \$11,582 spent per capita.

Notes: *Health spending* refers to national health expenditures. Figures are not adjusted for inflation.

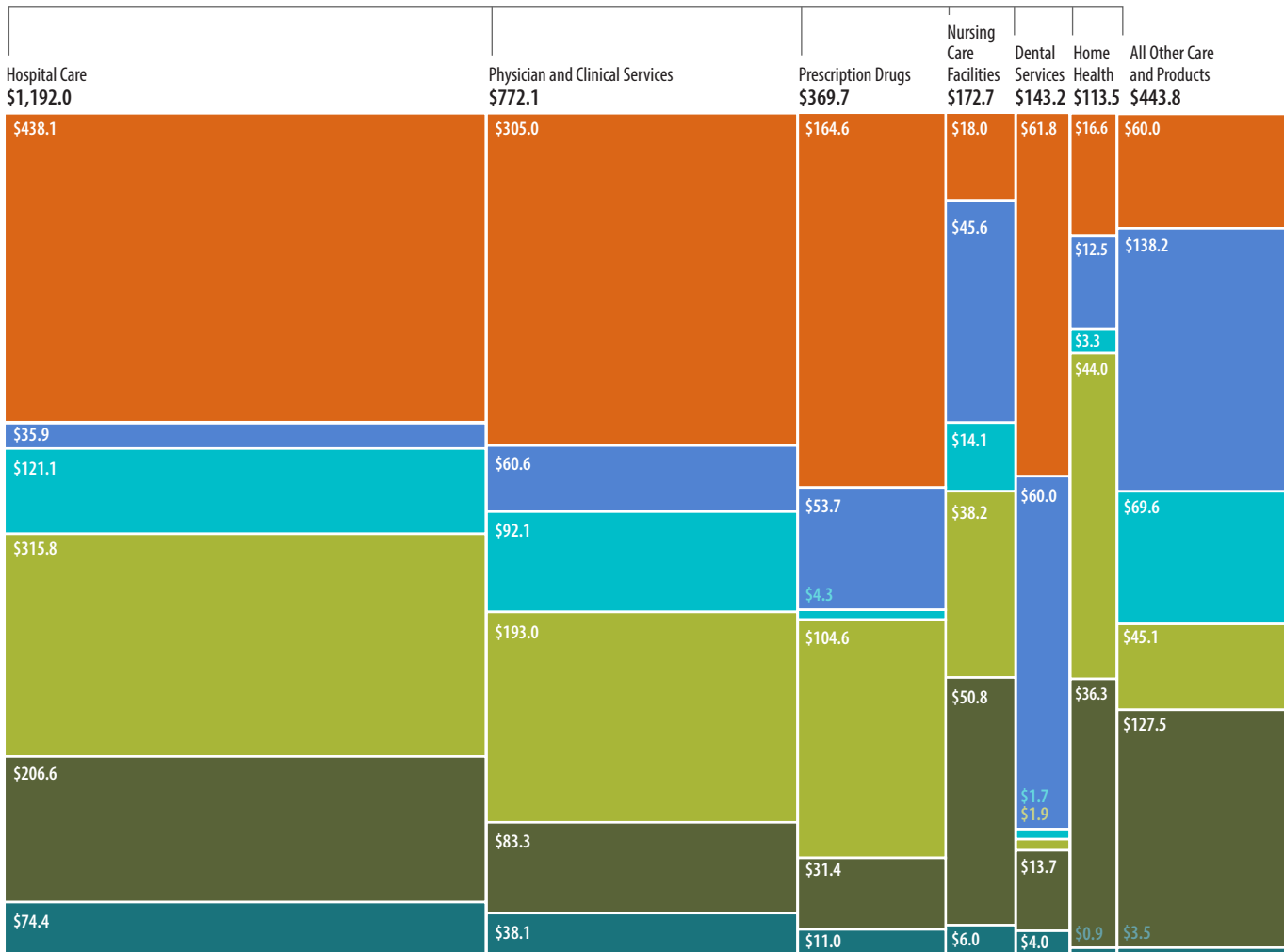
Source: Author calculations based on National Health Expenditure historical data (1969–2019), Centers for Medicare & Medicaid Services (CMS), and related unpublished CMS data.

Personal Health Care, by Payer and Spending Category

United States, 2019

Personal Health Care: \$3.2 trillion

DOLLARS IN BILLIONS



■ Private Health Insurance
 ■ Out-of-Pocket
 ■ Other Payers
 ■ Medicare
 ■ Medicaid
 ■ Other Public Insurance

Notes: *All other care and products* includes durable medical equipment, other 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.

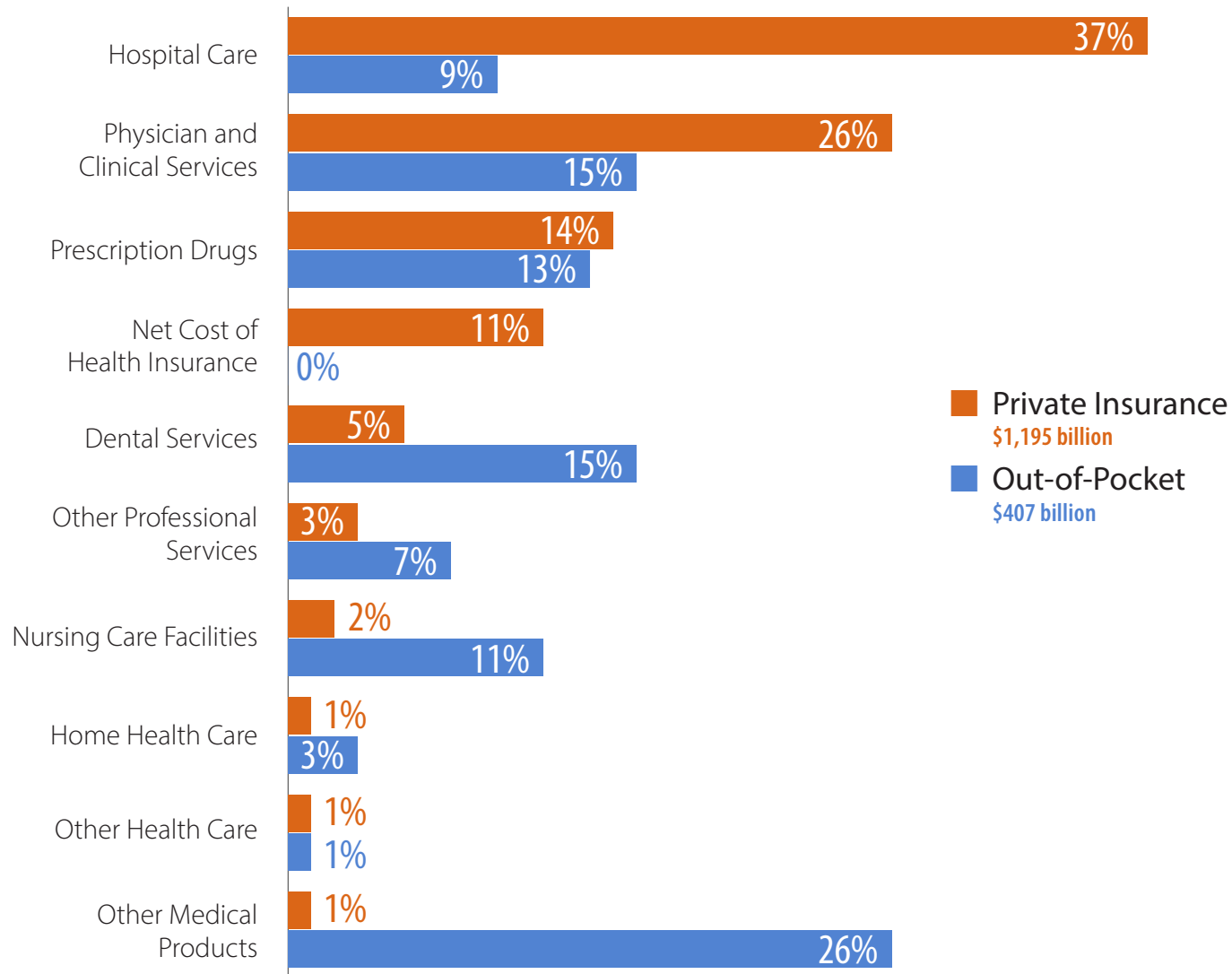
Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Care Costs 101

Payment Sources

The payer mix for health care differed by spending category. 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.

Health Spending Distribution, Private Insurance vs. Out-of-Pocket United States, 2019



Health Care Costs 101

Payment Sources

In 2019, hospital care and physician services were the largest spending categories for private insurance. In contrast, the largest spending category for out-of-pocket spending was other medical products, which includes eyeglasses and over-the-counter medications.

SPENDING CATEGORY DEFINITIONS

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.

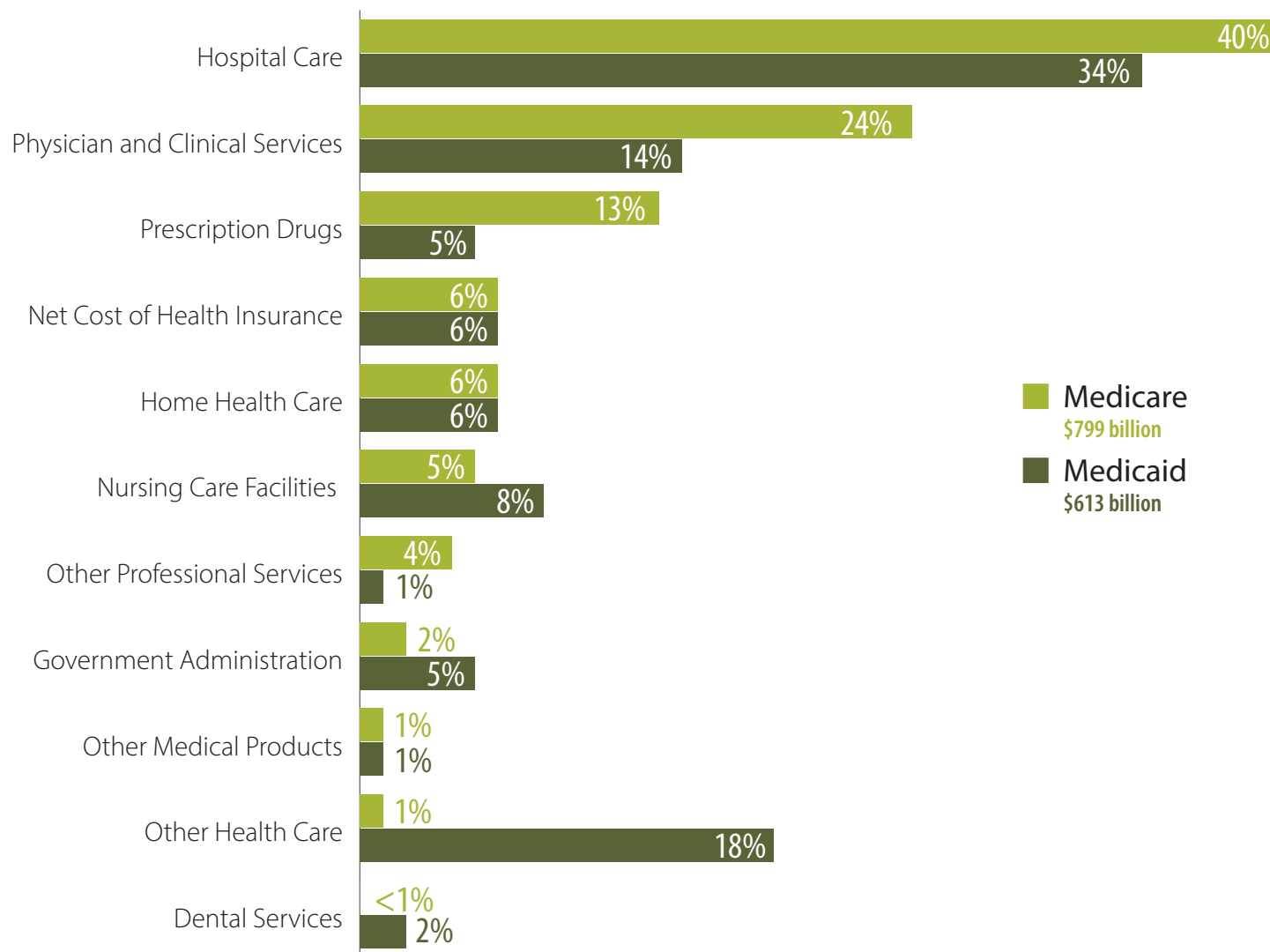
Other medical products is durable medical equipment and nondurable medical products.

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

Source: Author calculations based on National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Spending Distribution, Medicare vs. Medicaid

United States, 2019



Health Care Costs 101

Payment Sources

The largest spending 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 that provide 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.

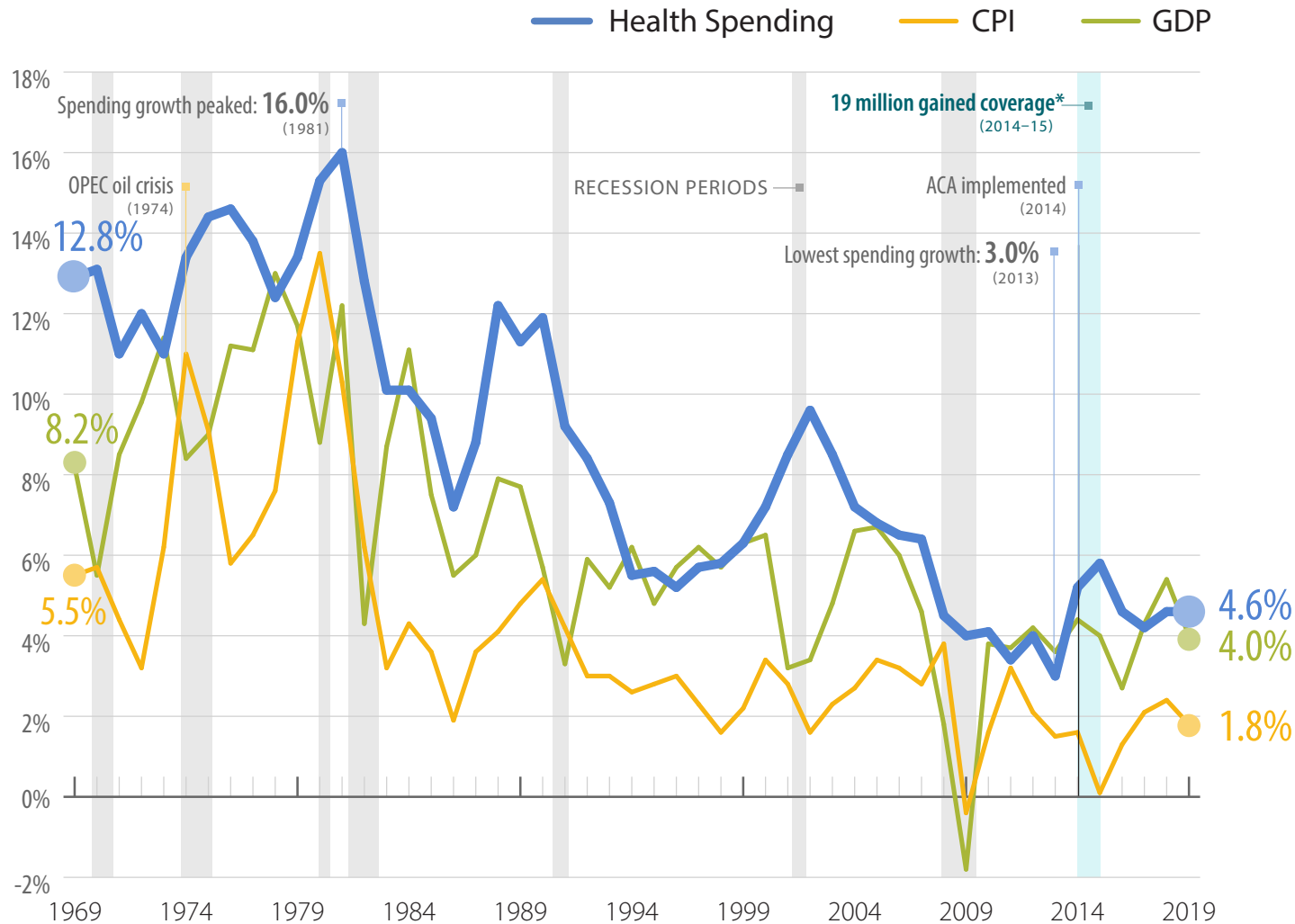
Other medical products is durable medical equipment and nondurable medical products.

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

Source: Author calculations based on National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Spending vs. Inflation and the Economy

United States, 1969 to 2019



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

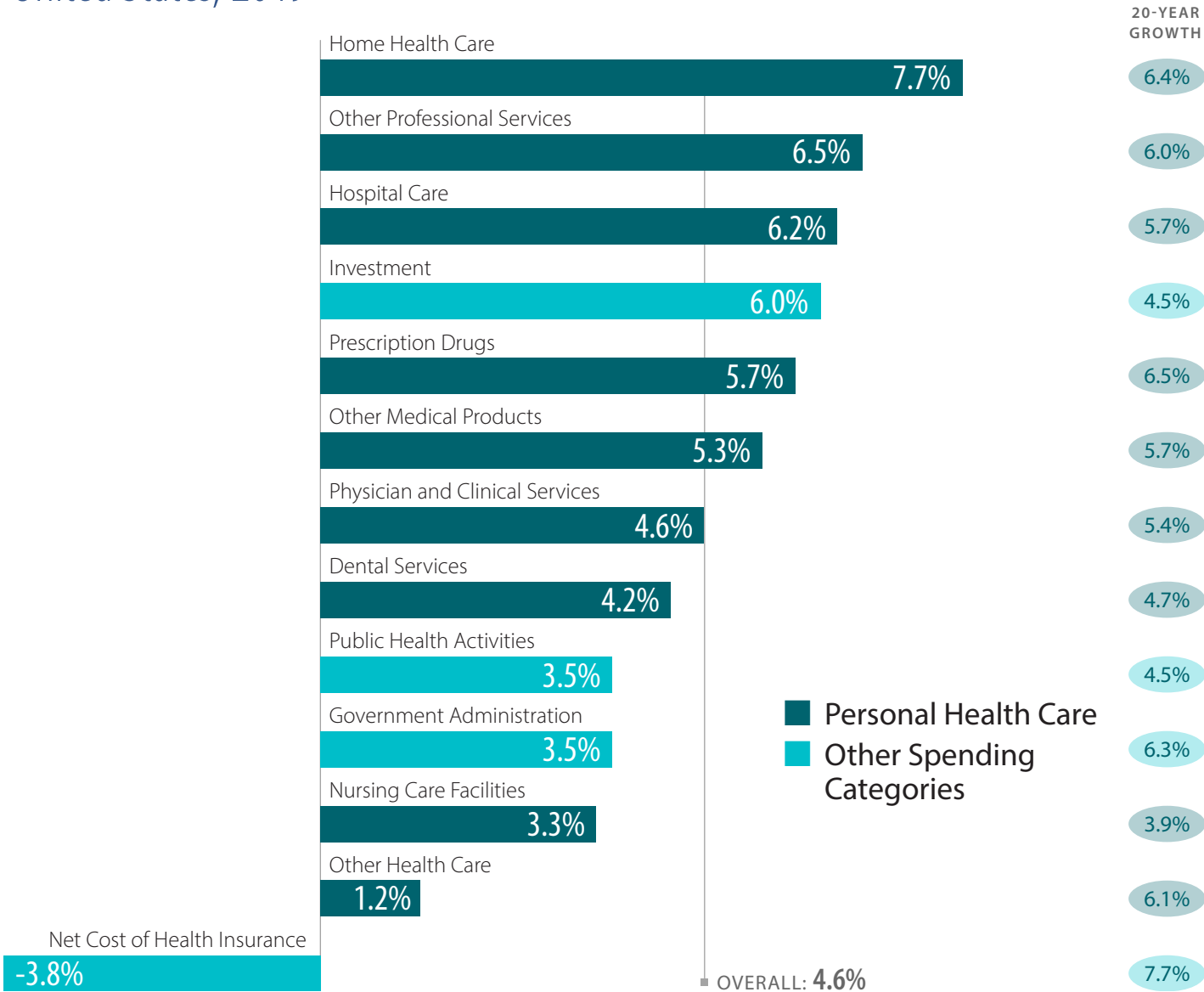
Notes: Health spending refers to national health expenditures. CPI is consumer price index and GDP is gross domestic product. See page 14 for detail on the components of health spending growth.

Sources: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services; and “Consumer Price Index,” US Bureau of Labor Statistics.

In general, health spending has outpaced both inflation and economic growth over the last 50 years.

Annual Growth, by Spending Category

United States, 2019



Notes: Twenty-year growth percentages are average annual (1999–2019). For additional detail on spending categories, see Appendix A. Further definitions available at www.cms.gov.
 Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Care Costs 101

Growth Trends

In 2019, home health care spending grew faster than other spending categories. The net cost of insurance shrank 3.8% due to the suspension of the health insurance providers tax* in 2019. Spending on prescription drugs grew by 5.7%, largely due to an increase in the number of prescriptions dispensed.

*The Affordable Care Act Provision 9010 established the health insurance providers fee, implemented in 2014.

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.

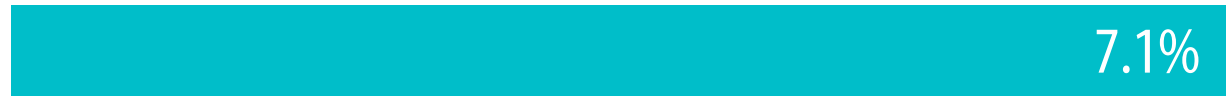
Other health care refers to other health, residential, and personal care.

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

Annual Growth in Health Spending, by Sponsor

United States, 2019

Other Private Revenues



Federal Government



Household



Private Business



State and Local Government



OVERALL: 4.6%

20-YEAR GROWTH

5.0%

7.8%

5.0%

4.4%

5.5%

Health Care Costs 101

Growth Trends

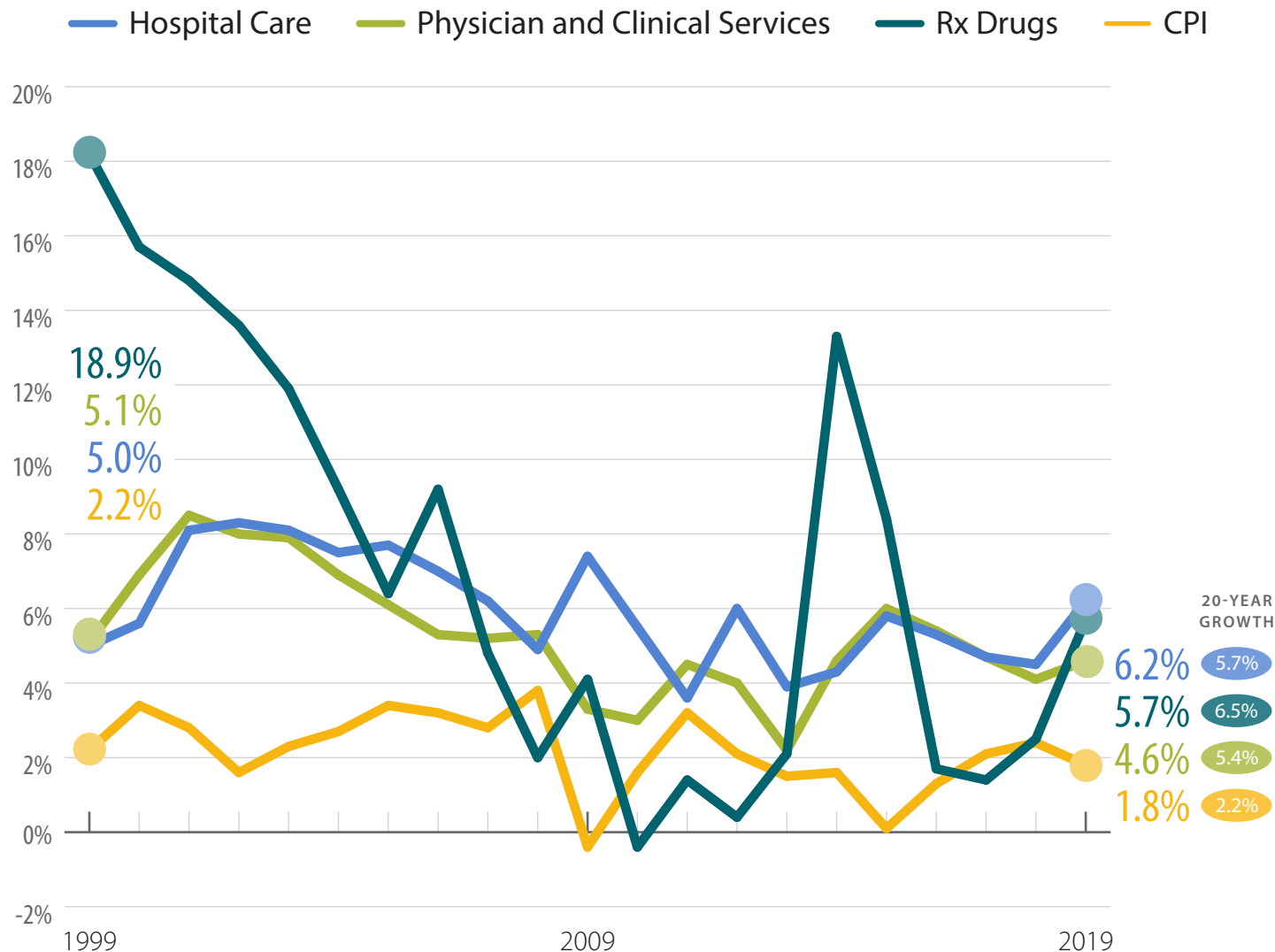
Among sponsors of health care, the federal government and other private revenues had the highest growth rates in 2019. State and local government spending grew more slowly, due in part to the low increase (1.0%) in state Medicaid spending.

Notes: *Health spending* refers to national health expenditures. *Sponsors* are the entities that are ultimately responsible for financing the health care bill. *Other private 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 (1999–2019).

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Annual Growth, Largest Spending Categories

United States, 1999 to 2019



Health Care Costs 101

Growth Trends

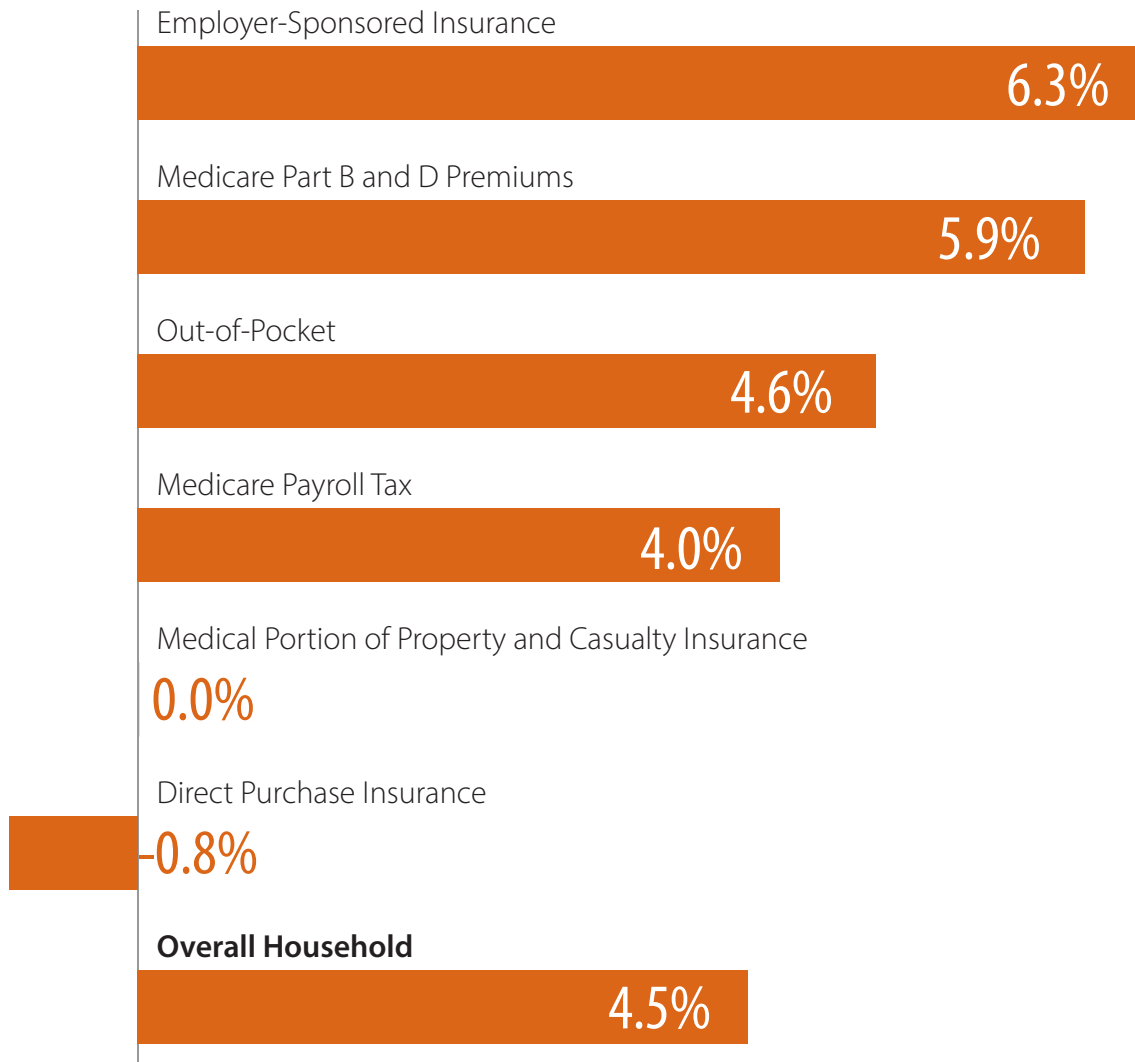
Growth in the largest health care categories routinely exceeded growth in the CPI. Over the past 20 years, hospital care and physician and clinical services have had similar growth paths. Growth in prescription drug spending has been more volatile, ranging from -0.3% to 18.9%.

Notes: Health spending refers to national health expenditures. CPI is consumer price index. Twenty-year growth percentages are average annual (1999–2019).

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Annual Growth in Household Health Care Spending

United States, 2019



Health Care Costs 101

Growth Trends

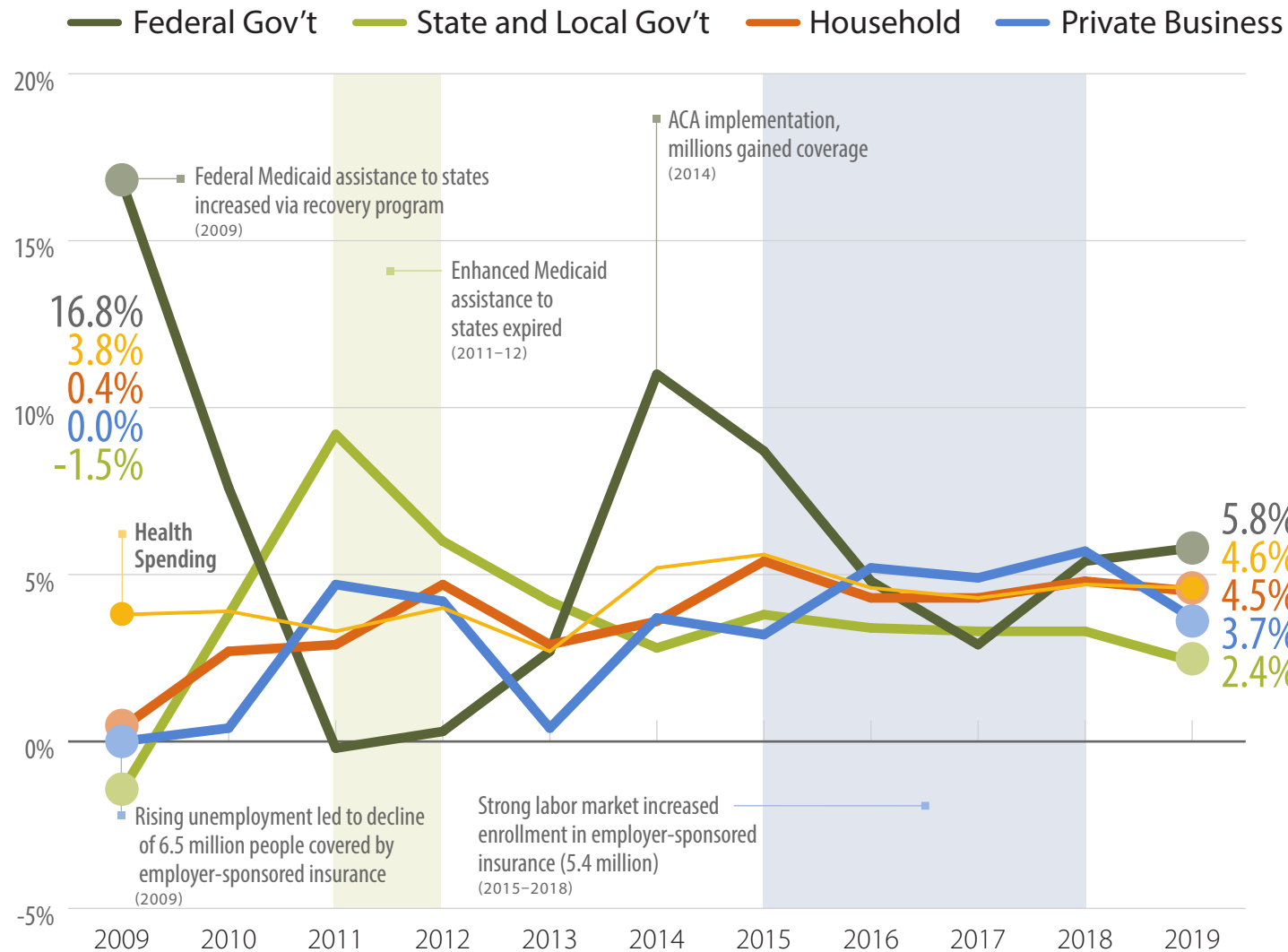
Overall household spending grew by 4.5% in 2019. Household contributions to employer-sponsored insurance increased the fastest (6.3%), while spending on direct purchase insurance declined. The decline was driven, in part, by a decrease in enrollment in insurance purchased directly from non-marketplace plans.

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 exchanges, such as healthcare.gov and Covered California. Household health care spending excludes any subsidies provided for premiums or cost sharing by the ACA.

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Annual Growth in Health Spending, by Sponsor

United States, 2009 to 2019



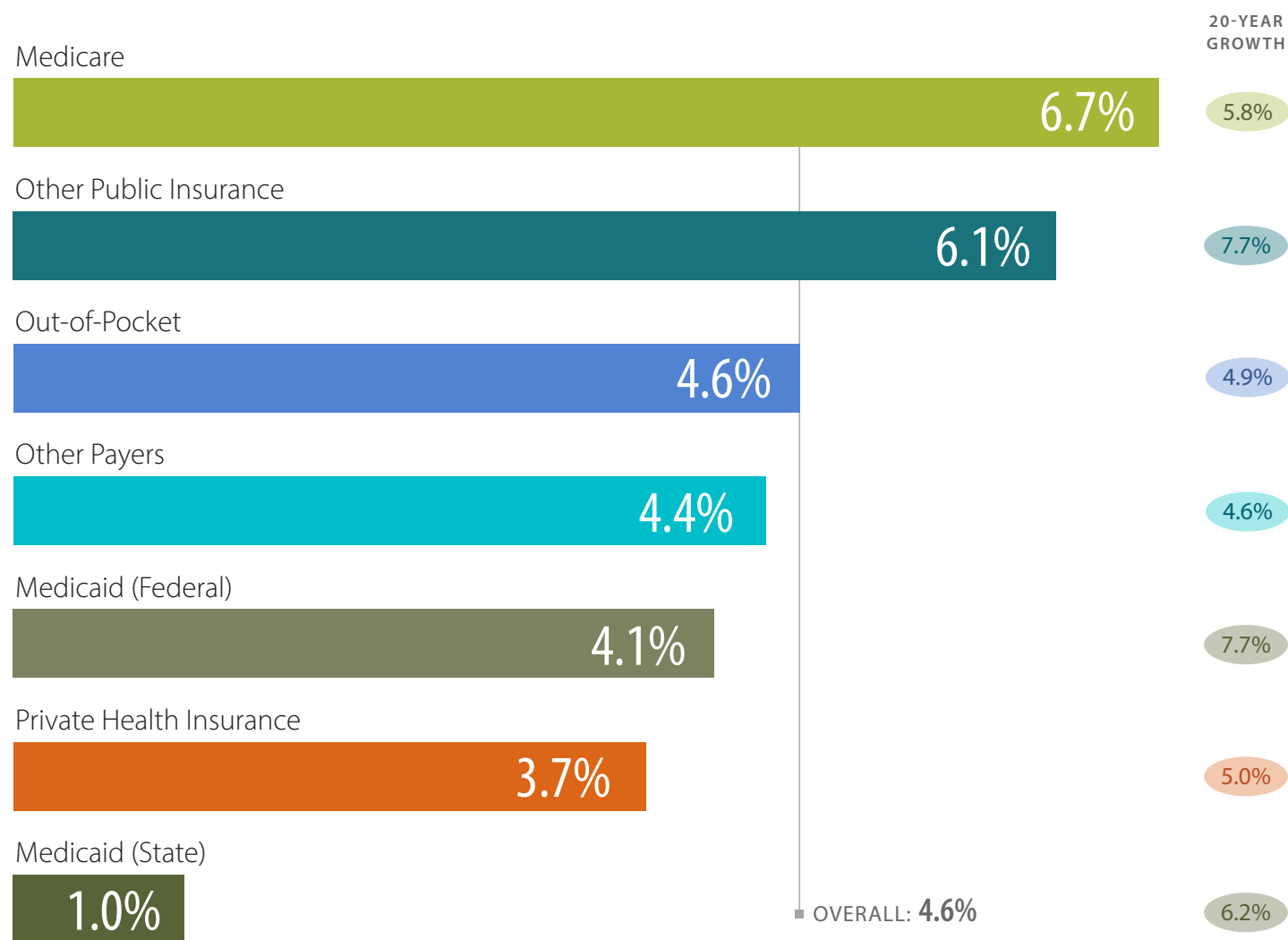
The impact of federal policy decisions and economic conditions can be seen in the acceleration and deceleration of health care spending. For example, in 2014, federal spending increased as the ACA was implemented.

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

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Annual Growth in Health Spending, by Payer

United States, 2019



Health Care Costs 101

Growth Trends

Among payers, Medicare spending had the fastest growth rate (6.7%), driven by increases in both per enrollee spending and enrollment. Private health insurance spending growth was 3.7%, driven by a decline in the net cost of health insurance.*

*Net cost of health insurance declined in 2019 due to the suspension of the health insurance tax.

PAYER DEFINITIONS

Other payers includes worksite health care, Indian Health Services, workers' compensation, Maternal and Child Health, and vocational rehabilitation.

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

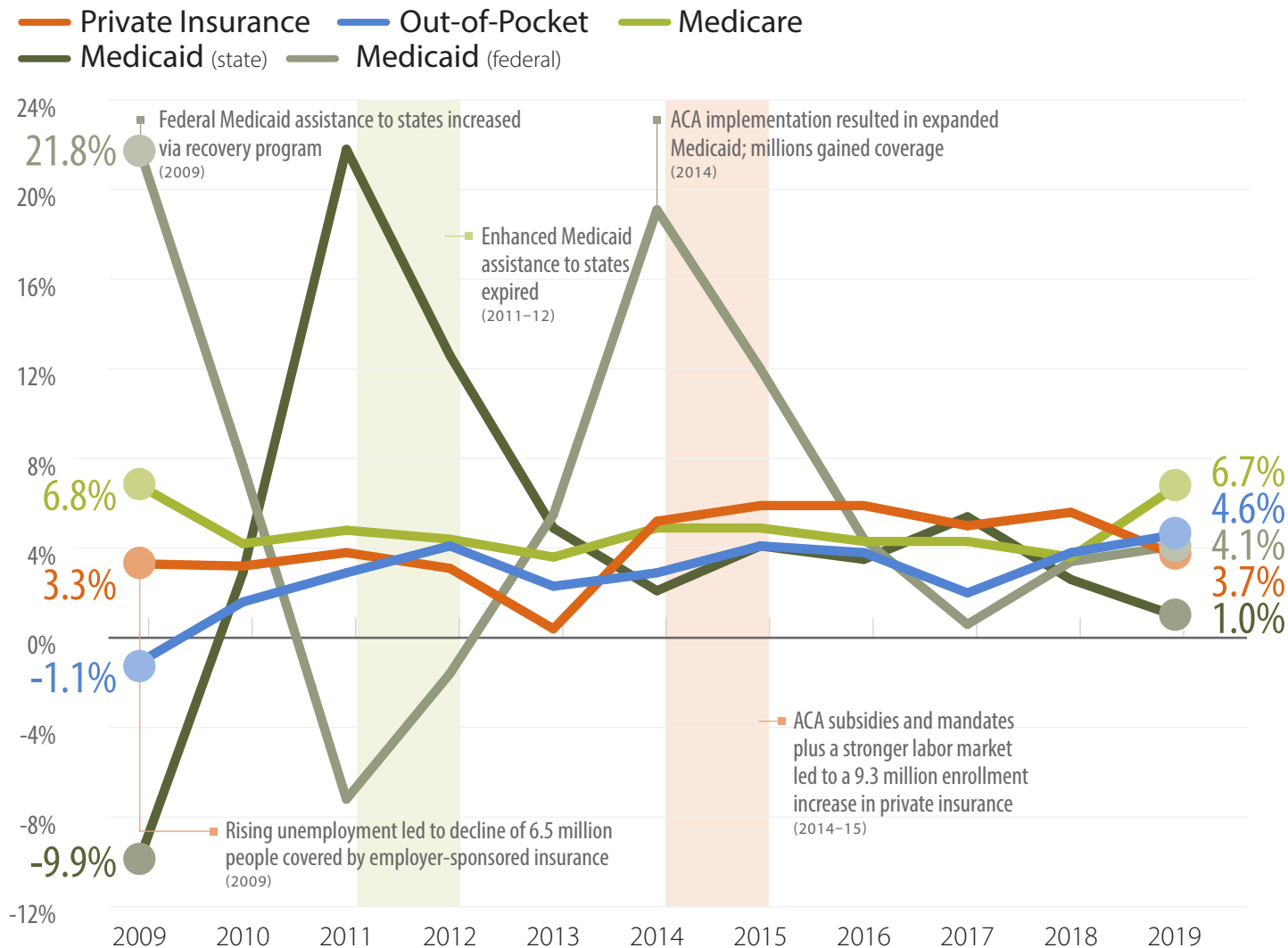
Out-of-pocket includes consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums.

Notes: *Health spending* refers to national health expenditures. Not shown: public health activities (3.5%) and investment (6.0%). Overall Medicaid, federal and state combined, grew 2.9%. Twenty-year growth percentages are average annual (1999-2019).

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Annual Growth, by Payer

United States, 2009 to 2019



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, and investment. See page 39 for projected growth rates.

Source: National Health Expenditure historical data (1960–2019), Centers for Medicare & Medicaid Services.

Health Care Costs 101

Growth Trends

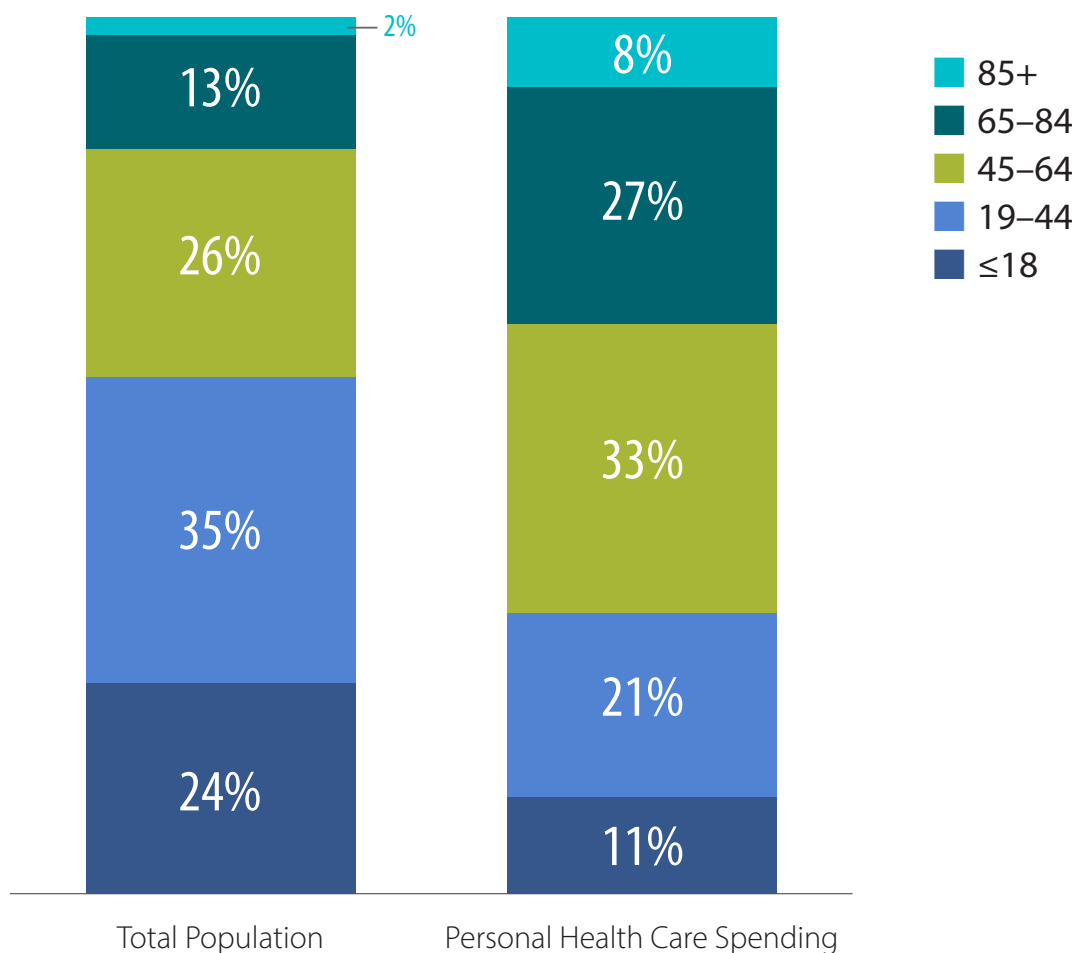
Changes in government policy and large economic shifts affect health spending. Federal Medicaid spending accelerated with ACA implementation in 2014. In 2017 states began to pay a portion (5%) of Medicaid expansion costs, increasing state Medicaid spending.

PAYER DEFINITION

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

Population and Personal Health Care Spending Distribution

by Age Group, United States, 2014



Health Care Costs 101

Age and Gender

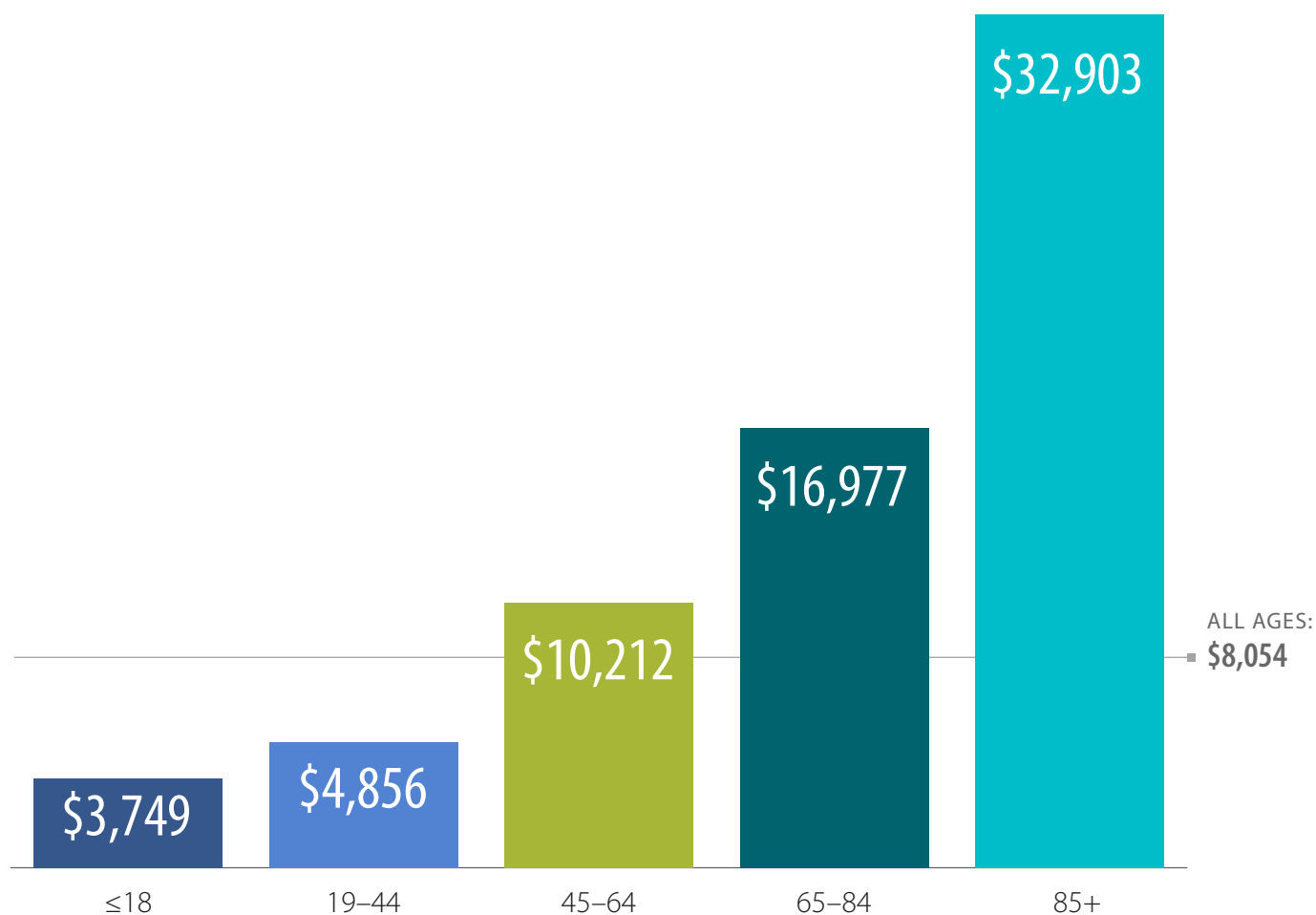
In 2014, the elderly population, 65 and over, made up nearly 15% of the US population and accounted for 35% of personal health care spending. In contrast, children made up 24% of the population and accounted for 11% of health care spending.

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

Sources: "Age and Gender Tables (2002-14)," National Health Expenditure Data: Age and Gender, Centers for Medicare & Medicaid Services.

Personal Health Care Spending per Capita

by Age Group, United States, 2014



Health Care Costs 101

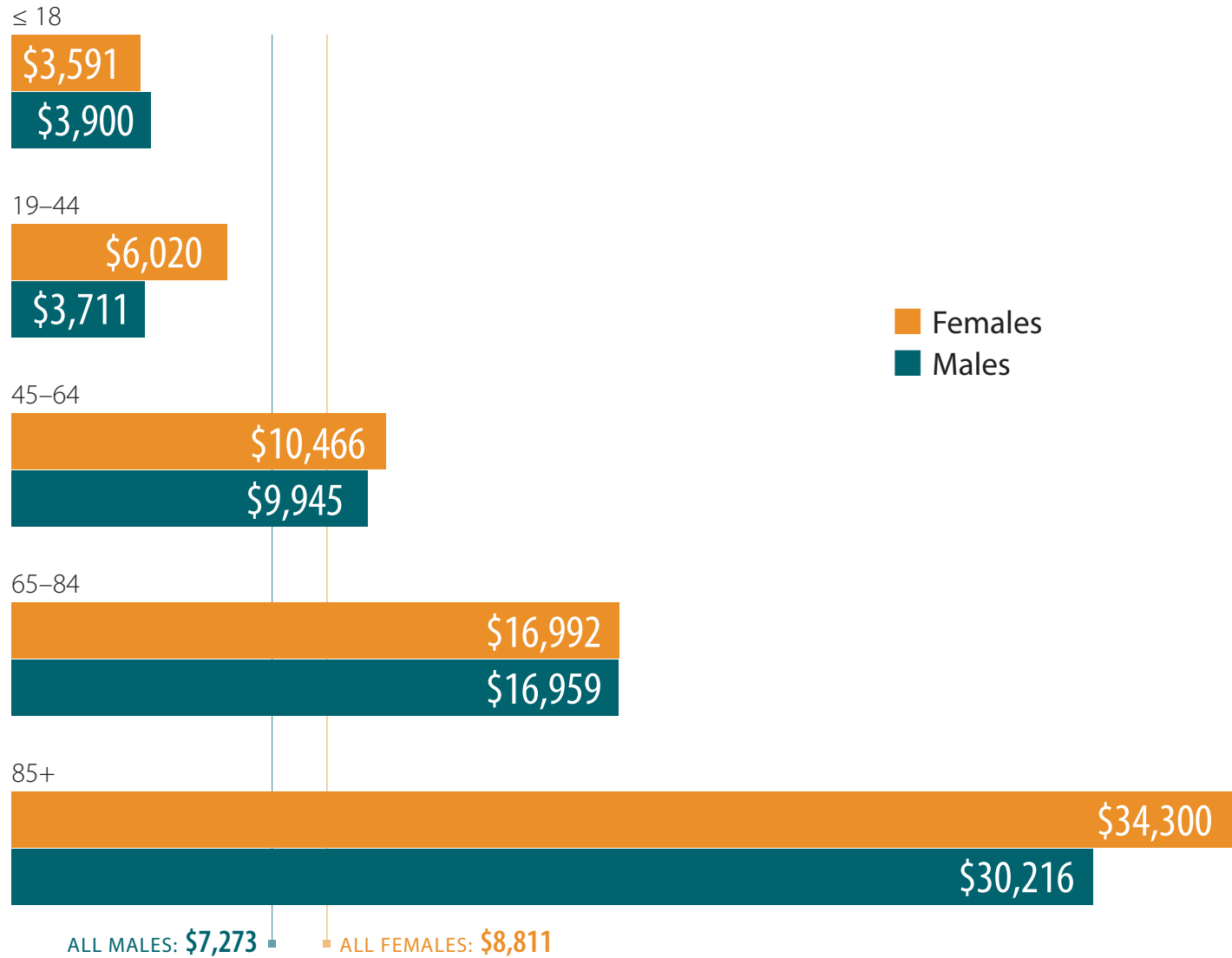
Age and Gender

Per capita health spending varies by age. Personal health care spending among young, working-age adults (19 to 44) totaled \$4,856 per person, 30% more than children, but less than half as much as older working adults (45 to 64). Spending on those age 85 and over averaged \$32,903 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 \$19,098. See Appendix B for spending category details by age group and gender.

Sources: "Age and Gender Tables (2002-14)," National Health Expenditure Data: Age and Gender, Centers for Medicare & Medicaid Services.

Personal Health Care Spending per Capita by Gender and Age Group, United States, 2014



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 \$19,098 (\$19,700 for females and \$18,331 for males). See Appendix B for spending category details by age group and gender.

Sources: "Age and Gender Tables (2002-14)," National Health Expenditure Data: Age and Gender, Centers for Medicare & Medicaid Services.

Health Care Costs 101

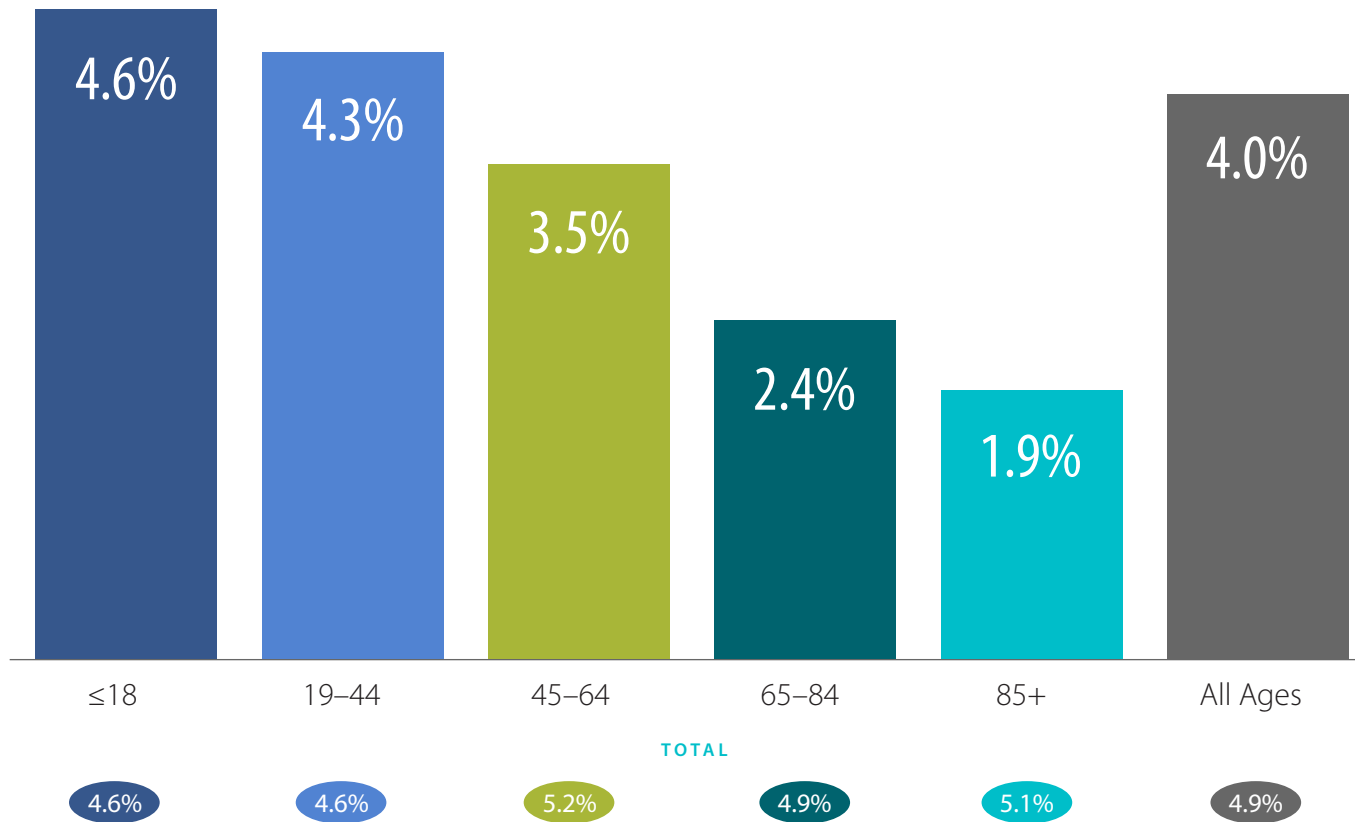
Age and Gender

Women had higher personal health care spending per capita than men. Overall, per capita spending was \$1,538 (or 21%) higher for females than males in 2014. This higher spending is most pronounced in women of childbearing age (19 to 44), due to costs of maternity care, and in older women (85 and older), largely due to spending more on nursing facility care.

Ten-Year Growth in Health Care Spending, by Age Group

Per Capita and Total, United States, 2004 to 2014

PER CAPITA



Note: *Personal health care spending* excludes net cost of health insurance, government administration, public health activities, and investment. The percentages are annual average (2004-2014).

Sources: "Age and Gender Tables (2002-14)," National Health Expenditure Data: Age and Gender, Centers for Medicare & Medicaid Services.

Health Care Costs 101

Age and Gender

Between 2004 and 2014, the elderly had the slowest per capita growth for personal health care spending and children had the fastest. In contrast, the elderly had the fastest growth in total personal health care spending due to the growing elderly population.

Personal Health Care Spending per Capita

by Spending Category and Age Group, United States, 2014

	≤18	19-44	45-64	65-84	85+	ALL AGES
Personal Health Care	\$3,749	\$4,856	\$10,212	\$16,977	\$32,903	\$8,054
Hospital Care	1,546	1,986	4,016	6,162	9,254	3,076
Physician and Clinical Services	921	1,251	2,549	3,657	4,372	1,873
Dental Services	390	225	437	496	382	358
Other Professional Services	120	171	325	578	722	261
Nursing Care Facilities	13	29	267	1,659	9,691	479
Home Health Care	111	90	170	727	3,734	267
Other Health Care	277	436	590	607	1,348	476
Prescription Drugs	283	509	1,442	2,176	2,018	937
Durable Medical Equipment	62	85	178	350	595	147
Other Nondurable Medical Products	27	74	237	566	788	181

Health Care Costs 101

Age and Gender

Spending on health services varied by age. Spending for the oldest category (85+) was about nine times spending for children (\$32,903 vs. \$3,749). A third of all spending for those 85 and older was for nursing care facilities. Prescription drug spending for young working-age adults (\$509) was about a third of that for older working-age adults (\$1,442).

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

Sources: "Age and Gender Tables (2002–14)," National Health Expenditure Data: Age and Gender, Centers for Medicare & Medicaid Services.

Impact of COVID-19 on Health Spending

Preliminary information suggests that US health spending declined as much as 2% in 2020 during the COVID-19 pandemic. This would be the first reduction in annual overall health spending since tracking began in 1960.

- While health care spending may have declined, its share of the economy likely increased in 2020 because GDP declined by 3.5%, more than the expected reduction in health spending.
- Health care spending and use of services fell dramatically in spring 2020 as non-COVID-19 medical care was foregone or delayed. In April 2020 spending was down 20% compared to April 2019.
- Use of telemedicine increased greatly but did not offset the decrease in in-person visits.
- Hospital elective procedures, including many surgeries, were cancelled in spring 2020 to free up capacity to address COVID patients.
- Physician practices were hard hit, some closed temporarily, and those that remained open saw a dramatic drop in patient visits, in part due to fears of infection. In April 2020, spending on physician and clinical services was 39% below February's prepandemic levels.
- Nursing home care spending declined and home health care spending increased as patients sought to avoid congregate settings and infection risks. Compared to prepandemic levels, spending on nursing home care was down 9.8% as of October, and home health care was up 14.0%.
- Spending on dental care was dramatically affected by the pandemic, falling by 65% between February and April as dental offices closed. As of October, dental spending was 17% below prepandemic levels.
- Prescription drug spending was largely unaffected by the pandemic.

Preliminary data suggest reductions in health care spending from delayed and foregone care outweighed spending increases for COVID-19 care and telemedicine in 2020. Reductions in spending were greatest in April 2020, followed by a gradual recovery to near prepandemic levels.

Sources: Cynthia Cox, Krutika Amin, and Rabah Kamal, "How Have Health Spending and Utilization Changed During the Coronavirus Pandemic?," Peterson-KFF Health System Tracker, March 22, 2021; and George Miller et al., "COVID-19 Shocks the US Health Sector: A Review of Early Economic Impacts," *Health Affairs Blog*, December 16, 2020.

Impact of COVID-19 on Health Spending (continued)

After the pandemic is largely controlled, spending and utilization may differ from prepandemic patterns.

- The COVID-19 vaccine rollout in 2021 will add to spending.
- Missed screenings and preventive care may lead to more serious diagnoses, which may increase spending in 2021 and beyond.
- Use of telemedicine may remain elevated above prepandemic levels.
- Hospitalizations could be lower if alternatives to admissions, such as home-based care with remote monitoring, are pursued.
- Spending on nursing home care might not recover to prepandemic levels if the shift from nursing home care to home health care continues.

In addition to the costs of vaccinations, the shift in medical care delivery during the COVID-19 pandemic may yield some permanent changes in health care delivery and spending.

Sources: Cynthia Cox, Krutika Amin, and Rabah Kamal, "How Have Health Spending and Utilization Changed During the Coronavirus Pandemic?" Peterson-KFF Health System Tracker, March 22, 2021; and George Miller et al., "COVID-19 Shocks the US Health Sector: A Review of Early Economic Impacts," *Health Affairs Blog*, December 16, 2020.

Data Resources

Economic Data

- *The Budget and Economic Outlook: 2021 to 2031.* Congressional Budget Office, February 11, 2021.
- Consumer Price Index. US Bureau of Labor Statistics
- "Gross Domestic Product." US Bureau of Economic Analysis.
- "OECD Health Statistics 2020, Frequently Requested Data." Organisation for Economic Co-operation and Development. last updated September 3, 2020.

Journal Publications Authored by CMS Staff

- Martin, Anne B. et al. "National Health Care Spending in 2019: Steady Growth for the Fourth Consecutive Year." *Health Affairs* 40, no. 1 (January 2021): 14–24.

COVID-19 Costs

- Cox, Cynthia, Krutika Amin, and Rabah Kamal. "How Have Health Spending and Utilization Changed During the Coronavirus Pandemic?" Peterson-KFF Health System Tracker, March 22, 2021.
- Miller, George et al. "COVID-19 Shocks the US Health Sector: A Review of Early Economic Impacts." *Health Affairs Blog*, December 16, 2020.

National Health Expenditures

AGE AND GENDER

- [Data and Resources](#), Centers for Medicare & Medicaid Services

HEALTH CARE SATELLITE ACCOUNT

Disease-Based Health Care Measures, US Bureau of Economic Analysis

- [Introduction](#) (PDF)
- [Data and Resources](#)

HISTORICAL INFORMATION / OVERVIEW

- [Data by Service Category, Payer, and Sponsor](#)
- [Definitions, Sources, and Methods](#) (PDF)
- [Overview of National Health Expenditure Resources](#)
- [Quick Reference Definitions](#) (PDF)
- [Highlights](#) (PDF)

Health Care Costs 101

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.

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FOR MORE INFORMATION



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Appendix A: Health Spending, by Category, United States, 1999 to 2019, Selected Years

	SPENDING (IN BILLIONS)				DISTRIBUTION				GROWTH/DECLINE *			
	1999	2009	2018	2019	1999	2009	2018	2019	1999–2019	2009–2019	2018	2019
National Health Expenditures	\$1,273.6	\$2,492.8	\$3,629.7	\$3,795.4	100%	100%	100%	100%	5.6%	4.3%	4.7%	4.6%
Health Consumption Expenditures	\$1,189.2	\$2,345.6	\$3,439.5	\$3,593.7	93%	94%	95%	95%	5.7%	4.4%	4.7%	4.5%
▶ Personal Health Care	1,079.2	2,106.5	3,048.3	3,207.0	85%	85%	84%	84%	5.6%	4.3%	4.1%	5.2%
▶ Hospital Care	393.6	771.0	1,122.5	1,192.0	31%	31%	31%	31%	5.7%	4.5%	4.2%	6.2%
▶ Professional Services	361.4	668.1	979.4	1,025.9	28%	27%	27%	27%	5.4%	4.4%	4.5%	4.7%
▶ Physician and Clinical Services	269.5	497.7	738.2	772.1	21%	20%	20%	20%	5.4%	4.5%	4.0%	4.6%
▶ Dental Services	57.3	103.4	137.4	143.2	4%	4%	4%	4%	4.7%	3.3%	4.8%	4.2%
▶ Other Professional Services	34.6	67.0	103.9	110.6	3%	3%	3%	3%	6.0%	5.1%	7.5%	6.5%
▶ Nursing Care Facilities	80.6	135.2	167.2	172.7	6%	5%	5%	5%	3.9%	2.5%	2.3%	3.3%
▶ Home Health Services	32.8	67.0	105.4	113.5	3%	3%	3%	3%	6.4%	5.4%	5.5%	7.7%
▶ Other Health Care	59.2	122.0	191.3	193.6	5%	5%	5%	5%	6.1%	4.7%	3.0%	1.2%
▶ Retail Outlet Sales	151.6	343.1	482.4	509.3	12%	14%	13%	13%	6.2%	4.0%	3.9%	5.6%
▶ Prescription Drugs	105.3	254.3	349.8	369.7	8%	10%	10%	10%	6.5%	3.8%	3.8%	5.7%
▶ Durable Medical Equipment	22.1	41.2	54.8	57.6	2%	2%	2%	2%	4.9%	3.4%	4.7%	5.0%
▶ Other Nondurable Medical Products	24.1	47.6	77.7	82.1	2%	2%	2%	2%	6.3%	5.6%	3.8%	5.6%
▶ Administration	69.3	164.9	296.8	288.9	5%	7%	8%	8%	7.4%	5.8%	12.4%	-2.7%
▶ Net Cost of Health Insurance	54.8	135.3	249.5	239.9	4%	5%	7%	6%	7.7%	5.9%	13.9%	-3.8%
▶ Government Administration	14.5	29.6	47.3	49.0	1%	1%	1%	1%	6.3%	5.1%	5.1%	3.5%
▶ Public Health Activities	40.7	74.2	94.5	97.8	3%	3%	3%	3%	4.5%	2.8%	2.6%	3.5%
Investment	\$84.4	\$147.2	\$190.2	\$201.7	7%	6%	5%	5%	4.5%	3.2%	4.8%	6.0%
▶ Noncommercial Research	23.4	45.3	53.6	56.6	2%	2%	1%	1%	4.5%	2.2%	6.6%	5.5%
▶ Structures and Equipment	61.0	101.9	136.6	145.1	5%	4%	4%	4%	4.4%	3.6%	4.1%	6.3%

*Growth rates for the 1999–2019 and 2009–2019 periods are average annual; 2018 and 2019 are the growth/decline over previous year.

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

Source: National Health Expenditure Data: Historical, Centers for Medicare & Medicaid Services (CMS).

Appendix B: Personal Health Care Spending, by Gender, Age, and Spending Category, 2014

	FEMALES						MALES						TOTAL					
	0-18	19-44	45-64	65-84	85+	ALL	0-18	19-44	45-64	65-84	85+	ALL	0-18	19-44	45-64	65-84	85+	ALL
PER CAPITA	\$3,591	\$6,020	\$10,466	\$16,992	\$34,300	\$8,811	\$3,900	\$3,711	\$9,945	\$16,959	\$30,216	\$7,273	\$3,749	\$4,856	\$10,212	\$16,977	\$32,903	\$8,054
Hospital Care	1,486	2,588	3,884	5,763	9,025	3,261	1,603	1,394	4,155	6,641	9,694	2,885	1,546	1,986	4,016	6,162	9,254	3,076
Physician and Clinical Services	878	1,644	2,827	3,582	3,998	2,097	962	863	2,258	3,747	5,093	1,642	921	1,251	2,549	3,657	4,372	1,873
Dental Services	432	268	470	499	363	393	350	183	403	493	417	321	390	225	437	496	382	358
Other Professional Services	115	214	382	627	725	304	124	129	265	519	716	217	120	171	325	578	722	261
Nursing Care Facilities	11	27	243	1,859	11,191	607	15	31	293	1,419	6,806	347	13	29	267	1,659	9,691	479
Home Health Care	103	103	184	821	4,117	322	119	76	155	614	2,996	209	111	90	170	727	3,734	267
Other Health Care	238	390	541	680	1,405	458	314	481	642	520	1,238	495	277	436	590	607	1,348	476
Prescription Drugs	240	600	1,484	2,212	2,050	1,003	325	419	1,397	2,132	1,955	869	283	509	1,442	2,176	2,018	937
Durable Medical Equipment	64	99	205	347	559	164	59	71	150	352	663	129	62	85	178	350	595	147
Other Nondurable Medical Products	24	87	247	603	867	203	29	62	227	521	637	158	27	74	237	566	788	181
10-YEAR GROWTH	4.5%	4.1%	3.2%	2.4%	1.8%	3.8%	4.6%	4.5%	3.9%	2.4%	2.2%	4.4%	4.6%	4.3%	3.5%	2.4%	1.9%	4.0%
Hospital Care	5.3%	5.6%	4.8%	2.0%	1.6%	4.6%	5.3%	6.2%	5.0%	1.8%	1.8%	5.0%	5.3%	5.8%	4.9%	1.9%	1.7%	4.8%
Physician and Clinical Services	4.1%	3.5%	2.3%	2.4%	4.4%	3.3%	4.2%	3.8%	2.7%	2.0%	4.0%	3.7%	4.2%	3.6%	2.5%	2.2%	4.4%	3.5%
Dental Services	3.1%	0.9%	1.6%	4.3%	5.1%	2.4%	2.5%	0.8%	2.6%	3.4%	4.4%	2.5%	2.8%	0.9%	2.0%	3.9%	5.0%	2.5%
Other Professional Services	5.6%	3.4%	2.4%	4.2%	4.1%	4.0%	5.4%	3.4%	3.6%	4.5%	4.3%	4.8%	5.5%	3.4%	2.9%	4.3%	4.1%	4.3%
Nursing Care Facilities	4.6%	2.1%	4.1%	1.3%	-0.2%	2.3%	5.2%	1.0%	4.6%	2.2%	0.4%	4.2%	5.0%	1.5%	4.4%	1.6%	-0.2%	2.9%
Home Health Care	8.2%	7.5%	3.1%	2.7%	5.5%	5.5%	8.0%	6.4%	4.0%	3.4%	4.8%	6.1%	8.1%	7.2%	3.5%	2.9%	5.2%	5.7%
Other Health Care	4.1%	3.7%	4.3%	5.1%	5.6%	4.6%	5.1%	4.1%	4.3%	3.9%	1.8%	4.5%	4.6%	3.9%	4.3%	4.6%	4.4%	4.6%
Prescription Drugs	3.1%	2.4%	1.8%	3.3%	1.4%	3.0%	3.5%	3.5%	3.3%	4.4%	2.7%	4.4%	3.3%	2.9%	2.4%	3.8%	1.8%	3.6%
Durable Medical Equipment	5.6%	3.2%	2.7%	1.6%	0.4%	3.1%	6.3%	4.2%	2.6%	2.4%	1.8%	4.1%	6.2%	3.5%	2.7%	2.0%	1.0%	3.5%
Other Nondurable Medical Products	2.9%	2.8%	2.5%	1.9%	1.8%	3.0%	2.3%	3.3%	3.1%	2.2%	2.1%	3.8%	3.0%	2.8%	2.7%	2.0%	1.8%	3.4%

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

Sources: "Age and Gender Tables (2002-14)," National Health Expenditure Data: Age and Gender, Centers for Medicare & Medicaid Services.

Appendix B: Personal Health Care Spending, by Gender, Age, and Spending Category, 2014, *continued*

	FEMALES						MALES						TOTAL					
	0-18	19-44	45-64	65-84	85+	ALL	0-18	19-44	45-64	65-84	85+	ALL	0-18	19-44	45-64	65-84	85+	ALL
AGGREGATE SPENDING (IN BILLIONS)	\$136.4	\$331.2	\$446.6	\$370.3	\$138.7	\$1,423.2	\$154.8	\$207.5	\$404.0	\$308.6	\$63.5	\$1,138.3	\$291.2	\$538.7	\$850.6	\$678.9	\$202.2	\$2,561.5
Hospital Care	56.44	142.36	165.74	125.58	36.49	526.61	63.60	77.98	168.77	120.85	20.37	451.56	120.04	220.33	334.51	246.44	56.86	978.17
Physician and Clinical Services	33.37	90.46	120.61	78.07	16.16	338.67	38.16	48.26	91.73	68.19	10.70	257.05	71.53	138.73	212.34	146.26	26.86	595.72
Dental Services	16.40	14.73	20.04	10.87	1.47	63.51	13.87	10.24	16.35	8.96	0.88	50.30	30.27	24.97	36.39	19.84	2.35	113.81
Other Professional Services	4.39	11.78	16.31	13.65	2.93	49.06	4.93	7.24	10.78	9.45	1.50	33.90	9.32	19.02	27.08	23.10	4.44	82.96
Nursing Care Facilities	0.43	1.50	10.35	40.50	45.24	98.03	0.61	1.74	11.89	25.82	14.30	54.37	1.04	3.25	22.24	66.33	59.54	152.40
Home Health Care	3.92	5.68	7.87	17.90	16.65	52.01	4.73	4.25	6.30	11.17	6.30	32.74	8.64	9.93	14.17	29.07	22.94	84.76
Prescription Drugs	9.10	32.99	63.33	48.21	8.29	161.92	12.91	23.46	56.75	38.81	4.11	136.03	22.01	56.45	120.08	87.02	12.40	297.95
Durable Medical Equipment	2.43	5.45	8.74	7.57	2.26	26.45	2.35	3.97	6.10	6.41	1.39	20.23	4.78	9.42	14.84	13.98	3.66	46.68
Other Health Residential and Personal Care	9.03	21.44	23.08	14.81	5.68	74.05	12.45	26.90	26.08	9.46	2.60	77.49	21.48	48.34	49.17	24.27	8.28	151.54
Other Nondurable Medical Products	0.92	4.77	10.53	13.13	3.51	32.85	1.16	3.47	9.22	9.49	1.34	24.67	2.07	8.24	19.75	22.62	4.84	57.52
10-YEAR GROWTH	4.6%	4.5%	4.9%	4.6%	4.4%	4.6%	4.6%	4.7%	5.5%	5.3%	6.7%	5.2%	4.6%	4.6%	5.2%	4.9%	5.1%	4.9%
Hospital Care	5.4%	6.0%	6.5%	4.1%	4.3%	5.5%	5.3%	6.5%	6.6%	4.7%	6.3%	5.8%	5.3%	6.1%	6.6%	4.4%	4.9%	5.6%
Physician and Clinical Services	4.1%	3.8%	4.0%	4.6%	7.1%	4.2%	4.2%	4.1%	4.3%	4.8%	8.6%	4.5%	4.2%	3.9%	4.1%	4.7%	7.7%	4.3%
Dental Services	3.1%	1.2%	3.3%	6.5%	7.8%	3.3%	2.5%	1.1%	4.2%	6.3%	9.0%	3.4%	2.8%	1.2%	3.7%	6.4%	8.3%	3.3%
Other Professional Services	5.6%	3.8%	4.1%	6.3%	6.8%	4.8%	5.4%	3.7%	5.2%	7.5%	8.9%	5.6%	5.5%	3.7%	4.5%	6.8%	7.4%	5.1%
Nursing Care Facilities	5.6%	2.6%	5.8%	3.4%	2.4%	3.1%	5.1%	1.2%	6.3%	5.0%	4.9%	5.1%	5.3%	1.8%	6.0%	4.0%	2.9%	3.8%
Home Health Care	8.3%	7.8%	4.9%	4.9%	8.3%	6.4%	8.1%	6.7%	5.6%	6.3%	9.5%	7.0%	8.2%	7.3%	5.2%	5.4%	8.6%	6.6%
Prescription Drugs	3.1%	2.7%	3.4%	5.5%	4.1%	3.8%	3.5%	3.8%	4.9%	7.3%	7.2%	5.2%	3.3%	3.1%	4.1%	6.3%	5.0%	4.4%
Durable Medical Equipment	5.5%	3.5%	4.4%	3.7%	3.0%	4.0%	6.5%	4.4%	4.2%	5.3%	6.4%	5.0%	6.0%	3.9%	4.3%	4.4%	4.1%	4.4%
Other Health Care	4.1%	4.1%	6.0%	7.3%	8.3%	5.5%	5.1%	4.4%	5.9%	6.8%	6.3%	5.3%	4.7%	4.2%	5.9%	7.1%	7.7%	5.4%
Other Nondurable Medical Products	3.1%	3.0%	4.2%	4.0%	4.4%	3.9%	2.5%	3.5%	4.6%	5.0%	6.6%	4.6%	2.7%	3.2%	4.4%	4.4%	5.0%	4.2%

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

Sources: "Age and Gender Tables (2002-14)," National Health Expenditure Data: Age and Gender, Centers for Medicare & Medicaid Services.

Appendix C: Health Spending, by Medical Condition, United States, 2016 to 2018

	SPENDING (IN BILLIONS)			DISTRIBUTION			GROWTH	
	2016	2017	2018	2016	2017	2018	2017	2018
All Diseases/Conditions	\$2,258.3	\$2,253.0	\$2,460.0	100%	100%	100%	4.3%	4.5%
Routine Care, Signs and Symptoms	320.0	338.5	349.8	14%	14%	14%	5.8%	3.3%
Circulatory System Diseases	253.5	261.7	273.7	11%	11%	11%	3.3%	4.6%
Musculoskeletal System Diseases	229.7	237.3	245.2	10%	10%	10%	3.3%	3.3%
Nervous System Diseases	178.8	188.3	197.9	8%	8%	8%	5.3%	5.1%
Respiratory System Diseases	172.7	181.5	186.4	8%	8%	8%	5.1%	2.7%
Endocrine System Diseases	154.0	161.7	171.2	7%	7%	7%	5.0%	5.9%
Neoplasms	138.1	146.0	156.6	6%	6%	6%	5.7%	7.2%
Injury and Poisoning	136.6	139.9	143.5	6%	6%	6%	2.4%	2.5%
Infectious Diseases	121.5	126.8	135.8	5%	5%	6%	4.4%	7.1%
Digestive System Diseases	122.7	126.9	133.0	5%	5%	5%	3.5%	4.8%
Genitourinary System Diseases	118.9	121.6	126.7	5%	5%	5%	2.2%	4.2%
Mental Illness	104.5	114.8	122.3	5%	5%	5%	9.8%	6.5%
Other	94.6	95.5	98.4	4%	4%	4%	1.0%	3.1%
Skin Diseases	59.9	61.9	64.5	3%	3%	3%	3.3%	4.3%
Pregnancy	52.8	52.7	54.9	2%	2%	2%	-0.2%	4.3%

Notes: Spending on medical condition (shown) accounted for 84% of the \$2.9 trillion in 2018 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* is from the previous year.

Source: *Blended Account, 2000–2018*, Bureau of Economic Analysis, March 16, 2021.