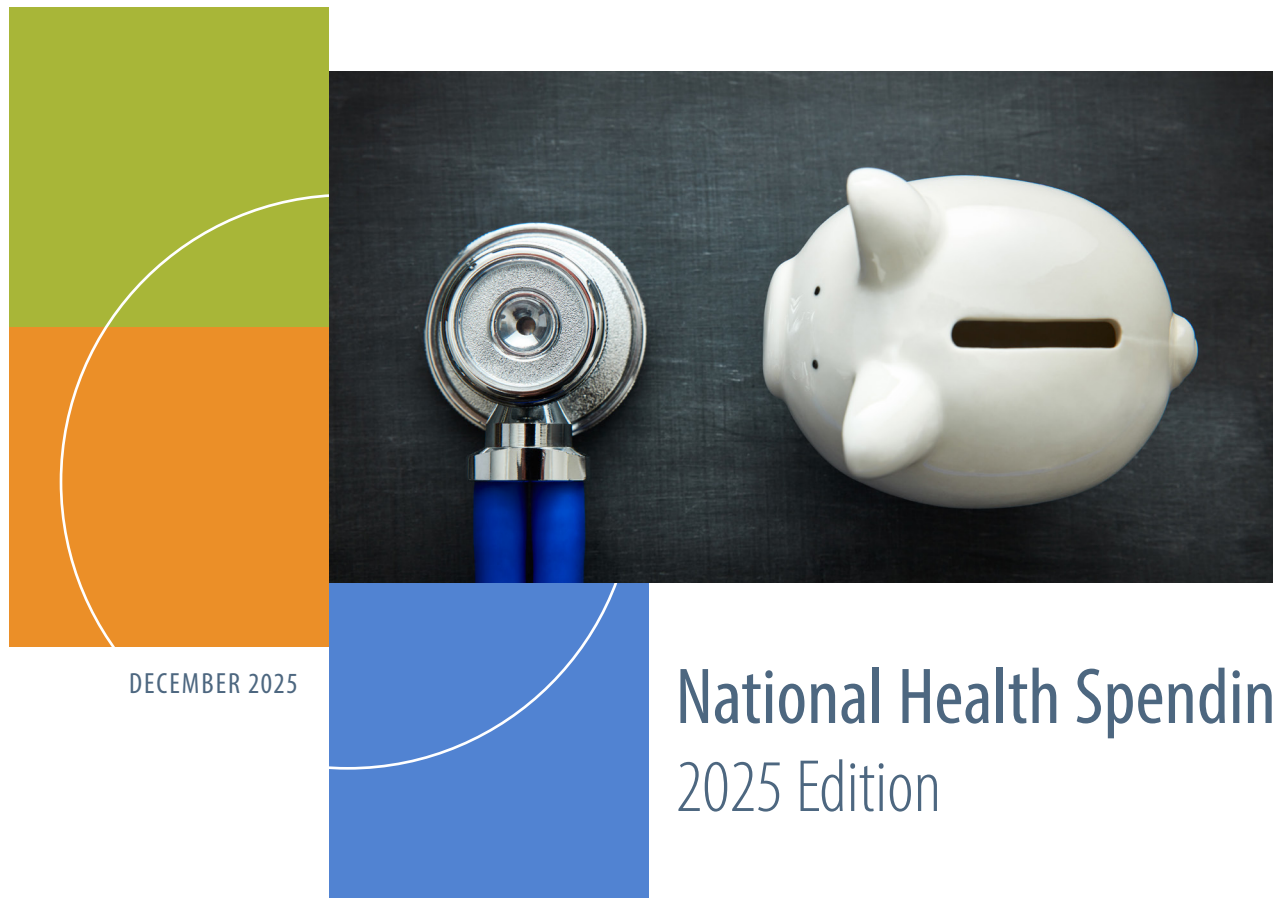


CALIFORNIA Health Care Almanac



DECEMBER 2025

National Health Spending 2025 Edition

Executive Summary

National Health Spending: 2025 Edition provides a detailed overview of national health spending in 2023, projections for the next decade, and age and gender data as of 2020.

In 2023, national health spending reached \$4.9 trillion, or \$14,570 per person. Spending grew 7.5% in 2023 — an acceleration from the 4.6% growth rate in 2022. Health spending accounted for 17.6% of gross domestic product (GDP) in 2023, roughly the same as in 2022 (17.4%). By comparison, GDP grew 6.6% in 2023, trailing the growth in health spending (7.5%).

Looking ahead, national health spending is projected to grow 5.8% annually from 2023 to 2033, outpacing the projected 4.3% average annual growth in GDP.

KEY FINDINGS INCLUDE:

- Health spending per person rose 7.0% in 2023.
- The federal government financed the largest share of national health spending (32%). Households contributed 27%, private businesses 18%, and state and local governments 16%.
- Hospital care and physician and clinical services made up half of all health spending. Spending in these categories grew 10.4% and 7.4%, respectively, in 2023.
- Prescription drug spending increased 11.4% in 2023, up from 7.8% growth in 2022. Prescription drugs accounted for 9.2% of all health spending.
- The net cost of health insurance represented 6.2% of total spending and grew 7.2% in 2023.
- Public health insurance programs accounted for 43% of national health spending. Medicare accounted for 21%, Medicaid for 18%, and other public programs for 4%. Private insurance composed 30%.
- Private health insurance spending rose 11.5% in 2023, far above the 6.8% growth in 2022. Spending per enrollee increased 9.7%, driven by higher spending on all medical goods and services.
- Total Medicaid spending increased 7.9%. Federal Medicaid spending rose 3.6% while state and local Medicaid spending grew 18.4%.
- Consumers’ out-of-pocket spending increased 7.2% in 2023. Spending for copays, deductibles, and goods and care not covered by insurance accounted for 10.4% of national health spending.

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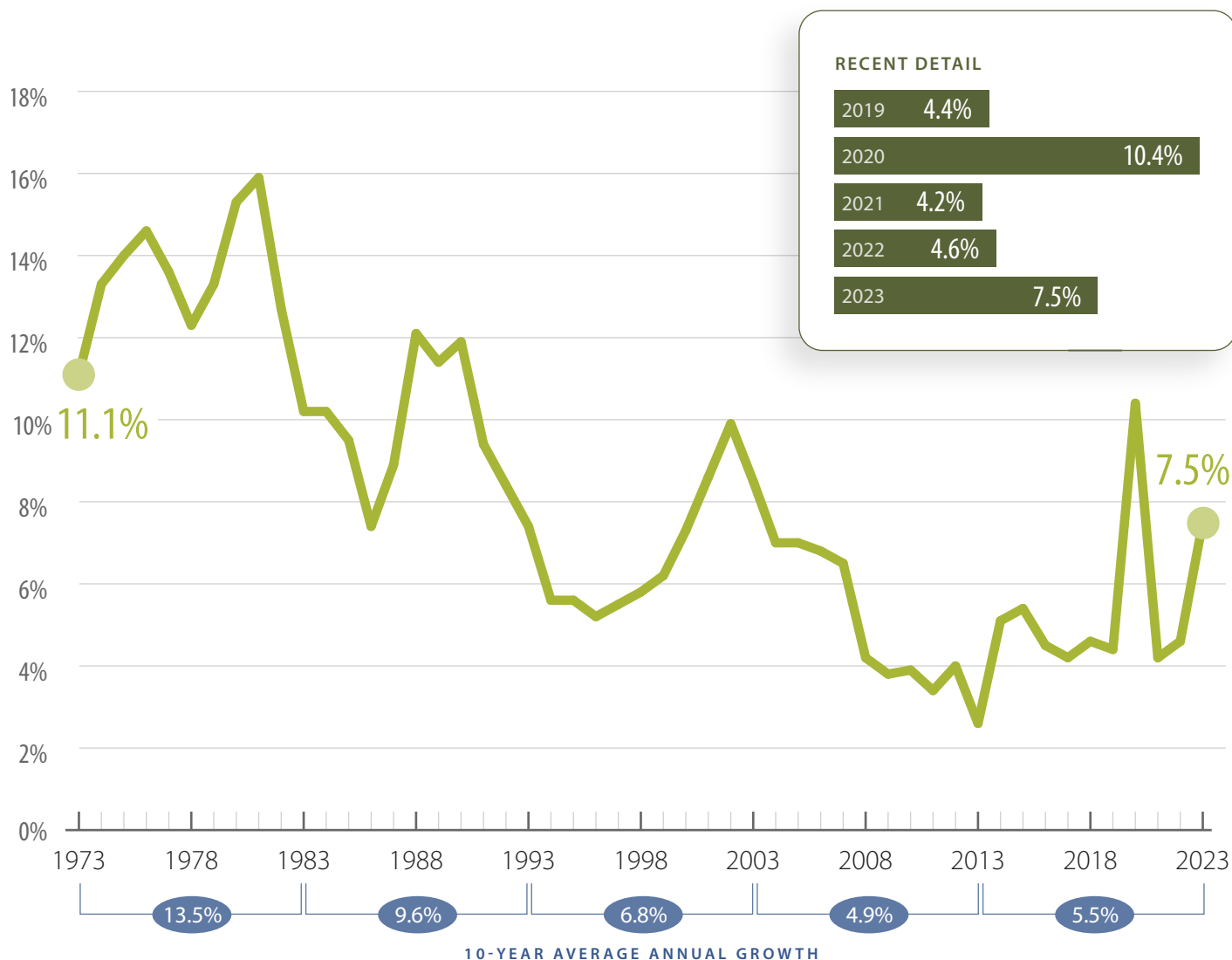
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Health Spending, Annual Growth

United States, 1973 to 2023



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

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

National Health Spending

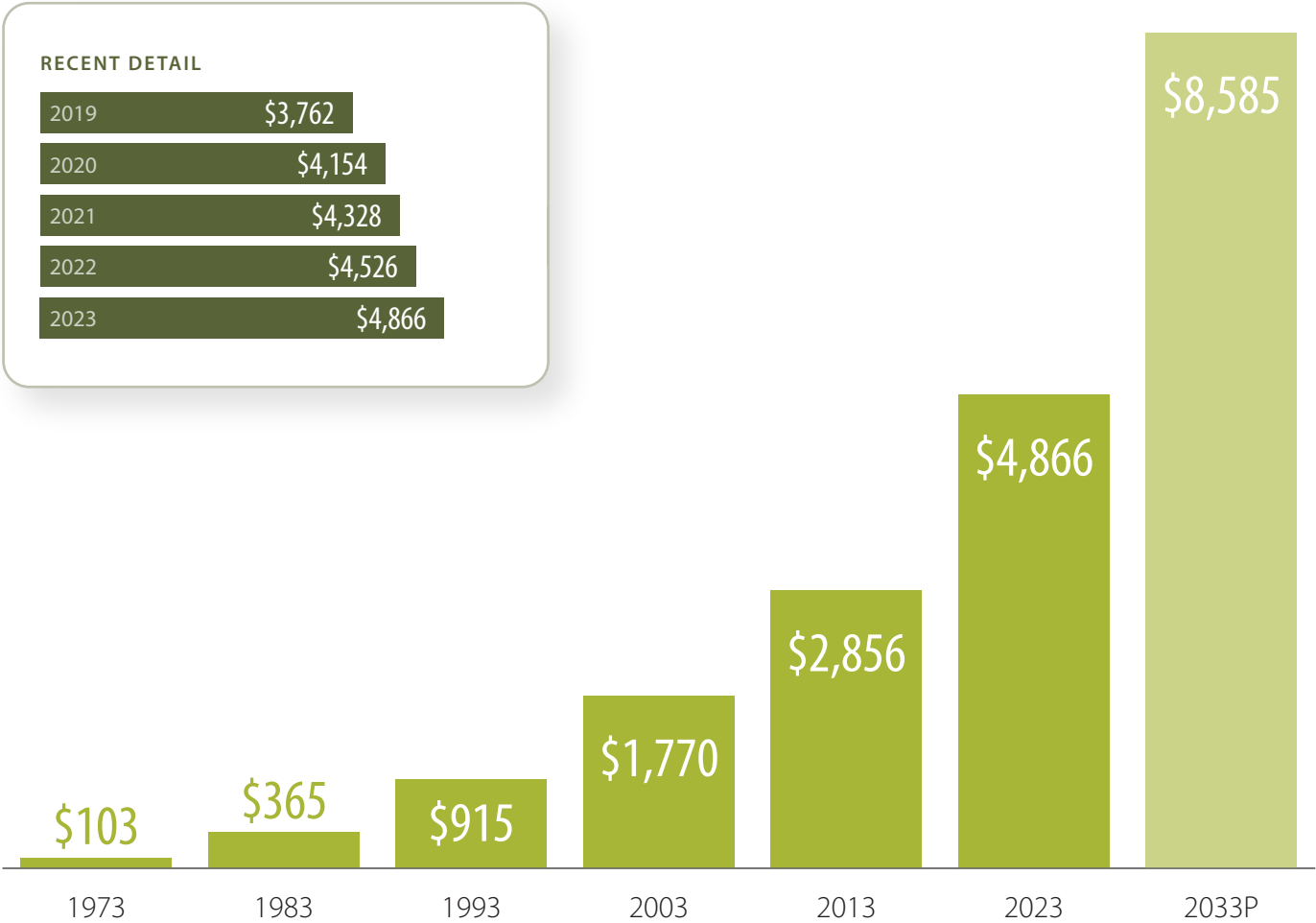
Spending Levels

Health care spending increased 7.5% in 2023, up from 4.6% in 2022. This increase was largely due to increased use of health care goods and services.

Health Spending

United States, 1973 to 2023, Selected Years, and 10-Year Projection

IN BILLIONS



National Health Spending

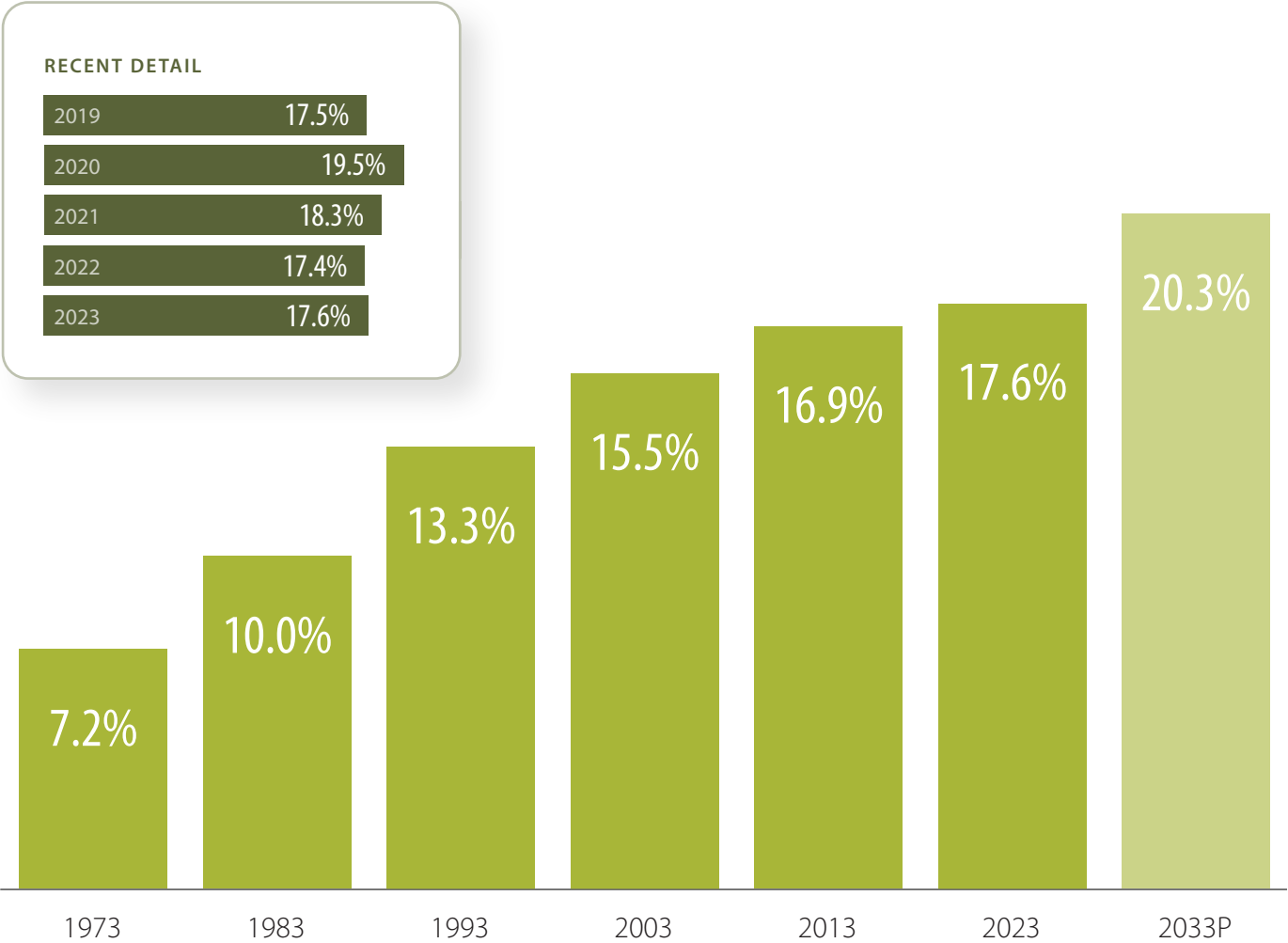
Spending Levels

Health spending was \$4.9 trillion in 2023 and is projected to reach \$8.6 trillion in 2033. Between 2023 and 2033, health spending is projected to grow at an average rate of 5.8% per year (not shown).

Notes: *Health spending* refers to national health expenditures. Projections shown as *P*.
Sources: [National Health Expenditure \(NHE\) historical data](#) (1960–2023), US Centers for Medicare & Medicaid Services (CMS); and [NHE projections](#) (2024–33), CMS.

Health Spending as a Share of GDP

United States, 1973 to 2023, Selected Years, and 10-Year Projection



National Health Spending

Spending Levels

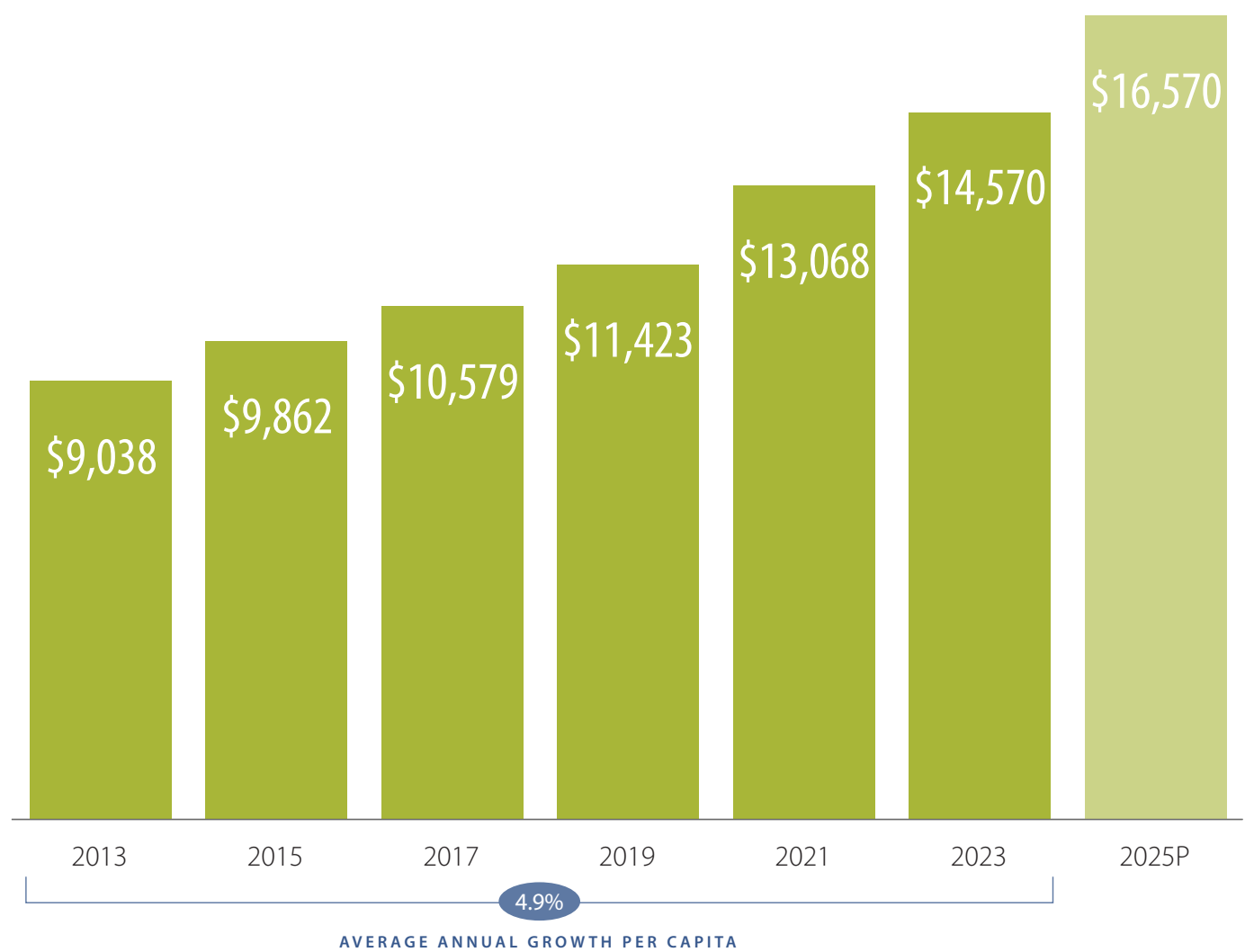
In 2023, health spending accounted for 17.6% of gross domestic product (GDP). The share of GDP devoted to health care reached 19.5% in 2020, the first year of the COVID-19 pandemic. In 2033, health care's share of GDP is projected to be 20.3%.

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 2023. See [page 28](#) for a comparison of growth rates in GDP and health spending.

Sources: [National Health Expenditure \(NHE\) historical data](#) (1960–2023), US Centers for Medicare & Medicaid Services (CMS); and [NHE projections](#) (2024–33), CMS.

Health Spending per Capita

United States, 2013 to 2023, Selected Years, and Two-Year Projection



National Health Spending

Spending Levels

In 2023, US health spending reached \$14,570 per person and is projected to reach \$16,570 per person in 2025. Per capita spending grew at a 10-year annual average rate of 4.9% between 2013 and 2023.

Notes: *Health spending* refers to national health expenditures. Projections shown as *P* and based on current law as of December 2022. *Average annual growth* was calculated by the author.
Source: National Health Expenditure (NHE) historical and projections data (1960–2033), US Centers for Medicare & Medicaid Services.

Health Spending per Enrollee

United States, 2022, 2023, and 20-Year Look Back

Payer	SPENDING (PER ENROLLEE)			AVERAGE ANNUAL GROWTH		
	2003	2022	2023	2003–23	2022	2023
Medicare	\$7,038	\$14,933	\$15,808	4.1%	4.4%	5.9%
Medicaid	\$6,262	\$8,869	\$9,502	2.1%	2.1%	7.1%
CHIP	\$1,501	\$3,305	\$3,370	4.1%	5.9%	2.0%
Total Private Health Insurance	\$2,988	\$6,441	\$7,065	4.4%	5.1%	9.7%
Employer-Sponsored	\$3,127	\$6,621	\$7,326	4.3%	5.7%	10.6%
Medigap	\$1,852	\$2,828	\$2,892	2.3%	0.4%	2.3%
Marketplace	n/a	\$6,930	\$7,079	n/a	1.2%	2.1%
Other Direct Purchase	\$1,316	\$6,408	\$6,821	8.6%	5.3%	6.5%

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 and 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* for 2003–23 is average annual and was calculated by the author; 2022 and 2023 are annual rates. Not shown: total direct purchase, which includes marketplace, Medigap, and other direct purchase.

Source: [National Health Expenditure historical data](#) (1960–2023), US Centers for Medicare & Medicaid Services.

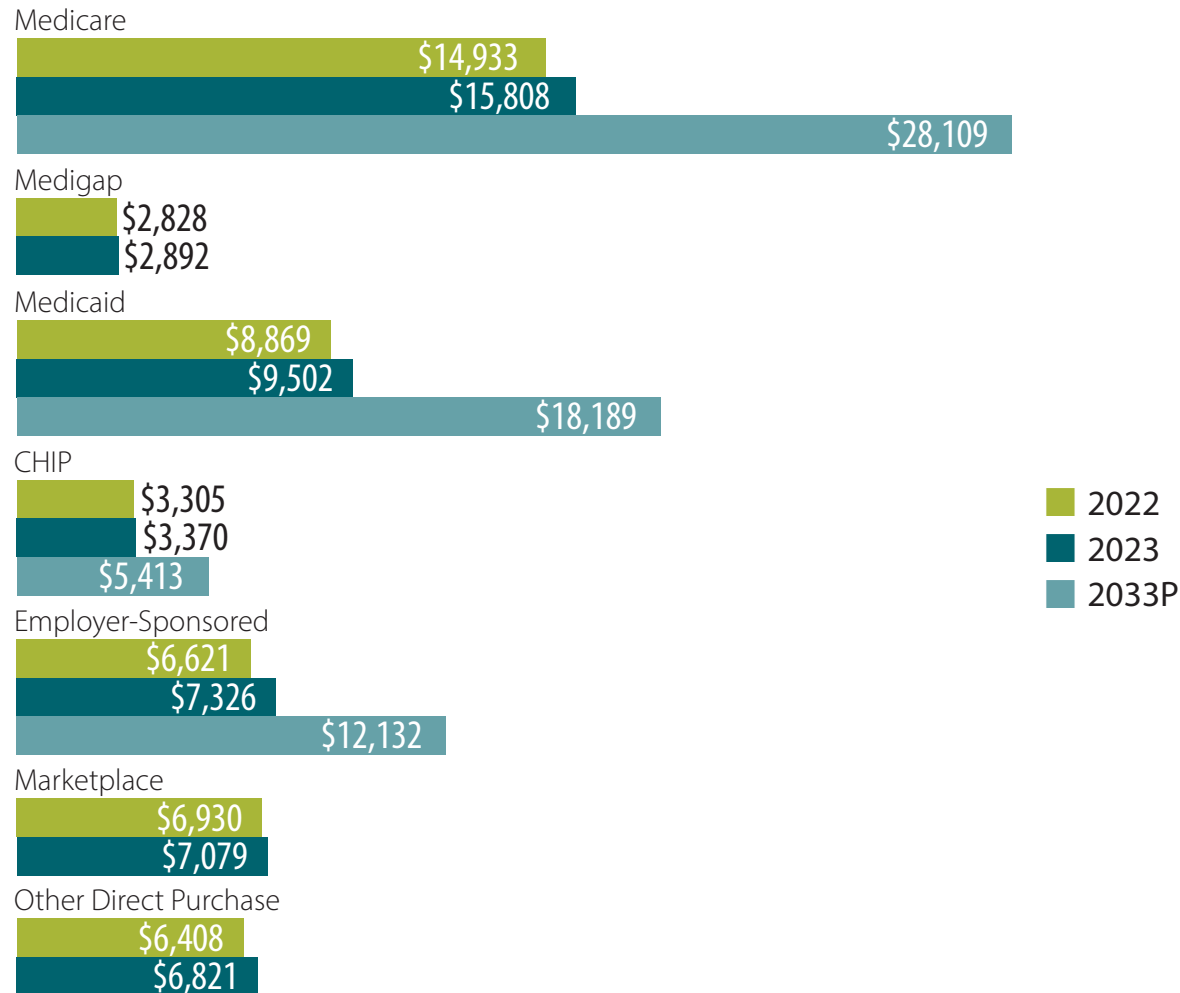
National Health Spending

Spending Levels

In 2023, per enrollee spending for private health insurance overall and employer-sponsored insurance had the largest rates of increase (9.7% and 10.6%, respectively). Growth in private health insurance was driven by increased spending for all medical goods and services, especially hospital care and prescription drugs, and for the net cost of insurance, which rose 12.5% (not shown).

Health Spending per Enrollee

United States, 2022, 2023, and 10-Year Projection



National Health Spending

Spending Levels

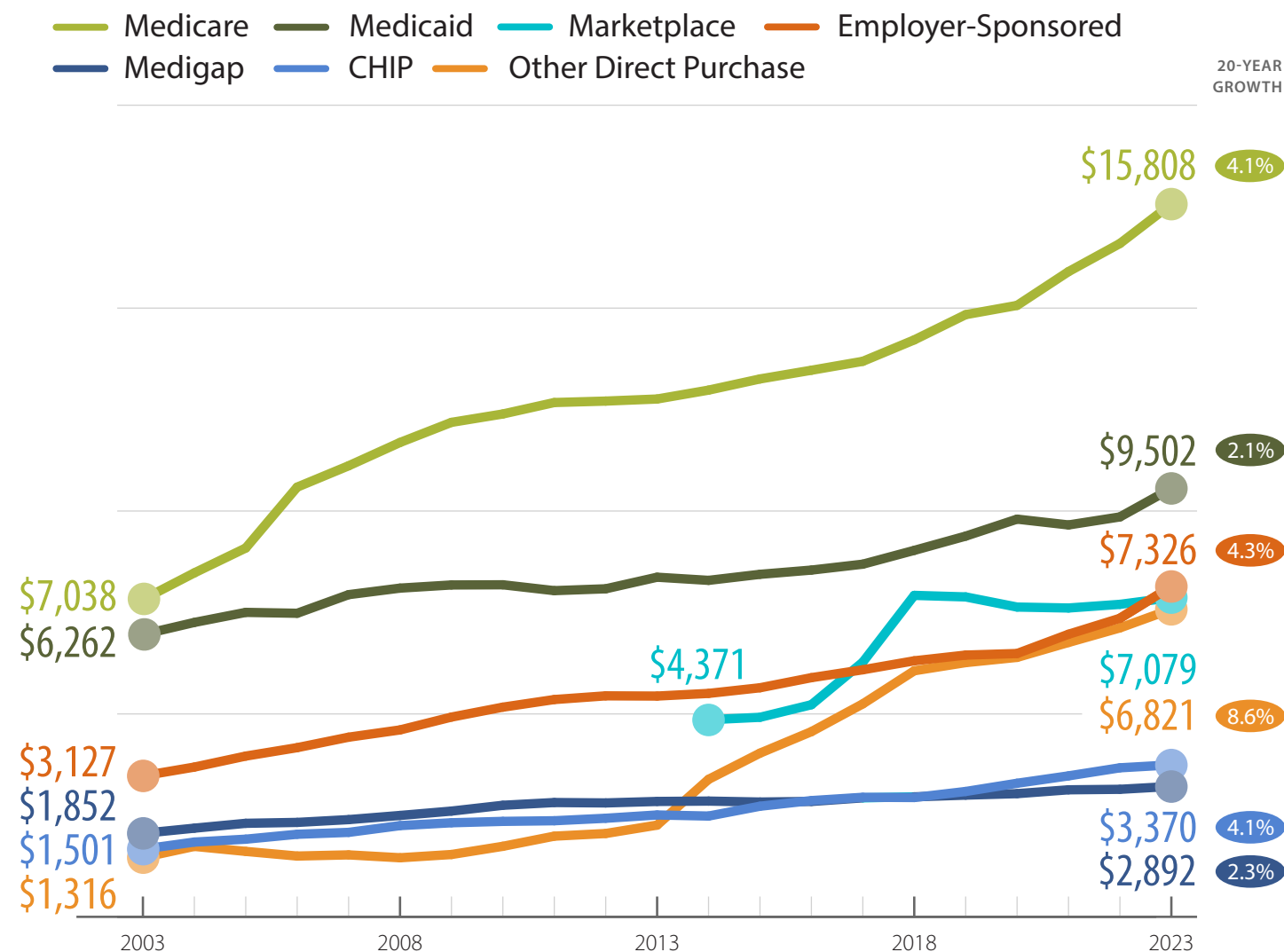
In 2023, per enrollee spending on employer-sponsored health insurance was about \$7,300, nearly \$2,200 less than Medicaid and \$8,500 less than Medicare. Medicare spending is projected to reach \$28,000 per enrollee in 2033.

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 and includes premium and cost-sharing subsidies. *Other direct purchase* includes insurance purchased on the private market that is not associated with an employer, Medicaid, or marketplace plan. Not shown: total direct purchase, which includes marketplace, Medicaid, and other direct purchase. Projections shown as *P*. Projections are not available for marketplace, Medicaid, and other direct purchase.

Source: National Health Expenditure (NHE) historical and projections data (1960–2033), US Centers for Medicare & Medicaid Services.

Health Spending per Enrollee

United States, 2003 to 2023



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 and 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 is average annual (2003–23) and calculated by the author. Not shown: total direct purchase insurance, which includes marketplace, Medigap, and other direct purchase.

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

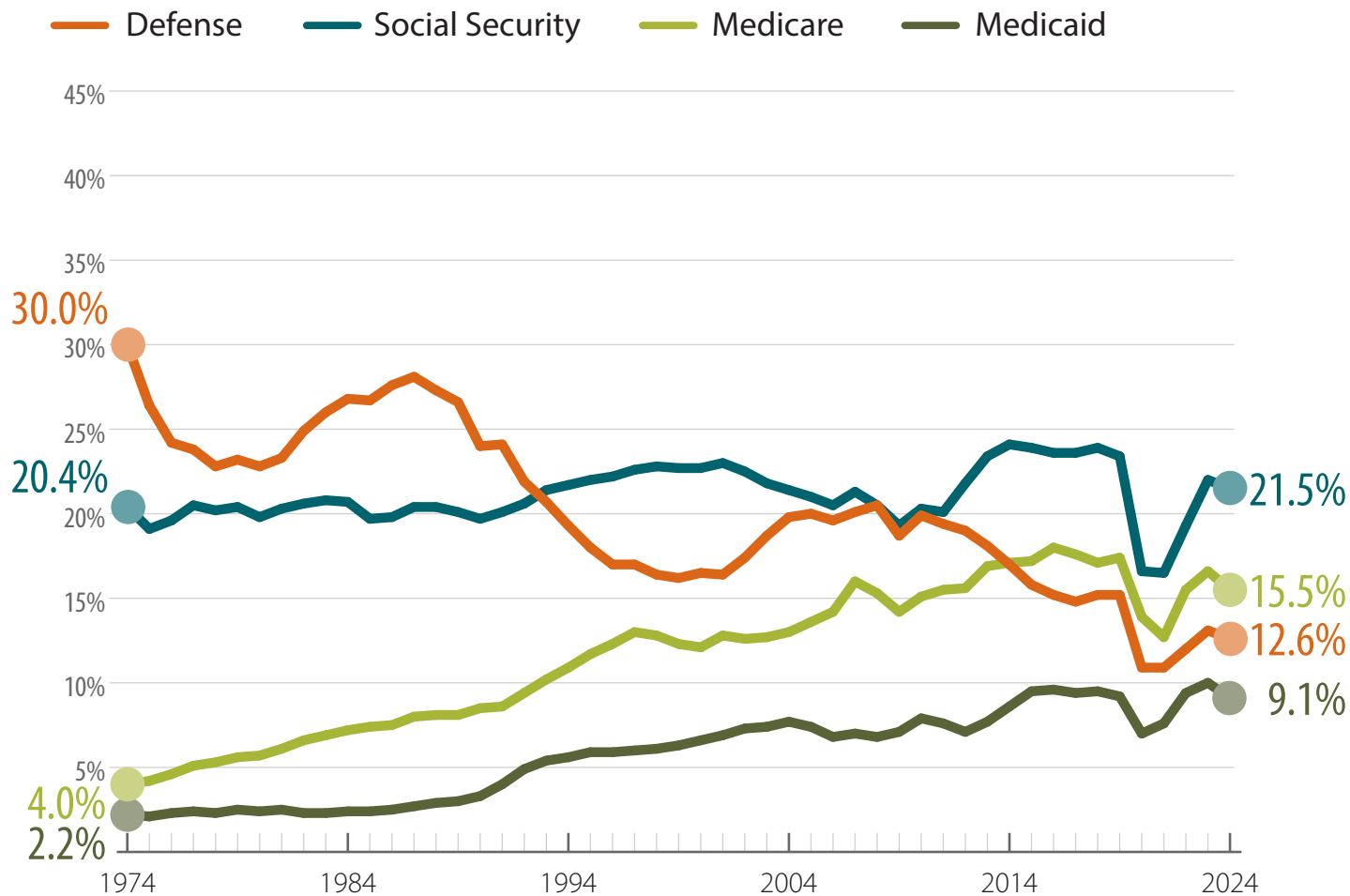
National Health Spending

Spending Levels

Since 2003, the 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 contributed to slower growth in Medicaid per enrollee spending.

Major Programs as a Share of the Federal Budget

United States, 1974 to 2024



Notes: Percentages are share of total federal spending. Medicaid in the federal budget excludes state Medicaid spending.

Source: Author calculations based on "Historical Budget Data," in *The Budget and Economic Outlook: 2025 to 2035*, Congressional Budget Office, January 2025.

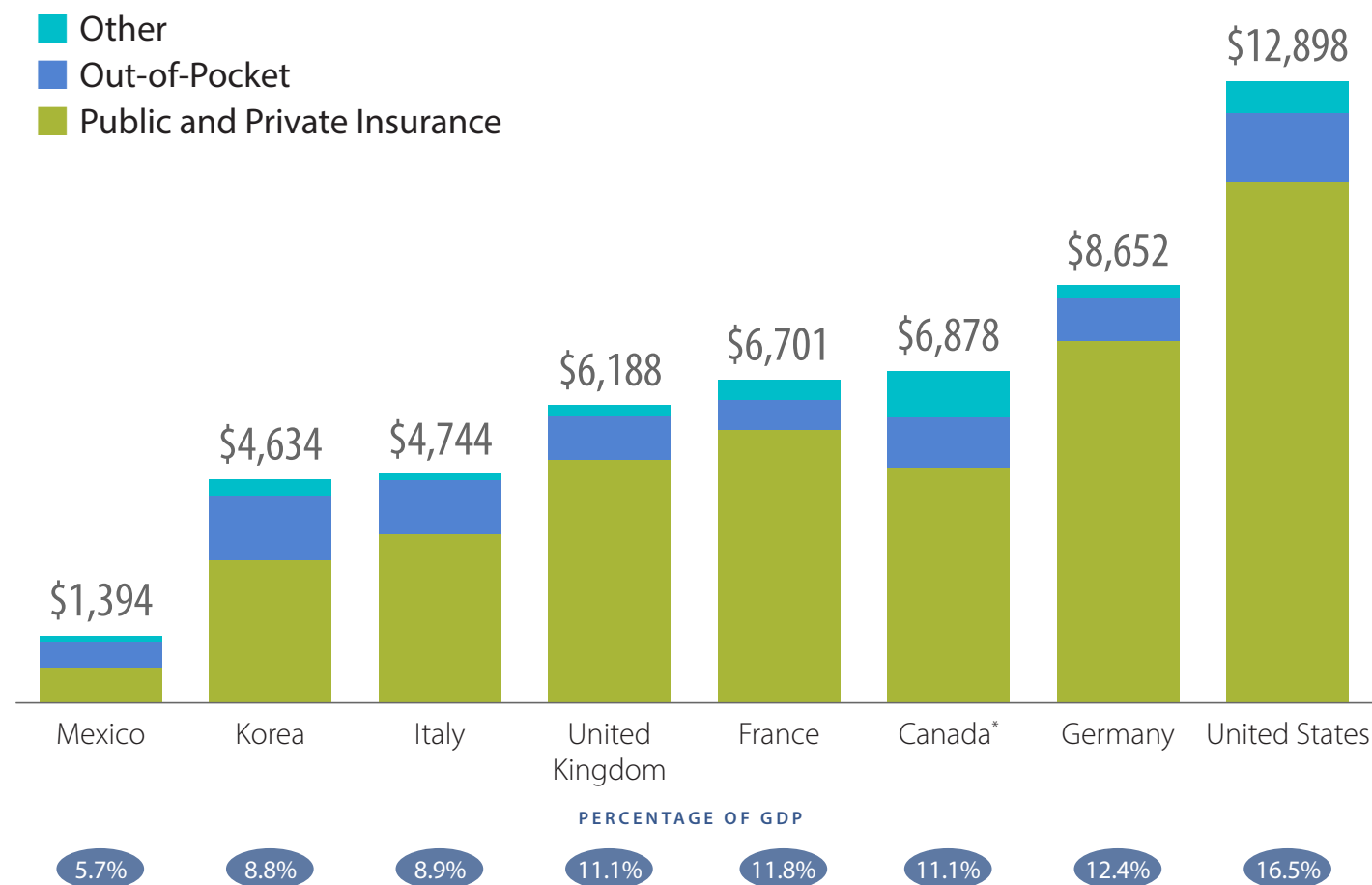
National Health Spending

Spending Levels

Between 1974 and 2024, the share of the federal budget spent on Medicare and Medicaid programs increased, and the share spent on defense decreased. Since 2014, the US has spent more on Medicare than defense. The 2020 decrease in all four major programs was due to increased federal spending related to the COVID-19 pandemic.

Health Spending per Capita and as a Share of GDP

Selected Developed Countries, 2022



* Provisional values; different definition of total health care.

Notes: US spending per capita as reported by the 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). For more information on OECD classification of spending, see *A System of Health Accounts 2011*, rev. ed. (OECD Publishing, 2017).

Source: "OECD Data Explorer: Health Expenditure and Financing," OECD, last updated July 2025.

National Health Spending

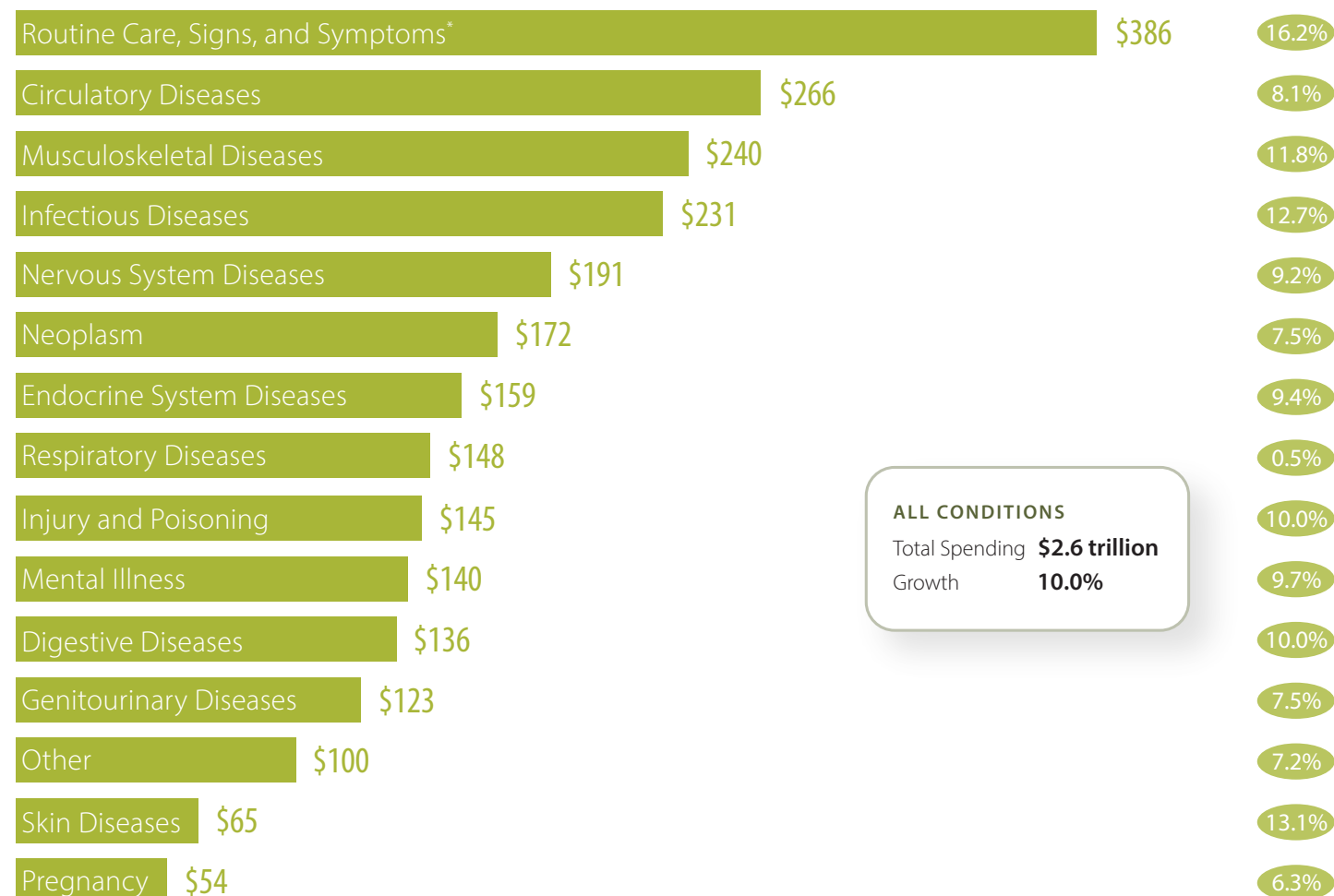
Spending Levels

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). The US was the only member of the Organisation for Economic Co-operation and Development spending more than 13% of GDP on health care (not shown).

Health Spending by Medical Condition

United States, 2021

IN BILLIONS



* Source uses *Symptoms; signs; and ill-defined conditions*.

Notes: *Growth* is the change in 2021 spending over 2020. Spending on medical conditions shown accounted for 83% of the \$3.1 trillion in 2021 health care spending in the Health Care Satellite Account data. 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: *Health Care Satellite Account Data: Blended Account, 2000–2021*, US Bureau of Economic Analysis, November 30, 2023.

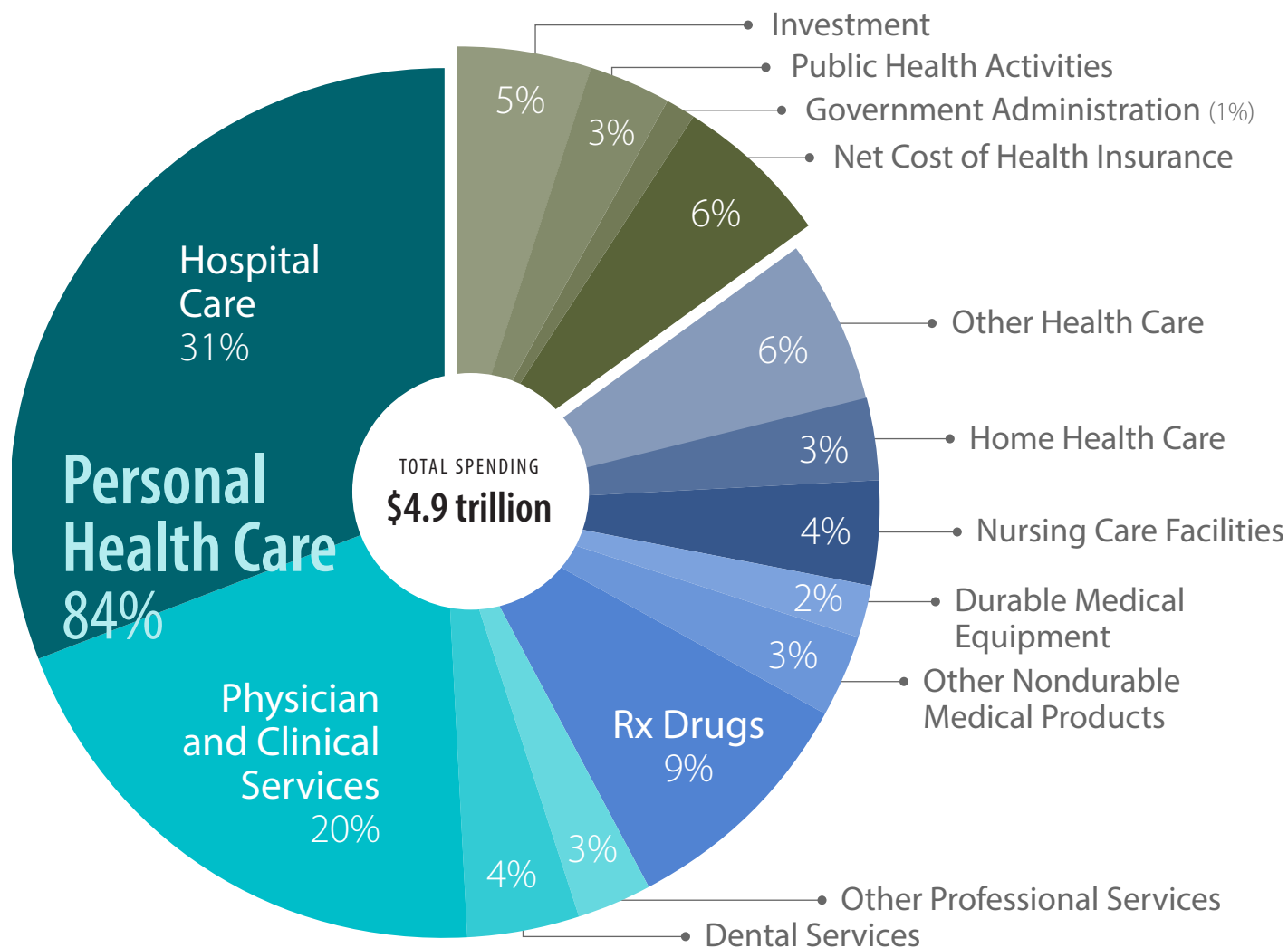
National Health Spending

Spending Levels

In 2021, the second year of the COVID-19 pandemic, spending on infectious diseases increased 13%, down from the 64% increase in 2020 (not shown). More money was spent on routine care, signs, and symptoms than on other conditions.

Health Spending by Category

United States, 2023



Notes: Health spending refers to national health expenditures. Figures may not sum due to rounding. For additional detail on spending categories, see [page 14](#) and [Appendix A](#).

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

National Health Spending

Spending Categories

Hospital care and physician and clinical services combined accounted for half of health care spending. Prescription drugs was the third-largest category. The net cost of health insurance was 6% of health spending, more than any direct care service such as dental, nursing care facilities, or home health care.

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 is other health, residential, and personal care.

Health Spending, by Category

United States, 2022, 2023, and 20-Year Look Back

	SPENDING (IN BILLIONS)			DISTRIBUTION			GROWTH		
	2003	2022	2023	2003	2022	2023	2003–23	2022	2023
National Health Expenditures	\$1,770.4	\$4,525.8	\$4,866.5	100%	100%	100%	5.2%	4.6%	7.5%
Hospital Care	525.9	1,376.7	1,519.7	30%	30%	31%	5.4%	3.2%	10.4%
Physician and Clinical Services	364.3	910.4	978.0	21%	20%	20%	5.1%	4.6%	7.4%
Dental Services	76.3	163.7	173.8	4%	4%	4%	4.2%	-0.4%	6.2%
Other Professional Services	46.5	142.7	159.9	3%	3%	3%	6.4%	6.1%	12.0%
Nursing Care Facilities	100.1	192.9	211.3	6%	4%	4%	3.8%	5.9%	9.5%
Home Health Care	40.2	133.4	147.8	2%	3%	3%	6.7%	6.7%	10.8%
Other Health Care	81.8	247.7	270.2	5%	5%	6%	6.2%	9.7%	9.1%
Prescription Drugs	179.7	403.6	449.7	10%	9%	9%	4.7%	7.8%	11.4%
Durable Medical Equipment	30.7	68.6	72.8	2%	2%	1%	4.4%	7.3%	6.2%
Other Nondurable Medical Products	30.3	115.6	124.1	2%	3%	3%	7.3%	8.5%	7.3%
Net Cost of Health Insurance	106.4	282.6	302.9	6%	6%	6%	5.4%	6.8%	7.2%
Government Administration	25.4	54.0	57.4	1%	1%	1%	4.2%	4.0%	6.2%
Public Health Activities	54.2	206.8	160.2	3%	5%	3%	5.6%	-2.1%	-22.6%
Investment	108.6	227.2	238.8	6%	5%	5%	4.0%	4.0%	5.1%

Notes: *Health spending* refers to national health expenditures. *Growth* for 2003–23 is average annual and was calculated by the author; 2022 and 2023 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.

Source: [National Health Expenditure historical data \(1960–2023\)](#), US Centers for Medicare & Medicaid Services.

National Health Spending

Spending Categories

In 2023, overall health spending increased 7.5%, faster than in 2022 (4.6%) and the 20-year average (5.2%). Other professional services (which includes chiropractors, optometrists, and physical therapists) and prescription drugs had the largest increases in 2023. Spending on public health activities decreased 22.6% in 2023.

SPENDING CATEGORY DEFINITIONS

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

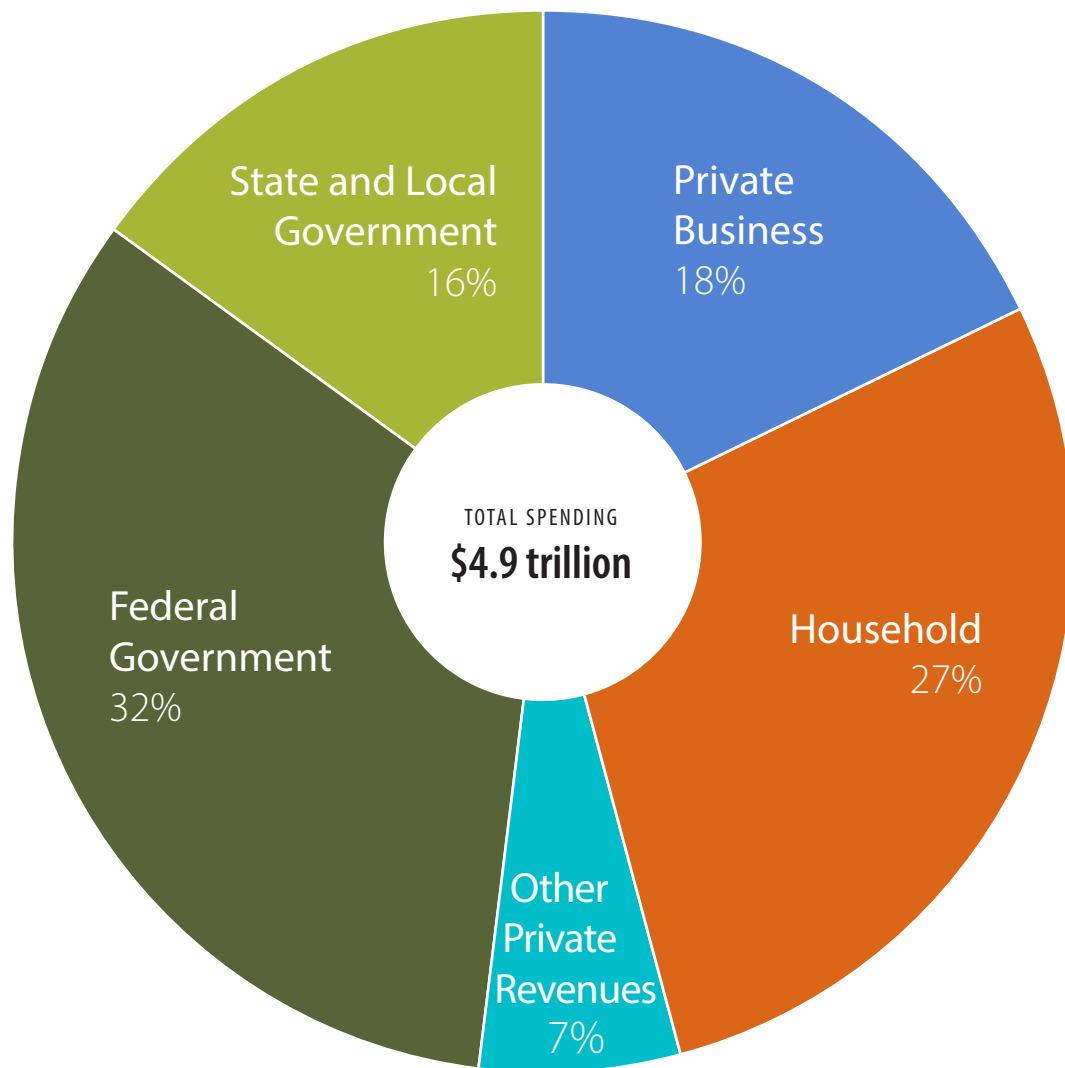
Investment is noncommercial research, structures, and equipment.

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 is other health, residential, and personal care.

Health Spending, by Sponsor

United States, 2023



Notes: *Health spending* refers to national health expenditures. *Sponsors* are the entities ultimately responsible for financing the health care bill. See page 17 for trend data. Figures may not sum due to rounding.

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

National Health Spending

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 2023, the federal government financed 32% of spending, and households financed 27%.

SPONSOR DEFINITIONS

Federal government includes general tax revenues spent on health care programs, and premiums and payroll taxes for federal employees.

Household represents expenditures by individuals to provide or purchase health care for themselves or family members and includes out-of-pocket spending and payroll taxes.

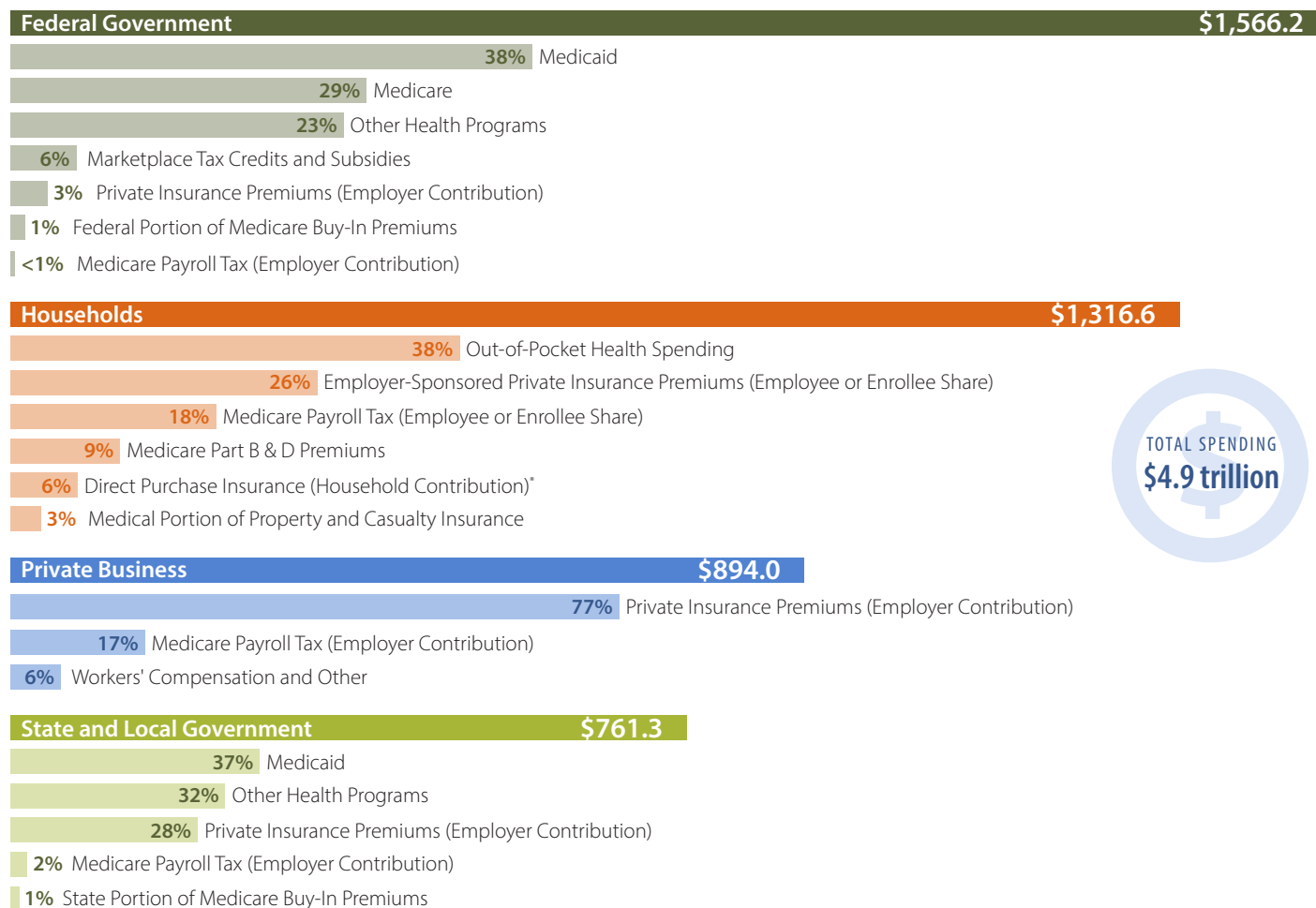
Other private revenues include philanthropy, investment income, and private investment in research, structures, and equipment.

Private business represents health care expenditures by employers on behalf of their employees, including premium contributions and payroll taxes.

State and local governments finance health care programs and also pay for health insurance coverage for state and local government employees.

Health Spending, by Sponsor Detail

United States, in Billions, 2023



TOTAL SPENDING
\$4.9 trillion

National Health Spending

Sponsors

In 2023, Medicaid (38%) and Medicare (29%) were the largest components of health spending financed by the federal government. Out-of-pocket spending accounted for the largest share (38%) of household health spending. Contributions to workers' health insurance premiums were the majority (77%) of private business health spending. Medicaid was the largest component (37%) of state and local government health spending.

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

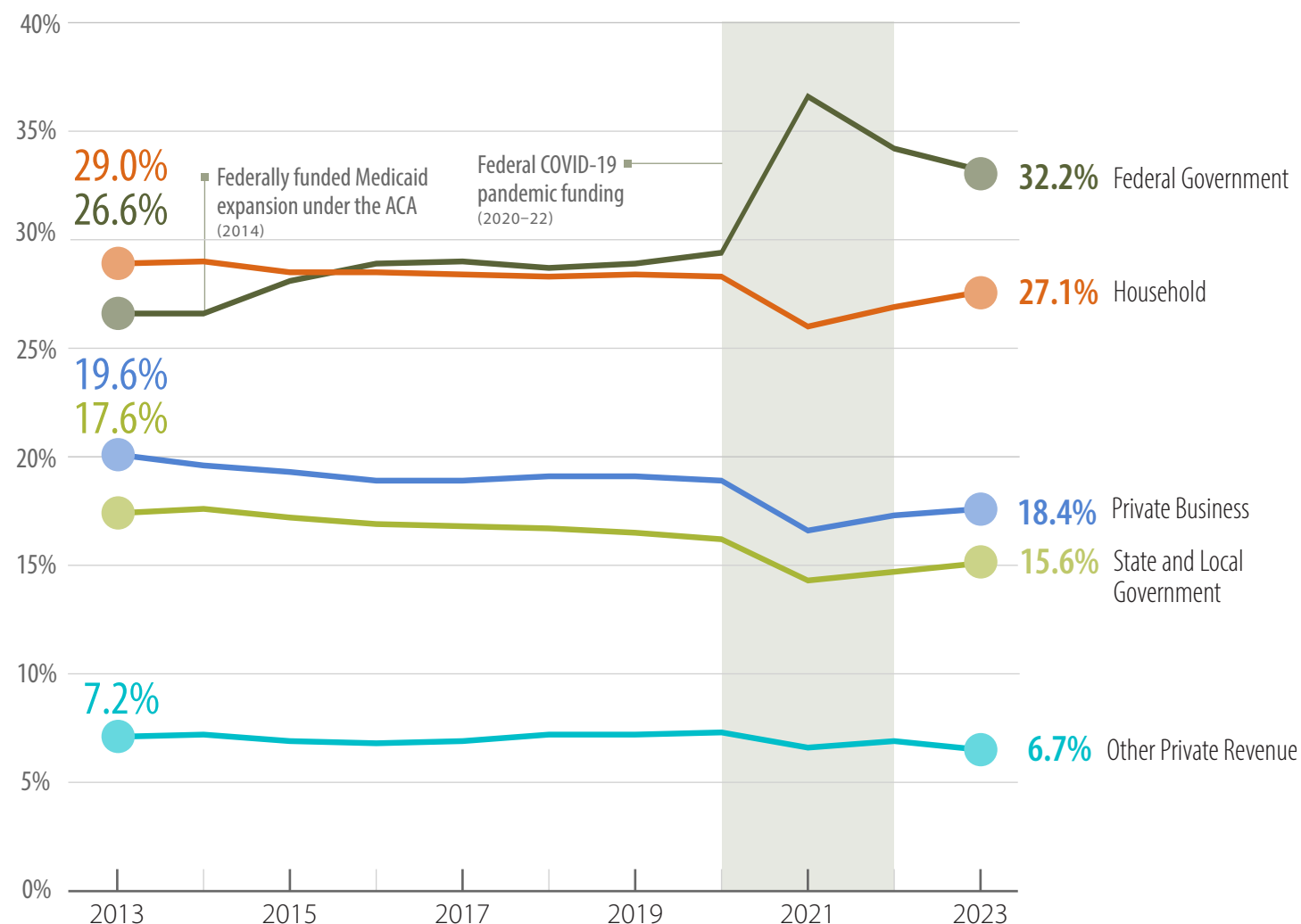
Notes: *Health spending* refers to national health expenditures. *Sponsors* are the entities ultimately responsible for financing the health care bill. Federal *other health programs* includes federal public health, COVID-19-related provider relief, Departments of Defense and Veterans Affairs health care, Maternal and Child Health, and Children's Health Insurance Program (CHIP). State *other health programs* includes public health spending, CHIP, and school health. *Direct purchase* includes marketplace, Medigap, and other direct purchase insurance. *Marketplace* is individual coverage purchased on federal- and state-run health exchanges, such as [healthcare.gov](https://www.healthcare.gov) and Covered California. Household spending excludes government-paid advance premium tax credit and cost-sharing reductions. *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 private revenues (\$328 billion). Figures may not sum due to rounding.

Source: [National Health Expenditure historical data](#) (1960–2023), US Centers for Medicare & Medicaid Services.

Health Spending, by Sponsor

United States, 2013 to 2023

SHARE OF HEALTH SPENDING



Notes: *Health spending* refers to national health expenditures. *Sponsors* are the entities ultimately responsible for financing the health care bill. See page 16 for detail on how sponsors finance health care spending.

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

National Health Spending

Sponsors

In 2023, the federal government's share of health spending continued to decline following the sharp COVID-19 pandemic-related increase in 2020.

SPONSOR DEFINITIONS

Federal government includes general tax revenues spent on health care programs, and premiums and payroll taxes for federal employees.

Household represents expenditures by individuals to provide or purchase health care for themselves or family members and includes out-of-pocket spending and payroll taxes.

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

Private business represents health care expenditures by employers on behalf of their employees, including premium contributions and payroll taxes.

State and local governments finance health care programs and also pay for health insurance coverage for state and local government employees.

Health Spending, by Sponsor

United States, 2022, 2023, and 20-Year Look Back

	SPENDING (IN BILLIONS)			DISTRIBUTION			GROWTH		
	2003	2022	2023	2003	2022	2023	2003–23	2022	2023
National Health Expenditures	\$1,770.4	\$4,525.8	\$4,866.5	100%	100%	100%	5.2%	4.6%	7.5%
Private Business	420.3	805.7	894.0	24%	18%	18%	3.8%	6.8%	11.0%
Household	543.6	1,233.0	1,316.6	31%	27%	27%	4.5%	7.7%	6.8%
Other Private Revenues	118.7	291.3	328.4	7%	6%	7%	5.2%	-2.7%	12.7%
Federal Government	392.5	1,514.0	1,566.2	22%	33%	32%	7.2%	1.9%	3.4%
State and Local Government	295.3	681.9	761.3	17%	15%	16%	4.8%	6.0%	11.6%

Notes: *Health spending* refers to national health expenditures. *Sponsors* are the entities ultimately responsible for financing the health care bill. *Growth* for 2003–23 is average annual rate and was calculated by the author; 2022 and 2023 are annual rates. Figures may not sum due to rounding. See [page 16](#) for detail on how sponsors finance health care spending.

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

National Health Spending

Sponsors

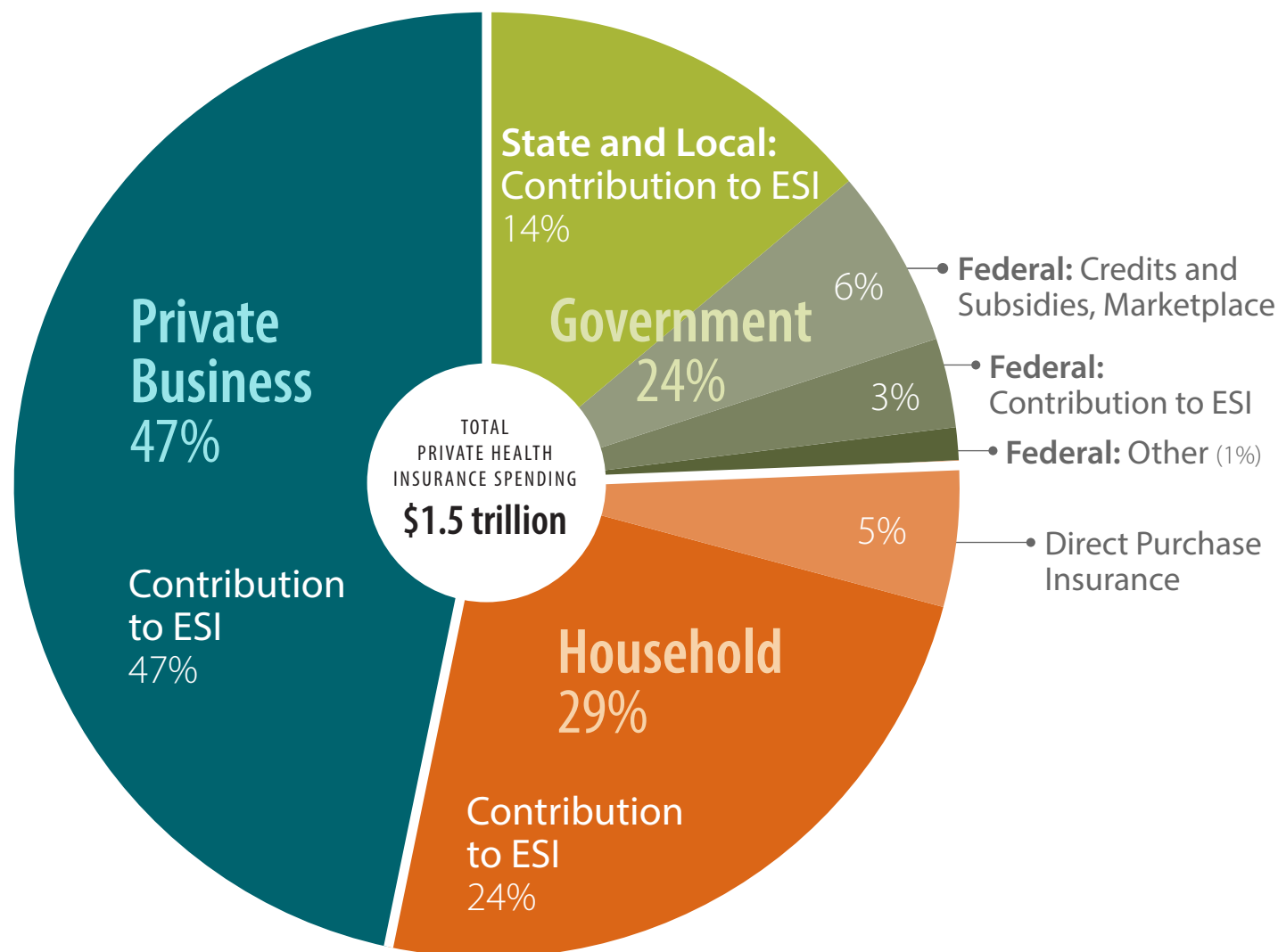
Between 2003 and 2023, federal government health spending grew by an average of 7.2% annually. In 2023, it grew by 3.4%, while total health spending increased 7.5%. State and local government and private business health spending each increased over 11% in 2023, well above their 20-year averages.

SPONSOR DEFINITIONS

- Federal government** includes general tax revenues spent on health care programs, and premiums and payroll taxes for federal employees.
- Household** represents expenditures by individuals to provide or purchase health care for themselves or family members and includes out-of-pocket spending and payroll taxes.
- Other private revenues** include philanthropy, investment income, and private investment in research, structures, and equipment.
- Private business** represents health care expenditures by employers on behalf of their employees, including premium contributions and payroll taxes.
- State and local governments** finance health care programs and also pay for health insurance coverage for state and local government employees.

Private Health Insurance, by Sponsor

United States, 2023



National Health Spending

Sponsors

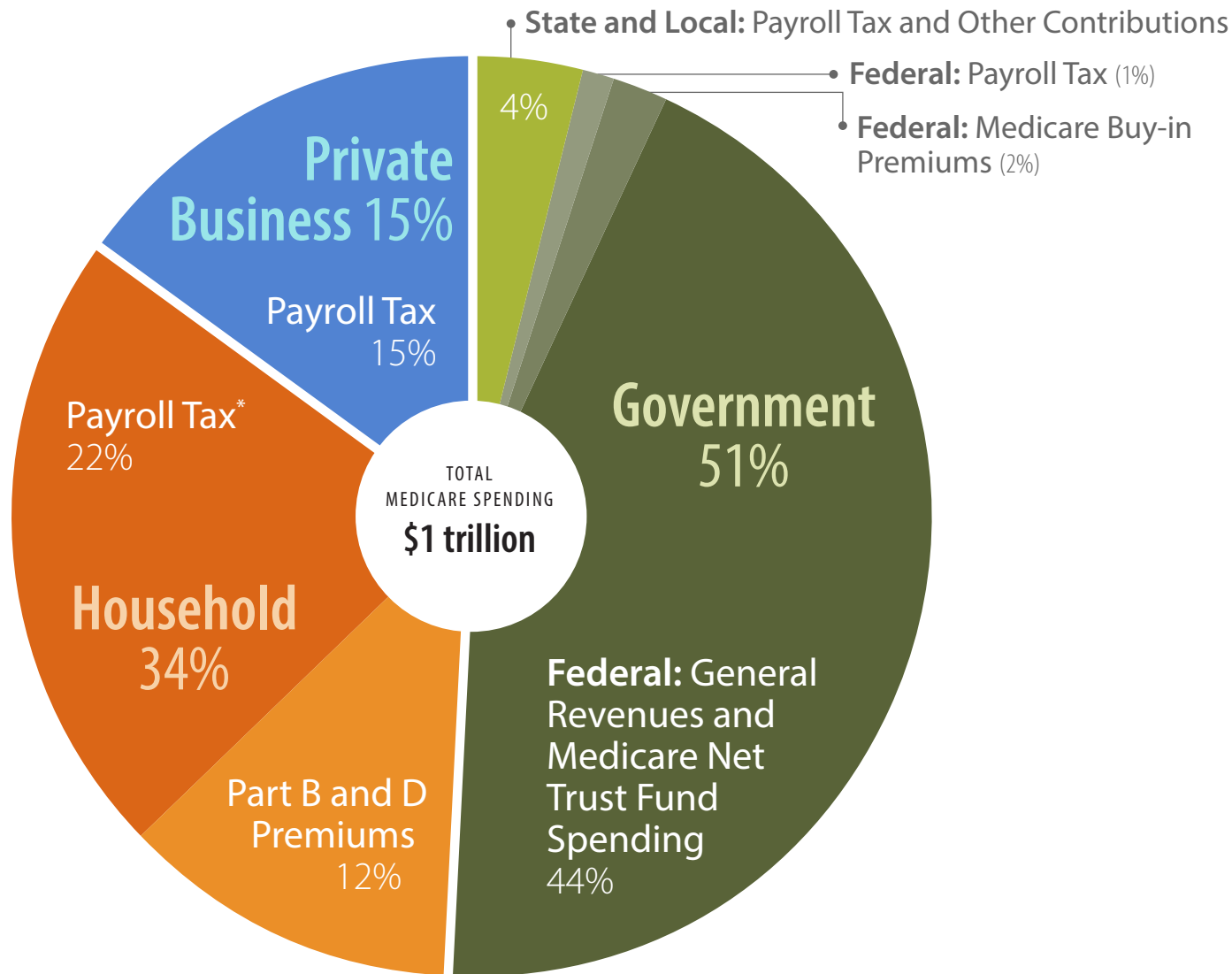
In 2023, private business was the largest funder of private health insurance, accounting for 47%. Households paid 29% through worker contributions to employer-sponsored insurance and direct purchase insurance. Governments paid the balance, which included contributions to their workers' insurance premiums. Federally funded marketplace credits and subsidies totaled \$92 billion, or 6%, of total private 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 (1960–2023), US Centers for Medicare & Medicaid Services.

Medicare, by Sponsor

United States, 2023



* 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 (1960–2023), US Centers for Medicare & Medicaid Services.

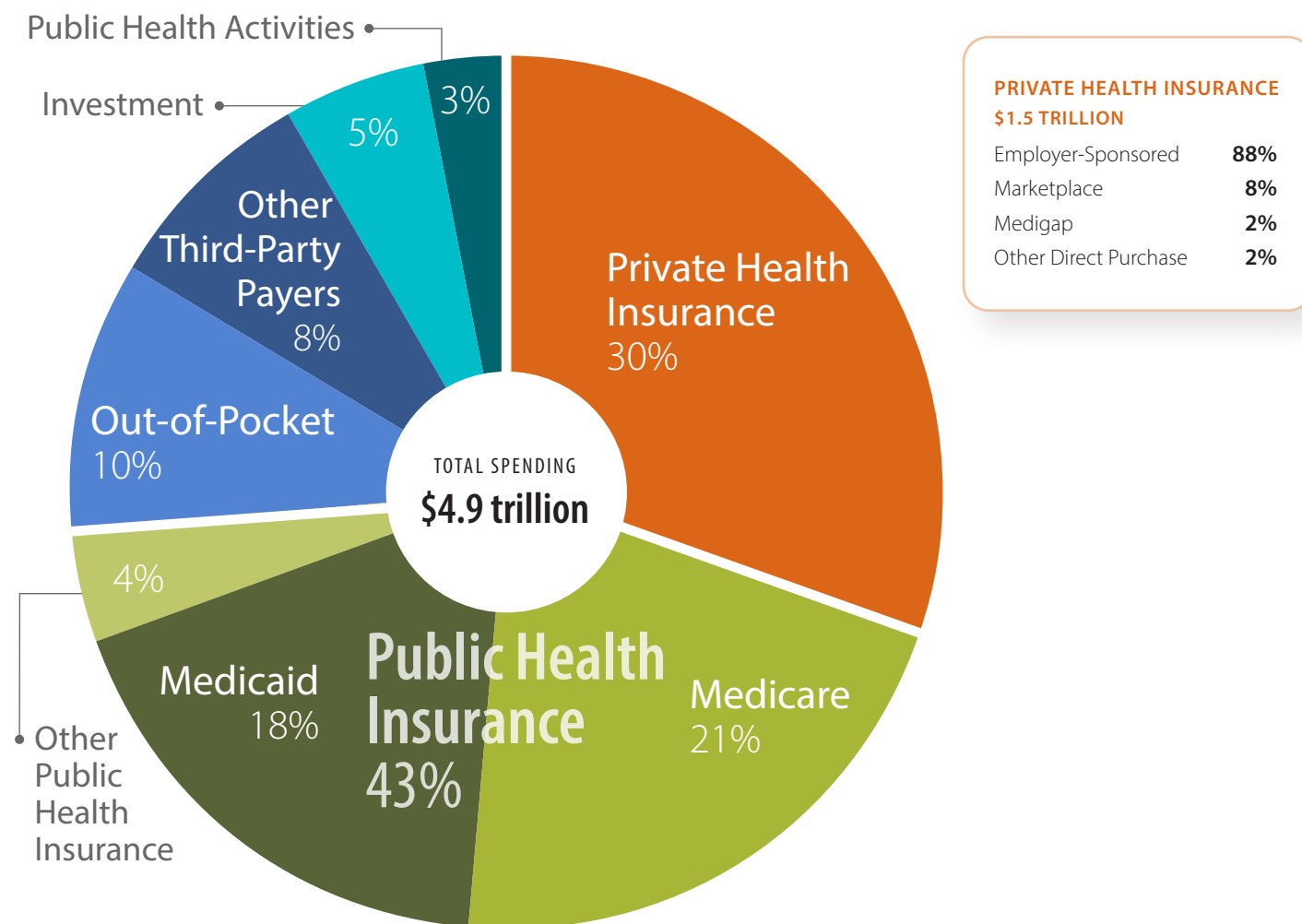
National Health Spending

Sponsors

Medicare is financed by general revenue funds, payroll taxes, and premiums. In 2023, government sources accounted for 51% of Medicare spending, mainly from federal general revenues and Medicare net trust fund spending. Households funded 34% 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%.

Health Spending, by Payer

United States, 2023



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 (1960–2023), US Centers for Medicare & Medicaid Services.

National Health Spending

Payment Sources

In 2023, all public health insurance combined paid for 43% of health spending (including 21% by Medicare and 18% by Medicaid). Private health insurance accounted for 30% 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.

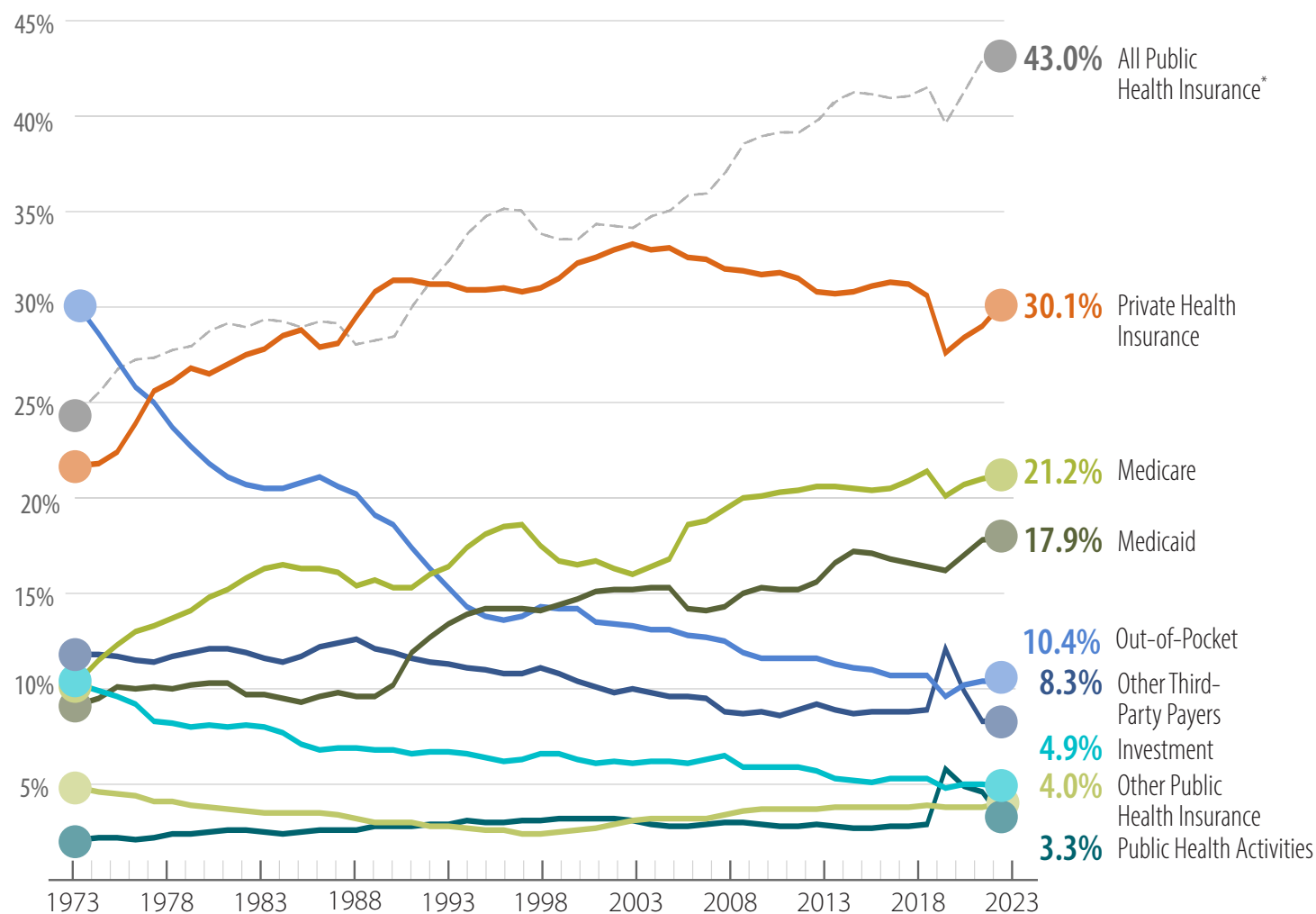
Other third-party payers includes worksite health care, other private revenues, Indian Health Services, workers' compensation, maternal and child health, vocational rehabilitation, and other programs.

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, 1973 to 2023

SHARE OF HEALTH SPENDING



* Includes Medicare, Medicaid, and other public health insurance.

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 (1960–2023), US Centers for Medicare & Medicaid Services.

National Health Spending

Payment Sources

Between 1973 and 2023, the share of health care spending paid by public health insurance and private health insurance increased. During the same period, the share of out-of-pocket spending declined. The impact of the COVID-19 pandemic can be seen in the increased share of spending on public health and by other third-party payers in 2020.

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.

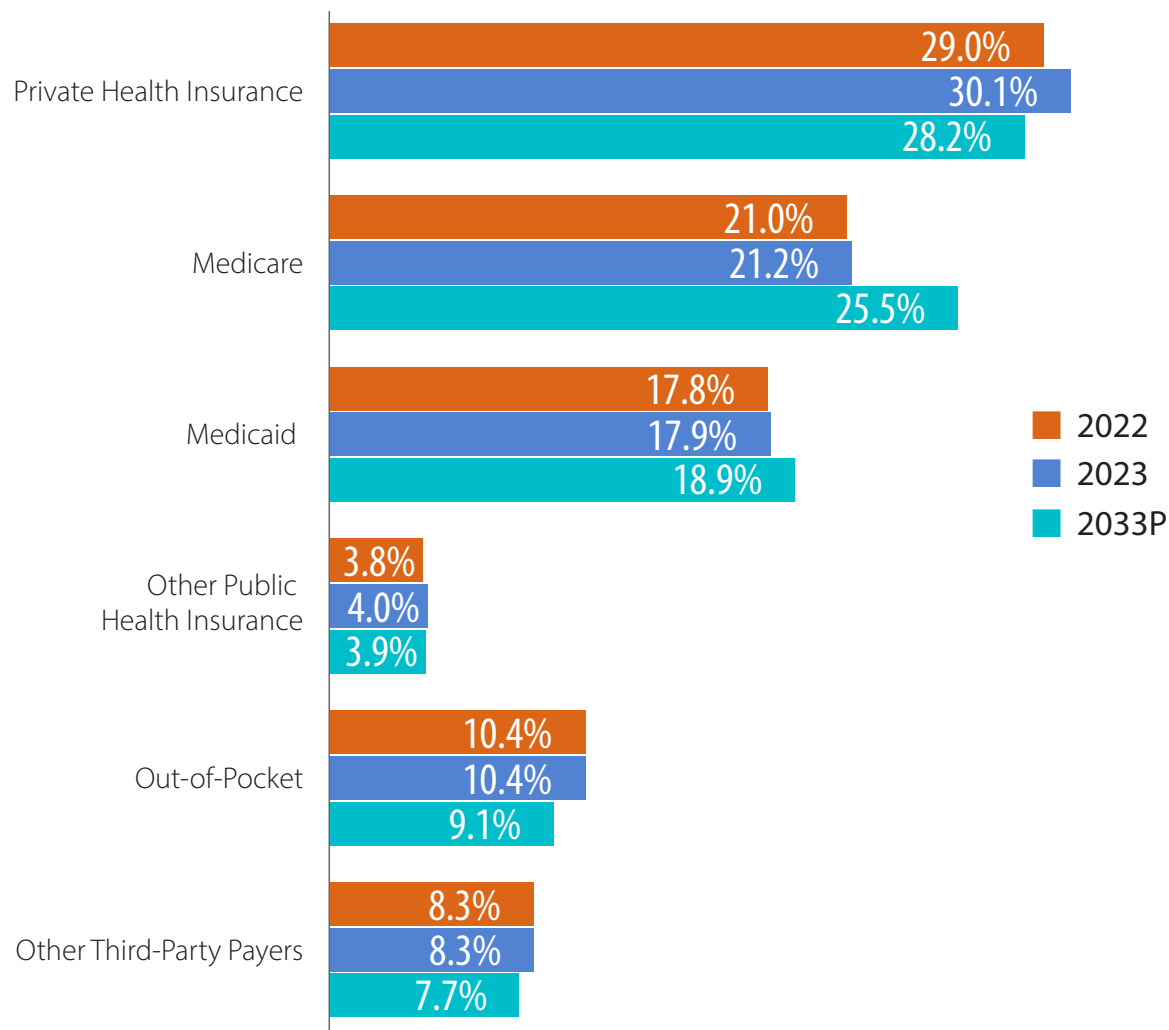
Other third-party payers includes worksite health care, Indian Health Services, workers' compensation, Maternal and Child Health, vocational rehabilitation, and other programs.

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, 2022, 2023, and 10-Year Projection

SHARE OF HEALTH SPENDING



Notes: *Health spending* refers to national health expenditures. Projections shown as *P*. *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 9.6%, 8.2%, and 6.7% in 2022, 2023, and 2033P, respectively.

Source: National Health Expenditure (NHE) historical and projections data (1960–2033), US Centers for Medicare & Medicaid Services.

National Health Spending

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 2023, it is projected to pay for about \$1 of every \$4 in 2033.

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, 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, 2022, 2023, and 20-Year Look Back

	SPENDING (IN BILLIONS)			DISTRIBUTION			GROWTH		
	2003	2022	2023	2003	2022	2023	2003–23	2022	2023
Total National Health Spending	\$1,770.4	\$4,525.8	\$4,866.5	100%	100%	100%	5.2%	4.6%	7.5%
Out-of-Pocket	235.1	471.5	505.7	13.3%	10.4%	10.4%	3.9%	6.9%	7.2%
Private Health Insurance	589.3	1,313.8	1,464.6	33.3%	29.0%	30.1%	4.7%	6.8%	11.5%
Medicare	282.7	952.5	1,029.8	16.0%	21.0%	21.2%	6.7%	6.4%	8.1%
Medicaid	269.0	807.5	871.7	15.2%	17.8%	17.9%	6.1%	9.7%	7.9%
Federal	160.8	570.7	591.4	9.1%	12.6%	12.2%	6.7%	10.9%	3.6%
State and Local	108.2	236.8	280.3	6.1%	5.2%	5.8%	4.9%	6.8%	18.4%
Other Public Health Insurance	55.0	171.8	192.5	3.1%	3.8%	4.0%	6.5%	3.3%	12.1%
Other Third-Party Payers	176.5	374.7	403.3	10.0%	8.3%	8.3%	4.2%	-12.6%	7.6%
Other Federal Programs	6.0	33.6	15.9	0.3%	0.7%	0.3%	5.0%	-60.7%	-52.6%
All Other	170.5	341.1	387.4	9.6%	7.5%	8.0%	4.2%	-0.6%	13.6%
Public Health Activities	54.2	206.8	160.2	3.1%	4.6%	3.3%	5.6%	-2.1%	-22.6%
Federal	8.9	90.2	37.6	0.5%	2.0%	0.8%	7.5%	-10.8%	-58.4%
State and Local	45.3	116.6	122.6	2.6%	2.6%	2.5%	5.1%	5.8%	5.1%
Investment	108.6	227.2	238.8	6.1%	5.0%	4.9%	4.0%	4.0%	5.1%

Notes: *Health spending* refers to national health expenditures. *Other public health insurance* is other health insurance programs in the source. *Growth* for 2003–23 is average annual and was calculated by the author; 2022 and 2023 percentages are annual rates. Figures may not sum due to rounding.

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

National Health Spending

Payment Sources

In 2023, state and local Medicaid spending increased 18.4%, in part due to the phase-out of enhanced federal Medicaid funds, which shifted some costs back to states. Private health insurance spending rose 11.5%. Federal public health spending declined 58.4% as pandemic-related spending waned.

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.

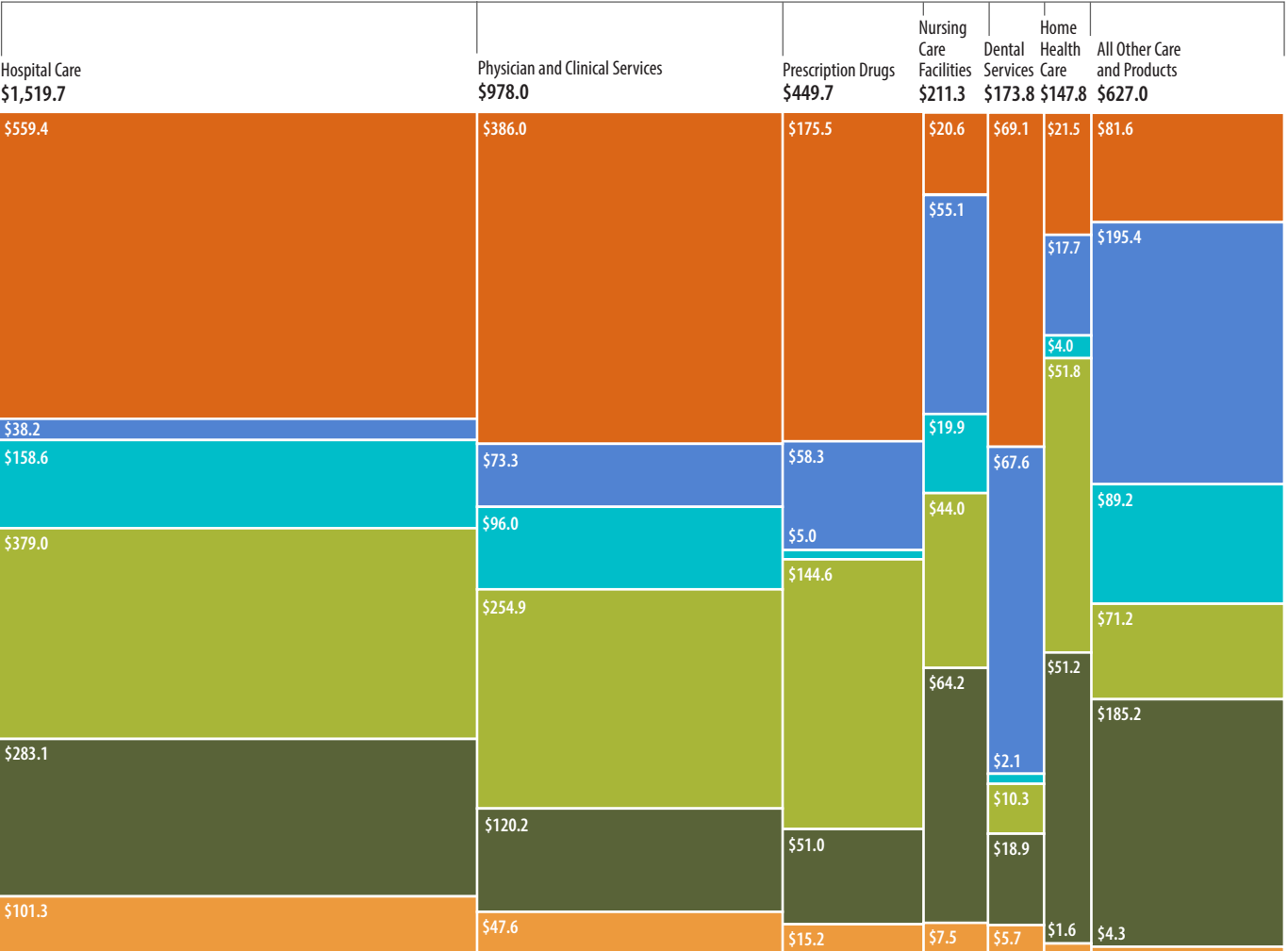
Other third-party payers includes worksite health care, other private revenues, Indian Health Services, workers' compensation, Maternal and Child Health, vocational rehabilitation, and other programs.

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, 2023

DOLLARS IN BILLIONS



■ Private Health Insurance
 ■ Out-of-Pocket
 ■ Other Third-Party Payers
 ■ Medicare
 ■ Medicaid
 ■ Other Public Health 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. *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.

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

National Health Spending

Payment Sources

The payer mix for health care differed by spending category in 2023. For example, most prescription drugs were paid for by private health insurance and Medicare, while most dental services were 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.

Health Spending by Category, Selected Payers

United States, 2023

	SPENDING DISTRIBUTION			
	PRIVATE HEALTH INSURANCE	OUT-OF-POCKET	MEDICARE	MEDICAID
Total Spending (Billions)	\$1,464.6	\$505.7	\$1,029.8	\$871.7
Hospital Care	38%	8%	37%	32%
Physician and Clinical Services	26%	14%	25%	14%
Dental Services	5%	13%	1%	2%
Other Professional Services	3%	7%	4%	1%
Nursing Care Facilities	1%	11%	4%	7%
Home Health Care	1%	4%	5%	6%
Other Health Care	1%	2%	0%	19%
Prescription Drugs	12%	12%	14%	6%
Durable Medical Equipment	1%	6%	2%	1%
Other Nondurable Medical Products	0%	24%	<1%	0%
Net Cost of Health Insurance	10%	0%	6%	7%
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.

Source: Author calculations based on [National Health Expenditure historical data \(1960–2023\)](#), US Centers for Medicare & Medicaid Services.

National Health Spending

Payment Sources

In 2023, hospital care was the largest spending category for private health insurance, Medicare, and Medicaid.

The largest spending category for out-of-pocket spending was for other nondurable medical products, which includes non-prescription drugs and sundries.

SPENDING CATEGORY DEFINITIONS

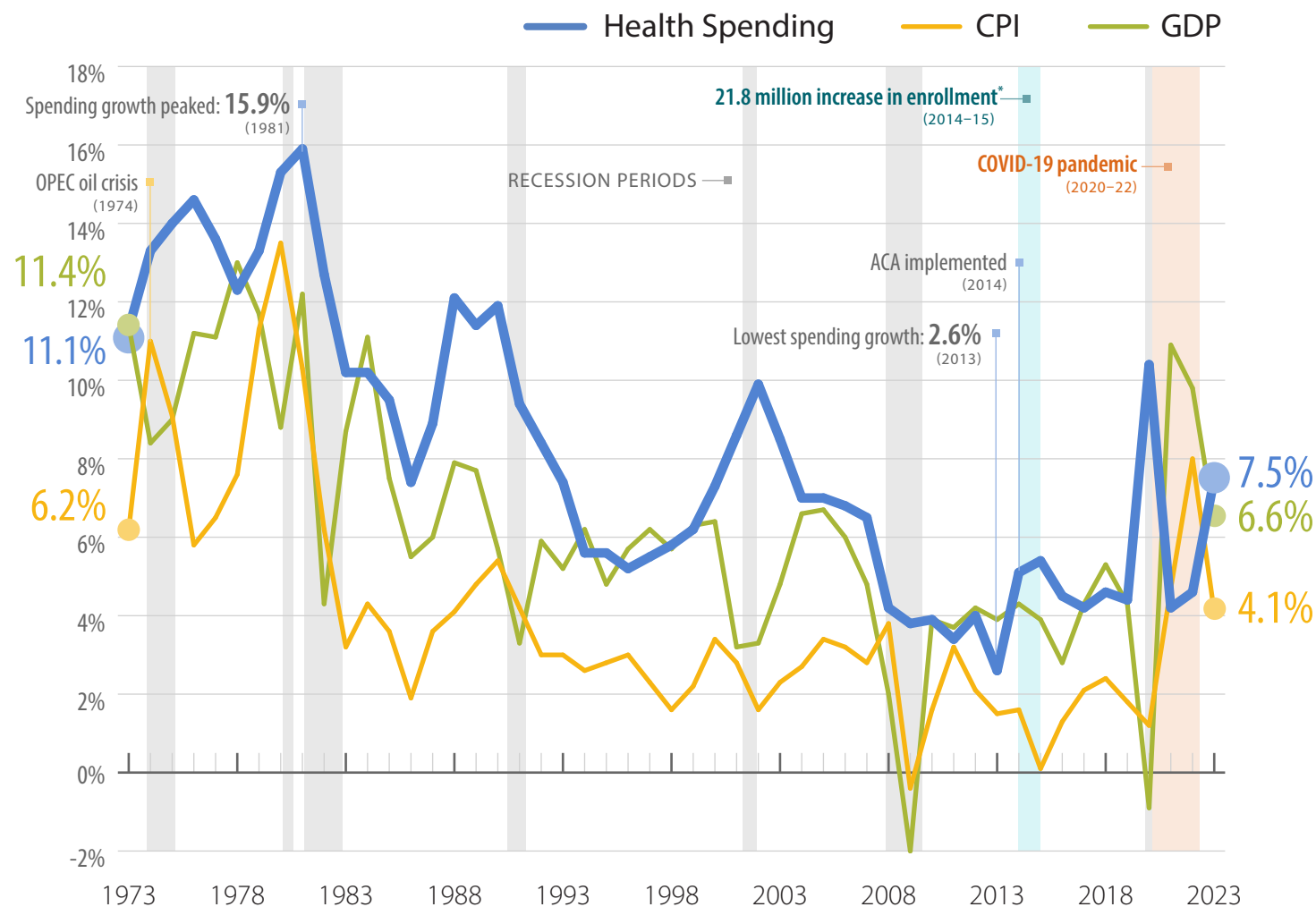
Government administration includes the administrative costs of government health care programs such as Medicare and Medicaid.

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 is other health, residential, and personal care.

Health Spending, Inflation, and GDP

United States, 1973 to 2023



* 12.4 million additional Medicaid (21%) and 9.4 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.

Sources: [National Health Expenditure historical data](#) (1960–2023), US Centers for Medicare & Medicaid Services; and “[Consumer Price Index](#),” US Bureau of Labor Statistics.

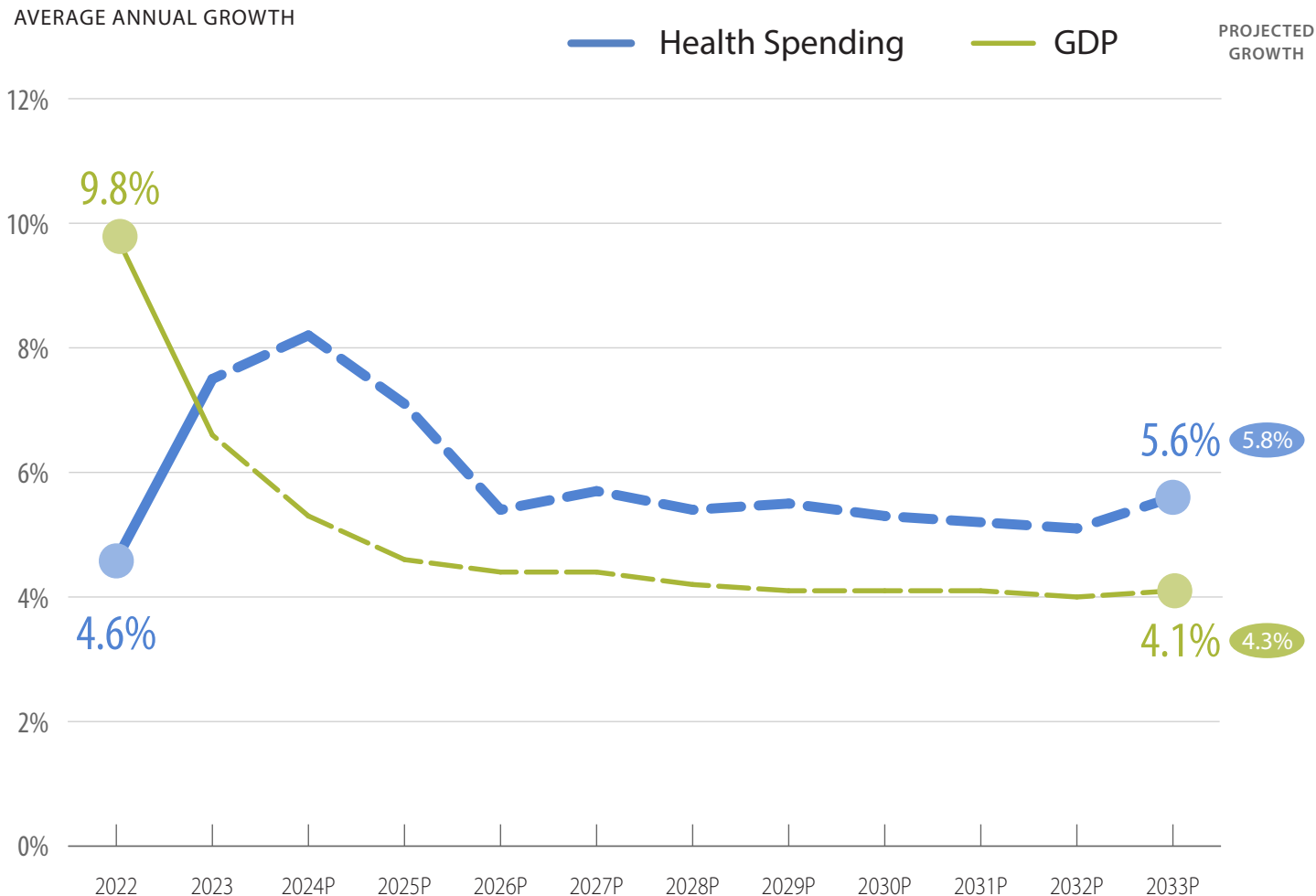
National Health Spending

Growth Trends

In general, health spending outpaced both inflation and economic growth, as measured by gross domestic product, between 1973 and 2023.

Health Spending and GDP, Annual Growth

United States, 2022, 2023, and 10-Year Projections



Notes: *Health spending* refers to national health expenditures. *GDP* is gross domestic product. Projections shown as *P*. *Projected growth* is average annual (2024–33) and calculated by the author.

Source: National Health Expenditure (NHE) historical and projections data (1960–2033), US Centers for Medicare & Medicaid Services.

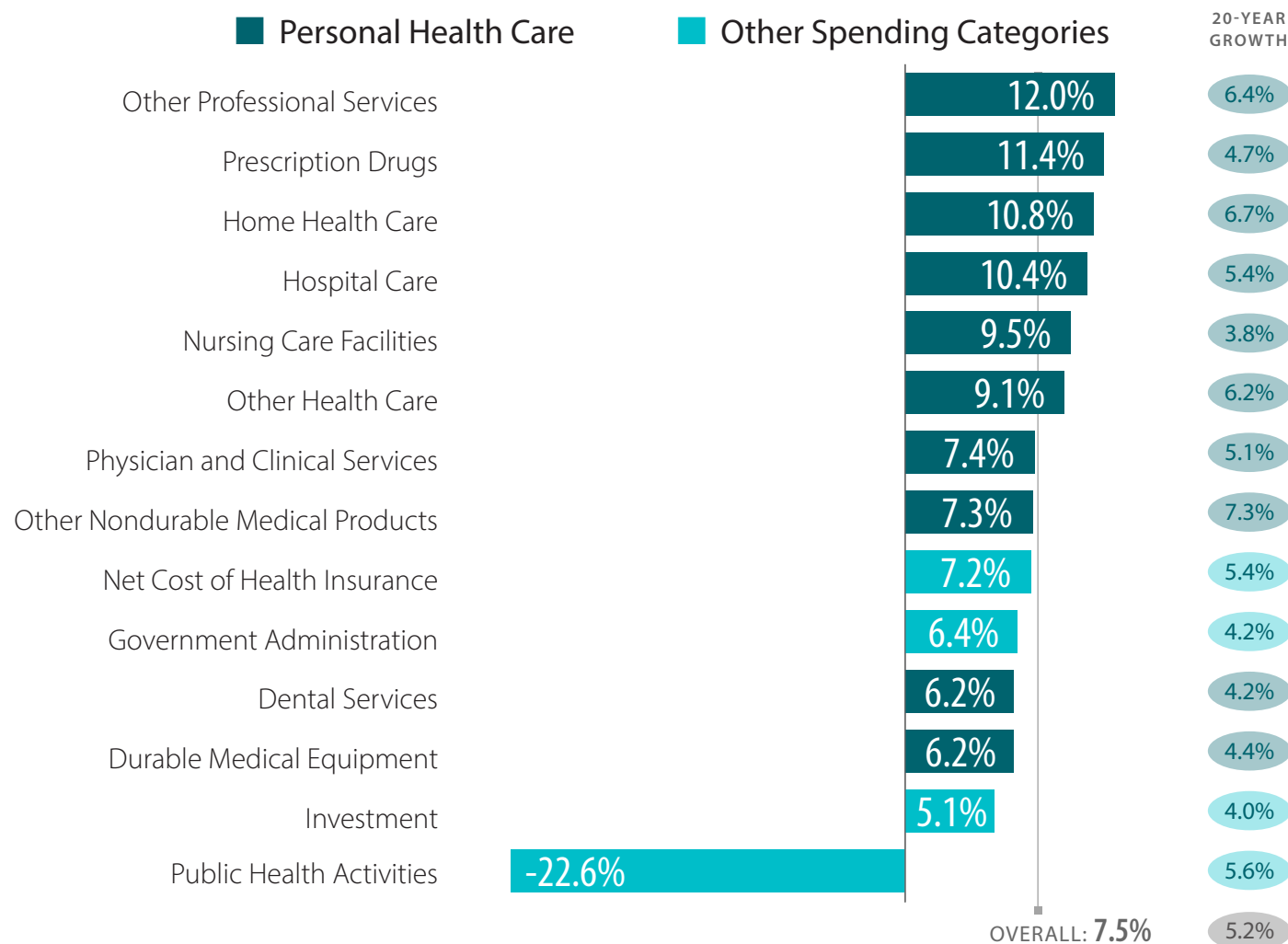
National Health Spending

Growth Trends

During the 2024 to 2033 projection period, health care spending is expected to grow 5.8% on average, outpacing gross domestic product (GDP) growth of 4.3%. As a result, health spending's share of the GDP is projected to be 20.3% in 2033 (not shown).

Health Spending, by Category, Annual Growth

United States, 2023



National Health Spending

Growth Trends

In 2023, other professional services, prescription drugs, home health care, and hospital care increased by more than 10% over 2022. Most categories exceeded their 20-year growth averages.

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.

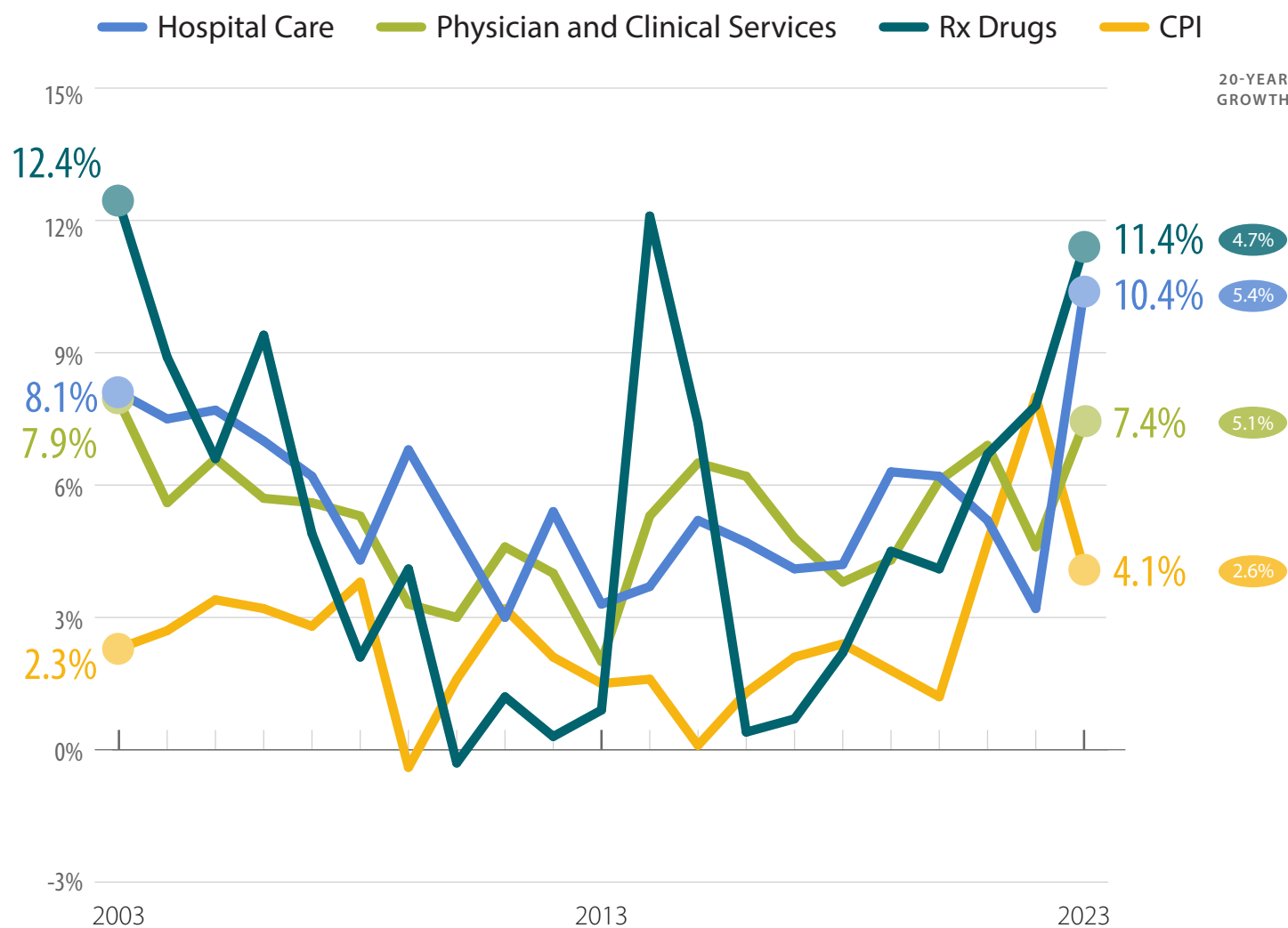
Other health care is other health, residential, and personal care.

Notes: *Twenty-year growth* is average annual (2003–23) and calculated by the author. For additional detail on spending categories, see Appendix A. Further definitions available at www.cms.gov.

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

Health Spending, by Largest Categories, Annual Growth

United States, 2003 to 2023



National Health Spending

Growth Trends

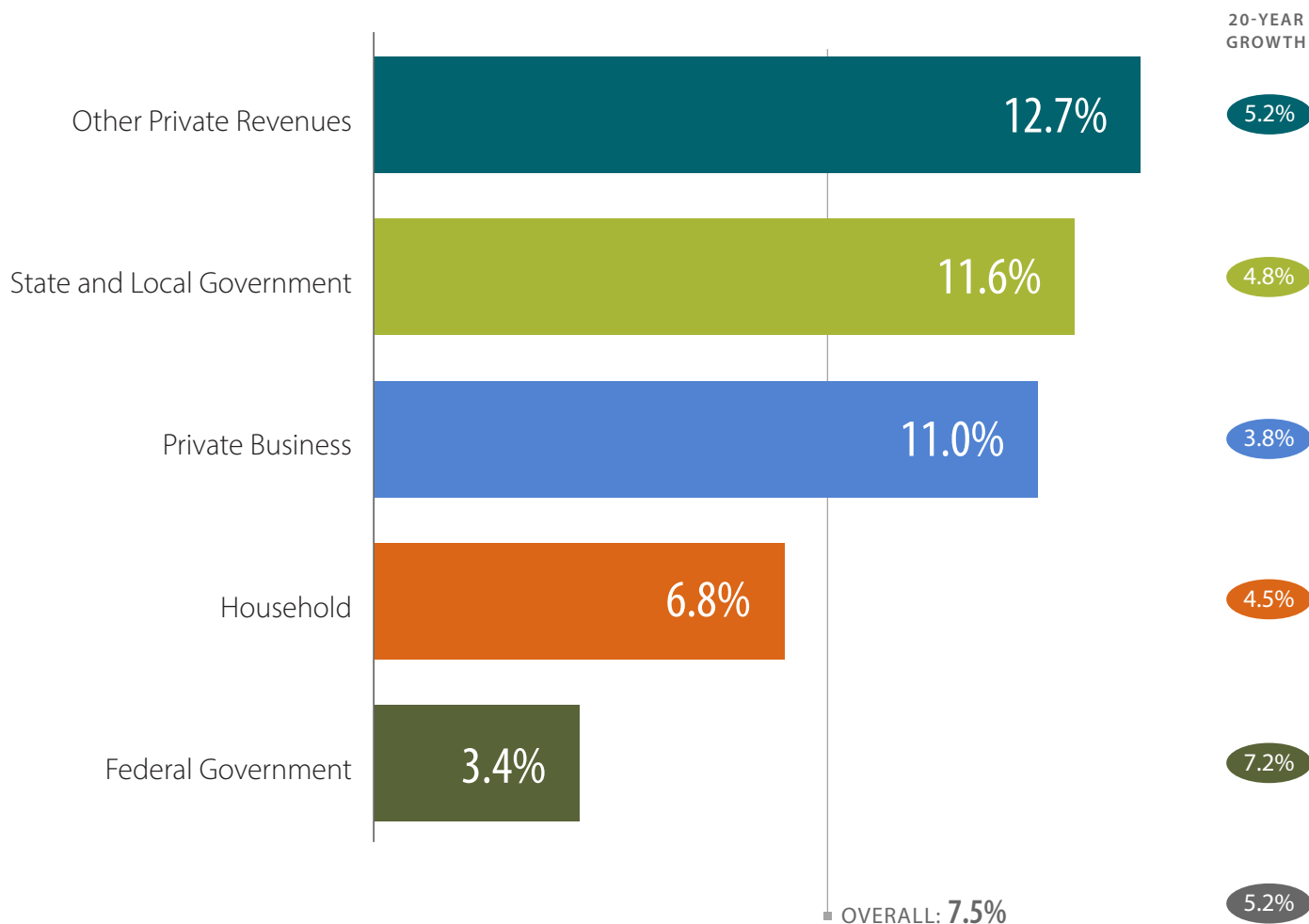
Between 2003 and 2023, growth in hospital care and physician and clinical services spending often exceeded growth in the consumer price index. In 2023, increases in spending on hospital care and prescription drugs were among the largest increases in the 2003 to 2023 period.

Notes: Health spending refers to national health expenditures. CPI is consumer price index. Twenty-year growth is average annual (2003–23) and calculated by the author.

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

Health Spending, by Sponsor, Annual Growth

United States, 2023



National Health Spending

Growth Trends

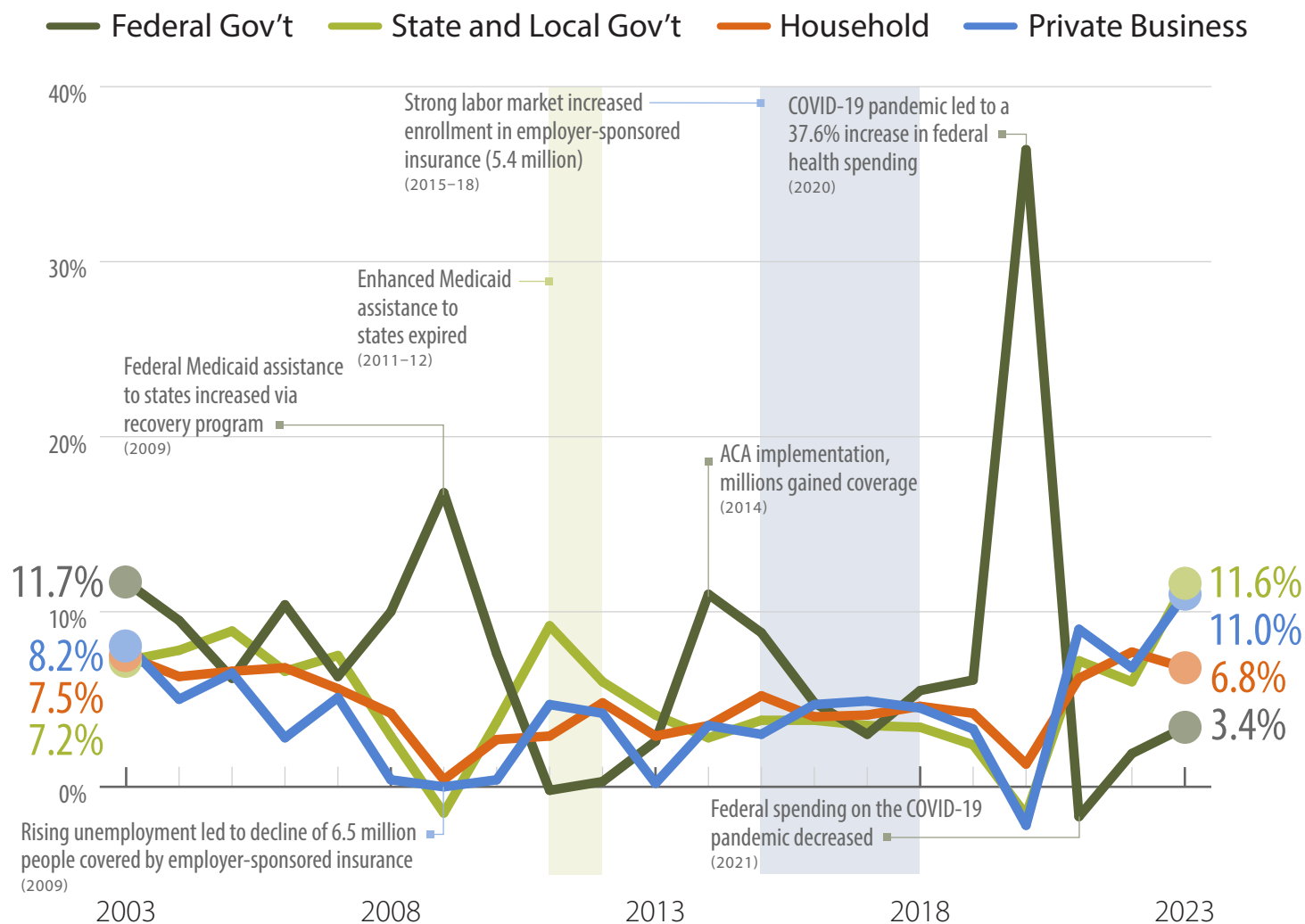
In 2023, spending by state and local government, private business, and other private revenues all grew faster than overall health spending.

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 15, 16, and 18 for detail on how sponsors finance health care spending. *Twenty-year growth* is average annual (2003–23) and calculated by the author.

Source: [National Health Expenditure historical data](#) (1960–2023), US Centers for Medicare & Medicaid Services.

Health Spending, by Sponsor, Annual Growth

United States, 2003 to 2023



Notes: Health spending refers to national health expenditures. Sponsors are the entities ultimately responsible for financing the health care bill. ACA is Affordable Care Act. See pages 15, 16, and 18 for detail on how sponsors finance health care spending.

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

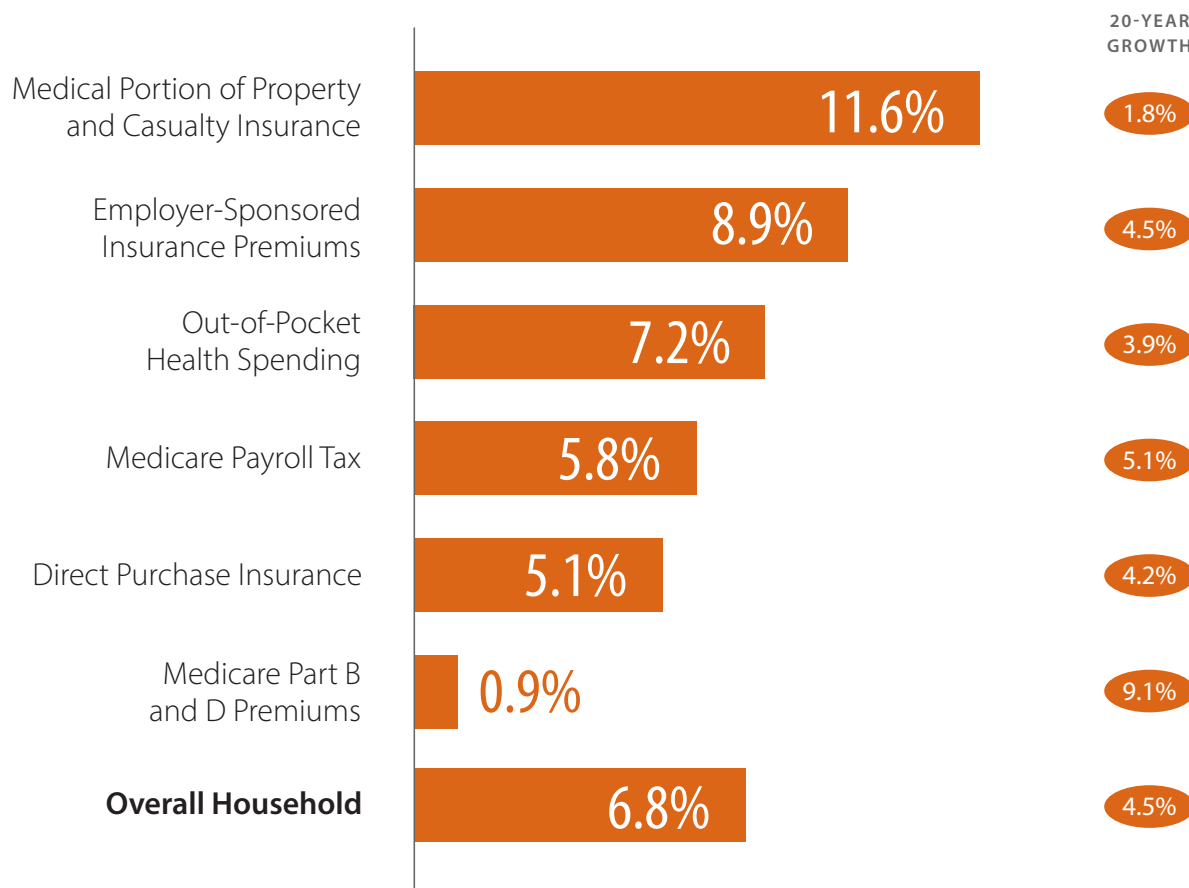
National Health Spending

Growth Trends

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.

Health Spending, by Household, Annual Growth

United States, 2023



National Health Spending

Growth Trends

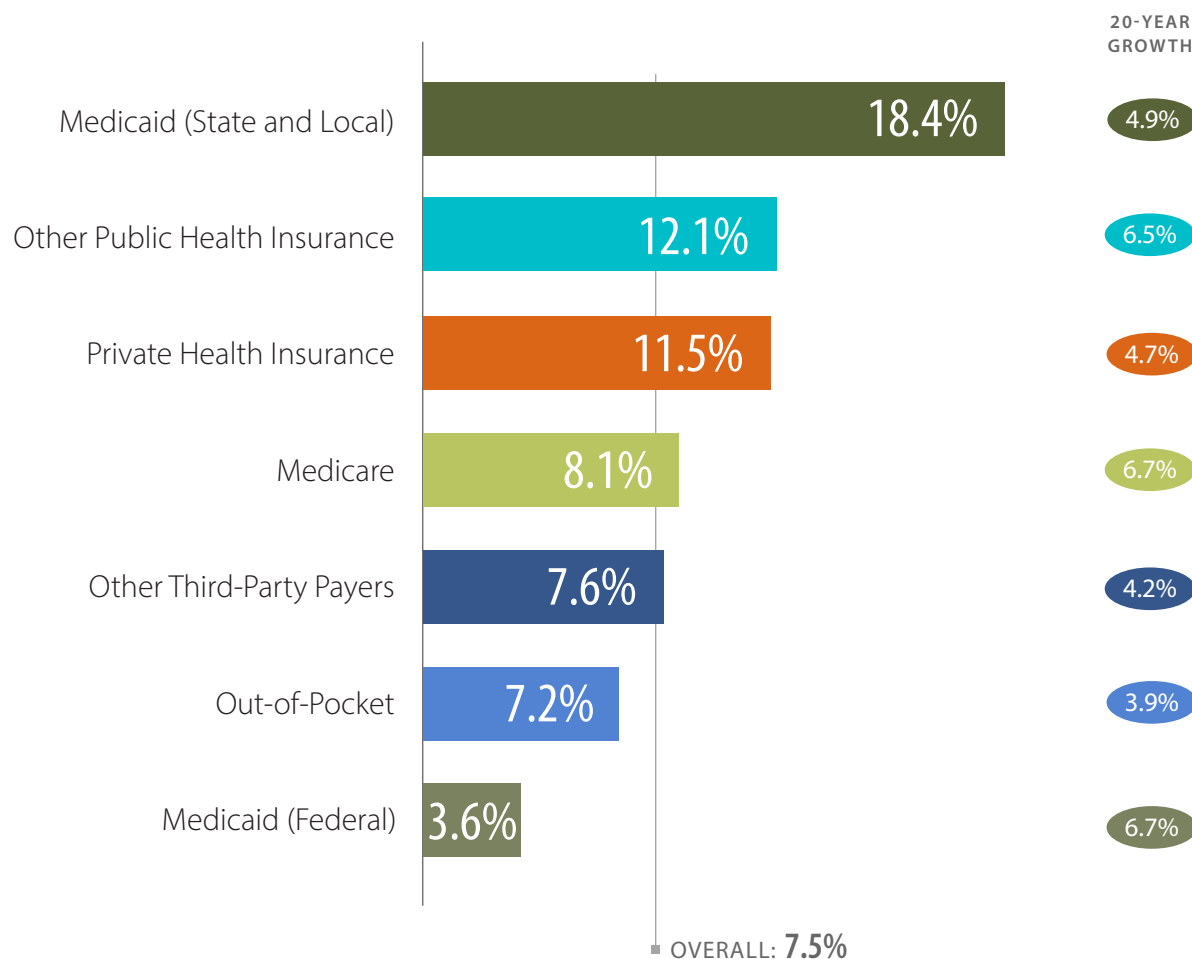
Overall household health spending grew by 6.8% in 2023. The medical portion of property and casualty insurance experienced the highest growth rate (11.6%), followed by increases in spending for employer-sponsored insurance premiums (8.9%).

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. Excludes health insurance premium tax credits and cost-sharing subsidies from marketplace plans. *Twenty-year growth* is average annual (2003–23) and calculated by the author.

Source: [National Health Expenditure historical data](#) (1960–2023), US Centers for Medicare & Medicaid Services.

Health Spending, by Payer, Annual Growth

United States, 2023



Notes: *Health spending* refers to national health expenditures. Overall Medicaid, federal and state combined, grew 7.9%. *Other public health insurance* is other health insurance programs in the source. *Twenty-year growth* is average annual (2003–23) and calculated by the author. Not shown: public health activities and investment.

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

National Health Spending

Growth Trends

State and local Medicaid spending had the largest increase in spending (18.4%), due in part to the loss of enhanced federal payments; in contrast, federal Medicaid spending increased only 3.6%. Private health insurance spending increased 11.5%, driven by increased enrollment, growth in spending for goods and services, and a 12.5% increase in the net cost of health insurance (not shown).

PAYER DEFINITIONS

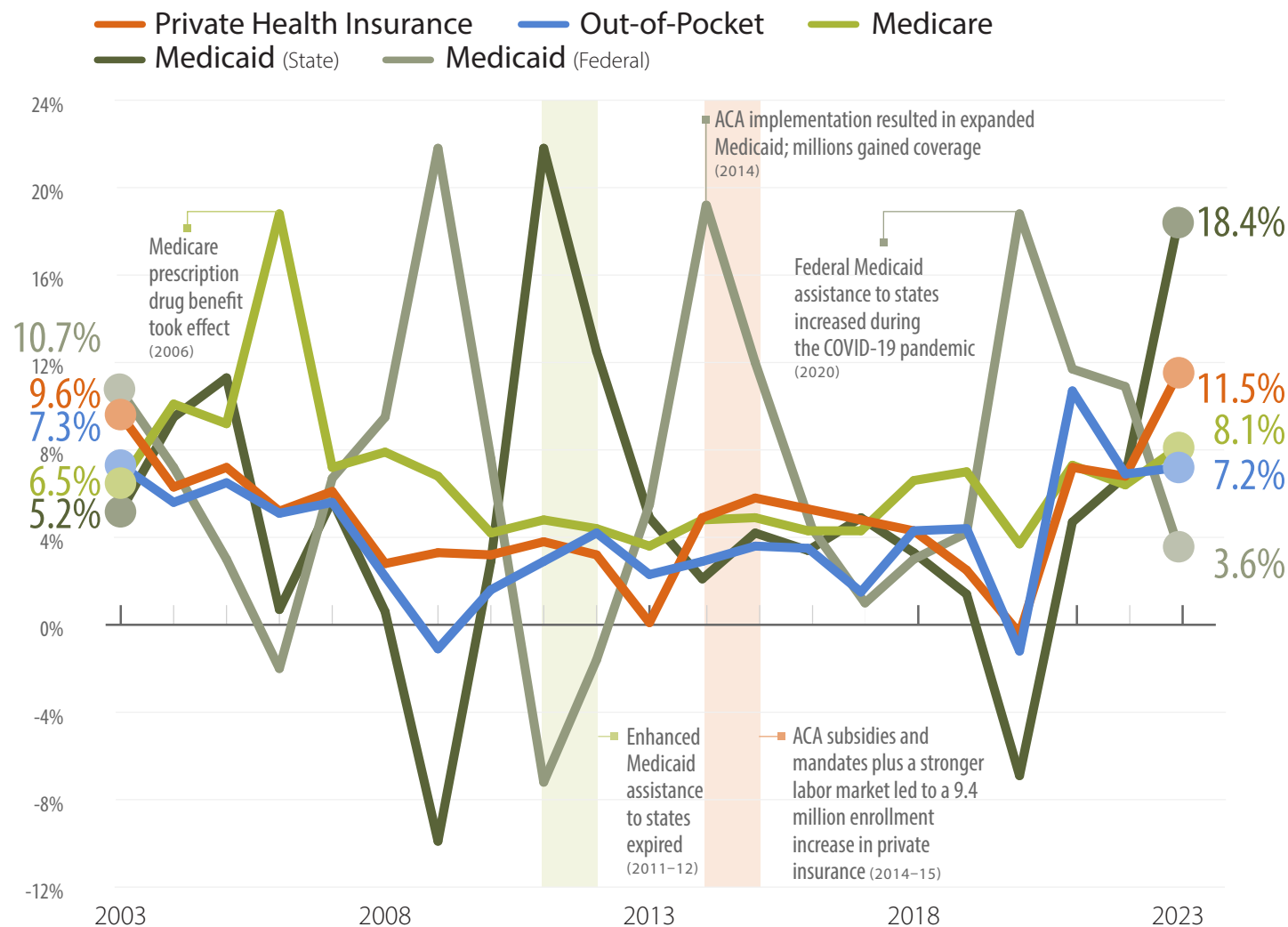
Other public health insurance includes Departments of Defense and Veterans Affairs health care and the Children's Health Insurance Program.

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.

Health Spending, by Selected Payers, Annual Growth

United States, 2003 to 2023



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 (1960–2023), US Centers for Medicare & Medicaid Services.

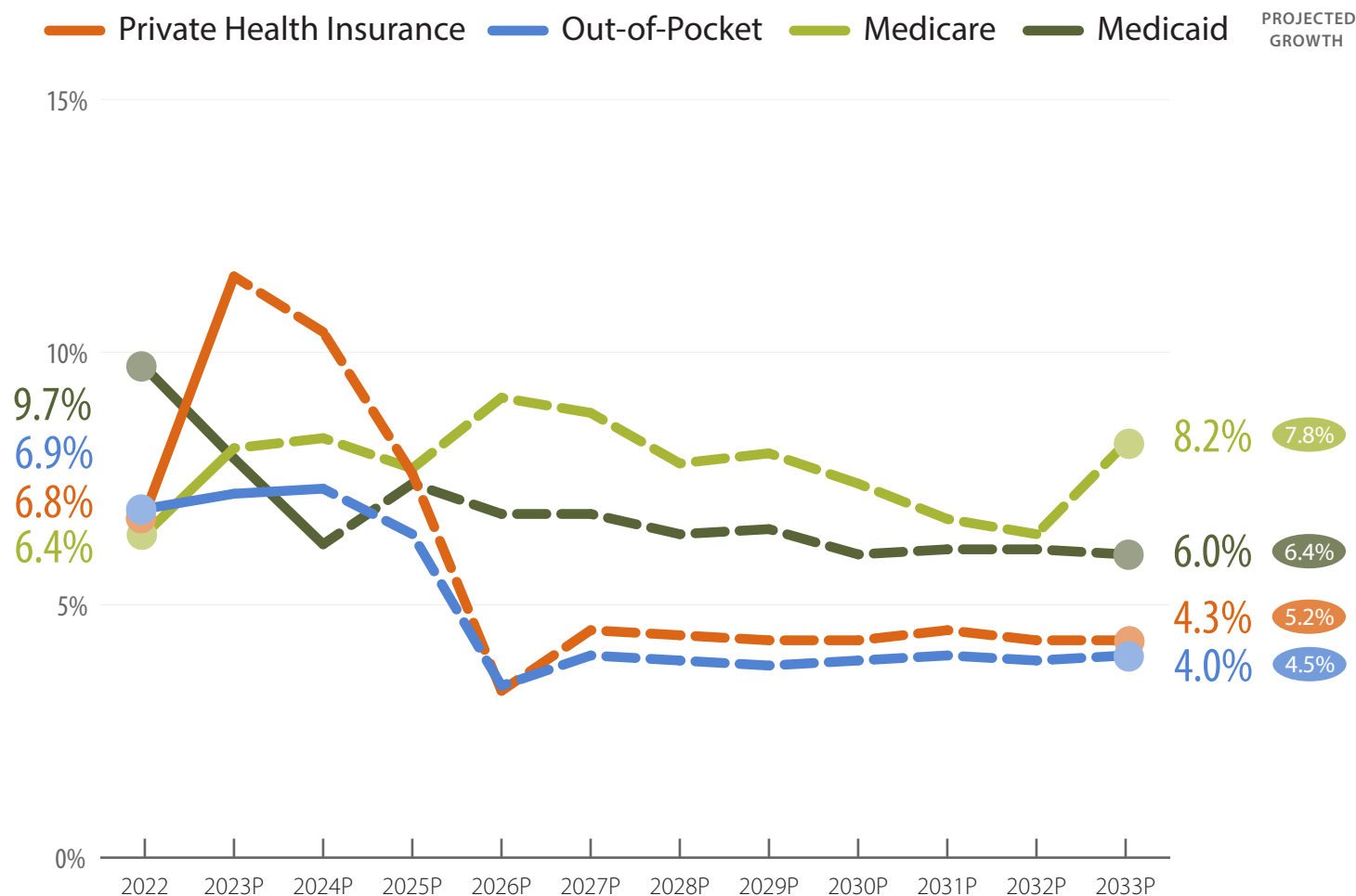
National Health Spending

Growth Trends

The impact of federal policy decisions and economic conditions can be seen in the acceleration and deceleration of health care spending. For example, Medicare spending increased sharply when the Medicare prescription drug benefit took effect in 2006. Similarly, federal Medicaid spending increased dramatically in 2020 as the federal government enhanced its support to states during the COVID-19 pandemic.

Health Spending, by Selected Payers, Annual Growth

United States, 2022, 2023 and 10-Year Projections



Notes: Projections shown as P. Projected growth is average annual (2024–33) and was calculated by the author.
 Source: National Health Expenditure (NHE) historical and projections data (1960–2033), US Centers for Medicare & Medicaid Services.

National Health Spending

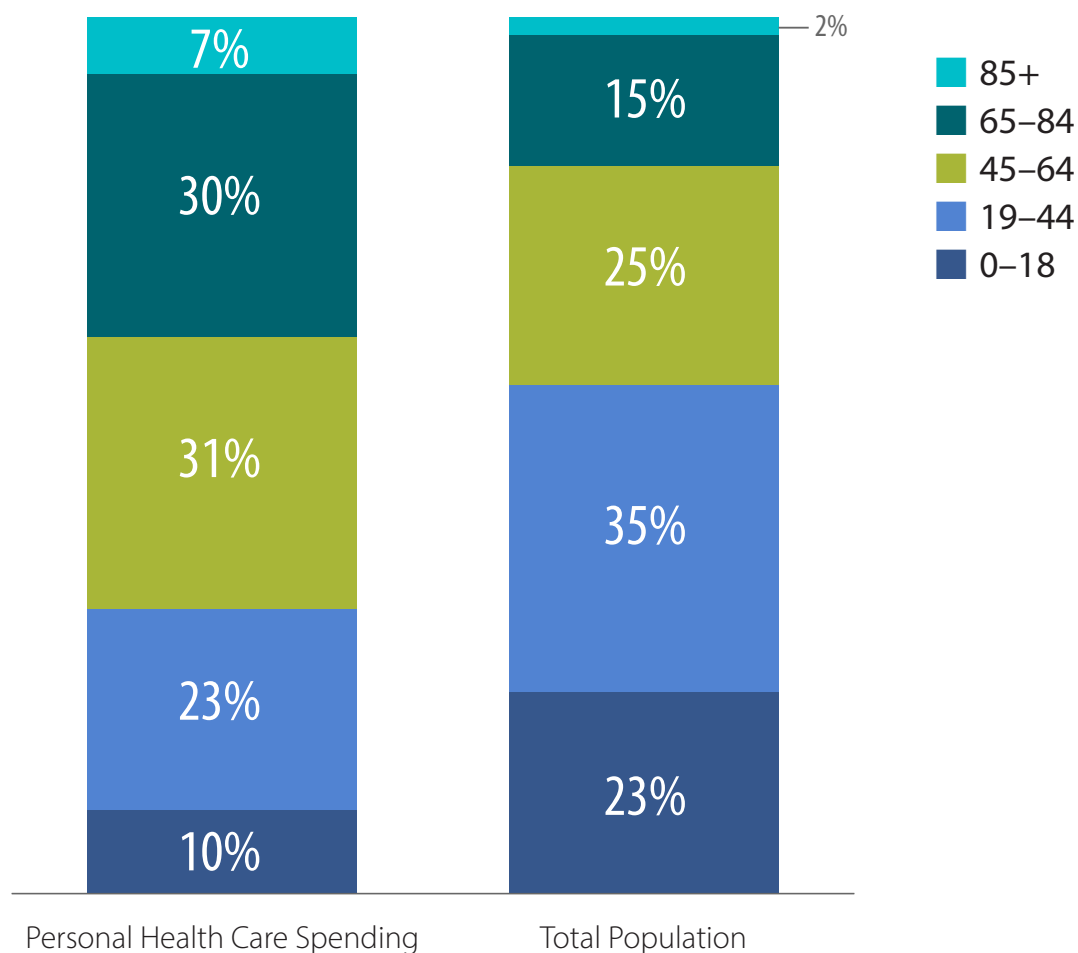
Growth Trends

During the 10-year projection period (2024 to 2033), Medicare spending is expected to grow faster than other payers, primarily driven by enrollment growth. In contrast, Medicaid spending is projected to decline in 2024 following the expiration of the continuous enrollment requirement.*

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

Personal Health Care Spending and Population

by Age Group, United States, 2020



National Health Spending

Age and Gender

Adults age 65 and older accounted for 17% of the population and 37% of personal health care spending in 2020. In contrast, children age 18 and younger accounted for 23% of the population and 10% of personal health care spending.

Notes: *Personal health care spending* excludes net cost of health insurance, government administration, public health activities, and investment. Figures may not sum due to rounding. See [Appendix C](#) for spending details by age group and gender.

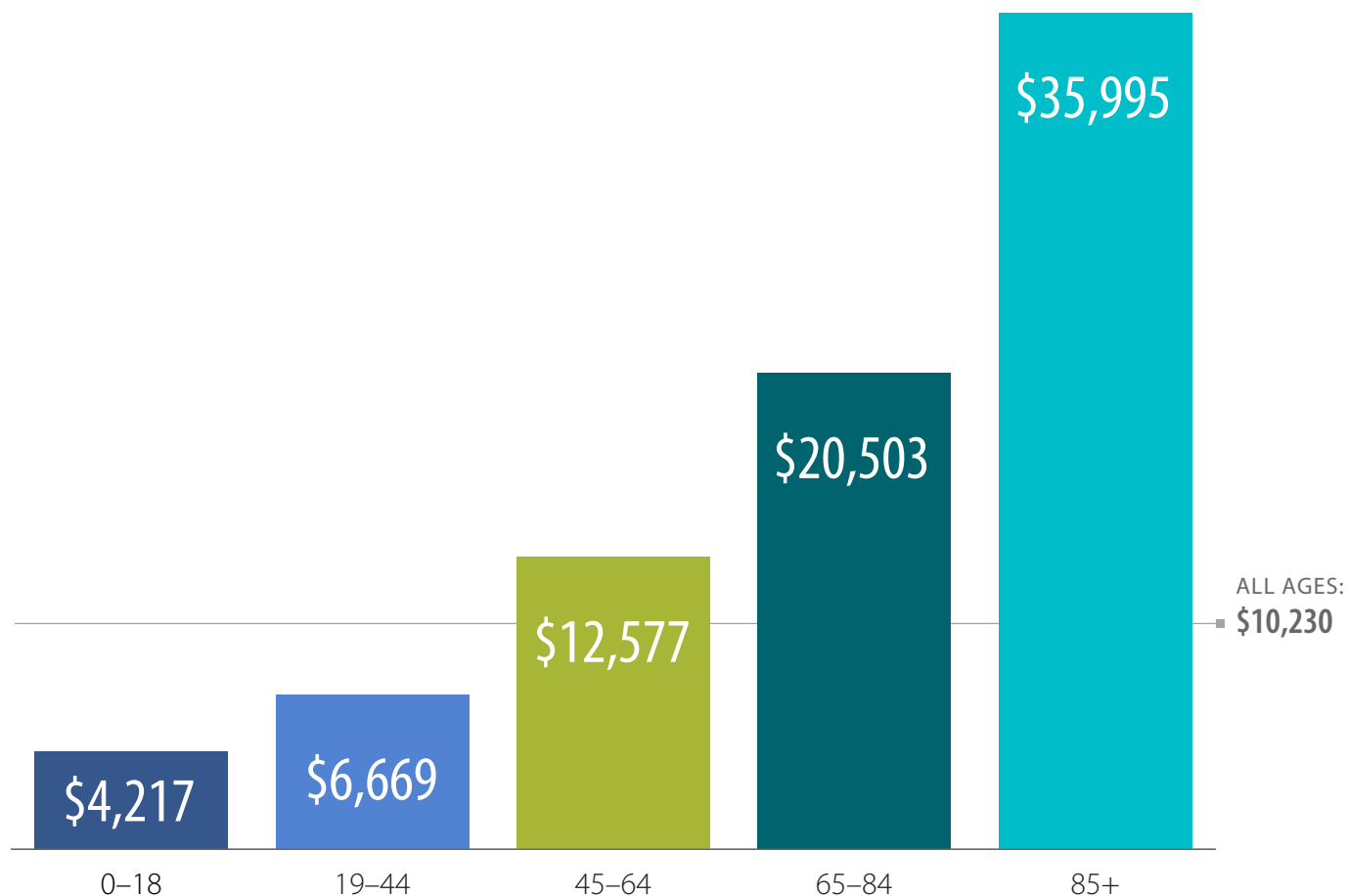
Sources: *Age and Sex Tables* (2002–2020), National Health Expenditures Data: Age and Sex, US Centers for Medicare & Medicaid Services (CMS); and unpublished data points, population by age, 2020, from Office of the Actuary, National Health Statistics Group, CMS.

Personal Health Care Spending per Capita by Age Group, United States, 2020

National Health Spending

Age and Gender

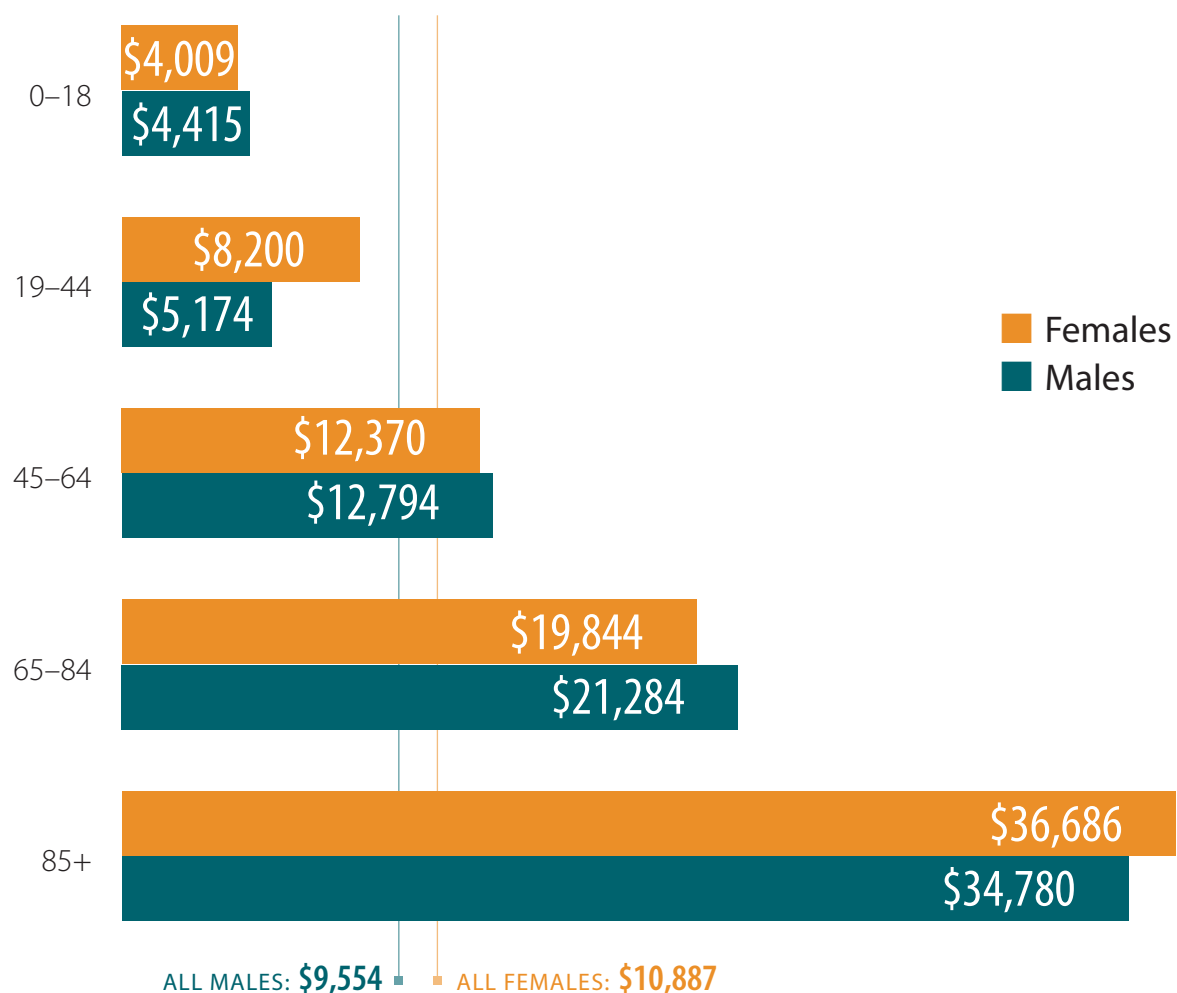
Per capita spending increases with age. Per capita health spending ranged from a low of \$4,217 for children age 18 and younger to \$35,995 for adults age 85 and over.



Notes: *Personal health care spending* excludes net cost of health insurance, government administration, public health activities, and investment. See [Appendix C](#) for spending details by age group and gender.

Source: "Age and Sex Tables (2002–2020)," National Health Expenditures Data: Age and Sex, US Centers for Medicare & Medicaid Services.

Personal Health Care Spending per Capita by Gender and Age Group, United States, 2020



National Health Spending

Age and Gender

On average, per capita spending was \$1,333 (or 14%) higher for females than males. The higher spending was most pronounced in females age 19 to 44, largely associated with the cost of maternity care, and in those age 85 and older, largely due to higher spending on nursing care facilities.

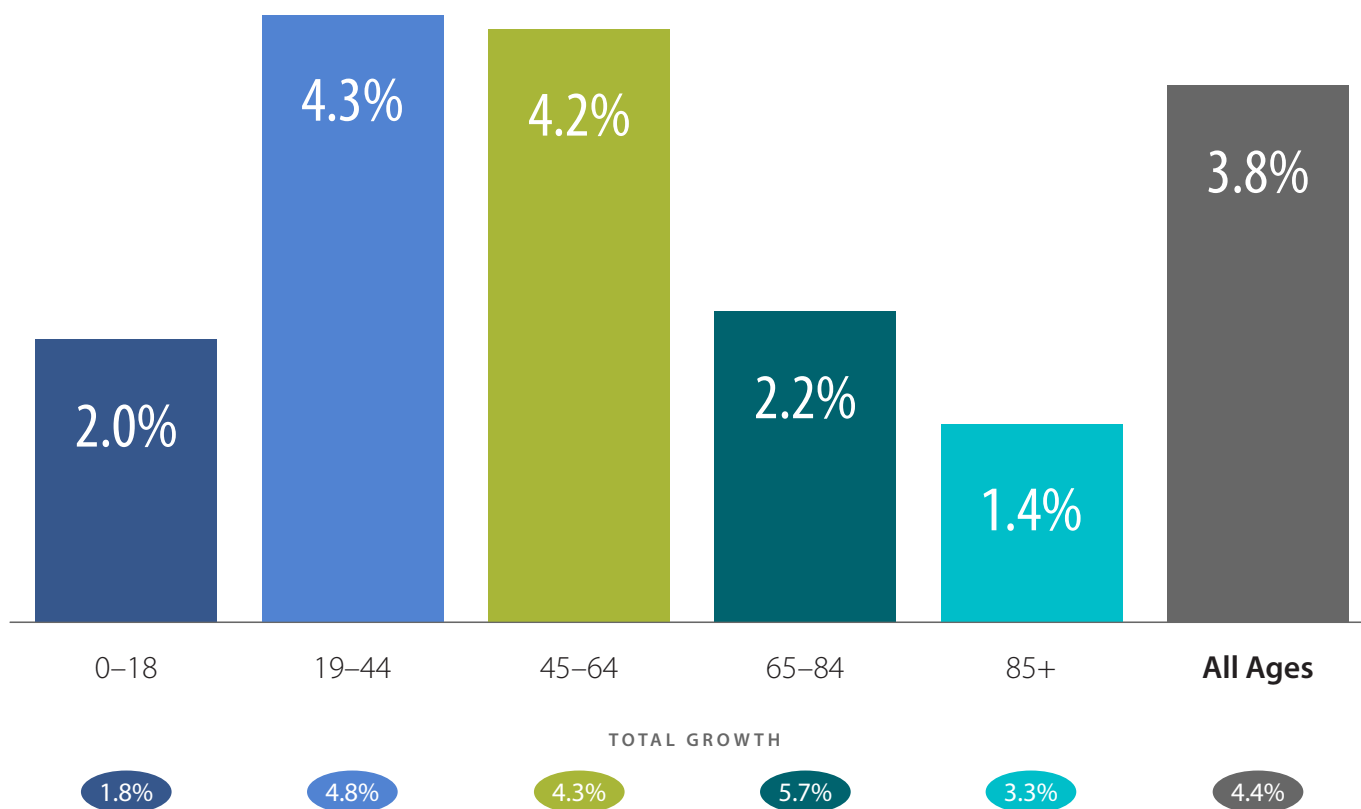
Notes: *Personal health care spending* excludes net cost of health insurance, government administration, public health activities, and investment. See [Appendix C](#) for spending details by age group and gender.

Source: "Age and Sex Tables (2002–2020)," National Health Expenditures Data: Age and Sex, US Centers for Medicare & Medicaid Services.

Personal Health Care Spending by Age Group

Average Annual per Capita and Total Growth, United States, 2010 to 2020

PER CAPITA GROWTH



National Health Spending

Age and Gender

Between 2010 and 2020, annual average spending on personal health care increased 3.8% per person and 4.4% in total. Over this period, spending per person increased most slowly in the 85 and older age group (1.4%) and most rapidly (4.3%) in the age 19-to-44 age group.

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

Source: Author calculations based on "Age and Sex Tables (2002–2020)," National Health Expenditures Data: Age and Sex, US Centers for Medicare & Medicaid Services.

Personal Health Care Spending per Capita

by Category and Age Group, United States, 2020

	0–18	19–44	45–64	65–84	85+	ALL AGES
Personal Health Care	\$4,217	\$6,669	\$12,577	\$20,503	\$35,995	\$10,230
Hospital Care	1,535	2,649	5,138	7,317	9,774	3,852
Physician and Clinical Services	1,188	1,838	3,001	4,769	5,421	2,487
Dental Services	438	284	449	671	507	423
Other Professional Services	177	252	423	714	827	358
Nursing Care Facilities	15	50	347	1,929	10,073	598
Home Health Care	168	126	264	981	4,197	380
Other Health Care	344	649	794	744	1,237	640
Prescription Drugs	255	622	1,663	2,201	2,238	1,065
Durable Medical Equipment	64	104	188	377	665	167
Other Nondurable Medical Products	34	96	310	799	1,056	259

National Health Spending

Age and Gender

Spending on health care services varied by age and service. Spending for hospital care for working adults age 19 to 44 (\$2,649) was lower than for adults age 45 to 64 (\$5,138). For those age 85 and older, nursing care facility spending accounted for 28% of all personal health care spending.

Notes: *Personal health care spending* excludes net cost of health insurance, government administration, public health activities, and investment. See [Appendix C](#) for spending details by age group and gender. Figures may not sum due to rounding.

Source: "Age and Sex Tables (2002–2020)," National Health Expenditures Data: Age and Sex, US Centers for Medicare & Medicaid Services.

Personal Health Care Spending

by Payer and Age Group, United States, 2020

National Health Spending

Age and Gender

In 2020, the payer mix varied by age group.

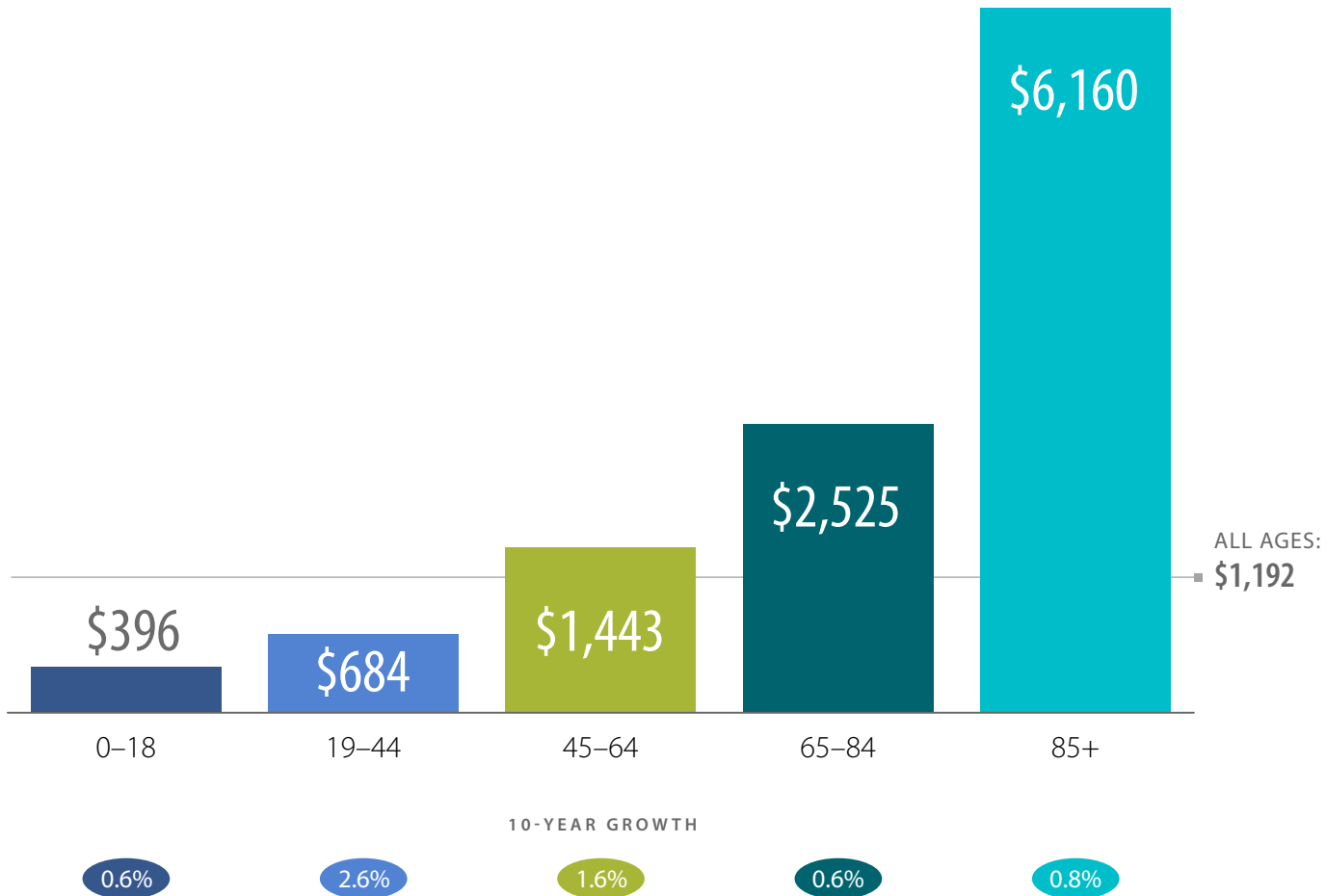
DOLLARS IN BILLIONS	0–18	19–44	45–64	65–84	85+	ALL AGES
Females	\$150.8	\$461.7	\$523.4	\$527.2	\$155.5	\$1,818.6
Private Health Insurance	51.3	195.5	223.2	69.6	15.1	554.6
Out-of-Pocket	14.5	47.6	65.4	69.5	27.6	224.5
Medicare	0.0	11.9	57.9	275.8	66.6	412.3
Medicaid	51.8	101.5	81.9	53.1	27.3	315.6
All Other Payers and Programs	33.3	105.2	95.0	59.2	18.9	311.5
Males	\$173.4	\$298.3	\$516.5	\$476.4	\$83.9	\$1,548.4
Private Health Insurance	57.0	99.9	206.6	67.5	10.0	441.1
Out-of-Pocket	16.0	30.4	53.9	54.1	13.4	167.8
Medicare	0.1	11.6	54.2	240.8	40.7	347.3
Medicaid	62.7	84.5	82.6	35.0	7.2	272.1
All Other Payers and Programs	37.6	71.8	119.3	78.9	12.5	320.2
Total	\$324.2	\$760.0	\$1,039.8	\$1,003.5	\$239.4	\$3,367.0
Private Health Insurance	108.3	295.4	429.8	137.1	25.1	995.6
Out-of-Pocket	30.5	78.0	119.3	123.6	41.0	392.3
Medicare	0.1	23.5	112.1	516.6	107.3	759.6
Medicaid	114.5	186.0	164.5	88.1	34.6	587.7
All Other Payers and Programs	70.9	177.0	214.2	138.1	31.5	631.7

Notes: *Personal health care spending* excludes net cost of health insurance, government administration, public health activities, and investment. *All other payers and programs* includes the Childrens Health Insurance Program, Departments of Defense and Veterans Affairs, and other third-party payers, such as worksite health care, other private revenues, Indian Health services, and other programs. Figures may not sum due to rounding.

Source: "Age and Sex Tables (2002–2020)," National Health Expenditures Data: Age and Sex, US Centers for Medicare & Medicaid Services.

Out-of-Pocket Spending per Capita, by Age Group

United States, 2020



Notes: *Out-of-pocket* includes consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums. See [Appendix C](#) for spending details by age group and gender. *Ten-year growth* is average annual and calculated by the author.

Source: "Age and Sex Tables (2002-2020)," National Health Expenditures Data: Age and Sex, US Centers for Medicare & Medicaid Services.

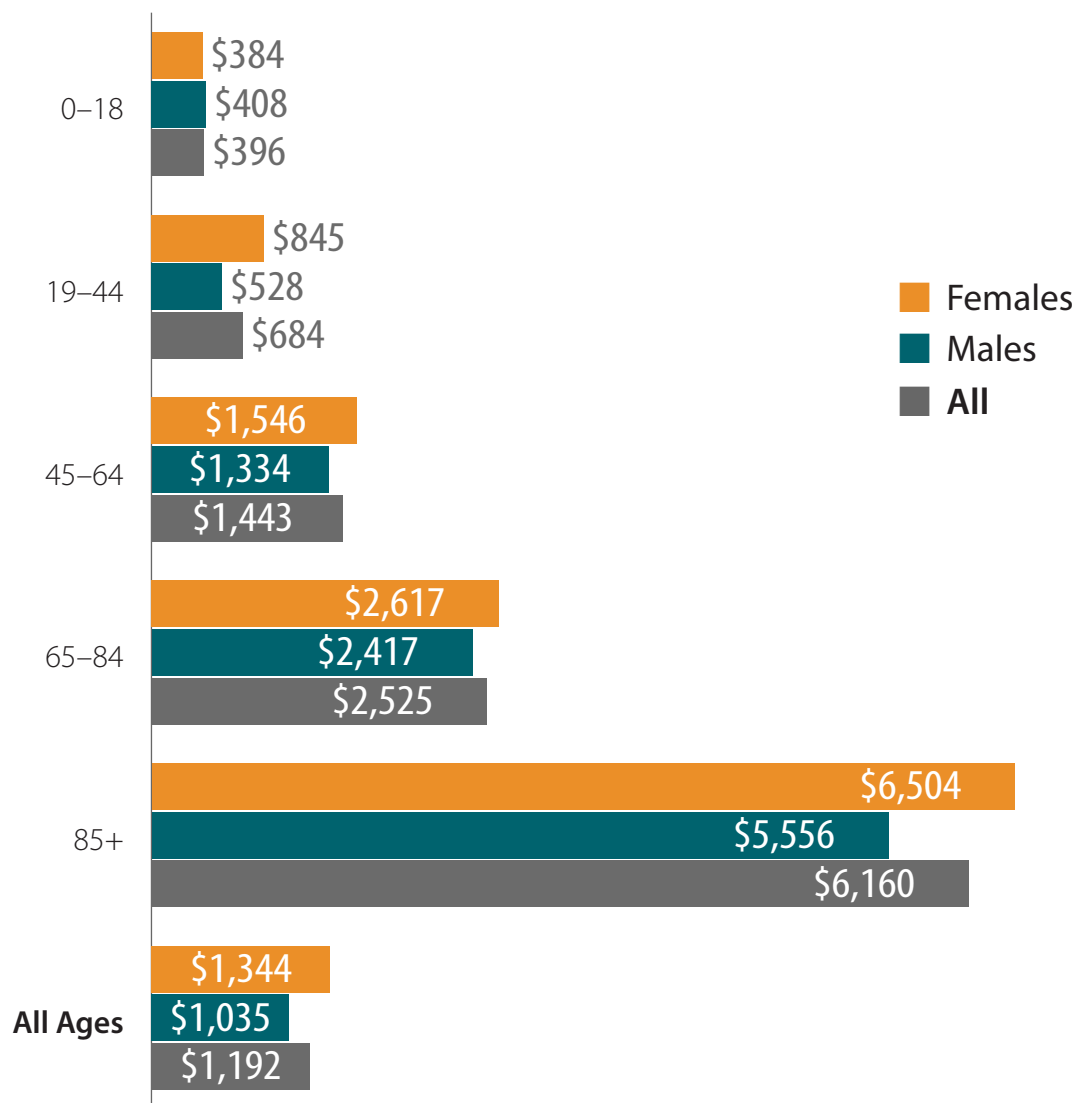
National Health Spending

Age and Gender

In 2020, consumer spending out-of-pocket ranged from \$396 per person age 18 or younger to \$6,160 for those age 85 and older. Among those over age 85, spending on nursing care facilities accounted for nearly half (48%) of out-of-pocket spending (not shown).

Out-of-Pocket Spending per Capita, by Gender

United States, 2020



Notes: *Out-of-pocket* includes consumer spending on copays, deductibles, and goods and care not covered by insurance; it does not include premiums. See [Appendix C](#) for spending details by age group and gender.

Source: "Age and Sex Tables (2002–2020)," National Health Expenditures Data: Age and Sex, US Centers for Medicare & Medicaid Services.

National Health Spending

Age and Gender

In 2020, consumer spending out-of-pocket ranged from an average of \$384 per female age 18 and under to \$6,504 for females age 85 and older. Out-of-pocket spending differed more by age than by gender.

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 Expenditures in 2023: Faster Growth as Insurance Coverage and Utilization Increased," *Health Affairs* 44, no. 1 (2025): 12–22.

PROJECTIONS

- [Data and Resources](#)
- Sean P. Keehan et al., "National Health Expenditure Projections, 2024–33: Despite Insurance Coverage Declines, Health to Grow as Share of GDP," *Health Affairs* 44, no. 7 (2025): 776–87.

AGE AND SEX

- [Data and Resources](#)

Disease-Based Health Care Spending

US Bureau of Economic Analysis

- [Data and Resources](#)
- Abe Dunn et al., "Introducing the New BEA Health Care Satellite Account" (PDF), *Survey of Current Business*, January 2015.

Economic Data

- *The Budget and Economic Outlook: 2025 to 2035*. Congressional Budget Office, January 2025.
- "Consumer Price Index," US Bureau of Labor Statistics

- "OECD Data Explorer: Health Expenditure and Financing," Organization for Economic Co-operation and Development, last updated July, 2025.

National Health Spending

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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Appendix A. Health Spending, by Category, United States, 2003 to 2023, Selected Years

	SPENDING (IN BILLIONS)				DISTRIBUTION				GROWTH/DECLINE			
	2003	2013	2022	2023	2003	2013	2022	2023	2003–23	2013–23	2022	2023
National Health Expenditures	\$1,770.4	\$2,855.9	\$4,525.8	\$4,866.5	100%	100%	100%	100%	5.2%	5.5%	4.6%	7.5%
Health Consumption Expenditures	\$1,661.8	\$2,692.9	\$4,298.6	\$4,627.7	93.9%	94.3%	95.0%	95.1%	5.3%	5.6%	4.6%	7.7%
▶ Personal Health Care	\$1,475.9	\$2,404.8	\$3,755.2	\$4,107.4	83.4%	84.2%	83.0%	84.4%	5.3%	5.5%	4.9%	9.4%
▶ Hospital Care	\$525.9	\$906.8	\$1,376.7	\$1,519.7	29.7%	31.8%	30.4%	31.2%	5.4%	5.3%	3.2%	10.4%
▶ Professional Services	\$487.2	\$757.7	\$1,216.8	\$1,311.7	27.5%	26.5%	26.9%	27.0%	5.1%	5.6%	4.1%	7.8%
▶ Physician and Clinical Services	\$364.3	\$568.3	\$910.4	\$978.0	20.6%	19.9%	20.1%	20.1%	5.1%	5.6%	4.6%	7.4%
▶ Dental Services	\$76.3	\$111.4	\$163.7	\$173.8	4.3%	3.9%	3.6%	3.6%	4.2%	4.6%	-0.4%	6.2%
▶ Other Professional Services	\$46.5	\$78.0	\$142.7	\$159.9	2.6%	2.7%	3.2%	3.3%	6.4%	7.4%	6.1%	12.0%
▶ Nursing Care Facilities	\$100.1	\$148.7	\$192.9	\$211.3	5.7%	5.2%	4.3%	4.3%	3.8%	3.6%	5.9%	9.5%
▶ Home Health Care	\$40.2	\$81.0	\$133.4	\$147.8	2.3%	2.8%	2.9%	3.0%	6.7%	6.2%	6.7%	10.8%
▶ Other Health Care	\$81.8	\$143.6	\$247.7	\$270.2	4.6%	5.0%	5.5%	5.6%	6.2%	6.5%	9.7%	9.1%
▶ Retail Outlet Sales	\$240.7	\$367.1	\$587.7	\$646.7	13.6%	12.9%	13.0%	13.3%	5.1%	5.8%	7.9%	10.0%
▶ Prescription Drugs	\$179.7	\$259.4	\$403.6	\$449.7	10.1%	9.1%	8.9%	9.2%	4.7%	5.7%	7.8%	11.4%
▶ Durable Medical Equipment	\$30.7	\$44.2	\$68.6	\$72.8	1.7%	1.5%	1.5%	1.5%	4.4%	5.1%	7.3%	6.2%
▶ Other Nondurable Medical Products	\$30.3	\$63.5	\$115.6	\$124.1	1.7%	2.2%	2.6%	2.6%	7.3%	6.9%	8.5%	7.3%
▶ Net Cost of Health Insurance	\$106.4	\$169.1	\$282.6	\$302.9	6.0%	5.9%	6.2%	6.2%	5.4%	6.0%	6.8%	7.2%
▶ Government Administration	\$25.4	\$37.5	\$54.0	\$57.4	1.4%	1.3%	1.2%	1.2%	4.2%	4.3%	4.0%	6.2%
▶ Public Health Activities	\$54.2	\$81.5	\$206.8	\$160.2	3.1%	2.9%	4.6%	3.3%	5.6%	7.0%	-2.1%	-22.6%
Investment	\$108.6	\$163.1	\$227.2	\$238.8	6.1%	5.7%	5.0%	4.9%	4.0%	3.9%	4.0%	5.1%
▶ Noncommercial Research	\$34.8	\$46.7	\$68.0	\$72.1	2.0%	1.6%	1.5%	1.5%	3.7%	4.4%	8.6%	6.1%
▶ Structures and Equipment	\$73.7	\$116.4	\$159.2	\$166.6	4.2%	4.1%	3.5%	3.4%	4.2%	3.7%	2.1%	4.6%

Notes: *Health spending* refers to national health expenditures. *Growth* for 2003–23 and 2013–23 are average annual and were calculated by the author; 2022 and 2023 percentages are annual rates. Figures may not sum due to rounding. Further definitions available at www.cms.gov.

Source: National Health Expenditure historical data (1960–2023), US Centers for Medicare & Medicaid Services.

Appendix B. Health Spending, by Medical Condition, United States, 2016 to 2021, Selected Years

	SPENDING (IN BILLIONS)				DISTRIBUTION				GROWTH		
	2016	2019	2020	2021	2016	2019	2020	2021	2016–21	2020	2021
All Diseases/Conditions	\$2,120.8	\$2,396.2	\$2,324.6	\$2,556.1	100%	100%	100%	100%	3.8%	-3.0%	10.0%
Routine Care, Signs, and Symptoms*	304	345	332	386	14%	14%	14%	15%	4.9%	-3.6%	16.2%
Circulatory Diseases	240	271	246	266	11%	11%	11%	10%	2.0%	-9.3%	8.1%
Musculoskeletal Diseases	219	238	215	240	10%	10%	9%	9%	1.9%	-9.5%	11.8%
Infectious Diseases	107	125	205	231	5%	5%	9%	9%	16.7%	64.4%	12.7%
Nervous System Diseases	168	192	175	191	8%	8%	8%	7%	2.7%	-8.6%	9.2%
Neoplasms	133	163	160	172	6%	7%	7%	7%	5.3%	-1.6%	7.5%
Endocrine System Diseases	131	147	145	159	6%	6%	6%	6%	3.9%	-1.1%	9.4%
Respiratory Diseases	160	174	148	148	8%	7%	6%	6%	-1.5%	-15.2%	0.5%
Injury and Poisoning	132	146	132	145	6%	6%	6%	6%	1.9%	-9.7%	10.0%
Mental Illness	99	126	127	140	5%	5%	5%	5%	7.1%	1.2%	9.7%
Digestive Diseases	118	133	124	136	6%	6%	5%	5%	2.9%	-6.8%	10.0%
Genitourinary Diseases	113	124	114	123	5%	5%	5%	5%	1.6%	-8.2%	7.5%
Other	89	98	93	100	4%	4%	4%	4%	2.3%	-4.4%	7.2%
Skin Diseases	56	62	58	65	3%	3%	2%	3%	3.2%	-7.7%	13.1%
Pregnancy	52	54	51	54	2%	2%	2%	2%	0.8%	-6.4%	6.3%

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

Notes: Spending on medical conditions (shown) accounted for 83% of the \$3.1 trillion in 2021 health care spending under the Health Care Satellite Accounts. Spending on medical services by provider, such as dental services and nursing homes, as well as medical products, appliances, and equipment, are not shown. *Growth* for 2016–21 is average annual and calculated by the author; 2020 and 2021 are annual rates. Figures may not sum due to rounding.

Source: *Health Care Satellite Account Data: Blended Account, 2000–2021*, US Bureau of Economic Analysis, November 30, 2023.

Appendix C. Personal Health Care Spending, by Sex, Age, and Spending Category, 2020

AGGREGATE SPENDING IN BILLIONS	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
Total Personal Health Care	\$150.8	\$461.7	\$523.4	\$527.2	\$155.5	\$1,818.6	\$173.4	\$298.3	\$516.5	\$476.4	\$83.9	\$1,548.4	\$324.2	\$760.0	\$1,039.8	\$1,003.5	\$239.4	\$3,367.0
Hospital Care	53.7	191.0	187.8	169.7	36.7	638.9	64.3	110.8	237.1	188.5	28.3	628.9	118.0	301.8	424.8	358.2	65.0	1,267.8
Physician and Clinical Services	44.4	138.3	142.4	123.7	21.6	470.3	47.0	71.2	105.7	109.8	14.4	348.1	91.4	209.5	248.1	233.4	36.1	818.4
Dental Services	16.4	19.2	22.6	17.1	1.9	77.3	17.2	13.1	14.5	15.7	1.5	62.0	33.6	32.3	37.2	32.8	3.4	139.3
Other Professional Services	6.1	16.6	19.7	20.4	3.5	66.2	7.5	12.1	15.2	14.6	2.0	51.5	13.6	28.7	34.9	34.9	5.5	117.7
Nursing Care Facilities	0.6	3.1	13.1	56.3	49.4	122.6	0.5	2.6	15.5	38.1	17.6	74.3	1.2	5.7	28.7	94.4	67.0	196.9
Home Health Care	5.6	7.5	11.6	28.5	19.7	72.9	7.3	6.9	10.1	19.6	8.2	52.1	12.9	14.4	21.8	48.0	27.9	125.0
Other Health Care	11.8	31.7	30.1	20.8	6.1	100.5	14.6	42.2	35.6	15.6	2.1	110.2	26.4	73.9	65.7	36.4	8.2	210.7
Prescription Drugs	8.7	41.5	73.4	57.6	8.9	190.1	10.9	29.4	64.2	50.1	6.0	160.5	19.6	70.9	137.5	107.7	14.9	350.6
Durable Medical Equipment	2.3	6.7	9.0	10.4	2.8	31.1	2.7	5.1	6.5	8.0	1.6	24.0	4.9	11.8	15.5	18.4	4.4	55.1
Other Nondurable Medical Products	1.2	6.2	13.7	22.7	4.9	48.6	1.4	4.8	12.0	16.5	2.1	36.8	2.6	10.9	25.6	39.1	7.0	85.4

Notes: *Personal health care* spending excludes net cost of health insurance, government administration, public health activities, and investment. Figures may not sum due to rounding.

Source: *Age and Sex Tables* (2002–20), US Centers for Medicare & Medicaid Services.

Appendix C. Personal Health Care Spending, by Sex, Age, and Spending Category, 2020, *cont'd*

DISTRIBUTION	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
Total Personal Health Care	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Hospital Care	36%	41%	36%	32%	24%	35%	37%	37%	46%	40%	34%	41%	36%	40%	41%	36%	27%	38%
Physician and Clinical Services	29%	30%	27%	23%	14%	26%	27%	24%	20%	23%	17%	22%	28%	28%	24%	23%	15%	24%
Dental Services	11%	4%	4%	3%	1%	4%	10%	4%	3%	3%	2%	4%	10%	4%	4%	3%	1%	4%
Other Professional Services	4%	4%	4%	4%	2%	4%	4%	4%	3%	3%	2%	3%	4%	4%	3%	3%	2%	3%
Nursing Care Facilities	0%	1%	3%	11%	32%	7%	0%	1%	3%	8%	21%	5%	0%	1%	3%	9%	28%	6%
Home Health Care	4%	2%	2%	5%	13%	4%	4%	2%	2%	4%	10%	3%	4%	2%	2%	5%	12%	4%
Other Health Care	8%	7%	6%	4%	4%	6%	8%	14%	7%	3%	3%	7%	8%	10%	6%	4%	3%	6%
Prescription Drugs	6%	9%	14%	11%	6%	10%	6%	10%	12%	11%	7%	10%	6%	9%	13%	11%	6%	10%
Durable Medical Equipment	2%	1%	2%	2%	2%	2%	2%	2%	1%	2%	2%	2%	2%	2%	1%	2%	2%	2%
Other Nondurable Medical Products	1%	1%	3%	4%	3%	3%	1%	2%	2%	3%	3%	2%	1%	1%	2%	4%	3%	3%

Notes: *Personal health care* spending excludes net cost of health insurance, government administration, public health activities, and investment. Percentages were calculated by the author. Figures may not sum due to rounding.

Source: *Age and Sex Tables* (2002–20), US Centers for Medicare & Medicaid Services.

Appendix C. Personal Health Care Spending, by Sex, Age, and Spending Category, 2020, *cont'd.*

PER CAPITA	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
Total Personal Health Care	\$4,009	\$8,200	\$12,370	\$19,844	\$36,686	\$10,887	\$4,415	\$5,174	\$12,794	\$21,284	\$34,780	\$9,554	\$4,217	\$6,669	\$12,577	\$20,503	\$35,995	\$10,230
Hospital Care	1,428	3,392	4,438	6,388	8,658	3,825	1,636	1,923	5,872	8,420	11,735	3,880	1,535	2,649	5,138	7,317	9,774	3,852
Physician and Clinical Services	1,180	2,456	3,365	4,656	5,099	2,816	1,197	1,235	2,619	4,904	5,988	2,148	1,188	1,838	3,001	4,769	5,421	2,487
Dental Services	436	341	535	645	452	463	439	228	360	701	603	383	438	284	449	671	507	423
Other Professional Services	162	295	465	767	815	396	191	210	378	651	848	318	177	252	423	714	827	358
Nursing Care Facilities	16	55	311	2,121	11,662	734	14	45	384	1,701	7,279	458	15	50	347	1,929	10,073	598
Home Health Care	149	133	275	1,072	4,640	436	185	120	251	874	3,419	322	168	126	264	981	4,197	380
Other Health Care	315	563	711	782	1,445	602	371	733	882	699	873	680	344	649	794	744	1,237	640
Prescription Drugs	230	738	1,734	2,169	2,104	1,138	278	509	1,590	2,239	2,474	990	255	622	1,663	2,201	2,238	1,065
Durable Medical Equipment	61	118	213	392	657	186	68	89	162	358	679	148	64	104	188	377	665	167
Other Nondurable Medical Products	32	110	323	853	1,154	291	37	82	297	736	882	227	34	96	310	799	1,056	259

Notes: *Personal health care* spending excludes net cost of health insurance, government administration, public health activities, and investment. Figures may not sum due to rounding.

Source: *Age and Sex Tables* (2002–20), US Centers for Medicare & Medicaid Services.

Appendix D. Personal Health Care Spending, by Category, Payer, and Age Group, United States, 2020

IN MILLIONS	0–18	19–44	45–64	65–84	85+	ALL
Out-of-Pocket	\$30,456	\$77,985	\$119,273	\$123,608	\$40,969	\$392,291
Hospital Care	3,230	10,361	12,873	4,525	1,382	32,372
Physician and Clinical Services	5,808	17,247	20,612	15,281	1,379	60,326
Dental Services	9,744	10,521	14,546	17,087	1,849	53,747
Other Professional Services	3,007	8,796	9,338	4,540	551	26,232
Nursing Care Facilities	125	829	5,413	19,600	19,578	45,545
Home Health Care	494	1,056	2,056	3,933	4,687	12,226
Other Health Care	1,937	2,640	1,527	465	76	6,645
Prescription Drugs	2,011	10,263	20,110	13,423	2,517	48,324
Durable Medical Equipment	1,457	5,475	7,543	7,227	2,139	23,841
Other Nondurable Medical Products	2,643	10,797	25,255	37,527	6,811	83,033
Private Health Insurance	\$108,300	\$295,374	\$429,782	\$137,092	\$25,088	\$995,634
Hospital Care	38,726	117,340	194,204	48,224	5,835	404,329
Physician and Clinical Services	41,424	99,808	116,662	43,747	4,105	305,746
Dental Services	12,782	15,454	16,869	10,413	676	56,193
Other Professional Services	4,227	11,017	12,688	5,058	425	33,416
Nursing Care Facilities	72	1,237	2,004	5,812	7,527	16,652
Home Health Care	1,838	2,900	4,959	2,839	3,015	15,550
Other Health Care	1,201	5,950	4,470	1,418	513	13,552
Prescription Drugs	7,255	38,418	74,367	17,324	2,401	139,765
Durable Medical Equipment	775	3,250	3,559	2,257	591	10,431
Other Nondurable Medical Products	n/a	n/a	n/a	n/a	n/a	n/a

Notes: *Personal health care spending* excludes net cost of health insurance, government administration, public health activities, and investment. Figures may not sum due to rounding.

Source: *Age and Sex Tables* (2002–20), US Centers for Medicare & Medicaid Services.

Appendix D. Personal Health Care Spending, by Category, Payer, and Age Group, United States, 2020, *cont'd.*

IN MILLIONS	0-18	19-44	45-64	65-84	85+	ALL
Medicare	\$103	\$23,534	\$112,052	\$516,573	\$107,326	\$759,591
Hospital Care	75	9,969	45,927	220,581	44,521	321,074
Physician and Clinical Services	12	4,336	24,864	139,913	24,921	194,046
Dental Services	0	44	349	1,802	336	2,531
Other Professional Services	0	711	3,713	20,555	3,810	28,789
Nursing Care Facilities	0	418	4,298	23,937	11,180	39,832
Home Health Care	0	693	4,681	26,808	11,603	43,786
Other Health Care	0	189	713	2,581	946	4,430
Prescription Drugs	15	6,691	25,334	71,103	8,492	111,635
Durable Medical Equipment	0	332	1,798	7,696	1,308	11,134
Other Nondurable Medical Products	1	151	375	1,597	209	2,334
Medicaid	\$114,485	\$186,041	\$164,507	\$88,142	\$34,569	\$587,747
Hospital Care	55,421	76,913	64,898	19,786	4,360	221,377
Physician and Clinical Services	21,100	33,666	25,478	5,584	1,472	87,301
Dental Services	6,246	3,315	2,117	738	221	12,637
Other Professional Services	3,829	2,410	1,495	410	154	8,298
Nursing Care Facilities	578	2,101	10,472	23,944	16,397	53,492
Home Health Care	9,262	8,125	7,579	9,928	5,245	40,139
Other Health Care	7,104	45,197	40,054	23,765	5,422	121,543
Prescription Drugs	8,419	11,868	10,166	2,977	987	34,419
Durable Medical Equipment	2,526	2,446	2,248	1,010	311	8,541
Other Nondurable Medical Products	n/a	n/a	n/a	n/a	n/a	n/a

Notes: *Personal health care spending* excludes net cost of health insurance, government administration, public health activities, and investment. Figures may not sum due to rounding.

Source: *Age and Sex Tables* (2002–20), US Centers for Medicare & Medicaid Services.

Appendix D. Personal Health Care Spending, by Category, Payer, and Age Group, United States, 2020, *cont'd.*

IN MILLIONS	0–18	19–44	45–64	65–84	85+	ALL
Other Payers and Programs	\$70,895	\$177,024	\$214,225	\$138,118	\$31,450	\$631,712
Hospital Care	20,553	87,251	106,934	65,037	8,907	288,681
Physician and Clinical Services	23,035	54,418	60,476	28,919	4,179	171,028
Dental Services	4,872	2,981	3,270	2,792	290	14,204
Other Professional Services	2,516	5,803	7,701	4,387	560	20,967
Nursing Care Facilities	384	1,087	6,470	21,116	12,312	41,369
Home Health Care	1,297	1,591	2,518	4,529	3,367	13,302
Other Health Care	16,180	19,948	18,914	8,187	1,272	64,502
Prescription Drugs	1,886	3,647	7,552	2,912	490	16,486
Durable Medical Equipment	172	298	390	239	73	1,173
Other Nondurable Medical Products	0	0	0	0	0	0

Notes: *Personal health care spending* excludes net cost of health insurance, government administration, public health activities, and investment. Figures may not sum due to rounding.

Source: *Age and Sex Tables* (2002–20), US Centers for Medicare & Medicaid Services.