Health vs. Everything Else
Trends in U.S. Health Spending

C. Eugene Steuerle
Richard B. Fisher Chair
& Institute Fellow
The Urban Institute

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Annual Percentage Change in National Health Expenditures per Capita

Shaded areas indicate recessions

Source: CMS National Health Expenditure data. Recession data from NBER.
National Health Expenditures as a Share of GDP
1960-2021

Percent

Percentage Change in National Health Expenditures in Excess of GDP Growth
1965-2012

Shaded areas indicate recessions.

Source: CMS National Health Expenditure data. 2012 value is projected value. GDP data from Federal Reserve Economic Data.
Health Spending as a Share of Total and per Capita GDP Growth 1960-2020 (Percent)

Source: CMS National Health Expenditure data. GDP data from CBO and Federal Reserve Economic Data.
Health Spending as a Share of Total and per Capita GDP Growth
2005-2020 (Percent)

Source: CMS National Health Expenditure data. GDP data from CBO and Federal Reserve Economic Data.
Health Spending as a Share of Total and per Capita GDP Growth 2005-2020 (Percent)

<table>
<thead>
<tr>
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<th>Total</th>
<th>Per Capita</th>
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<tbody>
<tr>
<td>1970-1990</td>
<td>18.5</td>
<td>22.1</td>
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<tr>
<td>1990-2010</td>
<td>26.6</td>
<td>35.6</td>
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Source: CMS National Health Expenditure data. GDP data from CBO and Federal Reserve Economic Data.
Annual Changes in National Health Expenditures per Capita versus Median Household Money Income per Household Member, 1980-2011

Cumulative Change, 1980-2011:

Median Income/Household Member: +$4,000
National Health Expenditures/Capita: +$5,800

Relationship between Excess Cost Growth and Health Spending's Initial Share of the Economy

Health Spending's Share of Economic Growth = 30%

- GDP Growth = 4%
- GDP Growth = 2.5%
- GDP Growth = 1%

Excess Cost Growth (%)

Health Spending's Initial Share of GDP (%)
Excess Cost Growth vs. Health Spending’s Share of Per Capita Economic Growth

Health Spending's Initial Share of GDP = 18%
Population Growth = 0.9%

GDP Growth = 4%
GDP Growth = 2.5%
GDP Growth = 1%
Excess Cost Growth vs. Health Spending’s Share of Per Capita Economic Growth

Health Spending's Initial Share of GDP = 18%
Population growth = 0.9%

GDP Growth = 1%
GDP Growth = 2.5%
GDP Growth = 4%
ExcessCost = \( r \times \frac{\text{Share of Growth} - \text{Initial Share of GDP}}{\text{Initial Share of GDP}} \)

ExcessCost = \( (r - g) \frac{\text{Share of Growth Per Capita} - \text{Initial Share of GDP}}{\text{Initial Share of GDP}} \)

r = economic growth rate

\( g = \) population growth rate