Per-Capita Health Spending Increased by More Than $2,400 Over a Decade

NIHCM Foundation analysis of data from the National Health Expenditure Accounts. Detailed Table 2. LTC=long term care, DME=durable medical equipment. Clinical services include lab services billed independently.
Personal Health Care Spending Now Accounts for 28 Percent of Median Personal Income

NIHCM Foundation analysis of data from the National Health Expenditure Accounts. Detailed Table 2. Median personal income data from the U.S. Census Bureau as reported by the Federal Reserve Bank of St. Louis (https://fred.stlouisfed.org/series/MEPAINUSA646N).
NIHCM Foundation analysis of data from the National Health Expenditure Accounts. Detailed Table 2.
LTC=long term care, DME=durable medical equipment. Clinical services include lab services billed independently.
Per-Capita Spending for Prescription Drugs Has Spiked Recently; Spending for Other Types of Care Has Grown Steadily

NIHCM Foundation analysis of data from the National Health Expenditure Accounts. Detailed Table 2. LTC=long term care, DME=durable medical equipment. Clinical services include lab services billed independently.
NIHCM Foundation analysis of data from the National Health Expenditure Accounts. Detailed Table 6.

Other payment sources include the Children’s Health Insurance Program, the Departments of Defense and Veterans’ Affairs, the Indian Health Service, the Substance Abuse and Mental Health Services Administration, worksite health programs, workers’ compensation, vocational rehabilitation programs, school health, maternal and child health programs, other government programs and other private revenues.
Spending by Public and Private Payers Has Grown Two to Three Times Faster Than Out-of-Pocket Spending by Patients

NIHCM Foundation analysis of data from the National Health Expenditure Accounts. Detailed Table 6.
NIHCM Foundation analysis of data from the National Health Expenditure Accounts. Detailed Table 6.

Other payment sources include the Children's Health Insurance Program, the Departments of Defense and Veterans' Affairs, the Indian Health Service, the Substance Abuse and Mental Health Services Administration, worksite health programs, workers’ compensation, vocational rehabilitation programs, school health, maternal and child health programs, other government programs and other private revenues.
NIHCM Foundation analysis of data from the Medical Expenditure Panel Surveys. Total spending captures all expenditures for health care services and products used by the non-institutionalized civilian population. Spending for health insurance premiums is not included in the measure. Data prior to 2007 not comparable to years shown here due to a change in survey methodology.
Overall Decline in Share of Out-of-Pocket Spending Driven by Statistically Significant Drop for Privately-Insured Patients, Marginally Significant Declines for Publicly-Insured Patients

NIHCM Foundation analysis of data from the Medical Expenditure Panel Surveys. Total spending captures all expenditures for health care services and products used by the non-institutionalized civilian population. Spending for health insurance premiums is not included in the measure. Data prior to 2007 not comparable to years shown here due to a change in survey methodology.
Per-Capita Out-of-Pocket Spending for Personal Health Services Is Now More Than $1,000 Annually

<table>
<thead>
<tr>
<th>Year</th>
<th>Per-Capita Out-of-Pocket Spending for Personal Health Care Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$917</td>
</tr>
<tr>
<td>2007</td>
<td>$963</td>
</tr>
<tr>
<td>2008</td>
<td>$970</td>
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<td>2013</td>
<td>$1,029</td>
</tr>
<tr>
<td>2014</td>
<td>$1,037</td>
</tr>
<tr>
<td>2015</td>
<td>$1,053</td>
</tr>
</tbody>
</table>

OOP Spending as Percent of Per-Capita Disposable Income:
- 2006: 2.7%
- 2007: 2.8%
- 2008: 2.7%
- 2009: 2.7%
- 2010: 2.7%
- 2011: 2.6%
- 2012: 2.6%
- 2013: 2.6%
- 2014: 2.5%
- 2015: 2.5%

NIHCM Foundation analysis of data from the National Health Expenditure Accounts. Detailed Tables 1 (population) and 2 (out-of-pocket spending). Disposable personal income per-capita data from the Federal Reserve Bank of St. Louis (https://fred.stlouisfed.org/series/DSPI).
Half of the Civilian Non-Institutionalized Population Paid Less Than $125 in Out-of-Pocket Costs in 2014, but Some Patients Had Very High Out-of-Pocket Spending

NIHCM Foundation analysis of data from the 2014 Medical Expenditure Panel Survey. Spending reflects all amounts paid by the patient/family for health care services and products (excluding health insurance premiums). Survey sample is limited to the non-institutionalized civilian population and, thus, data exclude spending for institutional care such as nursing homes.
Share of Total Spending Derived from Patient Out-of-Pocket Payments Varies Appreciably by Type of Service, and Share Has Declined Modestly or Held Steady for Most Services

NIHCM Foundation analysis of data from the National Health Expenditure Accounts. Detailed Tables 7, 8, 11, 12, 14 through 17. NH & CCRC = nursing care facilities and continuing care retirement communities. Clinical services include lab services billed independently.
Higher Income Patients Pay a Larger Share of Their Total Spending

Mean Annual Health Spending

- Poor: $4,511
- Near Poor: $6,007
- Low Income: $4,229
- Middle Income: $3,437
- High Income: $4,226

Out-of-Pocket Share

- Poor: 6%
- Near Poor: 7%
- Low Income: 10%
- Middle Income: 13%
- High Income: 16%

NIHCM Foundation analysis of data from the Medical Expenditure Panel Survey, 2014. Poverty classifications are based on the patient’s family income relative to the Federal Poverty Level: poor (<100% FPL); near poor (100-124% FPL), low income (125-199% FPL), middle income (200-399% FPL), and high income (400+% FPL).
Patients in worse health have higher spending overall and out of pocket, but are responsible for a lower share of their total spending.

**Mean Annual Health Spending**

- **Excellent Health**: Paid Out of Pocket: $1,632, Paid by Others: $375
- **Very Good Health**: Paid Out of Pocket: $587, Paid by Others: $2,970
- **Good Health**: Paid Out of Pocket: $637, Paid by Others: $4,862
- **Fair Health**: Paid Out of Pocket: $1,046, Paid by Others: $10,462
- **Poor Health**: Paid Out of Pocket: $1,270, Paid by Others: $21,993

**Out-of-Pocket Share**

- **Excellent Health**: 19%
- **Very Good Health**: 17%
- **Good Health**: 12%
- **Fair Health**: 9%
- **Poor Health**: 5%

NIHCM Foundation analysis of data from the Medical Expenditure Panel Survey, 2014.
NIHCM Foundation analysis of data from the annual Milliman Medical Index reports. Data reflect spending for PPO coverage obtained through an employer for a family of four. Data on median income for a family of four are from the U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements. NA = data not available.
As of 2015, per-capita spending for personal health care was 28 percent of median personal income.

Although third-party payers, both public and private, have been covering a larger share of rising health spending, out-of-pocket amounts have continued to rise and some patients face significant cost sharing.

- Total out-of-pocket spending in the U.S. now tops more than $1,000 per person.
- Ten percent of the population incurred more than $1,500 per person in out-of-pocket spending in 2014, with an average per-capita outlay of almost $3,600 for this group.

People with employer-sponsored health insurance are paying an increasing share of rising premiums directly, adding to the burden of rising out-of-pocket spending. Rising employer contributions are also likely paid for by employees in the form of lower wage increases.

- In 2015, a family of four with employer-sponsored coverage would have needed 12 percent of the median income for a family of that size just to cover its direct premium and out-of-pocket costs.

Health spending growth has been driven by large and steady increases in spending for hospital care, physician and clinical services, and home health and long-term care. Outlays for prescription drugs began increasing very rapidly in 2014 after a period of relative stability. All sectors are prime targets for cost-control efforts.