

Quick Facts On Health Care Costs

Produced by the LWVUS Health Care Education Task Force, 2009

As health care reform legislation sputters and stalls in Congress, here are some statistics that demonstrate the potential negative impact on the economy of maintaining the status quo. This and much more information are available at <http://www.lwv.org> -- go to "Issues" then "Health Care Reform." The LWVH health committee can't help but wonder about the fortunate circumstances of the oft-cited citizens who feel that health care insurance is just fine the way it is.

- Total health spending in the U.S. reached \$2.1 trillion in 2007 – or \$7,026 per capita.
- By 2016, total health spending is projected to rise to \$4.2 trillion.
- Between 2005 – 2006, total health spending increased 6.7 percent, more than double the rate of the 2.9 percent increase in overall economic growth.
- Total health spending remained relatively constant at about 16 percent of gross domestic product from 2003 – 2006, but is projected to increase to 19.5 percent by 2017.
- Spending for home health care increased at a faster pace from 2005 – 2006 (9.9 percent) than any other category of health spending; however, its impact is limited because it accounts overall for only 2.5 percent of total health spending.
- Yearly prescription drug spending growth accelerated in 2006 to 8.5 percent from a low of 5.8 percent in 2005, in part because of full implementation of Medicare Part D.
- Between 2006 and 2007, premiums for health coverage offered by employers increased 6.1 percent, the fourth straight year of declines in the rate of premium growth, from a peak of 13.9 percent in 2003. Even so, this was more than twice the rate of growth in the Consumer Price Index.
- Of every dollar spent on health services in the U.S. in 2006, 46 cents came directly from government sources.
- Costs for program administration and the net cost of private health insurance were about 7 percent of total health spending in the U.S. in 2006 and grew 8.8 percent, a marked increase over the 3.6 percent rise in 2005.

This list (without the original endnotes) is from "A Reporter's Toolkit: Health Care Costs" (an Alliance for Health Reform Toolkit produced with support from the Robert Wood Johnson Foundation) and is reproduced courtesy of the Alliance for Health Care. The entire toolkit can be found at http://www.allhealth.org/Publications/Cost_of_health_care/health_care_costs_toolkit.asp#keyfacts.

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