

Policy Research Perspectives

National Health Expenditures, 2023: Health Care Spending Growth Outpaced GDP for the First Time Since the Pandemic as Utilization Rose

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Introduction

This Policy Research Perspective (PRP) examines 2023 national health care spending and how it compares to historical trends by using the U.S. National Health Expenditures (NHE) data released by the Centers for Medicare & Medicaid Services (CMS) in December 2024.

The United States spent a total of \$4,866.5 billion or \$14,570 per capita on health care in 2023. After a brief uptick in 2020 (19.5 percent of GDP) and 2021 (18.3 percent of GDP) due to the pandemic, health expenditure accounted for 17.6 percent of GDP in 2023. This is similar to its share in 2022 (17.4 percent) and pre-pandemic (17.5 percent in 2019). Notably, health care spending grew by 7.5 percent in 2023, a significant rise compared to 4.6 percent in 2022, 4.2 percent in 2021, and 4.4 percent in 2019. Apart from the 10.4 percent spike seen in 2020 due to the COVID-19 pandemic, it is the highest growth rate observed since 2003 (8.5 percent). After the pandemic, health care spending decelerated in 2021 and 2022, with overall trends more closely resembling those seen before the pandemic. The acceleration in 2023 was driven by higher consumption of health care goods and services as well as a historically high 92.5 percent insured share (Martin et al., 2025). For the first time since the pandemic, the growth in health care spending (7.5 percent) outpaced GDP growth (6.6 percent).

What are national health expenditures?

The NHE data provide comprehensive information on the finances of the U.S. health care system and serve as the official estimate of total health care spending (Centers for Medicare & Medicaid Services, 2024). The Centers for Medicare & Medicaid Services (CMS) has been collecting this historical data on U.S. health care expenditures since 1960. The data are organized into three categories within the NHE, with the total amount reaching \$4,866.5 billion.

1. Type of expenditure: Where does the money go? In this category, health care spending is segmented into what was spent on health consumption expenditures and investment (e.g., research, structures, and equipment). Health consumption expenditures include personal health care spending (i.e., spending on hospital care, physician services, and prescription drugs) as well as public health, government administration, and net costs for insurers (i.e., administration costs, taxes, fees, and profits of private health insurers).
2. Source of funds: Who is the final payer? This category splits health care spending into health care investment and what was spent under different payers. The latter includes spending by health insurance programs (private health insurance, Medicare, Medicaid, and other) as well as

out-of-pocket spending and spending by other third-party payers (e.g., workers compensation and other federal programs).

3. Sponsor: Who is the original source of financing? This category reflects the origin or sponsors of the dollars used to make payments on health care spending. These sponsors include households, private businesses, other private revenues, the federal government, and state and local governments.

Spending by type of expenditure: where does the money go?

Spending shares

Personal health care spending accounted for 84.4 percent of health spending in 2023, which corresponded to \$4,107.4 billion (Exhibit 1). This category includes hospital care (31.2 percent or \$1,519.7 billion), physician services (14.8 percent or \$721.7 billion), prescription drugs (9.2 percent or \$449.7 billion), clinical services (5.3 percent or \$256.3 billion), nursing care facilities (4.3 percent or \$211.3 billion), home health care (3.0 percent or \$147.8 billion), and other personal health care services (16.5 percent or \$800.8 billion).¹ In 2023, personal health care spending made up a slightly larger share of health care spending compared to 2022 (84.4 percent vs. 83.0 percent), largely due to a bigger share of spending on hospital care and prescription drugs.

Net cost of health insurance and government administration accounted for 6.2 percent (\$302.9 billion) and 1.2 percent (\$57.4 billion) of total health spending, respectively, which were the same as the shares from 2022. Net cost of health insurance is the difference between what private insurers receive in premiums and the amount paid in benefits. This includes administrative costs, profits/losses, taxes, and fees. Government administration covers the administrative costs associated with running government health care programs including but not limited to Medicare, Medicaid and the Children's Health Insurance Program (CHIP). These two categories both represent premium dollars that are not spent on health care services.

Government public health activities accounted for 3.3 percent (\$160.2 billion) of total health spending in 2023, down from 4.6 percent in 2022, continuing the downward trend observed after the pandemic. This category reflects the spending by federal, state, and local governments in delivering public health services such as vaccination services, disease prevention programs, and epidemiological surveillance (Centers for Medicare & Medicaid Services, 2024).

After a notable shift in spending patterns caused by the pandemic, the distribution of health spending in 2023 has returned closer to pre-pandemic trends. From 2019 to 2020, the share of health spending on government public health activities doubled from 2.9 percent to 5.8 percent, while the share for personal health care spending declined from 84.3 percent to 81.1 percent. As pandemic-related spending continues to decline, the share of personal health care spending in 2023 (84.4 percent) returned closer to its pre-pandemic share (84.3 percent in 2019).

¹ Other personal health care services here is the sum of both durable and non-durable medical products, other professional and dental services, and other health, residential, and personal care.

Spending growth

Exhibit 2 shows the annual growth in spending on personal health care and its four largest components (hospital care, physician services, clinical services, and prescription drugs) over the 10-year period from 2014 through 2023. From 2014 to 2023, personal health care spending grew by 5.5 percent per year on average. Among its four components, clinical services had the largest average annual growth over 10 years (6.6 percent), followed by prescription drugs (5.7 percent), with hospital care and physician services growing at the same rate (5.3 percent).

The majority of personal health care spending growth from 2014 to 2019 was driven by the expanded insurance coverage through Medicaid expansion and the launch of insurance Marketplace under the Affordable Care Act (ACA). As shown in Exhibit 2, prescription drug spending peaked in 2014, with annual growth reaching 12.1 percent, while spending on hospital care (5.2 percent), physician services (5.8 percent), and clinical services (8.8 percent) peaked in 2015. By 2018, spending growth had leveled off and flattened before accelerating slightly in 2019 due to growth in the utilization of personal health care services (Martin et al., 2021).

The COVID-19 pandemic significantly influenced spending growth after 2019. Total personal health care spending growth accelerated to 6.2 percent in 2020 and 6.3 percent in 2021, compared to 5.2 percent in 2019.² In 2022, growth slowed across most components of personal health care spending, driven by both slower price increases and lower service utilization. The only exception was spending on prescription drugs, which accelerated to grow by 7.8 percent due to higher prices and increased utilization (Hartman et al., 2024). Notably, in 2023, personal health care spending saw the highest annual growth since 1990, with an overall increase of 9.4 percent. Spending on prescription drugs and hospital care grew by 11.4 percent and 10.4 percent, respectively. Physician services and clinical services also saw faster growth rates, increasing by 7.6 percent and 7.0 percent, respectively. This sharp rise in spending was primarily driven by increased utilization of health care goods and services along with high enrollment in private health insurance and Medicaid (Martin et al., 2025).³ This report will discuss the trends in enrollment and spending per-enrollee of these programs in more detail in the following section.

Spending by source of funds: who is the final payer?

Spending shares

Exhibit 3 reflects the spending shares by source of funds, which represents the final payer for health care goods and services. In 2023, the largest source of health care funding came from health insurance, accounting for 73.1 percent, or \$3,558.6 billion. This includes spending by private health insurance (PHI) (30.1 percent or \$1,464.6 billion), Medicare (21.2 percent or \$1,029.8 billion), Medicaid (17.9 percent or \$871.7 billion), and other health insurance programs (4.0 percent or \$192.5 billion). Since 1980, private health insurance has consistently been the largest contributor to

² The growth in 2020 was largely driven by federal spending on public health programs in response to the pandemic, despite a decline in medical care utilization (Hartman et al., 2022). However, health care utilization rebounded in 2021 (Rama, 2024).

³ After adjusting for inflation, personal health care real spending grew by 6.5 percent in 2023 (data not shown). Real spending on hospital care, prescription drugs, and physician and clinical services rose by 7.5 percent, 8.9 percent, and 6.8 percent, respectively (data not shown).

total health care spending. Starting in 1990 and through 2019, this category made up at least 30 percent of total health care spending. This share went down slightly between 2020 and 2022, when pandemic-related expenditures increased the share of federal programs, such as Medicaid and government public health activities. Additionally, since its inception in 1965, Medicare has steadily increased its share of total health care spending, growing from 10.4 percent in 1970 to 20.6 percent in 2014, and maintaining around that level since.

Out-of-pocket spending accounted for 10.4 percent of total health expenditures (\$505.7 billion) in 2023, the same proportion as in 2022. This category includes payments from both uninsured patients and insured patients, such as copayments, coinsurance, and deductible costs. Since 2000, the share of out-of-pocket spending has gradually decreased, reflecting a steady decline in the uninsured population – from 12.1 percent in 2000 to 7.5 percent in 2023. In recent years, this trend is likely driven by the ACA and pandemic-relief programs, which contributed to a reduction in the uninsured rate over this period.

In 2023, spending by other third-party payers and programs was 8.3 percent (\$403.2 billion), staying consistent with the proportion seen in 2022. Investment also remained similar, with 4.9 percent in 2023 compared to 5.0 percent in 2022.

Spending growth

This section examines the annual spending, enrollment, and spending per-enrollee growth across major source of funds categories from 2014 to 2023. These trends have been significantly influenced by government policies, including the ACA and federal public health programs related to the COVID-19 pandemic. From 2014 to 2023, Medicaid saw the largest annual average growth (7.0 percent), followed by Medicare (5.8 percent), private health insurance (5.3 percent), and out-of-pocket spending (4.4 percent). When looking at the overall acceleration in NHE in 2023, the main contributors were PHI and Medicare, while Medicaid showed a deceleration (Exhibit 4).

Medicaid experienced its largest spending increase in 2014 (12.0 percent), when 26 states and Washington, D.C. expanded Medicaid eligibility under the ACA. As shown in Exhibit 5A, the ACA led to a significant 13.0 percent increase in Medicaid enrollment, which contributed to substantial overall spending growth. Medicaid spending growth slowed considerably in 2018 and 2019, dropping to 3.1 percent, as enrollment declined in both years. The pandemic caused a sharp increase in Medicaid spending in 2020 (9.3 percent), 2021 (9.5 percent), and through 2022 (9.7 percent), before easing to 7.9 percent in 2023. This initial surge was largely driven by a spike in enrollment, as federal funding incentives under the Families First Coronavirus Response Act (FFCRA) encouraged states to retain Medicaid enrollees during the pandemic (Hartman et al., 2022).⁴

Although Medicaid enrollment growth slowed in 2022 and 2023, the opposite was true for Medicaid spending growth per-enrollee. In 2022, per-enrollee spending accelerated due to increased Medicaid home- and community-based waivers and care in residential facilities (Hartman et al., 2024). In contrast, the growth in per-enrollee spending in 2023 was driven by rising provider rates and costs and growing use of state-directed payments to providers via managed care organizations (Martin et

⁴ Despite the increase in enrollment, spending-per-enrollee growth declined by 1.5 percent in 2021 (Exhibit 5B), as new enrollees tended to be lower-cost.

al., 2025). In 2023, Medicaid enrollment grew by only 0.8 percent, a sharp decrease from 7.5 percent in 2022, as states resumed eligibility redeterminations that had been paused during the pandemic-era coverage protections. Combined with a significant rise of 7.1 percent per-enrollee spending, this led to a still large 7.9 percent increase in overall Medicaid spending.

PHI spending increased by 4.9 percent and 5.8 percent in 2014 and 2015, respectively, driven by the launch of the health insurance Marketplace, which allowed individuals to purchase insurance directly. As shown in Exhibit 5A, PHI enrollment growth was primarily fueled through this channel rather than through employer-sponsored insurance (ESI) plans. PHI spending growth slowed from 2016 to 2019, before declining by 0.4 percent in 2020 due to pandemic-related job losses. In 2021 and 2022, PHI spending saw notable growth of 7.2 percent and 6.8 percent, respectively, driven by a significant increase in per-enrollee spending as medical goods and services utilization rose. However, PHI spending accelerated significantly to 11.5 percent in 2023, marking the fastest growth rate since 1990 as health care utilization gained momentum. The surge in PHI spending in 2023 was primarily driven by robust growth in direct Marketplace enrollment (8.9 percent) and overall PHI per-enrollee spending (9.7 percent) (data not shown).

Medicare spending growth remained generally stable from 2014 to 2017, hovering just over 4 percent (Exhibit 4). However, in 2018 and 2019, it accelerated to 6.6 percent and 7.0 percent, respectively, due to an increase in per-enrollee spending while enrollment growth remained stable (Exhibits 5A and 5B). This surge in growth was driven by the increased intensity of care needed by the aging Medicare population (Rama, 2024).⁵ Similar to PHI, Medicare spending slowed slightly in 2020 before accelerating significantly in 2021, reaching a growth rate of 7.3 percent. By 2023, Medicare spending grew by 8.1 percent, following a 6.4 percent increase in 2022.

Medicare enrollees can choose between enrolling in traditional fee-for-service (FFS) or in Medicare private plans (MPP) (i.e. Medicare part C). Over the past decade, there has been a significant shift in Medicare spending from traditional fee-for-service (FFS) to Medicare private plans (MPP), with MPP's share increasing from 28.4 percent in 2013 to 52.5 percent of total Medicare spending in 2023. This change reflects strong growth in MPP enrollment and per-enrollee spending, while FFS enrollment and spending stagnated or declined, particularly during the pandemic. Despite this overall trend, FFS spending grew by 1.7 percent in 2023, after a decline of 1.4 percent the previous year, contributing to the faster overall Medicare spending growth of 8.1 percent in 2023.

From 2014 to 2017, the growth of out-of-pocket spending was generally lower than that of Medicare, Medicaid, and private health insurance. However, this growth surpassed Medicaid in 2018 and both Medicaid and PHI in 2019. In 2020, out-of-pocket spending experienced a 1.2 percent decline due to reduced utilization of medical goods and services. However, in 2021, growth surged to 10.7 percent as health care utilization rebounded. While the rate of growth slightly decelerated to 6.9 percent in 2022, it accelerated again to 7.2 percent in 2023, driven by faster spending increases for hospital care as well as physician services.

⁵ The first wave of baby boomers were born from 1946-1954. This suggests that these demographics became Medicare eligible (i.e. age 65) from 2011-2019 (Werde, 2024).

Spending by sponsor: who is the original source of financing?

This section examines the recent trends for sponsors of health care spending. Sponsors reflect the origin of the dollars used to make payments for medical goods and services, while source of funds reflects the final payer. For example, employees and employers pay premiums to get health insurance coverage by private health insurance. In this case, households and private businesses would be sponsors (origin of the dollars used), whereas private health insurance would be the source of funds (final payer) of the medical goods and services. Exhibit 6 shows the shares of health spending by five sponsors: households, private businesses, other private revenues, the federal government, and state and local governments. In addition, it also shows how each sponsor contributes to different sources of funds (Medicare, Medicaid, PHI).

In 2023, the largest contributor to national health spending was the federal government, which allocated \$1,566.2 billion (32.2 percent). This was closely followed by households, contributing \$1,316.6 billion (27.1 percent). Private businesses spent \$894.0 billion (18.4 percent), and state and local governments contributed \$761.3 billion (15.6 percent). The remaining \$328.4 billion (6.7 percent) came from other private revenues.

Over the past few decades, the distribution of health spending among sponsors has seen significant change. The federal government's share of national health spending nearly doubled, rising from 16.8 percent in 1987 (earliest data available) to 32.2 percent in 2023. In contrast, the share from households has decreased substantially, dropping from 36.8 percent to 27.1 percent. Similarly, the contribution from private businesses also declined, from 23.2 percent to 18.4 percent. During the onset of the COVID-19 pandemic in 2020, the federal government's share rose sharply, increasing from 29.5 percent to 36.4 percent due to unprecedented federal spending aimed at managing the crisis. Although this share has decreased as pandemic-related expenditures have wound down, it remained higher than pre-pandemic levels. Meanwhile, the share from households decreased from 28.3 percent to 25.9 percent in 2020, and while it has partially recovered, it was still lower than in the pre-pandemic era.

Exhibit 6 also outlines the financing for the \$1,464.6 billion spent on PHI in 2023. The largest sponsor of PHI was private businesses, which accounted for 46.8 percent (\$685.5 billion) of PHI funding through employer contributions to employer-sponsored health insurance premiums. Household sponsors, making up 28.8 percent (\$421.1 billion) of PHI funding, largely contributed through employee payments to employer-sponsored premiums, with the remaining portion coming from direct purchases of insurance by households. State and local governments contributed 14.4 percent (\$211.1 billion) of PHI funding as employers contributing to employer-sponsored premiums. The federal government sponsored the remaining 10.0 percent share (\$146.9 billion) through its role as an employer and by funding other federal health insurance programs, including pandemic-related spending and marketplace tax credits and subsidies. The latter began being recorded in 2014 with the introduction of the ACA marketplace, and its share as a PHI sponsor has grown from 1.9 percent in 2014 (data not shown) to 6.3 percent in 2023.

In 2023, total Medicare spending reached \$1,029.8 billion. Medicare is comprised of four parts. Medicare Part A covers inpatient care in hospitals and nursing facilities. This component is funded through payroll taxes and voluntary premium contributions to the Medicare Hospital Insurance (HI)

trust fund. Households contributed \$231.7 billion (22.5 percent of total Medicare spending) through employee and self-employment payroll taxes, as well as voluntary premiums paid to the Medicare HI Trust Fund. Private businesses contributed \$151.9 billion (14.7 percent), state and local governments provided \$18.5 billion (1.8 percent) and the federal government funded \$5.4 billion (0.5 percent) to Medicare Part A through their role as an employer via payroll taxes.

Outpatient care and medical supplies are covered by Medicare Part B, while prescription drugs are covered by Medicare Part D. Both components are funded through household contributions to the Medicare Supplementary Medical Insurance (SMI) Trust Fund and the Pre-existing Condition Insurance Plan, which accounted for \$123.5 billion or 12.0 percent of total Medicare spending. The federal government as well as state and local governments paid \$16.7 billion (1.6 percent) and \$9.6 billion (0.9 percent) in premiums for Medicare buy-in, respectively. Additionally, state and local governments contributed \$15.8 billion (1.5 percent) to Medicare Part D through state phase-down payments, which are classified under other programs.

Since payroll taxes and government buy-ins are insufficient to cover the costs of Medicare Parts A, B, and D, 44.3 percent (\$456.7 billion) of total Medicare spending was funded by federal government funds that were not originally designated for Medicare. Specifically, this funding comes from federal general revenue and Medicare Net Trust Fund expenditures. The introduction of Medicare Part D in 2006 increased the share of these funds to 39.0 percent, up from being typically under a third of Medicare spending prior to that. This share peaked in 2010 at 47.5 percent of total Medicare spending. Although the share has decreased slightly since then, it remained a significant component of Medicare funding, accounting for 44.3 percent of total Medicare spending in 2023.

The fourth and last component of Medicare is Medicare Part C (Medicare private plans). Medicare Part C beneficiaries typically receive the standard benefits covered by Parts A, B, and D, along with additional services. As described, funding for Part A benefits comes from the HI trust fund, while funding for Parts B and D is drawn from the SMI trust fund.

Finally, Medicaid spending was \$871.7 billion in 2023. The federal government contributed the largest share, financing \$591.4 billion (67.8 percent) of the total, while state and local governments funded the remaining \$280.3 billion (32.2 percent). Unlike Medicare, and despite that the federal government provides the majority of the funding, Medicaid is managed by state governments, which control enrollment requirements and benefits.⁶ Recently, the federal share of Medicaid financing has significantly increased due to two major health care reforms: the ACA Medicaid expansion and the Families First Coronavirus Response Act (FFCRA). Exhibit 7 illustrates the evolution of this trend.

Under the ACA, states receive a 90.0 percent federal match for adults covered through Medicaid expansion (Rudowitz et al., 2021). The federal share of Medicaid funding rose from 57.7 percent in 2013 to 61.4 percent in 2014, the first year of the ACA expansion. This elevated federal contribution remained relatively stable through 2019, before the onset of the pandemic in 2020.

In 2020, the FFCRA further expanded federal funding incentives due to the COVID-19 pandemic. Combined with additional states adopting Medicaid expansion, the federal government's share of

⁶ This arrangement stems from the 1965 Medicaid legislation, which required the federal government to match state funding for the program

funding rose sharply to 68.5 percent in 2020, peaking at 70.7 percent in 2022. However, as these pandemic-era incentives were phased out in the second half of 2023, some of the costs were shifted back to the states. This led to an increase of 2.9 percentage points in states' share of Medicaid spending, which was offset by a corresponding decline in the federal government's share.

Conclusion

In 2023, national health care spending in the United States grew by 7.5 percent, totaling \$4,866.5 billion or \$14,570 per capita. By multiple measures, this growth is significant when compared to previous years. It surpasses the 4.6 percent increase in 2022 and the 4.2 percent growth in 2021, marking the highest growth rate since 2003 (8.5 percent), with the exception of the 10.4 percent surge in 2020, which was driven by pandemic-related health expenditures. Health spending accounted for 17.6 percent of GDP in 2023, a level comparable to pre-pandemic figures. Overall, the findings for 2023 indicate that U.S. health care spending was growing at a much faster rate than before the pandemic. Notably, for the first time since the pandemic, health care spending grew faster than growth of GDP (7.5 percent vs. 6.6 percent). This trend was attributed to several factors, including increased utilization of health care goods and services and a record high proportion of insured individuals, which reached 92.5 percent (Martin et al., 2025). While the trend in national health care spending may continue in 2024, with ACA enrollment reaching a record high of over 21 million people, future changes remain uncertain due to potential Medicaid funding cuts and the possible expiration of expanded ACA subsidies at the end of 2025 (Cox & Ortaliza, 2024).

The majority of national health spending was attributed to personal health care consumption, which accounted for 84.4 percent of total health spending in 2023, up from 83.0 percent in 2022. The four largest components of personal health care are hospital care (31.2 percent of total health spending or \$1519.7 billion), physician services (14.8 percent or \$721.7 billion), prescription drugs (9.2 percent or \$449.7 billion), and clinical services (5.3 percent or \$256.3 billion). Overall, personal health care spending grew by 9.4 percent, nearly doubling the 4.9 percent increase seen in 2022, and marking the highest growth rate since 1991. This growth was driven by significant acceleration in spending across all four main components of personal health care. Notably, spending on hospital care grew by 10.4 percent, which was more than three times larger than the growth rate in 2022 (3.2 percent). The rapid growth was primarily due to higher utilization of health care goods and services, along with high enrollment in private health insurance and Medicaid (Martin et al., 2025).

Private health insurance was the largest source of funding for health spending, accounting for 30.1 percent (or \$1,464.6 billion), followed by Medicare (21.2 percent or \$1,029.8 billion), Medicaid (17.9 percent or \$871.7 billion), and out-of-pocket spending (10.4 percent or \$505.7 billion). Over the past decade, the spending trends in these programs have been influenced by the ACA and pandemic-related programs. PHI spending grew steadily in 2014 and 2015 due to increased enrollment from the ACA's health insurance marketplace. While pandemic-related job losses caused a slight dip in PHI spending, it recovered significantly by 2023, with overall spending up 11.5 percent and per-enrollee spending growing 9.7 percent (data not shown) due to higher utilization of medical services and high insurance enrollment. Medicare spending also grew steadily from 2014 to 2019, driven by the aging population's increased use of medical services. After a slowdown in 2020, Medicare spending rebounded in 2023, reflecting a continued robust growth in both MPP spending and enrollment, as well as a 1.7 percent increase in Medicare FFS spending following negative growth in

2022. Medicaid spending spiked in 2014 due to ACA expansion, then slowed down in 2018 and 2019 as enrollment dropped. However, Medicaid spending surged again from 2020 through 2022 before decelerating in 2023 as pandemic-era coverage protections ended. Out-of-pocket spending, which had grown slightly before 2020, saw a decline in 2020. After the pandemic, however, out-of-pocket spending rebounded, with growth reaching 10.7 percent in 2021 and 7.2 percent in 2023.

Since 2015, the federal government has been the largest sponsor in national health spending. In 2023, it sponsored 32.2 percent (\$1,566.2 billion) of national health spending. Households financed 27.1 percent (\$1,316.6 billion), while private businesses and state and local governments sponsored 18.4 percent (\$894.0 billion) and 15.6 percent (\$761.3 billion), respectively. The remaining share (6.7 percent or \$328.4 billion) came from other private revenues.

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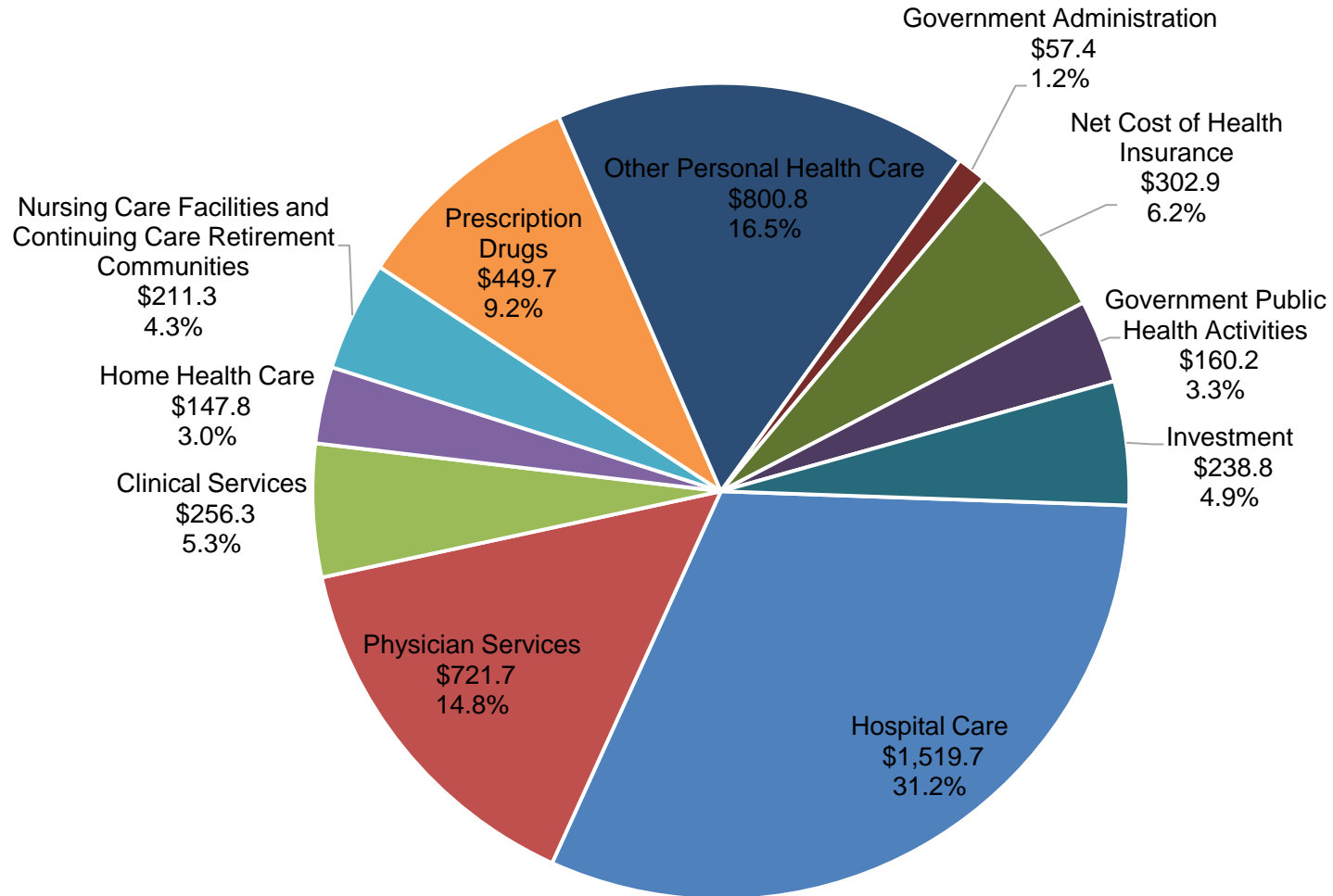
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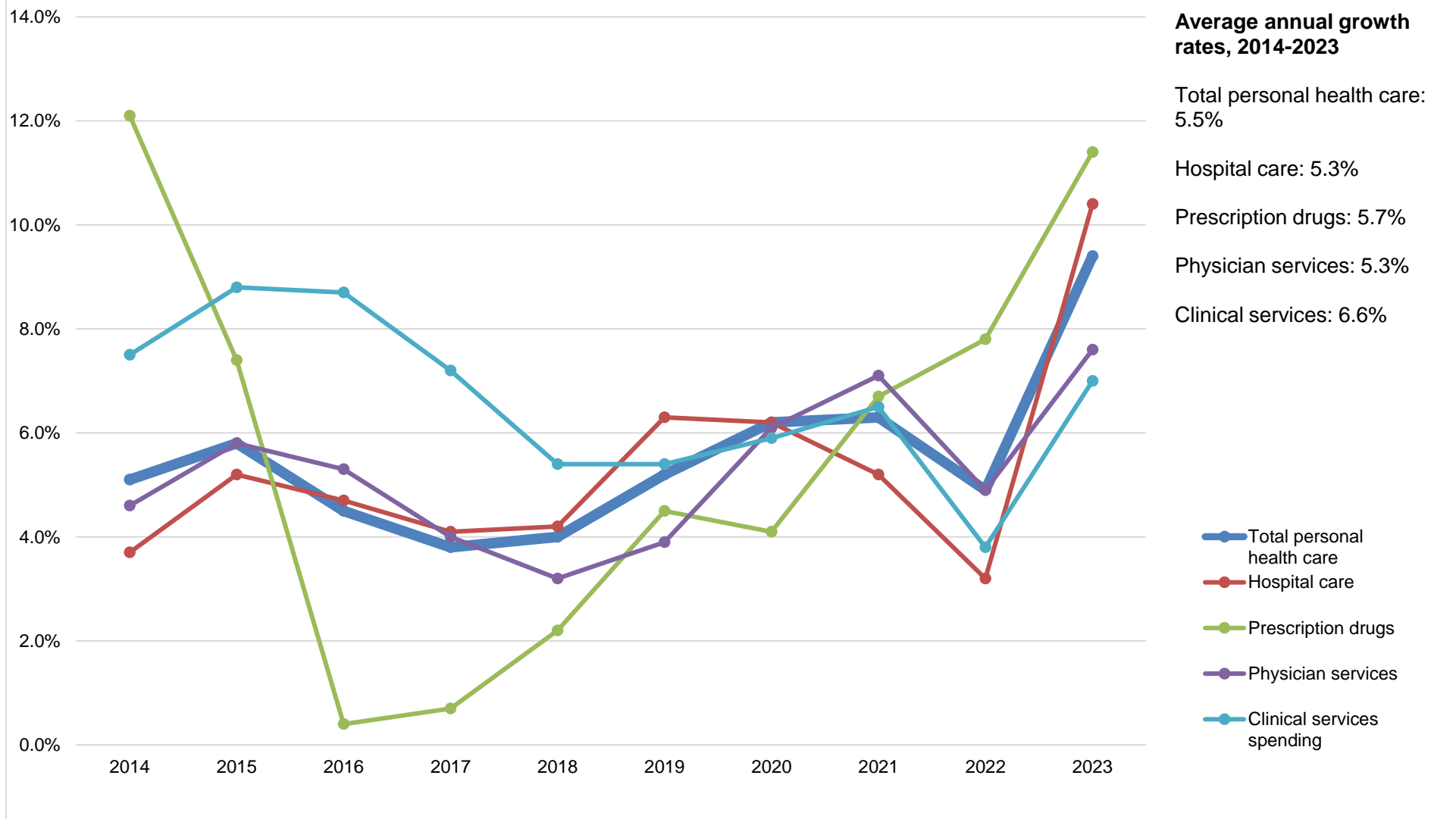
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Exhibit 1. The U.S. spent \$4,866.5 billion on health care in 2023 where did it go?



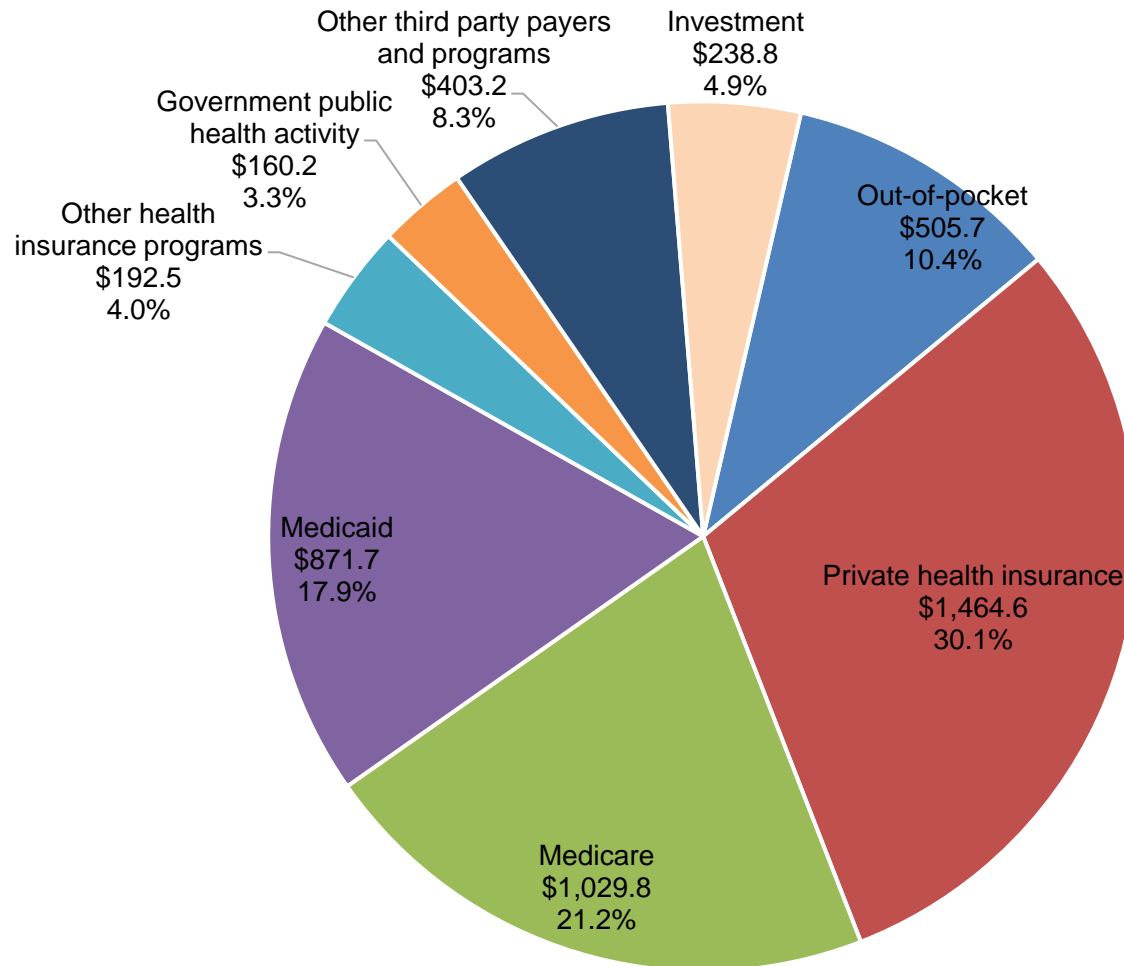
Source: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountshistorical>. Table 2, 9, and 10 in NHE Tables [ZIP].

Exhibit 2. Spending growth rates by type of personal health care expenditures



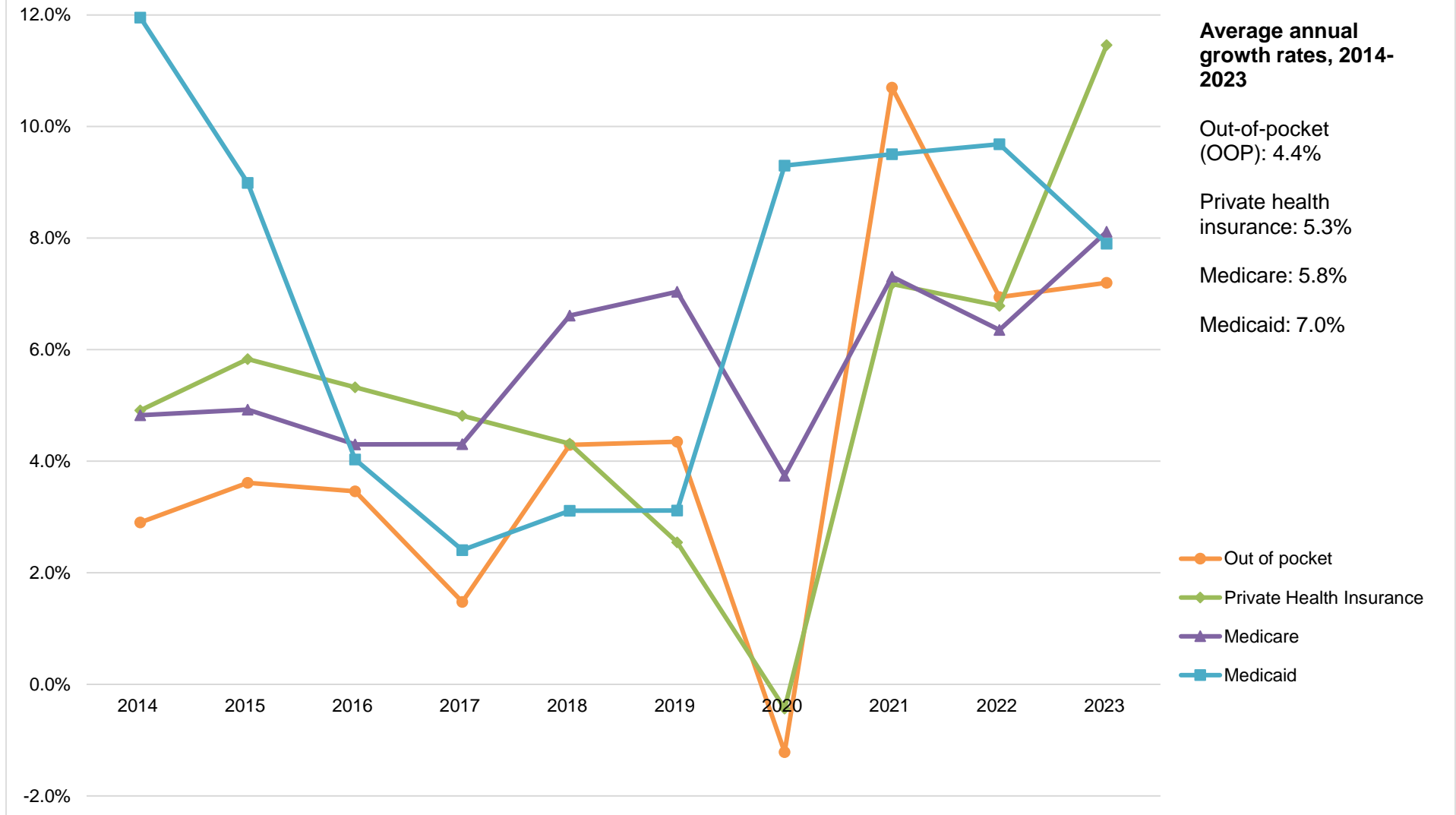
Source: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountshistorical>. Table 2,6,7,9, and 16 in NHE Tables [ZIP].

Exhibit 3. Who pays the \$4,866.5 billion bill? 2023 health care spending decomposed by source of funds



Source: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountshistorical>. Table 3 and NHE2023 in NHE Tables [ZIP].

Exhibit 4. Spending growth rates by source of funds



Source: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountshistorical>. Table 3 in NHE Tables [ZIP].

Exhibit 5A. Enrollment growth by health insurance programs

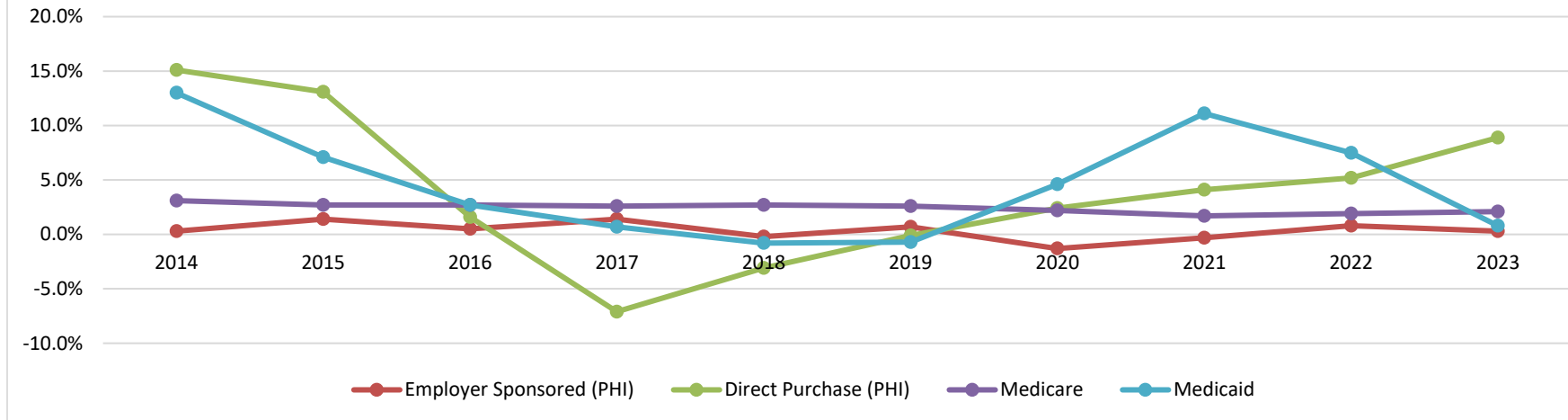
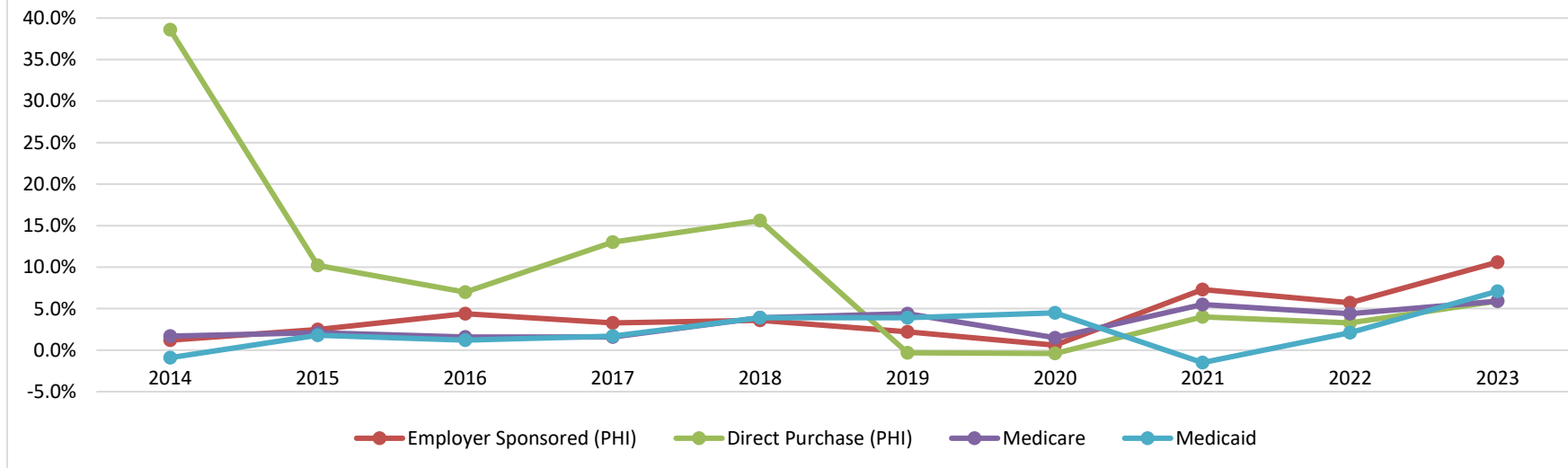


Exhibit 5B. Spending per enrollee by health insurance programs



Source: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountshistorical>. Table 21 in NHE Tables [ZIP].

Exhibit 6. NHE Financing in 2023 (billions of dollars)

	Total		PHI		Medicare		Medicaid	
SPONSOR	Level	Share of total NHE	Level	Share of total PHI	Level	Share of total Medicare	Level	Share of total Medicaid
Private business								
Employer contribution to employer sponsored health insurance premiums	\$685.5	14.1%	\$685.5	46.8%				
Employer Medicare Hospital Insurance Trust Fund payroll taxes	\$151.9	3.1%			\$151.9	14.7%		
Workers' compensation and temporary disability insurance	\$47.8	1.0%						
Worksite health care	\$8.8	0.2%						
Total private business	\$894.0	18.4%	\$685.5	46.8%	\$151.9	14.7%	\$0.0	0.0%
Household								
Employee contribution to employer-sponsored health insurance premiums	\$345.2	7.1%	\$345.2	23.6%				
Household contribution to direct purchase insurance	\$75.9	1.6%	\$75.9	5.2%				
Medical portion of property and casualty insurance	\$34.7	0.7%						
Employee and self-employment payroll taxes and voluntary premiums paid to Medicare Hospital Insurance Trust Fund	\$231.7	4.8%			\$231.7	22.5%		
Premiums paid by individuals to Medicare Supplementary Medical Insurance Trust Fund and the Pre-existing Condition Insurance Plan	\$123.5	2.5%			\$123.5	12.0%		
Out-of-pocket health spending	\$505.7	10.4%						
Total household	\$1,316.6	27.1%	\$421.1	28.8%	\$355.1	34.5%	\$0.0	0.0%
Other private revenues	\$328.4	6.7%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%

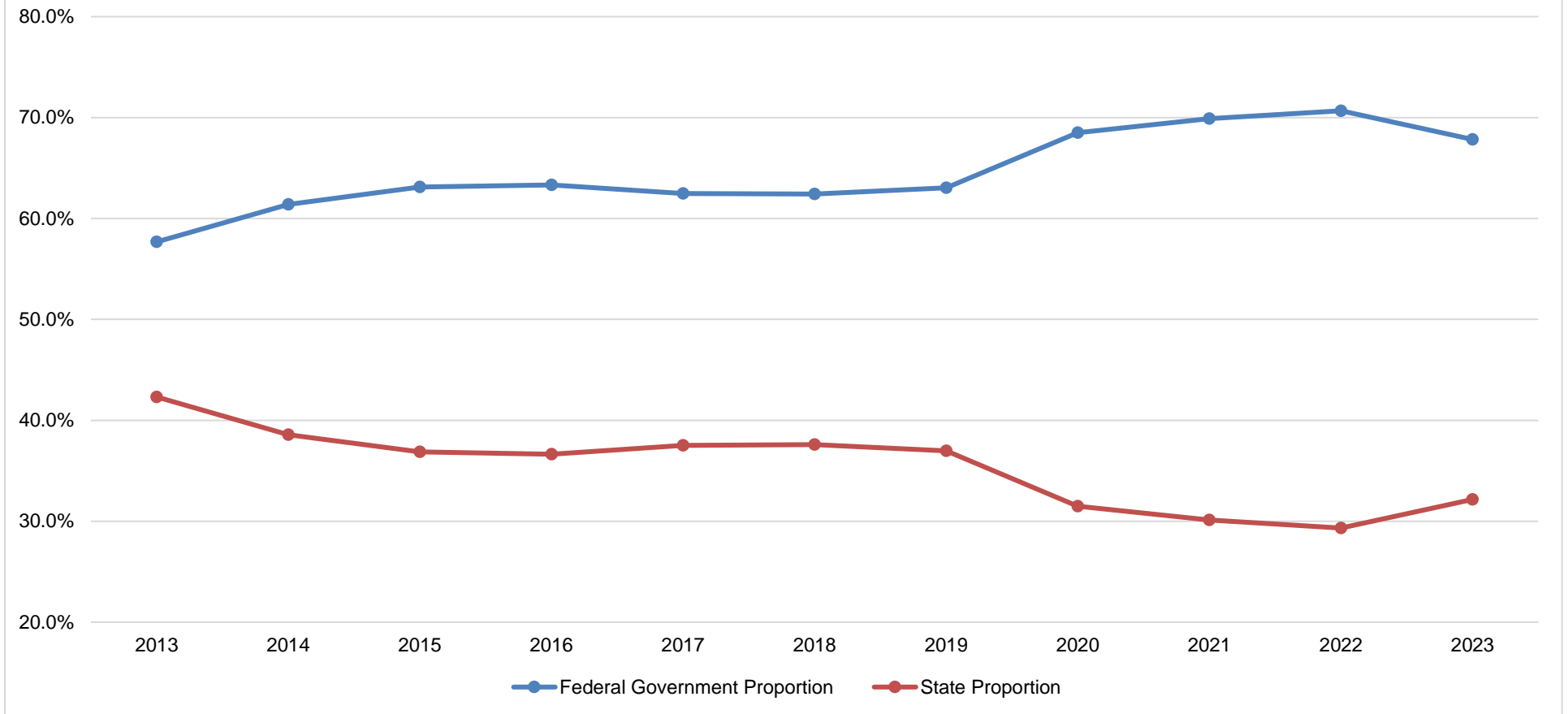
Source: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountshistorical>. Table 5, 5-1, 5-2, 5-3, 5-4, 5-5, 5-6 in NHE Tables [ZIP].

Exhibit 6. continued

	Total		PHI		Medicare		Medicaid	
SPONSOR	Level	Share of total NHE	Level	Share of total PHI	Level	Share of total Medicare	Level	Share of total Medicaid
Federal government								
Employer contribution to employer-sponsored health insurance premiums	\$44.1	0.9%	\$44.1	3.0%				
Employer Medicare Hospital Insurance Trust Fund payroll taxes	\$5.4	0.1%			\$5.4	0.5%		
Federal general revenue and Medicare Net Trust Fund expenditures	\$456.7	9.4%			\$456.7	44.3%		
Federal portion of Medicaid payments	\$591.4	12.2%					\$591.4	67.8%
Federal portion of Medicare buy-in premiums	\$16.7	0.3%			\$16.7	1.6%		
Retiree Drug Subsidy payments to employer-sponsored health insurance plans	\$0.6	0.0%						
Other federal health insurance and programs	\$359.5	7.4%	\$11.0	0.7%				
Marketplace tax credits and subsidies	\$91.9	1.9%	\$91.9	6.3%				
Total federal government	\$1,566.2	32.2%	\$146.9	10.0%	\$478.8	46.5%	\$591.4	67.8%
State and local government								
Employer contribution to employer-sponsored health insurance premiums	\$211.1	4.3%	\$211.1	14.4%				
Employer Medicare Hospital Insurance Trust Fund payroll taxes	\$18.5	0.4%			\$18.5	1.8%		
State portion of Medicaid payments	\$280.3	5.8%					\$280.3	32.2%
State portion of Medicare buy-in premiums	\$9.6	0.2%			\$9.6	0.9%		
Other programs	\$241.7	5.0%			\$15.8	1.5%		
Total state and local government	\$761.3	15.6%	\$211.1	14.4%	\$44.0	4.3%	\$280.3	32.2%
TOTAL	\$4,866.5	100%	\$1,464.6	100%	\$1,029.8	100%	\$871.7	100%

Source: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountshistorical>. Table 5, 5-1, 5-2, 5-3, 5-4, 5-5, 5-6 in NHE Tables [ZIP].

Exhibit 7. Medicaid financing share over time



Source: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountshistorical>. Table 3 in NHE Tables [ZIP].