

NATIONAL HEALTH EXPENDITURES

8.1 Overview

The Centers for Medicare & Medicaid Services (CMS, www.cms.gov) annually assesses and forecasts national health expenditures by type of service delivered (hospital care, physician services, nursing home care, etc.) and source of funding for the services (private health insurance, Medicare, Medicaid, out-of-pocket spending, etc.).

This chapter provides a summary of historical data and CMS projections for national health expenditures in current dollars.

8.2 Spending

| | Spending (growth) | % of GDP | Per Capita |
|---------|--------------------------|-----------------|-------------------|
| • 2000: | \$1.37 trillion (7.0%) | 13.4% | \$ 4,881 |
| • 2001: | \$1.49 trillion (8.6%) | 14.1% | \$ 5,243 |
| • 2002: | \$1.64 trillion (9.1%) | 14.9% | \$ 5,694 |
| • 2003: | \$1.78 trillion (8.0%) | 15.4% | \$ 6,129 |
| • 2004: | \$1.91 trillion (6.9%) | 15.5% | \$ 6,508 |
| • 2005: | \$2.04 trillion (6.9%) | 15.5% | \$ 6,887 |
| • 2006: | \$2.17 trillion (6.5%) | 15.6% | \$ 7,265 |
| • 2007: | \$2.30 trillion (6.2%) | 15.9% | \$ 7,652 |
| • 2008: | \$2.41 trillion (4.7%) | 16.4% | \$ 7,944 |
| • 2009: | \$2.50 trillion (3.8%) | 17.4% | \$ 8,175 |
| • 2010: | \$2.60 trillion (3.8%) | 17.4% | \$ 8,411 |
| • 2011: | \$2.70 trillion (3.6%) | 17.3% | \$ 8,658 |
| • 2012: | \$2.79 trillion (4.0%) | 17.1% | \$ 8,877 |
| • 2013: | \$2.86 trillion (2.6%) | 16.9% | \$ 9,045 |
| • 2014: | \$3.00 trillion (5.1%) | 17.0% | \$ 9,437 |
| • 2015: | \$3.16 trillion (5.4%) | 17.3% | \$ 9,874 |
| • 2016: | \$3.30 trillion (4.5%) | 17.6% | \$10,241 |
| • 2017: | \$3.44 trillion (4.2%) | 17.6% | \$10,603 |
| • 2018: | \$3.60 trillion (4.6%) | 17.4% | \$11,030 |
| • 2019: | \$3.76 trillion (4.3%) | 17.5% | \$11,453 |
| • 2020: | \$4.16 trillion (10.6%) | 19.5% | \$12,629 |
| • 2021: | \$4.29 trillion (3.2%) | 18.2% | \$13,012 |
| • 2022: | \$4.46 trillion (4.1%) | 17.3% | \$13,493 |
| • 2023: | \$4.80 trillion (7.5%) | 17.6% | \$14,423 |

| | | | |
|---------|------------------------|-------|----------|
| • 2024: | \$5.05 trillion (5.2%) | 17.7% | \$15,074 |
| • 2025: | \$5.30 trillion (4.9%) | 17.9% | \$15,705 |
| • 2026: | \$5.56 trillion (5.0%) | 18.1% | \$16,387 |
| • 2027: | \$5.89 trillion (5.9%) | 18.3% | \$17,254 |
| • 2028: | \$6.22 trillion (5.5%) | 18.6% | \$18,100 |

8.3 Source Of Funds

By source of funds, health expenditures* were assessed by CMS as follows (change from prior year in parenthesis):

| | |
|---|---------------------------|
| • Private health insurance: | \$1.290 trillion (5.9%) |
| • Medicare: | \$ 944.3 billion (5.9%) |
| • Medicaid: | \$ 805.7 billion (9.6%) |
| • Other 3 rd party payers:** | \$ 564.0 billion (-10.2%) |
| • Out-of-pocket payments: | \$ 471.4 billion (6.6%) |
| • Other health insurance: | \$ 171.6 billion (3.4%) |

* 2022

** Includes worksite healthcare, other private revenues, Indian Health Service, workers' compensation, general assistance, maternal and child health, vocational rehabilitation, other federal programs, Substance Abuse and Mental Health Services Administration, other state and local programs, and school health

8.4 Distribution of Expenditures

By type of expenditure*, CMS estimated the distribution as follows (change from prior year in parenthesis):

| | |
|---|--------------------------|
| • Hospital care: | \$1.355 trillion (2.2%) |
| • Physician and clinical services: | \$ 884.9 billion (2.7%) |
| • Prescription drugs (retail outlet sales): | \$ 405.9 billion (8.4%) |
| • Net cost of private health insurance: | \$ 279.4 billion (8.5%) |
| • Nursing home care and continuing care retirement communities: | \$ 191.3 billion (5.6%) |
| • Dental services: | \$ 165.3 billion (0.3%) |
| • Structures and equipment: | \$ 153.0 billion (3.1%) |
| • Home healthcare: | \$ 132.9 billion (6.0%) |
| • Government public health activities: | \$ 208.4 billion (-1.0%) |
| • Non-durable medical products (retail outlet sales): | \$ 115.4 billion (8.5%) |
| • Durable medical equipment (retail outlet sales): | \$ 67.1 billion (5.1%) |
| • Research: | \$ 64.8 billion (4.7%) |
| • Government administration of health insurance: | \$ 54.2 billion (4.2%) |
| • Other personal healthcare: | \$ 246.5 billion (9.7%) |
| • Other professional services: | \$ 140.6 billion (9.1%) |

* 2022

8.5 Market Resources

National Health Expenditures, Centers for Medicare & Medicaid Services.
(www.cms.hhs.gov/NationalHealthExpendData)

HEALTHCARE EXPENDITURES BY STATE

9.1 Personal Healthcare Expenditures

Health Expenditures by State, by the Centers for Medicare & Medicaid Services (CMS, www.cms.gov), provides data on personal healthcare expenditures for each state and the District of Columbia.

Total U.S. personal healthcare expenditures were assessed at \$3.35 trillion.

9.2 Expenditures By State Of Residence

Personal healthcare expenditures were distributed by state of residence as follows:

- Alabama: \$ 45.67 billion
- Alaska: \$ 9.97 billion
- Arizona: \$ 64.98 billion
- Arkansas: \$ 28.30 billion
- California: \$405.45 billion
- Colorado: \$ 49.84 billion
- Connecticut: \$ 44.42 billion
- Delaware: \$ 12.72 billion
- District of Columbia: \$ 10.25 billion
- Florida: \$214.40 billion
- Georgia: \$ 93.80 billion
- Hawaii: \$ 14.48 billion
- Idaho: \$ 14.88 billion
- Illinois: \$128.26 billion
- Indiana: \$ 71.04 billion
- Iowa: \$ 30.96 billion
- Kansas: \$ 27.41 billion
- Kentucky: \$ 45.92 billion
- Louisiana: \$ 48.84 billion
- Maine: \$ 16.30 billion
- Maryland: \$ 65.64 billion
- Massachusetts: \$ 91.81 billion
- Michigan: \$ 98.63 billion
- Minnesota: \$ 61.35 billion
- Mississippi: \$ 27.87 billion

- Missouri: \$ 61.03 billion
- Montana: \$ 11.03 billion
- Nebraska: \$ 20.37 billion
- Nevada: \$ 26.20 billion
- New Hampshire: \$ 16.11 billion
- New Jersey: \$105.41 billion
- New Mexico: \$ 18.75 billion
- New York: \$270.84 billion
- North Carolina: \$ 94.53 billion
- North Dakota: \$ 8.64 billion
- Ohio: \$122.52 billion
- Oklahoma: \$ 37.59 billion
- Oregon: \$ 42.71 billion
- Pennsylvania: \$148.32 billion
- Rhode Island: \$ 12.36 billion
- South Carolina: \$ 45.74 billion
- South Dakota: \$ 11.15 billion
- Tennessee: \$ 64.29 billion
- Texas: \$246.81 billion
- Utah: \$ 24.44 billion
- Vermont: \$ 7.95 billion
- Virginia: \$ 78.98 billion
- Washington: \$ 71.27 billion
- West Virginia: \$ 22.79 billion
- Wisconsin: \$ 58.22 billion
- Wyoming: \$ 6.39 billion

9.3 Market Resources

Health Expenditures By State, Centers for Medicare & Medicaid Services.

(www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet)

PART III: HEALTHCARE & THE INTERNET

ONLINE HEALTHCARE

10.1 Search For Health Information

According to the Pew Internet & American Life Project (www.pewinternet.org), 80% of online adults search for health information on the Internet. The following are percentages of Internet users who have performed an online search related to specific health topics:

- Specific disease or medical problem: 66%
- Certain medical treatment or procedure: 55%
- Exercise or fitness: 52%
- Prescription or over-the-counter drugs: 45%
- Health insurance, including Medicare/Medicaid: 37%
- Alternative treatments or medicines: 35%
- How to lose weight or weight control: 33%
- Depression, anxiety, stress, or mental health: 28%
- Experimental treatments or medicines: 20%
- How to stay healthy on a trip overseas: 12%
- Other health issues: 26%

“Consumers’ use of the Internet for health information is now on par with their use of the more traditional, longstanding sources of books, magazines and newspapers, and friends or relatives.”

American Hospital Association

The Harris Poll (www.theharrispoll.com) found that 89% of online adults, or 74% of all adults, had used the Internet to search for health-related information in the prior year; 60% had done so in the prior month. Among those who searched for health-related information in the prior month, 19% did so 10 or more times.

Adults who have looked online for information about health topics say they usually use the following sources:

- Search engines: 69%
- Medical websites: 62%
- Forums: 16%
- Social media websites: 8%
- Other: 11%

Fifty-seven percent (57%) of those who conducted online searches discussed the information they found with their doctor.

A survey by Makovsky Health (www.makovskyhealth.com) found that adults spend, on average, 52 hours looking for health information on the Internet annually. Online resources used are as follows (percentage of respondents):

- WebMD: 53%
- Wikipedia: 22%
- Health magazine websites: 19%
- Advocacy group websites: 16%
- YouTube: 10%
- Facebook: 10%
- Blogs: 10%
- Pharmaceutical company websites: 9%

10.2 Websites and Apps

According to Research 2 Guidance (www.research2guidance.com), there are over 350,000 medical and health apps in use, with an estimated 3.5 billion downloads each year. Over 3,000 health organizations have developed at least one app.

A 2023 survey by Emarketer (www.emarketer.com) found that 63.4% of U.S. adults had used an app for a health-related purpose in the last 12 months. This was a 6% increase from 2018.

According to a 2023 survey by Morning Consult (www.morningconsult.com), adults use health apps for the following reasons (percentage of respondents):

- Exercise, fitness, heart rate monitoring: 75%
- Sleep: 48%
- Weight: 46%
- Diet, food, calorie counter: 41%
- Blood pressure: 36%
- Medication management, tracking, alerts: 23%
- Mental health: 23%
- Mood: 22%
- Menstrual cycle: 21%
- Blood sugar or diabetes: 17%

The top health apps, ranked by Data.ai (www.data.ai) based on usage in 1Q 2024, were as follows:

1. MyChart
2. Myair™ By Resmed
3. Oticon On
4. UnitedHealthcare
5. Sydney Health
6. myPhonak
7. ClearCareGo Caregiver
8. OneTouch Reveal
9. mySugr Diabetes Logbook
10. GoodRx

The top health websites, ranked by Similarweb (www.similarweb.com) based on total visits in 1Q 2024, are as follows:

Alternative and Natural Medicine

1. iherb.com
2. mercola.com
3. massagebook.com
4. drweil.com
5. childrenshealthdefense.org

Biotechnology and Pharmaceuticals

1. mounjaro.com
2. pfizer.com
3. lindushealth.com
4. oracleindustry.com
5. veevavault.com

Children's Health

1. babycenter.com
2. parents.com
3. kidshealth.org
4. happiestbaby.com
5. stanfordchildrens.org

Dentist and Dental Services

1. intakeq.com
2. dentalofficetoolkit.com
3. votefab40.com
4. invisalign.com
5. modento.io

Developmental and Physical Disabilities

1. goodwill.org
2. sevitahhealth.com
3. statres.com
4. thementornetwork.com
5. mymodivcare.com

Geriatric and Aging Care

1. reliaslearning.com
2. matrixcare.com
3. mscoldness.com
4. aplaceformom.com
5. seniorshelpnow.com

Health Conditions and Concerns

1. webmd.com
2. verywellhealth.com
3. health.clevelandclinic.org
4. sleepfoundation.org
5. cancer.org

Medicine

1. mayoclinic.org
2. clevelandclinic.org
3. hopkinsmedicine.org
4. kp.org
5. medscape.com

Men's Health

1. harrys.com
2. dollarshaveclub.com
3. gillette.com
4. movember.com
5. restoredispensaries.com

Mental Health

1. psychologytoday.com
2. simplepractice.com
3. doxy.me
4. verywellmind.com
5. betterhelp.com

Nutrition Diets and Fitness

1. menshealth.com
2. eatthis.com
3. prevention.com
4. myfitnesspal.com
5. health.com

Pharmacy

1. cvs.com
2. drugs.com
3. goodrx.com
4. fda.gov
5. riteaid.com

Public Health and Safety

1. esosuite.net
2. traumasoft.com
3. aladtec.com
4. health.state.mn.us
5. myeyedr.com

Women's Health

1. womenshealthmag.com
2. plannedparenthood.org
3. verywellfamily.com
4. nightdaily.com
5. flo.health

Other

1. nih.gov
2. healthline.com
3. walgreens.com
4. aarp.org
5. medicalnewstoday.com

10.3 Communications

In a survey by Redpoint Global (www.redpointglobal.com), U.S. adults said that their expectations for communications with their healthcare providers are as follows (percentage of respondents):

- Availability for appointments: 44%
- Online communication to match in-person experience: 40%
- Knowledge of preferences and medical history: 39%
- Data inputted in healthcare portals to reach providers in-office: 34%
- Updated patient information across all channels: 34%
- Proactive outreach ahead of appointments and billing cycles: 34%
- Frictionless check-in experience: 29%
- Proactive follow-ups following procedures: 29%
- Immediate response to questions: 29%

Ninety-two percent (92%) of U.S. adults say easy and quick access to their medical records is important, according to DrFirst (www.drfirst.com).

Most hospitals use social media to communicate with patients. The Mayo Clinic reported hospital use of various social sites as follows:

- Facebook: 1,305
- FourSquare: 1,078
- X (Twitter): 1,021
- YouTube: 721
- LinkedIn: 658
- Blog: 216

10.4 Virtual Physician Visits

CivicScience (www.civicscience.com) reported that 41% of U.S. adults had virtual visits with healthcare practitioners in 2023; 60% said that they were satisfied with this online experience. Twenty-two percent (22%) of patients said that telemedicine led them to seek medical care they wouldn't have otherwise.

In a survey by the American Medical Association (www.ama-assn.org), 52% of physicians said that their use of telehealth had decreased since they first offered the service. Reasons were as follows (percentage of respondents):

- Preference of a mix of in-person and telehealth visits: 64%
- Patients prefer to visit in person: 53%
- Physician prefers to provide care in person: 38%
- Patients experience technology barriers: 25%
- Not appropriate for specialty: 16%

emarketer reported that patients find the following telehealth service features to be valuable (percentage of respondents):

- Ability to receive and renew prescriptions: 73%
- Ability to have a dedicated care team: 71%

- Option for prescription delivery: 63%
- Real-time transcription during video visits: 52%
- Virtual waiting room while waiting for appointment: 40%

10.5 Remote Patient Monitoring

Remote patient monitoring is the use of digital technologies to monitor and capture medical and other health data from patients and electronically transmit this information to healthcare providers for assessment and, when necessary, recommendations and instructions. The most common types of monitoring are senior home monitoring, cardiac monitoring, and chronic/post-acute care management.

Emarketer assessed the number of U.S. patients using remote monitoring as follows:

- 2020: 29.1 million
- 2021: 39.3 million
- 2022: 45.1 million
- 2023: 53.1 million
- 2024: 60.6 million