

National Health Spending In 2012: Rate Of Health Spending Growth Remained Low For The Fourth Consecutive Year

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Abstract

For the fourth consecutive year, growth in health care spending remained low, increasing by 3.7 percent in 2012 to \$2.8 trillion. At the same time, the share of the economy devoted to health fell slightly (from 17.3 percent to 17.2 percent) as the nominal gross domestic product (GDP) grew by 4.6 percent. Faster growth in hospital services and in physician and clinical services was mitigated by slower growth in prices for prescription drugs and nursing home services. Despite an uptick in enrollment growth, Medicare spending growth slowed slightly in 2012, mainly due to lower payment updates. For Medicaid, slowing enrollment growth kept spending growth near historic lows. Growth in private health insurance spending also remained near historically low rates in 2012, largely influenced by the nation's modest economic recovery and its impact on enrollment.

