By Jacqueline A. Fiore, Andrew J. Madison, John A. Poisal, Gigi A. Cuckler, Sheila D. Smith, Andrea M. Sisko, Sean P. Keehan, Kathryn E. Rennie, and Alyssa C. Gross

National Health Expenditure Projections, 2023–32: Payer Trends Diverge As Pandemic-Related Policies Fade

DOI: 10.1377/hlthaff.2024.00469
HEALTH AFFAIRS 43, NO. 7 (2024): –
This open access article is distributed in accordance with the terms of the Creative Commons Attribution (CC BY-NC-ND 4.0) license.

ABSTRACT Health care spending growth is expected to outpace that of the gross domestic product (GDP) during the coming decade, resulting in a health share of GDP that reaches 19.7 percent by 2032 (up from 17.3 percent in 2022). National health expenditures are projected to have grown 7.5 percent in 2023, when the COVID-19 public health emergency ended. This reflects broad increases in the use of health care, which is associated with an estimated 93.1 percent of the population being insured that year. In 2024, Medicaid enrollment is projected to decline significantly as states continue their eligibility redeterminations. Simultaneously, private health insurance enrollment is projected to increase because of the extension of enhanced subsidies for direct-purchase health insurance under the Inflation Reduction Act (IRA) of 2022, as well as a temporary special enrollment period for qualified people losing Medicaid coverage (after eligibility redeterminations). Over the course of 2024–26, the IRA expands Medicare's drug benefit generosity and implements drug price negotiations for beneficiaries; concurrently, the extended enhanced subsidies for direct-purchase health insurance expire in 2026. During 2027–32, personal health care price inflation and growth in the use of health care services and goods contribute to projected health spending that grows at a faster rate than the rest of the economy.

Jacqueline A. Fiore (jacqueline.fiore@cms.hhs.gov), Centers for Medicare and Medicaid Services (CMS), Baltimore, Maryland.

Andrew J. Madison, CMS.

John A. Poisal, CMS.

Gigi A. Cuckler, CMS.

Sheila D. Smith, CMS.

Andrea M. Sisko, CMS.

Sean P. Keehan, CMS.

Kathryn E. Rennie, CMS.

Alyssa C. Gross, CMS.

Health care spending in the US is projected to have grown 7.5 percent in 2023, which is faster than the nominal gross domestic product (GDP) growth rate of 6.1 percent, and to have resulted in a slight increase, to 17.6 percent, in the share of the nation's economy devoted to health spending (exhibit 1). Contributing to this higher rate of growth was an increase in the insured share of the population, which is expected to have reached an unprecedented high of 93.1 percent, largely related to a record-high level of Medicaid enrollment (exhibit 2). During the full projection period (2023–32), growth in national health expenditures is projected to average 5.6 percent and outpace the nominal GDP growth rate of 4.3 percent (calculable from exhibit 1). Underlying this differential are faster growth in personal health care prices (measured by the Personal Health Care Price Deflator), relative to economywide price growth (based on the GDP Implicit Price Deflator); the continued aging of the population; and increasingly more demand for health care relative to income growth. These factors contribute to a health share of the economy that is projected to reach 19.7 percent by 2032.

Downloaded from HealthAffairs.org on June 27, 2024.
Copyright Project HOPE—The People-to-People Health Foundation, Inc.
For personal use only. All rights reserved. Reuse permissions at HealthAffairs.org.

EXHIBIT 1

National health expenditures (NHE) and personal health care (PHC) expenditures, aggregate and per capita amounts, share of gross domestic product (GDP), and annual growth, selected calendar years 2021–32

			Projected			
	2021	**2022**	**2023**	**2024**	**2026**	**2032**
NHE, billions	$4,289.1	$4,464.6	$4,799.3	$5,048.8	$5,560.3	$7,705.0
PHC, billions	$3,561.5	$3,704.8	$4,038.2	$4,251.2	$4,687.4	$6,532.3
GDP, billions	$23,594.0	$25,744.1	$27,314.5	$28,489.0	$30,798.9	$39,158.1
NHE as percent of GDP	18.2%	17.3%	17.6%	17.7%	18.1%	19.7%
Disposable personal income, billions	$18,664.4	$18,702.5	$20,163.4	$21,048.4	$22,869.4	$29,225.6
Population, millions[a]	329.6	330.9	332.7	334.9	339.3	351.4
NHE per capita	$13,012	$13,493	$14,423	$15,074	$16,387	$21,927
PHC per capita	$10,805	$11,197	$12,136	$12,692	$13,815	$18,590
GDP per capita	$71,579	$77,808	$82,087	$85,055	$90,771	$111,436
Prices (2017 = 100.0)						
Chain-weighted NHE deflator	1.080	1.114	1.146	1.182	1.247	1.466
Chain-weighted PHC deflator	1.073	1.098	1.125	1.160	1.224	1.437
Chain-weighted GDP Implicit Price Deflator	1.102	1.180	1.224	1.251	1.304	1.473
Real spending						
NHE, billions of chained dollars	$3,973	$4,007	$4,187	$4,273	$4,458	$5,254
PHC, billions of chained dollars	$3,320	$3,375	$3,589	$3,665	$3,831	$4,547
GDP, billions of chained dollars	$21,408	$21,822	$22,346	$22,815	$23,667	$26,705
Average annual growth	**2021[b]**	**2022**	**2023**	**2024**	**2025–26**	**2027–32**
NHE	6.9%	4.1%	7.5%	5.2%	4.9%	5.6%
PHC	6.0	4.0	9.0	5.3	5.0	5.7
GDP	4.7	9.1	6.1	4.3	4.0	4.1
Disposable personal income	7.5	0.2	7.8	4.4	4.2	4.2
Population[a]	0.3	0.4	0.6	0.7	0.6	0.6
NHE per capita	6.6	3.7	6.9	4.5	4.3	5.0
PHC per capita	5.7	3.6	8.4	4.6	4.3	5.1
GDP per capita	4.4	8.7	5.5	3.6	3.3	3.5
Prices (2017 = 100.0)						
Chain-weighted NHE deflator	2.2	3.2	2.9	3.1	2.7	2.7
Chain-weighted PHC deflator	2.1	2.3	2.5	3.1	2.7	2.7
Chain-weighted GDP Implicit Price Deflator	2.9	7.1	3.7	2.2	2.1	2.1
Real spending						
NHE	4.5	0.9	4.5	2.0	2.1	2.8
PHC	3.8	1.6	6.3	2.1	2.2	2.9
GDP	1.7	1.9	2.4	2.1	1.8	2.0

SOURCES Centers for Medicare and Medicaid Services (CMS), Office of the Actuary, National Health Statistics Group; and Department of Commerce, Bureau of Economic Analysis and Census Bureau. **NOTES** Definitions, sources, and methods for NHE categories can be found in CMS. National Health Expenditure Accounts: methodology paper, 2022, definitions, sources, and methods [Internet]. Baltimore (MD): CMS; 2023 Dec 14 [cited 2024 May 9]. Available from: https://www.cms.gov/files/document/definitions-sources-and-methods.pdf. Percent changes are calculated from unrounded data. Tables with data for all years of the projection period can be found in CMS.gov. NHE projections tables (see note 1 in text). [a]Estimates reflect the Census Bureau's definition of resident-based population, which includes all people who usually reside in the 50 states or the District of Columbia but excludes residents living in Puerto Rico and areas under US sovereignty, members of the US Armed Forces overseas, and US citizens whose usual place of residence is outside of the US. Estimates also include a small (typically less than 0.2 percent of the population) adjustment to reflect census undercounts. [b]Reflects annual growth for 2019–21 to average the volatile impacts of the first two years of the COVID-19 pandemic.

Health care spending and health insurance enrollment trends are expected to be influenced during the 2023–32 projection period by legislative provisions that were enacted in response to the COVID-19 public health emergency, as well as by other recent legislation. For example, Medicaid enrollment is expected to fall in the early portion of the period (from its peak of 91.2 million in 2023 to 79.4 million in 2025),[1] after the expiration of the continuous enrollment requirement of the Families First Coronavirus Response Act of 2020. Moreover, although employer-sponsored coverage is expected to remain the dominant form of private health insurance throughout 2023–32, gains in private health insurance enrollment are expected through 2025 that are attributable to the direct-purchase category.[1] This latter effect reflects the extension of enhanced Marketplace premium tax credit subsidies[2] under the Inflation Reduction Act (IRA) of 2022,[3] as well as the extended special enrollment period available to most people disenrolled from Medicaid because of the end of the public health emergency. The IRA is also expected to

Downloaded from HealthAffairs.org on June 27, 2024.
Copyright Project HOPE—The People-to-People Health Foundation, Inc.
For personal use only. All rights reserved. Reuse permissions at HealthAffairs.org.

EXHIBIT 2

National health expenditures (NHE) and health insurance enrollment, aggregate and per enrollee amounts, and average annual growth, by source of funds, selected calendar years 2021–32

Source of funds	2021	2022	Projected 2023	2024	2026	2032
EXPENDITURE, BILLIONS						
Private health insurance	$1,218.3	$1,289.8	$1,433.5	$1,550.3	$1,671.3	$2,216.8
Medicare	892.1	944.3	1,023.9	1,086.0	1,246.1	1,936.9
Medicaid	735.4	805.7	851.9	833.5	930.4	1,334.7
PER ENROLLEE SPENDING						
Private health insurance	$6,067	$6,330	$6,838	$7,247	$7,965	$10,576
Medicare	14,266	14,814	15,689	16,316	17,873	24,921
Medicaid	8,681	8,873	9,336	10,292	11,524	15,632
ENROLLMENT, MILLIONS						
Private health insurance	200.8	203.8	209.6	213.9	209.8	209.6
Medicare	62.5	63.7	65.3	66.6	69.7	77.7
Medicaid	84.7	90.8	91.2	81.0	80.7	85.4
Uninsured	28.5	26.6	22.8	24.4	29.6	32.8
Population	329.6	330.9	332.7	334.9	339.3	351.4
Insured share of total population	91.4%	92.0%	93.1%	92.7%	91.3%	90.7%

Average annual growth	2021[a]	2022	2023	2024	2025–26	2027–32
EXPENDITURE						
Private health insurance	2.7%	5.9%	11.1%	8.1%	3.8%	4.8%
Medicare	5.4	5.9	8.4	6.1	7.1	7.6
Medicaid	9.3	9.6	5.7	−2.2	5.7	6.2
PER ENROLLEE EXPENDITURE						
Private health insurance	3.0%	4.3%	8.0%	6.0%	4.8%	4.8%
Medicare	3.5	3.8	5.9	4.0	4.7	5.7
Medicaid	1.4	2.2	5.2	10.2	5.8	5.2
ENROLLMENT						
Private health insurance	−0.3%	1.5%	2.9%	2.0%	−1.0%	0.0%
Medicare	1.9	1.9	2.4	2.0	2.3	1.8
Medicaid	7.8	7.2	0.5	−11.2	−0.2	0.9
Uninsured	−5.3	−6.6	−14.2	6.9	10.1	1.7
Population	0.3	0.4	0.6	0.7	0.6	0.6

SOURCE Centers for Medicare and Medicaid Services (CMS), Office of the Actuary, National Health Statistics Group. **NOTES** Definitions, sources, and methods for NHE categories can be found in CMS. National Health Expenditure Accounts: methodology paper (see the exhibit 1 notes). Numbers might not add to totals because of rounding. Percent changes are calculated from unrounded data. Tables with data for all years of the projection period can be found in CMS.gov. NHE projections tables (see note 1 in text). [a]Reflects annual growth for 2019–21 to average the volatile impacts of the first two years of the COVID-19 pandemic.

affect spending trends for Parts B and D of the Medicare program and for Medicare beneficiaries, based on provisions that change the Part D benefit's cost-sharing requirements, allow the Department of Health and Human Services to negotiate prices for several expensive medications, and link certain pharmaceutical price increases to the Consumer Price Index.

Among the major payers, Medicare has the highest projected ten-year average spending growth rate, at 7.4 percent, whereas the growth rates for private health insurance (5.6 percent), Medicaid (5.2 percent), and out-of-pocket (4.7 percent) expenditures are projected to be comparatively lower (calculable from exhibit 3). Medicare's higher average spending growth in 2023–32 is mainly due to the program's average projected enrollment growth rate of 2.0 percent, which reflects the enrollment of the baby-boom generation through 2029; in comparison, average projected enrollment growth is lower for private health insurance, at 0.3 percent, and it declines by 0.6 percent for Medicaid, an outcome associated with the end of the public health emergency (calculable from exhibit 2).

For private health insurance, greater variation in the projected year-to-year spending trends in the early portion of the projection period reflects rebounding growth in per enrollee spending in 2023 that results from faster growth in the use of health care services and goods. During 2023–25, private health insurance enrollment is expected to increase by 8.3 million in direct-purchase health insurance coverage, followed by a pro-

Downloaded from HealthAffairs.org on June 27, 2024.
Copyright Project HOPE—The People-to-People Health Foundation, Inc.
For personal use only. All rights reserved. Reuse permissions at HealthAffairs.org.

EXHIBIT 3

National health expenditures (NHE) amounts and annual growth, by source of funds, selected calendar years 2021–32

Source of funds	2021	2022	Projected 2023	2024	2026	2032
Expenditure (billions)						
NHE	$4,289.1	$4,464.6	$4,799.3	$5,048.8	$5,560.3	$7,705.0
Health consumption expenditures	4,081.6	4,246.8	4,565.2	4,802.7	5,288.3	7,347.6
Out of pocket	442.2	471.4	508.6	542.4	583.5	748.8
Health insurance	3,011.8	3,211.5	3,498.2	3,669.7	4,069.7	5,790.3
Private health insurance	1,218.3	1,289.8	1,433.5	1,550.3	1,671.3	2,216.8
Medicare	892.1	944.3	1,023.9	1,086.0	1,246.1	1,936.9
Medicaid	735.4	805.7	851.9	833.5	930.4	1,334.7
Federal	514.0	569.7	570.9	532.6	589.4	836.8
State and local	221.4	236.1	281.0	300.9	341.0	497.8
Other health insurance programs[a]	166.0	171.6	189.0	199.9	221.9	302.0
Other third-party payers and programs	417.1	355.5	394.1	425.3	468.0	610.5
Public health activity	210.6	208.4	164.3	165.2	167.1	198.1
Investment	207.5	217.8	234.1	246.1	271.9	357.4
Average annual growth	**2021[b]**	**2022**	**2023**	**2024**	**2025–26**	**2027–32**
NHE	6.9%	4.1%	7.5%	5.2%	4.9%	5.6%
Health consumption expenditures	7.0	4.0	7.5	5.2	4.9	5.6
Out of pocket	4.8	6.6	7.9	6.7	3.7	4.2
Health insurance	5.3	6.6	8.9	4.9	5.3	6.1
Private health insurance	2.7	5.9	11.1	8.1	3.8	4.8
Medicare	5.4	5.9	8.4	6.1	7.1	7.6
Medicaid	9.3	9.6	5.7	−2.2	5.7	6.2
Federal	15.1	10.8	0.2	−6.7	5.2	6.0
State and local	−1.3	6.6	19.0	7.1	6.5	6.5
Other health insurance programs[a]	7.0	3.4	10.1	5.8	5.3	5.3
Other third-party payers and programs	11.8	−14.8	10.9	7.9	4.9	4.5
Public health activity	39.4	−1.0	−21.2	0.5	0.6	2.9
Investment	3.4	5.0	7.5	5.1	5.1	4.7

SOURCE Centers for Medicare and Medicaid Services (CMS), Office of the Actuary, National Health Statistics Group. **NOTES** Definitions, sources, and methods for NHE categories can be found in CMS. National Health Expenditure Accounts: methodology paper (see the exhibit 1 notes). Numbers might not add to totals because of rounding. Percent changes are calculated from unrounded data. Tables with data for all years of the projection period can be found in CMS.gov. NHE projections tables (see note 1 in text). [a]Includes health-related spending for Children's Health Insurance Program, Titles XIX and XXI; Department of Defense; and Department of Veterans Affairs. [b]Reflects annual growth for 2019–21 to average the volatile impacts of the first two years of the COVID-19 pandemic.

jected drop of 7.3 million in 2026 as the IRA's temporarily extended enhanced Marketplace subsidies expire.[1] In comparison, employer-sponsored insurance enrollment is projected to increase by 2.7 million during 2023–25, with continued growth of 2.5 million in 2026.[1] For the Medicaid program, spending is projected to decline in 2024 because of an 11.2 percent decrease in the number of people covered, followed by a rebound in spending growth over the course of 2025–26 as enrollment growth rates stabilize (exhibit 2). The ten-year out-of-pocket spending growth rate of 4.7 percent is projected to culminate in a 9.7 percent out-of-pocket spending share of total health spending by 2032, down from 10.6 percent in 2023 (calculable from exhibit 3). Out-of-pocket spending on prescription drugs contributes to this trend because of expected slow growth in 2024 and 2025 as the IRA's Part D cost-sharing reduction provisions shift spending away from the beneficiary and more toward the Medicare program.

For three of the major services and goods (hospital, physician and clinical services, and prescription drugs), similar rates of growth are expected to result in relatively stable shares of spending during the ten-year period (calculable from exhibit 4).

From a sponsor perspective, and largely driven by the expiration of the Medicaid continuous enrollment requirement in 2023, the government's share (including federal and state and local) of health spending is projected to continue to fall over the course of 2023–24 to 46 percent (exhibit 5) (from a peak of 51 percent in 2020).[1] Thereafter, the government's share of spending is generally expected to increase, reaching 49 percent in 2032.

Downloaded from HealthAffairs.org on June 27, 2024.
Copyright Project HOPE—The People-to-People Health Foundation, Inc.
For personal use only. All rights reserved. Reuse permissions at HealthAffairs.org.

EXHIBIT 4

National health expenditures (NHE) amounts and average annual growth, by spending category, selected calendar years 2021–32

Spending category	2021	2022	Projected 2023	2024	2026	2032
Expenditure, billions						
NHE	$4,289.1	$4,464.6	$4,799.3	$5,048.8	$5,560.3	$7,705.0
Health consumption expenditures	4,081.6	4,246.8	4,565.2	4,802.7	5,288.3	7,347.6
Personal health care	3,561.5	3,704.8	4,038.2	4,251.2	4,687.4	6,532.3
Hospital care	1,325.2	1,355.0	1,491.7	1,559.6	1,709.4	2,366.3
Professional services	1,160.4	1,190.7	1,293.1	1,360.3	1,490.7	2,038.8
Physician and clinical services	861.8	884.9	959.1	1,006.5	1,105.1	1,522.1
Other professional services	133.8	140.6	157.8	168.6	184.2	250.2
Dental services	164.8	165.3	176.1	185.2	201.4	266.5
Other health, residential, and personal care	224.7	246.5	266.6	284.1	322.4	469.0
Home health care	125.4	132.9	145.2	154.8	177.5	282.7
Nursing care facilities and continuing care retirement communities	181.1	191.3	209.3	216.3	237.6	337.4
Retail outlet sales of medical products	544.6	588.4	632.3	676.1	749.9	1,038.0
Prescription drugs	374.5	405.9	434.1	463.6	516.5	728.5
Durable medical equipment	63.8	67.1	70.9	75.3	84.1	114.7
Other nondurable medical products	106.4	115.4	127.2	137.2	149.3	194.8
Government administration	52.0	54.2	56.7	58.1	64.3	82.6
Net cost of health insurance	257.5	279.4	306.0	328.2	369.5	534.7
Government public health activities	210.6	208.4	164.3	165.2	167.1	198.1
Investment	207.5	217.8	234.1	246.1	271.9	357.4
Noncommercial research	61.9	64.8	68.0	71.3	78.3	103.0
Structures and equipment	145.5	153.0	166.1	174.8	193.6	254.4
Average annual growth	**2021[a]**	**2022**	**2023**	**2024**	**2025–26**	**2027–32**
NHE	6.9%	4.1%	7.5%	5.2%	4.9%	5.6%
Health consumption expenditures	7.0	4.0	7.5	5.2	4.9	5.6
Personal health care	6.0	4.0	9.0	5.3	5.0	5.7
Hospital care	5.4	2.2	10.1	4.6	4.7	5.6
Professional services	6.5	2.6	8.6	5.2	4.7	5.4
Physician and clinical services	6.0	2.7	8.4	4.9	4.8	5.5
Other professional services	9.8	5.1	12.3	6.8	4.5	5.2
Dental services	7.1	0.3	6.5	5.2	4.3	4.8
Other health, residential, and personal care	7.4	9.7	8.2	6.5	6.5	6.4
Home health care	5.6	6.0	9.3	6.6	7.1	8.1
Nursing care facilities and continuing care retirement communities	2.0	5.6	9.5	3.3	4.8	6.0
Retail outlet sales of medical products	7.2	8.0	7.5	6.9	5.3	5.6
Prescription drugs	5.6	8.4	7.0	6.8	5.5	5.9
Durable medical equipment	9.3	5.1	5.7	6.2	5.7	5.3
Other nondurable medical products	12.0	8.5	10.2	7.9	4.3	4.5
Government administration	4.5	4.2	4.6	2.4	5.2	4.3
Net cost of health insurance	4.6	8.5	9.5	7.3	6.1	6.4
Government public health activities	39.4	−1.0	−21.2	0.5	0.6	2.9
Investment	3.4	5.0	7.5	5.1	5.1	4.7
Noncommercial research	4.7	4.7	4.9	4.8	4.8	4.7
Structures and equipment	2.9	5.1	8.6	5.3	5.2	4.7

SOURCE Centers for Medicare and Medicaid Services (CMS), Office of the Actuary, National Health Statistics Group. **NOTES** Definitions, sources, and methods for NHE categories can be found in CMS. National Health Expenditure Accounts: methodology paper (see the exhibit 1 notes). Numbers might not add to totals because of rounding. Percent changes are calculated from unrounded data. Tables with data for all years of the projection period can be found in CMS.gov. NHE projections tables (see note 1 in text). [a]Reflects annual growth for 2019–21 to average the volatile impacts of the first two years of the COVID-19 pandemic.

Chronological Overview Of Major Trends In National Health Expenditures

2023 In 2023, national health expenditures are projected to have totaled $4.8 trillion as growth is estimated to have accelerated to 7.5 percent (from 4.1 percent in 2022) and to have outpaced nominal GDP growth (6.1 percent) for the first time since 2020[1] (exhibit 1). Accordingly, the health spending share of GDP is estimated to have increased from 17.3 percent in 2022 to 17.6 percent in 2023. Increases are projected

Downloaded from HealthAffairs.org on June 27, 2024.
Copyright Project HOPE—The People-to-People Health Foundation, Inc.
For personal use only. All rights reserved. Reuse permissions at HealthAffairs.org.

EXHIBIT 5

National health expenditures (NHE) amounts, average annual growth, and percent distribution, by type of sponsor, selected calendar years 2021–32

			Projected			
Type of sponsor	**2021**	**2022**	**2023**	**2024**	**2026**	**2032**
Expenditure, billions						
NHE	$4,289.1	$4,464.6	$4,799.3	$5,048.8	$5,560.3	$7,705.0
Businesses, household, and other private revenues	2,188.9	2,308.0	2,517.6	2,703.9	2,966.7	3,952.6
Private businesses	742.8	787.3	863.0	908.0	1,006.5	1,294.9
Household	1,151.7	1,231.6	1,326.9	1,440.9	1,570.3	2,155.7
Other private revenues	294.4	289.1	327.7	355.0	389.9	502.0
Governments	2,100.3	2,156.6	2,281.7	2,344.9	2,593.5	3,752.4
Federal government	1,468.3	1,483.5	1,528.4	1,538.5	1,687.6	2,495.6
State and local governments	631.9	673.1	753.3	806.4	905.9	1,256.8
Average annual growth	**2021[a]**	**2022**	**2023**	**2024**	**2025–26**	**2027–32**
NHE	6.9%	4.1%	7.5%	5.2%	4.9%	5.6%
Businesses, household, and other private revenues	3.5	5.4	9.1	7.4	4.7	4.9
Private businesses	2.4	6.0	9.6	5.2	5.3	4.3
Household	4.1	6.9	7.7	8.6	4.4	5.4
Other private revenues	3.8	−1.8	13.3	8.3	4.8	4.3
Governments	10.8	2.7	5.8	2.8	5.2	6.3
Federal government	15.3	1.0	3.0	0.7	4.7	6.7
State and local governments	2.0	6.5	11.9	7.0	6.0	5.6
Distribution	**2021**	**2022**	**2023**	**2024**	**2026**	**2032**
NHE	100%	100%	100%	100%	100%	100%
Businesses, household, and other private revenues	51	52	52	54	53	51
Private businesses	17	18	18	18	18	17
Household	27	28	28	29	28	28
Other private revenues	7	6	7	7	7	7
Governments	49	48	48	46	47	49
Federal government	34	33	32	30	30	32
State and local governments	15	15	16	16	16	16

SOURCE Centers for Medicare and Medicaid Services (CMS), Office of the Actuary, National Health Statistics Group. **NOTES** Definitions, sources, and methods for NHE categories can be found in CMS. National Health Expenditure Accounts: methodology paper (see the exhibit 1 notes). Numbers might not add to totals because of rounding. Percent changes are calculated from unrounded data. Tables with data for all years of the projection period can be found in CMS.gov. NHE projections tables (see note 1 in text). [a]Reflects annual growth for 2019–21 to average the volatile impacts of the first two years of the COVID-19 pandemic.

for the use of services and goods across most major payers (except Medicaid), resulting in faster growth in personal health care spending (9.0 percent in 2023, compared with 4.0 percent in 2022) (exhibit 1).

Enrollment gains across multiple payers are a contributing factor to increased utilization in 2023, as those gains resulted in a projected record-high insured share of the population of 93.1 percent in 2023 (exhibit 2). Medicaid enrollment is expected to have hit a projection-period peak of 91.2 million in 2023 (on an average monthly enrollment basis) as the continuous enrollment requirement of the Families First Coronavirus Response Act resulted in increased coverage throughout the COVID-19 public health emergency declaration period. Also contributing were continued strong enrollment growth in private health insurance of 2.9 percent (which was related to growth of 10.4 percent[1] for direct-purchase insurance coverage—an increase related to the IRA's extension of the enhanced Marketplace subsides and temporary special enrollment period), the Internal Revenue Service's revised affordability test qualifying more people for subsidized coverage, and Medicare enrollment growth of 2.4 percent.

2024 In 2024, growth rates for national health expenditures and personal health care expenditures are expected to slow to 5.2 percent and 5.3 percent, respectively (exhibit 1). The projected deceleration in national health expenditures growth notably reflects declining Medicaid spending of 2.2 percent, which is associated with the program's 11.2 percent (10.2 million) drop in enrollment (exhibit 2). This rate of growth also reflects slowing growth in utilization for Medicare and private health insurance after their elevated levels during 2023.

Despite the decrease in Medicaid enrollment in 2024, the insured share of the population is expected to only fall 0.4 percentage points, to 92.7 percent. The insured share of the population is influenced in part by overlapping cover-

Downloaded from HealthAffairs.org on June 27, 2024.
Copyright Project HOPE—The People-to-People Health Foundation, Inc.
For personal use only. All rights reserved. Reuse permissions at HealthAffairs.org.

age from alternative sources for people who no longer qualify for Medicaid coverage, as well as by significant gains in private health insurance enrollment in Marketplace plans.

In 2024, growth in personal health care prices is projected to accelerate to a projection-period peak of 3.1 percent (from 2.5 percent in 2023) and to outpace projected economywide price growth of 2.2 percent (exhibit 1). This expected trend is primarily driven by the lagged impact of recent inflationary pressures on the prices for inputs that are required to furnish health care (especially labor). This projected acceleration follows unusually slow post-COVID-19 growth in health care prices relative to input prices, reflecting in part the flows of COVID-19-related funding to medical providers that were intended to assist providers in covering their costs.

2025–26 During 2025–26, national health expenditures are projected to grow by 4.9 percent and 5.0 percent, respectively (exhibit 1). Underlying this relatively stable growth pattern are divergent spending and enrollment growth trends for private and public payers.

Private health insurance spending growth is expected to decelerate from 8.1 percent in 2024 (exhibit 2) to 5.3 percent in 2025[1] and then to 2.4 percent in 2026.[1] This deceleration is largely due to falling Marketplace plan enrollment, which contributes to a decline of 2.2 percent in private health insurance enrollment in 2026 as the temporarily extended enhanced Marketplace subsidies under the IRA expire.[1] Out-of-pocket spending growth is also projected to decelerate from 6.7 percent in 2024 to an average annual rate of 3.7 percent during 2025–26 (exhibit 3) as certain IRA Part D provisions take effect, including a $2,000 cap on out-of-pocket prescription drug spending and lower cost sharing associated with newly negotiated prices of selected Part D drugs.

Medicare spending growth is projected to be 5.7 percent in 2025 and then to accelerate to 8.6 percent in 2026.[1] For 2025, this growth reflects the net impacts of savings to the program from the IRA's establishment of increased drug manufacturer discounts, whereas the implementation of the legislation's $2,000 cap on Part D out-of-pocket spending shifts spending onto the Medicare program. Although 2026 marks the first year in which certain drugs have lower cost sharing because of their newly negotiated prices, Medicare spending growth is projected to accelerate, on net, mostly resulting from the expected reductions in rebates on drugs with negotiated prices.[4]

Medicaid spending growth, after declining by 2.2 percent in 2024 because of the large decrease in enrollment, is expected to accelerate during 2025–26 (averaging 5.7 percent) as projected enrollment levels stabilize (averaging growth of −0.2 percent) (exhibit 2).

2027–32 For 2027–32, national health spending is projected to grow at an average rate of 5.6 percent and to outpace average GDP growth of 4.1 percent (exhibit 1), a relationship consistent with historical patterns of growth. This differential reflects a combination of personal health care price inflation and growth in the use of health care services and goods, both of which are expected to exceed economywide projections.

Medicare is expected to have the highest spending growth rate of the major payers, at 7.6 percent, on average, for 2027–32 (exhibit 2). During 2030–32, Medicare's average spending growth rate is expected to be 7.0 percent, reflecting slower enrollment growth after the last of the baby boomers enroll in 2029 as well as IRA provisions that allow the Medicare program to negotiate prices for certain Parts B and D drugs and that link increases for particular drugs to growth in the Consumer Price Index.

Medicaid expenditures are projected to grow at an average annual rate of 6.2 percent for 2027–32, with positive enrollment growth recommencing and averaging 0.9 percent for the period (exhibit 2).

Private health insurance expenditure growth is projected to average 4.8 percent for 2027–32 (exhibit 2) as health care prices, as well as growth in utilization, return to rates that are near their longer-term averages. Average annual growth in private health insurance enrollment is expected to be negligible for the period, an outcome that is primarily attributable to projected small annual declines in employer-sponsored health insurance enrollment as the youngest baby boomers age into Medicare.

The growth rate for out-of-pocket spending is expected to average 4.2 percent over the course of 2027–32 (exhibit 3). Growth is somewhat mitigated by the Medicare Part D benefit restructuring and drug price negotiation provisions, which are expected to result in lower cost-sharing payments by Medicare beneficiaries.

Model And Assumptions

The national health expenditure projections are produced using actuarial and econometric modeling methods. Although the projections are refined on the basis of judgment regarding the degree to which other factors may affect future health spending and health insurance enrollment, they generally reflect current law at the time of estimation.[5] Economic and demographic assumptions from the 2024 *Medicare Trustees*

Downloaded from HealthAffairs.org on June 27, 2024.
Copyright Project HOPE—The People-to-People Health Foundation, Inc.
For personal use only. All rights reserved. Reuse permissions at HealthAffairs.org.

Report are used,[4] as well as updated near-term macroeconomic data.

It is important to note that there is inherent uncertainty associated with these projections. Specifically, this analysis relied on assumptions about future macroeconomic conditions, such as growth in disposable personal income and economywide inflation.[6] These assumptions did not account for potential future legislative changes (including potential payment rate changes) that could affect national health spending or insurance coverage. To the extent that the assumptions differ from the ultimate outcomes, they may result in deviations between health spending projections and actual experience.

Among the major payers, Medicare has the highest projected ten-year average spending growth rate, mainly because of enrollment into the program.

Outlook For Spending And Enrollment By Payer

MEDICARE Medicare expenditures are expected to have grown 8.4 percent in 2023 (compared with growth of 5.9 percent in 2022) and to have reached $1.0 trillion (exhibit 2). Medicare Advantage (MA) spending, which accounts for a share that is projected to exceed that of Medicare fee-for-service, is also projected to have accelerated, in part because of continued increases in MA enrollment (data not shown). Medicare hospital spending contributes to the overall Medicare acceleration and is projected to have grown 7.4 percent in 2023 after a 1.2 percent increase in 2022,[1] although this acceleration was partly mitigated by the expiration of the public health emergency and the accompanying 20 percent increase in payments to hospitals for inpatient admissions that were linked to COVID-19.[4]

Medicare spending growth is projected to decelerate to 6.1 percent in 2024 (exhibit 2), reflecting slower growth in MA capitation rates and slower projected per enrollee growth in physician spending. Partially offsetting these decelerations is Medicare prescription drug spending growth; spending for prescription drugs is projected to accelerate 4.4 percentage points to 13.3 percent[1] because of the IRA's Part D benefit redesign provision, which eliminates the 5 percent coinsurance component for catastrophic coverage and expands eligibility for full benefits under the low-income subsidy.

During 2025 and 2026, Medicare spending is projected to grow 5.7 percent and 8.6 percent,[1] respectively—increases that primarily reflect competing upward and downward pressures related to multiple provisions under the IRA. In 2025, the Medicare prescription drug spending growth rate is projected to drop almost 11 percentage points to 2.6 percent,[1] reflecting the net impacts of two IRA provisions. First, the manufacturer discount for the low-income population increases the overall share of costs paid by drug manufacturers, resulting in expected savings to Medicare. Second, these savings are partially offset by the $2,000 cap on Part D out-of-pocket spending, which also takes effect in 2025 and shifts costs from beneficiaries to Medicare. In 2026, the IRA's drug price negotiations become applicable. During the initial years of negotiation, affected drugs are expected to have higher rebates that are shifted to the point of sale. A key effect of this outcome is reduced Medicare beneficiary out-of-pocket spending, along with increased federal spending on prescription drugs. Correspondingly, the growth rate for Medicare prescription drug spending is projected to rise sharply to 12.0 percent in 2026.[1]

For the remainder of the projection period, 2027–32, Medicare spending growth is expected to average 7.6 percent (exhibit 2). Growth in Medicare prescription drug spending is expected to decelerate annually during this period because of IRA provisions that are associated with drug price negotiations and the linking of price increases to the Consumer Price Index. In 2028, spending growth rates for Medicare outpatient hospital and physician and clinical services are expected to be lower than they otherwise would have been, mainly because the IRA's drug negotiation provision will begin to apply to Medicare Part B drugs. Finally, Medicare enrollment is projected to grow by less than 2.0 percent during 2030–32 (for the first time since 2022),[1] after the last of the baby boomers enroll in 2029.

MEDICAID Medicaid spending is projected to have totaled $851.9 billion in 2023, with growth slowing to 5.7 percent, down from 9.6 percent in 2022 (exhibit 2). Enrollment is expected to have grown 0.5 percent in 2023 (from 7.2 percent in 2022), as states began resuming redeter-

Downloaded from HealthAffairs.org on June 27, 2024.
Copyright Project HOPE—The People-to-People Health Foundation, Inc.
For personal use only. All rights reserved. Reuse permissions at HealthAffairs.org.

The earlier years of the projection period are expected to reflect divergent trends in spending and enrollment patterns as the health sector transitions away from pandemic-related policy effects.

minations of Medicaid eligibility for beneficiaries who no longer qualify for the program. Most Medicaid services are projected to have experienced similar slowdowns in spending growth.

As states' redeterminations of eligibility continue in 2024, Medicaid enrollment is projected to decline by 10.2 million, or 11.2 percent (exhibit 2). This significant reduction in the number of people enrolled is expected to result in a 2.2 percent decrease in Medicaid expenditures. On a per enrollee basis, the Medicaid spending growth rate is projected to climb to 10.2 percent in 2024 from 5.2 percent in 2023, its highest increase since 1991, and to reflect the rapid loss of many enrollees who tended to be younger and healthier, and thus less expensive.

During 2025–26, Medicaid spending is projected to grow 5.7 percent, on average, with average Medicaid enrollment growth near zero (−0.2 percent) (exhibit 2). Among services and goods, average spending growth is strongest for other health, residential, and personal care because of states' continued expansions and use of home and community-based services.

Over the course of 2027–32, Medicaid spending growth is projected to average 6.2 percent, whereas Medicaid enrollment is projected to increase at a rate of 0.9 percent per year (exhibit 2). Medicaid hospital spending is expected to grow 5.5 percent, on average, but this rate increases to 7.2 percent in 2028,[1] in part because of the expiration of the disproportionate share hospital payment cap reductions in 2027.

PRIVATE HEALTH INSURANCE AND OUT-OF-POCKET SPENDING Largely reflecting increased growth in the use of health care services and goods, private health insurance spending is expected to have increased 11.1 percent in 2023, which is faster than its growth rate of 5.9 percent in 2022, and to have reached $1.4 trillion (exhibit 2). On a per enrollee basis, private health insurance spending on services and goods is expected to have grown 8.0 percent in 2023. Private health insurance enrollment is expected to have grown more rapidly in 2023 (2.9 percent compared with 1.5 percent in 2022), an acceleration that reflects the enrollment of an additional 3.2 million people in direct-purchase plans coinciding with the temporary special enrollment period and the IRA's extension of enhanced Marketplace subsidies through 2025.[1] In 2023, out-of-pocket spending is expected to have reached $508.6 billion and to have increased 7.9 percent (compared with 6.6 percent in 2022), resulting from faster growth in the use of services and goods (exhibit 3). The out-of-pocket share of total health spending, however, is expected to have remained unchanged from 2022, at 10.6 percent in 2023.[1]

The spending growth rate for private health insurance is projected to remain high, at 8.1 percent, in 2024 (exhibit 2). This expected rate reflects gains in 2024 of 4.6 million more enrollees to direct-purchase plans—increased enrollment that is related to the temporary special enrollment period and the extension of the enhanced Marketplace subsidies through 2025.[1] Growth in total out-of-pocket spending is projected to slow to 6.7 percent in 2024, from its elevated rate of 7.9 percent in 2023, as growth in utilization slows across most major services and goods (exhibit 3).[1]

Over the course of 2025–26, average spending growth for private health insurance is expected to slow to 3.8 percent (exhibit 3). This rate includes expected growth of just 2.4 percent in 2026, when the IRA's extension of enhanced Marketplace subsidies expires, resulting in an enrollment decline of 7.3 million (or 19.2 percent) in direct-purchase insurance.[1] Out-of-pocket spending growth is expected to slow further during 2025–26, averaging 3.7 percent, mainly because of the IRA's implementation of the $2,000 annual Part D out-of-pocket spending cap and because 2026 is the first year with lower gross prices for negotiated drugs, which in turn serve to lower beneficiaries' out-of-pocket payments.

For the latter years of the projection period, 2027–32, spending growth for private health insurance is expected to average 4.8 percent, which is below that of Medicare and Medicaid spending, driven primarily by a comparatively slower pace of enrollment growth. Among all of the major payers, out-of-pocket spending is pro-

Downloaded from HealthAffairs.org on June 27, 2024.
Copyright Project HOPE—The People-to-People Health Foundation, Inc.
For personal use only. All rights reserved. Reuse permissions at HealthAffairs.org.

jected to grow at the slowest rate (4.2 percent) partly because of continuing projected slow growth in prescription drug spending, which reflects the IRA's cost-sharing savings provisions for Medicare Part D enrollees.

Outlook For Major Services And Goods

HOSPITAL Hospital spending growth is expected to have accelerated substantially, from 2.2 percent in 2022 to 10.1 percent in 2023, with expenditures of $1.5 trillion (exhibit 4). In part because of increasing utilization,[7] hospital spending growth is expected to have rebounded for most payers—for example, for private health insurance, such growth is projected to have climbed from 6.4 percent in 2022 to 14.4 percent in 2023.[1] In contrast, Medicaid hospital spending growth is projected to have slowed from 6.9 percent in 2022 to 4.4 percent in 2023 as the continuous enrollment requirement ended.[1]

In 2024, hospital spending growth is projected to slow to 4.6 percent and to be broadly reflected across all payers (exhibit 4). The sharpest deceleration in this growth—from 4.4 percent in 2023 to a decline of 5.7 percent in 2024—is for people enrolled in Medicaid, consistent with the projected large decrease in Medicaid enrollment.[1] In addition, private health insurance hospital spending growth is projected to slow from its elevated rate of 14.4 percent growth in 2023 to 7.7 percent in 2024.[1]

During 2025–26, hospital spending growth is projected to remain stable for the most part and to average 4.7 percent (exhibit 4). Faster average hospital spending growth is projected for Medicaid as enrollment growth begins to normalize. In contrast, for private health insurance, hospital spending growth is projected to slow substantially to 1.9 percent in 2026, when enhanced Marketplace subsidies expire and projected total private health insurance enrollment declines by 2.2 percent.[1]

For 2027–32, hospital spending growth is projected to average 5.6 percent per year as trends are expected to continue to normalize (exhibit 4). Medicare is projected to experience the highest hospital spending growth over the course of 2027–32, with an average annual increase of 7.6 percent as the last of the baby boomers enroll.[1]

PHYSICIAN AND CLINICAL SERVICES Spending for physician and clinical services is expected to have increased by 8.4 percent in 2023 (and to have totaled $959.1 billion) compared with growth of 2.7 percent in 2022 (exhibit 4).[8] Underlying this trend are expected accelerations in physician and clinical services spending growth

As time passes, spending and enrollment patterns are expected to be driven to a greater extent by traditional demographic and economic factors.

for private health insurance and Medicare; for these two major payers, such spending is projected to have increased 8.8 percent and 8.6 percent in 2023, up from 4.6 percent and 6.8 percent in 2022, respectively.[1] For private health insurance, physician and clinical services spending growth is projected to have accelerated in 2023, in part because of faster enrollment growth in Marketplace plans. In 2023, the rate of price growth for these services is estimated to have remained somewhat low—and unchanged—at 0.5 percent,[9] partially because of modest Medicare physician fee schedule updates.

For 2024, spending growth for physician and clinical services is projected to decelerate to 4.9 percent (exhibit 4). Medicaid spending on these services is expected to drop by 4.8 percent, primarily resulting from a significant projected decline in enrollment.[1] Moreover, Medicare spending growth for physician and clinical services is projected to slow from 8.6 percent in 2023 to 4.5 percent in 2024,[1] a deceleration that is partly attributable to slower projected increases in spending on COVID-19 vaccinations.[10]

For 2025–26, spending growth for physician and clinical services is expected to remain stable and to average 4.8 percent (exhibit 4), the net result of disparate private and public payer trends. Medicaid spending growth on physician and clinical services is projected to grow at an average rate of 5.0 percent during 2025–26, after a decline in 2024. Medicare spending growth is projected to average 7.2 percent.[1] Conversely, private health insurance spending for physician and clinical services is projected to grow at an average rate of 3.1 percent (from 7.5 percent in 2024), mainly because of the expiration of enhanced Marketplace subsidies in 2026 and the associated decline in enrollment.[1]

Downloaded from HealthAffairs.org on June 27, 2024.
Copyright Project HOPE—The People-to-People Health Foundation, Inc.
For personal use only. All rights reserved. Reuse permissions at HealthAffairs.org.

During 2027–32, annual spending growth for physician and clinical services is projected to average 5.5 percent (exhibit 4). Of the major payers, Medicare is projected to experience the fastest spending increase, with average growth of 7.9 percent, whereas growth in private health insurance spending is expected to average 4.1 percent.[1] This differential primarily reflects expected Medicare enrollment increases (an expected additional 8.0 million beneficiaries during 2027–32), whereas private health insurance enrollment is projected to remain largely unchanged.[1]

PRESCRIPTION DRUGS Prescription drug spending growth is projected to have slowed in 2023 to 7.0 percent, down from 8.4 percent in 2022, with spending having reached $434.1 billion (exhibit 4). Medicaid prescription drug spending is projected to have grown more slowly in 2023 because of slowing enrollment growth, whereas growth in prescription drug spending for private health insurance is projected to have accelerated, in part because of recently approved brand-name drugs, especially those used to treat obesity and diabetes.[11]

For 2024, growth in prescription drug spending is projected to slow slightly, to 6.8 percent (exhibit 4). Underlying this expectation is slowing growth across most payers, including Medicaid, whose prescription drug spending is projected to decline by 3.0 percent, reflecting an expected decrease in Medicaid enrollment. Conversely, faster growth in Medicare drug spending (13.3 percent) is expected in 2024, primarily related to the IRA's elimination of the 5 percent coinsurance component for catastrophic coverage.[1]

In 2025, growth in prescription drug spending is projected to decelerate to 4.6 percent before accelerating to 6.5 percent in 2026, a pattern significantly influenced by Medicare (combined two-year figure shown in exhibit 4). Medicare prescription drug spending growth is projected to fall sharply from 13.3 percent in 2024 to 2.6 percent in 2025 as the program incurs savings from manufacturer discounts for the low-income population.[1] These savings are partially offset by higher program costs that are associated with the start of the $2,000 Part D out-of-pocket spending cap for Medicare beneficiaries. In 2026, Medicare prescription drug spending is projected to increase 12.0 percent, mostly as a result of the expected reductions in rebates on drugs with negotiated prices.[1] For private health insurance, after a projected increase of 7.9 percent in 2025, growth in prescription drug spending is projected to slow to 3.2 percent in 2026,[1] mainly as a result of Marketplace enrollment decreases, along with declining costs for certain high-cost drugs as they lose patent protection.[11]

For 2027–32, growth in prescription drug spending is projected to average 5.9 percent (exhibit 4), reflecting average prescription drug spending growth for private health insurance, Medicaid, Medicare, and out-of-pocket spending of 6.1 percent, 6.1 percent, 6.3 percent, and 4.7 percent, respectively.[1] Although subject to considerable uncertainty, the introduction of new drugs, especially for oncology, immunology, and diabetes, is expected to put upward pressure on growth across all payers.[11] Finally, primarily because of its negotiation and inflation rebate provisions, the IRA is expected to put downward pressure on growth in prescription drug spending for Medicare toward the very end of the projection period.

Conclusion

The earlier years of the 2023–32 projection period are expected to reflect divergent trends in spending and enrollment patterns across the individual major payers as the health sector transitions away from pandemic-related policy effects. Notably, the expected declines in Medicaid enrollment after the end of the COVID-19 public health emergency and key provisions under the IRA regarding enhanced Marketplace subsidies considerably affect trends in health care spending and enrollment. The IRA is also expected to result in changes to Medicare Parts B and D spending and to reduce beneficiary cost sharing, which also substantially influence the health sector. As time passes, the COVID-19 pandemic and associated temporary spending and enrollment effects are expected to retreat, and health spending and enrollment patterns are expected to resemble their longer-term trends more closely and to be driven to a greater extent by traditional economic and demographic factors. ■

The opinions expressed here are the authors' and not necessarily those of the Centers for Medicare and Medicaid Services. The authors thank Stephen Heffler, Catherine Curtis, Blake Pelzer, Aaron Catlin, Micah Hartman, John Shatto, Chris Truffer, Jennifer Lazio, Paul Spitalnic, and anonymous peer reviewers for their helpful comments.
This is an open access article distributed in accordance with the terms of the Creative Commons Attribution (CC BY-NC-ND 4.0) license, which permits others to distribute this work provided the original work is properly cited, not altered, and not used for commercial purposes. See https://creativecommons.org/licenses/by-nc-nd/4.0/. To access the authors' disclosures, click on the Details tab of the article online.
[*Published online June 12, 2024*.]

Downloaded from HealthAffairs.org on June 27, 2024.
Copyright Project HOPE—The People-to-People Health Foundation, Inc.
For personal use only. All rights reserved. Reuse permissions at HealthAffairs.org.

NOTES

1 Detailed data not displayed in the exhibits are included in the CMS web tables. CMS.gov. NHE projections tables [Internet]. Baltimore (MD): Centers for Medicare and Medicaid Services; 2024 Jun 12 [cited 2024 Jun 12]. Available from: https://www.cms.gov/files/zip/nhe-projections-tables.zip
2 In addition to Marketplace plans, the direct-purchase category of private health insurance includes non-Marketplace direct-purchased plans, as well as Medigap policies.
3 Cubanski L, Neuman T, Freed M. Explaining the prescription drug provisions in the Inflation Reduction Act [Internet]. San Francisco (CA): KFF; 2023 Jan 24 [cited 2024 May 9]. Available from: https://www.kff.org/medicare/issue-brief/explaining-the-prescription-drug-provisions-in-the-inflation-reduction-act/
4 Boards of Trustees. 2024 annual report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplemental Medical Insurance Trust Funds [Internet]. Washington (DC): Centers for Medicare and Medicare Services; 2024 May 6 [cited 2024 May 20]. Available from: https://www.cms.gov/oact/tr/2024
5 Because of the timing and the limited effect on the financial outlook of the Medicare Trust Funds, the projections do not reflect the impact of the Medicare provisions in the Consolidated Appropriations Act, 2024 (P. L. 118-42), which was enacted March 9, 2024.
6 Centers for Medicare and Medicaid Services. Projections of national health expenditures and health insurance enrollment: methodology and model specification [Internet]. Baltimore (MD): CMS; 2024 Jun 12 [cited 2024 Jun 12]. Available from: https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/downloads/projectionsmethodology.pdf
7 Dyrda L. Hospitals' fortunes improving. Becker's Hospital Review [serial on the Internet]. 2024 Feb 22 [cited 2024 May 9]. Available from: https://www.beckershospitalreview.com/finance/hospitals-fortunes-improving.html
8 Authors' analysis of Census Bureau data. Census Bureau. Quarterly services report: 4th quarter 2023 time series/trend charts (industry 6211, offices of physicians; 6214, outpatient care centers; and 6215, medical and diagnostic laboratories) [Internet]. Washington (DC): Census Bureau; 2024 Mar 13 [cited 2024 May 9]. Available for download from: https://www.census.gov/services/index.html
9 Bureau of Labor Statistics. Producer Price Indexes, PPI databases, industry data (Producer Price Index—PPI) ("offices of physicians" with index PCU6211--6211-- and "medical and diagnostic laboratories" with index PCU6215--6215--) [Internet]. Washington (DC): BLS; [cited 2024 May 9]. Available via query from: http://www.bls.gov/ppi/#data
10 Authors' analysis of Medicare fee-for-service claims experience.
11 IQVIA. The global use of medicines 2024: outlook to 2028 [Internet]. Durham (NC): IQVIA; 2024 Jan 16 [cited 2024 May 9]. Available from: https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/the-global-use-of-medicines-2024-outlook-to-2028

Downloaded from HealthAffairs.org on June 27, 2024.
Copyright Project HOPE—The People-to-People Health Foundation, Inc.
For personal use only. All rights reserved. Reuse permissions at HealthAffairs.org.