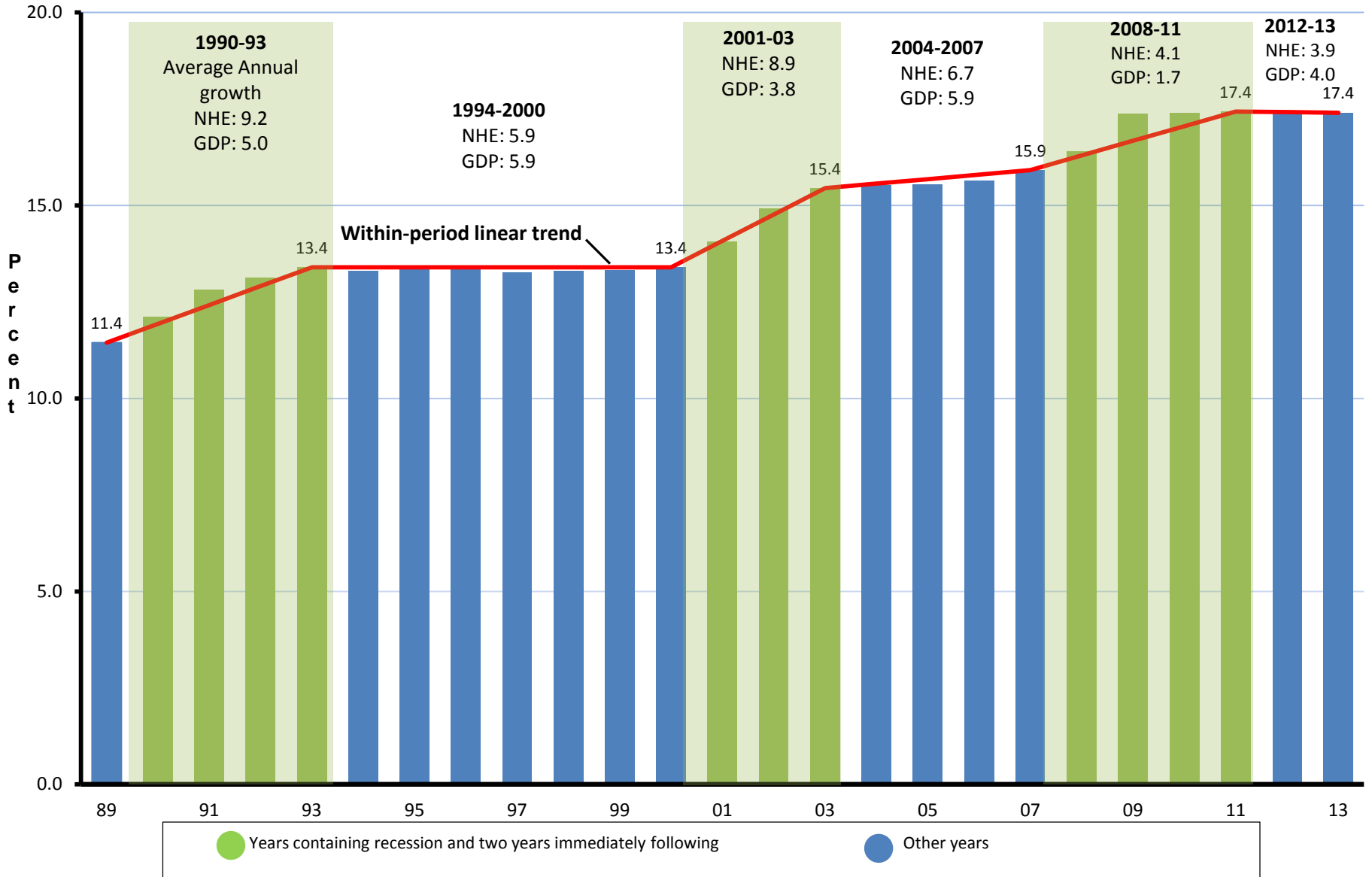


The Next Decade of National Health Spending: What To Expect

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National Health Expenditures (NHE) As A Share Of Gross Domestic Product (GDP), 1989-2013



SOURCES: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group; National Bureau of Economic Research; and US Department of Commerce, Bureau of Economic Analysis

Health Spending Drivers

- Aging
- Some ACA provisions (Fees, early Medicaid expansion, insurance reforms, <26, PCIP)

Recent History (2010-13)

- *Economics*
 - *Income & use*
 - *Coverage*
- *Overall price inflation*
- *Medical-specific price inflation*
 - *Generic drugs (patent cliff; GDR)*
 - *MLR; Rate review*
 - *Sequestration*
 - *Medicare payments*
- *Medicare utilization*
- *Benefit design changes (HDHP)*
- *Shifting site of care*

- Aging
- Fees
- Economics
 - *Income & use*
 - *Coverage*
- *Overall price inflation*
- *Medical-specific price inflation*
- *Coverage Expansions (Medicaid/Marketplace)*
- *Medicare utilization*
- *Cost ↑ innovation; specialty drugs*

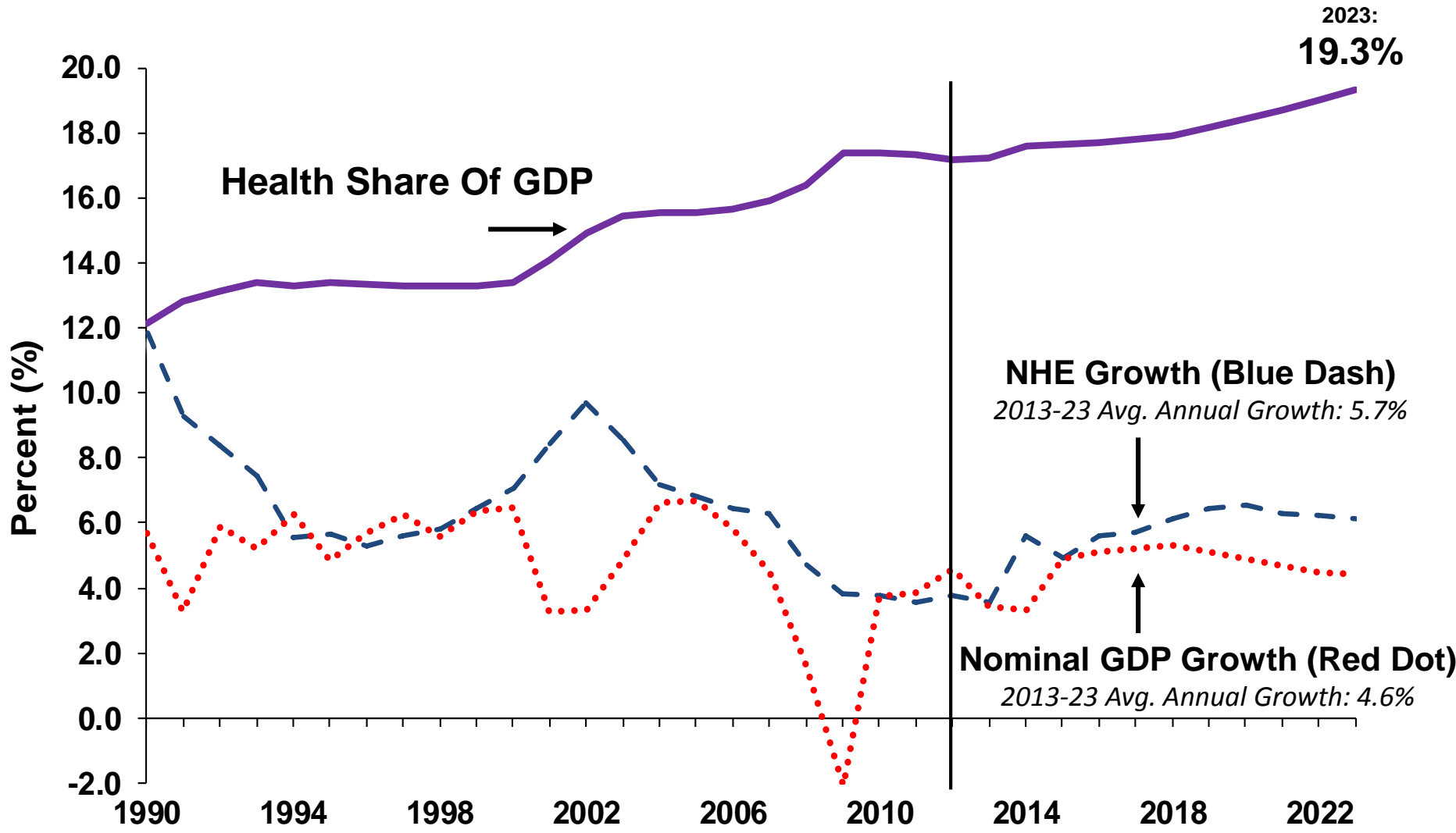
Projected Period (thru 2023)

Delivery Reforms?

- *Medical-specific price inflation*
 - *Rate review*
 - *Medicare payments*
- *Benefit design changes*
 - *HDHP*
 - *Excise tax*
- *Shifting site of care*

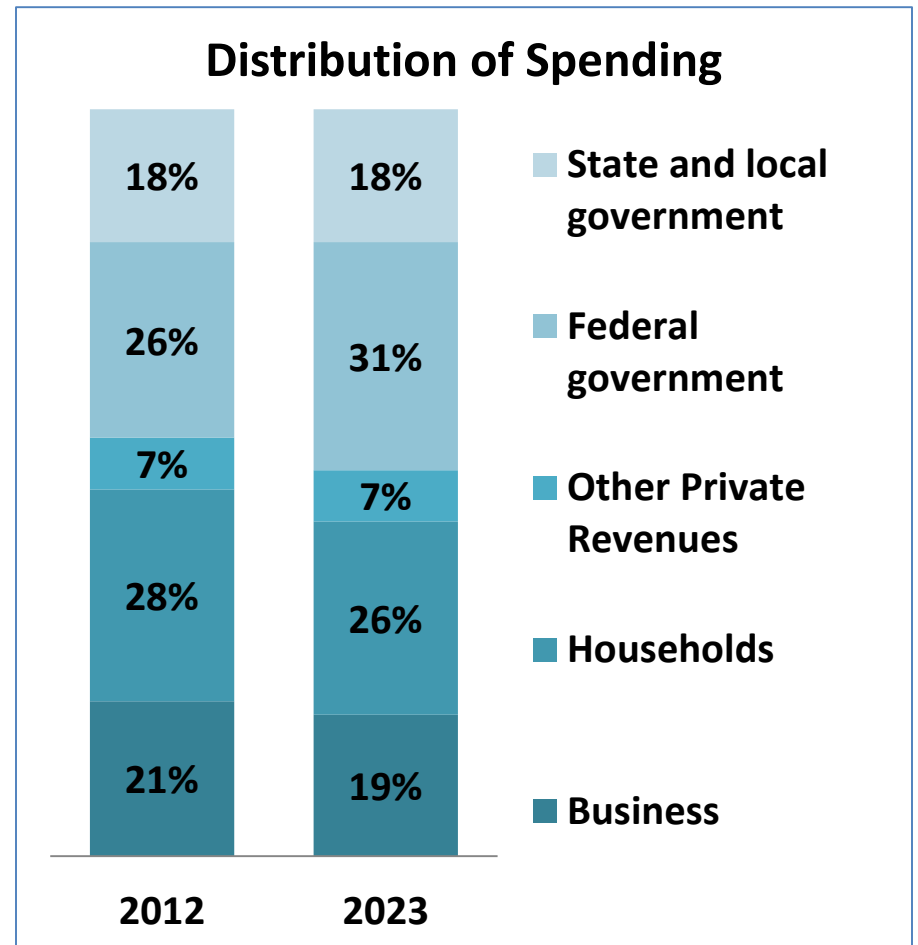
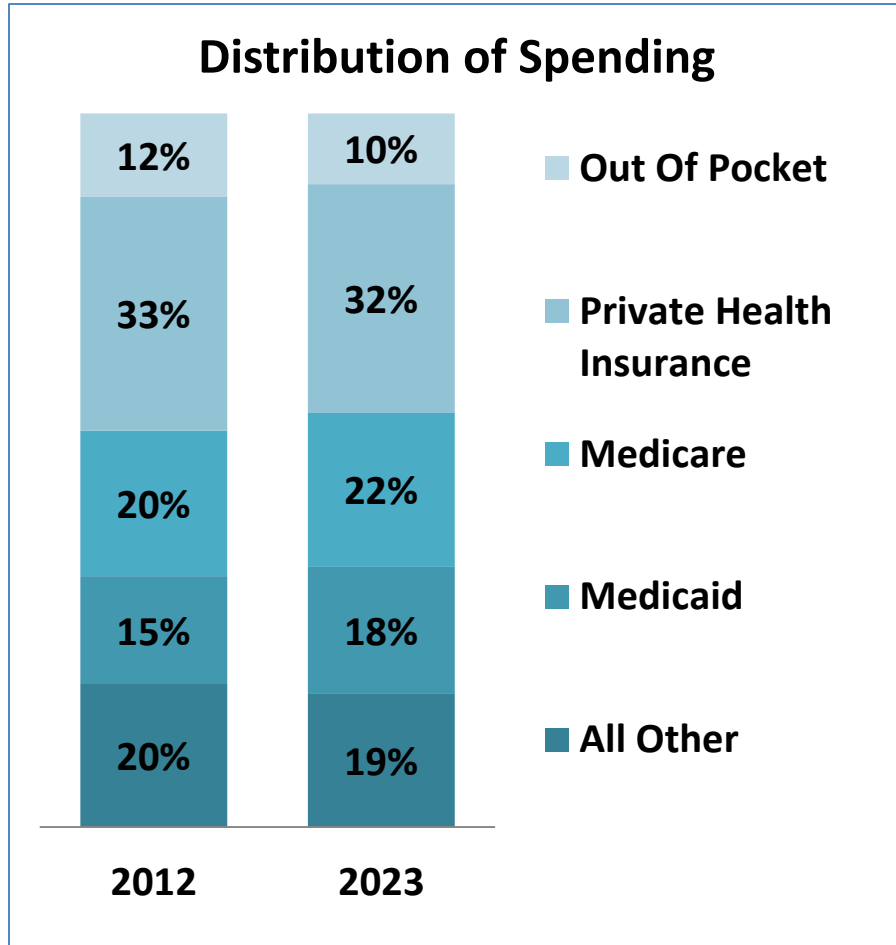
Cost ↓ Technology?

Growth in National Health Expenditures (NHE), Gross Domestic Product (GDP), and the Health Share of GDP, 1990-2023



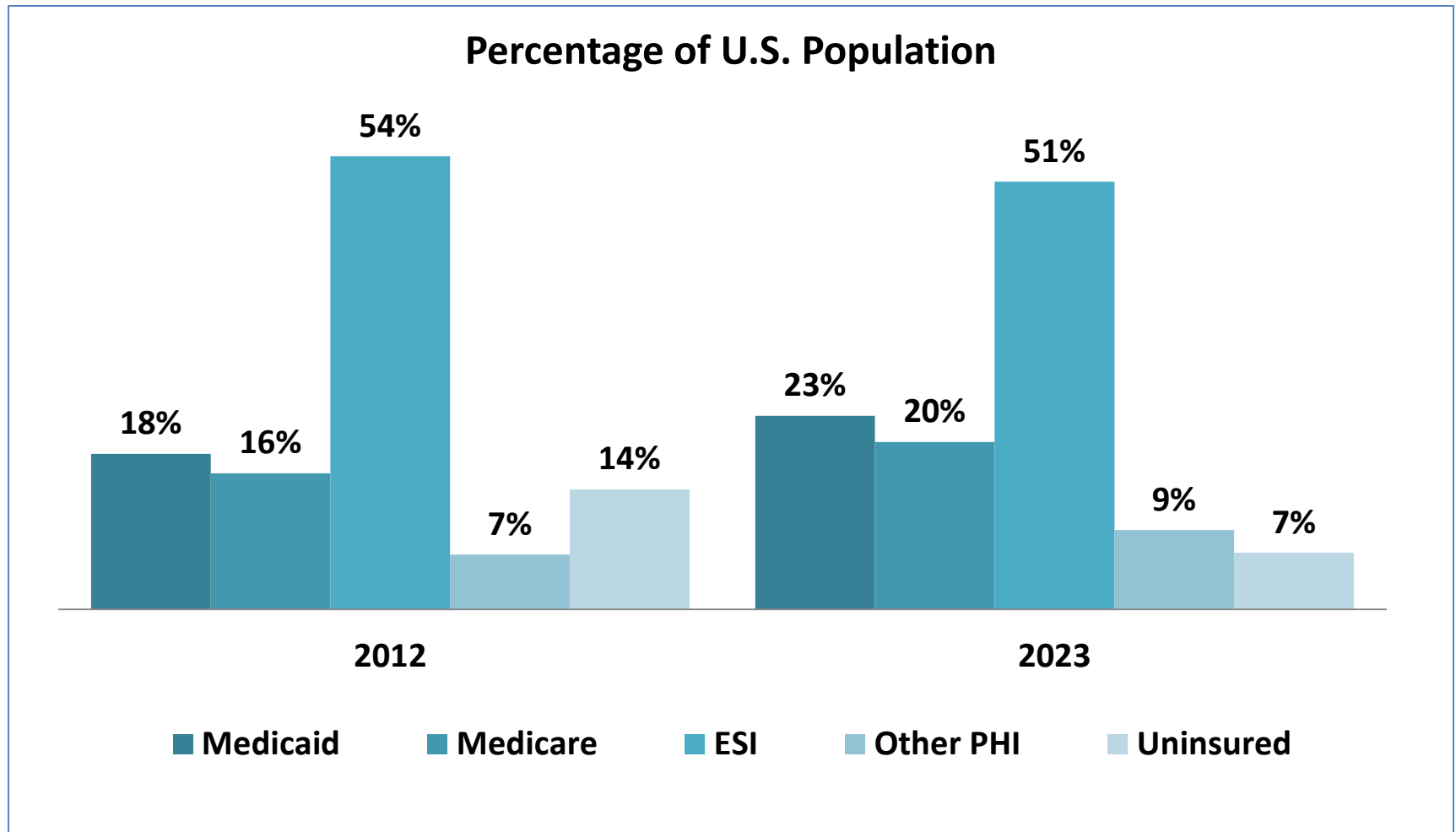
Source: Sisko AM et al., "National health expenditure projections, 2013–23: faster growth expected with expanded coverage and improving economy," Health Aff (Millwood) 2014; 33 (10) (Published online 3 September 2014).

Projected NHE by Payer and Sponsor, 2012 vs. 2023



NOTE: Sum of pieces may not equal 100% due to rounding.
 SOURCE: CMS, Office of the Actuary, National Health Statistics Group.

Projected Insurance Coverage, 2012 vs. 2023



NOTE: Coverage type reflects all individuals with coverage, including those with multiple coverage types.

SOURCE: CMS, Office of the Actuary, National Health Statistics Group.