The Hidden Costs of U.S. Health Care for Consumers: A Comprehensive Analysis

Study highlights

Total U.S. health care costs in 2009: $2.83 trillion (estimated)

- Total U.S. health care expenditures in 2009 were an estimated $2.83 trillion—a 26 percent increase from $2.25 trillion in 2005. Consumers spent $363 billion*, or 14.7 percent, more for health care goods and services than is captured in official government accounts. Of this additional sum, $199 billion can be imputed to the value of unpaid supervisory care given to patients by family or friends.
* Note: Inclusive of estimates of Complementary and Alternative Medicine (CAM). The extent and composition of the CAM sector is not well established, thus if certain categories of CAM are excluded, the figure is $358 billion.

Over half of additional costs: supervisory care (imputed)

- Over half of the additional costs for health goods or services identified additional to the NHEA (55 percent) were in one key area: the imputed value of providing supervisory care to another. Almost all supervisory care was provided to people living in families with lower incomes.
Per capita health care costs: $9,217

- This study estimated 2009 U.S. per capita health care costs to be $9,217; professional services (29 percent) and hospital care (27 percent) were the biggest categories.
Seniors’ health care costs: 36 percent of total

- Health care costs for people 65+ made up 36 percent of the total ($1.01 trillion). Senior health care use concentrates on hospitals, long-term care, supervisory care, and physicians/clinical services. Seniors also have a high level of interest in retail products, particularly nutritional products (functional foods), supplements, and over-the-counter products.
- After seniors, Baby Boomers are the next largest expenditure group, with 30 percent.
- Gen Y is the age category with the smallest expenditure, at just 4 percent.
People with family income $100K or less: 83 percent of U.S. health care costs

- Nearly 83 percent of the $2.83 trillion in 2009 U.S. health care costs are attributed to those with family incomes of $100K or less, who comprise 89 percent of the total population.
- Individuals living in families earning less than $10,000 per year accounted for 11 percent of all health care costs in 2009. The shares for families earning $10,000-$25,000, $25,000-$50,000, and $50,000-$100,000 were 21 percent, 25 percent, and 26 percent, respectively.
Insurance companies (29 percent) accounted for the biggest share of total spend followed by Medicare (18 percent)

- In 2009, Medicare accounted for 18 percent ($512.3 billion) of total spend; Medicaid, 14 percent ($393.7 billion); Department of Defense, 1.3 percent ($37 billion); and Other Public sources, 10 percent ($289 billion). Insurance companies accounted for 29 percent of expenditures, with OOP\(^1\) expenses and other private spending accounting for 13 percent and 14 percent, respectively. Half of the “other private”\(^2\) spending was the imputed value of supervisory care.

For additional study highlights, please review the study “The Hidden Costs of U.S. Health Care for Consumers: A Comprehensive Analysis.”