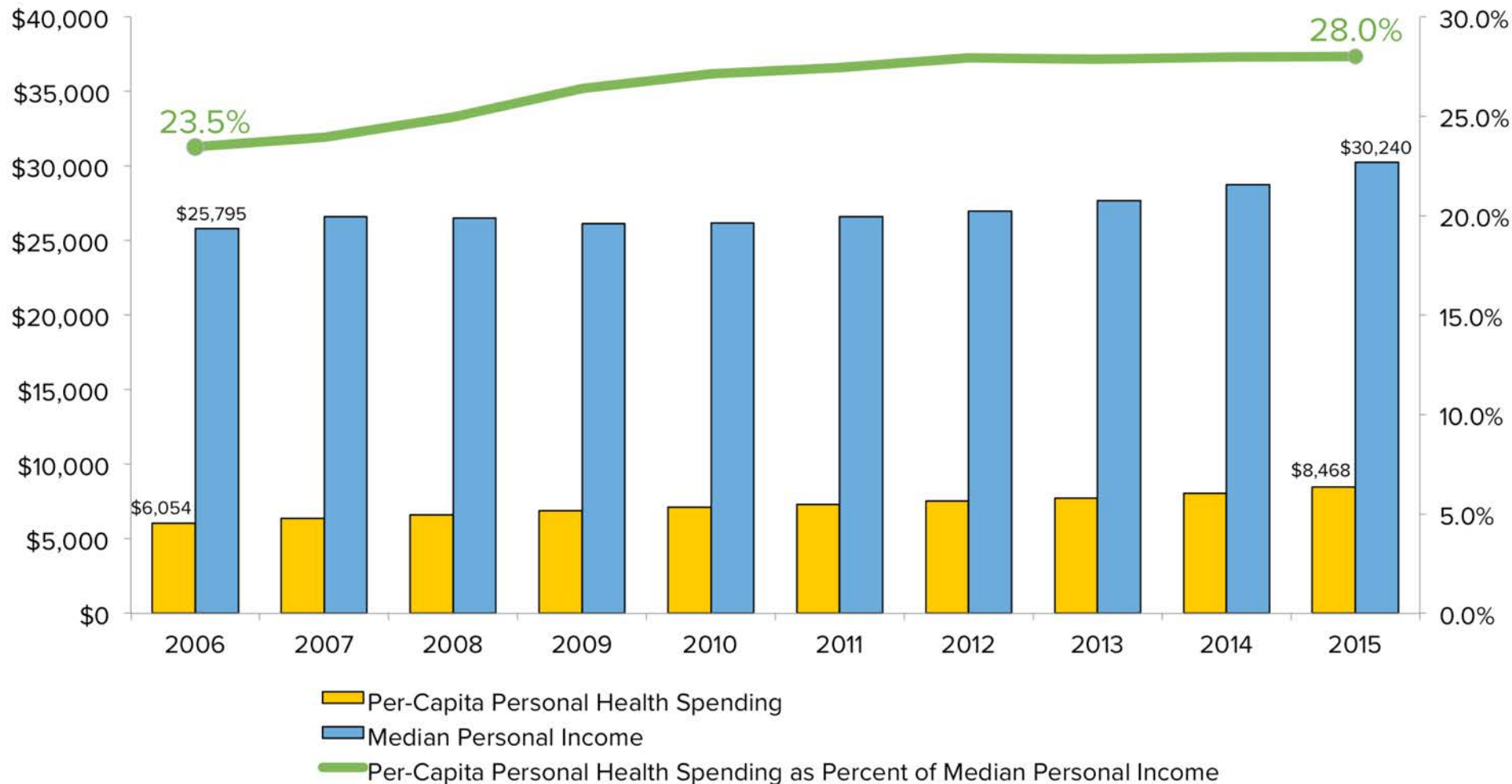
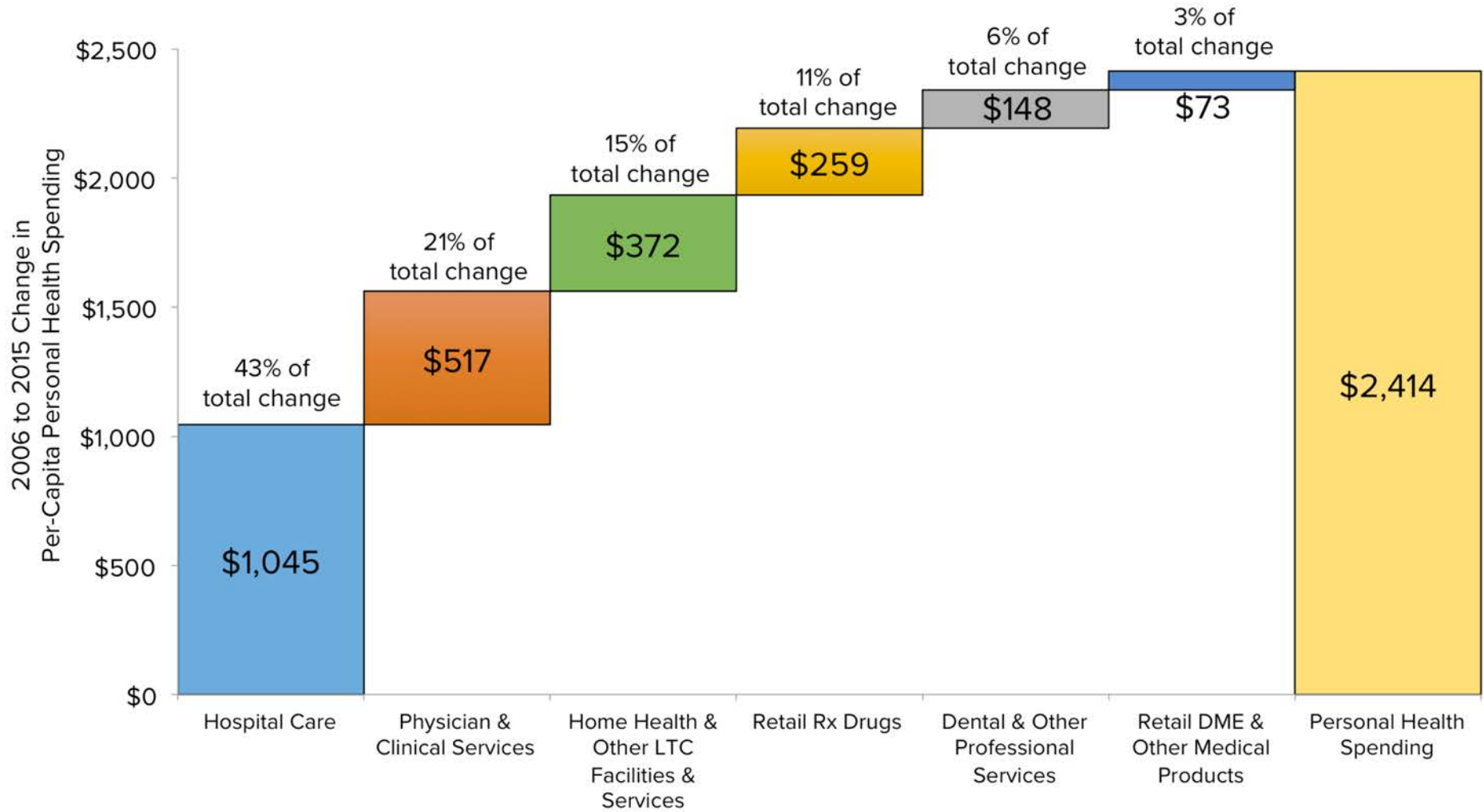
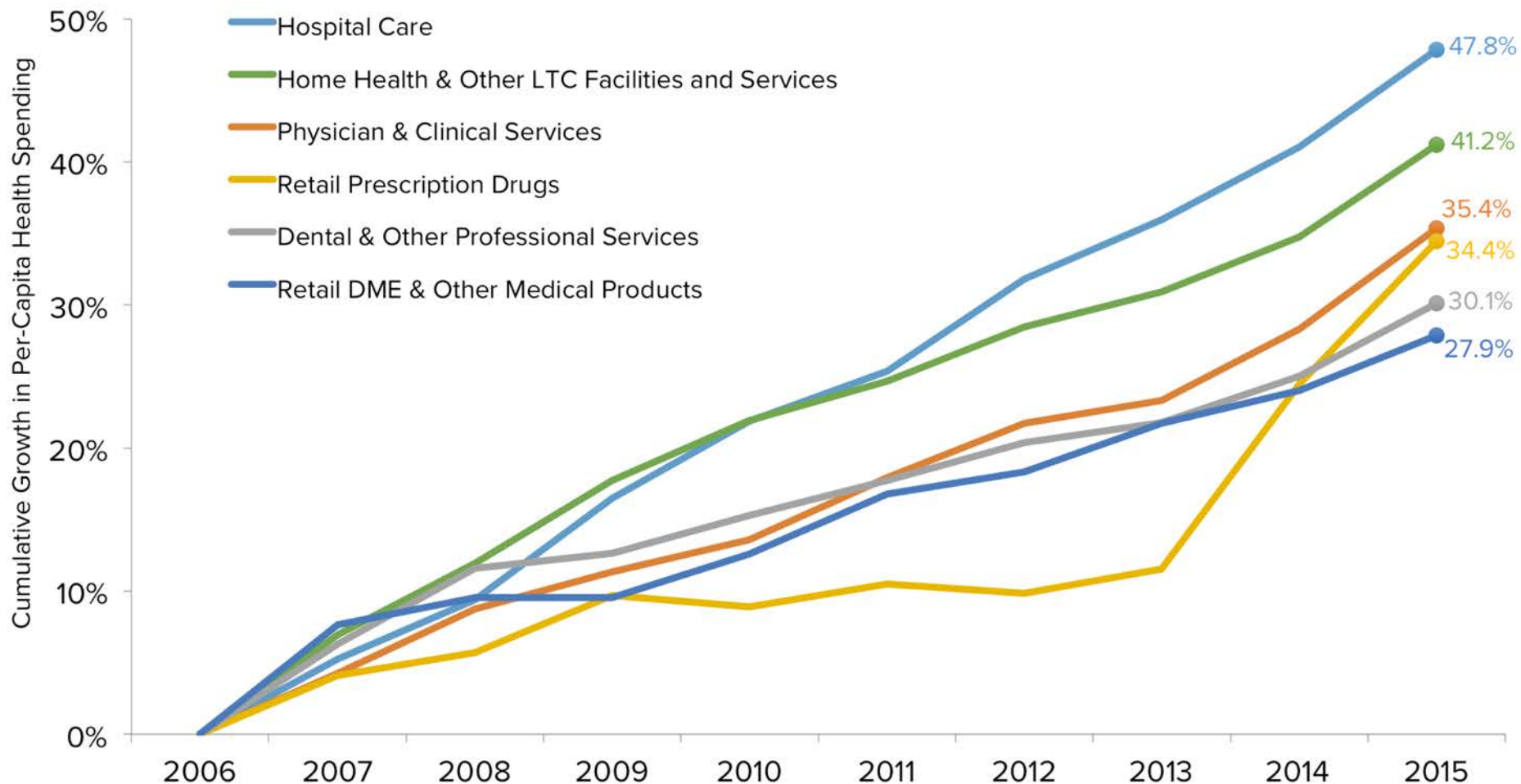


Personal Health Care Spending Now Accounts for 28 Percent of Median Personal Income

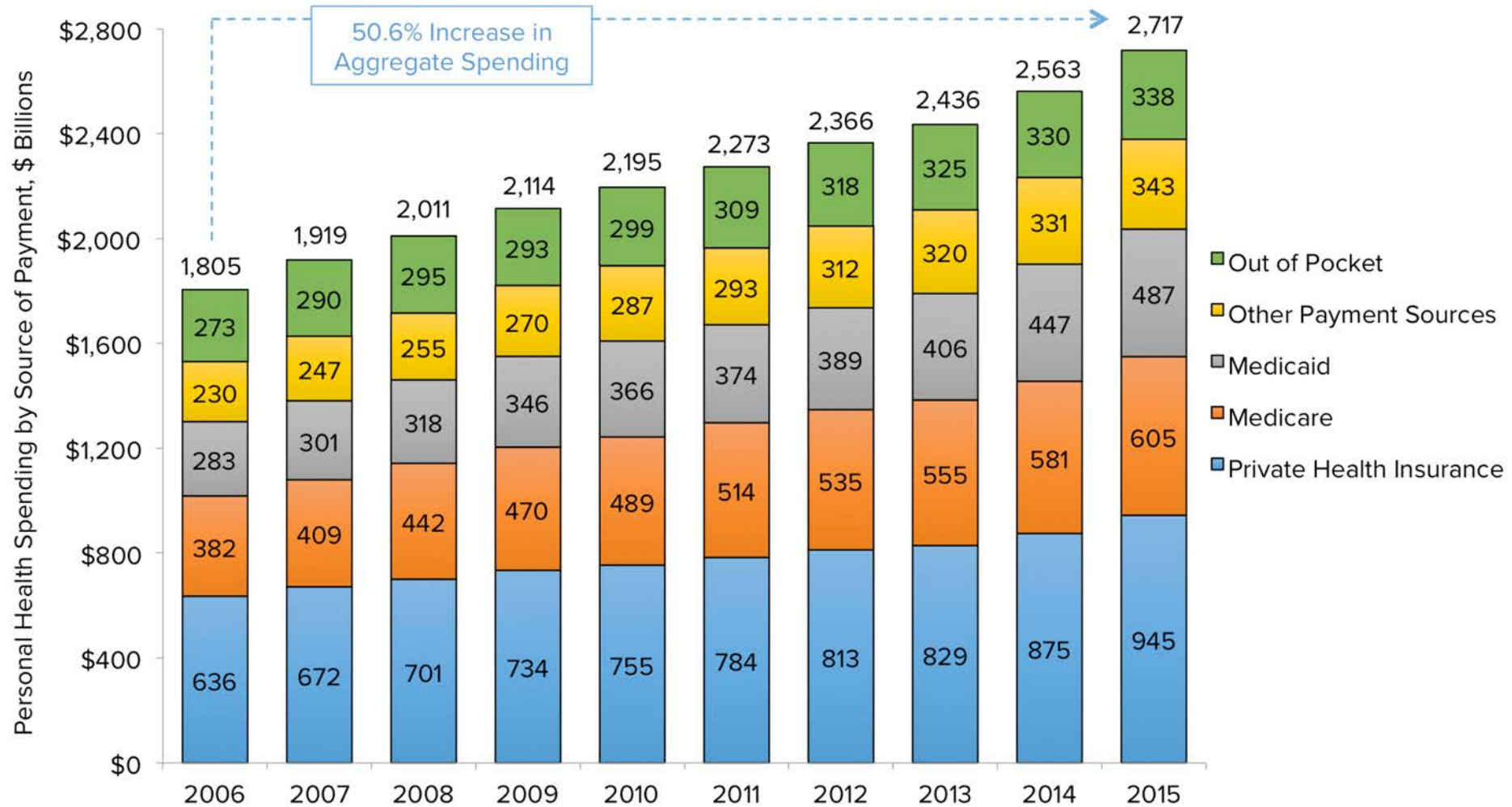


NIHCM Foundation analysis of data from the National Health Expenditure Accounts. Detailed Table 2. Median personal income data from the U.S. Census Bureau as reported by the Federal Reserve Bank of St. Louis (<https://fred.stlouisfed.org/series/MEPAINUSA646N>).





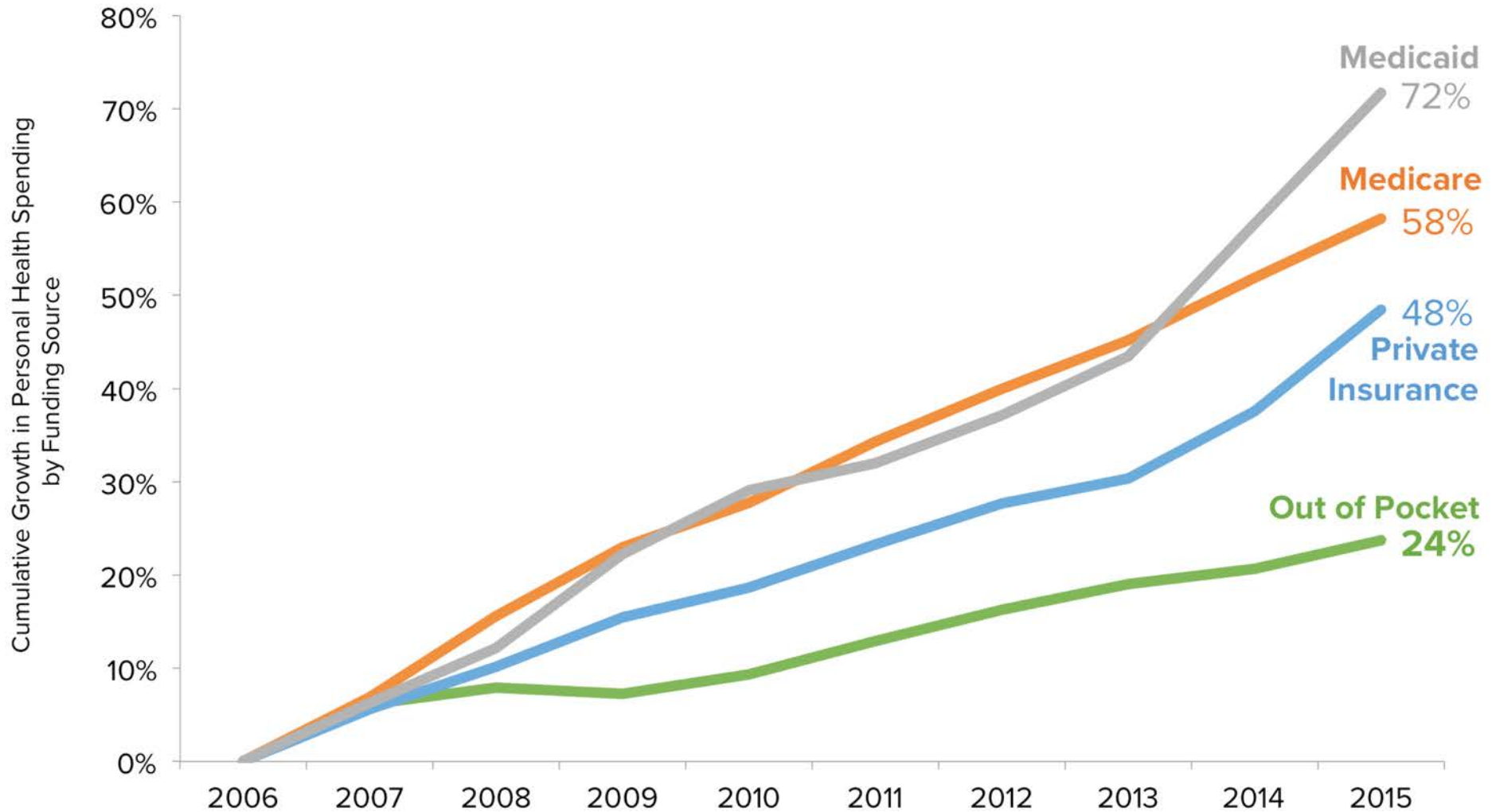
Aggregate Spending for Personal Health Care Has Increased by 50 Percent, and Everyone Is Paying More



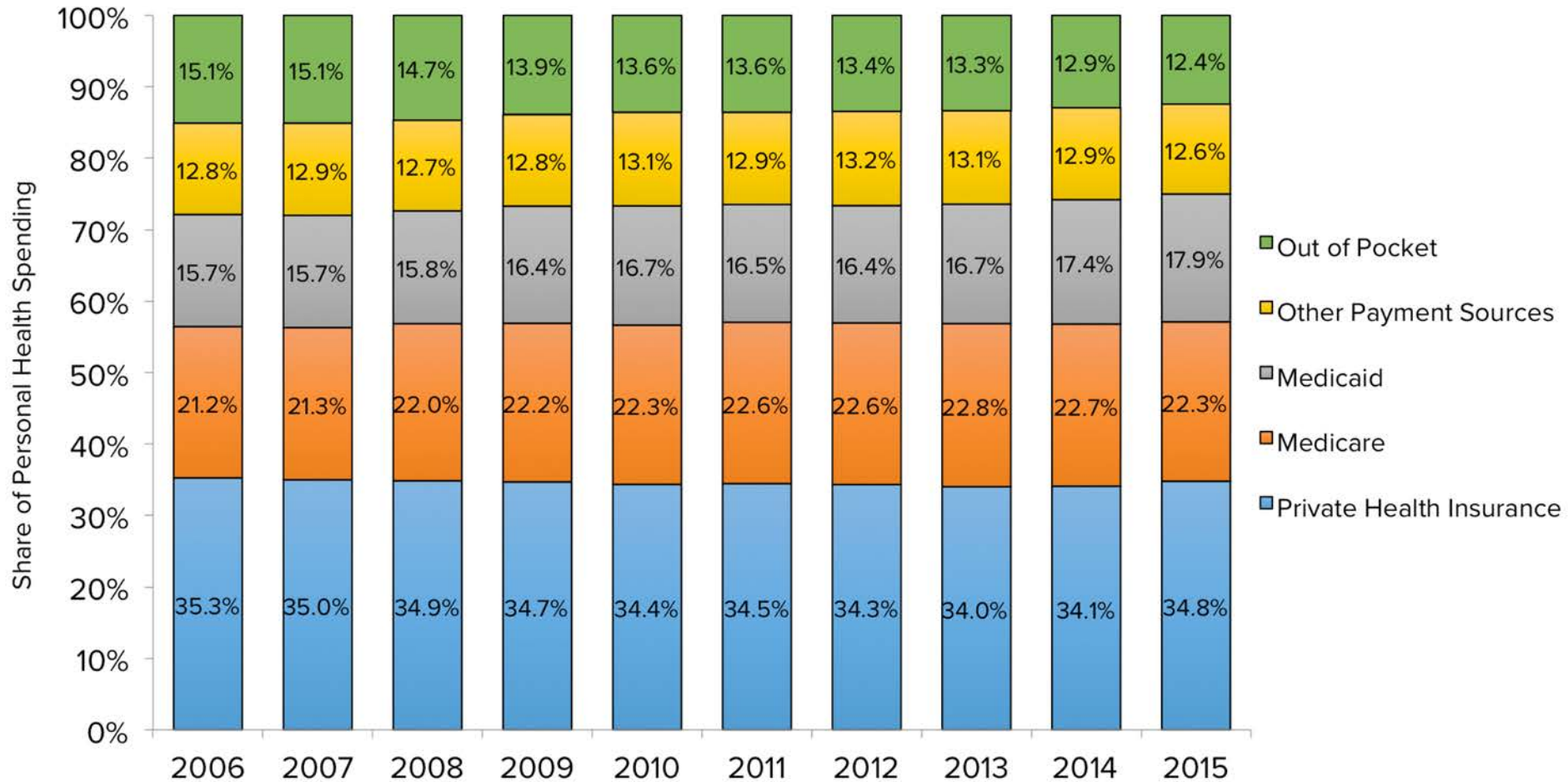
NIHCM Foundation analysis of data from the National Health Expenditure Accounts. Detailed Table 6.

Other payment sources include the Children's Health Insurance Program, the Departments of Defense and Veterans' Affairs, the Indian Health Service, the Substance Abuse and Mental Health Services Administration, worksite health programs, workers' compensation, vocational rehabilitation programs, school health, maternal and child health programs, other government programs and other private revenues.

Spending by Public and Private Payers Has Grown Two to Three Times Faster Than Out-of-Pocket Spending by Patients

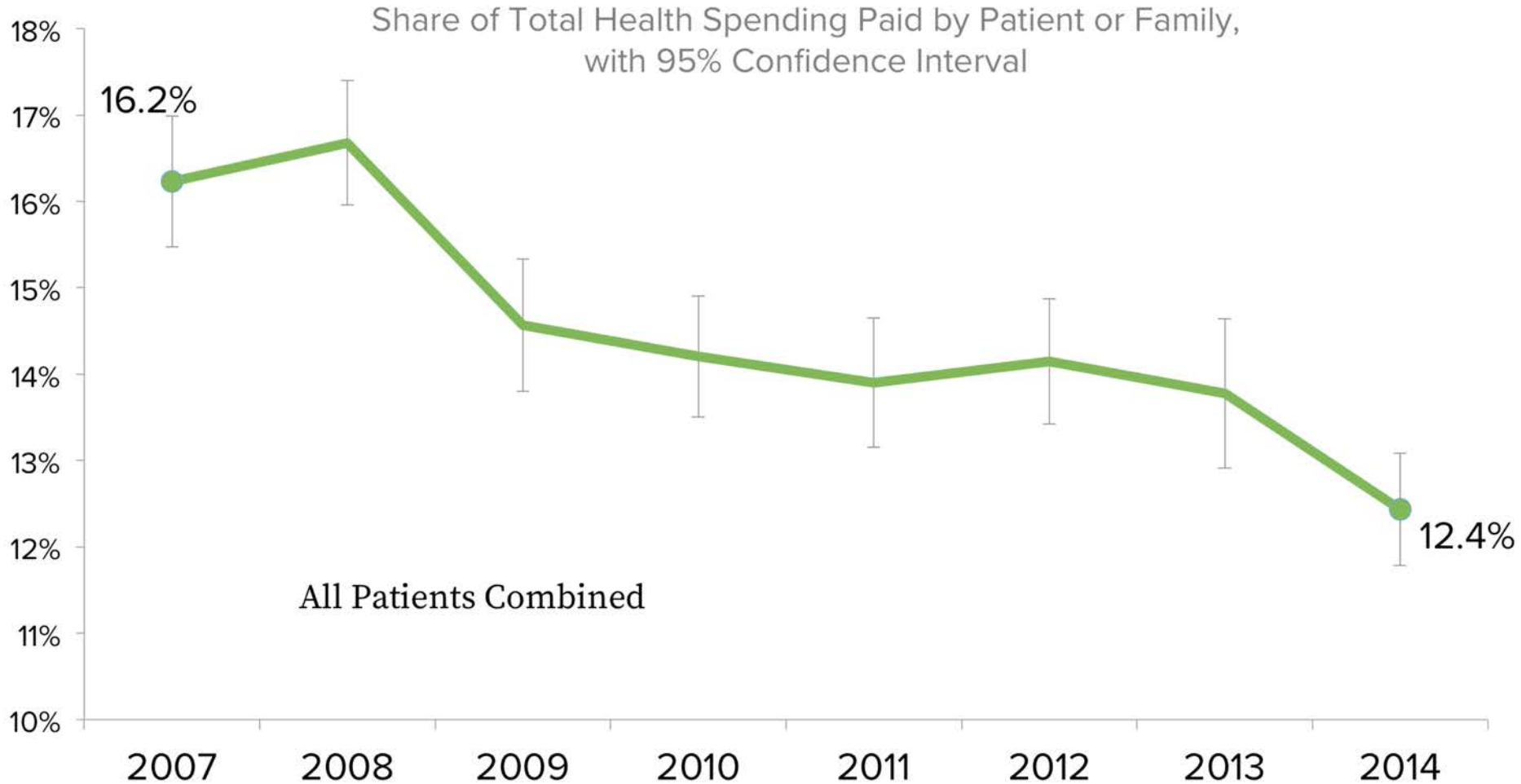


Share of Personal Health Care Spending Paid Out of Pocket Has Declined Slightly; Shares Paid by Public Insurance Up a Bit

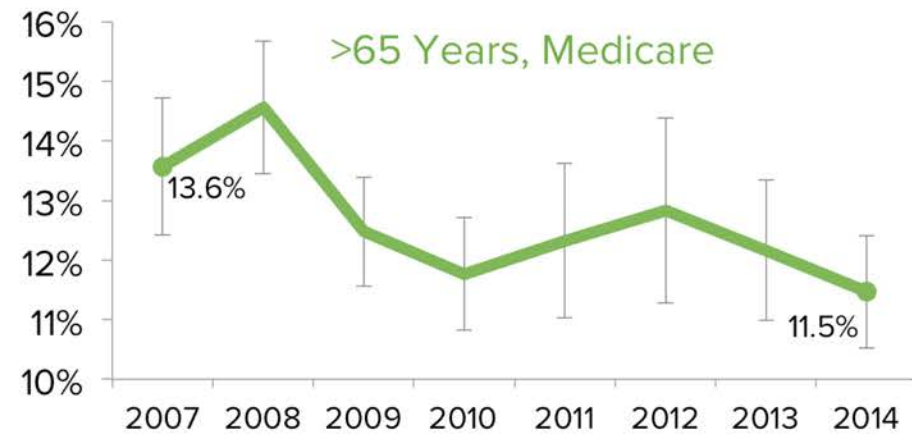
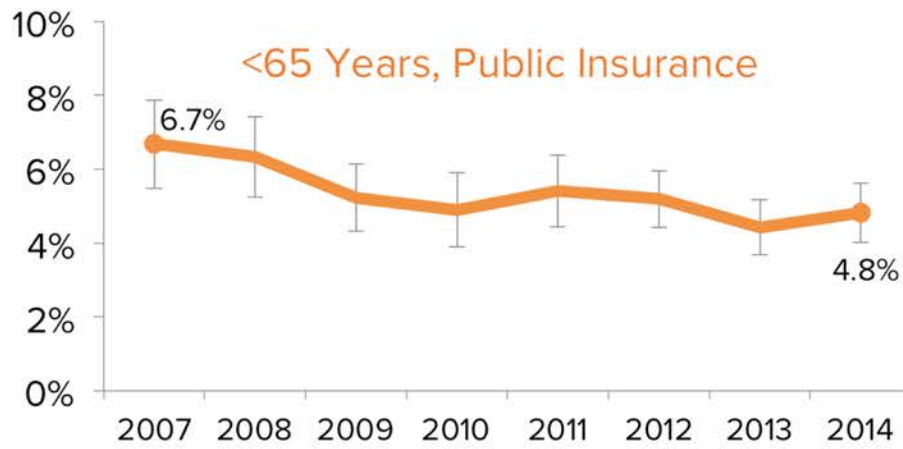
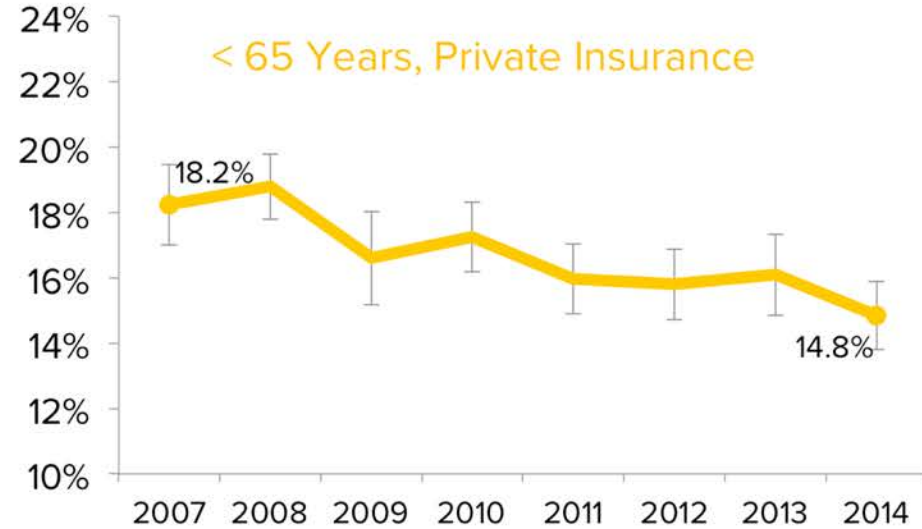
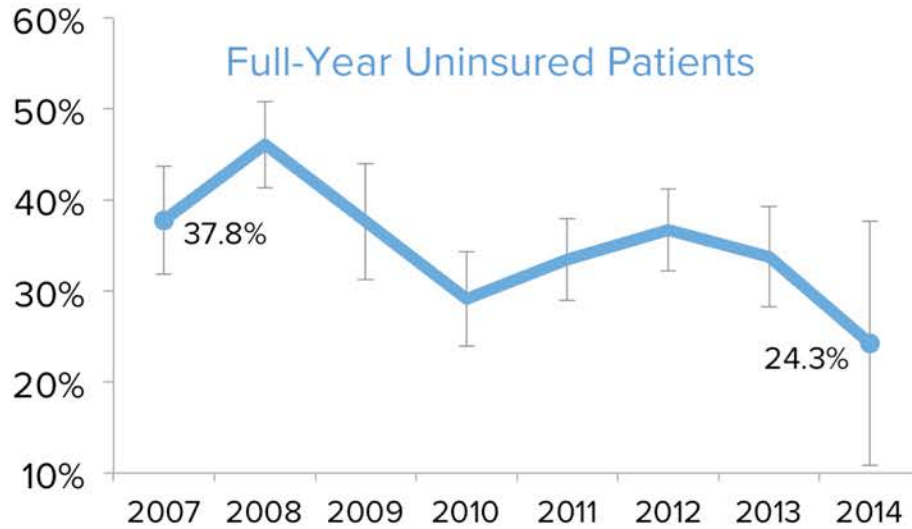


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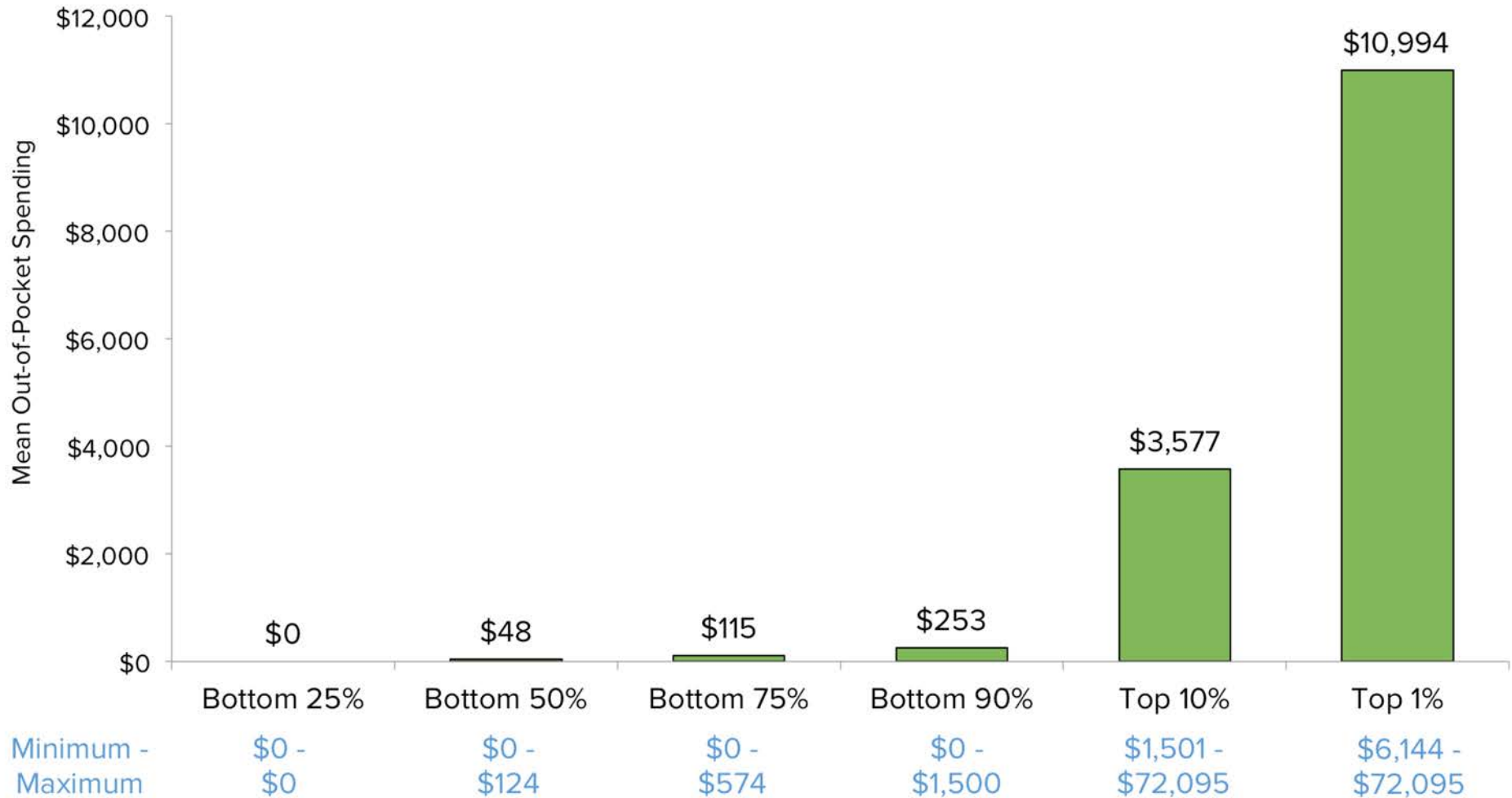
NIHCM Foundation analysis of data from the Medical Expenditure Panel Surveys. Total spending captures all expenditures for health care services and products used by the non-institutionalized civilian population. Spending for health insurance premiums is not included in the measure. Data prior to 2007 not comparable to years shown here due to a change in survey methodology.



NIHCM Foundation analysis of data from the Medical Expenditure Panel Surveys. Total spending captures all expenditures for health care services and products used by the non-institutionalized civilian population. Spending for health insurance premiums is not included in the measure. Data prior to 2007 not comparable to years shown here due to a change in survey methodology.



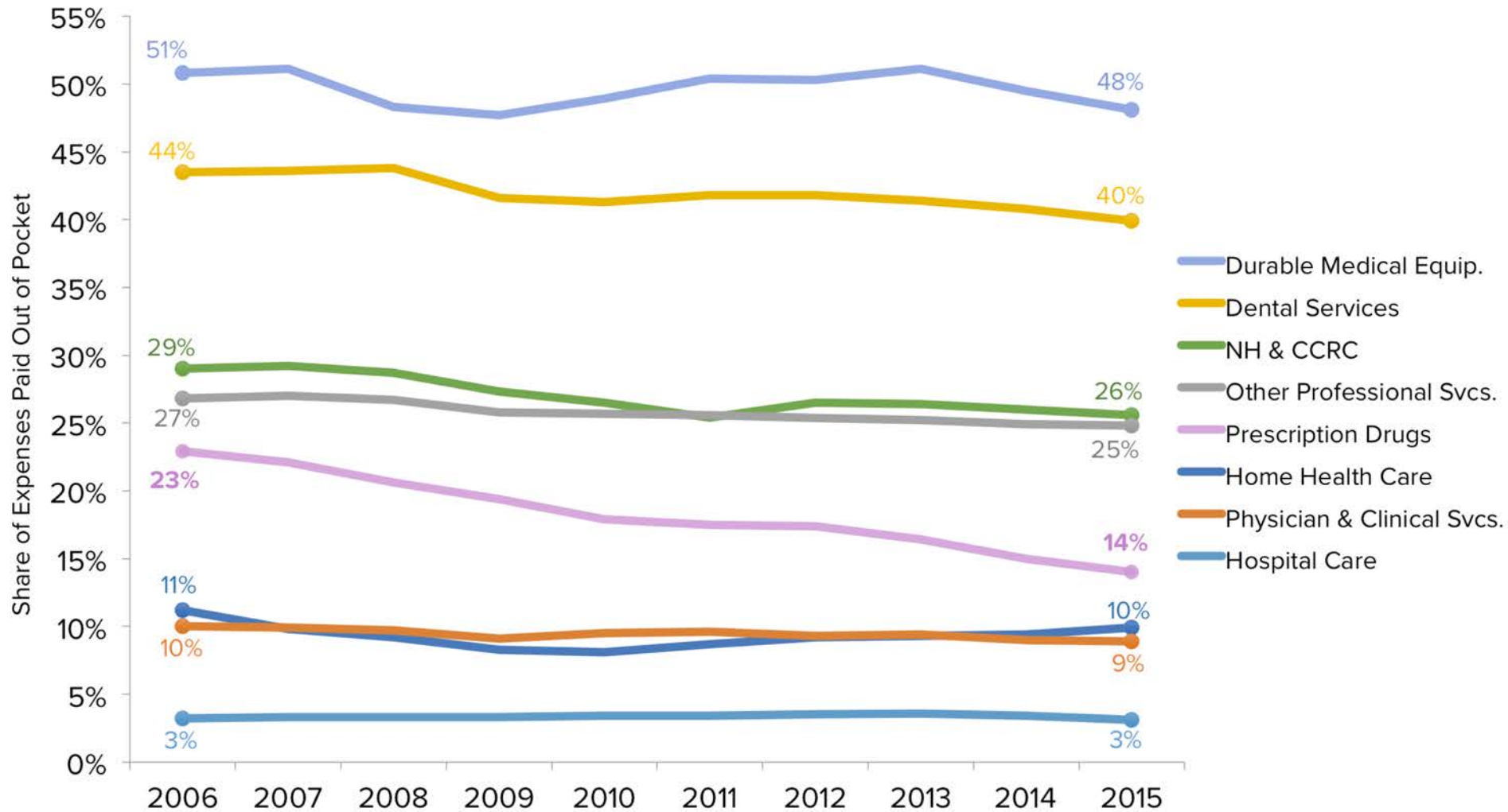
Half of the Civilian Non-Institutionalized Population Paid Less Than \$125 in Out-of-Pocket Costs in 2014, but Some Patients Had Very High Out-of-Pocket Spending



NIHCM Foundation analysis of data from the 2014 Medical Expenditure Panel Survey.

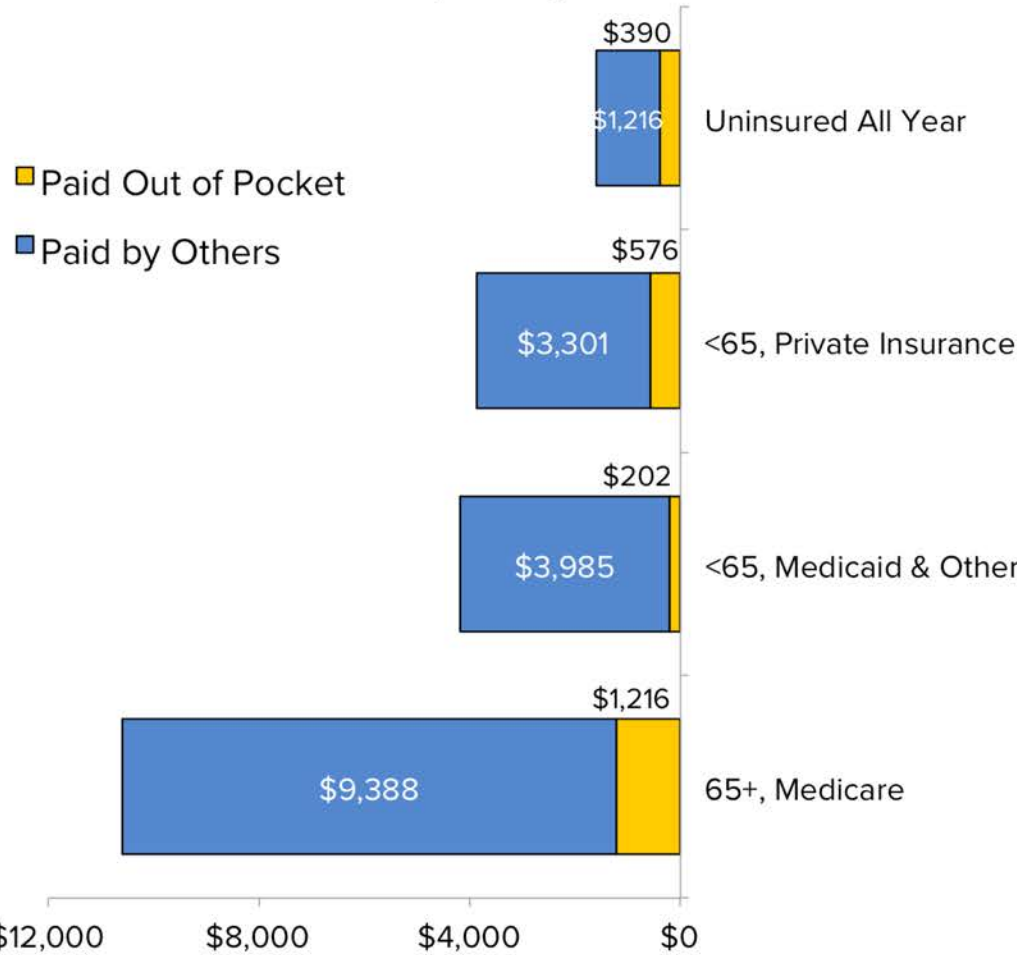
Spending reflects all amounts paid by the patient/family for health care services and products (excluding health insurance premiums). Survey sample is limited to the non-institutionalized civilian population and, thus, data exclude spending for institutional care such as nursing homes.

Share of Total Spending Derived from Patient Out-of-Pocket Payments Varies Appreciably by Type of Service, and Share Has Declined Modestly or Held Steady for Most Services

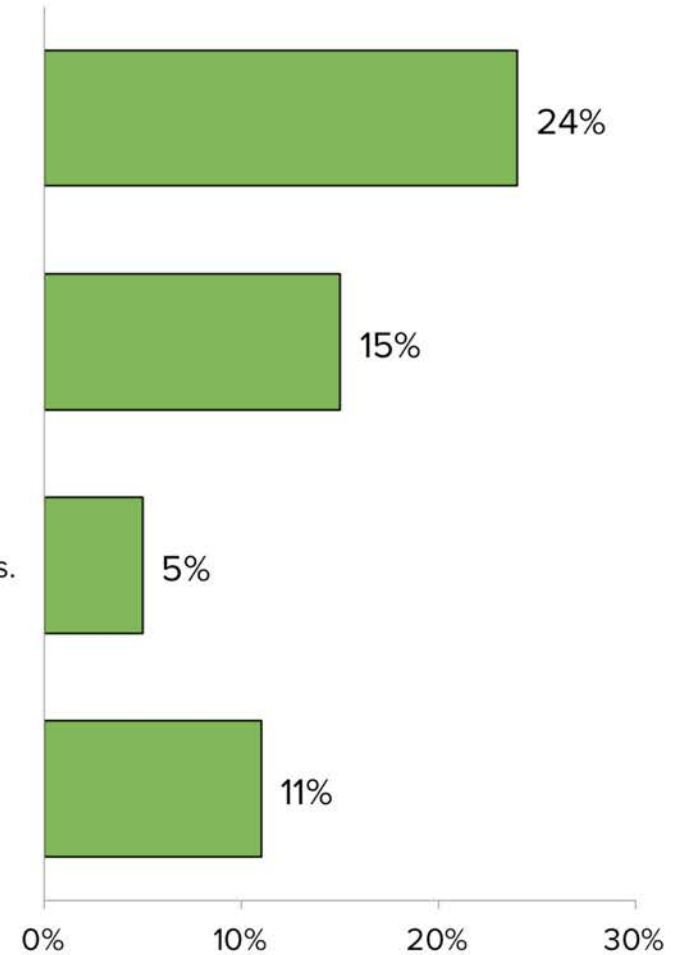


Patients with Insurance Have Higher Total Expenditures but Pay a Smaller Share of Total Spending

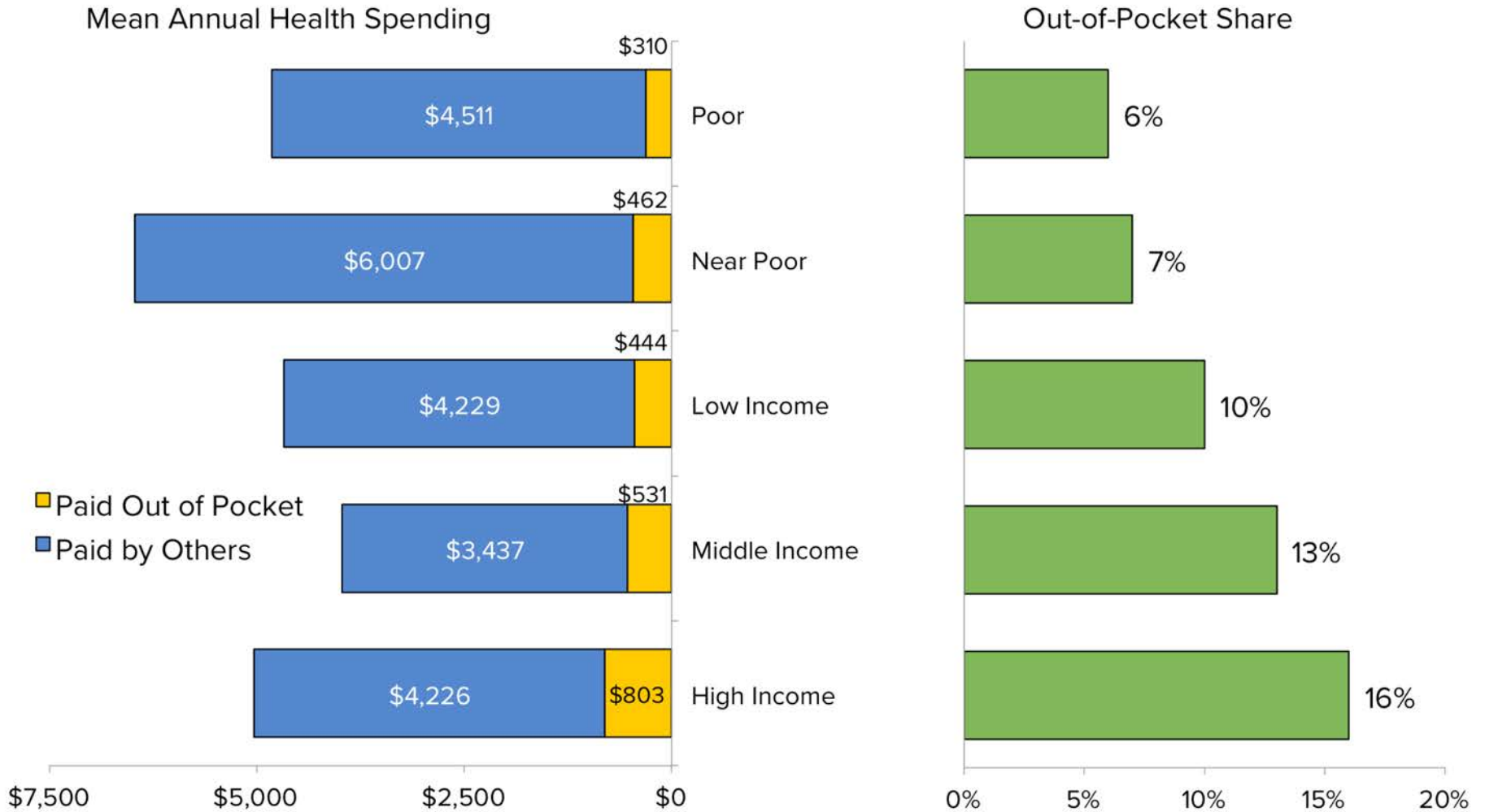
Mean Annual Health Spending



Out-of-Pocket Share



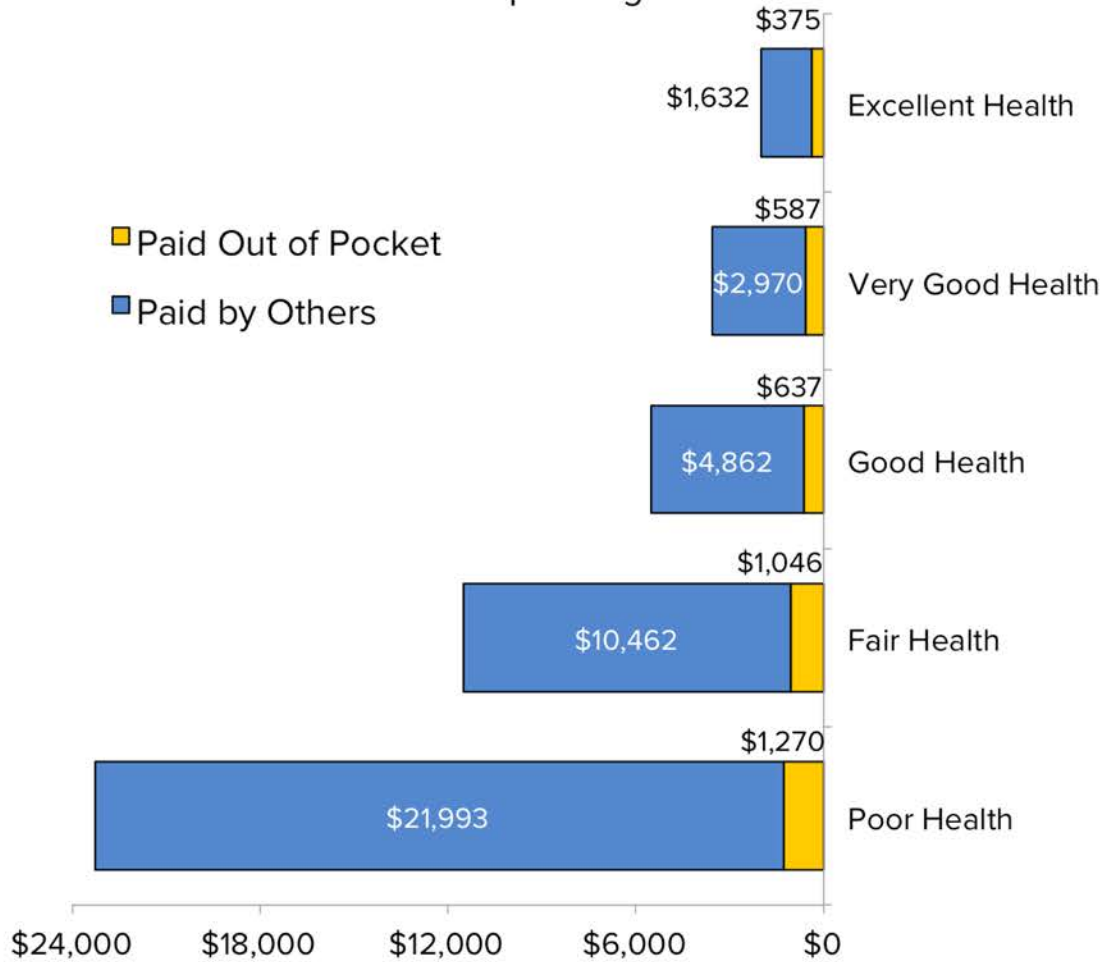
Higher Income Patients Pay a Larger Share of Their Total Spending



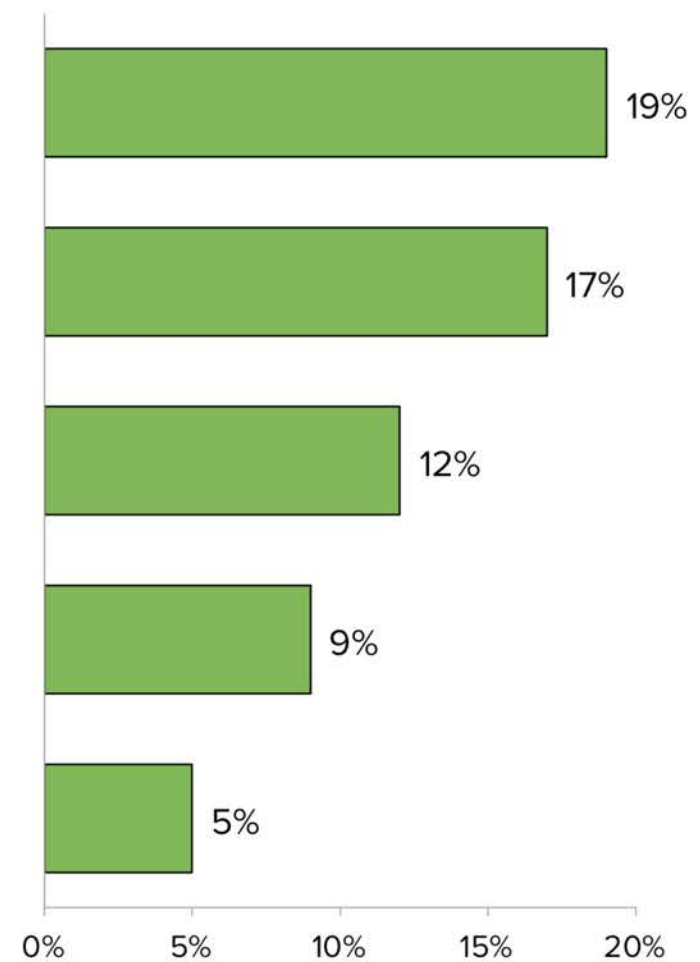
NIHCM Foundation analysis of data from the Medical Expenditure Panel Survey, 2014.

Poverty classifications are based on the patient's family income relative to the Federal Poverty Level: poor (< 100% FPL); near poor (100-124% FPL), low income (125-199% FPL), middle income (200-399% FPL), and high income (400+% FPL).

Mean Annual Health Spending

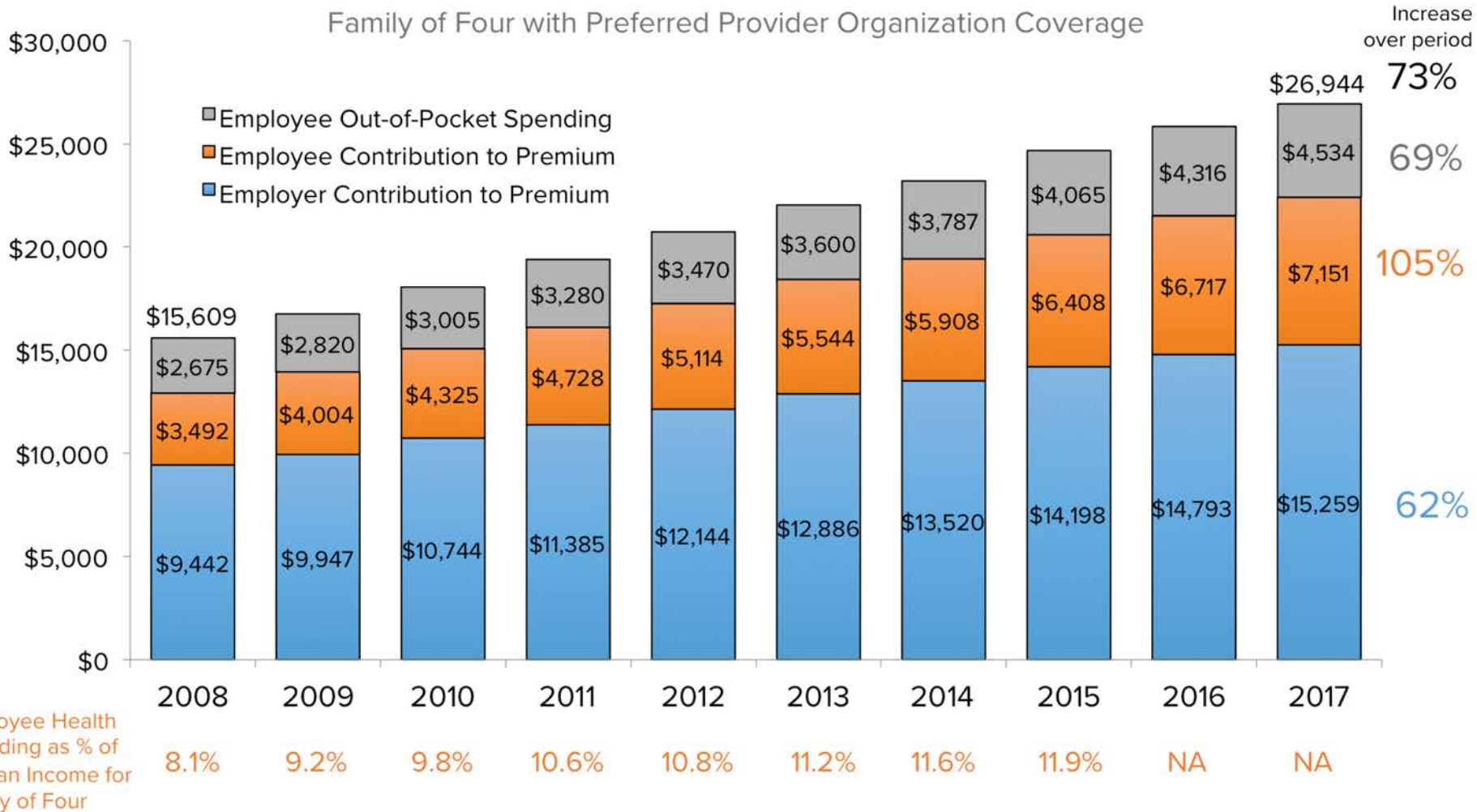


Out-of-Pocket Share



Out-of-Pocket Spending Plus Premiums For Employer-Based PPO Coverage Rose 73 Percent in the Past Decade, With Employees Bearing an Increasing Share of Costs Directly

Family of Four with Preferred Provider Organization Coverage



NIHCM Foundation analysis of data from the annual Milliman Medical Index reports. Data reflect spending for PPO coverage obtained through an employer for a family of four. Data on median income for a family of four are from the U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements. NA = data not available.

- As of 2015, per-capita spending for personal health care was 28 percent of median personal income.
- Although third-party payers, both public and private, have been covering a larger share of rising health spending, out-of-pocket amounts have continued to rise and some patients face significant cost sharing.
 - ✧ Total out-of-pocket spending in the U.S. now tops more than \$1,000 per person.
 - ✧ Ten percent of the population incurred more than \$1,500 per person in out-of-pocket spending in 2014, with an average per-capita outlay of almost \$3,600 for this group.
- People with employer-sponsored health insurance are paying an increasing share of rising premiums directly, adding to the burden of rising out-of-pocket spending. Rising employer contributions are also likely paid for by employees in the form of lower wage increases.
 - ✧ In 2015, a family of four with employer-sponsored coverage would have needed 12 percent of the median income for a family of that size just to cover its direct premium and out-of-pocket costs.
- Health spending growth has been driven by large and steady increases in spending for hospital care, physician and clinical services, and home health and long-term care. Outlays for prescription drugs began increasing very rapidly in 2014 after a period of relative stability. All sectors are prime targets for cost-control efforts.