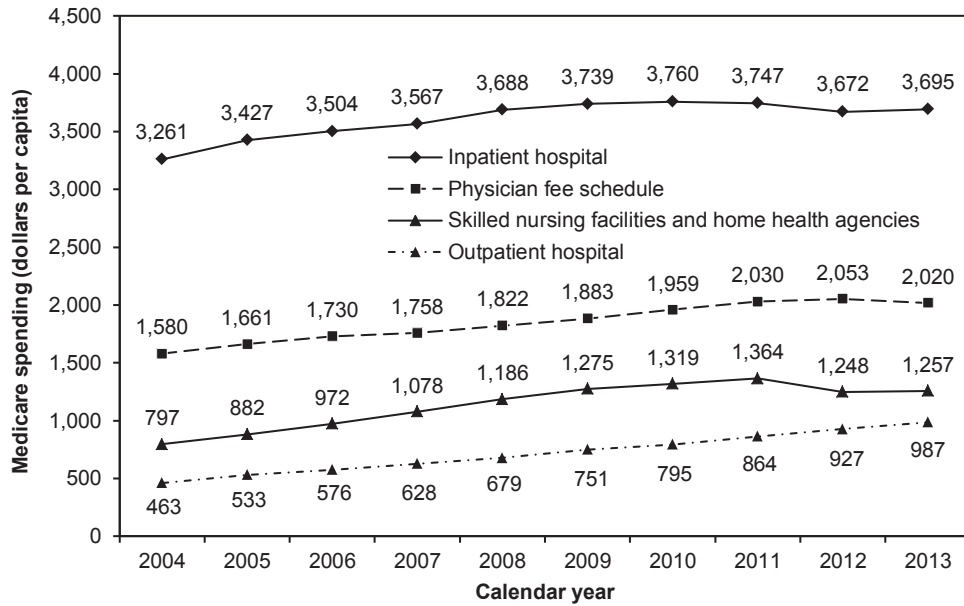


Resource 5 (1 of 2)

Projecting Future Costs and Benefits of Medicare

Chart 1-2. Per capita Medicare spending among FFS beneficiaries, by sector, 2004–2013



Note: FFS (fee-for-service).

Source: CMS Office of the Actuary, based on the FY 2016 president's budget and the annual report of the Boards of Trustees of the Medicare trust funds 2014.

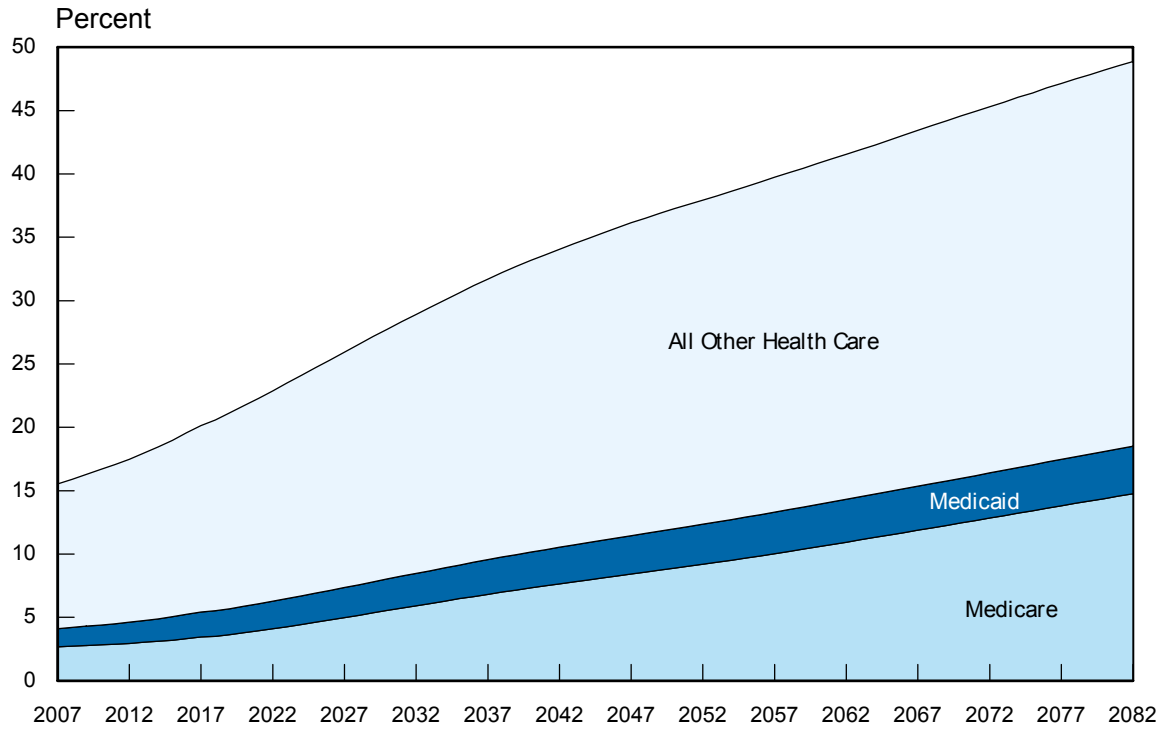
- Medicare spending per beneficiary in FFS Medicare has increased substantially since 2004 across all sectors, despite slowing down recently.
- Growth in spending per beneficiary for inpatient hospital services, the sector with the highest level of spending, averaged 3 percent per year from 2004 to 2007 and 2 percent per year from 2007 to 2010. It declined to about –1 percent per year from 2010 to 2013. Despite the slowdown in the last three years, spending per beneficiary for inpatient hospital services increased, on aggregate, 13 percent from 2004 to 2013.
- Growth in spending per beneficiary for outpatient hospital services remained strong throughout the period, averaging 11 percent per year from 2004 to 2007, 8 percent per year from 2007 to 2010, and 7 percent per year from 2010 to 2013. Spending per beneficiary for outpatient hospital services increased, on aggregate, 113 percent from 2004 to 2013.

Source: Medical Payment Advisory Commission. (2015, June). A data book: Health care spending and the Medicare program, p. 4. Retrieved from <http://www.medpac.gov/documents/data-book/june-2015-databook-health-care-spending-and-the-medicare-program.pdf?sfvrsn=0>

Resource 5 (2 of 2)

Projecting Future Costs and Benefits of Medicare

Projected Spending on Health Care as a Percentage of Gross Domestic Product



Source: Congressional Budget Office. (2007). The long-term outlook for health care spending, p. 13. Retrieved from <http://www.cbo.gov/ftpdocs/87xx/doc8758/maintext.3.1.shtml>