



Insight

Slow National Health Expenditure Growth Unlikely to Last

CONOR RYAN | JANUARY 6, 2014

On Monday, the Center for Medicaid and Medicare Services found in their report on National Health Expenditures that health care spending grew slower than gross domestic product (GDP) in 2012—only 3.7 percent—continuing a recent trend of historically slow growth rates. While some hopeful analysts cite the low growth rates as proof of structural change in the health care system, this abatement is not likely to last. National health expenditures growth relative to GDP follows a cyclical, boom-and-bust pattern. As shown in the chart below, the slow, per-capita spending growth relative to GDP has occurred frequently in the past, and the high growth rates always return.

