



Weekly Checkup

CBO Explains Health Care Spending Revisions

CONOR RYAN | JULY 31, 2014

Spending growth is slowing, and [recent data released](#) from the Bureau of Economic Analysis hints that growth may remain low as the economy recovers—though these estimates are subject to revision. If the current trend of growth continues, it would certainly improve the nation’s fiscal health. The chart below demonstrates how the Congressional Budget Office (CBO) has revised its long-term estimates of spending on federal health care spending 75 years out, down from 9.6 percent of gross domestic product (GDP) in 2010 to 8.0 percent in 2014. Unfortunately, experts are divided on what has led to the slowdown. Proponents of the Affordable Care Act claim it a result of successful reforms, but it is unlikely that the 2010 law has had such far reaching effects with most provisions only recently implemented. The CBO, [in a blog post on their findings](#), explain that they attribute the downward revisions to “technical” changes that include new information from survey and agency data, improved projection methodology, administrative action, and judicial decisions. Notice that projected spending is significantly lower in 2013 after the 2012 Supreme Court decision that declared Medicaid expansion as optional. ([More information on the possible explanations for the recent slow health care cost growth](#))

