AAF

Weekly Checkup

Household Health Care Expenditures Up 57 Percent Over Past Decade

TARA O'NEILL HAYES | SEPTEMBER 28, 2016

Total average annual household health care expenditures have increased 57 percent, from \$2,766 to \$4,342, over the last ten years. The rising cost of health insurance is responsible for most of this increase; households spent more than twice as much on health insurance in 2015 as they did in 2006. As a share of total household health care expenditures, health insurance has increased from 53 percent to 69 percent. The sharpest increase occurred between 2013 and 2014 (the first year the Exchanges were operational), when expenditures on health insurance grew 18 percent. Conversely, spending on drugs (including prescription, non-prescription, and vitamins) has decreased over the past decade, in both dollar figures and as a percentage of total household health care expenditures. While drug spending has decreased each year since 2006 as a percentage of total expenditures, there was a sharp rise in drug spending in 2012 and the needle has moved in opposite directions in each year since as a dollar figure. Expenditures on medical services have increased 18 percent since 2006, but have fallen from 24.2 percent of total health care expenditures to 18.2 percent. Expenditures on medical supplies have followed a similar pattern, growing 27 percent and falling from 4.2 percent in 2006 to 3.4 percent in 2015.

