



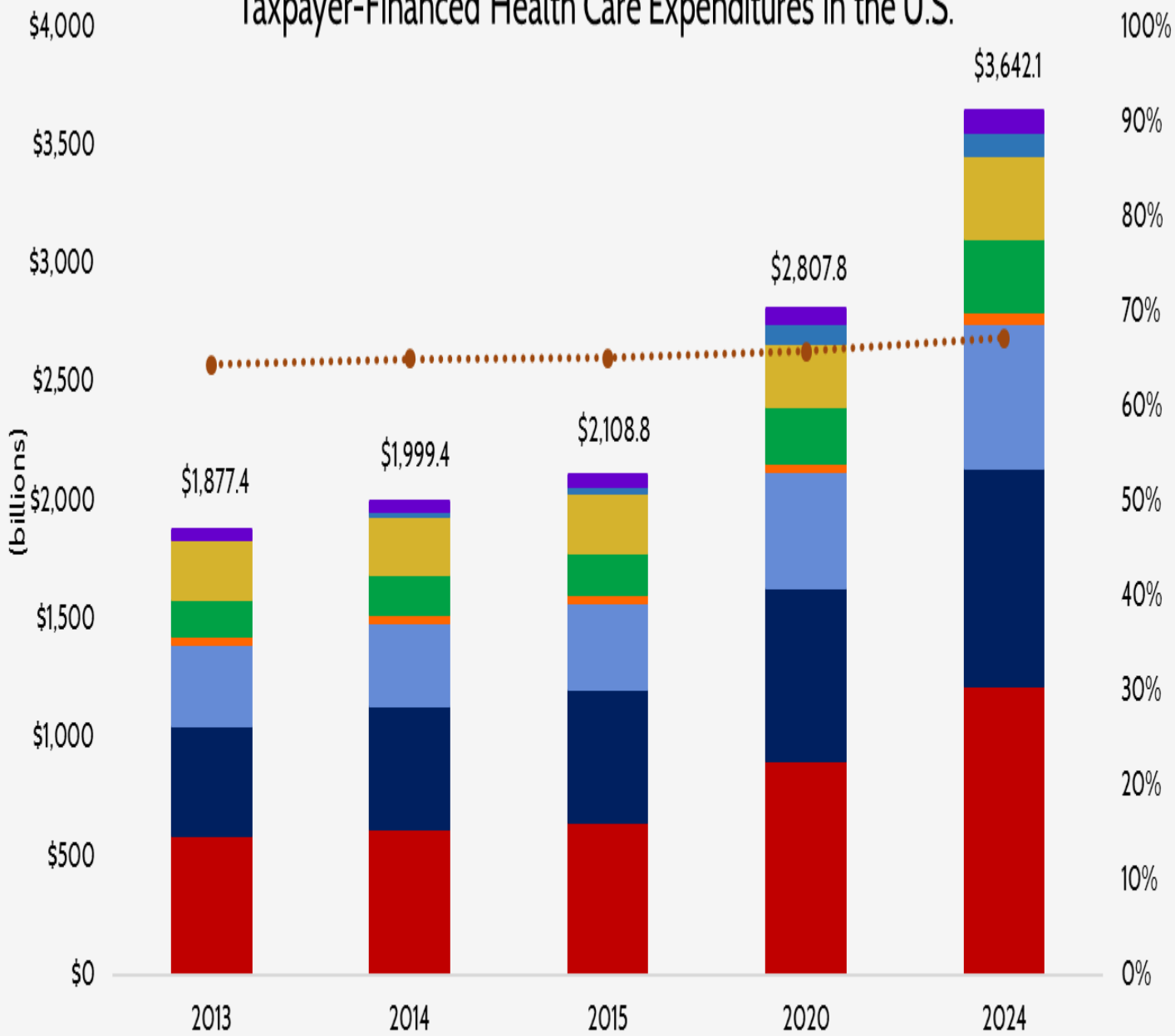
## Weekly Checkup

# Nearly Two-thirds of U.S. Health Care Costs Financed by Taxpayers

TARA O'NEILL HAYES | SEPTEMBER 8, 2016

The U.S. health care system is increasingly publicly-financed, either directly with taxpayer dollars or indirectly through tax credits (reduced revenue), as outlined in a [study](#) published in the American Journal of Public Health. Direct government health expenditures for programs such as [Medicare](#), [Medicaid](#), and [CHIP](#) totaled \$1.57 trillion in 2015, accounting for 48.5 percent of total [national health expenditures](#) (NHE). The government, including federal, state, and local, also finance public employees' health benefits at a cost of \$211 billion in 2015, with state and local government covering the majority of that cost. Tax subsidies for private health insurance, including the cost of lost revenue from the income tax exclusion for employer-sponsored health insurance, cost the federal government another \$276.4 billion, and cost state and local governments \$49.8 billion. Taxpayer-financed health care expenditures in 2015 totaled \$2.1 trillion in 2015, accounting for 65 percent of total NHE. This total is expected to climb to \$2.8 trillion in 2020 and \$3.6 trillion in 2024—equal to the federal government's *total* outlays in 2015.

# Taxpayer-Financed Health Care Expenditures in the U.S.



- State & Local Gov Lost Revenue for ESI Tax Exclusion
- Fed Gov Lost Revenue for ESI Tax Exclusion
- Fed Gov Expend for Public Employees' Health Benefits
- Medicaid/CHIP
- Exchange Tax Credits and Subsidies
- State & Local Gov Expend for Public Employees' Health Benefits
- Other Health Programs
- Medicare

●●● Tax-financed Expend as % of Total NHE