



Weekly Checkup

Unsustainable Entitlement Spending: It Gets Worse

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The United States spent \$3.2 trillion on health care in 2015, and is projected to spend \$5.5 trillion by the year 2025, according to recently released [National Health Expenditure data](#). Projected average annual growth in health spending will be 5.6 percent per year between 2016 and 2025. This is driven in large part by growth in [Medicaid](#) and an aging population enrolling into Medicare. Medicare and Medicaid spending will be \$2.2 trillion by 2025, almost twice the amount spent on the programs in 2015, which is 40 percent of all national health care spending.

The Medicare and Medicaid programs expenditures are projected to grow faster than private health insurance spending after 2018. Medicare spending growth is projected to peak in 2020 at 8.0 percent and grow at an average annual rate of 7.6 percent between 2020 and 2025. This growth comes from an increasing number of baby boomers enrolling into the program, as well as the aging of existing enrollees. Medicaid spending is expected to grow by an annual average of 5.9 percent between 2020 and 2025 due to an expected population of older and sicker enrollees. Congress must reform entitlement programs to ensure that care for the 80 million combined individuals projected to be enrolled by 2025 remains possible.

Spending on Medicare and Medicaid 2015-2025 (Billions)

