Altarum

Health Sector Economic Indicators℠

Insights from Monthly National Health Spending Data through September 2026 SPENDING BRIEF

November 20, 2026

National health spending growth continues gradual decline

HIGHLIGHTS

- In September 2026, national health spending grew by 6.3% year over year, down slightly from the August 2026 growth rate of 6.5%.
- GDP grew by 6.2% in September, year over year. As a result, national health spending in September constituted 18.4% of GDP, equal to the August value. National health spending was most recently below 18% of GDP in July 2024.
- Year-over-year growth in personal health care spending was 6.1% in September, year over year, slightly down from the August value of 6.2% and lower than the 7.2% rate in September 2025. Utilization growth contributed nearly two-thirds of the increase, with price increases contributing one-third.
- Growth among major spending categories was highest in September for hospital care, at 7.7%, year over year, while spending for prescription drugs grew the slowest, at 1.7%. Drug spending growth has slowed significantly this year due primarily to a decline in drug prices; it stood at 6.5% in September 2025.

National Health Spending and GDP*

	September 2024	September 2025	August 2026	September 2026
GDP	29.69	31.27	33.01	33.21
National Health Spending (HS)	5.37	5.74	6.08	6.11
HS Share of GDP	18.1%	18.4%	18.4%	18.4%
HS Share of PGDP	18.4%	18.7%	18.7%	18.7%
Growth from Prior 12 Months				
HS	8.1%	7.0%	6.5%	6.3%
GDP	5.3%	5.3%	5.9%	6.2%
HS minus GDP	2.8%	1.6%	0.6%	0.1%
HS minus PGDP	3.0%	1.7%	0.5%	0.3%

Source: Altarum monthly health spending estimates (see Methods box below). Monthly GDP is from BD Economics. PGDP, defined as what GDP would be at full employment, is from the quarterly Congressional Budget Office estimates, converted to monthly by Altarum.
Note: Any discrepancies in differences are due to rounding.
* Spending is in trillions of dollars at a seasonally adjusted annual rate (SAAR).

Altarum is a nonprofit research and consulting organization that creates and implements solutions to advance health among at-risk and disenfranchised populations. Since 2011, Altarum has researched cost growth trends and key drivers of U.S. health spending and formulated policy strategies to help bend the cost growth curve.

The Health Sector Economic Indicators℠ reports are a monthly publication of Altarum and provide an analysis of health spending, employment, and prices. The reports were published through March 2025; starting in July 2026, Altarum relaunched publication of the series. For more information, contact George Miller at george.miller@altarum.org. George Miller, PhD (principal author) and Matt Daly, PhD, contributed to this brief. Media Contact: press@altarum.org. For more information, visit http://altarum.org/solution/health-sector-spending.

DISCUSSION

In September 2026, national health spending reached a seasonally adjusted annual rate of $6.11 trillion, up from the August level of $6.08 trillion. September's spending corresponds to a year-over-year growth rate of 6.3% and represents the fourth straight month of gradual decline in health spending growth.

Year-over-year GDP growth was 6.2% in September, and national health spending in September grew just 0.1 percentage points more than GDP. National health spending in September represented 18.4% of GDP, equal to the August value.

The year-over-year growth rate in personal health care spending was 6.1% in September, also slightly exceeding the GDP growth rate. (See Exhibit 1.)

Exhibit 1. Year-over-Year Growth in GDP and Health Spending

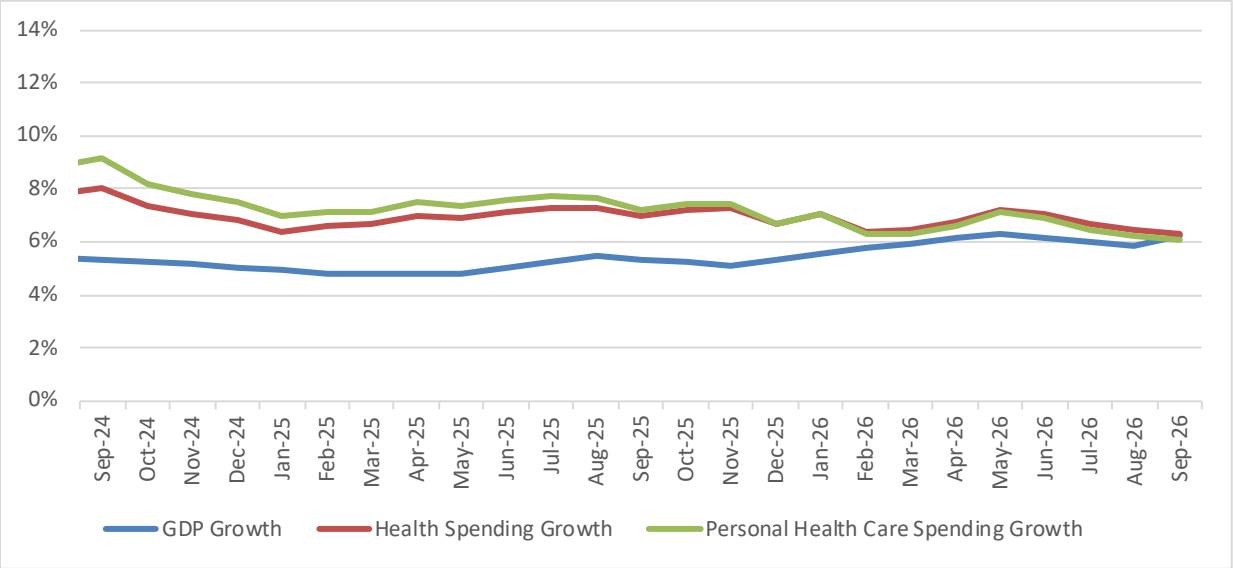


Exhibit 2 illustrates how health spending in September was distributed among spending categories. Personal health care constituted 85.6% of national health spending. Slightly more than half of the total expenditure was attributed to hospital care and physician and clinical services.

Exhibit 2. Health Spending by Category, September 2026

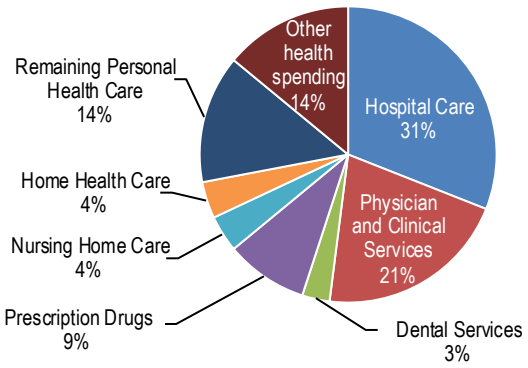


Exhibit 3 displays the growth in spending for personal health care and its major component categories for the 12-month periods ending September 2026 and September 2025. Spending on all categories except hospital care showed slower growth this year compared with last. Annual growth in September 2026 was greatest for hospital care, at 7.7%. Spending on nursing home care showed the second fastest growth, at 7.0%. Growth in home health care (6.7%) was significantly lower than in September 2025 (16.9%). The slowest growth occurred in spending on prescription drugs, at 1.7%, largely due to a decline in prescription drug prices, which dropped by 4.5% in

September, year over year. (Year-over-year drug price growth was also negative in October, dropping by 4.2%, as noted in this month's price brief.)

Exhibit 3. Health Care Spending 12-Month Growth

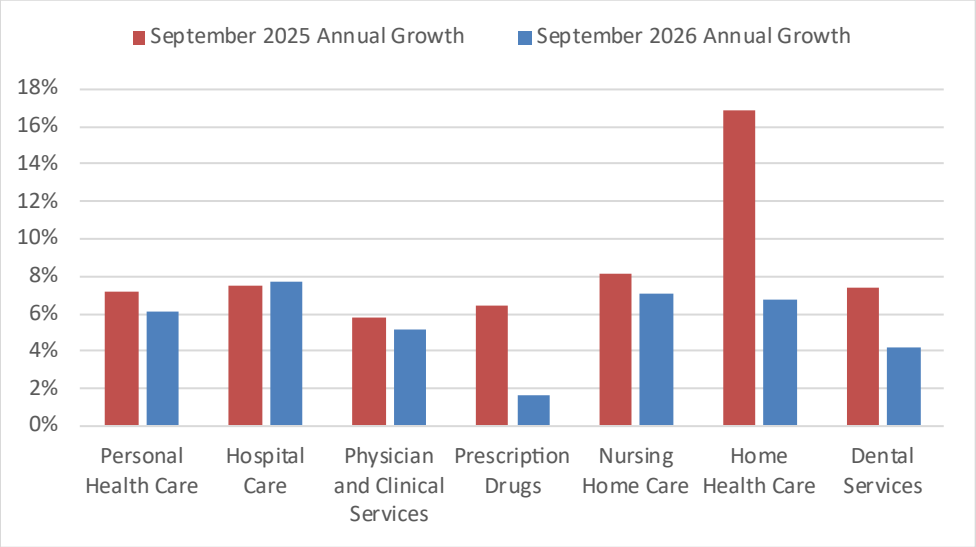
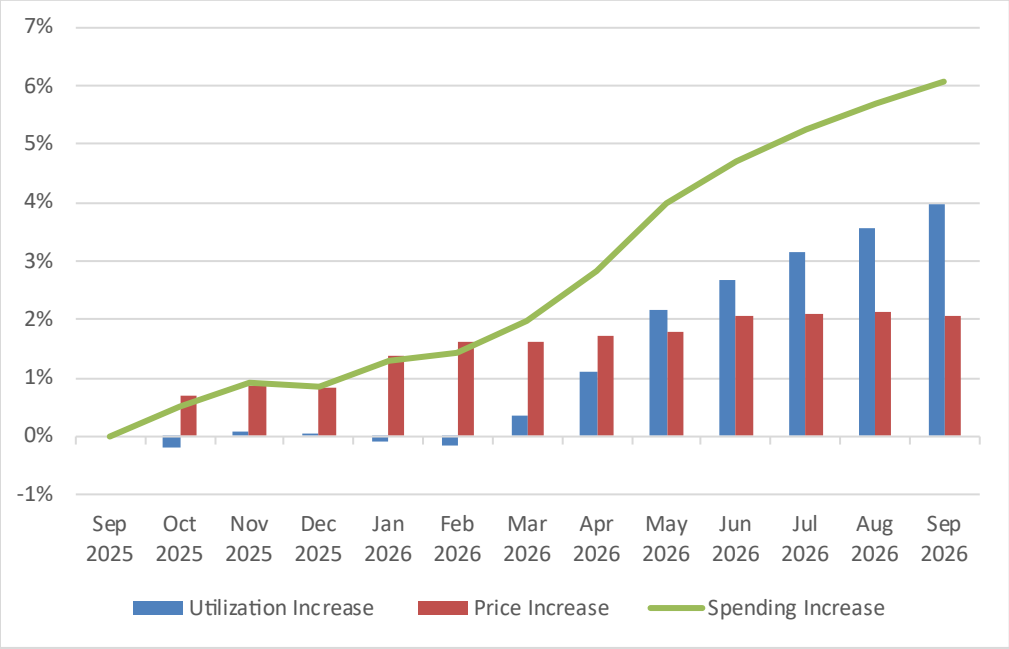


Exhibit 4 shows how spending on personal health care has grown over the past year (beginning in September 2025) and illustrates the relative contribution of utilization and prices to this growth. Compared with September 2025, utilization showed essentially no growth through February 2026. However, by June 2026, price growth declined to near zero, and by September 2026, utilization growth had dominated price growth for the year, contributing roughly two-thirds of the increase in spending. Of the 6.1% growth in personal health care spending during this period, 2.1 percentage points can be attributed to price growth, while the remaining 4.0 percentage point growth was associated with increases in utilization.

Exhibit 4. Cumulative Growth in Personal Health Care Spending



DETAILED HEALTH SPENDING

Exhibit 5. Monthly National Spending Estimates by Detailed Category

Levels (in billions of dollars)	September 2023	September 2024	September 2025	September 2026
GDP	$28,197.5	$29,688.7	$31,274.5	$33,211.2
National Health Spending	$4,970.6	$5,371.1	$5,744.6	$6,106.5
Personal health care	$4,213.6	$4,598.2	$4,929.8	$5,228.7
Hospital care	$1,511.3	$1,653.5	$1,777.1	$1,913.2
Physician and clinical services	$1,036.6	$1,135.7	$1,201.1	$1,262.8
Other professional services	$169.4	$191.6	$203.7	$218.1
Dental services	$178.5	$190.7	$204.8	$213.4
Other personal health care	$299.1	$326.2	$354.6	$379.7
Home health care	$160.5	$173.7	$203.0	$216.6
Nursing home care	$206.6	$222.2	$240.3	$257.2
Prescription Drugs	$444.3	$486.5	$518.0	$526.6
Durable medical equipment	$82.9	$86.7	$90.2	$96.4
Nondurable medical products	$124.4	$131.6	$137.1	$144.7
Program administration and net cost of private health insurance	$373.1	$373.2	$408.5	$459.9
Government public health activities	$148.5	$160.0	$157.0	$158.9
Research	$72.3	$70.0	$70.5	$71.8
Structures and equipment	$163.0	$169.8	$178.8	$187.3
HS Share of GDP	17.6%	18.1%	18.4%	18.4%
HS Share of PGDP	17.9%	18.4%	18.7%	18.7%

Source: Altarum monthly national health spending estimates. The monthly GDP is from S&P Global Market Intelligence.
Notes: Spending is expressed in billions of dollars at a SAAR.

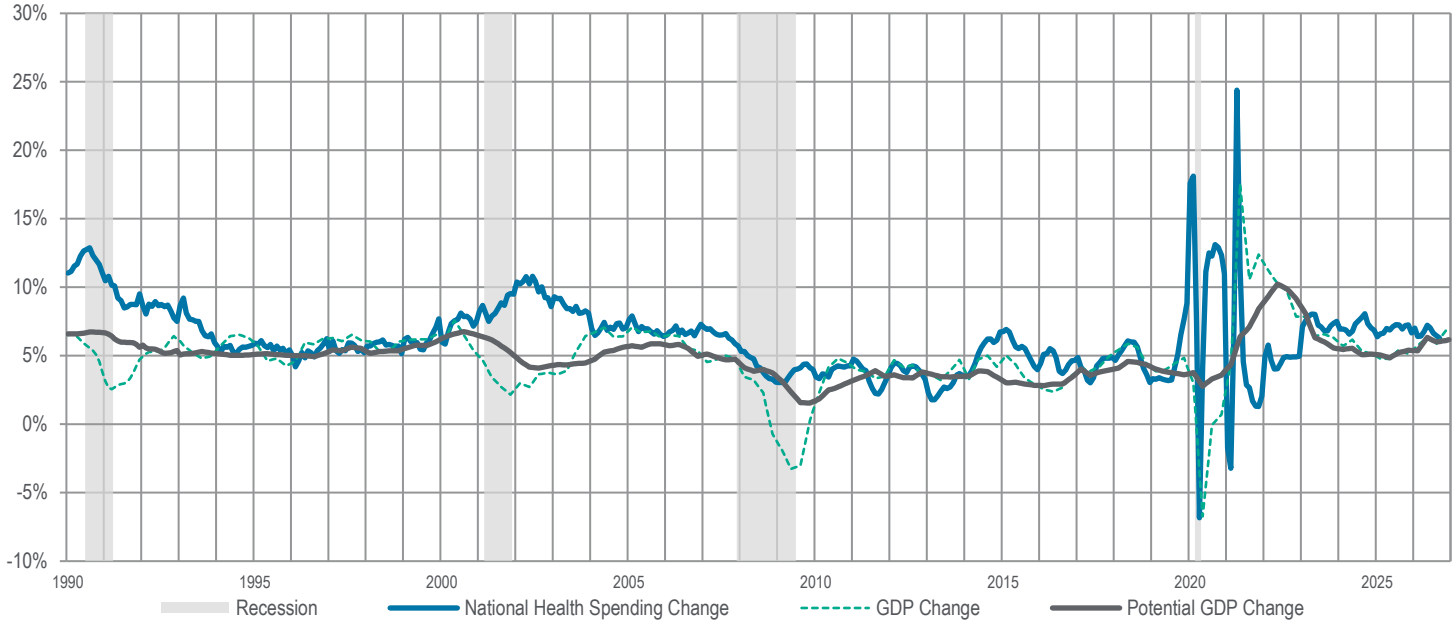
Exhibit 6. National Health Spending 12-Month Growth Rates by Detailed Category

Growth Rates	September 2024	September 2025	September 2026
GDP	5.3%	5.3%	6.2%
National Health Spending	8.1%	7.0%	6.3%
Personal health care	9.1%	7.2%	6.1%
Hospital care	9.4%	7.5%	7.7%
Physician and clinical services	9.6%	5.8%	5.1%
Other professional services	13.1%	6.3%	7.1%
Dental services	6.8%	7.4%	4.2%
Other personal health care	9.1%	8.7%	7.1%
Home health care	8.2%	16.9%	6.7%
Nursing home care	7.5%	8.2%	7.0%
Prescription Drugs	9.5%	6.5%	1.7%
Durable medical equipment	4.6%	4.1%	6.8%
Nondurable medical products	5.7%	4.2%	5.6%
Program administration and net cost of private health insurance	0.0%	9.5%	12.6%
Government public health activities	7.7%	-1.8%	1.2%
Research	-3.2%	0.7%	1.9%
Structures and equipment	4.1%	5.3%	4.7%
HS Minus GDP	2.8%	1.6%	0.1%
HS Minus PGDP	3.0%	1.7%	0.3%

Source: Computed from Exhibit 5.
Note: This exhibit compares monthly national health spending to that of the same month of the previous year.

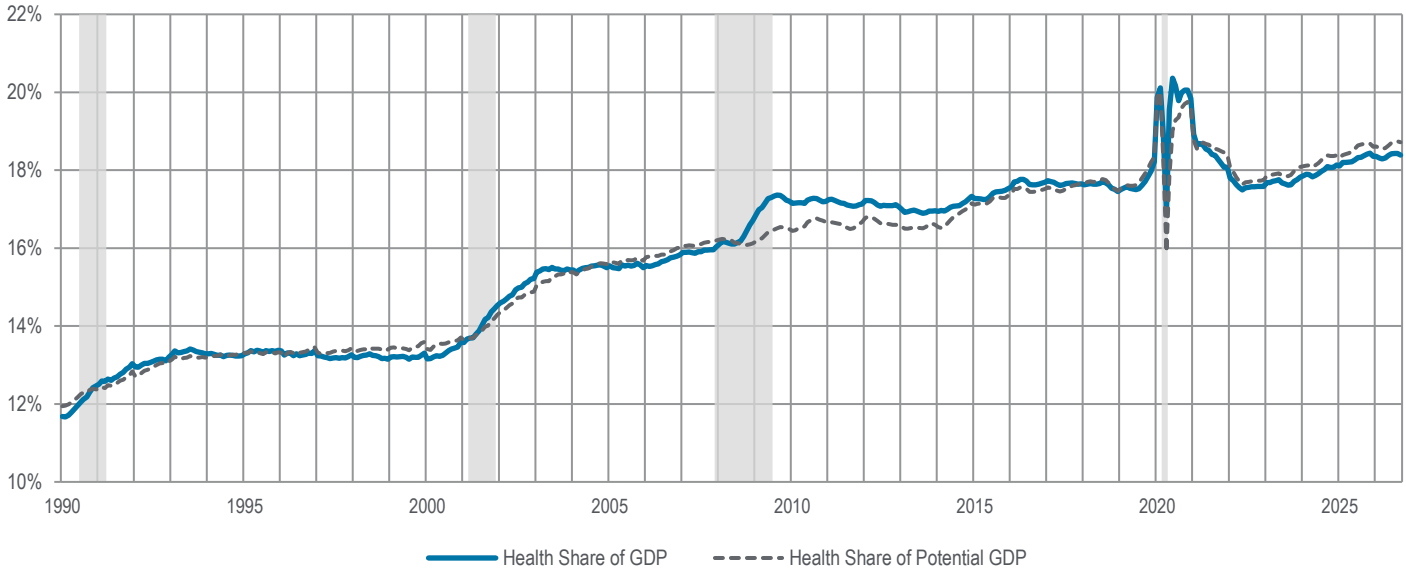
TIME SERIES TRACKER

Exhibit 7. Year-over-Year Percentage Change in Spending and GDP



Source: Altarum monthly national health spending estimates. The monthly GDP is from S&P Global Market Intelligence.
Note: Lightly shaded bars denote recession periods.

Exhibit 8 Monthly Health Spending as a Percentage of Monthly GDP



Source: Altarum monthly national health spending estimates. Monthly GDP is from S&P Global Market Intelligence. PGDP is from the U.S. Congressional Budget Office and has been converted to monthly estimates. Note: Lightly shaded bars denote recession periods.

Methods. Altarum's estimates are based on BEA monthly health spending and CMS annual NHE estimates (1990–2024) and projections (2025-2026). BEA spending categories are matched to NHEA components by using information presented in the following: Hartman, M. B., Kornfeld, R. J., & Catlin, A. C. (2010, September). A reconciliation of health care expenditures in the National Health Expenditures Accounts and in gross domestic product. Survey of Current Business, 90(9), 42–52. For all NHEA personal health care categories except "other health, residential, and personal care," monthly estimates are based on BEA spending adjusted to NHEA by using annual ratios. For the remaining categories, national health spending estimates and projections are allocated across months by using a simple trend. Annual ratio adjustments through 2024 are based on NHEA actuals and ensure that monthly estimates sum exactly to NHEA annual amounts. The 2024 ratios are used to adjust BEA spending for months in 2025 and 2026.