
Explaining Slow Growth in Medicare

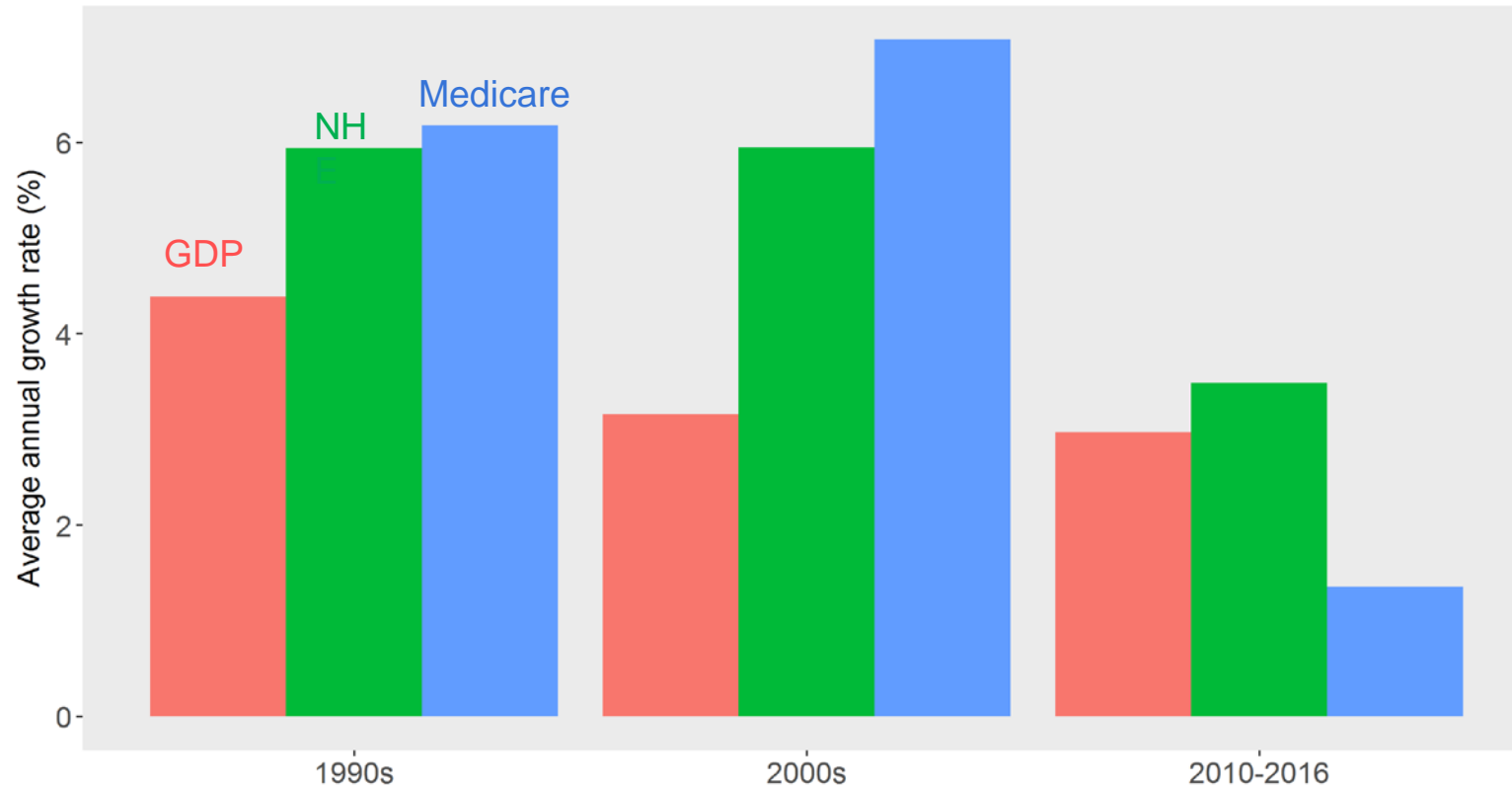
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Sustainable Health Spending Symposium
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Department of
Health Policy



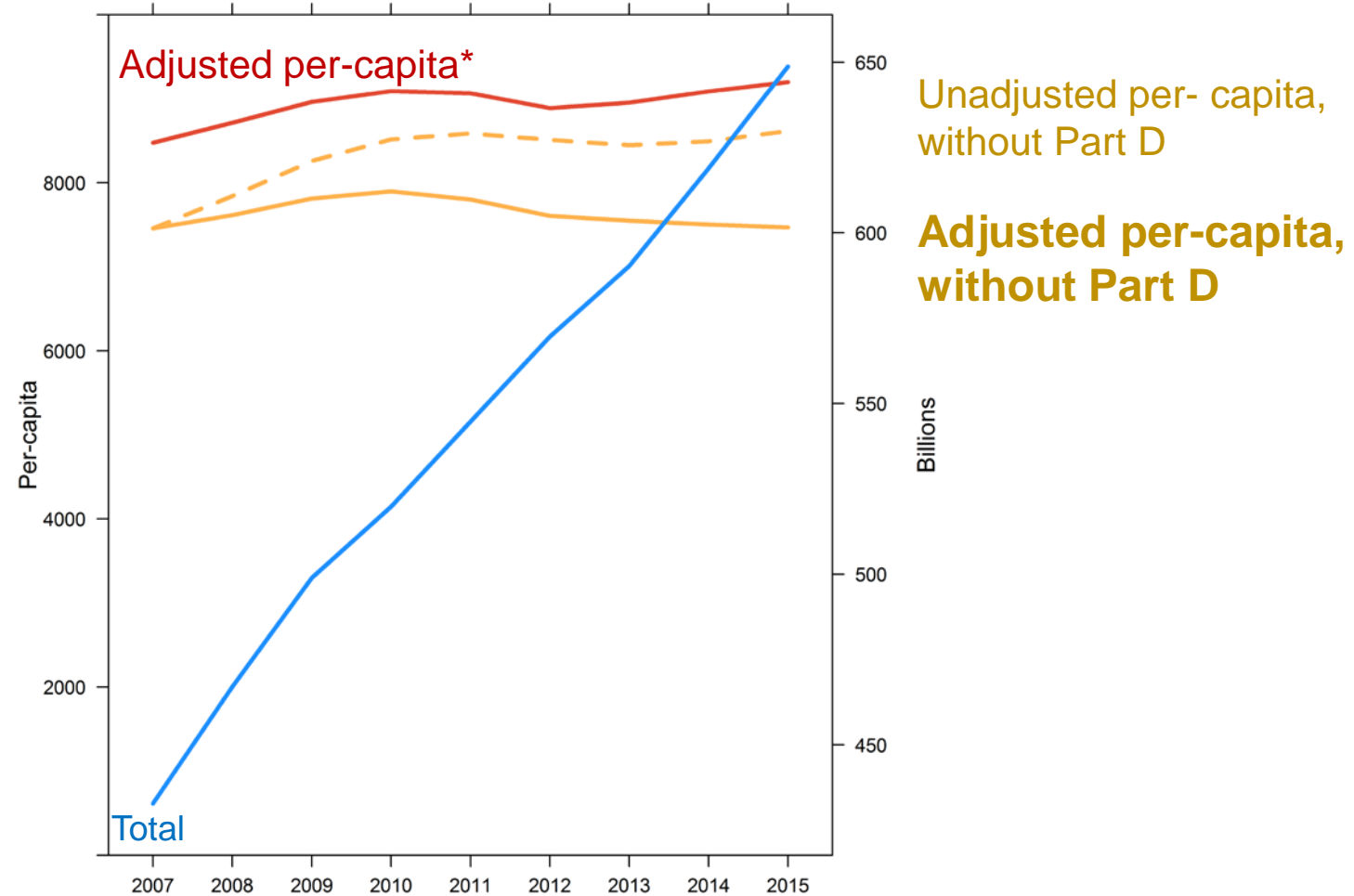
SCHOOL OF MEDICINE
VANDERBILT UNIVERSITY

After decades of rapid increase, Medicare per-beneficiary spending had historically low rates of growth from 2010-2016



Source:
CMS. National Health Expenditures Data:
Medicare: NHE Tables – Table 21 Expenditures, Enrollment and Per Enrollee Estimates of Health Insurance;
GDP and NHE: NHE Summary, CY 1960-2016

From 2007 to 2015, total Medicare expenditures increased 50%
 But, per-capita spending, adjusted for payment rate updates, only increased 9%



Notes:

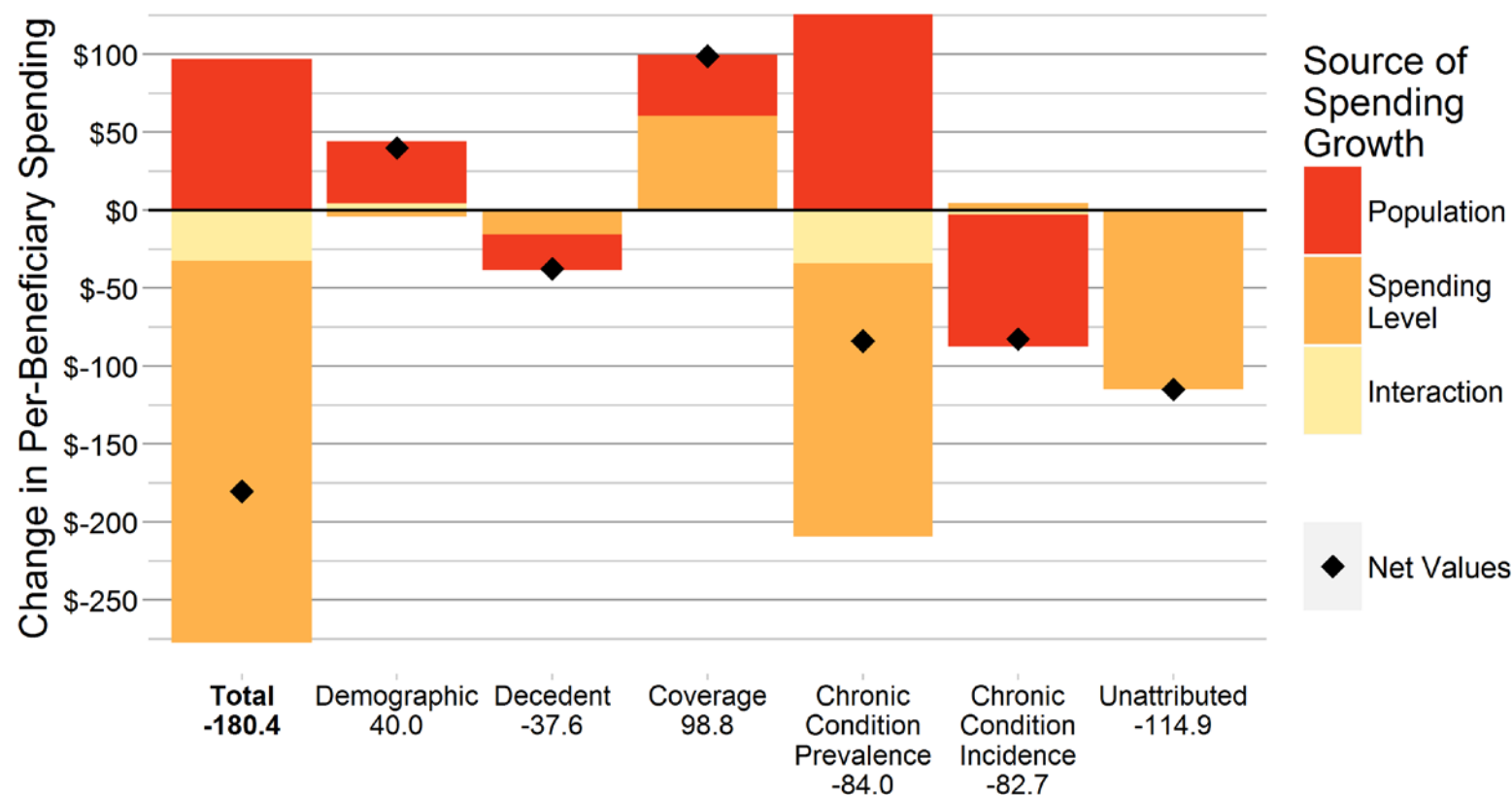
Figures are for Medicare FFS beneficiaries. Adjusted per-capita spending (Red) does not include adjustments for Part D expenditures.

Source:

Total: CMS. National Health Expenditure Data: NHE Tables - Table 21 Expenditures, Enrollment and Per Enrollee Estimates of Health Insurance;

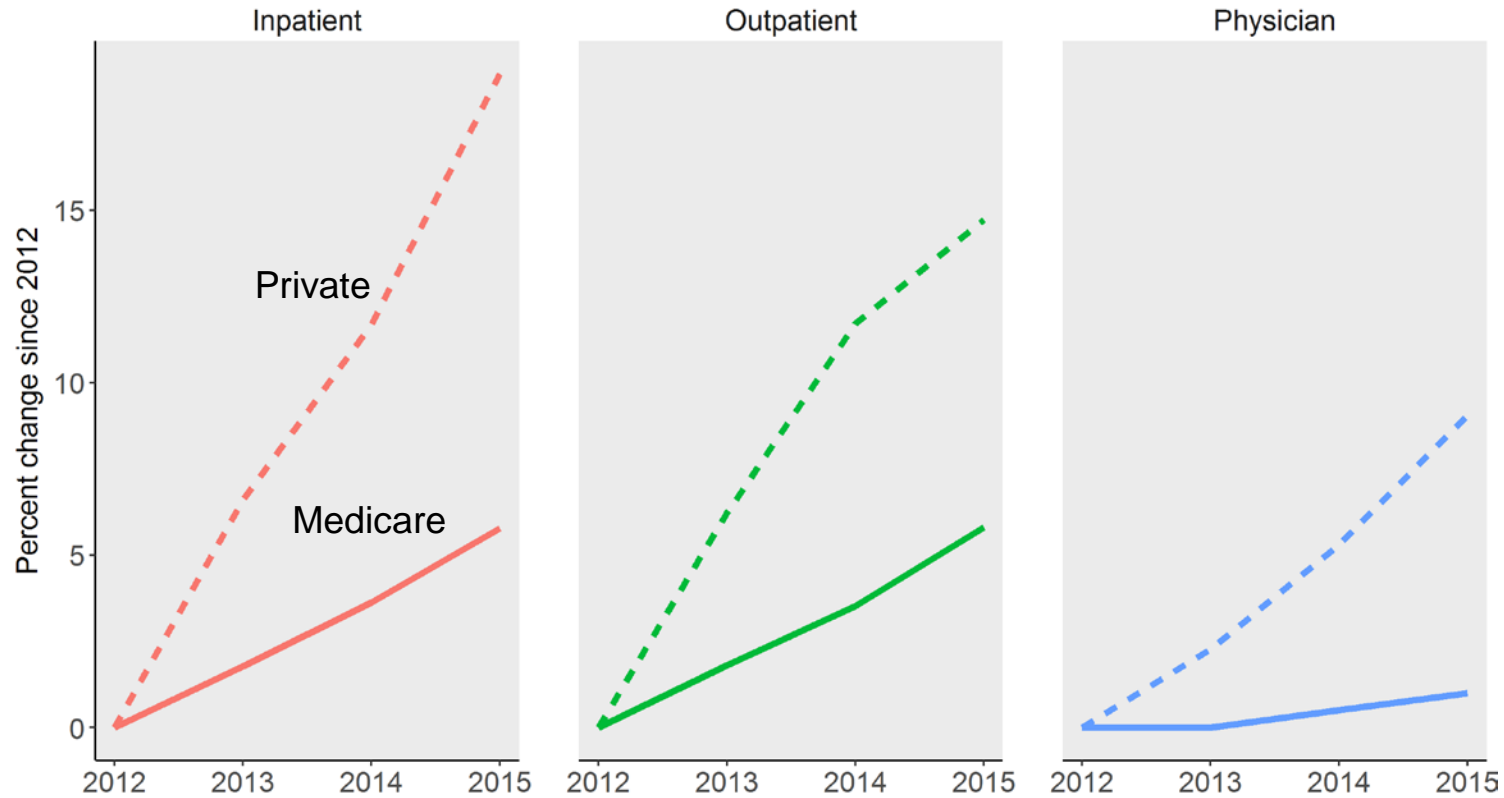
Per-capita: Master Beneficiary Summary File, Federal Register, and U.S. Bureau of Labor Statistics.

Mean payment-adjusted Medicare per-beneficiary spending decreased by \$180 between the 2007-2010 and 2011-2014 time periods



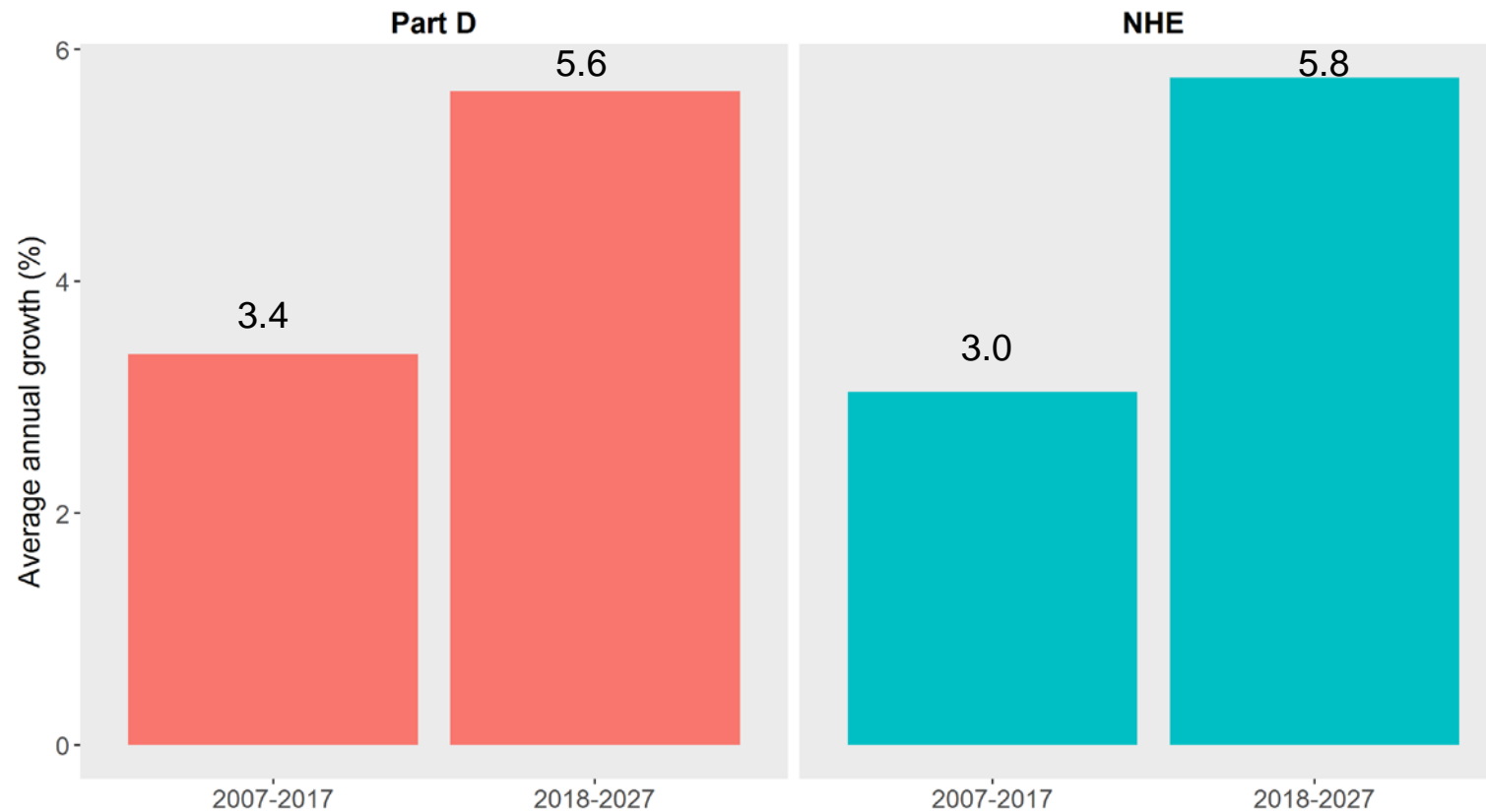
Source: [Keohane, Gambrel, Freed, Stevenson, and Buntin \(2018\). Understanding Trends in Medicare Spending, 2007-2014. HSR](#)

Prices have increased more rapidly in private insurance than Medicare



Source:
Private: Health Care Cost Institute 2016 Health Care Cost and Utilization Report;
Medicare: Master Beneficiary Summary File, Federal Register, and U.S. Bureau of Labor Statistics

Part D and NHE per capita cost trends for prescription drugs both projected to exceed the prior decade's growth



Source: 2017 and 2018 Medicare Trustees Report. Table IV.B8 - Key Factors for Part D Expenditure Estimates