Rising Medicare Costs: Implications for Everyone

C. Eugene Steuerle, Urban Institute

“Medicare and Medicaid at 50”

National Academy of Social Insurance
June 23, 2015
Estimated U.S. Health Expenditures per Household, 2010
(Total = $20,880; through Government Taxes = $12,170)

- Federal Hospital Insurance Payroll Tax: $2,050 (10%)
- Taxes: other federal, state, and local: $10,120 (48%)
- Reduced wages: paid by employers: $3,100 (15%)
- Other: $960 (5%)
- Personal contributions to private health insurance: $1,780 (9%)
- Out-of-pocket payments: $2,350 (11%)
- Federal Supplemental Medical Insurance Premiums: $520 (2%)

Health Spending as a Share of Total and per Capita GDP Growth
(Percent)

Source: CMS National Health Expenditure data. GDP data from CBO and Federal Reserve Economic Data.
Public and Private Spending on Elderly Health, 2010

<table>
<thead>
<tr>
<th>Age</th>
<th>Per Person</th>
<th>Per Couple</th>
<th>% Out of Pocket</th>
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</thead>
<tbody>
<tr>
<td>65-84</td>
<td>$16,000</td>
<td>$32,000</td>
<td>12%</td>
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<tr>
<td>85 and older</td>
<td>$35,000</td>
<td>$68,000</td>
<td>16%</td>
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</tbody>
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**Source**: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group
Labor Force Participation Rate

Are we investing in our future?

How $1.4 trillion in increased outlays will be spent in 10 years

- Non-child Social Security, Medicare, and Medicaid: 58%
- Interest on the debt: 36%
- Defense: -3%
- Children: 2%
- All other spending: 8%