

# 2008 U.S. Health Spending Reached \$2.3 Trillion

BY MARY ELLEN SCHNEIDER

Health care spending in the United States grew less than 5% in 2008, the slowest rate of growth since the federal government officially began measuring it in 1960, according to a report from the Centers for Medicare and Medicaid Services.

But the figures show that even though the rate of increase is slower than in previous years, health care spending is still outpacing the gross domestic product (GDP).

In 2008, health care spending rose 4.4% to \$2.3 trillion, compared with only a 2.8% increase in the GDP. And health spending continues to consume a larger portion of the overall GDP, taking up 16.2% of the GDP in 2008, compared with 15.9% in 2007 (Health Affairs 2010;29:147-55).

The overall slowdown in health spending growth is reflected in slower rates of

increase in hospital spending, physician services spending, retail prescription drug spending, and spending for nursing home and home health services.

For example, spending on physician and clinical services increased 5% in 2008, down from 5.8% in 2007. The deceleration in physician services was driven by a decrease in patient volume, even as the intensity of services picked up in 2008.

During a teleconference with reporters on Jan. 4, Rick Foster, CMS chief actuary, speculated that this trend was mainly due to the recession.

As people lost jobs and health insurance in 2008, they may have opted to seek health care only when their conditions became more serious, and more costly to treat, he said.

While spending rates slowed in many areas, the federal government's share of

health spending soared in 2008.

The share of federal dollars spent on health care rose from 28% in 2007 to nearly 36% in 2008, according to the CMS.

The increase is due in part to the American Recovery and Reinvestment Act of 2009, which retroactively shifted \$7 billion in federal funds to Medicaid to assist budget-challenged states at the end of 2008. ■

**Ob.Gyn. News**

**Thanks For Making Us #1**

THE LEADER IN NEWS AND MEETING COVERAGE

Source: PERQ/HCI Corp., Focus® Medical/Surgical June 2009 Readership Summary; Obstetrics and Gynecology Section, Office-Based, Table 702 Projected Average Issue Readers

## INDEX OF ADVERTISERS

<b>Bayer HealthCare Pharmaceuticals Inc.</b>	
Corporate	7, 26a-26d
Citracal	33
Yaz	38-40
Angeliq	51-52
<b>Fujirebio Diagnostics, Inc.</b>	
HE4	25
<b>GlaxoSmithKline</b>	
Cervarix	3-5
<b>GracewayPharmaceuticals, LLC</b>	
Aldara	13-14
<b>Lilly USA, LLC</b>	
Evista	18-21
<b>Merz Pharmaceuticals</b>	
Mederma	31
<b>National Down Syndrome Congress</b>	
Corporate	17
<b>Novo Nordisk Inc.</b>	
Vagifem	34a-34d, 35-36
<b>Pfizer Inc.</b>	
Toviaz	29-30
<b>Schering Plough HealthCare Products, Inc.</b>	
MiraLAX	23
<b>Union Swiss</b>	
Bio-Oil	15
<b>Watson Pharmaceuticals, Inc.</b>	
Gelnique	8-10

## SAVE THE DATE! REGISTER TODAY FOR THIS EXCITING SCIENTIFIC PROGRAM

SKIN DISEASE EDUCATION FOUNDATION presents

# COSMETIC DERMATOLOGY SEMINAR 2010™

A CONTINUING MEDICAL EDUCATION CONFERENCE

## May 13-15, 2010

### Loews Santa Monica Beach Hotel

**Featuring:**

- Procedures to reverse aging
- Facial rejuvenation and body sculpting
- Use of toxins and fillers
- Devices: Lasers and lights



**THIS ACTIVITY HAS BEEN APPROVED FOR 19 AMA PRA Category 1 Credit(s)™**

**MEETING DIRECTORS:**



**David J. Goldberg, MD, JD**  
Clinical Professor, Mount Sinai School of Medicine  
Director, Skin Laser & Surgery Specialists of NY/NJ  
New York, NY



**Christopher B. Zachary, MBBS, FRCP**  
Professor and Chair, Department of Dermatology  
University of California, Irvine, CA



[www.sdefderm.com](http://www.sdefderm.com)

Jointly sponsored by




SKIN DISEASE EDUCATION FOUNDATION  
an Elsevier business