# U.S. Health Spending Hit $2.3 Trillion in 2008

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 new 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 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. ■

## CDC's Travel Health Book Is Online Now

The 2010 edition of the Centers for Disease Control and Prevention's "Yellow Book" on health information for international travelers is now available online (www.cdc.gov/travel) and in hard copy. Published by Elsevier, the yellow-covered book includes information on everything from adoptions to vaccines. For more information, go to www.us.elsevierhealth.com. ■

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