



Updated January 26, 2021

U.S. Health Care Coverage and Spending

In 2019, the United States had an estimated population of 323 million individuals. Most of those individuals had private health insurance or received health care services under a federal program (such as Medicare or Medicaid). About 9.2% of the U.S. population was uninsured.

Individuals (including those who were uninsured), health insurers, and federal and state governments spent approximately \$3.6 trillion on various types of health consumption expenditures (HCE) in 2019, which accounted for 16.8% of the nation's gross domestic product.

Table 1. Health Care Coverage, 2019

| Source | Enrollment (millions/percentage of U.S. population) |
|---|---|
| Insured | 293 (90.8%) |
| <i>Private health insurance – Group</i> | 179 (55.4%) |
| <i>Private health insurance – Non-group</i> | 42 (13.1%) |
| <i>Medicare</i> | 58 (18.1%) |
| <i>Medicaid/CHIP</i> | 64 (19.8%) |
| <i>Military - TRICARE</i> | 9 (2.7%) |
| <i>Military - VA Care</i> | 7 (2.2%) |
| Uninsured | 30 (9.2%) |

Source: U.S. Census Bureau, *Table HIC-4_ACS. Health Insurance Coverage Status and Type of Coverage by State-All Persons: 2008 to 2019*, September 2020.

Notes: Italicized = does not add to total. Individuals may have more than one type of coverage at a time (for example, Medicare and Medicaid). Therefore, estimates by type of coverage are not mutually exclusive. CHIP = The State Children's Health Insurance Program. Medicaid/CHIP coverage estimate also includes all means-tested public coverage, such as state and locally financed public coverage.

Private Health Insurance

Private health insurance is the predominant source of health insurance coverage in the United States. The private health insurance market includes both the group market (largely made up of employer-sponsored insurance) and the non-group market (commonly referred to as the individual market, which includes plans directly purchased from an insurer both on and off health insurance exchanges). In 2019, these markets covered an estimated 179 million individuals (55.4% of the U.S. population) and 42 million individuals (13.1% of the U.S. population), respectively.

In 2019, private health insurance accounted for \$1,195 billion (33.3% of overall HCE). Private health insurance expenditures (Figure 1) include amounts paid by insuring organizations to providers and all insuring organizations'

nonmedical net costs, which include, but are not limited to, taxes, net gains or losses to reserves, and profits.

Most of this spending was for hospital care and physician and professional services (Figure 1). Private health insurance spending, as a percentage of all health consumption expenditures, has increased by about 10 percentage points since 1960 (Figure 2). This growth is partially due to increases in enrollment and, when considered alongside the implementation and expansions of Medicare and Medicaid, corresponds with the drop in out-of-pocket spending since 1960.

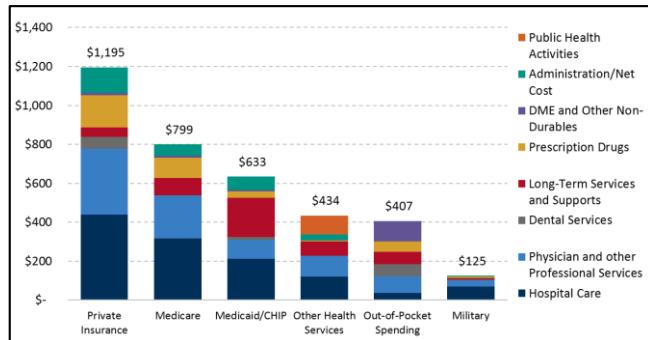
Medicare

Medicare is a federal health insurance program that pays for covered health care services for most people aged 65 and older and for certain permanently disabled individuals under the age of 65.

An estimated 58 million individuals (18.1% of the U.S. population) were enrolled in Medicare in 2019. The program accounted for \$799 billion (22.2% of overall HCE); this share is about 11 percentage points higher than Medicare's percentage of HCE in 1970 (Figure 2). In 2019, most of the spending was for hospital care and physician and professional services (Figure 1).

Figure 1. Health Consumption Expenditures by Type and Source, 2019

(in billions of dollars)



Source: Centers for Medicare and Medicaid Services, *National Health Expenditure Accounts—National Health Expenditures by Type of Expenditure and Program*, December 2020.

Notes: All of the terms used in this figure are defined in the source document, except long-term services and supports, which is defined in the text of this In Focus. DME = durable medical equipment. CHIP = The State Children's Health Insurance Program.

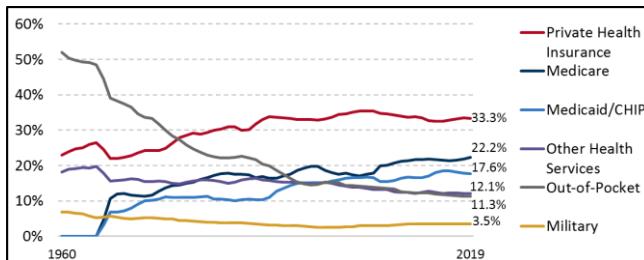
Medicaid/The State Children's Health Insurance Program (CHIP)

Medicaid is a joint federal-state program that finances the delivery of primary and acute medical services, as well as long-term services and supports, to a diverse low-income

population, including children, pregnant women, adults, individuals with disabilities, and people aged 65 and older.

CHIP is a means-tested program that provides health coverage to targeted low-income children and pregnant women in families that have annual income above Medicaid eligibility levels but have no health insurance.

Figure 2. Health Consumption Expenditures (HCE) by Source as a Percentage of Total HCE, 1960-2019



Source: Centers for Medicare and Medicaid Services, *National Health Expenditure Accounts—National Health Expenditures by Type of Service and Source of Funds, CY1960-2019*, December 2020.

Note: CHIP = The State Children's Health Insurance Program.

An estimated 64 million individuals (19.8% of the U.S. population) received Medicaid or CHIP in 2019, and the programs accounted for \$633 billion (17.6% of overall HCE). This spending is about 10 percentage points higher than Medicaid/CHIP's percentage of total HCE in 1970 (**Figure 2**). Furthermore, Medicaid spends the highest percentage of expenditures on *long-term services and supports*, which includes (1) other health, residential, and personal care; (2) nursing care facilities and continuing care retirement communities; and (3) home health care (**Figure 1**). Long-term services and supports also includes some post-acute care (i.e., skilled care provided over a short term, typically after a hospitalization).

Military

Health care services for military servicemembers, veterans, and their dependents are provided by the Department of Defense, through programs such as TRICARE, and the Department of Veterans Affairs. In 2019, an estimated 9 million individuals (2.7% of the U.S. population) had TRICARE and 7 million (2.2% of the U.S. population) individuals had VA Care. Together, these departments accounted for \$125 billion (3.5%) of total HCE.

Other Health Services

Other health care spending covers services provided through public and private programs not listed above, including worksite health care programs, philanthropic support, Indian Health Service activities, workers' compensation, general assistance, the Maternal and Child Health program, vocational rehabilitation, Substance Abuse and Mental Health Services Administration grants, federal and state public health activities, school health programs, and other programs whose primary focus is the provision of care or treatment of disease. Other health services accounted for \$434 billion (12.1% of total HCE) in 2019.

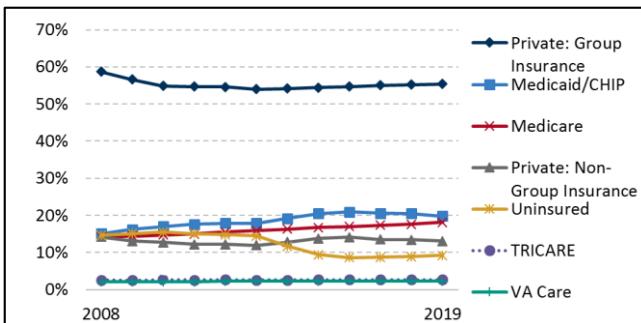
Out-of-Pocket Spending

Out-of-pocket spending (other than premiums) includes all amounts paid by the privately insured and other insured individuals for coinsurance, deductibles, and services not covered by insurance. It also includes any amounts paid by the uninsured for health care goods and services. Among all individuals, out-of-pocket spending totaled \$407 billion (11.3% of total HCE) in 2019.

The Uninsured

Approximately 30 million individuals (9.2% of the U.S. population) were uninsured in 2019. The uninsured rate was relatively stable from 2008 to 2013 before dropping 6 percentage points by 2016 to 8.6% (**Figure 3**). This drop in the uninsured rate corresponds with increases in non-group coverage and Medicaid/CHIP coverage, which are associated with the implementation of various provisions of the Affordable Care Act (ACA; P.L. 111-148, as amended), such as the exchanges and premium tax credits and the Medicaid expansion. Since 2016, the uninsured rate has slowly increased.

Figure 3. Health Insurance Coverage by Source as a Percentage of Total U.S. Population, 2008-2019



Source: U.S. Census Bureau, *Table HIC-4_ACS. Health Insurance Coverage Status and Type of Coverage by State-All Persons: 2008 to 2019*, September 2020.

Notes: Individuals may have more than one type of coverage at a time (for example, Medicare and Medicaid). Therefore, estimates by type of coverage are not mutually exclusive. CHIP = The State Children's Health Insurance Program. Medicaid/CHIP coverage estimate also includes all means-tested public coverage, such as state and locally financed public coverage.

The cost of care for the uninsured population is accounted for in multiple spending categories (**Figure 1** and **Figure 2**). Payments made by uninsured individuals for health care services are included in the out-of-pocket total. Any amounts received by providers that help to partially and/or indirectly cover the cost of care for the uninsured are accounted for in corresponding source totals (e.g., Medicare and Medicaid disproportionate share hospital payments are included in program totals).

For more information about federal health programs, see the CRS Health Care issue area page at <http://www.crs.gov/iap/health-care>.

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