

Macro Roundup Article

Headline: [Why Medicare and Social Security Are Sustainable](#)

Article Link: <https://www.nytimes.com/2023/02/21/opinion/medicare-social-security.html>

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| Author(s) | Paul Krugman |
| Publication | Krugman Wonks Out |
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Tweet: [.@paulkrugman argues that Medicare financing is on stable ground as health spending is leveling off: “since 2010 we’ve already done quite a lot to ‘bend the curve.’”](#)

Summary: Historically health spending has risen faster than GDP. Excess cost growth has slowed considerably since around 2010 the leveling off is unmistakable. Here’s national health spending as a percent of G.D.P. C.B.O. projections now show social insurance spending as a percentage of G.D.P. eventually rising by about 5 points, which is still a lot but not unimaginably large. And here’s the thing: Half of that is still the assumed rise in health care costs. Since 2010 we’ve already done quite a lot to “bend the curve.” It’s not at all hard to imagine that improving the incentives to focus on medically effective care could limit cost growth to well below what the C.B.O. is projecting, even now.

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Primary Topic: Government Spending

Topics: Database, Fiscal Policy, Government Spending, Healthcare/Seniors, Op-Ed/Blog Post

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