

Health Care Expenditures—Who Pays & How Much

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Medicare, and Medicaid, insurance companies, employers, and providers with uncollected or pro bono fees pay for the bulk of Health Care. But Consumers pay for deductible charges and out-of-pocket co-pays or for other charges not covered by insurance or other third-party payers.

After age forty-five the number of persons per household declines but the percent spent for Health Care increases dramatically per person due to more spent for health care with the prospects of little or no increased income. The following table shows a BLS Consumer Expenditure Survey for 2001:

Percent Income Spent on Health Care	
Age	2001
Under 25	2.3%
25-34	3.2%
35-44	3.8%
45-54	4.7%
55-64	6.5%
65-74	11.2%
Over 75	14.7%

Expenditures per household for Prescription Drugs paralleled expenditures for all Health Care, mounting for each age group.

Household Expenditures on Prescription Drugs	
Age	2001
Under 25	\$69
25-34	\$111
35-44	\$195
45-54	\$315
55-64	\$449
65-74	\$678
Over 75	\$841

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Assuming no change in coverage by insurance or other third party payments, following is what each household age group paid for the same market basket of Health Care goods and services in 2006 compared to 2001.

Age	2001	2006	Increase Per Household
Under 25	\$704	\$840	\$136
25-34	\$1,652	\$1,971	\$319
35-44	\$2,272	\$2,710	\$438
45-54	\$2,672	\$3,188	\$516
55-64	\$3,410	\$4,068	\$658
65-74	\$4,176	\$4,982	\$806
Over 75	\$4,210	\$5,023	\$813

The health care items each average age household purchases also varies. For example, in 2001 the average household under 25 spent approximately two cents per person for hearing aids but the average household over 75 spent more than \$26 per person.

This tutorial is provided by *HealthINFLATION News*. For more information please contact:

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