

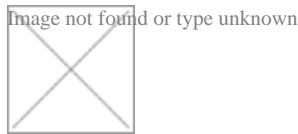


Weekly Checkup

Medicare Spending Per Beneficiary Has Tripled Since 1970

TARA O'NEILL HAYES | JULY 15, 2015

The Medicare program was established 50 years ago and, as of 2013, provided health care coverage to 52.3 million beneficiaries at a cost of \$583 billion.[1] Serving 19.4 million beneficiaries in 1967, total Medicare expenditures were \$4.7 billion.[2] The growth in program expenditures is largely due to growth in the number of beneficiaries. However, growth in health care prices and the availability of more health care services has been a significant factor in the growth of real per-beneficiary spending, which has **tripled since 1970**. Between 1965 and 2010, average annual growth in health care prices outpaced general price inflation by approximately 2 percent.[3] Average total spending per beneficiary was \$12,210 in 2013, and will continue to rise.[4] As the number of beneficiaries will also soon skyrocket—enrollment is expected to grow at an average annual rate of 3 percent over the next decade, this combination will dramatically increase Medicare expenditures, expected to surpass \$1 trillion by 2022.[5]



[1] <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/index.html>