



U.S. Health Care Coverage and Spending

In 2021, the United States had an estimated population of 327 million individuals. Most of those individuals had private health insurance or were covered under a federal program (such as Medicare or Medicaid). About 8.6% of the U.S. population was uninsured. Individuals (including those who were uninsured), health insurers, and federal and state governments spent approximately \$4.0 trillion on various types of health consumption expenditures (HCE) in 2021, which accounted for 17.4% of the nation’s gross domestic product.

Table I. Health Care Coverage, 2021

| Source | Enrollment (millions/percentage of U.S. population) |
|---|---|
| Insured | 299 (91.4%) |
| <i>Private Health Insurance—Group</i> | 179 (54.7%) |
| <i>Private Health Insurance—Non-group</i> | 45 (13.7%) |
| Medicare | 60 (18.2%) |
| Medicaid/CHIP | 69 (21.1%) |
| Military—TRICARE | 9 (2.7%) |
| Military—VA Care | 7 (2.2%) |
| Uninsured | 28 (8.6%) |

Source: U.S. Census Bureau, Table HIC-4_ACS, “Health Insurance Coverage Status and Type of Coverage by State-All Persons: 2008 to 2021,” in American Community Survey, September 2022.

Notes: *Italicized* = does not add to total. Coverage estimates are not mutually exclusive. CHIP = State Children’s Health Insurance Program. Medicaid/CHIP coverage estimate includes all means-tested public coverage (e.g., 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 2021, these markets covered an estimated 179 million individuals (54.7% of the U.S. population) and 45 million individuals (13.7% of the U.S. population), respectively.

In 2021, private health insurance expenditures accounted for \$1,211 billion (29.9% of overall HCE). Private health insurance expenditures 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. A majority of this spending was for hospital care and physician and

professional services (**Figure 1**). Private health insurance spending experienced a decline from 2019 to 2020 (**Figure 2**), which was predominantly caused by enrollment decreases and lower health care utilization stemming from the Coronavirus Disease 2019 (COVID-19) pandemic.

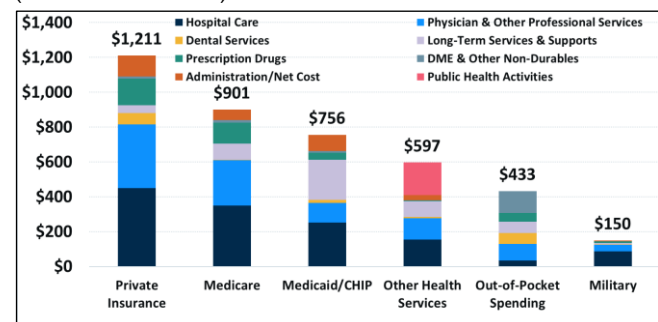
Medicare

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 60 million individuals (18.2% of the U.S. population) were enrolled in Medicare in 2021. The program accounted for \$901 billion (22.3% of overall HCE); this share is about 11 percentage points higher than Medicare’s percentage of HCE in 1970 (**Figure 2**). In 2021, most of the spending was for hospital care and physician and professional services (**Figure 1**).

Figure 1. Health Consumption Expenditures by Type and Source, 2021

(in billions of dollars)



Source: Centers for Medicare & Medicaid Services, National Health Expenditure Accounts—National Health Expenditures by Type of Expenditure and Program, December 2022.

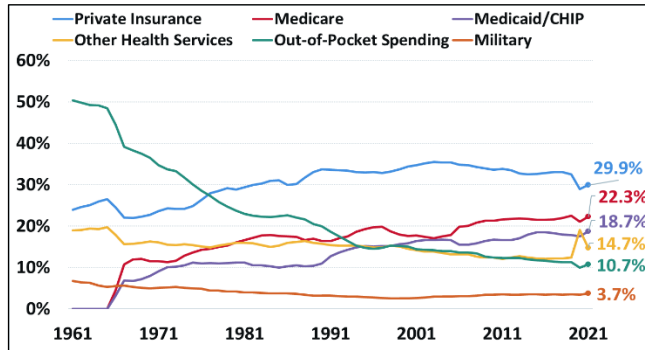
Notes: All of the terms used in this figure are defined in the source document, except *long-term services and supports*, which is defined in the text of this In Focus. CHIP = State Children’s Health Insurance Program; DME = durable medical equipment.

Medicaid/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. The State Children’s Health Insurance Program (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.

An estimated 69 million individuals (21.1% of the U.S. population) received Medicaid or CHIP in 2021, and the programs accounted for \$756 billion (18.7% of overall HCE). This spending is about 11 percentage points higher than Medicaid/CHIP’s percentage of total HCE in 1970 (Figure 2). Furthermore, relative to other coverage, Medicaid spends the highest percentage of its expenditures on long-term services and supports, which include (1) other health, residential, and personal care; (2) nursing care facilities and continuing care retirement communities; and (3) home health care (Figure 1).

Figure 2. Health Consumption Expenditures (HCE) by Source as a Percentage of Total HCE, 1961-2021



Source: Centers for Medicare & Medicaid Services, National Health Expenditure Accounts—National Health Expenditures by Type of Service and Source of Funds, CY 1960-2021, December 2022.

Notes: CHIP = State Children’s Health Insurance Program.

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 2021, 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 \$150 billion (3.7%) 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 saw a sharp, temporary increase in spending in 2020 to \$752 billion (19.0% of total HCE) (Figure 2). This increase was primarily due to federal health spending addressing the COVID-19 pandemic, such as Paycheck Protection Program loans, Provider Relief Fund payments, and public health activities. Federal spending addressing COVID-19 declined in 2021, which contributed to the decline in other health care spending to \$597 billion (14.7% of total HCE).

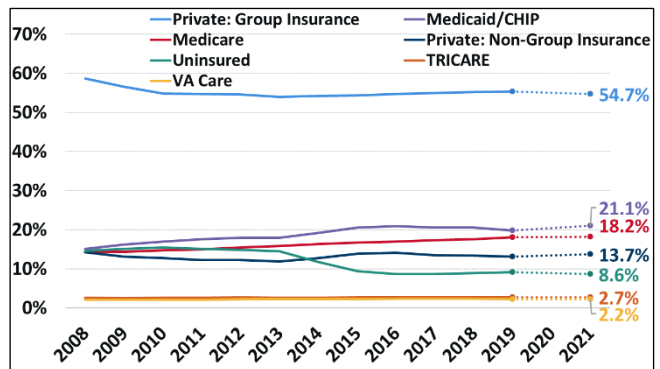
Out-of-Pocket Spending

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 amounts paid by the uninsured for health care goods and services. Among all individuals, out-of-pocket spending was \$433 billion (10.7% of total HCE) in 2021, with roughly 30% attributable to durable medical equipment and other non-durable medical products.

The Uninsured

Approximately 28 million individuals (8.6% of the U.S. population) were uninsured in 2021. 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 Patient Protection and Affordable Care Act (ACA; P.L. 111-148, as amended), such as the exchanges, premium tax credit, and Medicaid expansion. Since 2016, the uninsured rate slowly increased to 9.2% in 2019 before falling to 8.6% in 2021, a decline that again corresponds with increases in non-group coverage and Medicaid/CHIP coverage.

Figure 3. Health Insurance Coverage as a Percentage of Total U.S. Population, 2008-2021



Source: U.S. Census Bureau, Table HIC-4_ACS, “Health Insurance Coverage Status and Type of Coverage by State-All Persons: 2008 to 2021,” in American Community Survey, September 2022.

Notes: Estimates not available for 2020. Coverage estimates are not mutually exclusive. CHIP = State Children’s Health Insurance Program. Medicaid/CHIP coverage estimate 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. (Payments that help cover the costs of services provided to uninsured individuals are included in other source totals.) 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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IF10830

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