



U.S. Health Care Coverage and Spending

In 2023, the United States had an estimated population of 330 million individuals. Most of those individuals had private health insurance or were covered under a federal program (e.g., Medicare, Medicaid). About 7.9% of the U.S. population was uninsured. Individuals (including those who were uninsured), health insurers, and federal and state governments spent approximately \$4.2 trillion on various types of health consumption expenditures (HCE) in 2022, which accounted for 16.5% of the nation’s gross domestic product.

Table I. Health Care Coverage, 2023

Source	Enrollment (millions/percentage of U.S. population)
Insured	304 (92.1%)
<i>Private Health Insurance—Group</i>	180 (54.7%)
<i>Private Health Insurance—Direct-Purchase</i>	46 (13.9%)
<i>Medicaid/CHIP</i>	70 (21.3%)
<i>Medicare</i>	62 (18.8%)
<i>Military—TRICARE</i>	9 (2.8%)
<i>Military—VA Care</i>	7 (2.2%)
Uninsured	26 (7.9%)

Source: U.S. Census Bureau, Table HIC-4_ACS, “Health Insurance Coverage Status and Type of Coverage by State-All Persons: 2008 to 2023,” in American Community Survey, September 2024.

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 and includes both group coverage (largely made up of employer-sponsored insurance) and direct-purchase coverage (which includes plans directly purchased from an insurer both on the health insurance exchanges and outside of them). In 2023, an estimated 180 million individuals (54.7% of the U.S. population) and 46 million individuals (13.9% of the U.S. population) were covered by group coverage and direct-purchase coverage, respectively.

In 2022, private health insurance expenditures accounted for \$1,290 billion (30.4% 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 COVID-19 pandemic, but has since rebounded.

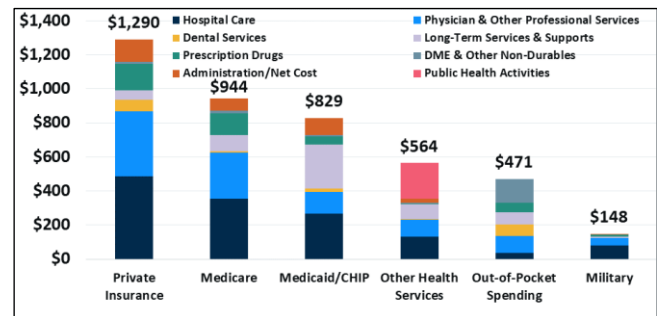
Medicare

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 62 million individuals (18.8% of the U.S. population) were enrolled in Medicare in 2023. In 2022, the program accounted for \$944 billion (22.2% of overall HCE); this share is about 10 percentage points higher than Medicare’s percentage of HCE in 1970 (**Figure 2**). In 2022, most of the spending was for hospital care and physician and professional services (**Figure 1**).

Figure 1. Health Consumption Expenditures by Type and Source, 2022

(in billions of dollars)



Source: Centers for Medicare & Medicaid Services (CMS), National Health Expenditure Accounts—National Health Expenditures by Type of Expenditure and Program, December 2023.

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

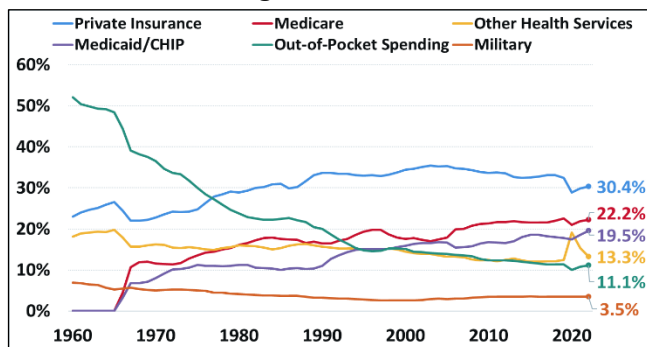
Medicaid/CHIP

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 70 million individuals (21.3% of the U.S. population) received Medicaid or CHIP in 2023. In 2022, the programs accounted for \$829 billion (19.5% of overall

HCE). This spending is about 12 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, 1961-2022



Source: CMS, National Health Expenditure Accounts—National Health Expenditures by Type of Service and Source of Funds, CY1960-2022, December 2023.

Note: 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 2023, an estimated 9 million individuals (2.8% 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 \$148 billion (3.5% of total HCE) in 2022.

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 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 continued to decline in 2022, which contributed to the decline in other health care spending to \$564 billion (13.3% of total HCE).

Out-of-Pocket Spending

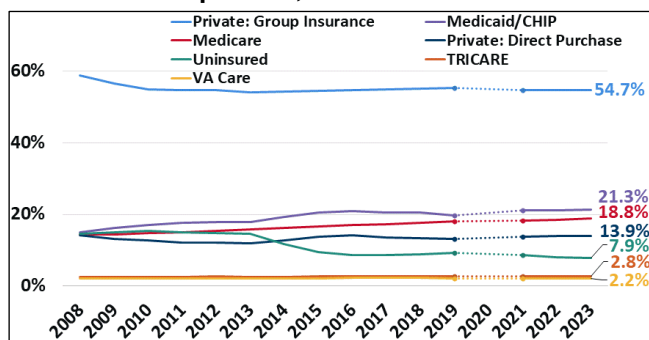
Out-of-pocket spending (other than premiums) includes all amounts paid by the privately insured and other insured individuals for coinsurance, deductibles, and services not

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 \$471 billion (11.1% of total HCE) in 2022, with roughly 30% attributable to durable medical equipment and other non-durable medical products.

The Uninsured

Approximately 26 million individuals (7.9% of the U.S. population) were uninsured in 2023. Historically, 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 direct-purchase 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 7.9% in 2023. This decline corresponds with increases in direct-purchase and Medicaid/CHIP coverage, which were impacted by policies enacted in response to the COVID-19 pandemic.

Figure 3. Health Insurance Coverage as a Percentage of Total U.S. Population, 2008-2023



Source: U.S. Census Bureau, Table HIC-4_ACS, "Health Insurance Coverage Status and Type of Coverage by State—All Persons: 2008 to 2023," in American Community Survey, September 2024.

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. 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, congressional staff may see the CRS Health Care issue area page at <http://www.crs.gov/iap/health-care>.

Ryan J. Rosso, Analyst in Health Care Financing
Sylvia L. Bryan, Research Assistant

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.