

# Nearly \$3 Trillion Dollars in U.S. Health Spending is Projected

Healthcare spending will top \$2.8 trillion in the US by 2011, driving an even larger chunk of the nation's gross domestic product (GDP) than previously forecast, government actuaries reported on March 12.

**Spending may reach 17% of GDP by 2011, up from 13.2% in 2000,** according to actuaries at the Centers for Medicare and Medicaid Services (CMS). Said another way, annual healthcare spending by 2011 will rise to \$9,216 per person in America -- double the amount spent per capita in 2000.

CMS said its new outlook for healthcare spending, updated annually, reflects higher projected growth in Medicare and Medicaid expenditures and more sluggish private healthcare spending.

While prescription-drug spending will continue to grow at double-digit rates, the rate of spending growth is expected to slow to 10.1% for 2011 from 17.3% for 2000. Actuaries say the slowdown reflects cost-cutting tactics, such as tiered co-payments, and the introduction of fewer blockbuster drugs.

"Still, we project that between 2001 - 2011 period, drug spending growth will exceed total health spending growth by almost five percentage points per year on average," according to Stephen Heffler and colleagues from CMS's Office of the Actuary. **Drug spending will account for 14.7% of total health expenditures by 2011,** compared with 9.4% in 2000, they said.

Public-health spending is expected to rise more sharply than previously projected largely due to the effect of higher provider payments and new benefits mandated as part of the 2000 Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act. Medicare spending may rise 9.5% in 2001, outpacing the rate of growth projected last year by 2.5% points.

Growth in private-sector spending is expected to be more sluggish than last year's projections because of a weaker-than-anticipated outlook for the nation's economy. Still, actuaries are predicting 8.9% growth for 2001 and 9.4% for 2002, compared with 6.9% for 2000.

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## **DR. MERCOLA'S COMMENT:**

For the first time in almost a decade, according to federal health economists, health expenditures outpaced the growth of the economy. That is one amazing statement.

The US currently spends about 1.5 trillion dollars for healthcare, and the projections are that it will double in less than ten years.

Like the late Senator Everett Dirksen from Illinois was fond of saying when he was referring to the Defense Department budget, a billion dollars here, a billion dollars there and before you know it you are talking real money.

Well we are talking a lot more than a few billion dollars. How about something like a nearly 1.5 trillion dollars, an amount that is even beyond Bill Gates level.

**The sad tragedy is that we are spending all of this money on disease management focused on drugs and surgery and our return on this investment is profoundly poor.**

**Retail pharmacies filled 3 billion prescriptions in 2000.**

We are not achieving the high levels of health that we could be. More and more people do not have the energy they need to get through the day while millions of others are suffering with painful crippling diseases because they have violated basic health principles.

Many of their choices were made out of ignorance and it is my vision and passion to make a dent in this mess. I hope to have many of you help with the process as this web site becomes a major force for good and the alleviation of disease and suffering.

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