## Medicare Spending

### Recent Medicare Spending

Medicare spending is 14% of the federal budget.

**Total Federal Spending in 2013:** $3.5 Trillion

- Social Security: 23%
- Nondefense Discretionary: 17%
- Defense: 18%
- Medicaid: 8%
- Net Interest: 6%
- Other: 14%
- Medicare: 14%

**Nearly one-fourth of Medicare spending is for hospital inpatient services.**

**Total Medicare Benefit Payments in 2013:** $583 Billion

- Hospital Inpatient Services: 24%
- Other Services: 6%
- Physician Payments: 12%
- Outpatient Prescription Drugs: 8%
- Outpatient Care: 11%
- Postacute Care: 8%

### Medicare Spending in the Next 10 Years

Medicare is on track to spend $1,200 less per person in 2014 than was projected in 2010 and $2,400 less in 2019.

- 2014: $12,376
- 2019: $14,913
- Updated Projection: $11,167
- Forecast for 2019: $12,478

Medicare spending per person is expected to grow more slowly than private health insurance from 2013 to 2022.

- Medicare: 3.6%
- Private Health Insurance: 4.7%

Total Medicare spending is projected to grow faster in the second half of the coming 10 years than the first half.

- 2014-2018: 3.9%
- 2019-2023: 6.9%

### Medicare Spending Over the Long-term

Medicare spending is projected to grow as a share of the economy.

- 2015: 2.9%
- 2020: 3.1%
- 2025: 3.4%
- 2030: 3.9%
- 2035: 4.4%
- 2040: 4.8%

The outlook for the Medicare hospital trust fund has improved, but it is projected to have insufficient funds to pay all hospital bills beginning in 2030.

**Year of Projection**

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<th>Year</th>
<th>Projected Year of Insolvency</th>
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