

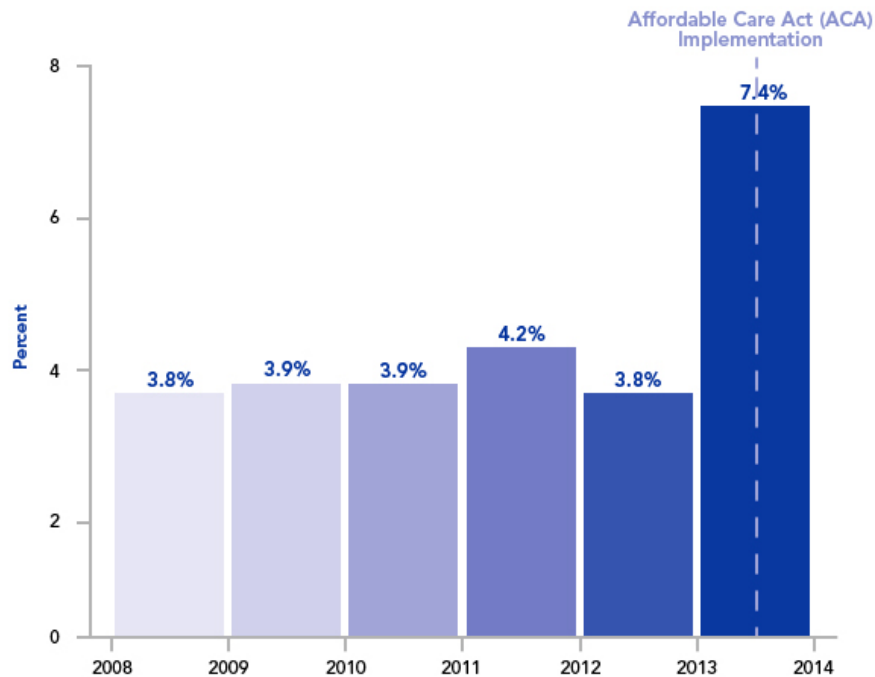


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According to a study conducted by the California HealthCare Foundation (CHCF), healthcare spending is projected to continue to rise, with a considerable increase due to the Affordable Care Act.

## Affordable Care Act Projected to Cause a Spike in Healthcare Spending

Percentage Increase in Healthcare Spending, Year Over Year



Source: California HealthCare Foundation, Health Care Costs 101: Slow but Steady Report, August 2012. [www.chcf.org](http://www.chcf.org).

Other key findings from the CHCF study include:

- Nearly \$2.6 trillion was spent on healthcare in the U.S. in 2010 or \$8,402 per person.
- In 2010, the federal government became the largest financier of healthcare (29% of spending), surpassing households (28%) for the first time.

Spending on Medicare and Medicaid together consumed 23% of the federal budget, exceeding defense spending by three percentage points.

- The federal government spent half its revenues on healthcare; healthcare costs only consumed 6% of personal income.
- Public health insurance paid for 39% of the nation's healthcare; private health insurance paid for 33%.
- Out-of-pocket spending by consumers accounted for 12% of all spending, a figure which has been declining for many years.

Economic data for the CHCF report were obtained from historical budget data, as presented in Congressional Budget Office, "The Budget and Economic Outlook, Fiscal Years 2012 to 2022," The Consumer Price index, Bureau of Labor Statistics and the Organization for Economic Development Health Data -2012. The complete report, a quick reference guide, and data file are available for download at the [CHCF website](#).

Should you have any questions about the Affordable Care Act and healthcare spending, please contact your Conner Strong & Buckelew account representative.



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