When ranked by health spending, a disproportionately small percentage of Americans drive the bulk of U.S. health expenditures at any given time.

From 2009 to 2010, health care spending in the United States rose 3.9 percent, increasing from $2.5 trillion to $2.6 trillion.¹

Health expenditures in 2010 translated to $8,402 per person and, as in 2009, represented 17.9 percent of the gross domestic product.²
The top 50 percent of the population consume 97 percent of the nation’s health care dollars, while the bottom 50 percent account for just 3 percent of health spending.

### Average per-person health expenditures by spending percentile: United States, 2009

<table>
<thead>
<tr>
<th>Percentile by spending</th>
<th>Average per-person expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 1 percent</td>
<td>$90,061</td>
</tr>
<tr>
<td>Top 5 percent</td>
<td>$40,682</td>
</tr>
<tr>
<td>Top 10 percent</td>
<td>$26,767</td>
</tr>
<tr>
<td>Bottom 50 percent</td>
<td>$236</td>
</tr>
<tr>
<td>Total population</td>
<td>$8,086</td>
</tr>
</tbody>
</table>


- As shown above, the top 1 percent of the population in health care spending had health costs that averaged $90,061 per person in 2009. The top 5 percent of the population incurred health care costs of $40,682 per person.

- By contrast, the lower half of the population by expenditure rank, which consumes about 3 percent of total U.S. health dollars, averaged just $236 per person in health care expenditures.
Health spending over time

Because the top 10 percent of health care spenders account for the majority of total spending (about 65 percent), it is important to understand patterns of health spending over time and the characteristics of Americans who are consistently high spenders from year to year.

Of the people who were among the top 10 percent in health spending during 2008, nearly 45 percent retained this expenditure rank in 2009. Likewise, many people in other spending groups remained in the same group year after year.

From 2008 to 2009:

- 20 percent of the top 1 percent of health spenders remained in the top 1 percent.
- 38 percent of the top 5 percent of health spenders remained in the top 5 percent.
- 44.8 percent of the top 10 percent of health spenders remained in the top 10 percent.
- 54.4 percent of the top 20 percent of health spenders remained in the top 20 percent.
- 63.1 percent of the top 30 percent of health spenders remained in the top 30 percent.
- 75 percent of the top 50 percent of health spenders remained in the top 50 percent.

Patients whose health expenditures are in the top 10 percent tend to be:

- In fair or poor health (53.5 percent versus 19.3 percent in very good or excellent health).\(^3\)
- Women (59.0 percent versus 41.0 percent of men).\(^4\)
- Ages 65 and older (42.9 percent versus 17.1 percent of those younger than 45).\(^5\)
- Non-Hispanic white (80.5 percent versus 19.5 percent of blacks, Hispanics/Latinos and those of other racial ethnic groups).\(^6\)

People younger than 65 who had public-only health coverage for all of the 2009 calendar year represented 16.6 percent of the total population, but accounted for 31.0 percent of the top 10 percent of spenders from 2008 to 2009.\(^7\)
Five costly medical conditions drive most U.S. health spending

Spending distribution among the five costliest health conditions: United States, 2009
(Billions of dollars)


Note: Data represent 2009 estimates for the U.S. civilian noninstitutionalized (community) population. Spending is for all-source payment for hospital inpatient, ambulatory, emergency department, home health care and prescription medication purchases.

- Research since 1996 suggests that 32 percent to 37 percent of total U.S. health dollars are spent to treat five medical conditions (heart disease, cancer, mental disorders, trauma and asthma) that are common and correlated with expensive medical services.8,9,10

- The top 5 percent of spenders account for a substantial share of total population spending for these conditions. In 2009, they incurred 75.7 percent of the total expenditures to treat cancer and 74.1 percent of total spending for heart disease treatment.

- Compared to expenses incurred by the overall population, a higher proportion of spending among those in the top 5 percent was for inpatient care to treat heart disease (65.8 percent versus 56.8 percent in the overall population) and trauma (56.2 percent versus 35.7 percent in the population as a whole).11
• During 2008, adult health expenditures for the two most costly conditions for both men and women were heart disease ($90.9 billion) and cancer ($71.4 billion).

• Among women, mental disorders ($37.3 billion), trauma ($34.1 billion) and osteoarthritis ($33.2 billion) ranked third through fifth, respectively.

• The third through fifth highest spending conditions among men were trauma ($33.2 billion), osteoarthritis ($23.0 billion) and mental disorders ($22.6 billion).

• Unlike in 2009, when COPD/asthma ranked fifth most costly overall, in 2008, it ranked sixth most expensive for women and the ninth most expensive for men (data not shown).12

• Per capita expenditures to treat the two highest-cost conditions were higher for men, compared to women: $4,363 per man and $3,723 per woman for heart disease, $4,873 per man and $4,484 per woman for cancer (data not shown).13

**Conditions that ranked No. 6 to No. 10 in terms of cost by gender: United States, 2008**

<table>
<thead>
<tr>
<th>No.</th>
<th>Condition</th>
<th>Cost</th>
<th>Men</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>COPD, asthma</td>
<td>$26.8 billion</td>
<td>Diabetes</td>
<td>$22.3 billion</td>
</tr>
<tr>
<td>7</td>
<td>Hypertension</td>
<td>$25.9 billion</td>
<td>Hypertension</td>
<td>$21.4 billion</td>
</tr>
<tr>
<td>8</td>
<td>Diabetes</td>
<td>$23.2 billion</td>
<td>High cholesterol</td>
<td>$20.5 billion</td>
</tr>
<tr>
<td>9</td>
<td>Back problems</td>
<td>$20.2 billion</td>
<td>COPD, asthma</td>
<td>$17.7 billion</td>
</tr>
<tr>
<td>10</td>
<td>High cholesterol</td>
<td>$18.0 billion</td>
<td>Back problems</td>
<td>$14.4 billion</td>
</tr>
</tbody>
</table>

Endnotes


2 Ibid.


4 Ibid., page 7.

5 Ibid., pages 6.

6 Ibid., page 7.

7 Ibid., page 8.


13 Ibid., page 1.