

The flow of funds in US healthcare

A look at the sources of the \$4.1 trillion spent on healthcare in the United States during 2020.

Let's break down where the money came from:

The big picture: Sources of healthcare funding

68.12%

Health Insurance was the dominant source, contributing a massive \$2.81 trillion

12.36%

Other third-party payers & programs contributed \$509.37 billion

9.42%

Out-of-pocket \$388.65 billion

5.43%

Government Public Health \$223.71 billion

4.67%

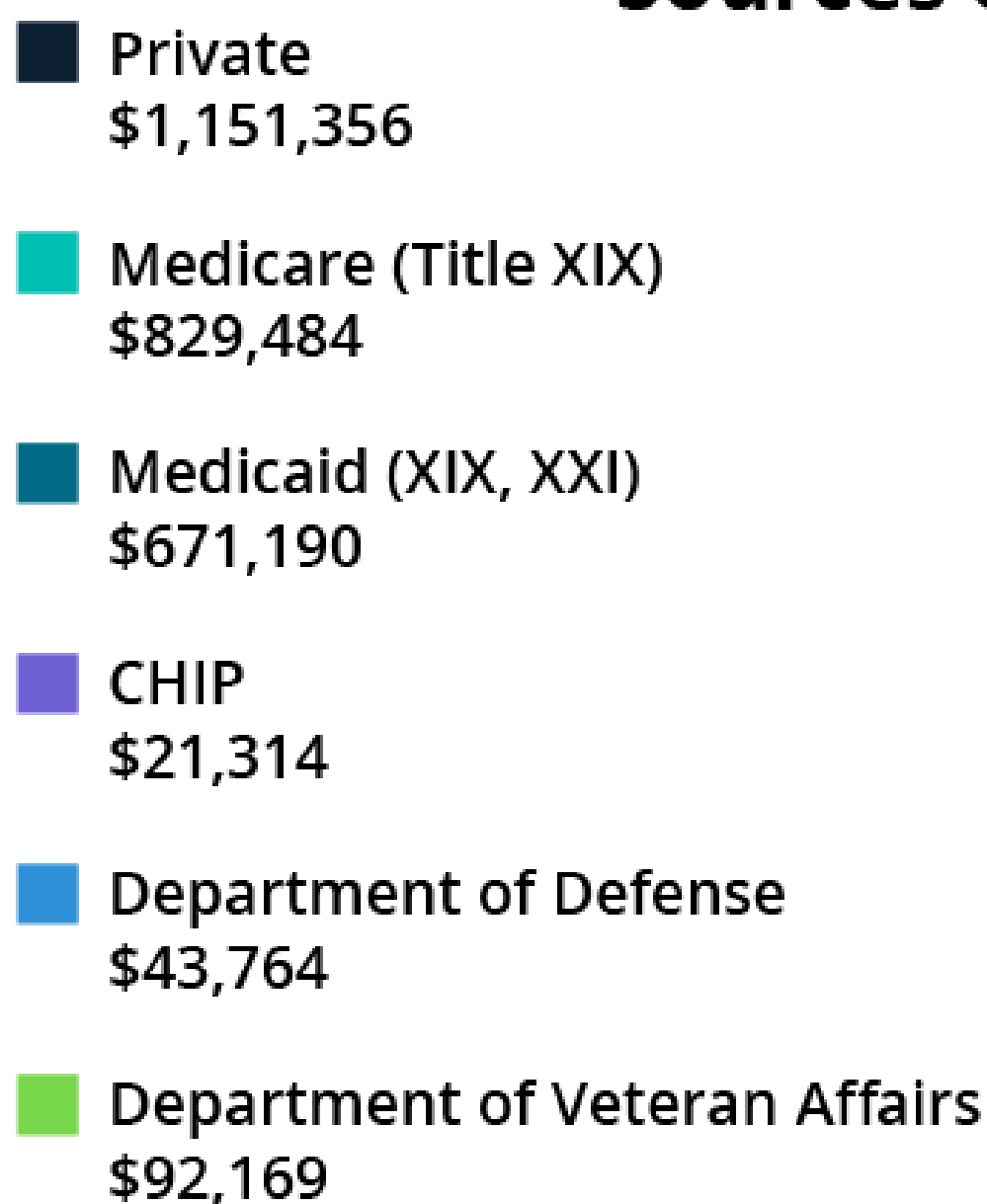
Investments \$192.67 billion

In 2020, the US healthcare system was primarily funded by health insurance, accounting for the lion's share of the \$4.124 trillion in expenditures. Other significant contributors included "Other 3rd Party Payers and Programs" and direct "Out of Pocket" spending.

Diving deeper into health insurance

Unpacking health insurance funding: Public vs. private

2020 National healthcare expenditures Sources of funding



Total Expenditures \$2,809,277

Within health insurance, private insurance contributed \$1.151 trillion, while public insurance (including Medicare, Medicaid, CHIP, etc.) accounted for \$1.658 trillion.

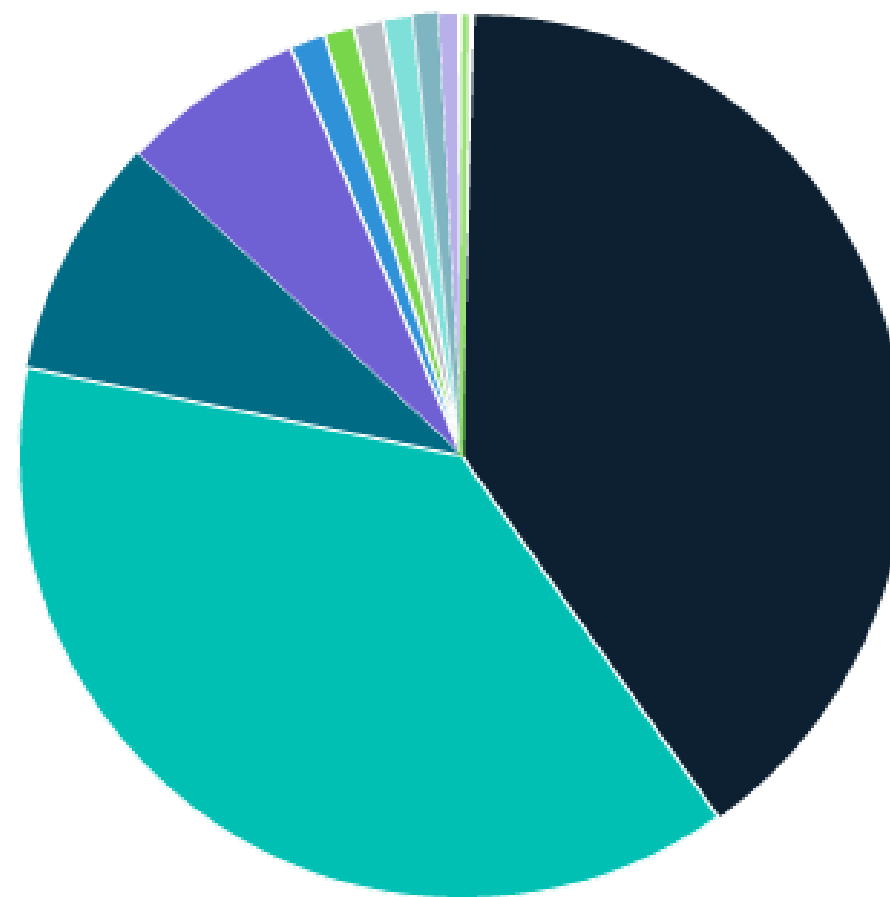
The \$2.809 trillion from health insurance came from a mix of private and public sources. Public programs like Medicare and Medicaid collectively represented a larger portion of this funding.

Exploring other third-party payers and programs

Beyond insurance: Other key funding streams

2020 National healthcare expenditures other third-party payers and programs

- Other Private Revenues \$204,911
- Other Federal Programs \$193,934
- Worker's Compensation \$44,553
- Other State and Local Programs \$34,051
- General assistance \$6,543
- SAMHSA \$5,646
- School Health \$5,580
- Worksite Health Care \$5,416
- Indian Health Services \$4,558
- Maternal / Child Health \$3,927
- Vocational Rehab \$583



Total Expenditures \$509,702

This category includes diverse sources totaling \$509.7 billion.

Besides health insurance, a significant portion of healthcare funding came from various "Other 3rd Party Payers and Programs." This encompasses a wide range of sources, from private revenues to specific federal and state programs.

Key insights into US healthcare funding (2020)

- Health insurance is the dominant funding source
- Public insurance programs represent a larger share of health insurance funding than private insurance
- Other third-party Payers and programs contribute significantly to the overall healthcare expenditure

What are your thoughts on these funding distributions?

How do you think these sources impact access and quality of care?

Share your perspectives in the comments!

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