How Did the COVID-19 Pandemic Affect Healthcare Spending?

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Consumer Expenditure Surveys
Office of Prices and Living Conditions
Introduction

Healthcare expenditures reveal the cost to consumers of improving their health.

So, in an environment with:
- Health-related uncertainty
- Lockdowns and social distancing

Followed by:
- Vaccines
- Easing of restrictions
Introduction

Did consumers change how they allocate their healthcare spending in response to pandemic challenges?

Yes!
CE Healthcare Expenditures

- Healthcare expenditures is an aggregate of 4 components:
  - Health insurance
  - Medical services
  - Drugs
  - Medical supplies
# Healthcare spending

Table 1. Consumer Expenditure Surveys, 2019–21

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Average annual expenditures</td>
<td>$63,036</td>
<td>$61,332</td>
<td>$66,928</td>
<td>-2.7</td>
<td>9.1</td>
<td>6.2</td>
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<tr>
<td>Average annual expenditures less healthcare</td>
<td>57,843</td>
<td>56,155</td>
<td>61,476</td>
<td>-2.9</td>
<td>9.5</td>
<td>6.3</td>
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<tr>
<td>Healthcare</td>
<td>5,193</td>
<td>5,177</td>
<td>5,452</td>
<td>-0.3</td>
<td>5.3</td>
<td>5.0</td>
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<tr>
<td>Health insurance</td>
<td>3,529</td>
<td>3,667</td>
<td>3,704</td>
<td>3.9</td>
<td>1.0</td>
<td>5.0</td>
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<tr>
<td>Medical services</td>
<td>984</td>
<td>864</td>
<td>1,070</td>
<td>-12.2</td>
<td>23.8</td>
<td>8.7</td>
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<tr>
<td>Drugs</td>
<td>486</td>
<td>476</td>
<td>498</td>
<td>-2.1</td>
<td>4.6</td>
<td>2.5</td>
</tr>
<tr>
<td>Medical supplies</td>
<td>194</td>
<td>170</td>
<td>181</td>
<td>-12.4</td>
<td>6.5</td>
<td>-6.7</td>
</tr>
</tbody>
</table>

COVID-19 and Medical services in 2020

- Government ordered lockdowns and social distancing
  - In person doctor visits posed a risk of infection so many consumers went without those services in 2020
COVID-19 and Medical services in 2020

Demographic spending patterns:

- **Income**
  - The lowest and highest income quintiles had the highest percent decreases in medical services spending, about 27 percent and 19 percent respectively.

- **Family Composition**
  - Single parents decreased their medical services spending by about 24 percent.
  - Married parents increased their medical services spending by about 4 percent.
Medical services in 2021

- Vaccines
  - Various groups become eligible for a vaccine against COVID-19, allowing for a sense of safety and easing of lockdown restrictions
Medical services in 2021

**Demographic spending patterns:**

▲ **Age**
- Consumer units with reference persons aged 35-44 increased medical services spending by about 62 percent

▲ **Family Composition**
- All family types increased their medical services spending *except* married couples with children under 6
- Presumably, this is due to delayed vaccine approval for children under age 5
How did the COVID-19 pandemic affect healthcare spending?

Read the full article here:

Contact Information

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