

ONLINE APPENDIXES

1

**Context for Medicare
payment policy**

ONLINE APPENDIX

1-A

**Additional information on
changes in Medicare spending**

**TABLE
1A-1****Per beneficiary Medicare spending growth and growth in GDP**

Year	Real GDP growth per capita	GDP price deflator	Nominal GDP growth per capita*	Medicare per beneficiary growth	Medicare growth above nominal GDP**
2007	0.9%	2.9%	3.8%	3.6%	-0.2
2008	-1.3	2.3	1.0	5.9	4.9
2009	-4.2	1.0	-3.2	6.3	9.5
2010	2.2	1.2	3.4	0.3	-3.0
2011	1.0	2.1	3.1	2.6	-0.2
2012	1.3	1.9	3.1	2.6	-0.5
2013	2.1	1.5	3.5	3.3	-1.0
2014	2.6	1.6	4.2	2.6	-1.6
2015	3.1	1.7	4.8	2.2	-2.5
2016	2.8	1.8	4.7	3.5	-1.0
2017	2.5	1.9	4.4	4.2	-0.1
2018	2.0	2.2	4.3	4.6	0.4
2019	1.5	2.4	3.9	4.7	0.9
2020	1.4	2.4	3.7	5.1	1.5
2021	1.2	2.5	3.6	4.9	1.4

Note: GDP (gross domestic product). Assumes the sustainable growth rate is replaced by a 1 percent physician update per year.

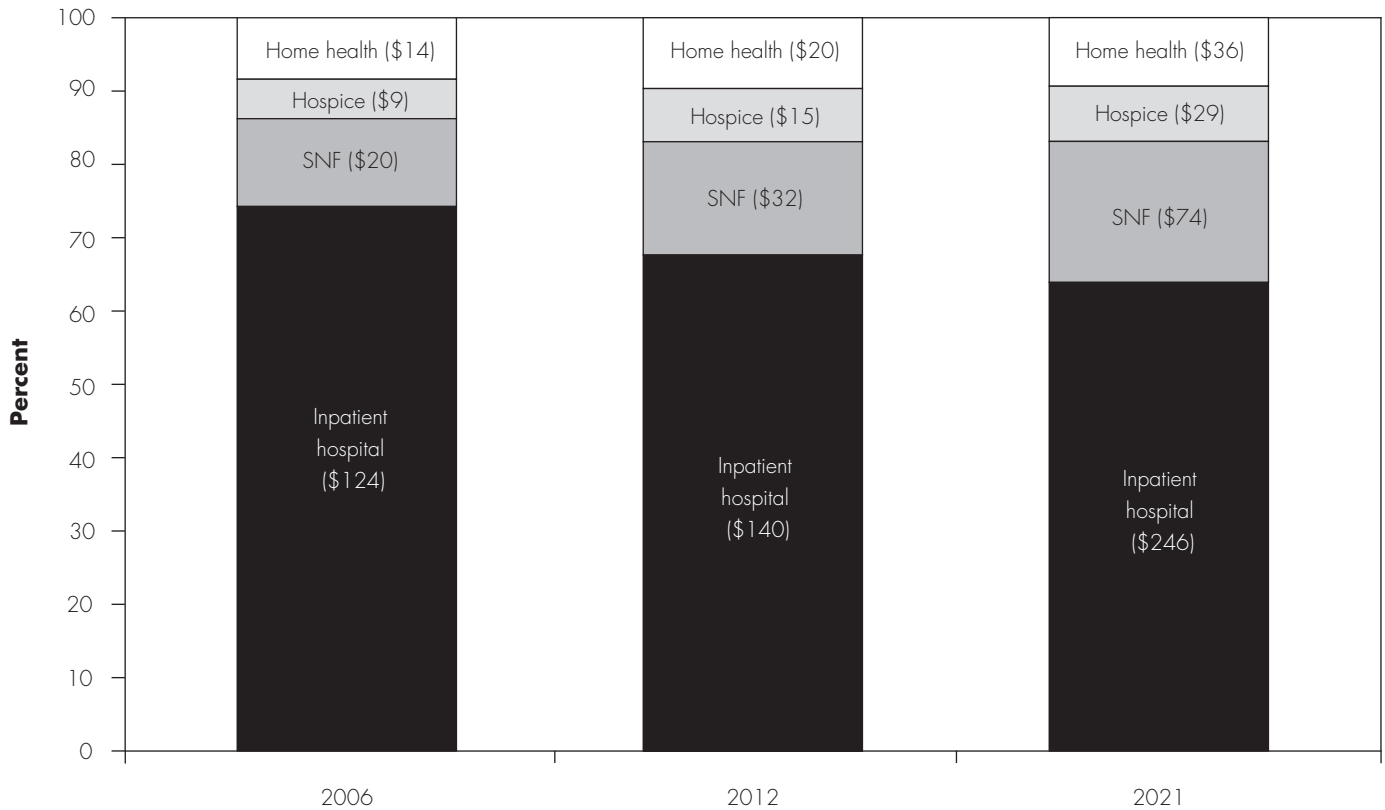
*Nominal GDP growth per capita equals real GDP growth per capita plus the GDP price deflator.

**Medicare growth above nominal GDP equals Medicare per beneficiary growth minus nominal GDP growth per capita.

Sources: MedPAC calculations of data from CMS, National Health Expenditures, and the 2012 annual report of the Boards of Trustees of the Medicare trust funds.

**FIGURE
1A-1**

Distribution of Part A spending

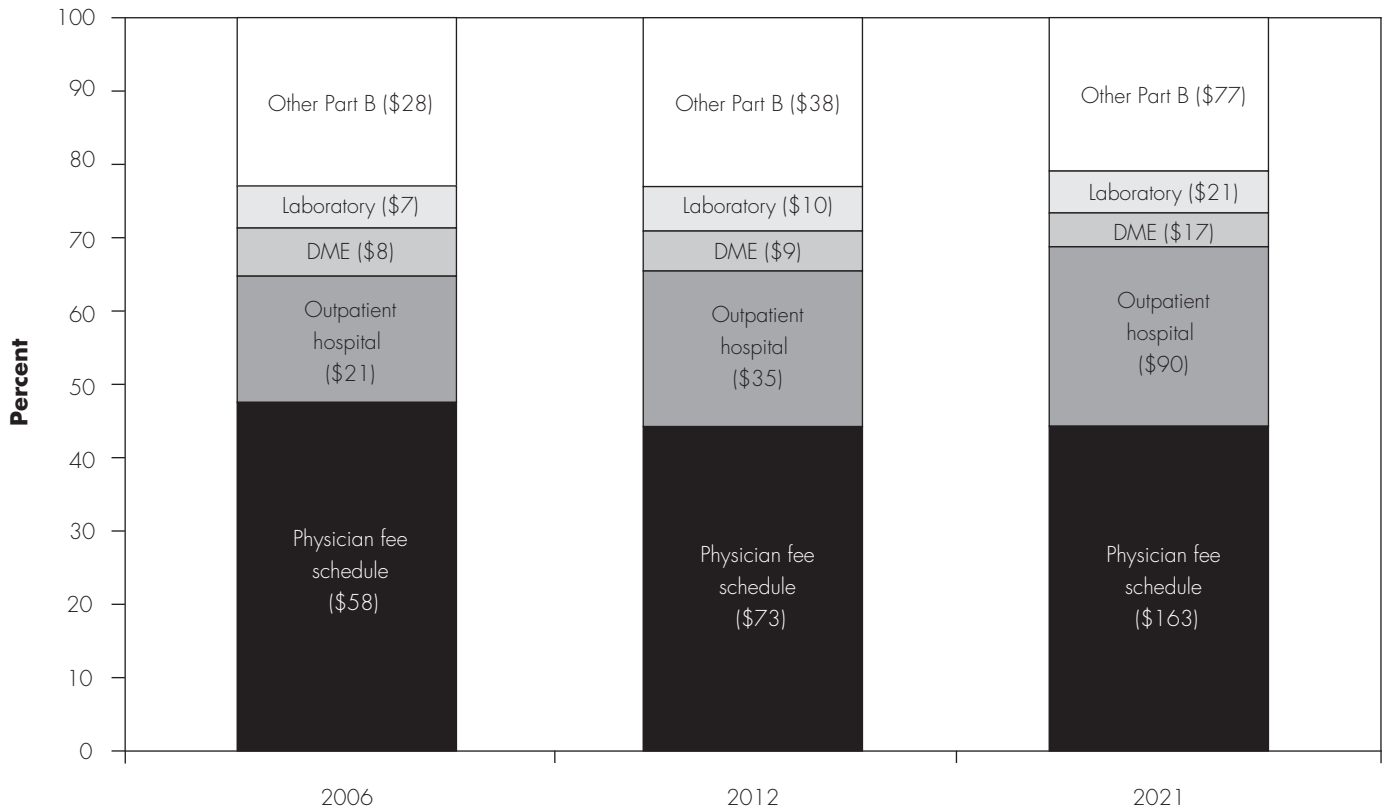


Note: SNF (skilled nursing facility). Dollars are in billions. Includes only fee-for-service spending. Projections assume the sustainable growth rate is replaced by a 1 percent physician update per year.

Source: MedPAC calculations of data from the CMS Medicare Trustees' Report and Office of the Actuary.

**FIGURE
1A-2**

Distribution of Part B spending



Note: DME (durable medical equipment). Dollars are in billions. Includes only fee-for-service spending. Projections assume the sustainable growth rate is replaced by a 1 percent physician update per year.

Source: MedPAC calculations of data from the CMS Medicare Trustees' Report and Office of the Actuary.