

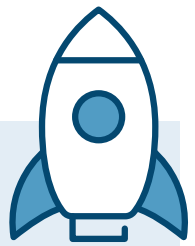
HEALTH CARE SPENDING HITS \$4.9 TRILLION: NEW YORKERS BEAR THE COST

TIME
FOR
AFFORDABILITY

WHAT'S NEW: U.S. health care spending surged by 7.5% in 2023, hitting \$4.9 trillion – the largest annual increase in over a decade – according to a December 2024 National Health Expenditure annual [report](#).¹ The increase was significantly higher than the 4.6% increase in 2022.

Per capita spending in New York was the highest in the country and 37% higher than the national average. Hospital price hikes, increased prescription drug spending, and growing demand for services are driving this historic rise, leaving New Yorkers with growing financial challenges.

WHY IT MATTERS: Rising health care prices are straining family budgets and employer bottom lines. Without action to address out-of-control drug and provider prices, premiums will continue to rise, making coverage even harder to afford.



HEALTH CARE SPENDING CONTINUES TO SKYROCKET:

\$4.9 TRILLION

Total U.S. health care spending, up 7.5% from 2022, [driven](#)² by hospital price hikes and increased service use.

10.4%

The growth in hospital spending, faster than the 3.2% growth in 2022.

11.4%

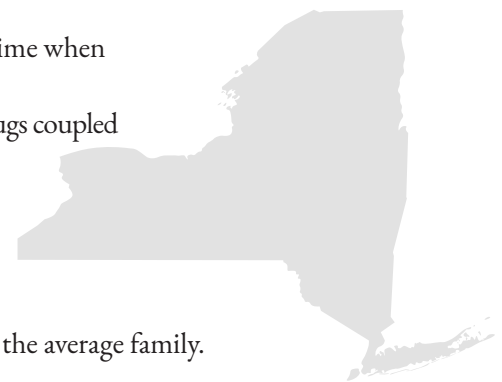
Jump in prescription drug spending, [pushed](#)³ by high-cost therapies such as GLP-1s and other weight-loss drugs.

GO DEEPER: Several factors are driving these cost increases

- Hospital prices are growing faster than the economy, [raising](#)⁴ premiums and out-of-pocket costs for families.
- Spending on high-cost drugs [spiked](#)⁵, reflecting a growing reliance on expensive specialty medications.
- Post-pandemic demand for care surged, especially for elective procedures and preventive services.

IN NEW YORK:

- Hospitals and other providers continue to demand significant price increases at a time when New York's inpatient hospital prices are the third highest in the country.
- Out-of-control price increases that Big Pharma continues to charge for prescription drugs coupled with restrictions on cost-sharing leads to higher health care premiums for consumers, labor unions, and employers, particularly small businesses.
- New York mandates coverage for over 40 specific treatments or services, many of which are for therapies or screenings that go beyond evidence-based guidelines recommended by major national health organizations, adding to premium costs.
- Taxes on health insurance, which add more than \$1,000 to the cost of coverage for the average family.



THE BOTTOM LINE: New Yorkers are shouldering the weight of skyrocketing health care prices. Without measures to curb excessive drug and provider prices, fewer health care mandates, and avoiding new taxes on insurers, families, employers, and taxpayers will continue to find health care less and less affordable.

1 <https://www.healthaffairs.org/doi/10.1377/hlthaff.2024.01375>

2 <https://www.axios.com/2024/12/19/hospitals-spending-surged-2023>

3 <https://www.wsj.com/health/healthcare/american-healthcare-spending-charts-explained-adaa0e23>

4 <https://www.axios.com/2024/12/19/hospitals-spending-surged-2023>

5 <https://www.wsj.com/health/healthcare/american-healthcare-spending-charts-explained-adaa0e23>