

Health care spending hit \$3.2 trillion in 2015

A new [study](#) finds that health care spending grew 5.8 percent last year, reaching a total of \$3.2 trillion.

The study, which was conducted by researchers at the Centers for Medicare and Medicaid Services, also finds that by the end of 2015, health care accounted for 17.8 percent of the U.S. economy, up from 17.4 percent the previous year.

The uptick in health care spending is consistent with years of continued growth in the sector.

The report attributes much of the growth to an increase in spending on private insurance, largely driven by the [Affordable Care Act](#). Expenditures on private health plans increased more than 7 percent in 2015 as more Americans signed up for plans through Healthcare.gov.

Medicaid spending also increased more than 9 percent, however, no doubt partially driven by the fact that several states in 2015 opted to embrace the Medicaid expansion that was part of the ACA.

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Retail prescription drug spending also rose 9 percent.

In case you forgot, 2015 was a year in which outrage over pharmaceutical profits went mainstream due to a few notable cases of drug companies radically hiking the cost of certain medications. The most prominent case involved Martin Shkreli, the CEO of Turing Pharmaceuticals, who raised the price of Daraprim, a drug often used by HIV patients, from \$13.50 a pill to \$750 a pill.

Expenditures for hospital care and physician services also rose, 5.6 percent and 6.3 percent, respectively.

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That means that spending on all major health care areas far outpaced inflation.

While the non-stop rise in medical spending has led to record profits for pharmaceutical companies and good-paying jobs for millions of Americans who work in health, from doctors to nurses to equipment manufacturers, it has also strained the budgets of U.S. families, state governments and the federal government, which picks up a huge percentage of the health care tab through Medicare, Medicaid and other public programs and subsidies.