

Part B Insider (Multispecialty) Coding Alert

HEALTH CARE SPENDING SLOWS, BUT STILL SKYROCKETS

The growth rate of health care spending may have eased up a bit, but the growth still remains monstrous.

That's the results of a new study by the **Center for Studying Health System Change**. The Center found American privately insured health spending increased 7.4 percent in 2003, the slowest rise in almost a decade but still twice the rate as the overall economy. The growth rate was 9.5 percent in 2002 and 10 percent in 2001. The growth rate for prescription drugs was 9.1 percent in 2003, much lower than 2002's 13.2 rise and 1999's peak of 18.4 percent. Both drug prices and utilization failed to rise as fast as in previous years, the Center said.

Meanwhile, physician spending increased a less alarming 5.1 percent, compared with 6.5 percent in 2002. Physicians are the slowest growing category of health spending for the third year in a row, according to the Center. The growth rate of physician use declined sharply and prices increased only slightly.