Over the past 50 years, the share of Medicare spending on hospital expenses has declined the most while the share spent on prescription drugs has increased the most.

**Composition of Medicare Payments (% of Total Medicare Spending)**

- **Hospital care**
- **Prescription drugs**
- **Physician services**
- **All other care, Equipment, Nursing homes, Home health**
- **Administrative expenses**

**Source:** Centers for Medicare & Medicaid Services, *National Health Expenditure Data*, December 2021.

**Notes:** “Equipment” includes both durable medical equipment and other non-durable medical products. “All Other Care” includes dental services, other professional services, and other health, residential, and personal care expenditures. “Administrative Expenses” includes government administrative expenses and the total net cost of health insurance expenditures.

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