

A blurred, out-of-focus background image showing a person from the side, wearing a light-colored medical or healthcare professional's coat. The person is looking down, possibly at a computer screen or a patient's chart. The background is a warm, golden-yellow color.

Tracking Virginia's 2024 Health Care Spending & Employment Trends

January 20, 2026

Table of Contents

Report Highlights	1
Virginia Health Sector Spending	1
Virginia Health Insurance Trends	1
Virginia Health Sector Employment	2
Overall Virginia Health Sector Spending	3
Virginia Private Health Insurance Cost Trends	10
Virginia Health Sector Employment	13
Conclusion	16
Acknowledgments	17
Appendix – Report Methodology	18
Virginia Health Sector Spending	18
CMS National Health Expenditure Accounts Benchmarking	18
Population & Health Insurance Enrollment Estimates	19
Personal Health Care (PHC) Spending Estimates	19
Private Health Insurance	19
Medicaid	20
Medicare	21
Spending by Personal Health Care Category	21
Virginia Health Sector Employment	22
Virginia Private Health Insurance Cost Trends	22

About Onpoint Health Data



Onpoint Health Data is an independent, nonprofit health data organization based in Portland, Maine, with more than 40 years' experience developing and delivering independent, innovative, and insightful health data solutions to clients nationwide. Over the past two decades, Onpoint has developed and maintained

more than half of the country's all-payer claims databases (APCDs), expanding their value through the integration of non-claims data sources such as alternative payment model, social determinants, and clinical data. Our staff is a highly collaborative team of health data professionals, including software engineers and architects, project management professionals, health data analysts, security and compliance experts, and more. We leverage advanced data analytics, machine learning, and secure cloud-based technologies to provide comprehensive solutions that help policymakers, researchers, and the public understand how health care is being delivered – and how it can be improved – based on reliable, trusted data.

Report Highlights

The following report summarizes personal health care (PHC) spending in Virginia for calendar year 2024. This report draws on the latest federal data from the U.S. Bureau of Economic Analysis (BEA) and the U.S. Centers for Medicare & Medicaid Services (CMS). Detailed state-level data was provided by the Virginia All-Payer Claims Database, which is overseen by Virginia Health Information. This report covers total health care spending, spending by category and payer, insurance premiums, and workforce trends. Key trends are summarized below.

Virginia Health Sector Spending

- While Virginia continued to have lower personal health care (PHC) spending per capita than the national average, the change in its total PHC spending from 2023 to 2024 (9.9%) was higher than the national average of 7.2%.
- Virginia PHC spending in 2024 was \$101.0 billion, increasing by \$9.1 billion (9.9%) from 2023.
- Total health care spending as a percentage of Virginia's gross domestic product has been climbing since 2019, reaching a record high of 16.5% in 2024.
- Year-over-year per capita personal health care spending in Virginia grew from \$10,541 in 2023 to \$11,294 in 2024 (7.1%). This is similar to the national increase of 7.6% in per capita personal health care spending, which rose from \$12,298 in 2023 to \$13,237 in 2024.
- On a per capita basis, Virginians spent an average of \$802 less on hospital care; \$332 less on the combined category of nursing home care, home health care, and other health, residential, and personal care; \$454 less on prescription drugs; and \$86 less on other categories of care compared to national per capita spending in 2024.
- In 2024, hospitals remained the largest sector of health care spending in Virginia (\$36.8 billion) followed by physician and clinical services (\$25.5 billion).
- Virginia's fastest-growing health care spending category since the pre-pandemic period (2019) continues to be in the combined category of nursing home care, home health care, and other health, residential, and personal care with 43.4% growth. The hospital sector grew at slightly less than 40% in both Virginia and nationally over this same time period (2019–2024). Growth in physician and clinical services was also comparable between Virginia and the nation (35.7% in Virginia and 37.3% nationally).

Virginia Health Insurance Trends

- In 2024, the largest major payer for PHC in Virginia was private insurance (29.6%), followed by Medicare (22.1%) and Medicaid (16.7%). An additional 31.6% of care was covered by a mix of other sources, such as out-of-pocket care, third-party payers, and the U.S. Department of Defense, among others.
- Among the three major payer types – private insurance, Medicaid, and Medicare – per capita spending since 2019 has grown the most for Medicaid (\$8,152 in 2019 vs. \$9,383 in 2024 or a 15.1% increase), followed by Medicare (\$10,946 in 2019 compared to \$12,013 in 2024 or a 9.7% increase) and private health insurance (\$4,761 in 2019 compared to \$5,129 in 2024 or a 7.7% increase).

- In 2024, per capita PHC spending for private health insurance in the Commonwealth was 32.6% lower than the national average (\$5,129 compared to \$7,608). Medicare spending per capita was 28.8% lower in Virginia compared to the nation (\$12,013 compared to \$16,868). The lowest differential was Medicaid, with a 14.3% difference between the state and the nation (\$9,383 compared to \$10,954).
- For individuals with private insurance, average annual premiums for single coverage increased by 20.7% in 2024 (\$6,776 in 2019 to \$8,182 in 2024), and premiums for family coverage increased by 28.5% (\$19,865 in 2019 to \$25,523 in 2024). The patterns were similar for combined premiums and deductibles.

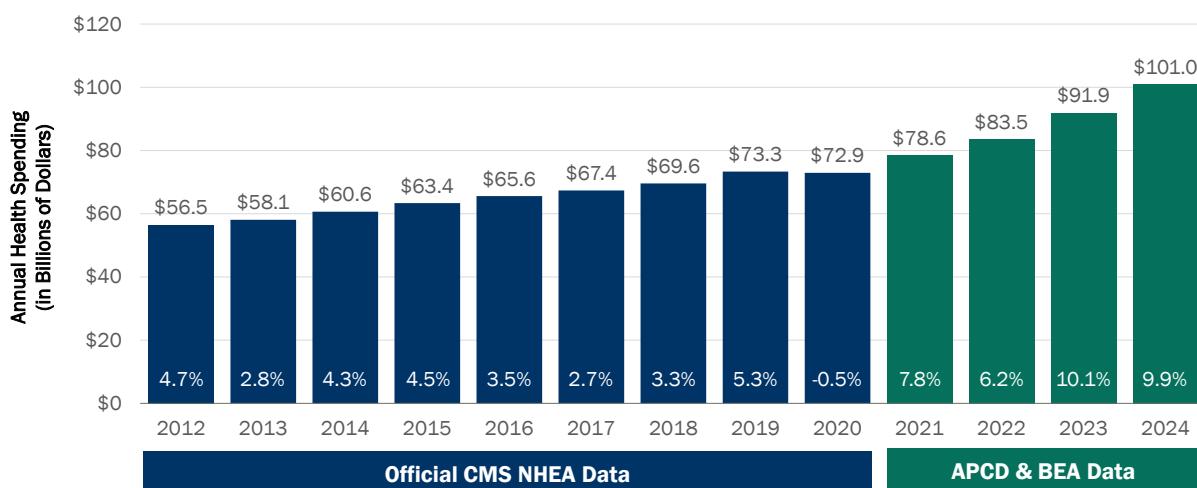
Virginia Health Sector Employment

- In the fourth quarter (Q4) of calendar year 2024, 430,017 individuals were employed by the health care sector in Virginia, accounting for about 12.7% of all employment in the state.
- The health care sector accounted for a greater percentage of employment in Virginia in 2024 compared to 2023, rising from 9.0% of all employment in 2023 to 12.7% in 2024.
- Employment in Virginia's hospitals, ambulatory services, and nursing homes continued to grow in 2024, with year-over-year growth rates of 4.8% (up from 4.4% in 2023), 5.2% (up from 4.4% in 2023), and 6.4% (slightly down from 6.6% in 2023), respectively.

Overall Virginia Health Sector Spending

Understanding overall spending trends provides important context for evaluating cost growth, affordability, and workforce pressures across Virginia's health care system. Based on data from the Virginia All-Payer Claims Database (APCD) and the U.S. Bureau of Economic Analysis (BEA), Virginia personal health care (PHC) spending in 2024 was \$101.0 billion, increasing 9.9% (\$9.1 billion) from the prior year's spending of \$91.9 billion (Figure 1).¹ This is above the national growth rate of 7.2% for 2024 from the U.S. Centers for Medicare & Medicaid Services (CMS) and suggests that Virginia's aging population continues to contribute to increased health care spending.² In contrast, prior to 2020, health care costs in Virginia tended to grow by less than 5% per year based on official National Health Expenditure Accounts (NHEA) data CMS.

Figure 1. Virginia Annual Personal Health Care Spending & Percent Growth from Prior Year, 2012–2024



Over time, health care spending generally is driven by utilization, prices, and the use of new and emerging technologies. Nationally, in the last few years, utilization has been driving growth rather than prices. While state-specific, sector-wide health care data were not readily available to decompose Virginia's spending growth into utilization, price, and increased technology use, two visible trends are worth noting: (1) The Commonwealth had low population growth (i.e., less than 1.0% annually)³ and (2) the Commonwealth's population is increasingly aged. In 2024,

¹ In this report, personal health care (PHC) spending is shown as the amount spent on traditional PHC categories as defined by CMS. PHC spending includes direct spending on health care products and services (e.g., hospital, physician, and prescription drug spending), while non-PHC spending includes other expenditures such as the administration of public health insurance, the net cost of private insurance, public health spending, and research and development. This report differentiates between the underlying growth trends in PHC vs. non-PHC categories. More details on PHC vs. non-PHC definitions are available from CMS's "National Health Expenditure Accounts: Methodology Paper, 2023" here (link last accessed January 20, 2026): <https://www.cms.gov/files/document/definitions-sources-and-methods.pdf>

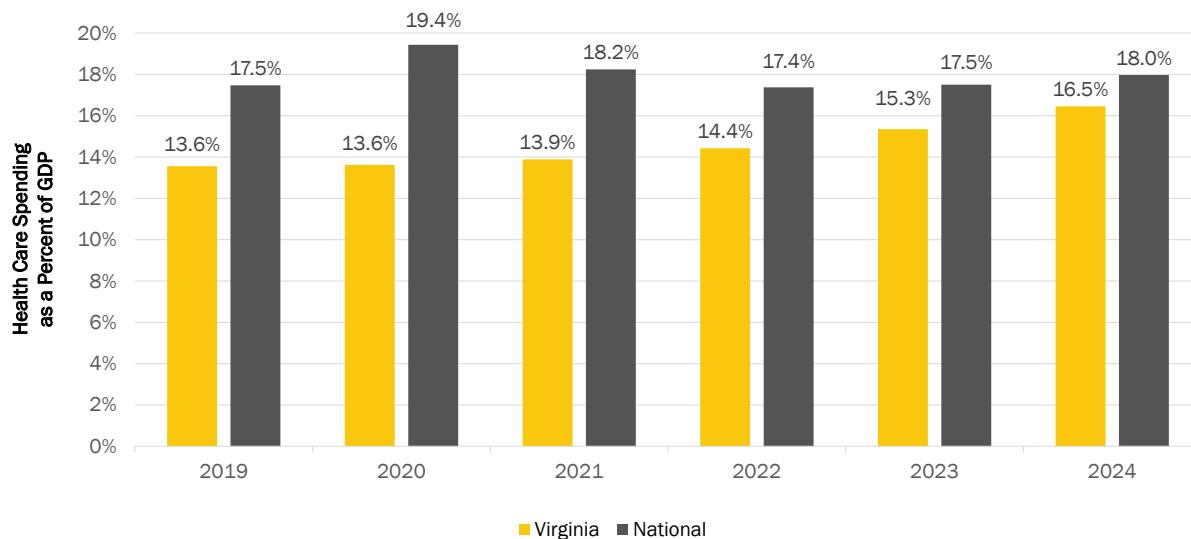
² Hartman M, Martin AB, Lassman D, Catlin A. National health care spending increased 7.2 percent in 2024 as utilization remained elevated. *Health Affairs*. January 14, 2026. Link (last accessed January 20, 2026): <https://doi.org/10.1377/hlthaff.2025.01683>

³ State health facts: Total number of residents (Virginia, 2008–2023). KFF. Undated. Link (last accessed January 20, 2026): <https://www.kff.org/other/state-indicator/total-residents/>

17.6% of Virginia's 8.8 million residents were 65 years old or older in contrast to 13.0% in 2015, likely putting upward pressure on total health care expenditures.⁴

Figure 2 illustrates how Virginia's total health care spending as a percent of its economy has been growing in recent years – from 13.6% in 2019 to 16.5% in 2024. Although health care as a percent of gross domestic product (GDP) remained less than the national average, this gap has steadily narrowed since 2021. National health spending as a percent of GDP peaked at 19.4% in 2020, after which Virginia's health spending as a percent of GDP has been climbing consistently.

Figure 2. Virginia & National Total Health Care Spending as a Percent of GDP, 2019–2024



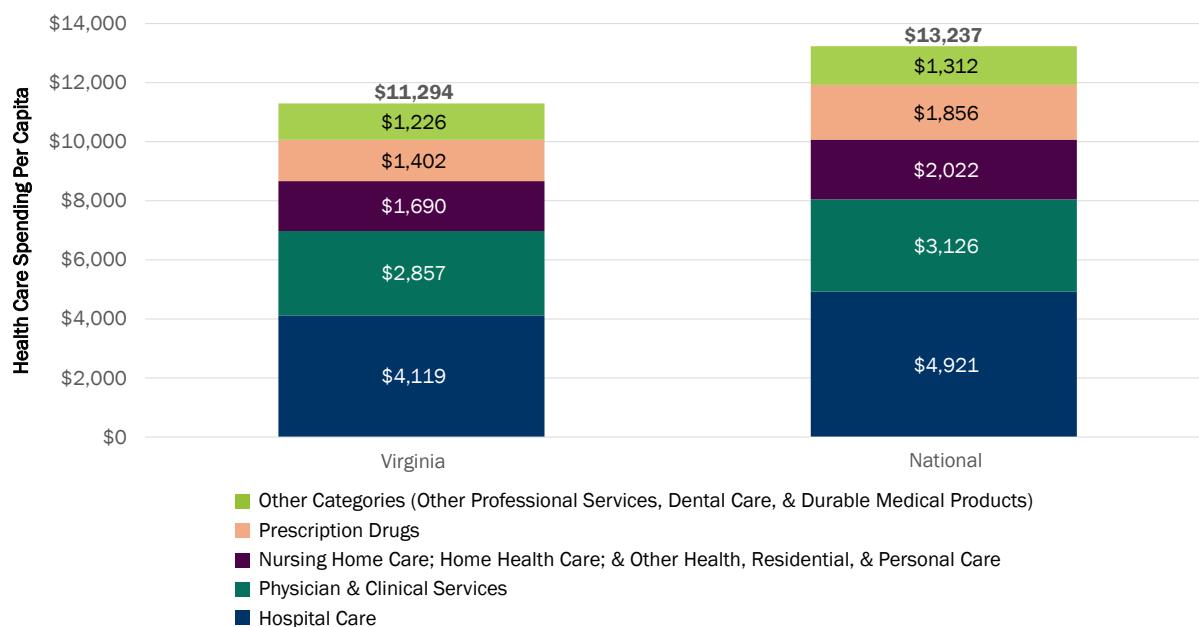
Between 2023 and 2024, average health spending per capita increased both nationally (from \$12,298 to \$13,237) and in Virginia (from \$10,541 to \$11,294), with Virginia's average health spending per capita in 2024 remaining well below the national average (**Figure 3**).⁵ In terms of average spending for specific components in 2024, Virginia residents spent 16.3% less on hospitalizations (\$4,119 vs. \$4,921) compared to the national average. Additionally, Virginians spent 24.5% less on prescription drugs (\$1,402 vs. \$1,856) and 16.4% less for the combined category of nursing home care, home health care, and other health, residential, and personal care services (\$1,690 vs. \$2,022). It is worth noting that these differences are unadjusted for inflation or changes in health burden, such as population age, demographics, economic conditions, and health status. However, an analysis in Health Affairs Forefront that did adjust for health burden found Virginia to be the fourth lowest state in the country in "standardized health spending."⁶

⁴ ACS demographic and housing estimates. U.S. Census Bureau. Undated. Link (last accessed January 20, 2026): <https://data.census.gov/table/ACSDP1Y2024.DP05?g=040XX00US51>

⁵ Note that both Virginia and national total and per capita spending estimates for 2023 have been revised slightly from last year's report due to the incorporation of data revisions and updates from input sources. For example, the NHEA released updated 2023 figures since last year's January 2025 report.

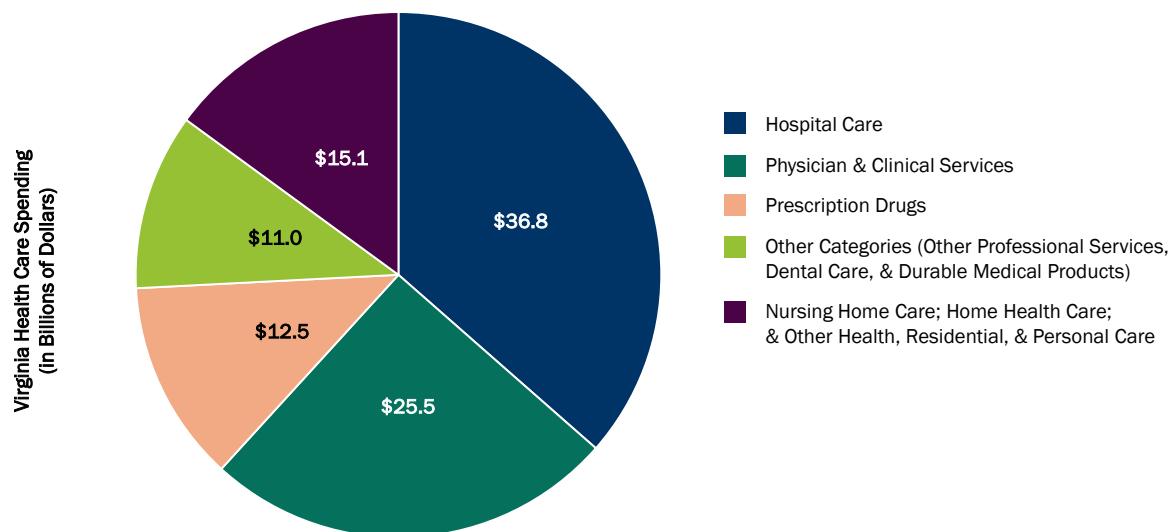
⁶ Johnson EK, Dieleman JL. Standardizing state health spending. Health Affairs Forefront. December 6, 2022. Link (last accessed January 20, 2026): <https://www.healthaffairs.org/do/10.1377/forefront.20221205.489811>

Figure 3. Virginia & National Average Total PHC Spending Per Capita by Category, 2024



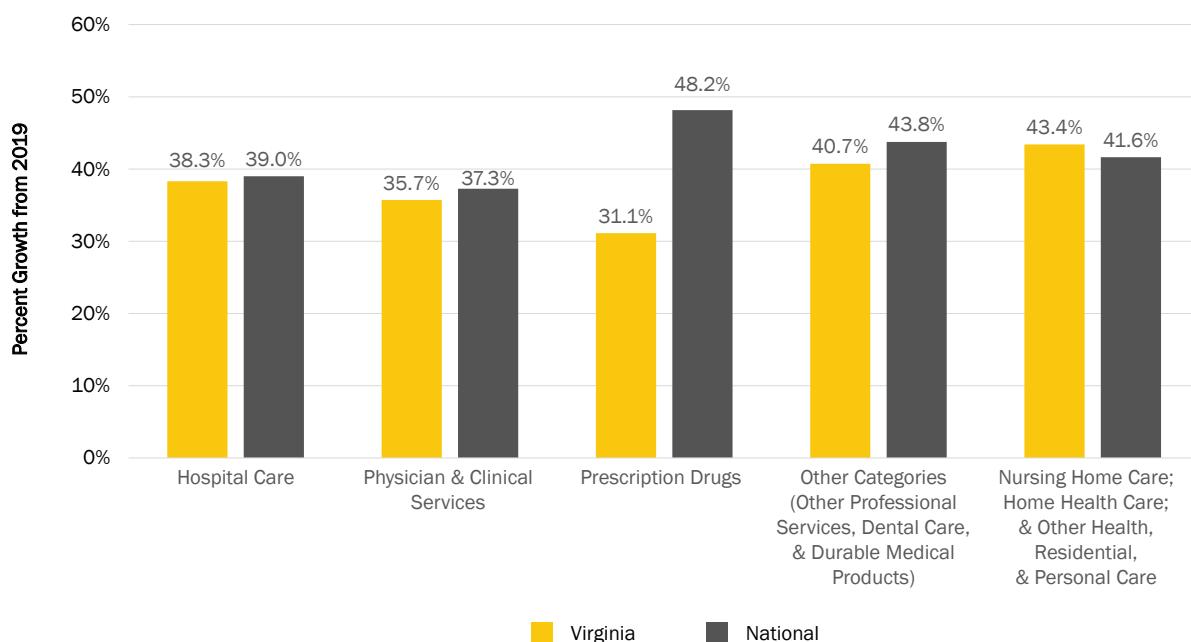
As a percentage of total health spending in Virginia, hospital care was the largest major spending category in 2024, accounting for \$36.8 billion (36.4%) of total spending (\$101.0 billion) (Figure 4). Physician and clinical services was the next largest category at \$25.5 billion (25.2%), followed by nursing home care and home and residential services at \$15.1 billion (15.3%) and prescription drugs at \$12.5 billion (12.4%). The other category, which includes other professional services, dental care, and durable medical products summed to \$11.0 billion (10.9%). These proportions of total spending are quite similar to the 2024 national spending averages for hospital care (36.3%), physician and clinical services (26.0%), nursing home care and home and residential services (14.9%), prescription drugs (12.3%), and other categories (10.5%) (data not shown).

Figure 4. Virginia Health Care Spending by Category (in Billions of Dollars), 2024



Virginia's fastest-growing health care spending categories since the pre-pandemic period (2019) continued to be in the combined sector of nursing home care, home health care, and other health, residential, and personal care with 43.4% growth (**Figure 5**). This was higher than the growth in national spending for the same category (41.6%). Adjunctive services, such as dental care and durable medical equipment (DME), also have been growing in Virginia with a 40.7% increase since 2019. Physician and clinical services, by comparison, grew 35.7% in Virginia over the same time period, and hospital spending in Virginia grew 38.3%. It is worth highlighting that prescription drug spending in Virginia is growing more slowly than the nation, showing 31.1% growth since 2019 in Virginia compared to 48.2% nationally.

Figure 5. Virginia & National Average Spending Growth by Major Personal Health Care Category, 2019–2024

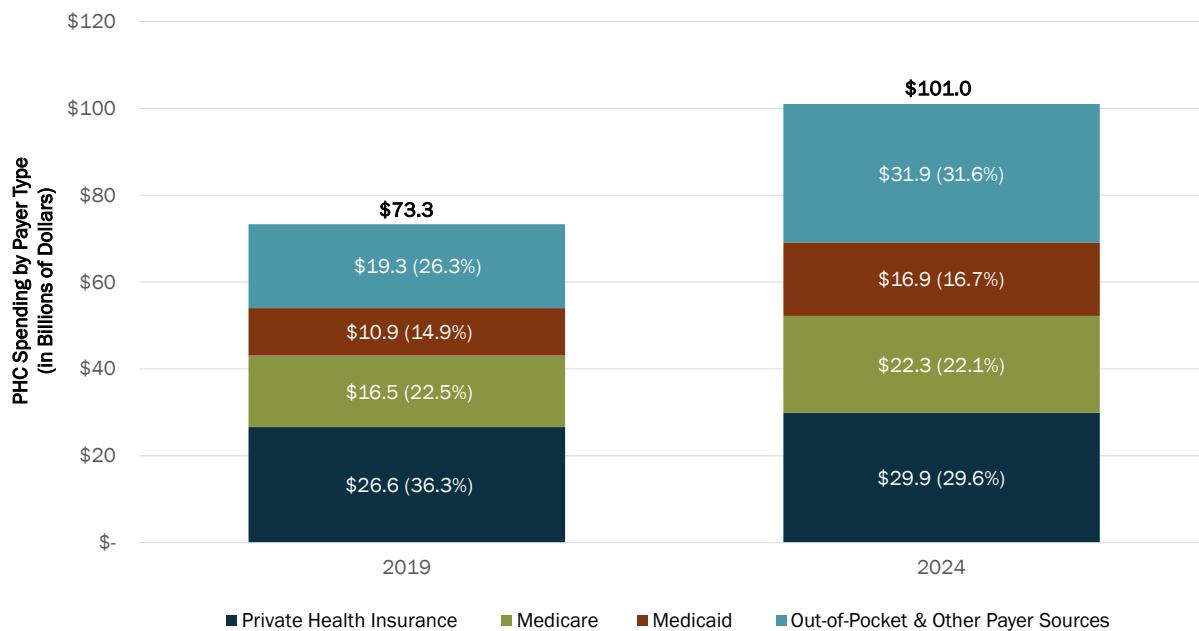


In 2024, among the major payers, private health insurance had the highest spending (\$29.9 billion), followed by Medicare (\$22.3 billion) and Medicaid (\$16.9 billion). The out-of-pocket and other payer sources category was the largest category overall with an estimated \$31.9 billion in PHC spending (**Figure 6**).⁷ The other payer sources category includes out-of-pocket spending, third-party payer spending, U.S. Department of Defense and U.S. Department of Veterans Affairs spending, school health spending, and workers' compensation.

⁷ CMS NHEA estimates of state spending by payer type include only PHC spending. Public health spending, investment, research and development, net cost of insurance, and government administration of public insurance costs that are included in "total health spending" are not included in the "other payer sources" PHC data in this section.

As a share of total PHC spending, the proportion covered under private insurance fell from 36.3% in 2019 to 29.6% in 2024. Conversely, the percentage of PHC spending increased for both Medicare (from 22.5% in 2019 to 22.1% in 2024) and Medicaid (from 14.9% in 2019 to 16.7% in 2024). These trends need to be considered carefully, given the unwinding of Medicaid enrollment that took place in 2023 and 2024.

Figure 6. Virginia Personal Health Care Spending Levels & Percent of Total by Payer Type, 2019 & 2024



The impact of Medicaid unwinding is apparent when looking at year-over-year spending and enrollment changes from 2023 to 2024 (**Figure 7**).⁸ For Medicaid, year-over-year enrollment went down 11.2%, while spending increased by 7.6%. This is consistent with redetermination efforts, which were largely complete by August 2024, with approximately two million cases reviewed and 483,465 individuals disenrolled from Medicaid. Some of these individuals may have re-applied for coverage or entered the private insurance market, while some have become uninsured. It is worth noting that estimates from the American Community Survey show an uninsurance rate of 6.4% in Virginia in 2023 and 6.9% in 2024.⁹ Increased spending suggests that those who remained on Medicaid had more severe health needs. This trend may signal growing demand for long-term services and supports and warrants continued monitoring as enrollment stabilizes post-redetermination.

⁸ Virginia's Medicaid unwinding winds down: A look at the numbers and next steps to connect people to health coverage. The Commonwealth Institute. August 14, 2024. Link (last accessed January 20, 2026): https://thecommonwealthinstitute.org/tci_research/virginias-medicaid-unwinding-winds-down-numbers-next-steps-to-connect-people-to-health-coverage/

⁹ Carter C. Health Insurance Coverage by State: 2023 and 2024. American Community Survey Briefs. U.S. Census Bureau. September 2025. Link (last accessed January 20, 2026): <https://www2.census.gov/library/publications/2025/demo/acsbr-024.pdf>

The story for Medicare was quite different. Year-over-year Medicare enrollment increased dramatically in 2024 at 14.2% when compared to 2023. It is worth noting that this report classifies dual enrollees as Medicaid members in alignment with KFF's methodology.¹⁰ Part of this 14.2% enrollment increase is due to the reclassification of dual enrollees – individuals who were part of the Medicaid population in previous reports but lost their Medicaid coverage following redetermination and therefore now appear in the Medicare category for this report's 2024 figures.

Medicare year-over-year spending from 2023 to 2024 increased 10.1%, which was only slightly higher than the year-over-year spending increase from 2022 to 2023 of 9.3% (not shown). Private health insurance had the lowest enrollment growth (0.7%) but the highest spending growth (11.1%) from 2023 to 2024. This year-over-year spending growth for private insurance was only slightly higher than the national growth observed (10.4%, not shown) and lower than the private insurance growth seen nationally from 2023 to 2024 (2.5%, not shown).

Figure 7. Virginia Personal Health Care Spending & Enrollment Growth by Payer Type, 2023–2024

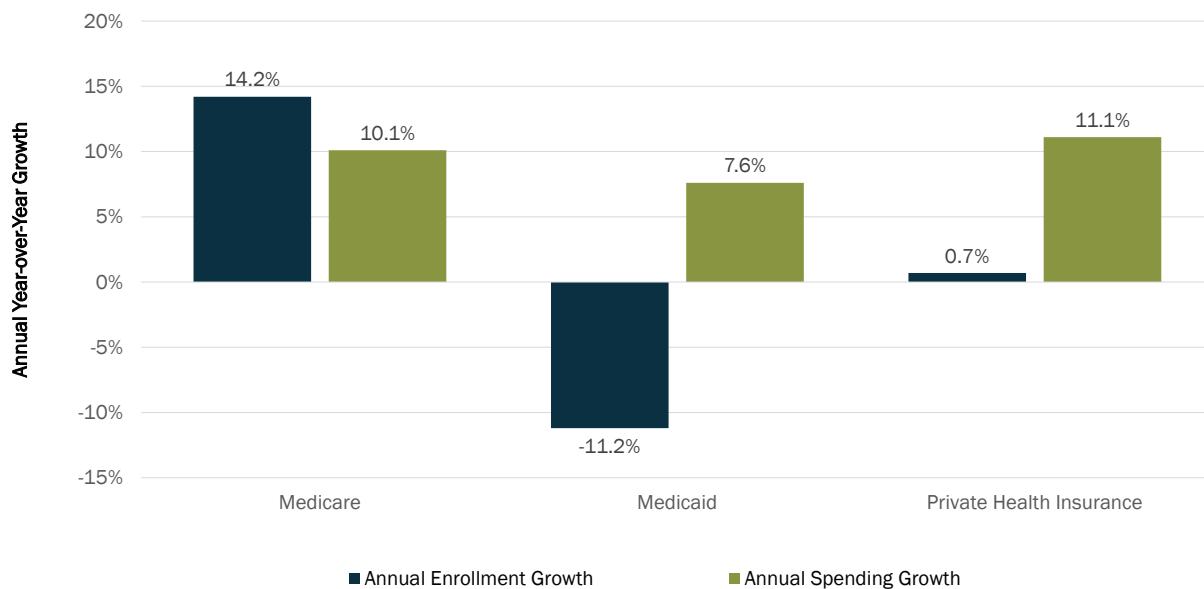
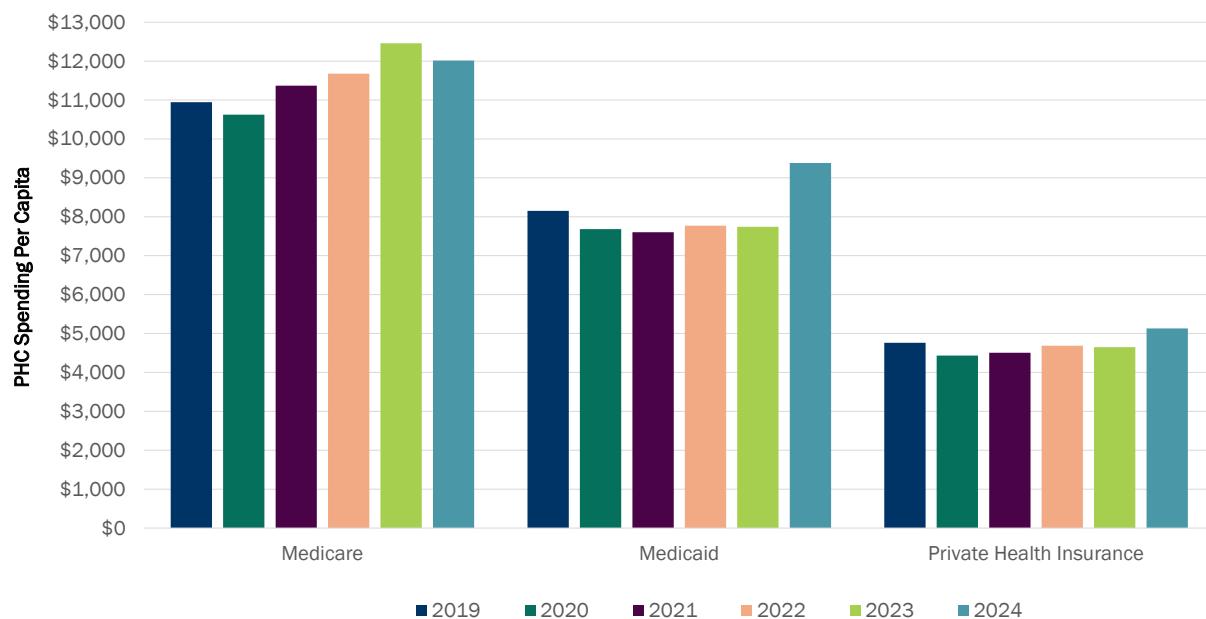


Figure 8 shows changes in Virginia's PHC spending per capita by major payer type in 2019 and 2024, illustrating steady growth in per capita spending by all major payer types, but most notably Medicaid, which grew from \$8,152 in 2019 to \$9,383 in 2024 (15.1%). Per capita spending in Medicare also grew by almost 10%, and private health insurance was the lowest, with a 7.7% growth in per capita spending from 2019 to 2024. A component of this growth undoubtedly reflects Medicaid expansion during the COVID-19 pandemic. However, as mentioned above, post-pandemic Medicaid redetermination has led to decreases in Medicaid enrollment.

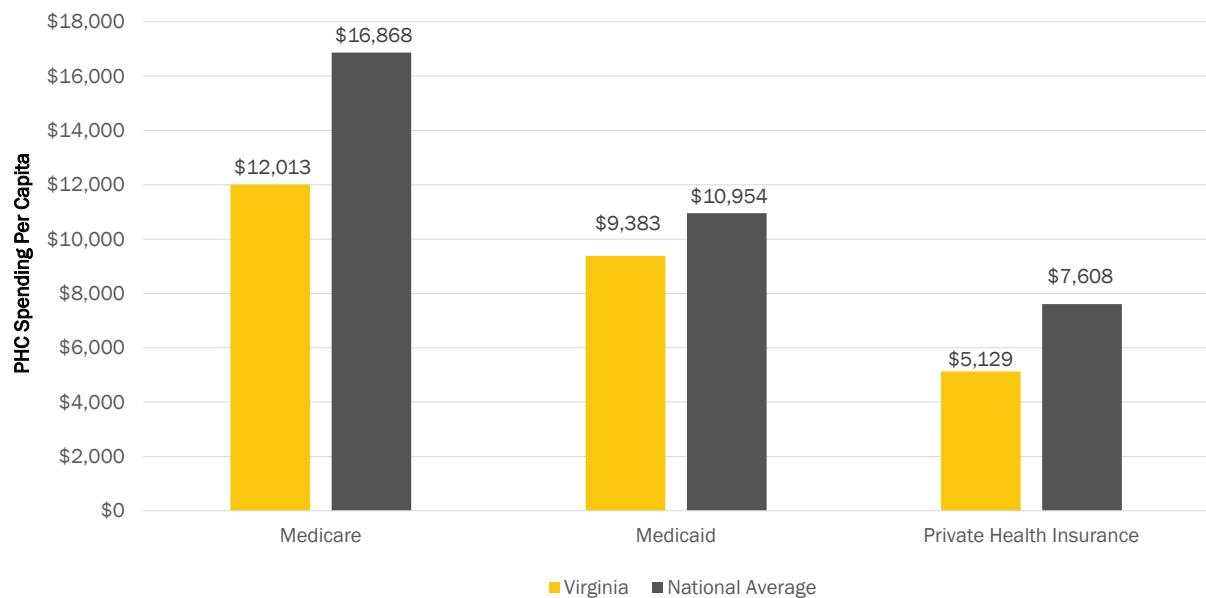
¹⁰ More information on KFF's methodology for assigning a member's primary coverage can be found here: Health insurance coverage of the total population (2023). KFF. Undated. Link (last accessed January 20, 2026): <https://www.kff.org/state-health-policy-data/state-indicator/total-population/>

Figure 8. Virginia PHC Spending Per Capita by Payer Type, 2019–2024



Average PHC spending per capita remained lower in Virginia compared to the national average. This was most pronounced in private health insurance in 2024, where per capita spending in the Commonwealth was 32.6% lower than the national average (\$5,129 compared to \$7,608 nationally). This trend also was evident in Medicare, where per capita spending in Virginia was 28.8% lower than the national average (\$12,013 compared to \$16,868 nationally). Medicaid spending in Virginia had the lowest differential but was still 14.3% lower than the national average (\$9,383 compared to \$10,954 nationally) (Figure 9).

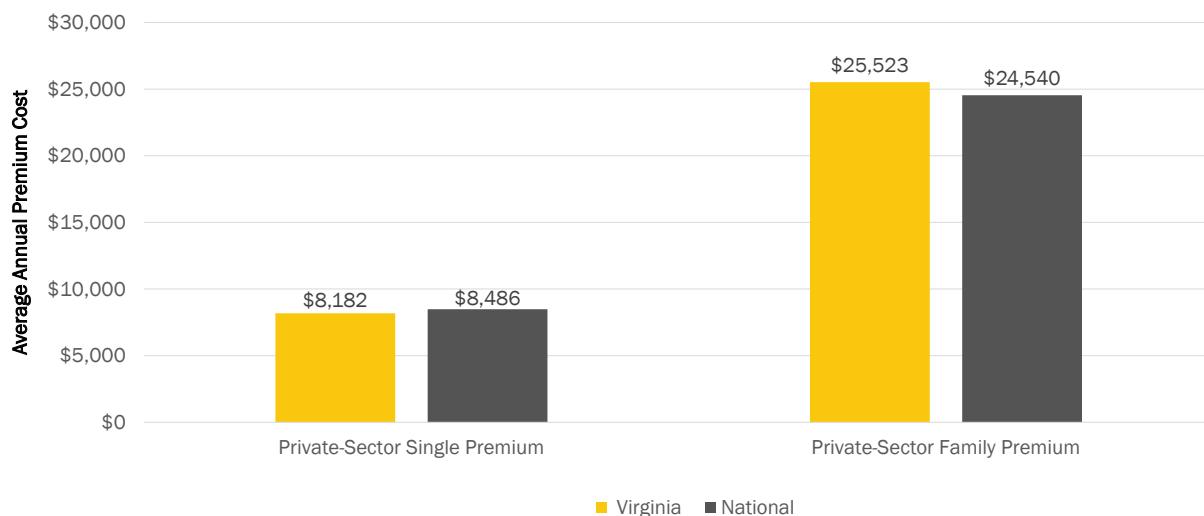
Figure 9. Virginia & National Average PHC Spending Per Capita by Payer Type, 2024



Virginia Private Health Insurance Cost Trends

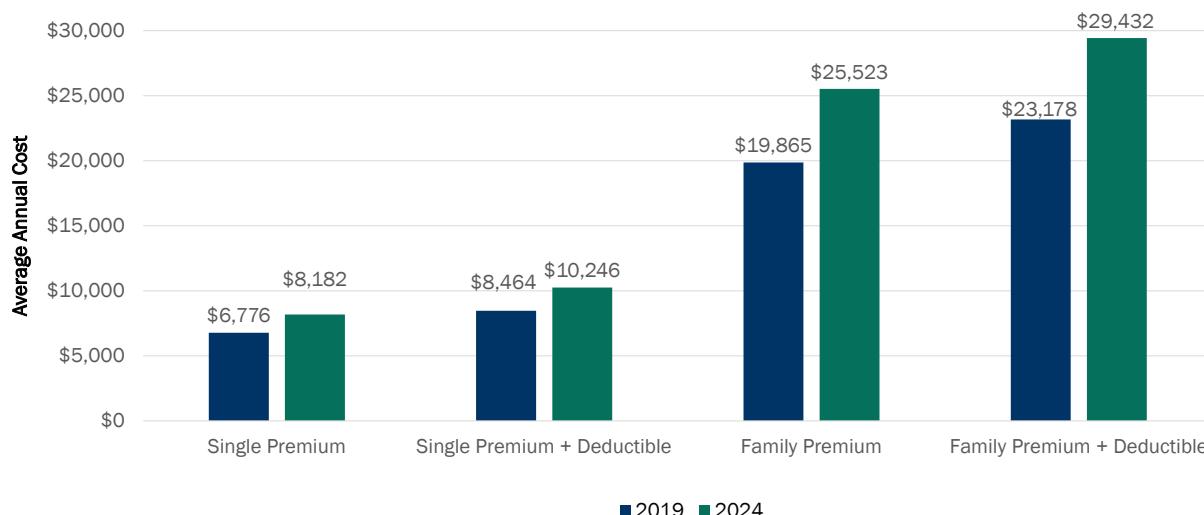
For individuals with single coverage from a private-sector employer in Virginia, annual average premiums in 2024 were \$8,182 – almost identical to the national average of \$8,486 (3.6% difference). For those with family plans, annual premiums from a private-sector employer in 2024 were \$25,523 in Virginia – nearly \$1,000 (4.0%) higher than the national average of \$24,540 (**Figure 10**).

Figure 10. Virginia & National Private Health Insurance Annual Premium Cost for Single & Family Coverage, 2024



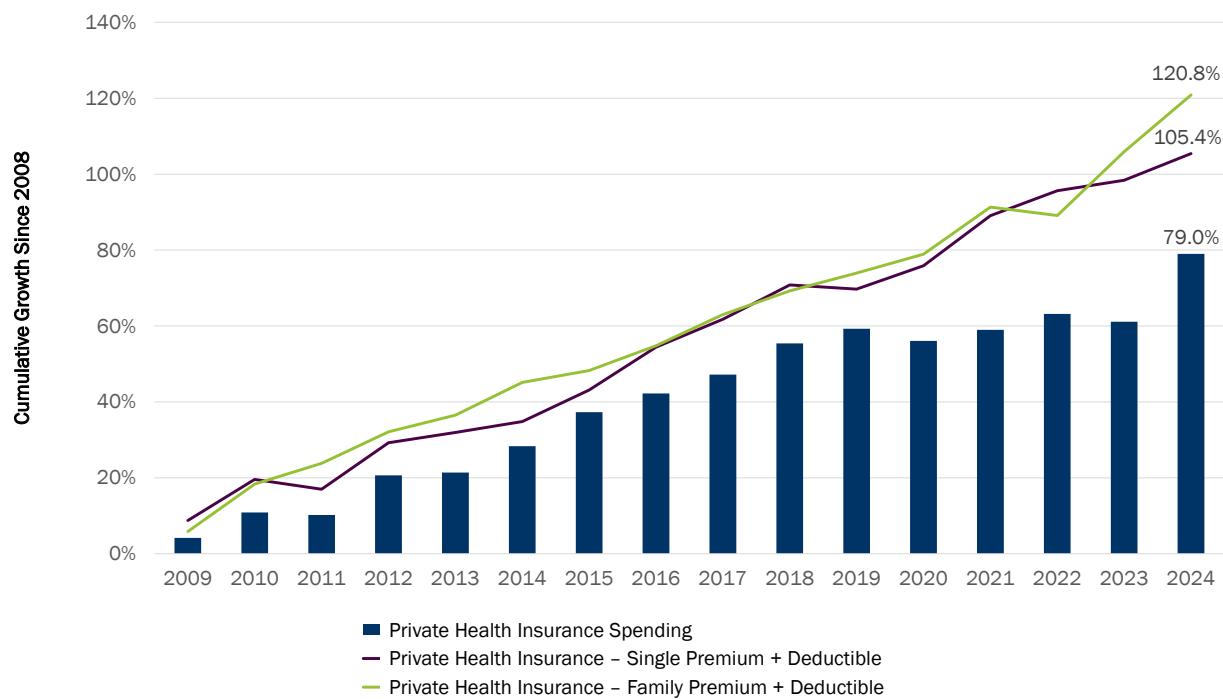
As shown in **Figure 11**, private insurance premiums for single coverage increased by 20.7% between 2019 (\$6,776) and 2024 (\$8,182), while premiums for family coverage increased by 28.5%. When average premiums and deductibles are summed, the spending increases were similar (21.1% and 27.0%, respectively) (**Figure 11**).

Figure 11. Virginia Private Health Insurance Employee Annual Premiums & Deductibles for Single & Family Coverage, including Percent Growth, 2019 & 2024



Examining growth rates for insurance premiums over a longer period, the cumulative growth in both single and family annual premiums in Virginia has outpaced underlying private health insurance spending (**Figure 12**). By 2024, total personal health care spending for private insurance enrollees had increased 79.0% from 2008 spending – a significant rate of cumulative growth that is less apparent in the more gradual year-over-year trends (see **Figure 1** for the year-over-year trends). As shown below, single premiums plus deductibles were 105.4% higher, and family premiums plus deductibles were 120.8% higher in 2024 compared to 2008. This divergence between premium growth and underlying health care spending suggests that factors beyond service utilization have been contributing to rising costs for consumers (e.g., administrative costs and benefit design).

Figure 12. Cumulative Growth in Private Health Insurance PHC Expenditures, Virginia Single & Family Premiums, 2008–2024



For individual coverage purchased on the state's health insurance exchange, Virginia's Insurance Marketplace, annual premiums in 2024 were lower than the national average by 22.2% (\$5,724 vs. \$4,452; **Table 1**). Individual premiums in Virginia peaked in 2019 at \$6,660 and have been declining ever since (**Figure 13**, derived from **Table 1**) – a trend that may be related to pandemic-era premium supports and the Commonwealth Health Reinsurance Program (CHRP), which was launched in 2023. The national trend for insurance marketplaces has been a bit different, with the average annual premium peaking in 2018 at \$5,772 and then remaining relatively stable ever since. Unlike employer-sponsored private insurance, Virginia's Insurance Marketplace plans are highly subsidized, resulting in a very different picture of growth than illustrated above in **Figure 12**. That said, as noted in last year's report, some experts, including the head of the KFF (formerly known as the Kaiser Family Foundation), have suggested that health insurance costs for private employers are increasingly unaffordable, particularly for small employers.¹¹

Figure 13. Virginia & National Year-over-Year Percent Growth in Marketplace Annual Premiums, 2015–2024

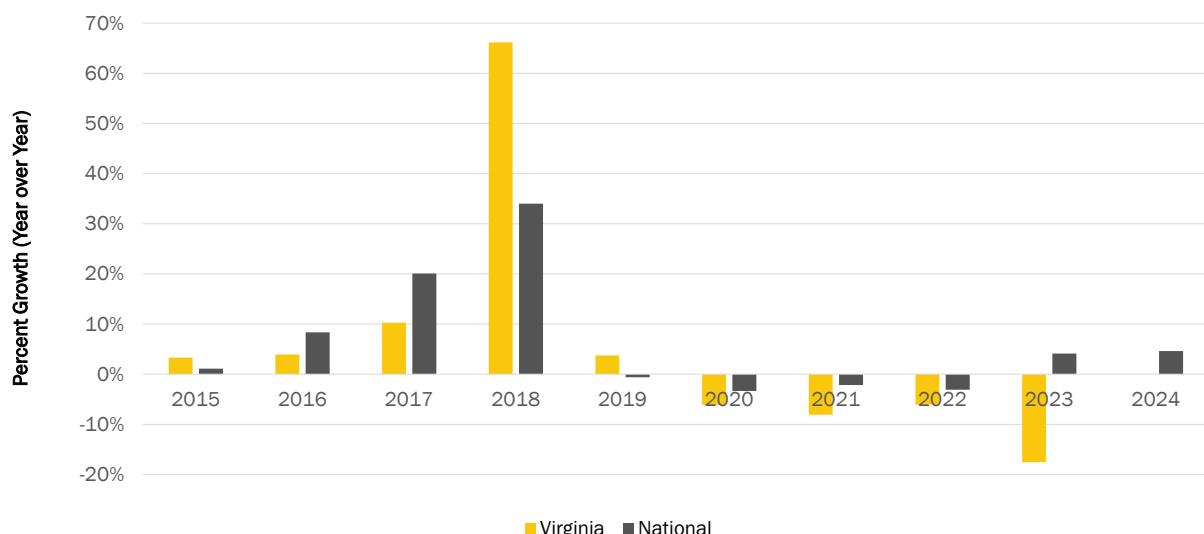


Table 1. Virginia & National Average Marketplace Annual Premiums, 2014–2024 *

Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Virginia	3,264	3,372	3,504	3,864	6,420	6,660	6,252	5,748	5,400	4,452	4,452
National Average	3,276	3,312	3,588	4,308	5,772	5,736	5,544	5,424	5,256	5,472	5,724

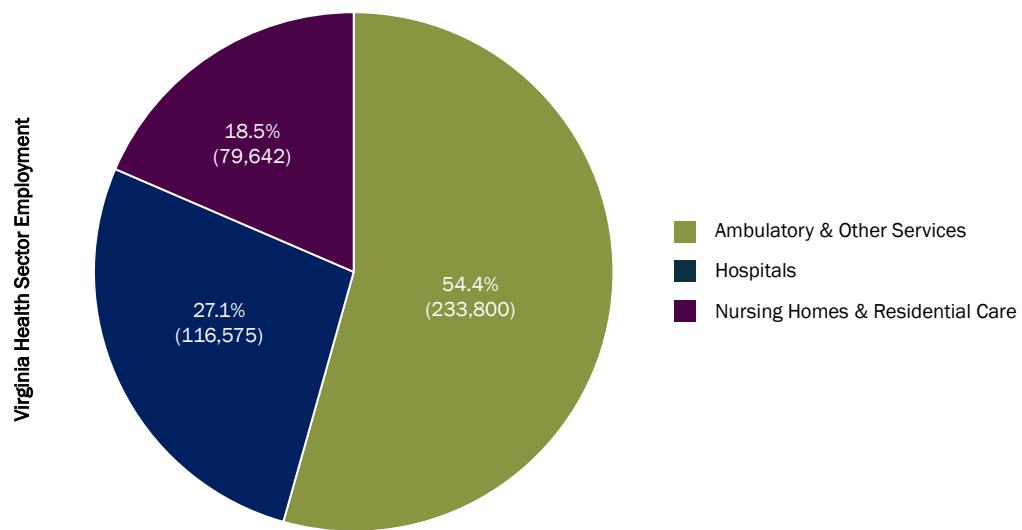
* Source: Marketplace average monthly benchmark premiums. KFF. Undated. Link (last accessed January 20, 2026): <https://www.kff.org/affordable-care-act/state-indicator/marketplace-average-benchmark-premiums/>

¹¹ Altman D. Family health insurance is no longer affordable through small employers. KFF. November 28, 2023. Link (last accessed January 20, 2026): <https://www.kff.org/from-drew-altman/family-health-insurance-is-no-longer-affordable-through-small-employers/>

Virginia Health Sector Employment

At the end of 2024, the Commonwealth's private sector employed more than 3.4 million Virginians – about 12.7% (430,017) of whom worked in the health sector, an increase from 9.0% in 2023.¹² This increase reflects continued growth in health sector employment following the COVID economic recovery period. Among private-sector health care employees in Virginia, 54.4% (233,800) worked in ambulatory and other services, 27.1% (116,575) worked in hospital settings, and 18.5% (79,642) worked in nursing homes and residential care settings (Figure 14). This distribution was echoed at the national level (data not shown).

Figure 14. Virginia Private Health Sector Employment, Q4 2024



¹² Governor Glenn Youngkin announces March jobs numbers support Virginia's economic momentum. Commonwealth of Virginia. Governor of Virginia. April 19, 2024. Link (last accessed January 15, 2026): <https://www.governor.virginia.gov/newsroom/news-releases/2024/april/name-1025868-en.html>

As illustrated in **Figure 15**, employment in different health care sectors recovered from the COVID pandemic at different rates. Private employment in Virginia's hospitals, ambulatory services, and nursing/residential home care continued to grow in 2024, with year-over-year growth rates of 4.8% (up from 4.4% in 2023), 5.2% (up from 4.5% in 2023), and 6.4% (slightly down from 6.6% in 2023), respectively (derived from **Table 2**). These trends were similar to national health care employment, with year-over-year growth hovering around 4.5% across the ambulatory services, hospital, and nursing/residential care sectors from 2022 to 2024.

Figure 15. Virginia Private Health Sector Employment Cumulative Growth by Major Category, 2019–2024

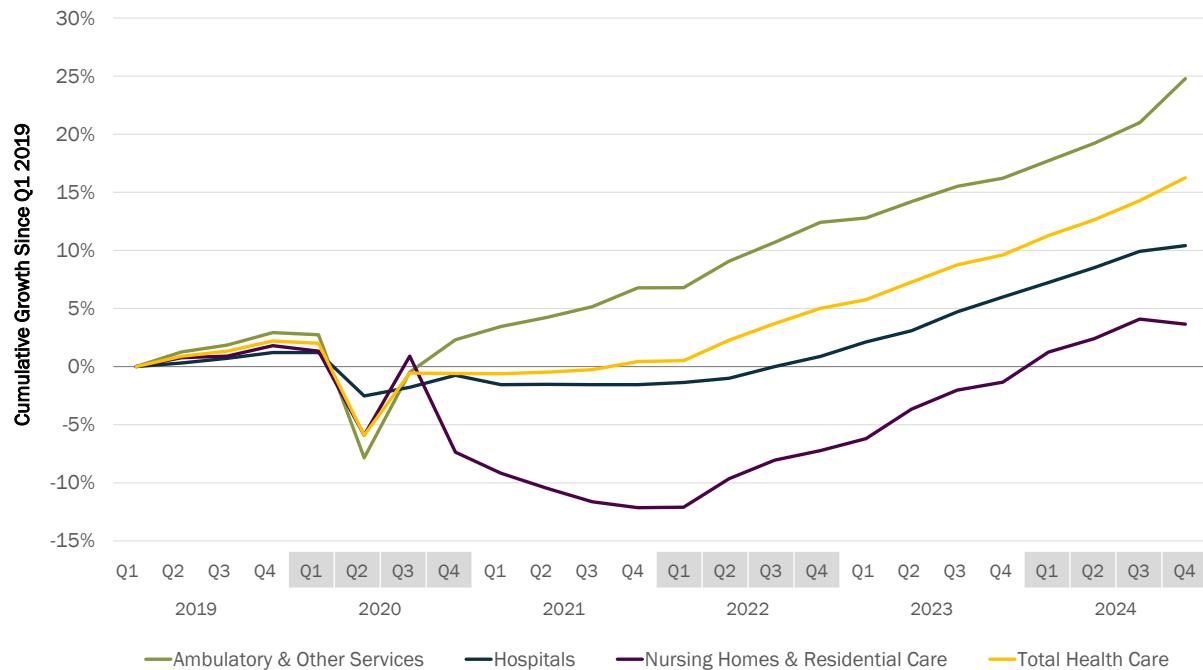


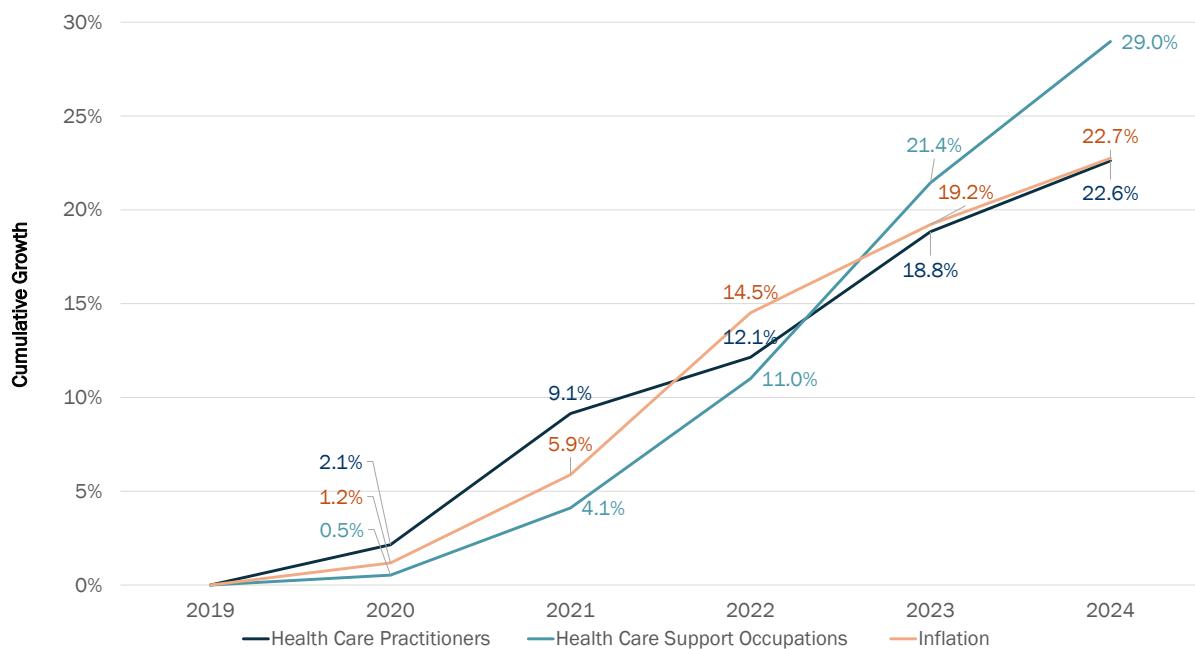
Table 2. Virginia Private Health Sector Employment by Major Category (in Thousands), 2019–2024 *

Category	2019	2020	2021	2022	2023	2024
Ambulatory and Other Services	190.2	185.8	196.5	205.6	214.8	226.1
Hospitals	107.5	105.9	105.2	106.5	111.1	116.5
Nursing Homes and Residential Care	78.1	73.8	69.0	70.2	74.8	79.6
Total Health Care	375.8	365.5	370.9	382.4	400.9	422.3

* Source: BLS Data Finder 1.1. U.S Bureau of Labor Statistics (BLS). Undated. Link (last accessed January 20, 2026): <https://data.bls.gov/dataQuery/find?st=0&r=20&fq=cg:%5bIndustry%5d&more=0&fq=cc:%5bEducation+and+Health+Services%5d>

Average health care wages in Virginia continued to increase in 2024, largely mirroring the national pace of inflation growth. From 2019 to 2024, inflation increased by 22.7% while wages for Virginia health care practitioners grew by 22.6%. The related category of health care support occupations (e.g., nursing assistants, home health aides) outpaced the increase in inflation, rising by 29.0% over this same period (**Figure 16**).

Figure 16. Cumulative Inflation & Wage Growth in Virginia Health Sector Occupation Categories, 2019–2024 *



* Source for inflation data: Consumer Price Index for all urban consumers: All items in U.S. city average (CPIAUCSL). U.S. Bureau of Labor Statistics. Retrieved from FRED, Federal Reserve Bank of St. Louis (MO). December 2025. Link (last accessed January 20, 2026): <https://fred.stlouisfed.org/series/CPIAUCSL#>

Conclusion

Annual personal health care (PHC) spending in Virginia continued to grow in 2024, reaching \$101.0 billion by year's end – 9.9% higher than in 2023 (\$91.9 billion). This growth slightly outpaced the national percentage growth from 2023–2024 of 7.2%.¹³ Continued growth in PHC spending represents a potentially unsustainable trend that will put pressure on individuals and households to make difficult choices between premiums and out-of-pocket costs for health care and their other spending needs. Absent policy interventions that address affordability, workforce capacity, and the drivers of premium growth, these trends may become increasingly difficult for households, employers, and public programs to sustain.

Health care is a growing segment of the overall Virginia economy, increasing from 13.6% of GDP in 2019 to 16.5% of GDP in 2024. Although Virginia is still below the national level (18.0%), the gap is narrowing. Per capita health care spending in Virginia increased from \$10,541 in 2023 to \$11,294 in 2024, but remained well below the 2024 national average of \$13,237.

In terms of specific spending components, Virginia residents spent less than the national average for many health care categories, including 16.3% less for hospitalizations (\$4,119 vs. \$4,921) and 24.5% less for prescription drugs (\$1,402 vs. \$1,856). Monitoring spending by category will be especially important as CMS phases out the Medicare Inpatient Only List over the next three years under the Hospital Outpatient Prospective Payment System final rule for 2026.¹⁴ As a result, we anticipate a significant increase in outpatient spending in the coming years.

While average PHC spending per capita and private health insurance spending per enrollee in Virginia were well below the national averages, premiums for private health insurance remained high for the individual and family markets. In fact, between 2008 and 2024, cumulative growth in annual premiums plus deductibles in the Commonwealth was much faster for both single (105.4%) and family premiums (120.8%) than for the underlying spending on PHC (79.0%).

The impact of Medicaid redetermination was evident in the 11.1% year-over-year decrease in Medicaid enrollment between 2023 and 2024.¹⁵ Despite this drop, spending for Medicaid increased 7.6% over the same period. This is a pattern worth monitoring. Although it may represent a natural adjustment as enrollees realign to different payers, it also could represent increased demand for Medicaid's long-term care services. Other trends to watch include reduced out-of-pocket costs (after provisions of the U.S. Inflation Reduction Act of 2022 took effect in 2025) and the increasing use of post-acute and community-based services.¹⁶

¹³ Hartman M, Martin AB, Lassman D, Catlin A. National health care spending increased 7.2 percent in 2024 as utilization remained elevated. *Health Affairs*. January 14, 2026. Link (last accessed January 20, 2026): <https://doi.org/10.1377/hlthaff.2025.01683>

¹⁴ Calendar year 2026 Hospital Outpatient Prospective Payment System (OPPS) and ambulatory surgical center proposed rule (CMS-1834-P). U.S. Centers for Medicare & Medicaid Services (CMS). July 15, 2025. Link (last accessed January 20, 2026): <https://www.cms.gov/newsroom/fact-sheets/calendar-year-2026-hospital-outpatient-prospective-payment-system-opps-and-ambulatory-surgical>

¹⁵ September 2024 Medicaid & CHIP enrollment data highlights. U.S. Centers for Medicare & Medicaid Services. December 27, 2024. Link (last accessed January 8, 2025): <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html>

¹⁶ McGough M, Telesford I, Winger A, Cotter L, Cox C. How much is health spending expected to grow? Peterson Center on Healthcare and KFF. August 4, 2025. Link (last accessed January 20, 2026): <https://www.healthsystemtracker.org/chart-collection/how-much-is-health-spending-expected-to-grow/>

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Appendix – Report Methodology

The following methodology was defined by Altarum in their January 2024 report, “[Tracking Virginia’s 2022 Health Care Spending and Employment Trends](#),” and originally authored by Samuel Obbin, MS; Corwin Rhyan, MPP; and Matt Daly, PhD. The methods described below were leveraged to obtain the 2023 values in this report and were followed when working with the historical data (with the exception of the slightly varied approach to estimate Medicaid personal health care spending in 2023 and after, which is discussed further below). This report was funded by the Virginia Hospital and Healthcare Association (VHHA).

Virginia Health Sector Spending

CMS National Health Expenditure Accounts Benchmarking

The state-level analyses in this report use methods that are consistent with and build upon the [CMS National Health Expenditure Accounts](#) (NHEA), which are widely used and trusted by health economists and health sector experts. The NHEA contain data at the national level (updated annually) and state level (updated every four or five years), data by payer, data by spending category, and data for specific demographic groupings (e.g., age, sex). Also included in the NHEA are projections of future national health sector expenditures, which are updated annually. Despite their reliability, official NHEA data are released with a significant time lag, particularly at the state level; for example, the most recent data at the time of writing are available only through 2020.

Accordingly, this report directly incorporates and benchmarks to CMS NHEA data whenever available and subsequently builds on those data to generate estimates of spending for 2024, which were not yet available in the NHEA data. When subsequent releases of NHEA data become available, this approach makes it possible to re-benchmark this report’s findings and build estimates for new periods not yet available from CMS. All category definitions, populations, and spending estimates in this report align with the CMS definitions used in the NHEA. Details on the NHEA methodology and how it compares to other health sector spending estimates are available from the [NHEA](#). For Virginia’s health spending trends, we benchmark to the state-level NHEA data available from 2008 through 2020 for total spending by health category, spending by payer, and spending per enrollee for each of the three major insurance types (i.e., commercial/private, Medicaid, Medicare). NHEA data on state health spending trends are provided in two variants based on (1) residence and (2) provider location; we use [data by residence](#) for this report.

To estimate future periods of data while also benchmarking to the CMS NHEA state-level data through 2020, we use other data sources to calculate year-over-year growth rates for subsequent periods in categories and series that are comparable to the official NHEA statistics. For example, data from the [Virginia APCD](#) and data from [state-level gross domestic product \(GDP\)](#) and [National Income and Product Accounts \(NIPA\)](#) sources are used to calculate year-over-year growth rates, which are then applied directly to the base year (2020) CMS NHEA estimates. This approach is made separately and independently for total state spending, spending by category, spending by payer, and enrollment by payer. This approach ensures that estimates for future periods are consistent with the NHEA data and that there are no discontinuities between the official NHEA data and the more recent periods in this report, which rely instead on U.S. Bureau of Economic Analysis (BEA) and APCD data.

Some estimates of health expenditures that are available at the national level are not available in the CMS state-level data (or differ slightly from the national data). For example, state NHEA data do not include estimates of spending beyond personal health care (PHC) expenditures, nor do they directly contain estimates of total spending or spending per enrollee by less prominent insurance types (e.g., military health systems, Indian Health Service) or for the uninsured. Generally, when CMS spending data are not available, this report does not include estimates of those components.

The benchmarking approach discussed above also applies to estimates of enrollment by major insurance types in the state, using CMS data through 2020. This report remains as consistent as possible with NHEA population data, including its approach to classifying individuals reported with multiple insurance types. Details on the approach used to estimate enrollment for 2021–2024 is described below and relies primarily on American Community Survey data from the U.S. Census Bureau.

Population & Health Insurance Enrollment Estimates

Data used to estimate Virginia enrollment by insurance type incorporate data from the American Community Survey (ACS) and official Medicaid enrollment data. Single-year ACS data on health insurance status were obtained from KFF's State Health Facts ("Health Insurance Coverage of the Total Population") through 2023 and directly from the [U.S. Census Bureau](#) for 2024. Growth rates were calculated based on the ACS/Census data and applied to State Health Expenditure Accounts (SHEA) data from CMS to estimate the number of Virginia residents insured by each payer type. Note that while the ACS allows respondents to flag multiple insurance types, this approach does not double-count enrollees since only the growth rate from the ACS is applied to the benchmark CMS enrollment data. Individuals with private insurance include both those who reported receiving insurance directly from their employer and those who purchased insurance directly from an insurance company during the year.

For Medicaid enrollment, this report uses KFF data on enrollment by state ("Total Monthly Medicaid & CHIP Enrollment and Pre-ACA Enrollment"), again applying year-over-year growth rates from this data to the benchmark CMS NHEA Medicaid enrollment counts. This yields a more accurate count of Medicaid enrollment growth, particularly for 2019–2024, when enrollment expanded greatly after Virginia passed Medicaid expansion in 2018.

Personal Health Care (PHC) Spending Estimates

Private Health Insurance

Total health spending and spending per enrollee for those with private health insurance in this report benchmark to CMS NHEA estimates of spending by private health insurers. The primary data source used to build on the CMS NHEA data, which currently ends with 2020, is data on private health insurance spending captured in the medical claims contained within the [Virginia All-Payer Claims Database](#). Importantly, this report uses this data only in combination with the enrollment data described above to estimate spending trends in private health insurance. This is done by estimating trends in the APCD for health spending per private insurance enrollee over time and then multiplying this data on spending per enrollee by the enrollment data from the ACS to estimate total year-over-year growth trends for Virginia's private health insurance spending. Spending per enrollee is calculated using APCD data on a monthly basis based on the sum of health expenditures in the four major claim types (i.e., inpatient, outpatient, prescription drugs, professional) and then dividing the result by the number of enrollees in that month's APCD enrollment data.

This approach incorporates the APCD data into this report's health spending estimates rather than simply using total spending from private insurers directly from the APCD (since the APCD does not capture information for all individuals with private insurance in Virginia). For example, individuals covered by a self-insured employer are potentially missing from this data since those entities are not required to submit their claims to the APCD. The absence of self-funded data is particularly noticeable for periods following March 2016, when the U.S. Supreme Court ruled that such reporting is optional in its *Gobeille v. Liberty Mutual Insurance Co.* decision. Moreover, the number of submitters and enrollees covered by the APCD can vary over time. Therefore, the approach of using monthly computations of total spending and enrollment helps to compensate for changes in enrollment over the year and for the potential loss of submitters over time in a way that does not bias this report's estimates of total spending.

Following the steps described above, the monthly data on per-enrollee spending were combined via averaging into quarterly data and annual data and applied to the enrollment counts discussed in the prior section to estimate total spending. Some monthly data series derived from the APCD (e.g., private health insurance prescription drug spending in later periods) required smoothing to estimate year-over-year spending growth trends; where necessary, this was done using an 18-month trailing average.

Medicaid

An identical approach to the one used for PHC spending in the private insurance data was applied to estimate spending by Medicaid in Virginia for the periods building on the 2020 CMS benchmark data. Although the concerns about total spending computed using APCD data for Medicaid are less significant (since, unlike those with private insurance, nearly all Medicaid enrollees are expected to be covered by APCD submitters), the same approach is used to ensure consistency between the Medicaid and private health insurance reporting.

As noted above, Onpoint Health Data followed the methodology defined in Altarum's January 2024 [health care spending report](#) to obtain the 2023–2024 data points in this report. Onpoint also was given a limited data set derived from the Virginia APCD, which excluded any details (e.g., first name, last name, Social Security number, plan ID) that could be used to identify specific members in the APCD for enrollment and claims in 2021–2024. When calculating 2023–2024 Medicaid PHC estimates for professional, inpatient, and outpatient spending in the APCD, Onpoint observed 20%–50% higher monthly spending, by category, when compared to the overlapping years in Altarum's report for 2021 and 2022. This variance was due to plan-level exclusions that Altarum applied to the medical data due to outlier spending within specific Medicaid plans that had very few enrollees but very high spending (i.e., several months with no spending followed by months with large payments likely due to bulk Medicaid payments). Due to the unavailability of plan IDs in the APCD data provided to Onpoint, this same exclusion methodology could not be followed for 2023–2024 data. To reduce distortion caused by outliers, Onpoint therefore excluded individuals who contributed to the top 1% of Medicaid spending when determining 2023–2024 per-member-per-month (PMPM) rates to approximate Altarum's exclusion of members enrolled in bulk payment Medicaid plans and ensure consistency in reporting.

For Medicaid, an additional step was taken to include available data from CMS on spending trends ("Budget State & Expenditure Reporting for Medicaid and CHIP") collected via CMS-64 forms, which are used by states to report their quarterly Medicaid program benefit costs and administrative expenses to CMS. This data, which measures trends in total spending by the

Virginia Medicaid program, also is likely to be strongly predictive of the official CMS-reported health sector spending as a supplement to the data reported to the APCD.

To estimate total Medicaid PHC spending and spending per enrollee, we blend two separate estimates of Virginia Medicaid spending over time – one generated from the APCD approach described above and one directly from estimates in spending growth by the Medicaid program using the CMS-64 data. These data are blended by computing annual growth rates and then using a simple average of the two approaches to estimate Virginia health spending from the NHEA 2020 benchmark year.

Medicare

This report's approach to estimating total PHC expenditures for Medicare differs from the above approaches since comprehensive Medicare claims were not available in the APCD for all necessary time periods at the time of analysis. Medicare estimates, therefore, are based on "Gross Domestic Product by State" data from the U.S. Bureau of Economic Analysis (BEA), which details the size of government transfer payments to state residents for Medicare benefits.

Spending by Personal Health Care Category

Independent of the spending estimates by payer, this report also estimates spending by the major NHEA health expenditure categories for Virginia, including physician and professional services, hospital services, nursing home and residential care services, and prescription drugs. Results by category are generated using the underlying year-over-year growth trends in the data for each payer attributable to each NHEA category and mixed using averages that are weighted by the volume of enrollment in each insurance type. The categories in the underlying data are attributed in varying ways depending on the category and data source. For example, data from the Virginia APCD for private insurance and Medicaid are attributed based on claim type – inpatient claims are attributed to hospital spending, professional claims to physician and clinical spending, and prescription drug claims to prescription drug spending – and data from the Medicaid CMS-64 forms are attributed based on the listed category of spending. The overall Virginia growth rate from these combined data for each category is then applied to the base year (2020) CMS NHEA spending by category to calculate the 2021–2024 spending estimates.

Also incorporated into the health spending category estimates are state-level personal consumption expenditures (PCE) data from the BEA's Regional Economic Accounts for the following settings: Hospitals, nursing and residential, and ambulatory services. A simple average is used to combine the year-over-year growth rate estimate derived from the state-level BEA data and the data directly from the APCD, Medicaid, and Medicare sources. The blended growth rate is then applied to the CMS NHEA data. Details on the differences between the spending category estimates derived from the blended payer data and the growth estimates reported directly from the BEA personal consumption expenditures data are available upon request.

Additionally, to generate estimates of total Virginia PHC expenditures for 2024, data on spending growth for those not covered by the three major insurance types were required. An estimate of this aggregate PHC spending was computed directly from the BEA's Virginia personal consumption expenditures data for health care services and then blended with the data described above for the three major payer types. This "other" category is used to estimate spending both from other sources and on categories not described above.

Virginia Health Sector Employment

Data on health care employment is taken directly from the U.S. Bureau of Labor Statistics (BLS) Current Employment Statistics (CES) data for Virginia. CES data are available directly for all categories used in this report. For this report, monthly data was averaged to generate quarterly and annual data. While state-level data are available only in the “Not Seasonally Adjusted” data series, this has minimal impact on this report’s findings since seasonal trends in health care employment typically are very slight.

This year’s report includes additional analyses of health employment and wage trends by occupation from the BLS Occupational Employment and Wage Statistics program and findings from the U.S. Census Current Population Survey.

Virginia Private Health Insurance Cost Trends

Data on private employer health insurance premiums are calculated based on the Agency for Health Research and Quality (AHRQ) Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) and KFF Employer Health Benefits annual survey data for 2024. MEPS-IC data track and allow for the comparison of private health insurance premiums and plan characteristics (e.g., deductibles) for individuals with coverage from a private-sector employer across the United States and for specific states. In 2022, data from the MEPS-IC Virginia survey respondents showed abnormally disparate survey response values and data that did not align with national and regional trends. As a result, for 2022 individual and family premiums, data from the KFF Employer Health Benefits annual survey were supplemented with MEPS-IC to estimate 2022 premiums. Data on the “South” region for all insurance plan types (e.g., HMO, PPO, POS) in the KFF report’s Figure 1.4 (“Average Monthly and Annual Premiums for Covered Workers, by Plan Type and Region, 2022”) were applied to 2021 data to estimate Virginia’s 2022 premiums.



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