

US Health System Most Expensive in The World



By
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The US health system is the most regulated in the world. It spends about 15% of GDP or 3925 \$ per person. However, about 20% of the population have no medical insurance. The Lebanese health system is highly fragmented and probably the least regulated. The total expenditure on health is about 12.3% of the GDP, among the highest in the region, the per capita expenditure on health is about 600 US dollars per person. In Lebanon, about half the population have no medical insurance coverage.

The most expensive in the world, the American healthcare system is also riddled with problems and contradictions. In short, the American system is a work in progress, driven by a disparate array of interests with two goals that are often in conflict: providing healthcare to the sick, and generating income for the persons and organizations that assume the financial risk.

The government's annual bill for healthcare spending -- \$3,925 per person -- significantly exceeds that of other nations, because physicians' salaries and hospital costs are higher, and medical technology is more widely used.

The transfer of funds among federal and state Medicare and Medicaid programs is another important component of national healthcare spending. The American healthcare

system is at once the most expensive and the most inadequate system in the developed world.

United States

The United States is the only wealthy, industrialized nation that does not have a universal health care system. The government directly covers a little over one-quarter of the population through health care programs for the elderly, disabled, military service families and veterans, children, and the poor

Government does this through a series of plans including:

- Centers for Medicare and Medicaid Services
- Medicare
- Medicaid
- TRICARE
- Department of Veterans Affairs (VA)

- State Children's Health Insurance Program (SCHIP), and
- Federal Employees Health Benefit Plan

While the Private sector has also multiple plans namely:

- Health insurance in the United States
- Health Maintenance Organization (HMO)
- Managed Care
- Medical underwriting
- Preferred provider organization (PPO)
- Others

The Federal law ensures public access to emergency services regardless of ability to pay. However, this unfunded mandate has contributed to a health care safety net that some analyses say is increasingly strained. Certain types of medical spending and particularly health insurance benefit from significant tax

subsidies; in particular, employer-sponsored health insurance is a non-taxable benefit. In all, government spending accounted for 45.1% of total health spending in the U.S. in 2005.

In the 1880s, most citizens in Germany became covered under the mandatory health care system championed by Bismarck.

Current estimates put U.S. health care spending at approximately 15% of GDP, the highest in the world. Despite this, only an estimated 84.2% of citizens have some form of health insurance coverage, either through their employer, purchased individually, or through government sources. The number of uninsured increased from 44.8 million to 47.0 million from 2005 to 2006. One study estimates that about 25% of the country's uninsured, or roughly another 11 million people, are eligible for government health care programs but unenrolled. However, extending coverage to all who are eligible remains a fiscal challenge.

In 2003, approximately 61 million adults, or 35 percent of individuals ages 19 to 64, had either no insurance, sporadic coverage, or insurance coverage that exposed them to high health care costs. Employers that do provide insurance, on average, spend between 4.6 and 8.7% of their payroll in health insurance premiums. The cost of health care premiums is rising much faster than the general rate of inflation or employee wages. Since 2001, premiums for family coverage have increased 78%, while inflation has risen 17% and wages have risen 19%, according to a 2007 study by the Kaiser Family Foundation.

In the absence of a national program, universal health care is being attempted at more local levels. The Commonwealth of Massachusetts is

implementing a near-universal health care system by mandating that residents purchase health insurance by July 1, 2007. The City of San Francisco is also undertaking a universal health care system for uninsured residents. California, Maine, Vermont and Hawaii are also considering or seeking to implement universal or near-universal systems.

There have been numerous proposals to stimulate the current system into extending coverage more universally, rather than through a more comprehensive restructuring. For example, since most Americans with private coverage receive it through employer-sponsored plans, many have suggested employer "pay or play" requirements as a way to increase coverage levels. However, one study suggests that current pay or play proposals are limited in their ability to increase coverage among the "working poor". The study's criticisms of these proposals included the observations that they generally exclude small firms, do not distinguish between individuals who have access to other forms of coverage and those who do not, and increase the overall compensation costs to employers. One study that examined several such market-based reform packages concluded that if market-oriented reforms are not implemented on a systematic basis with appropriate safeguards, they have the potential to cause more problems than they solve.

In the UK, doctors are allowed to provide services outside the government system

Others have proposed premium subsidies to help individuals purchase their own health insurance as a way to increase coverage rates. Research confirms that consumers in the individual health insurance market are sensitive to price. Estimates of the demand elasticity in this market vary. It appears that price

sensitivity varies among population subgroups, and is generally higher for those at younger ages and lower incomes. However, research also suggests that subsidies alone are unlikely to solve the uninsured problem in the U.S.

The United States is the only wealthy, industrialized nation that does not provide universal health care. In the 1880s, most citizens in Germany became covered under the mandatory health care system championed by Bismarck. The National Health Service (NHS), established in the United Kingdom in 1948, was the world's first universal health care system provided by government. Universal health care is provided in most developed countries and in many developing countries.

in Canada, some services can be offered and some cannot.

Universal health care refers to government programs intended to ensure that all citizens, and sometimes permanent residents, of a governmental region have access to most types of health care. Patients may pay for some portion of their care directly, but most care is subsidized by taxpayers and/or by compulsory health insurance.

Universal health care programs vary widely in their structure, funding mechanisms, and the level and nature of the government's involvement. Some government health care systems allow private practitioners to provide services, and some do not. In the UK, doctors are allowed to provide services outside the government system; in Canada, some services can be offered and some cannot.



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