

Major drivers of health care spending health essay

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[Student Name][Instructor's Name][Course Name]What are the major drivers of the rise in health care spending? How will the ACA affect these areas?

Major Drivers of Health Care Spending

Health care spending in United States has been increasing in fast growing rate. As compare to 1980 when the health care cost was \$256 billion. It has been increased now with \$2. 6 trillion in 2010. The cost was increased by tenth times from the past. The major driving forces behind it are following.

Technological advancement

The health care increasing rate of spending on the technology increase the cost on health care in great extends. New and updated technology is trying to provide in healthcare institutes in order to meet the increasing demand of the population. For example due to lack of integration between the medical system over treatment or repetitive reports and test cause waste of resources so medical system trying to update the record system that meet the technological needs and provide the integrated system of health care. The technological advancement is one of the major drivers of health care spending.

Increased chronic diseases

Increasing number of chronic diseases is also a large driving force as the chronic diseases are increasing in continuous basis the major reason of increased in chronic diseases are fatness and overweight. To prevent from theses diseases the government spending on the preventive tools is increasing as well. The changing nature of these diseases also provokes the spending to find out the preventive tools to coop with theses diseases.

Administrative cost

Increases administrative cost also fueling the over head cost and one of the major contributing drivers of health care spending as it is the 7% of all the cost spend on health care. The cost to manage the system is increasing with increased demand for the health care benefits. Expenditures on health care is increasing with increased population demand and increasing number of diseases that needs to be managed properly. It needs the increased expenses on administration as well.

Large number of health care options

We don't know mostly that which option of health care is better that has the potential to cure our diseases so we always try to take each and every option to save our lives especially from death starving diseases. So more use of health care system increase the expenditures on health care and considered as important contributor in driving health care cost.

Large number of specialists

In US there are large number of specialist as compare to general health practitioner and practiced nurses to provide the better coverage for patients. The specialist needs advanced training and in return they are highly paid as compare to other general practitioner and drive much spending (Appleby, 2012).

Question 2

How can health care be made more affordable without limiting access to necessary care?

Health care can be made affordable through different reforms important to afford the health care without limiting the necessary care. 1-The repetitive tests and reports prescribed by the doctors in order to quantify the defensive medicines increase health care cost. Fraudulent billing can be seen in this case that causes an increase in the health care cost. Repetitive tests and fraudulent billing must need a close consideration in order to reduce the cost. Proper record of tests and reports of individual can control this problem. 2- Control on insurance company's abuses can be a great action against the increased cost. Insurance companies should be closely monitored in order to coverage to children with existing conditions, protect the rights of getting health care service from insurance that is allotted to the customers by the legal system. 3- Transparency in health care institutes well as in insurance companies is very important to get the rights associated with the person and to get rid from additional cost that one has to face when non-transparent policies and procedures have been followed. 4-More the competition will exist, more the health care prices charged by the companies will be reasonable. If the companies and institute related to health care merge with mergers, acquisitions or joint ventures and create their monopolies the costs and prices may go up to a large extent. Competitions should be promoted in the market in order to get rid from the high prices charged from these big giants. 5- Implementation of IT system can be the one-time investment that benefits in long run help in receiving the benefits in future (Palangkaraya & Yong, 2009).

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Question 3

What role should government play in controlling increases in the cost of care and the cost of health coverage? What different choices do state and federal policymakers have in containing costs?

Government has the leading role in cost control process by ensuring the effective reforms in the country. Government should ensure the transparent system in health care in order to control the rise in cost of the country. Government should regulate a proper and healthy health insurer plan in order to meet the needs of people with insurance coverage and to secure them from insurance industry abuses. Government should protect the country from the monopoly of some company and ensures healthy competition among the health care institutes in order to control the high prices. Government should ensure the quality system in the health care and implement total quality management system that ensures the error free work, because there is no chance for mistakes in health care sector. Large numbers of lives if people depend on it. Funding should be made in the productive departments and restrict from the unimportant funding. There should be the system to ensure the coverage to those who need it at most (Connolly, 2009).

Difference of choices

State government has focused on promoting primary care and quality and reduction of cost which will help in coordinate the primary care and to promote the education about health care so that people get aware from health care conditions and prevent the people from spending more in healthy lifestyle and costly emergency room and duplication of various

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services. In this way demand for costly health care services can be controlled and resources are utilized in productive way (Dodge & Dion, 2011). At federal level reforms are needed and laws regarding transparency of health care institute and restriction of insurance company's abuses should be promoted e. g. Affordable Care Act (ACA) of 2010.

Question 4

What is the responsibility of individuals in the cost of their care? Are health savings accounts and high deductible insurance policies an approach that should be expanded? What are the concerns for low-income individuals?

Answer

Individual must get the education and knowledge about health care reform in order to properly manage and utilize their rights related to health care and to get secured from costly health care services and charges offered by different institutes. People should take care of their health by timely visits to doctor. Otherwise disease becomes serious and to cure that disease become more expensive than proactive disease procurement. People should avoid to the costly emergency rooms and duplicated visits of hospital to avoid useless spending but if needed. High deductible insurance policies are the insurance plan which has low premium and high deductibles as compare to traditional insurance plan. Health savings account is the medical account with tax advantage given to the people who are enrolled under high deductible insurance plan. These approaches increase the health care efficiency and reduce the increasing cost of health care. It is beneficial for the people to raise their savings for future healthcare expenses. Although there is criticism

against this approach that tax should be deducted on all the medical expenses of all people not only for those who have saving because in this way low income group can not enjoy these benefits of tax deductions and only high income group can get those advantage. Low income group can not manage with this health saving accounts because of low capacity to meet high deductibles on the account (Canadian Institute for Health Information, 2011). High deductible insurance policies has over all good impact on the consumers satisfaction and saving from rice in cost but it needs improvement and reforms should be taken so that low income group can also take benefits from these plans.