

# The various government roles in health care

[Health & Medicine](#), [Healthcare](#)



In this new report MGI finds that the United States spends approximately \$480 billion (\$1,600 per capita) more on healthcare than other OECD countries and that additional spending is not explained by a higher disease burden; the research shows that the US population is not significantly sicker than the other countries studied.

Robert Frank, a Cornell economist, has proposed new ways of overcome the opposition to some kind of government- (and therefore taxpayers-), funded solution to the problem. He has put his finger on the two main obstacles to major change in the current system, insurance company opposition and higher taxes.

He suggests that insurance companies, who have acted in good faith to respond to incentives provided by the market, could be subsidized for their losses while their managements shift their health insurance strategies, perhaps to provide only supplemental private coverage. A portion of the \$280 billion in annual savings suggested above could be used for this purpose.

Booz Allen Hamilton recently sponsored a panel discussion on “ The Federal Government's Role in Medical Innovation.” The panel focused on federal programs, regulations and policies that can reduce barriers and foster innovation in healthcare delivery and medical product development in the United States.

Participating on the panel and in the audience discussion were leading experts from payer, provider, and lifesciencecompanies in the biotechnology and pharmaceutical sectors, as well as key policy makers and staff from

government agencies. While participants acknowledged the challenges, they agree that government should play a continuing role—and, in some instances, a strengthened role—in promoting innovation in several key areas.

Providing targeted funding to support development of product and service innovation at junctures where private funding is inadequate. Also with the facilitating collaboration by setting standards for information exchange and leading selected cross- sector initiatives. And with the developments of regulations and policies that incentivize innovation and promote the dissemination and widespread use of models, technology, and products that demonstrate measurable gains in healthcare quality, efficiency and outcomes.

The real bottom line is that the government is trying to cut billions of dollars from the federal government's spending bill and healthcare is one of the leading costs for the government funding. The insurance companies, who have respond to incentives provided by the market, subsidize for their losses while their managements shift their health insurance strategies, perhaps to provide only supplemental private coverage.

Without the out front cost labeled as new taxes for the American citizens so it is being curved by the new healthcare plan that all Americans families must buy into to receive healthcare that is labeled as affordable, but to many Americans at is add cost that we just cannot afford with today economy. This would be a saving of \$280 billion in annual that could be used for other purposes.