

Health care spending paper

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Spending The national health care spending in the United States has been growing faster than the national economy for many years, yet many United States citizens are without sufficient health care. Not only is it representing a challenge not only for the government's two major health insurance programs (Medicare and Medicaid), but with the private sector insurance also. As health care spending rises for the nation's economic production in the future, United States citizen may/will be faced with difficult choices between health care and other priorities to their everyday living.

Nevertheless, an assortment of data suggests that opportunities exist to limit health care costs without unfavorable health consequences. More information on the following including, The level of current national health care expenditures; Whether the spending is too much or not enough; Where the nation should add or cut, and why; How the public's health care needs are paid for, such as being financed by various payers, while indicating the percent of total expenditures they represent.

According to " White House Washington" (2011), " Controlling health spending is significant for the economic health of the United States. For example, health care spending today consumes 30 percent more of state and local budgets than it did 20 years ago, forcing governments to choose between cutting services and raising taxes. The Council of Economic Advisors released a report on the impact of health care spending on the federal government. It found that if we do nothing by 2019, * Health care expenditures will be 21 percent of GDP—one fifth of our economic output. Spending on Medicare and Medicaid will be 8 percent of GDP. * Nineteen

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percent of the non-elderly population, or 54 million Americans, will be uninsured. The cost of caring for the uninsured burdens all of us. Families with insurance pay a hidden tax of \$1000 to cover the cost of uncompensated care in this country. Americans that are working who rely on employer-sponsored health insurance, rising costs mean that an even greater proportion of their compensation will be in the form of health benefits rather than take-home pay.

In ten years, the estimated percentage of average total worker compensation that comes in the form of health insurance will be 26 percent” (FAQ about Health Care Reform). Whether the spending is too much or not enough Depending on how you look at health care spending is whether not if a person decides if it is too much or not enough. Looking at in the sense of the article from Forbes magazine, spending on health care is all based on the individual patient, family, and doctors. If an individual does not have good health the cost does not seem so high to them, because they are willing to pay for the procedure or services to be performed.

In other case, individuals do not have the funds to help for these procedures or services and that is where Medicare and Medicaid should be able to help them. Instead of using all the extra help the individuals have with the extra funds that they use for materialistic objects and possessions (Whelan, 2011). According to an article in Business Insider, the Weisenthal (2009) website, “ That's what James DeLong at The American argues: In fact, the “ we spend too much” argument makes little sense.

There is no such thing as an amount that “ should” be spent on healthcare; any more than there are pre-determined allocations that should go to housing, food, video games, or any other category of expenditure. The proper level of spending depends on the value derived from it, and in the end this level should be whatever results from the sum of consumer choices made in the light of the value received. ” * Where the nation should add or cut, and why One of the most effective ways to add revenue is to impose a value-added tax.

Value-added tax or VAT is defined as a consumption tax which is levied at each stage of production based on the value added to the product at that stage. VAT can often increase revenue by 20 percent without the United States citizens noticing the taxation. A downfall to value-added tax is that also brings inflation, and with our country already at the state that is it may make it harder on individuals and business. Value-added tax is not always the best answer but does raise the revenue. There have been other otation to tax more on higher revenue business and individuals, those making a certain amount per year then they would have an additions tax. In conclusion, the line between over spending and not spending enough on health care is a very close call. They united states government is doing its best to figure out way it can improve the health care spending without destroying the government even more, or over spending in the health care. It will be a long process to fix all the necessary changes within these issues.

References

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