Delivery methods of healthcare in america

Healthcare in America

Abstract

The purpose of this paper is to explore and understand the different delivery methods of healthcare employed in this county and their outcomes. Today’s healthcare industry in the United States is not the best for the country. This can be seen through a review of the literature which provides an understanding of the ways the current healthcare system affects those with different conditions or are of different social classes. This concept is explored largely in this work.

The cost of providing Medicare for all in the United States would cost the government an estimated 1. 38 trillion per year (Blahous, 2018). Those opposed to this plan say it’s far too expensive, but what might they say if they knew the current healthcare system is set to cost 3 trillion dollars per year over the next decade (Blahous, 2018)? This paper aims to explore exactly how the current healthcare industry in the United States serves the population. For that purpose, it examines the literature to understand how varying and diverse socioeconomic statuses, chronic or terminal diseases and conditions, and access to insurance, all play a part in any individual’s quality of care. The reason that such an industry, as effected by and within the context of the issues listed above, is studied and concentrated on mainly in the Unites States is because the United States is the only remaining developed first world country that has chosen to allow the privatization of both the insurance and healthcare industries (Maruthappu, Ologunde & Gunarajasingam, 2012). Such a decision has caused a significant shift in both

the quality of care, access to care, and cost of care between citizens of the United States versus citizens of any other first world country (Maruthappu et al., 2012). This shift in healthcare not only exists between the citizens of the United States and those of other first world nations, but also exists, in perhaps greater capacity, between United States citizens living in poverty, the middle class, and the ultra-rich (Maruthappu et al., 2012). The difference in quality of healthcare between a private industry and a public industry is significant and, through a review of the literature, this paper aims to explore the areas in which our healthcare industry falls short and how such shortcomings can be improved for those affected by them the most.

Literature Review

Complex Drug Pricing Structure Limits Access

Access to medication in America is certainly one of the upmost important aspects of determining the effectiveness of any healthcare system (Upchurch, Disco, Visco, & Huffman 2017) . Within the scope of conditions that affect access to medication for a U. S. citizen would be the concept of price transparency as well as coverage provided by Medicare part D, a government-funded program for retired citizens and Medicaid a government-funded program for low income citizens (Upchurch et al., 2017). It is obvious, upon examining the process of pricing medication in the U. S., that the current system allows for great uncertainty in the price of any medication depending on various factors (Upchurch et al., 2017). The price that is generated for a medication by the manufacturer is often not the final price of the product, as the price of a medication depends on the negotiating

power of plan sponsors, such as, Medicare and Medicaid programs, employer health insurance plans and individual private policies (Upchurch et al., 2017). Because the health industry in this country is allowed to operate privately, the price one would pay for the medication is almost entirely dependent on how their specific plan, such as any of the above, is able to negotiate down the price of a medication, in a competitive marketplace obviously some do better than others. In the case of Medicare, this is especially problematic, as the current statutes that govern Medicare do not allow this program to even negotiate medication prices (Upchurch et al., 2017) . However, this specific problem of different prices for the same medication and lack of price transparency could be avoided if the healthcare industry was instead funded by the government singlehandedly (Watanabe, Chau & Hirsch, 2018). It is without question that when evaluating this particular aspect of the healthcare system one could see that the needs of its recipients are not being met, " The number of Medicare and Medicaid beneficiaries who received 1 of the 10 costliest medications fell from 12, 913, 003 to 8, 818, 471, a 32% drop with an average annual decrease of 7. 9%" (Watanabe et al., 2018, p. 1622). Again, with this specific aspect of the healthcare industry, being the lack of price transparency as well as the limitations of Medicare program which is utilized as the industry standard for Medicaid and many commercial insurances (Upchurch et al., 2017), the poor and the fixed income elderly populations are disproportionately affected (Watanabe et al., 2018) . This is simply because in a competitive marketplace where prices lack transparency and are subject to frequent change, Medicaid and Medicare recipients, who often pay the lowest premiums for basic plans due to living in poverty or having a fixed income, are subjected to the risk of their

essential medications either being moved up to a higher cost plan, or fail to be covered by altogether (Upchurch et al., 2017). According to the literature, the competitive marketplace within the healthcare industry causes rapid changes of prices for medications, and when prices go up for any medication, the recipients of Medicare and Medicaid are affected first and foremost, once again proving how a private healthcare industry is detrimental to the population of the United States, and especially to those of a low socioeconomic status who now face difficulty affording not only costly medications, but even the most basic and generic drugs (Watanabe et al., 2018).

Generic Drug Prices on the Rise

According to the literature, within this complex pricing structure one of the clearest ways to exemplify exactly how a private healthcare industry can negatively affect the population it was created to serve, is by examining the prices of generic drugs. Brand name drugs in the United States have always been higher in the United States due to the fact that the healthcare industry is private (Joyce, Henkhaus, Gascue & Zissimopoulos, 2018). Generic drugs are often created after patents on a medication expire and that same medication can be produced and sold at lower cost both to manufacturer and customer, such competition creates lower prices for important medications (Joyce et al., 2018). A major problem with the current private healthcare industry is the rise in price of generic drugs (Joyce et al., 2018). Indeed, the price of many generic drugs, including antibiotics, heart, diabetes and HIV medications, have increased dramatically over the past years and the main reason for this is the acquisition of manufacturing rights for such generic

medications which were decades old and had virtually no market competition (Joyce et al., 2018). The rise in the price of generic drugs proves that when the healthcare industry is allowed to operate privately any lack of competition will result in blatant extortion of the consumer. Under a government funded healthcare industry, private pharmaceutical companies would not be able to exploit generic drugs (Joyce et al., 2018) . Although changes in these generic drug prices were modest in their increase once manufacturing rights were purchased by private pharmaceutical companies, the persistence of the relatively low drug increases steadily over a number of years has caused the prices to skyrocket in comparison to their original price (Joyce et al., 2018). This business tactic is implemented intentionally by the private pharmaceutical companies in order to fool the public into thinking the price has not changed that much in addition to there being no changes in the quality of medication (Joyce et al., 2018). With this review of the literature, one can see how this practice could be particularly detrimental to patients with chronic illnesses, such as diabetes that may require medications like insulin to survive.

Insulin Prices Skyrocket as Demand Continues to Increase

Perhaps one of the most prevalent and important medications that has become less accessible because of skyrocketing prices nearly more than any other under the circumstances of the current U. S. healthcare system would be insulin for diabetics (Kirkwood, 2018). By looking at insulin, and the history of its prices since its creation, we can gain a broader understanding of the eventual fate of any highly sought after medication in the current

healthcare system. However, what is found is exactly both disturbing as well as unsustainable.

“ It has been concluded that the average price of insulin nearly tripled between 2002 and 2013. The rising cost of and access to insulin ultimately impacts everyone, particularly people with diabetes and their families, health care providers, insurers and employers.” (Kirkwood, 2018, p. 1).

Indeed, when speaking of a chronic illness such as diabetes, which is a growing illness both in the U. S. and globally (Kirkwood, 2018), along with the increased costs in diabetes medications, one might project that such a rising financial burden along with the number of affected individuals could result in a serious growth of poverty, as well as the inability of our economy to stabilize itself when all is considered. In addition to this, “ A recent survey by the ADA also confirmed that individuals who face high out-of-pocket costs for insulin are not adhering to their diabetes care plan by either rationing or forgoing insulin doses to reduce costs” (Kirkwood, 2018, p. 1). If this trend continues, one could speculate that the insulin market could perhaps collapse if demand drops too low due to unaffordability and if pharmaceutical companies then had to drop prices, they might just stop producing insulin if they found that lowering prices was not beneficial to their profit margins. This would have the potential of leaving diabetics in a far worse situation if the supply of insulin became even less accessible in this way.

For- Profit Health System Leads to Wasteful, Unnecessary Care

Another unfortunate ramification of a privatized, for-profit, healthcare industry would be immoral incentives to provide unnecessary healthcare.

Indeed, there is data available to show that a for-profit healthcare system actually results in financial waste for customers as individuals and as an entire population. The data for such claims has been produced within the

last decade, “ In 2009, The Institute of Medicine estimated that unnecessary care wastes $750 billion, equivalent to about 30% of healthcare spending” (Abbott & Stevens, 2014, p. 945). Such data, produced under the healthcare system that we have and still currently live with, proves that not only is a for-profit healthcare industry detrimental to the financial situation of mostly all of

its recipients, but it is also unstable and financially wasteful. These facts about the private healthcare system also support the theory that Universal healthcare would benefit the country by saving us money in overall costs, as well as eliminating for-profit incentives which encourage wasteful uses for medicals supplies and unnecessary spending (Abbott et al., 2014). By examining the healthcare systems of other developed nations, one can conclude that our current healthcare system is problematic, and also the result of political lobbyists who use the massive profits from the healthcare industry in order to influence the policy makers surrounding healthcare. This can be seen easily by looking at the history of healthcare legislation introduced to protect healthcare consumers, “ Health care organization attempted to reign in healthcare waste by stringently reviewing and prospectively denying payment for unnecessary tests and treatments, but that experiment was a political failure. Similarly, attempts to reduce overuse by shifting financial risk directly onto providers through capitalized payment mechanisms have had limited success” (Abbott et al., 2014, p. 949). Such

legislation, which would have limited the profits of pharmaceutical corporations and or placed more of the financial risk onto the providers that they pay, results as political failures due to intense and consistent financial backings and donations from corporate lobbyists (Abbott et al., 2014).

Analysis

The literature effectively paints a bleak picture of the healthcare system in the U. S. in that it uses statistical and concrete evidence to show how the for-profit health care system in the U. S. is committed not to the health of its citizens, but rather to the health of corporate profit. The literature shows a consensus in concluding that in the U. S., a rigged pricing system for medications and services set up to increase corporate profit has resulted in unnecessary, and in many cases, unaffordable care for the recipients of the system, who are then also systematically kept financially committed to it through these dishonest practices of healthcare industry personnel. While the literature does an effective job of demonstrating these issues exist, it does not really address how and why this system has evolved to its present state. Perhaps understanding the why of " how we got here in the first place" would lead to insight as to how to improve this situation. Certainly a more in depth look into the lobbying practices and the role of politicians that (Abbott et al., 2018) touched on would be useful in gaining that insight along with possible solutions. In addition, while the literature does show that more and more people are going without needed services and life sustaining medications, it does not discuss the health outcomes of those who are being short changed by this system. By showing a direct correlation between the lack of access to medications and needed services to health outcomes, the

literature could perhaps provide a powerful argument for the need for change and also offer possible solutions or ideas on how to revamp the current U. S. health care system to meet the needs of those it was originally intended to serve.

Conclusion

It is not opinion, but rather fact, that has been proven through the latest and most up to date research, that the healthcare system currently employed by the United States is not meeting the needs of those who depend on it the most (Abbott et al., 2014; Joyce, et al., 2018). Not only that, but the effect that a for-profit healthcare system has on the economy of the United States, has also been proven to be detrimental through the high cost prices of medications, which are economically inefficient for both the consumer, and the overall financial health of the country. Presuming that the financial health of a country is inextricably tied to the physical and mental health of its citizens, providing affordable health care would also likely result in savings as those citizens would more likely be healthier and therefore require less expensive treatments and medications. To that end, a radical reorganization of our health care system is sorely needed. A possible step in this direction may come in New York State where the New York Health Act, which would be a universal health care plan funded by the state, stands a renewed chance at becoming law in the state. This could perhaps serve as a model or case study that researchers could pursue with the hope that this system would prove feasible and beneficial for the rest of the country to eventually follow and adopt. Only when we achieve true parity in making

access to health care affordable and accessible, can we truly call the services we provide our citizens “ healthcare”.

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