Measuring the u.s. health care system: a cross national comparison

The United States spends much more on healthcare per capita than other developing nations; the main reason is not higher utilization of healthcare, but higher prices. Including higher prices for drugs, higher wages for doctors and nursing staff, higher hospital costs and increased prices for many healthcare services. (Bauchner & Fontanarosa, 2018) Despite efforts to control US spending, health expenditure in the United States increased faster than in other OECD countries. Overall, over the annual OECD average increase of 2. 6 percent, the average rate of health expenditure for the US was 2. 8 percent annually between 2000 and 2016. Inflation-adjusted pharmaceutical expenditure per capita has increased significantly more rapidly, as compared to just 1. 1% for the OECD median, at 3. 8% per year. At the same time, the U. S. gross domestic product (GDP) per capita has only increased by 0. 9% per year, meaning that health care continues to account for a greater percentage of GDP. US expenditure on health care totaled 17. 2% of GDP in 2016 compared to 8. 9% for the average OECD. (Johns Hopkins University Bloomberg School of Public Health, 2019)

Similarly, the United States only has 7. 5 new medical school graduates per 100, 000 inhabitants compared to a median of the OECD of 12. 1, with only 2. 5 medical hospital beds per 1, 000 inhabitants compared with the median of the OECD of 3. 4. While in the US, which means that the costly resources are used relatively high, ranked second in the number of MRI machines per capita and third in the number of CT scanners per capita, Japan was first in the two categories but was still one of the lowest overall healthcare expenditures at the OECD in 2016. We don’t get much more; we’re paying a lot more. (Johns Hopkins University Bloomberg School of Public Health, 2019)

Medical technology, although dynamic and complex, plays an important role in health care expenditure. Important technological breakthroughs have enabled health care providers to diagnose and treat diseases in ways previously unavailable. In general, this trend has increased healthcare spending, which has been considered as an important political issue, particularly in view of constantly limited budgets for healthcare. Technologies to save lives, improve medical conditions and improve the quality of care are praised. Technology has also been demonized by the fact that the escalation of medical costs is a dominant factor. (Sadoughi, Nasiri & Ahmadi, 2018)

A significant part of the praise and culpability lies in highly visible “ big-ticket” items including organ transplantation, diagnostic imaging systems, and new biotechnology products. By improving health outcomes, new technologies enhance the quality of medical care on average. Several technological advances are redundant or ineffective and do not improve health outcomes. The problem is that at the time they are introduced, it is not always easy to discriminate between effective and ineffective technologies. In balance, new technologies add to the cost of health care. In fact, some technologies may reduce costs by replacing more expensive alternatives or avoiding costly health effects, but the overall effect is to increase costs. The ineffective diffusion of technologies, under-representing effective and cost-effective technologies, and over-dissemination of effective and cost-effective technologies are the consequence of incentives and regulations incorporated into the American health sector. The problem all contributes to reimbursement systems, professional recompense structures,

legal considerations and patient demands. (Sadoughi, Nasiri & Ahmadi, 2018) The American public cannot get enough of the new medical technology. We ask our suppliers for the best and the newest, and they are glad to oblige us in general.

The most important feature of the cost increase is the role of medical technology. Health economists estimate that 40-50% of the annual cost increases can be attributable to new or increased technology utilization. This plays a major role in reducing costs through the management of technology. The fundamental feature of American medicine as it is in our industrial sector is technological innovation. This innovation gave us vaccines, antibiotics, advanced cardiovascular treatments, brilliant operational progress and fine cancer therapies. And there are still many diseases and paralysis which require yet more innovation. Politically more uncompromising than opposition to universal coverage is the opposition to imposing cost controls. The Jury is still out there whether we can eventually reduce costs and increase productivity adequately by the use of health information technology. (Sadoughi, Nasiri & Ahmadi, 2018)

On the other hand, Health Information Exchange (HIE) is supposed to increase efficiency, reduce costs for care, and improve patients ' outcomes by the transfer of electronic information, such as laboratory results, clinical summaries and drug lists. (Rahurkar, Vest, & Menachemi, 2015) Federal financial incentives now encourage some type of HIE with external organizations, which are about two-thirds hospitals and nearly half of provider practices. The HITECH Act 2009 provides financial incentives for HIE providers through its program for " meaningful use." Health Information

technology for economic and clinical health (HITECH), also provided funding for HIE activities for states. Furthermore, the success of responsible health care organizations, patient centered medical homes and bundled payment initiatives promoted by the Accountable Care Act (ACA) is critical to HIE among diverse stakeholders. HIE uses in the United States are still early; therefore, most of the studies in institutions in which the active use is low focus on first-generation systems and HIEs. (Rahurkar, Vest, & Menachemi, 2015)

In conclusion, Healthcare expenditure can usually be considered as the cost (dollars charge for healthcare) and use (service level used). There are several factors which can increase prices and use and increase healthcare expenditure. The most significant factors are higher prices for healthcare and new technologies. To sustain our nation’s financial and economic prosperity it is important to contain our rising healthcare costs.

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