

# Health care issues



Health care issues According to National Institute for Health Care Management (NIHCM) , for the year 2009, US spend on health care was a \$2.5 trillion. This is 17.6% of the country's GDP. Similarly, last year Canada had spent 11.7% of GDP on health care (Canadian Institute for Health Information (CIHI), 2010). While the recession is a matter of history for most analysts, the fact remains that economies are still not back into their pre-recessionary mode. A slow post-recession recovery has been creating serious financial pressure on health care systems worldwide. There are several challenges that the governments around the world are facing, however, financial challenges in the health care sector seem to be of utmost importance. According to a survey conducted on top issues a hospital faced, financial challenges topped the list of 13 challenges that the respondents were asked to rank (American College of Healthcare Executives(ACHE's) (2011). The survey also took a closer look at the top 3 concerns. Medicare reimbursement and bad debts were major contributors to the financial problem. Another major contributor was increase in cost of staff and supplies. According to PricewaterhouseCoopers' Health Research Institute, ' In 2010, the emphasis on cost continues. (PWC, 2010). In a its annual report published in December 2009 the institute stated that managing costs and getting more out of less will be the second most important challenge for the health care industry. Second only to the impact of Health Reforms (PWC, 2010). MEDICARE CHALLENGES Medicare, a health care program taking care of the elderly has been facing problems for quite some time now. The problem has been two-fold: on one side the overall cost of providing health care is going up and on the other hand there is a large number of baby boomers who are going to be eligible for Medicare this year (Levey, 2009).

According to Shi & Singh (2008, p. 11), " Retirement of the baby boomers between 2011 and 2030 is the most worrisome facing future generations" . This is going to increase the financial burden on the health care system making the problem even more challenging to address.

**RISING COST OF STAFF AND SUPPLIES** Increasing cost of staff and health aids was cited as the 3rd most important contributor to the financial problem the healthcare system is facing (American College of Healthcare Executives(ACHE's)(2011). Worldwide inflation has been one of the major reasons for costs going up. The second reason is aging population and people living longer. While rising life expectancy rates are good, it also means increase in health care needs. More hospitals and more staff and supplies are needed to run those hospitals. This is increasing the cost on one hand, while on the other hand the tax collections which fund the health care system are going to come down as these are mostly elderly people who have crossed their retirement age.

**SOLUTION** One short term solution which is self-inducing is economic recovery. As soon as economies of the world are back to their pre-recessionary levels, some of the financial pressure would be automatically eased. However, this solution also may be temporary. A better and long lasting solution needs multi-faceted approach which is not completely financial in nature. There is a need to educate people more about health than health care. People need to emphasize prevention more than cure. For example, we know that obesity is a growing problem world-wide and which is also the underlying reason for many diseases. To overcome this, an active life style needs to be promoted by all institutions government as well as private. Even if this means some increase in expenses in terms of creating more recreation facilities, sports complexes, public gymnasiums and similar

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programs. Giving free or subsidized access to programs which promote healthy life style can be a huge incentive for people. Funding programs likethese is definitely going to bear fruits in the long run in terms of reduction in the number of people who need health care thereby solving a large part of the health care problem.

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