
American healthcare: How do we measure up?

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Economic Growth Program
Next Social Contract Initiative

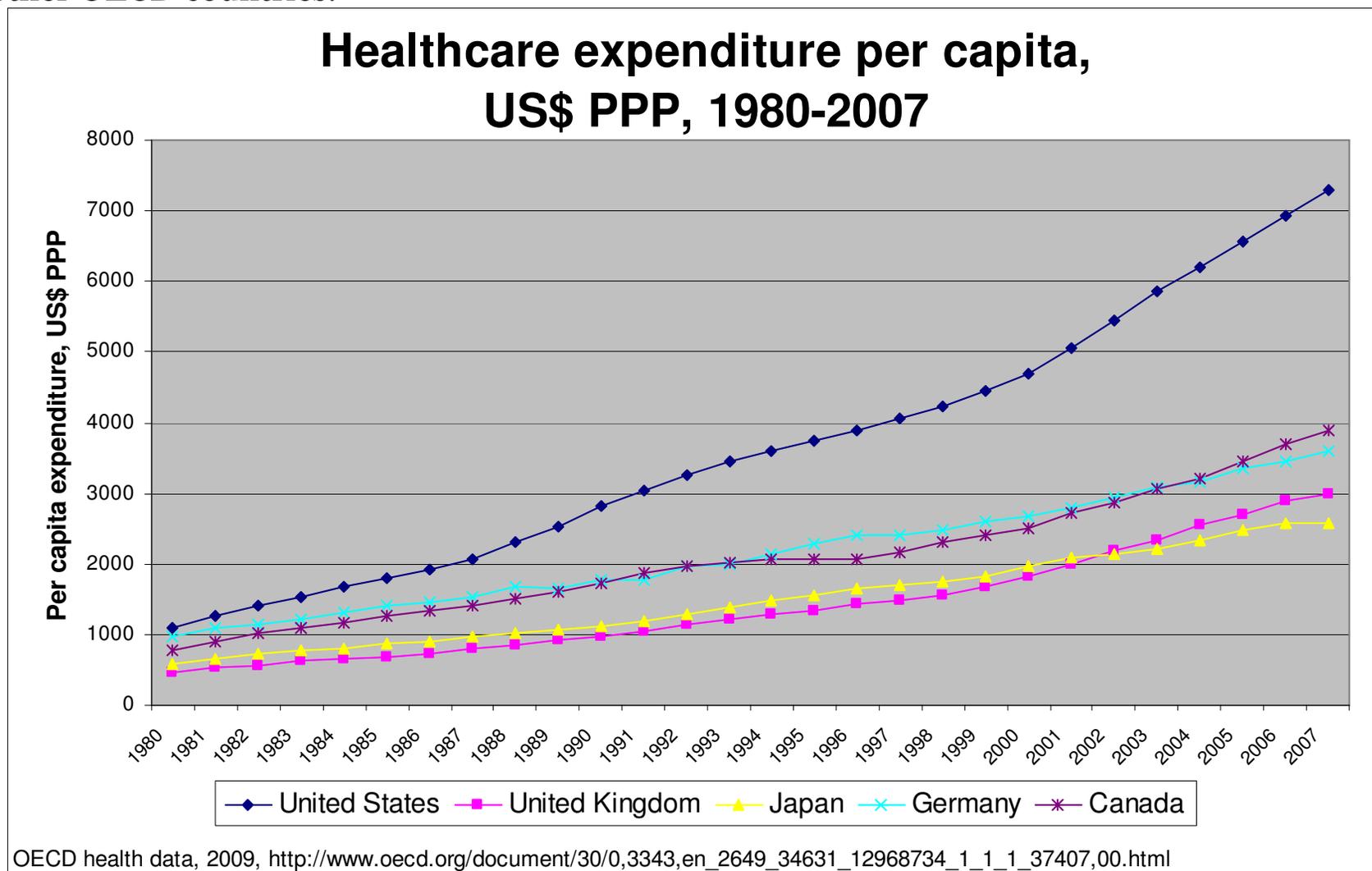
U.S. Health Care: International Comparisons

- The U.S. is one of the only industrialized nations in the world without a healthcare system that provides universal primary coverage.

| OECD Country Healthcare System Classification | | |
|---|----------------------|-----------------------------------|
| System of Universal Coverage | | System Lacking Universal Coverage |
| Australia | Republic of Korea | United States |
| Austria | Luxembourg | |
| Belgium | Mexico (in progress) | |
| Canada | Netherlands | |
| Czech Republic | New Zealand | |
| Denmark | Norway | |
| Finland | Poland | |
| France | Portugal | |
| Germany | Slovakia | |
| Greece | Spain | |
| Hungary | Sweden | |
| Iceland | Switzerland | |
| Ireland | Turkey (in progress) | |
| Italy | United Kingdom | |
| Japan | | |

U.S. Health Care: International Comparisons

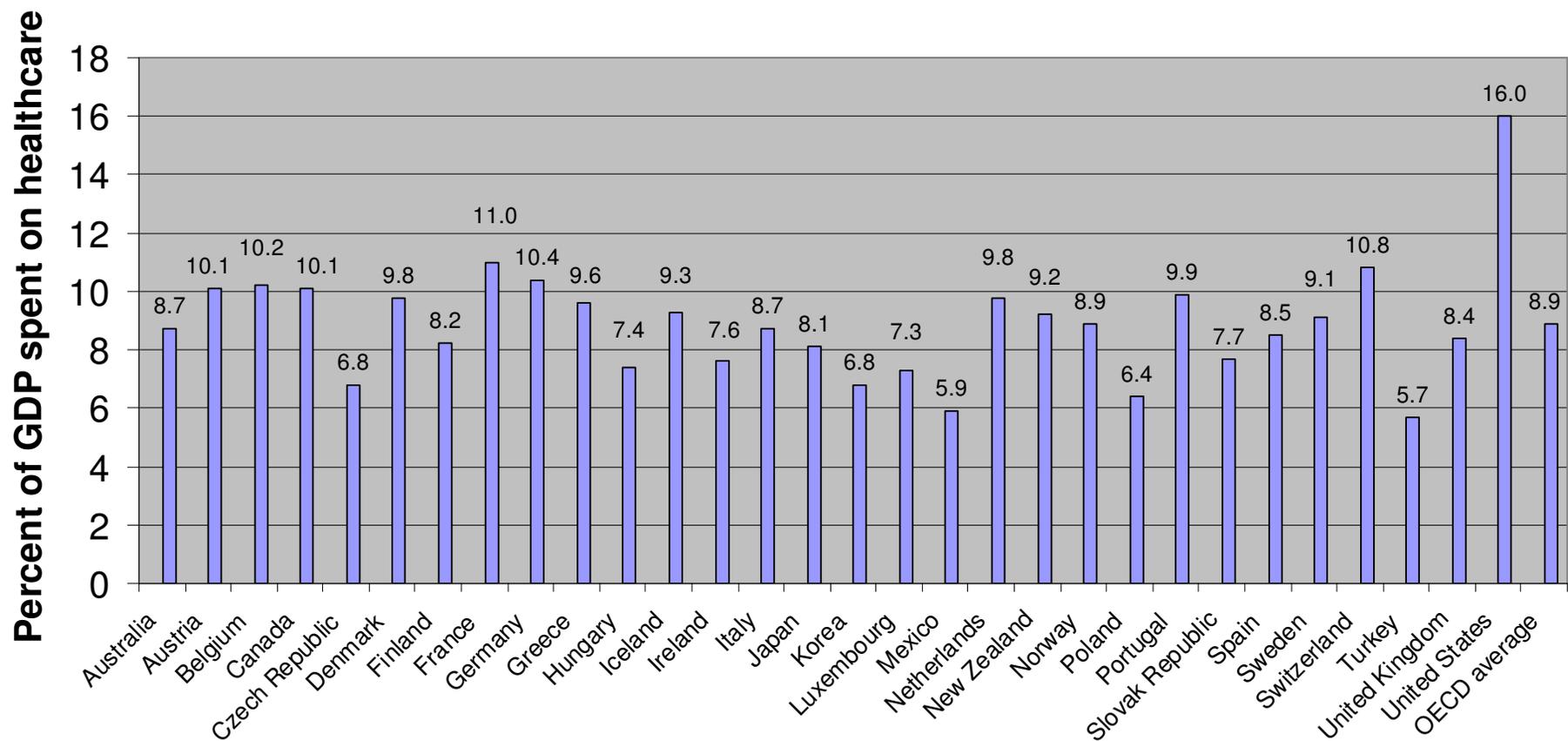
Since the 1980s, U.S. spending on healthcare has grown much more rapidly than that of other OECD countries.



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The U.S. now spends 16% of its income (GDP) on health care - almost double the OECD average of 8.9%.

OECD Healthcare Expenditure as % of GDP, 2007

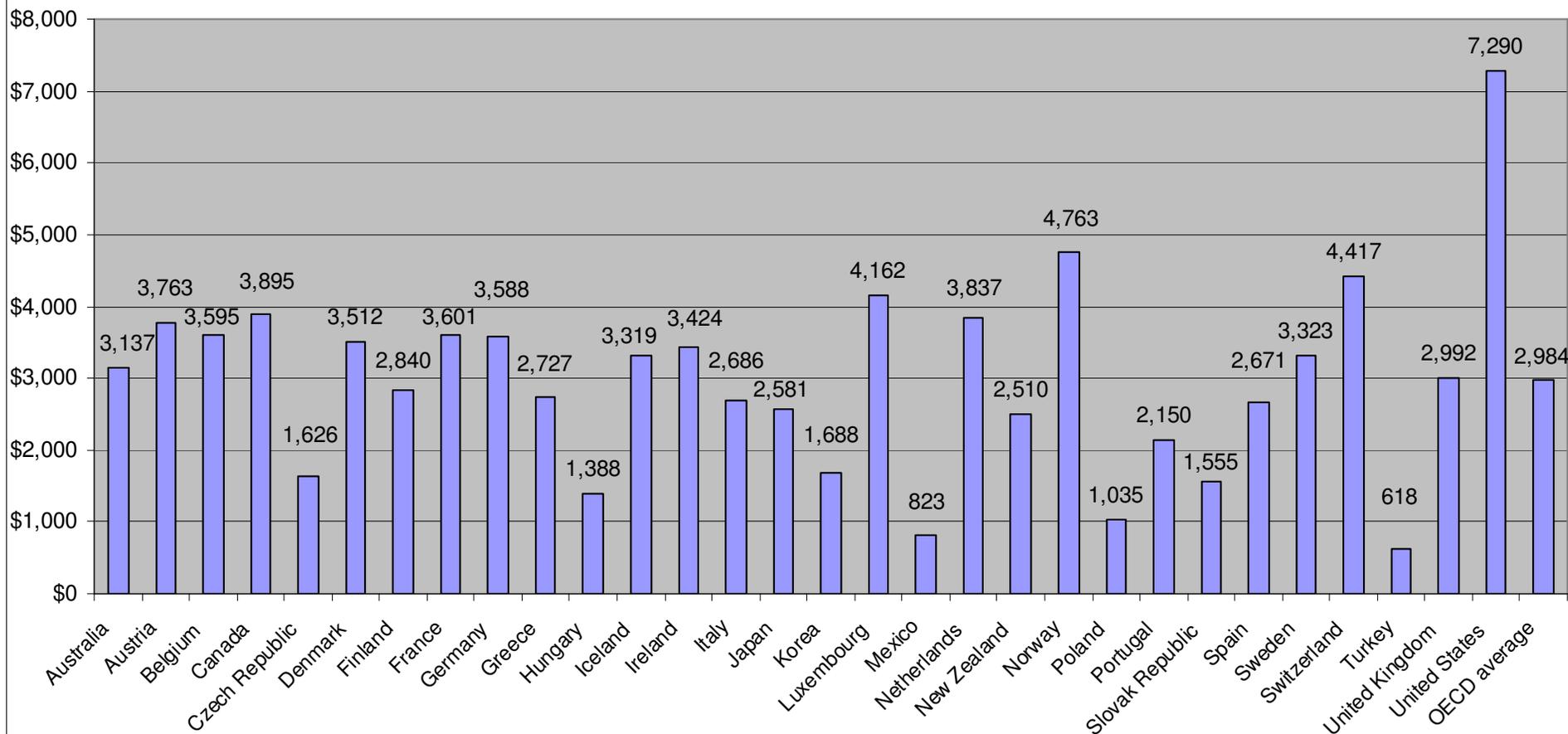


OECD health data, 2009, http://www.oecd.org/document/30/0,3343,en_2649_34631_12968734_1_1_1_37407,00.html

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The U.S. spends about \$2500 more per capita on healthcare than any other OECD country – each citizen consumes about \$7290 in health services each year.

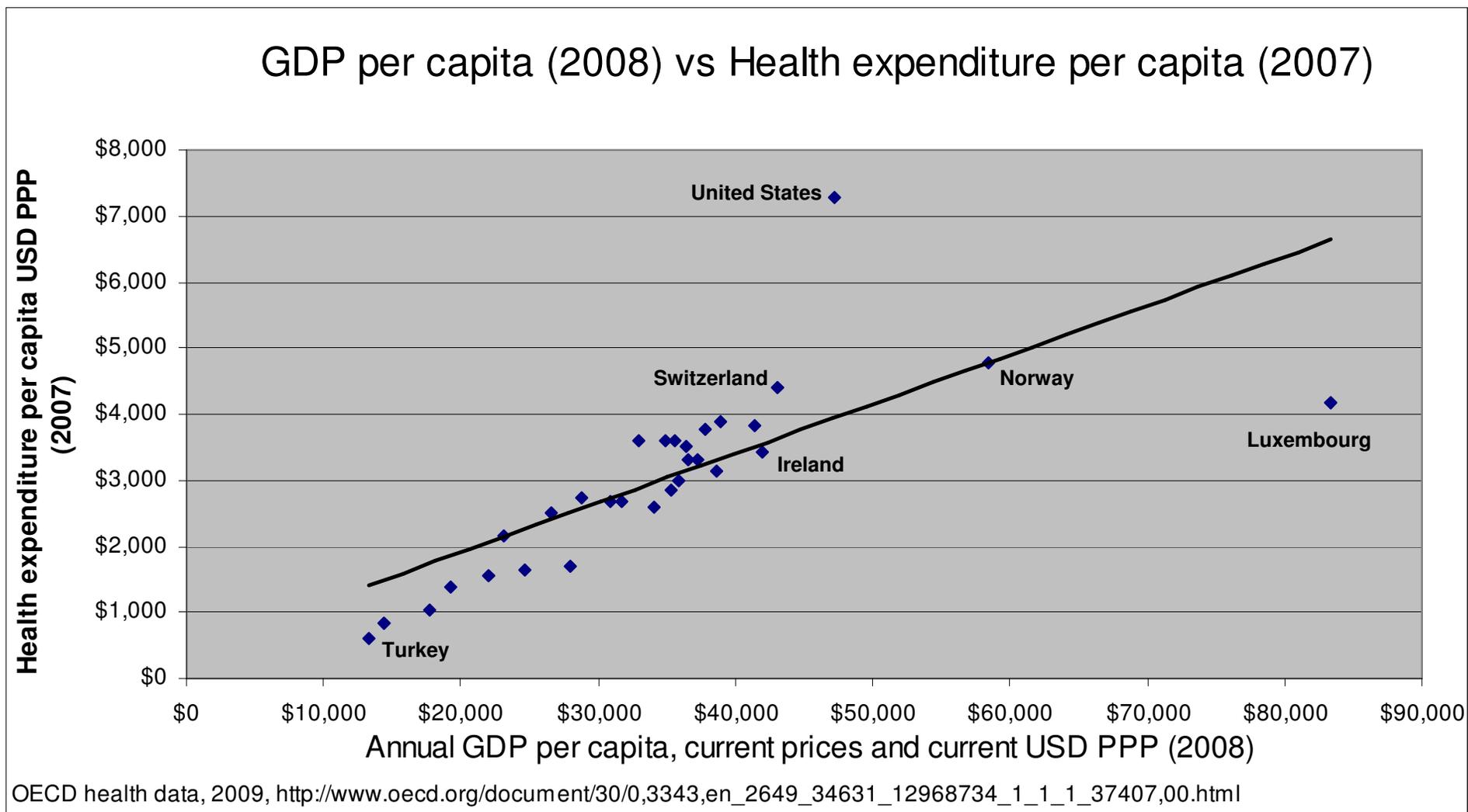
Health expenditure per capita, US\$ PPP, 2007



OECD health data, 2009, http://www.oecd.org/document/30/0,3343,en_2649_34631_12968734_1_1_1_37407,00.html

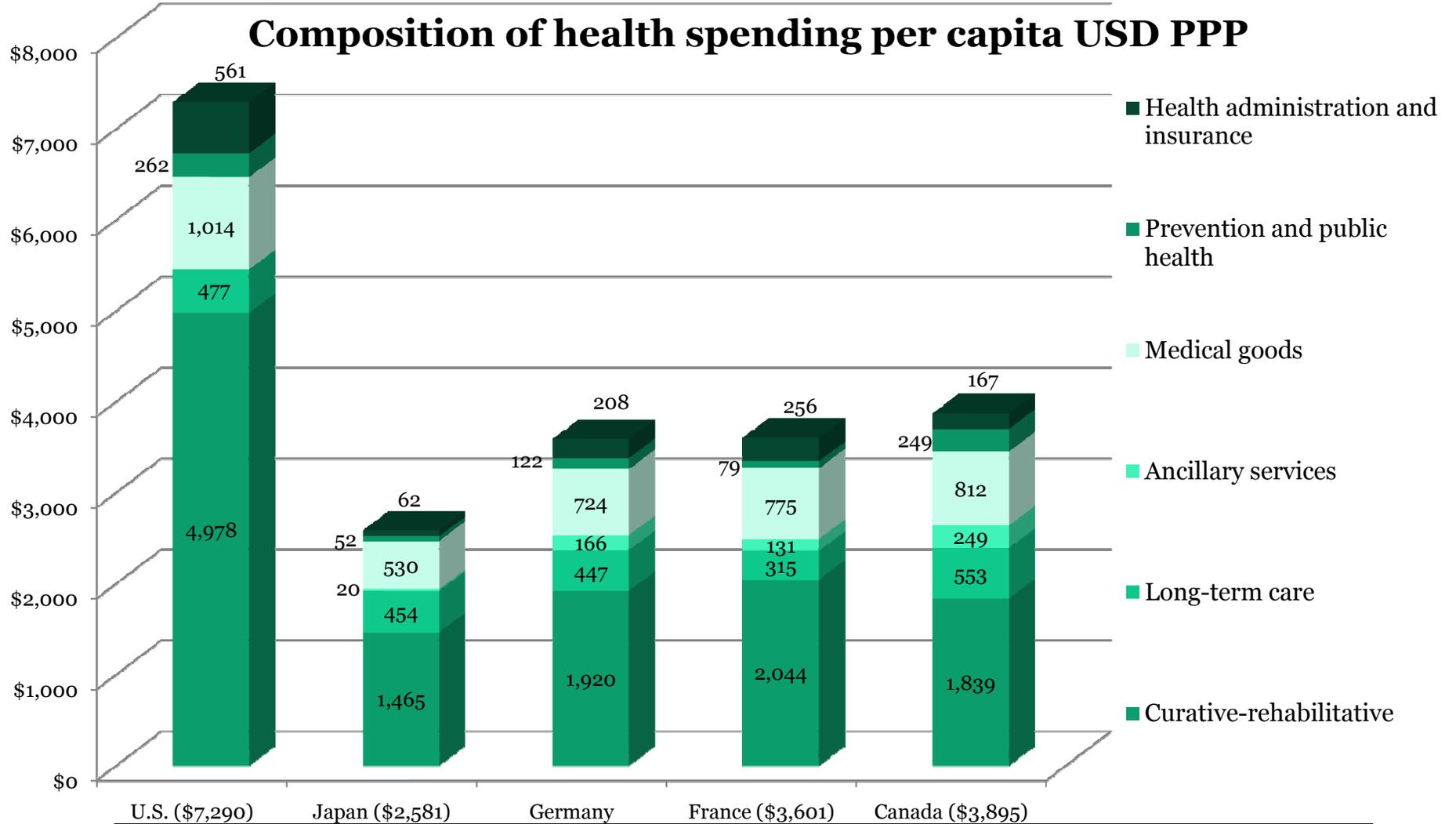
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This spending is far above that of similarly wealthy countries.



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Besides the higher costs Americans pay for curative care, the U.S. spends more per capita on medical goods and administration associated with healthcare than other countries.



Source: OECD Health Data 2007

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Curative-rehabilitative care is comprised of both inpatient and outpatient care, and is the fastest-growing segment of U.S. healthcare.

Outpatient care is the fastest-growing health care sector in the U.S., and accounts for more than 40 percent of total healthcare spending. The U.S. spent \$850 billion on outpatient care in 2006: \$436 billion more than expected for our level of wealth.

The same report states that spending on drugs and healthcare administrative costs is \$189 billion more than expected based on U.S. level of wealth.

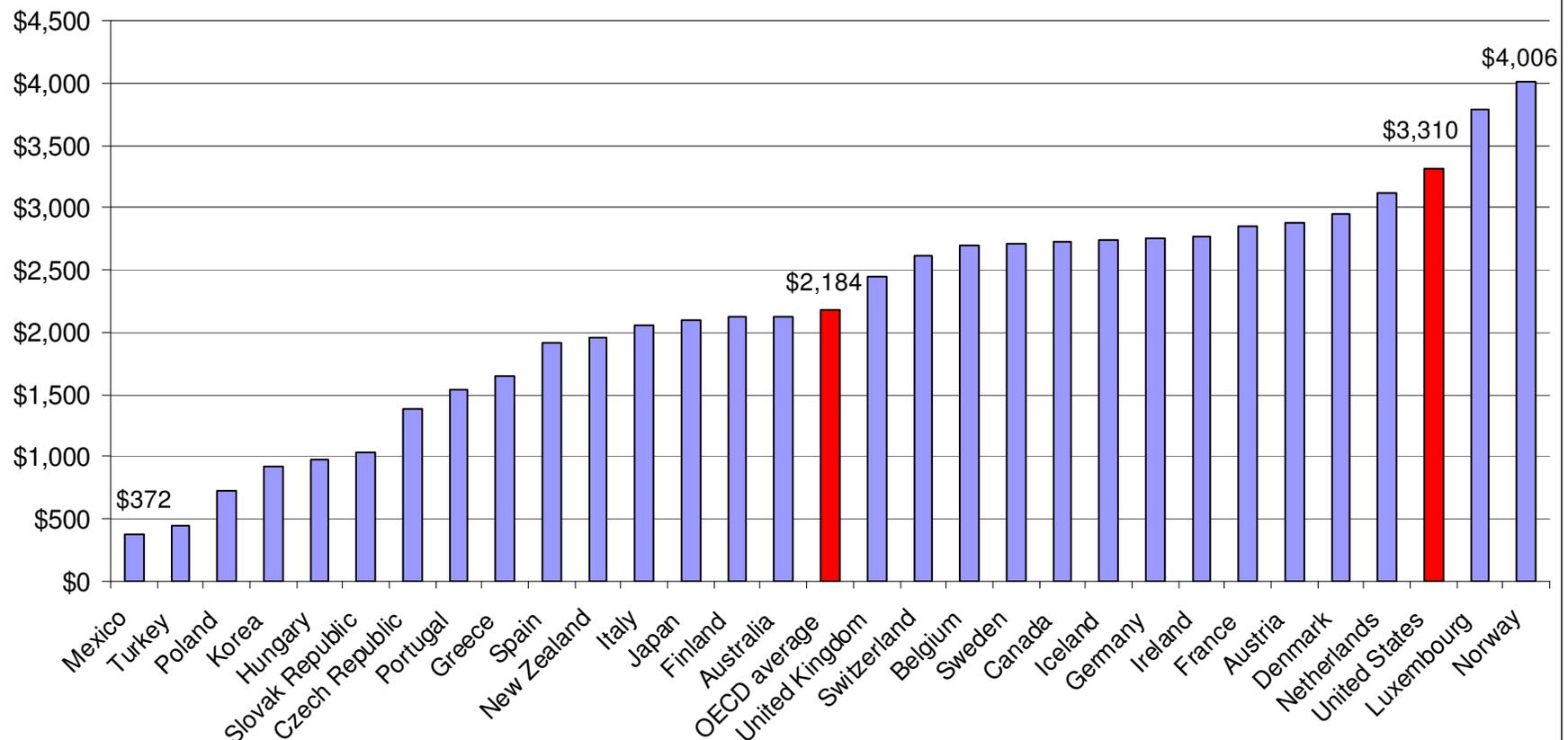
Evaluating overall spending according to country wealth, a McKinsey report estimates that the \$2.1 trillion the U.S. spends annually on healthcare is about \$650 billion more than expected considering the level of wealth of the U.S.

Source: McKinsey Global Institute, *Accounting for the cost of US health care: A new look at why Americans spend more.* 2008.

U.S. Health Care: International Comparisons

•Despite lacking universal coverage, the **U.S. government spends \$1126 more per capita** on health care than the OECD average, only spending less than the governments of Norway and Luxembourg, both of which provide universal coverage.

Public expenditure per capita, USD PPP, 2007



OECD health data, 2009, http://www.oecd.org/document/30/0,3343,en_2649_34631_12968734_1_1_1_37407,00.html

With this expenditure, the U.S. government provides some level of healthcare coverage for about 85 million people - the elderly, disabled, and some poor – through Medicare, Medicaid, and the State Children’s Health Insurance Program (SCHIP) (U.S. Census Bureau, 2008). However, most OECD country governments spend 35 percent less per capita than the U.S. and provide universal primary healthcare.

U.S. Health Care: International Comparisons

In 2009, 46.3 million Americans – 15.4 percent of the population – lack health insurance, according to the U.S. Census Bureau. This means U.S. taxpayers pay more per citizen for healthcare than those of other industrialized countries, but do not necessarily receive healthcare in return.

A 2009 study published in the *American Journal of Public Health*, which followed 9,000 people from 1986-2000, found that **the uninsured have a 40 percent higher risk of death than the insured**, due to their inability to seek medical care, including preventative care (Wilper *et al.*, 2008).

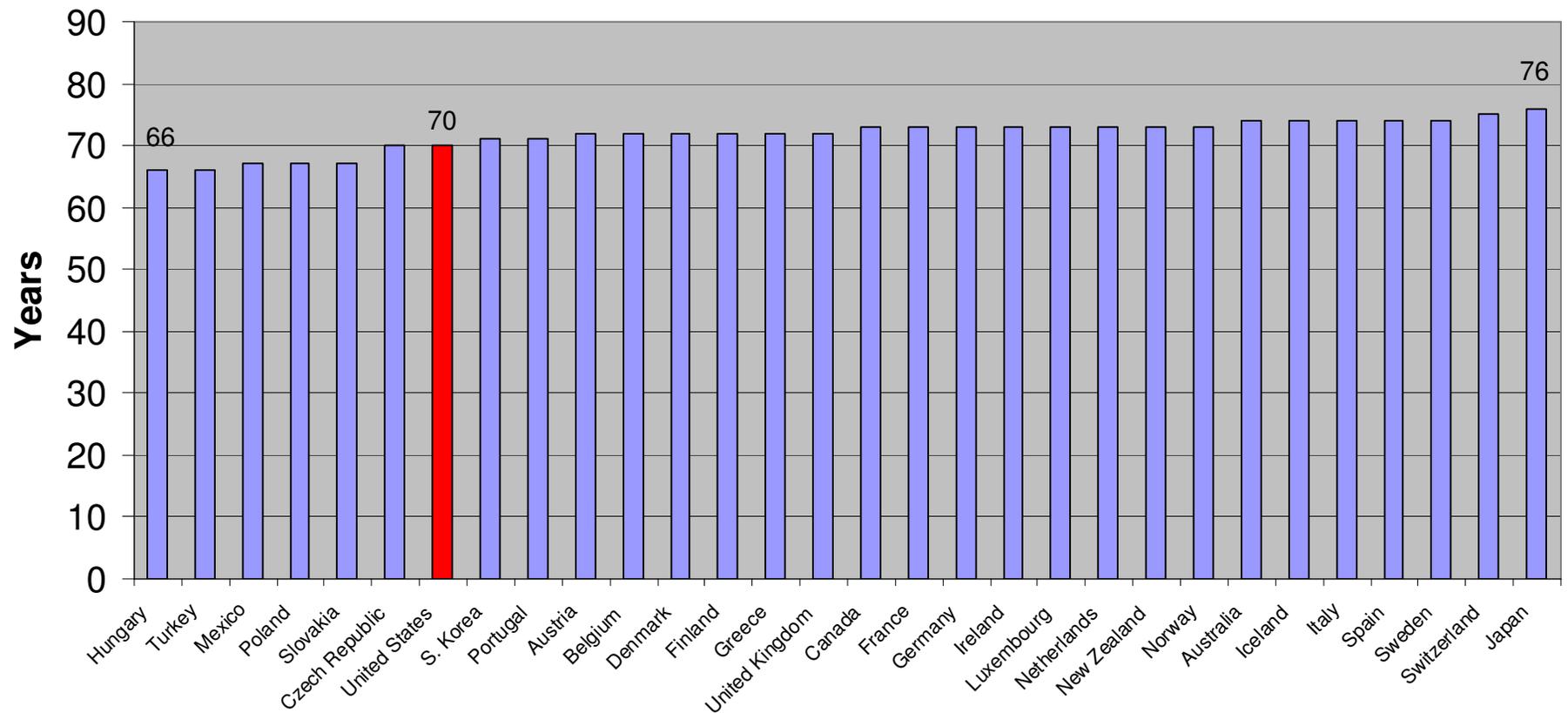
The study estimated that **almost 45,000 Americans die each year because they lack health insurance**, often meaning that they do not have access to preventative care or that when they do seek health care, it may be ‘too little, too late.’

Source: U.S. Census Bureau, 2009 <http://www.census.gov/prod/2009pubs/p60-236.pdf>

U.S. Health Care: International Comparisons

The U.S. ranks 24th out of 30 (tying with the Czech Republic) on the World Health Organization's healthy life expectancy at birth (HALE) measurement.

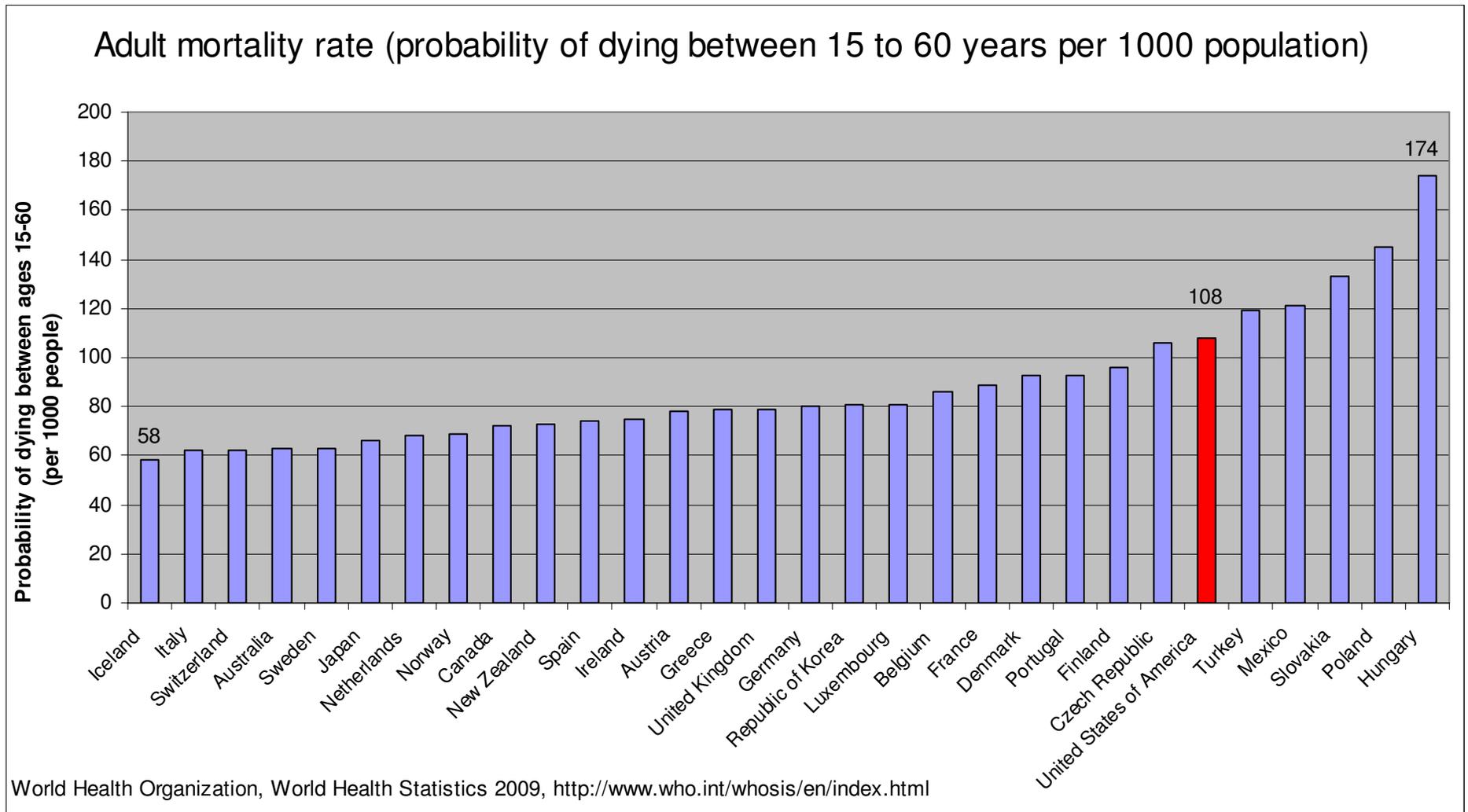
Healthy life expectancy (HALE) at birth estimates, 2007



World Health Organization, World Health Statistics 2009, <http://www.who.int/whosis/en/index.html>

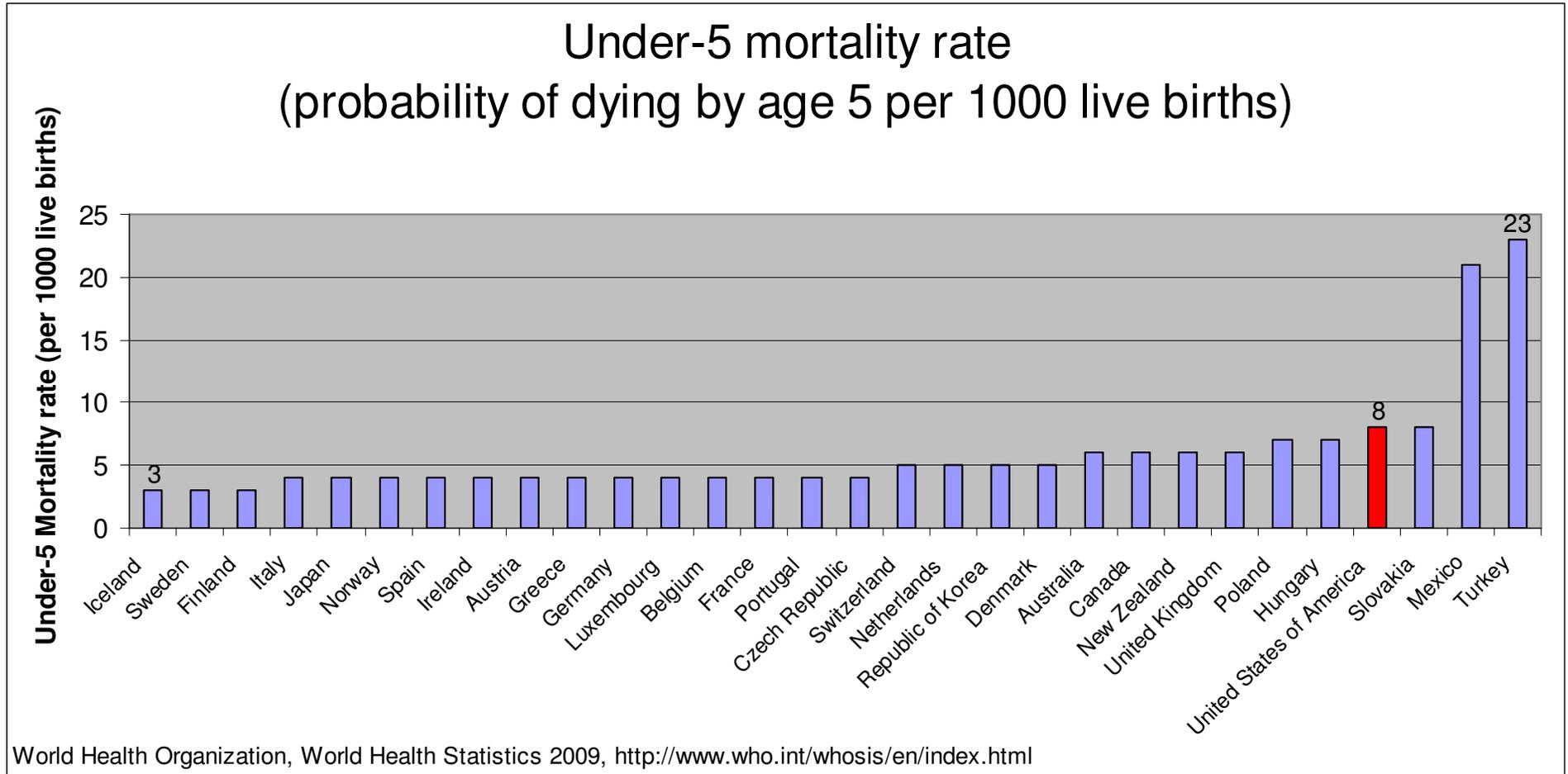
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- The U.S. ranks behind virtually every industrialized nation on adult mortality rates (ahead of only Turkey, Slovakia, Poland, Mexico, and Hungary).



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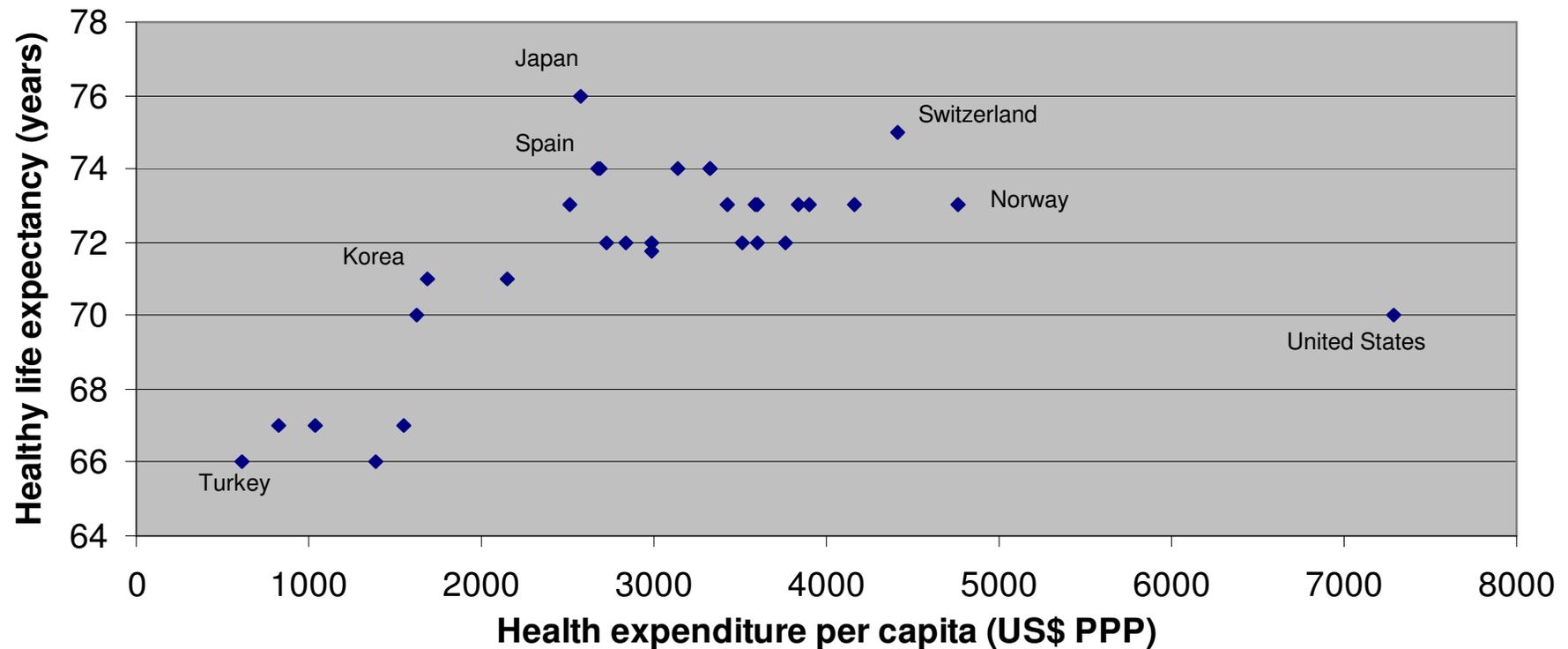
The U.S. also ranks last among the most advanced nations on infant mortality and under-5 mortality rates (shown below), coming ahead of only Mexico and Turkey.



U.S. Health Care: International Comparisons

The Japanese get the longest healthy life for their money, while Americans have relatively low healthy life expectancies for the amount spent on healthcare.

Per capita health expenditure vs Healthy life expectancy at birth



OECD health data, 2009, http://www.oecd.org/document/30/0,3343,en_2649_34631_12968734_1_1_1_37407,00.html

WHO, World Health Statistics 2009, <http://www.who.int/whosis/en/index.html>

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The U.S. has the highest ‘amenable’ mortality rate among industrialized countries; in other words, we have the highest number of deaths from preventable or treatable conditions, according to a 2008 study published in Health Affairs.

There are mixed results for U.S. performance on preventive healthcare and care of acute conditions, although survival rates for some types of cancer are higher in the U.S. than other developed countries, and the American system provides faster access to specialists than most other countries.

Source: Ellen Nolte and C. Martin McKee. “Measuring The Health Of Nations: Updating An Earlier Analysis.” *Health Affairs*, 27, no. 1 (2008): 58-71