

U.S. HEALTHCARE

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ABSTRACT

Healthcare in the United States is in a crisis state. With annual expenditures in excess of two trillion dollars, 45 million uninsured, and 83% of insured unhappy with their coverage, there is need for urgent action. Unable to bear the burden of ever-escalating healthcare costs, employers are increasingly scaling down their contributions, adding to the workers' woes. The issue is featuring with growing prominence in congressional and presidential election debates. The paper takes a look at the different stakeholders in the healthcare debate, and examines some potential choices to alleviate the current situation.

INTRODUCTION

After studying the healthcare systems of 191 prominent countries in 2005, World Health Organization placed U.S. in the 37th place. As a country, the US spends over \$7,000 per capita on healthcare, which adds up to over 2 trillion dollars for a 300 million population. That spending is more than twice the expenditures of any country. Despite the monies spent, 15% of the population remains uninsured, and most of the population fears lack of healthcare more than the war with Iraq or potential terror plots. The U.S. system has always been heralded as the system driven by private enterprise. However, a recent world report showed that almost 60% of the cost of the U.S. healthcare system was borne by the taxpayers.

Businesses are starting to complain loudly about the escalating cost of healthcare. With yearly increases in healthcare premiums averaging several times the adjustment in the cost of living index, the impact on the bottom line is being felt across the board. Firms like General Motors have shut down plants and scaled back operations, in part because of skyrocketing healthcare costs. Cost of healthcare for the workers is rumored to add over a thousand dollars to the cost price of each vehicle!

Cost of pharmaceuticals is also a big problem for the U.S. population. Even those with healthcare insurance often find the "discounted" prices for their prescriptions at the local pharmacy to be ridiculously high. Some find cheaper deals across the border in Canada, and a lot better deals south of the border – in Mexico. With scam artists in bordering countries selling bogus medicines at bargain prices, the federal government is erring on the side of caution and legally curbing the flow of pharmaceuticals. At the same time, however, several state governments facing budgetary crisis in their healthcare spending are defying the federal government and actually encouraging U.S. residents to shop for the best deals.

Why is the U.S. healthcare system so expensive? Where does all the money go? Is it true that one out of three dollars goes towards paperwork? If so, can't this be cut? Can't we have one standard form for all reimbursements? Who are all the stakeholders in the system, and how does the money flow between them? How are the federal, state, and local governments playing a role in healthcare via Medicare, Medicaid and other programs? Is technology, or lack thereof, to blame? If so, what are some potential technologies and techniques that hold promise?

Since the U.S. is the most litigious nation in the industrialized world, some people blame the frivolous lawsuits and potentially exorbitant judgments. To what extent is that true?

Can't this be addressed through legislative means? Some suggest that doctors are paid too much in the U.S. compared to the rest of the world. Are doctors simply trying to compensate for high medical college and liability insurance costs? Are the high bills caused by preventive healthcare tests done to thwart potential lawsuits? There are some who suggest that some doctors have colluded with the pharmaceutical industry to raise the costs of healthcare by focusing on expensive patented drugs only. The doctors allegedly receive "points" for every prescription, which may be later traded for trips to exotic destinations or sporting events. Is this true?

There is also the question of regulations. Some suggest that the healthcare industry is overly regulated. Is that the case? Are laws like HIPAA chipping away at the very system they are supposed to safeguard? Are illegal or uninsured patrons who show up at emergency rooms the problem? Are medical schools too expensive and the specialist training they impart ineffective for the U.S. system of healthcare? Do we need more primary-care physicians, especially in rural America, where small town-people are often times large distances away from a well-equipped hospital?

Should the U.S. simply import cheap doctors from other countries? Is that a realistic solution? Will \$4 for all generic prescriptions at Wal-Mart present a potential solution? Should the government join hands with Wal-Mart in delivery of healthcare using trained nurses that are not doctors, but are authorized to dispense prescriptions? Will this mean the demise of the U.S. healthcare system?

The paper will examine all of the questions cited above. In addition, it will look at alternate healthcare systems in the world. Most notably, the Canadian, British, and Swedish healthcare systems will be examined. Their pros and cons will be studied and some proposals shall be made to modify the existing U.S. healthcare system. Since the U.S. has more than 15% of its population living in poverty, some lessons from the Central American and Caribbean healthcare systems will also be pointed out. The paper will also examine use of technology, not just for delivering traditional healthcare, but also for exploring Internet use for healthcare delivery to alleviate costs.

REFERENCES

(Available upon request)