

# American Health Care System

## **Introduction**

Most United States citizens and health care experts know that maintaining the present level of medical facilities at best is a budgeting challenge and the dark hole is fast galloping resources from other sectors. The new research is suggesting that its costs are getting unsustainable. According to Mckinsey consultancy, "[Government health insurance](#) program primarily serves the poor and it will consume almost 75 percent of all their new state revenues in 10 states, including Georgia, Indiana, and Oregon, by 2009. Other schemes like Medicaid will cost 11 other states, including Florida, New York, and Pennsylvania, from half to 75 percent of their incremental revenues (*Julie Appleby, 2005*). In an additional 22 states, this one program will consume 25 to 50 cents of each new tax dollar". So the question is why the present system so unsustainable and is the greatest and the wealthiest nation in the world unable to take care of its poor in the aftermath of hurricane Katrina. The sheen has gone and bones have been exposed of the already crumbled system.

The situation seems particularly bleak when we consider that each dollar contributed by the state in health care is coming from the contribution it could make to build country wide education system, public safety, roads and other infrastructural activities.

## **Reasons for the failure of US health care system**

The [US health care system](#) is one of the most privatized health care systems in the world, still almost half of the cost is bore by the government coffers. The United States

health care system today is utterly inefficient. To put things in perspective, today the country spends 15 % of its GDP on health care compare to 9 to 10 percent spent by other advanced countries. Those nations cover all of their citizens under the insurance umbrella, while in United States we have more than 40 million people without coverage. In the developed world United States Health care system is delivering least per dollar return.

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In 60's health care sector is around 5% of the total GDP and at presently it is around 15% of the GDP. The system today carries huge variation in both operation and medical spending. For example [Medicare](#) spends two and half times more per citizen in Miami than Minneapolis. (Mckinsey 2006). Departmental reports suggest that prices for certain identical procedures often vary by as much as 500 percent in different hospitals across country, depending on the market.

According to Jack Wennberg of Dartmouth, the estimated 30 percent of today's care could be eliminated if the system looks toward best-practice, evidence-based treatment. A study has estimated that modernization of rudimentary information technology system in the health care sector will bring the efficiency by more than 10 percents in saving administrative and clinical savings costs.

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#### **Conclusion**

Conventional wisdom says the best time built your roof is when the sun is shining. Certainly the health care situation is not on collapsing point but if we don't put our foot on restructuring pedal there is no doubt it will be on that point. Today our health care

sector has choices either to move a single payer system like Canada or to bring more efficiency in the present system. On one side we can't support the burgeoning costs of our present [health care system](#) while on another we can't neglect the poor of this country. We have to seek balance where the poor get the best care, the tax collection can be spent on building our future by investing in education and other productive projects.

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#### **References**

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