Overview of the U.S. Healthcare System

Companion to Jonas & Kovner’s Health Care Delivery in the United States, Chapter One, “The Challenge of Health Care Delivery and Health Policy”

HSC 4630
Understanding U.S. Healthcare
Presentation Objectives

• Introduce course themes
• Analyze defining characteristics of the U.S. healthcare system
• Identify issues and concerns with the current system
• Identify different stakeholders in the healthcare system
U.S. Clinician Workforce

Total workforce from HRSA analysis of the ACS PUMS, 2008-2010. The ACS data are based on self-reported occupation.
Trends In U.S. Health Care

• Demographic change – an aging population
• Technology and the Information Age
• Rise of Consumerism
Overall Economy Percent of GDP

Source: Bureau of Labor Statistics; U.S. Department of Health and Human Services (HHS); Centers for Medicare and Medicaid Services (CMS)
The American Paradox

Americans spend the most money on medical healthcare, yet have the worst outcomes of all the industrialized countries in the world.
Health Care Spending per capita/ GDP per capita, 2016

Total health expenditures per capita/GDP per capita, U.S. dollars, PPP adjusted, 2016

The US value was obtained from the 2016 National Health Expenditure data.

https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/
Overall Economy
Federal Spending

U.S. Federal Spending – Fiscal Year 2014 ($ Billions)

Total $3,504 B

- Social Security: 845 (24%)
- Healthcare (net): 831 (24%)
- Defense Department: 596 (17%)
- Non-Defense Discretionary: 583 (17%)
- Other Mandatory (net): 420 (12%)
- Net Interest: 229 (6%)

Source Data: CBO
Stakeholders

• Physicians
• Nurses
• Patients
• Corporations
• Small business
• Labor unions

• Industries:
  – Hospital Industry
  – Nursing homes
  – Insurance Industry
  – Pharmaceutical Industry
  – Durable good suppliers
Levels of Government

• Federal
  – Medicare
  – Department of Health and Human Services (HHS)

• State
  – Medicaid
  – State health departments

• Local
  – Public hospitals
  – County health departments
Recurring Themes

• Quality improvement
• Access to care
• Cost of care
• Value in healthcare
• Population health
• Healthy behavior
• Affordable Care Act
Quality Improvement

• Best in the world mythology
• Institute of Medicine (IOM)
  – Safe
  – Effective
  – Patient-centered
  – Timely
  – Efficient
  – Equitable
Access to Care: The Uninsured

Figure 1
Uninsured Rate Among the Nonelderly Population, 1998-2016

NOTES: Includes nonelderly individuals ages 0-64.
SOURCE: Kaiser Family Foundation analysis of the 2016 National Health Interview Survey.

https://www.kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/
U.S. Health Care Costs

• Annual U.S. Health Care expenditures
  – 2016 3,300 billion; $10,348 per capita
  – 2013 $2,900 billion; $9,255 per capita
  – 2011 $2,700 billion; $8,680 per capita
  – 1990 $724 billion; $2,854 per capita
  – 1980 $255 billion; $1,110 per capita
  – 1970 $27 billion; $147 per capita

Total Health Expenditures: Public vs. Private

Total health expenditures as percent of GDP by public vs. private spending, 2016

[Image: Bar chart showing public and private health expenditures for various countries and the United States, with links to the source: https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/]
Public Health System

- Public health vs. curative care
- Public health law, regulation, and services
- Issues with current system
- Opportunities to correct the system
U.S. Healthcare

- High per capita spending ≠ better outcomes
- Incentives for volume, not quality, efficiency, or value of care
- Who gets the best care depends on ability and ... willingness to pay
In Closing

• How do we keep people healthy?
  – Public Health with a focus on prevention

• How do we diagnose and treat people?
  – Best practices

• How do we improve the health of the population?
  – Health Promotion

• Why are some people healthy and others not?
  – Demographics, inequalities, disparities, among other things