Medical Costs

Your Name (First M. Last)

School or Institution Name (University at Place or Town, State)

**Medical Costs**

**Introduction:**

Healthcare is an instrumental part of the domestic paradigm of the United States of America (USA). Adults, elderly and the children all are affected by the manifestations of the healthcare structure. Every individual seeks critical care in life as preventive care, management of illness or treatment of an injury. Essentially, the structure of healthcare encompasses a broad horizon and engages doctors, hospitals, employers, insurance companies and state governments. However, the fundamental structure of healthcare in the United States suffers from grave challenges despite the utilization of innovative medical technology.

The United State of America has a unique healthcare system. It does not have a uniform healthcare system; also do not possess any universal coverage. Healthcare costs are rising rapidly in the country. The increase in healthcare cost affects every individual in certain ways. Due to the increase in healthcare cost three policy crisis have been recorded. Firstly, there is an increase in employer-based health insurance (“American Health Care,” 2018). Second is the plight of Medicaid. From the year 2005 to 2015, there was about sixty-one percent increase in installment for household health insurance. Last crisis came within the government solvency which created the problem for the costs of healthcare. America is the nation that spends on healthcare more than any other nation. The major share of the spending comes from the federal government. The rise in health costs threatens the trust fund solvency and fiscal sustainability. Therefore, there is a need to evaluate the major causes and useful recommendation to lower and maintain healthcare costs.

**Discussion:**

The fundamental concern is the surge in the cost of healthcare in the past decade which has deprived a wide range of population to afford the healthcare. Besides, the employers and businesses are also advancing to reduce the incentives pertinent to healthcare which were offered to the employees. For instance, there exist 13 underinsured people for every 100 insured people. The high insurance premiums are a plausible manifestation of the critical rate of uninsured people. The United States allocated more than 2 billion dollars, in 2006, on medical care which comprises the cost of hospitals, doctors, biotechnology, rehabilitation facilities, and pharmaceuticals. Each year, the United States spends an average of $6000 in the framework of Medicare for each person. A critical appraisal of these numbers reveals that they are very high in comparison to the industrialized states as Norway and Switzerland. Throughout elections, the funds allocated to healthcare have remained a contentious factor for both Democrats and Republicans since 2006 (“Right to Health Care ProCon.org,” n.d.).

Medical costs are a contemporary concern in America. The recent survey reveals that it is a critical concern in the American household. It is observed that this concern is associated with the American population from more than a decade. However, it gets highlighted and comes in political debates at the event of the election. Politicians utilize this concern for strengthening their political power. Besides, using healthcare as a power card, politicians have done their role for the betterment in healthcare. Different healthcare programs and the Affordable Care Act's marketplace were developed by the government and media gave lots of attention to these inputs. A school of thought underpins that people ought not to be obliged to pay taxes to get access to healthcare. In his presidential tenure, Barack Obama remained a staunch advocate of the argument that healthcare should be a fundamental right sanctioned to every person, not a privilege granted to a few. The incumbent stakeholders have also devoted critical efforts and time to revolutionize the fundamental structure of healthcare in the United States. In the contemporary era, there exist a wide range of privately and publicly funded health care programs which assist to provide for the disabled, elderly, poor and the federal law grants.

**Health Care Spending:**

America spends its major share in healthcare. It is observed that the direct spending from overall GDP on healthcare is not the main issue. The spending on services is consuming more cost than its worth. The government of America provides funds on two types of the health program that are Medicare and Medicaid. According to the report, America has spent his budget on these two programs is about 17.8 percent in 2015 which reaches to 3.5 trillion dollars in 2017. Even after spending a large part of GDP on healthcare, America is failing to be known for the best healthcare system. Switzerland has the best healthcare system in the world. There are three main elements which are resulting in high healthcare cost. First is the cost of new technology and drugs, high spending over the advanced technology and drugs which increase demand for more intense services which may not be cost-effective. The second factor is the problem of obesity. The obesity rate is increasing in America and the government has to spend more to control its rate. The last and crucial factor for increased spending is high administrative costs. It is causing inflation in America's healthcare costs.

**Employment-Based Insurance:**

The government provides subsidies on various healthcare program and insurance. According to the office of management and budget around 340 billion dollars were spent on the employment-based insurance. Estimated 156 million people got benefit through the insurance from other family employers in which adult population was in majority. These subsidies come from the tax payment and it is noticed that the government faces difficulties and is thus unable to increase more taxes. Therefore, it is possible that the subsidies on employment-based insurance are going to fall over the next decades. Even after spending on employment-based insurance, the healthcare costs are increasing, the main reason for this cause is the even distribution of the facility. Around 40 million labors are unable to get paid sick leaves because employment-based insurance is covered through wage level. Organizations provide insurance benefits to the low proportions of low wage employers more than the employer with a high proportion of low wages. Gender-based benefits are also a problem where women get more benefits through healthcare insurance than men. The inequality in healthcare insurance contributed to the high costs of healthcare (“The U.S. Health Care System,” n.d.).

**Medicare and Medicaid:**

Medicare and Medicaid are the largest programs funded by the federal government in America. Government serves fifty-eight million disabled and elder citizens at the total cost of seven hundred billion dollars approximately. Medicare program covers perception drugs, inpatient and hospital care, and outpatient and physician care. The cost of healthcare is increasing due to Medicare because of the rise in the aging population which leads to an increase in spending on healthcare spending per capita.

Medicaid program focuses on the people of low wage. Different healthcare programs were established by the previous governments to facilitate the people. Trump has ended those programs as it was based on the high-cost program. Trump administration has developed new programs which are covering a larger lower class population with low healthcare costs. In 2017, 670 billion dollars was the cost that was spent on both the programs. The spending is increasing rapidly which may cause inflation and result in higher costs for healthcare.

**Single-Payer and Beyond:**

Healthcare system in America is complicated and also expensive for the patient. There is the uneven distribution of the spending on health care where single payer faces more difficulties. Different researches indicate that around twenty-nine percent patient does not seek for healthcare due to the high costs. Around 471 billion dollar billing and the insurance-related cost is collected annually where physicians show their concern that insurance companies emphasize over dictating treatment plan rather than working over the best practices to improve the healthcare. Therefore, the patient who is self-payer faces more difficulties and avoids high spending for the health-related expenses.

**Conclusion:**

America is a developed country facing problem in the healthcare sector. Healthcare is the sector which has a great impact on every single citizen. America spends a large proportion of his total GDP on healthcare still the result is not satisfactory. The costs of healthcare are increasing rapidly which may cause inflation. The inflation will in result cause more problems for people as well as government. Medicare and Medicaid are the two programs developed by the government. Spending on both the program comes from the federal government. The other area where the government is spending on health care includes employer-based insurance. Through employer-based insurance, billions of people getting benefits. The reason behind the rapid increase in healthcare costs manifests the inefficient outcome from employer-based insurance, the plight of Medicaid, and the government's solvency. However, these problems can be solved through appropriate policies and intervention. Firstly, the government ought not to drastically increase the spending by the government; all they need is to spend with proper strategy. The issue as uneven distribution in employer-based insurance and programs where some people get more benefits than the other should be resolved. Most importantly, healthcare cost should be minimized for the single payer. People who are unable to get benefits from government spending should be able to avail healthcare facilities at a minimum cost. In other words, America does not need to increase healthcare spending; the government needs to improve its implementation and spending structure to prevent the rise in healthcare costs.

References

American Health Care: Health Spending and the Federal Budget. (2018, May 16). Retrieved April 3, 2019, from Committee for a Responsible Federal Budget website: https://www.crfb.org/papers/american-health-care-health-spending-and-federal-budget

Right to Health Care ProCon.org. (n.d.). Retrieved April 3, 2019, from https://healthcare.procon.org/

The U.S. Health Care System: An International Perspective. (n.d.). Retrieved April 3, 2019, from DPEAFLCIO website: https://dpeaflcio.org/programs-publications/issue-fact-sheets/the-u-s-health-care-system-an-international-perspective/