

## Health Care in the U.S.: Are we getting more for our money?

The argument is commonly made that other countries around the world have more efficient health care systems than U.S., meaning they spend less money for supposedly better outcomes. Critics of U.S. healthcare point to high per capita spending, lamenting that we are not getting value for our money. A closer examination reveals that those in the U.S are in fact getting more for our money, living longer, surviving major diseases at a higher rate, having choice of providers, and receiving timely care.

There is a frequently cited World Health Organization statistic that ranks the United States as having only the 37<sup>th</sup> ranked health care system, despite spending more than any other nation. What may come as a surprise is how the WHO actually reaches this conclusion, and how certain factors are calculated. Some of these measurements are of perceived “fairness”, the extent to which the populous smokes, the income tax system (progressivity is valued in this calculation), whether or not the government runs health care, and if a nation allows Health Savings Accounts (The WHO ranks this negatively).<sup>1</sup> It is worth highlighting that when rating countries in terms of *outcomes*, the WHO ranked the U.S. number one<sup>2</sup>. Michael Tanner of the Cato Institute points out the WHO’s contradiction noting that the despite the seemingly low overall ranking U.S, the U.S. ranks FIRST in “responsiveness to patients’ needs in choice of provider, dignity, autonomy, timely care, and confidentiality.”<sup>3</sup>

One factor used in the ranking is life-expectancy. At first-glance, this metric shows the U.S. having the lowest life-expectancy among several first world nations. However, life expectancy is not dependent exclusively on health care. If one adjusts for two simple factors, deaths from homicide and transportation accidents, the U.S. actually rises to the top. Deaths in the U.S. from homicide are much higher than other nations.<sup>4</sup>

<b>Corrected Mean Life Expectancy (in Years) Accounting for Homicide &amp; Transportation Accident Rates</b>	
<b>United States</b>	76.9
<b>Canada</b>	76.2
<b>Germany</b>	76.1
<b>Japan</b>	76.0
<b>Sweden</b>	76.1
<b>United Kingdom</b>	75.7

<b>Mean Life Expectancy (in years) at Birth</b>	
<b>United States</b>	75.3
<b>Canada</b>	77.3
<b>Germany</b>	75.4
<b>Japan</b>	78.7
<b>Sweden</b>	77.7
<b>United Kingdom</b>	75.6

The U.S. has 7.3 deaths per thousand. The next closest nation is Canada who has 1.4 deaths per thousand. U.S. deaths from transportation accidents are similarly off the charts at 15.3 deaths per thousand with runner-up Germany having 10.1, only two-thirds of the U.S. rate. These two factors lower overall life expectancy despite being unrelated to health care.

As indicated above, the WHO ranked the U.S. number one in terms of outcomes. Looking at five-year survival rates for cancer, the U.S. outshines the other nations.<sup>5</sup> This trend does not end at cancer. “For premature babies, for children born with spina bifida or for people who have cancer, heart disease, chronic renal failure or almost any other serious illness, the chances of survival are best in the United States, where modern medical technology is most available and accessible.”<sup>6</sup>

<b>Five Year Survival Rates for Cancer</b>	<b>Breast (f)</b>	<b>Cervical (f)</b>	<b>Colon (m)</b>	<b>Lung (m)</b>	<b>Prostate (m)</b>	<b>Thyroid (f)</b>
<b>United States</b>	<b>82.6</b>	<b>69.0</b>	<b>61.7</b>	<b>12.0</b>	<b>81.2</b>	<b>95.9</b>
<b>England</b>	<b>66.7</b>	<b>62.6</b>	<b>41.0</b>	<b>7.0</b>	<b>44.3</b>	<b>74.4</b>
<b>Denmark</b>	<b>70.6</b>	<b>64.2</b>	<b>39.2</b>	<b>5.6</b>	<b>41.0</b>	<b>71.7</b>
<b>France</b>	<b>80.3</b>	<b>64.1</b>	<b>51.8</b>	<b>11.5</b>	<b>61.7</b>	<b>81.0</b>
<b>Germany</b>	<b>71.7</b>	<b>64.1</b>	<b>49.6</b>	<b>8.7</b>	<b>67.6</b>	<b>77.0</b>

Looking at yet another metric - wait times – the U.S. again rises to the top. This chart shows the percentage of patients who have to wait longer than four months to obtain surgery.<sup>7</sup>

<b>Patients Having to Wait More Than 4 Months for Surgery</b>	
<b>Great Britain</b>	<b>30%</b>
<b>Canada</b>	<b>27%</b>
<b>New Zealand</b>	<b>26%</b>
<b>Australia</b>	<b>23%</b>
<b>United States</b>	<b>5%</b>

As one author notes, “The U.S. market for medical innovation is robust . . . From the broad perspective our health care is not a drag on us, but a boon to the quality of our lives. After all, why do so many people from other nations come here for treatment?”<sup>8</sup> Tens of thousands of patients from around the world come to the U.S. for health care every year. The Mayo Clinic treats 7,200 foreign patients per year. Johns Hopkins treats more than 6,000 foreigners every year. The Cleveland Clinic treats 5,000.<sup>9</sup> One out of three Canadian doctors sends a patient to U.S. each year.<sup>10</sup>

While the U.S. might spend more than other nations per capita on health care, there is a strong argument that those in the U.S. are getting more for their money.

<sup>1</sup> Michael Tanner, “The Grass Is Not Always Greener: A Look at National Health Care Systems Around the World,” Policy Analysis, No. 613, March 18, 2008, (Cato Institute), 3-4, <http://www.cato.org/pubs/pas/html/pa-613/pa-613index.html>.

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<sup>2</sup> Edward Kelley and Jeremy Hurst, "Health Care Quality Indicators Project: Initial Indicators Report," OECD Health working Papers no. 22, March 2006.

<sup>3</sup> "Rank Order: Life expectancy at birth," The 2008 World Factbook, (Washington DC: Central Intelligence Agency, 2008), <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2102rank.html> ((Note that our number ranks the U.S. as where it would fall if the list were comprised solely of UN member states, as the list includes territories (Guam, Puerto Rico, etc) and bodies like the E.U.))

<sup>4</sup> Robert L. Ohsfeldt, John E. Schneider, *The Business of Health: The Role of Competition, Markets, and Regulation* (Washington AEI Press, 2006).

<sup>5</sup> Arduino Verdecchia et al., "Recent Cancer Survival in Europe: a 2000-02 period analysis of EURO CARE-4 data," *The Lancet Oncology*, Available online August 21, 2007, <http://www.thelancet.com/journals/lanonc/article/PIIS1470204507702450/abstract>; Nicole Martin, "UK Cancer Survival Rate Lowest in Europe," *Daily Telegraph*, August 24, 2007.

<sup>6</sup> Goodman J., Musgrave G.L., Herrick D.M. *Lives at Risk: Single-Payer National Health Insurance around the World*, Rowman & Littlefield Publishers, Inc., New York, 2004.

<sup>7</sup> Michael Tanner, "The Grass Is Not Always Greener: A Look at National Health Care Systems Around the World," Policy Analysis, No. 613, March 18, 2008, (Cato Institute),

<sup>8</sup> Sally Pipes, *The Top Ten Myths of American Health Care: A Citizen's Guide*. Pacific Research Institute, San Francisco, 2008. [http://www.pacificresearch.org/docLib/20081020\\_Top\\_Ten\\_Myths.pdf](http://www.pacificresearch.org/docLib/20081020_Top_Ten_Myths.pdf)

<sup>9</sup> U.S. Congress. Hearing of Special Committee on Aging United States Senate Special Committee on Aging. "Successful Health Systems." (Date: 9/30/2009). Text from: <http://aging.senate.gov/events/hr215mt.pdf>; Accessed 10/20/2011.

<sup>10</sup> Id.