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WHAT AILS US HEALTHCARE?

“The American Health care Paradox: Why Spending More is Getting us Less” portrays the modern-day American health care dilemma. America has exorbitantly high spending on health care services yet reports relatively poor health care outcomes. To properly approach this problem and provide a feasible solution, it is necessary to divide the nation’s spending into two divisions: social and health services. When both of these sectors are taken into account, America is not a high spender. While the nation spends large amounts on health services, it shortchanges monetary support of social services. Addressing the social determinants of health can be conceived as treating the root causes of disease and ill health.³ The research reported in this book demonstrates that in order to keep the nation above the baseline of good health, funding should be channeled towards social services that can make certain necessities readily available for the entire population – by providing sufficient income, education and housing. The influence these factors have on national health improvement has been well documented. When expenditures on both social factors and health care are taken into account, it becomes clear where the root of the problem lies for the “spend more, get less”

paradox of American health care.²

As stated above, statistics show that America has not addressed the broader determinants of the population’s health that include proper expenditure on social factors. As a result, the US health standing compared to other countries has declined between 1990 and 2010. Other countries have demonstrated that spending on such factors results in improved outcomes of health. By improving upstream health factors, resources can be saved by preventing the need for costly health services downstream. US expenditure on health care is shown to be double the average of other countries within the Organization for Economic Cooperation and Development (OECD). The root of this problem may run as deep as presence in the US Constitution. Here, the law stays silent on social and economic rights of the people. Such rights include a guaranteed right to education, pensions, work, and health care. These factors have always been considered a matter of political choice. Similarly, American society is steeped in the virtues and benefits of capitalism. These values have led to the expectation that spending more should result in better health outcomes. This ideal has resulted in the US ranking first in comparison with other nations for spending on health care alone. In addition to the reasons presented above, these poor health outcomes can further be attributed to underinsurance, fragmentation between public and private payers, and fears of medical malpractice compelling physicians perform more tests than necessary.²

The authors proposed analyzing the situation by breaking down expenditures into two segments - direct health expenditures, and those dedicated to social services and economic well-being, that indirectly supports better health outcome. These “social determinants of health”, which include socioeconomic, environmental, and behavioral factors all exert strong influences on health. For example, studies show that people from



socioeconomically disadvantaged communities are two times as likely to face premature death, while office workers occupying the lowest ranks of the organization's hierarchy have also been shown to die earlier. Extensive evidence demonstrates a clear relationship between a variety of social determinants and health outcomes. Poor environmental conditions, low incomes, and inadequate education have shown a consistent association with poorer health. When pooled, social, environmental, and behavioral factors have been estimated to contribute to greater than 70% of some types of cancer cases, 80% of heart disease cases, and 90% of stroke cases. Furthermore, when social service interventions such as provision of housing vouchers, assistance in covering home energy needs, and supermarket availability were increased, subsequent reductions in extreme obesity, diabetes, and nutritional risk were observed.¹ Direct correlations have been made in association with the effects of social service fortification and health outcomes among various populations. When social services are strengthened, the population's health improved. By improving the populations health now, money can be saved by preventing expensive health care for the treatment of dire endpoints such as heart attacks, stroke, or diabetic complications.

When the US statistics are analyzed, it is quickly shown that the US is not spending as much as its counterparts (France, Sweden, Austria, Switzerland, Denmark, and Italy) on the fortification of social services which play a critical role in making the nation healthy. Research shows that the US funding for providing reliable housing, ensuring nutritious food, and safeguarding against harmful exposures has been lackluster.² In a study conducted by Bradley and Canavan, it was found that the US spent only 25% of its GDP

on health and social services combined. In contrast, other countries averaged around 30-33% on the combination of health and social services. The study showed that in other countries, for every dollar spent on health care, two dollars were put towards social services spending. For every dollar spent on health care in America, only sixty cents were spent on social services. In the study, when spending was shifted towards social services, effects on the population health were substantial. With regards to obesity, a 20% change in the medial ratio of social to health spending was associated with a -0.33-percentage-point change in the percentage of adults with obesity in the following year. This change can be perceived as minuscule, but it translates to 85,000 fewer adults with obesity the subsequent year. On average, an adult with obesity costs about \$2,700 more in annual health care expenses. This study demonstrated that in obesity alone, allotting more resources to social spending lead to over 229 million dollars in cost savings per year. When these effects are simultaneously translated to other disease states, significant governmental cost savings along with improved health of the population are the result.¹

Additionally, a study analyzing the effects of reallocation of health to social spending in the Canadian provinces demonstrated similar results. A 1-cent increase in social spending per dollar spent on health was associated with a 0.1% decrease in potentially avoidable mortality and a 0.01% increase in life expectancy. Furthermore, this 1-cent increase in social spending also was associated with a decrease in potentially avoidable mortality from 197.8 to 197.6 per 100,000 in 2011, an additional 3% from the 2010 value of 205.3 per 100,000. In a subsequent analysis, a 1% increase in health spending yielded an increase of 0.064% in mortality and no change in life expectancy.³ Results from this study further provide data demonstrating the effects of



increased social spending on population health - increases in life expectancy and decreases in mortality. In contrast, increases in health care spending alone caused an increase in mortality.

Countries other than America have demonstrated the importance of emphasizing social services in order to improve national health, and eventually lead to decreased spending on health services. The countries that have shown true success with regards achieving excellent health care outcomes at a reasonable cost are the Scandinavian countries of Sweden, Denmark, and Norway. The Scandinavian model has led these nations to spend around half of what the US spends per capita on health care, resulting in consistent achievement of the best health care outcomes in comparison with other countries. Key differences taken into account with regards to the US and Scandinavia include views on governmental role and social contract, income inequality, level of trust in others, and overall conception of the determinants of health. Scandinavian countries have a core value of universalism. With regards to health care, this concept translates into the expectation these services be treated as innate human rights and are subsequently provided by the government. Quoted from a Norwegian diplomat, their society focuses on “taking only what you need and contributing what you can”. These social norms have resulted in governments that provide public education, health care, child allowances, pension rights, and public housing support, in which everyone is guaranteed equal access. The Scandinavian governments demonstrate the utility of a symbiotic relationship between the government and the governed.

In contrast, the US has been engrained with the core values that reflect fear of the government becoming too powerful and authoritarian.

America has long promoted views supporting small government, a concept that is incompatible with government-provided health care. Furthermore, values such as independence and individual success are strong foundations of American society. Characteristics such as these have led to a significant discomfort with concepts such as economic redistribution or sacrificing one’s income to support other members of society. As a result, social services that are guaranteed in Scandinavian countries are not seen as rights to American people. When analyzing how this has affected America’s performance with regards to health care outcomes, the effects of this viewpoint are glaringly obvious. The ultimate result of the American viewpoint has been lackluster support of social services. These social services such as education, housing, and nutrition have been shown to prevent bad health outcomes for the population. This has resulted spending on health services that has risen to exorbitant levels, without positive health care outcomes to boast in return.²

When support for social factors including housing, education, and income are lacking in a population, the common result can be reflected on the health outcomes of that population as evidenced above. The 2019 County Health Rankings Key Findings Report expounded on the effect of housing and environment on health, demonstrating that meaningful gaps persist among counties throughout the United States. Health outcomes have been shown to be heavily influenced by physical and environmental factors. Homes located near quality schools, good jobs, and grocery stores make it easier to get an education, earn wages, and maintain a healthy diet. Across the US, more than 1 in 10 households spend more than half of their income on housing costs. When substantial dividends of income are put towards paying rent or mortgage, people are left to choosing between paying for other essentials



such as food, transportation, or medical care. This has led to a correlation with more food insecurity, child poverty, and poor health. Low-income renters and homeowners are shown to be the most cost-burdened, with more than half of all low-income renters paying greater than 50% of their income on housing costs. With regards to the social determinant of housing, a shift in governmental spending to aid in housing funding for populations in need can translate into positive effects in the health of this population.⁵

So how can this complex problem ultimately be resolved? Countries in Scandinavia have approached achieving national health objectives by creating action plans within local governments in an effort to achieve these goals. As a result, health of the public has become a responsibility of each municipality, thus a social responsibility of the government. Within America, the crucial need for more emphasis on the broader social determinants of health has been recognized. In order to attain these, a shift in funding towards the social determinants needs to happen. The most successful health care innovations within America have demonstrated a close relationship between health care services and social service delivery. La Palestra, in New York, New York, is an example of holistic approach to healthcare, a gym and rehabilitation center. Here, the main focus is set on bridging the gap between fitness and medicine through the integration of comprehensive medical treatments with individually tailored exercise programs. These services are delivered by an integrated team of medical professionals from multiple disciplines. Upon enrollment, the patient receives a full evaluation of their physical and mental health. Subsequently, weekly monitoring is performed as the patient reaches their goals. Through working on all aspects of

the patient's life, La Palestra advocates an integrative approach to healing the human body. By fixing the upstream determinants of health, many clients subsequently avoid the expensive health care procedures originally facing them. La Palestra is just one example of health and social services working symbiotically to provide positive health outcomes. A common theme presented throughout reflects the importance of the connection between medical and nonmedical issues. This theme can be extrapolated and applied to the US government's approach to health care spending. By addressing the underlying problems and nonmedical issues first, large amounts health care costs can be saved through prevention of bad outcomes.²

Another way to decrease American health care spending is to undermine the notion of overtreatment that permeates medical practice. American society encourages overuse of expensive medical resources for a myriad of reasons. For example, one interviewee recounted an experience with a surgeon that automatically recommended an MRI and surgery for her sore shoulder. After paying the \$650 bill for the 5-minute consultation with the physician, the patient took a different path of treatment by attending physical therapy. In short, the patient avoided the expensive surgery by working through physical therapy to correct the underlying problem. When looking at the broad American landscape, eliminating the culture of overtreatment can significantly reduce national health care spending.²

A study regarding comparative effectiveness and health care spending demonstrated that efficient health care systems can save money without sacrificing health by emphasizing cost-effective health service utilization. For example, restriction or withdrawal of expensive treatments with miniscule benefits to the patients can result in cost savings. In an



efficient health care system, increased spending should result in improved health outcomes. When cost-effective strategies for health improvement are underutilized, the result is an inefficient system demonstrating higher spending with no improvement in population health. This concept can be directly related back to the current paradox of American health care. For example, antihypertensive treatment, screening for colorectal cancer, and counseling for smoking cessation are all currently underutilized in the United States. Higher utilization of these cost-effective therapies and services can result in prevention of a myriad expensive health events. Additionally, improvement in health care expenditures will result. Another study showed that regions that had higher rates of revascularization for patients with acute myocardial infarction showed lower rates of beta-blocker and aspirin usage post-myocardial infarction. When these areas adopted the more cost-effective beta blocker and aspirin therapy, there was an improvement in overall health outcomes, along with a more cost-effective rate of health care expenditure due to decreased rates of coronary artery reperfusions.⁶ Various factors such as over-prescribing and over utilization of unnecessary testing aided in driving up the national expenditure on health services. Similar to the idea presented by the La Palestra gym, when the focus of therapy is shifted to integration of social services and preventative treatment, an efficient health system with decreased rates of negative health outcomes emerges.

Increased spending on social determinants can be translated into a greater emphasis on quality of education, employment security, and quality of housing. Evidence demonstrates that communities are strengthened if a greater emphasis is put on social factors, regardless of circumstance. In a 2019 report generated by the University of Wisconsin Health Institute,

specific policies and programs aimed at improving social and economic opportunities for all are outline in reference to building healthier communities.⁴

With regards to education, it has been shown that individuals with more education live longer, healthier lives than counterparts with less education. There is a strong correlation between lower educational attainment and poor health outcomes in U.S. counties. As a result, a shift in funding to social determinants with regards to education can aid in setting young students on a path to academic and financial success. For younger students, universal pre-kindergarten, attendance interventions for chronically absent children, full day kindergarten, and summer learning programs to provide continuous learning can all be utilized to fortify America's educational system. Strategies such as dropout prevention programs and alternative high schools for at-risk students can be utilized to increased high school graduation rates. Lastly, college access programs can help under-represented students enroll and attain a college education. As a result, intensifying support of educational funding in exchange for reduced spending on healthcare aid in long term improvements of population health.⁴

In relation to education, income and employment are two social determinants that have a strong correlation to health of the population. Employment provides income and can result in healthy lifestyle decisions. Similar to education, the least healthy counties demonstrated higher rates of unemployment. By working to increase job skills of the population, local employment opportunities can be enhanced, and population health will subsequently increase. For example, support of adult vocational trainings can aid in acquisition of job-specific skills and transitional jobs can establish time-limited paid job opportunities



and a bridge to unsubsidized employment. Increased or supplemental income can be put towards child care subsidies to provide financial assistance to working parents, and refundable earned income tax credits can be expanded for low income working families. These strategies and many more can aid in the social determinants of income and employment. By establishing these programs for populations in need, the literature introduced earlier suggests that overall health, and parameters such as decreased mortality and increased life expectancy will ensue for Americans.⁴

Overall, the quandary surrounding the American health care paradox can begin to be resolved when society adopts the holistic view of the determinants of health. The realization that good health is largely determined by factors such as healthy environments and lifestyles should be applied to our health care system. Adoption of this point of view among the broad American culture will encourage a shift in national investments that can align the social service and health care sectors to provide maximum health benefit for the nation. Within the health care setting, greater emphasis needs to be applied to accomplishing social goals in the pathway to health. Through further integration of social and health care services, American spending on health services can be greatly reduced, while positive health outcomes rise. Thus, alignment of the health care and social services can ultimately provide patients improved health outcomes and quality of life.

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