

US ranks near bottom among industrialized nations in efficiency of health care spending

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A new study by researchers at the UCLA Fielding School of Public Health and McGill University in Montreal reveals that the United States health care system ranks 22nd out of 27 high-income nations when analyzed for its efficiency of turning dollars spent into extending lives.

The study, which appears online Dec. 12 in the "First Look" section of the *American Journal of Public Health*, illuminates stark differences in countries' efficiency of spending on health care, and the U.S.'s inferior ranking reflects a high price paid and a low return on investment.

For example, every additional hundred dollars spent on health care by the United States translated into a gain of less than half a month of life expectancy. In Germany, every additional hundred dollars spent translated into more than four months of increased life expectancy.

The researchers also discovered significant gender disparities within countries.

"Out of the 27 high-income nations we studied, the United States ranks 25th when it comes to reducing women's deaths," said Dr. Jody Heymann, senior author of the study and dean of the UCLA Fielding School of Public Health. "The country's efficiency of investments in reducing men's deaths is only slightly better, ranking 18th."

The study, which utilized data from 27 member countries of the Organization for Economic Cooperation and Development collected

over 17 years (1991–2007), is the first-known research to estimate health-spending efficiency by gender across industrialized nations.

"While there are large differences in the efficiency of health spending across countries, men have experienced greater [life expectancy](#) gains than women per health dollar spent within nearly every country," said Douglas Barthold, the study's first author and a doctoral candidate in the department of economics at McGill University.

The report's findings bring to light several questions. How is it possible for the United States to have one of the most advanced economies yet one of the most inefficient health care systems? And while the U.S. health care system is performing so poorly for men, why is it performing even worse for women?

The exact causes of the gender gap are unknown, the researchers said, thus highlighting the need for additional research on the topic, but the nation's lack of investment in prevention for both men and women warrants attention.

"The most effective way to stop people from dying prematurely is to prevent them from getting sick in the first place," Heymann said.

Last year, the U.S. spent a tiny fraction of its \$2.65 trillion annual [health care](#) budget on prevention. Health care spending is a large—and ever-increasing—portion of government budgets, particularly in the U.S. Therefore, allocating the necessary resources for prevention and improving overall efficiency are both critically important to preventing premature deaths and wiser spending, the researchers stressed.

Provided by University of California, Los Angeles

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