

# Some things about health care in the US that are striking to someone from Sweden

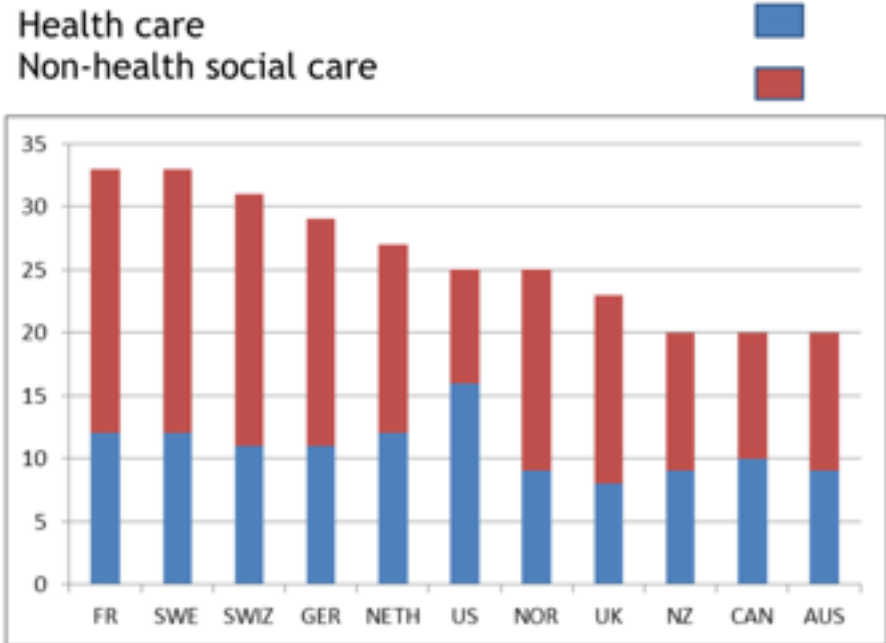
Joakim Ramsberg, May 4, 2017, Stockholm

I want to bring up three things that I find particularly striking and that I think may be affected under the Trump administration.

- 1. Social determinants of health
- 2. Innovation
- 3. Research

### Social determinants of health.

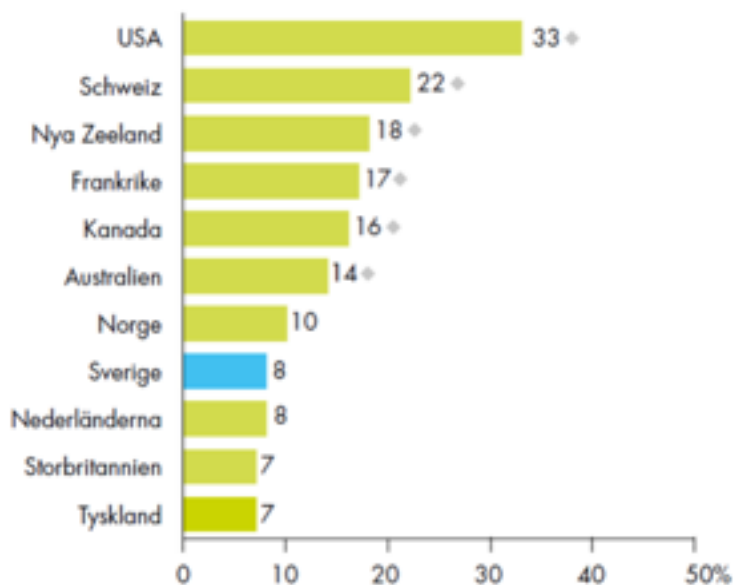
While the U.S. is an outlier for health spending, its spending looks more similar to that of other countries when health spending is combined with spending on other social services (such as cash assistance and other support for the elderly, poor, unemployed, and other disadvantaged or vulnerable populations). This is because the U.S. spends less than many comparable countries on non-health social services.



Source: The Commonwealth fund

And despite having significantly higher health spending than comparably wealthy countries, the U.S. lags behind other countries in several measures of health outcomes, with worse life expectancy, mortality, and disease burden rates. The maternal mortality rate is e.g., 6 times higher than here in Sweden.

### Refrained from health care because of cost (%)



Source: Vårdanalys, IHP survey

Some of this cross-national difference in health outcomes could be due to quality of the care provided but some of the difference in costs and outcomes could also be due to societal, economic, and environmental factors that influence health and it's an interesting questions to what extent social care programs indirectly could improve health. I think that issue is becoming more and more pertinent also here in Sweden with rising social inequality.

For sure, there are some really interesting and innovative efforts in US health care to manage the social determinants of health like health care providers working to address the housing situation for homeless patients. And with 1,5 million homeless people this is a huge issue. But a relevant question is then to what extent these efforts would be more cost-effective upstream, in social care.

On the other hand, cost-effectiveness might be beside the point. The reason is that the main explanation why health care costs are so high in the USA is because prices and salaries are high. E.g., a bypass surgery which costs \$15 000 in the Netherlands costs \$75 000 in the US. Therefore what may look like "waste" is someone's income! This will make the system resist change.

	Bypass surgery	CT scan	Inpatient drugs (index)
USA	\$75 500	\$896	100
Canada		\$97	50
France			61
Germany			95
Netherlands	\$15 000	\$279	

## Innovation

My second topic is innovation. To me it's striking how innovative certain parts of the US health care sector are. This is both in the private and the public sectors, and very significantly at the intersection of public and private. It also concerns both products and services innovation and also combinations of the two: perhaps we will see disruptive innovations in the management of chronic diseases coming out of Silicon Valley in the future?

Also at the state and federal level you see innovation in e.g., care coordination, integrating mental health in primary care and patient driven research. (Like CMS, PCORI, VA at the federal level and integrated care solutions in e.g. NY state)

It will be very interesting to see where innovation will be going under Trump. What will e.g. happen to the Agency for Healthcare Research and Quality and to PCORI? And will technology trump (sorry) politics...? Will states take the lead?

## The third topic I wanted to bring up is research

If you spend any time at all involved with research in the US, you will be impressed by the exceptional research environments that exist in universities and other both public and private institutions. Actually, you can stay here in Stockholm and see who's coming to pick up the Nobel prizes and get an idea of how tremendously successful US research is.

It's far from the only explanation, but to some extent, this is an effect of the exceptional resources available. According to some published estimates, funding for biomedical and health research sums to close to 125 billion dollars or more annually. About 30 billion dollars come through NIH making it by a wide margin the most important public funder of medical research in the world. Another 30 billion come from the pharmaceutical industry.

Now, Trump is planning to cut funding to NIH by 20%, or 6 billion. Also, Trump has said that drug prices will be lower which will affect research in the pharmaceutical industry. This funding drives medical research that benefits the whole world so this is a topic of considerable interest also outside of the US.

Some interesting aspects of research funding are

1. it is heavily skewed towards biomedical research which gets 120 billion dollars whereas health services research gets 5 billion dollars. Yet, drugs and devices account for 13% of costs in health care and health care services for 87%.
2. Biomedical research is expensive and seems to be quite ineffective
  - a. According to some estimates, more than 80% of biomedical research is waste.
  - b. Part of the reason for this is that 50 times more of the funding is spent on basic science and product development than on pragmatic research on what works in real health care.