



Industrie- und Handelskammer  
Hannover

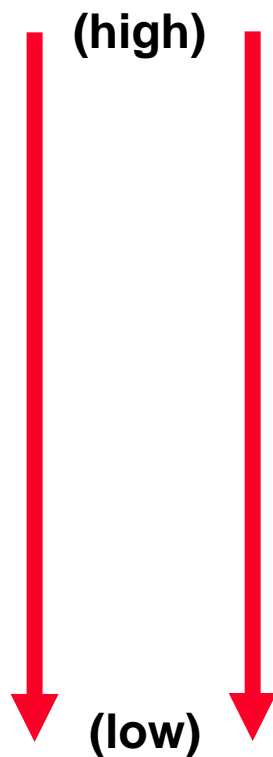
# **The Business of Health: How Does the U.S. Health-Care System Compare to Systems in Other Countries?**

**Wilfried Prewo**

**October 17th, 2006**

# European Health Systems

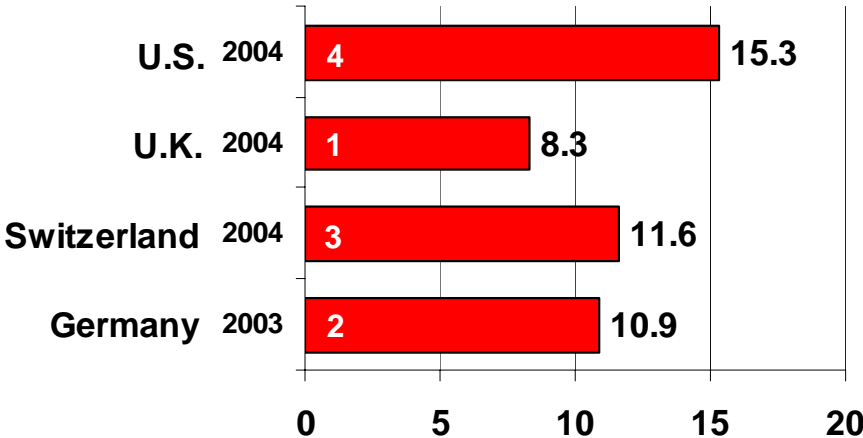
**Cost**   **Quality**



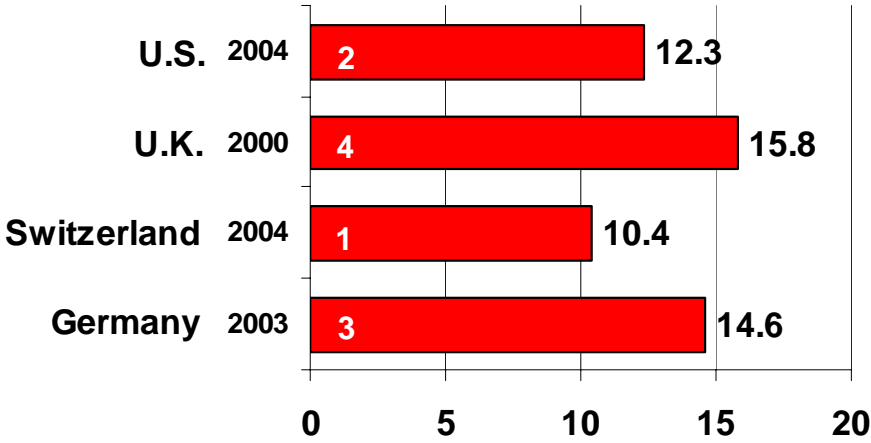
- Switzerland:**
- among European systems most consumer driven elements
  - high quality
  - but also highest cost in Europe
- Germany:**
- 90 % socialized, 10 % private
  - competitive fringe forces the public system to offer good service
  - high cost
- U.K.:**
- Socialized medicine
  - rationing and low quality
  - low cost

# Expenditures

**Total expenditure on health**  
(in % of gross domestic product)



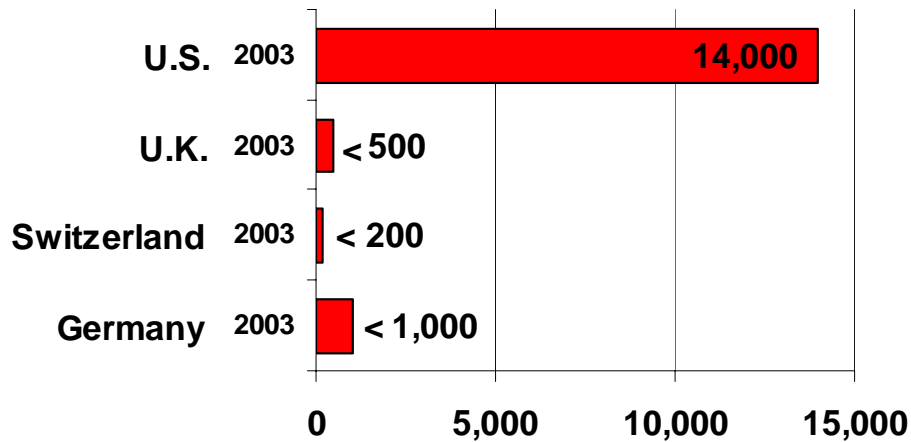
**Total expenditure on pharmaceuticals**  
(in % of total expenditure on health)



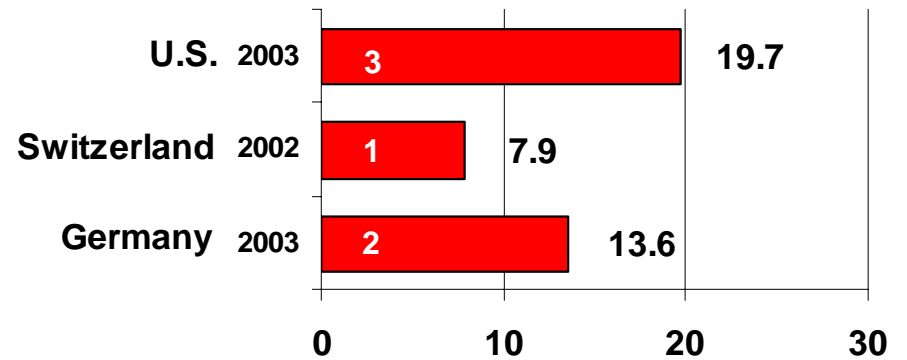
Source: WHO, OECD, data comparability is limited

# Life Style Differences

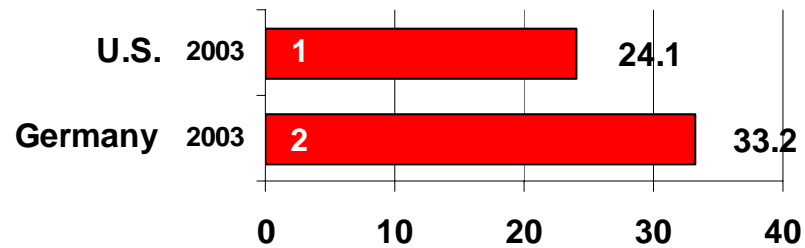
**Deaths due to HIV/AIDS**  
(per 100,000 population)



**Obese male adults**  
(15 years and older in %)

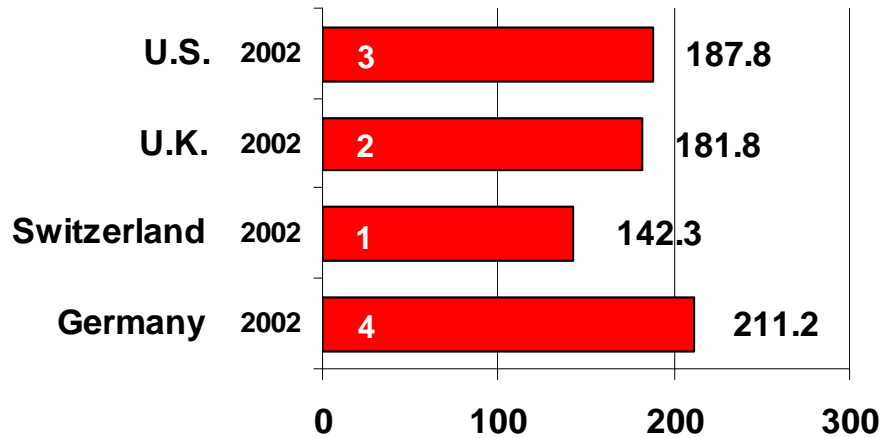


**Smoking among male adults**  
(15 years and older in %)

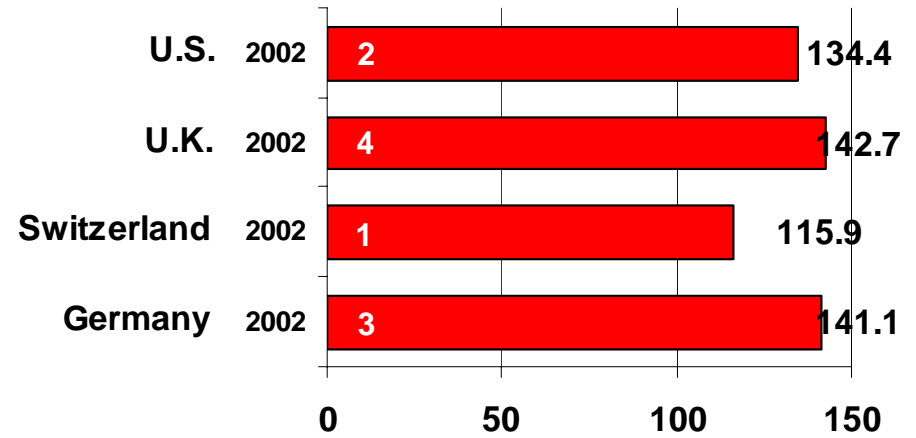


# Health Care Outcomes

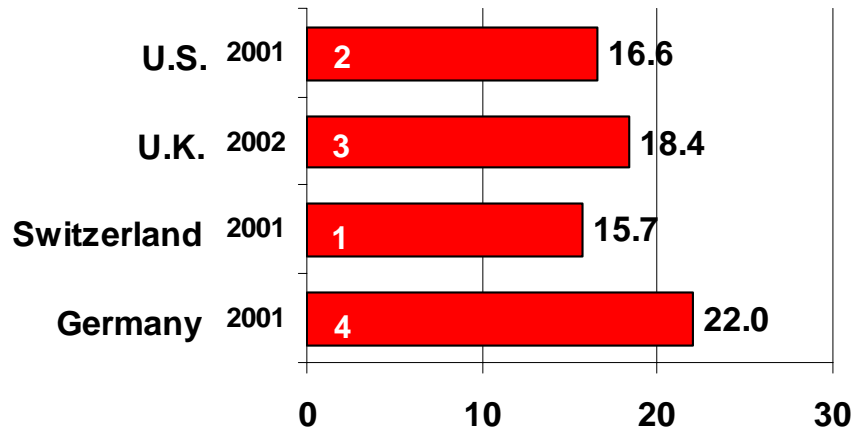
**Age-standardized mortality rate  
for cardiovascular diseases  
(per 100,000 population)**



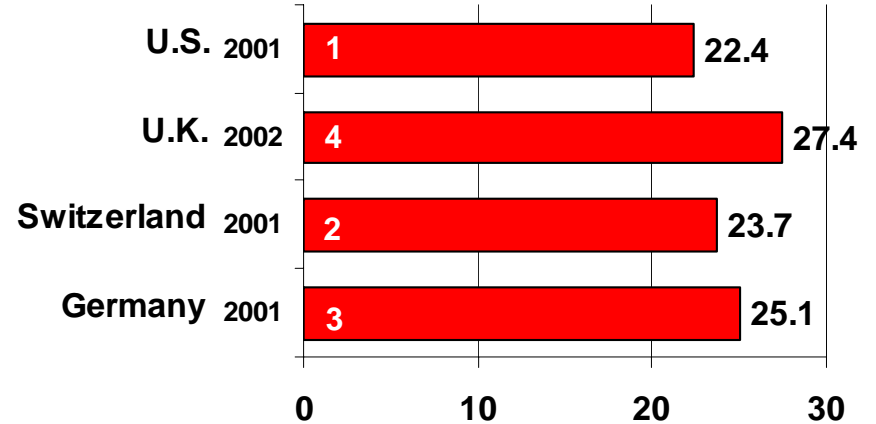
**Age-standardized mortality rate  
for cancer  
(per 100,000 population)**



**Colon cancer mortality rate  
(per 100,000 population)**



**Breast cancer mortality  
(per 100,000 women)**

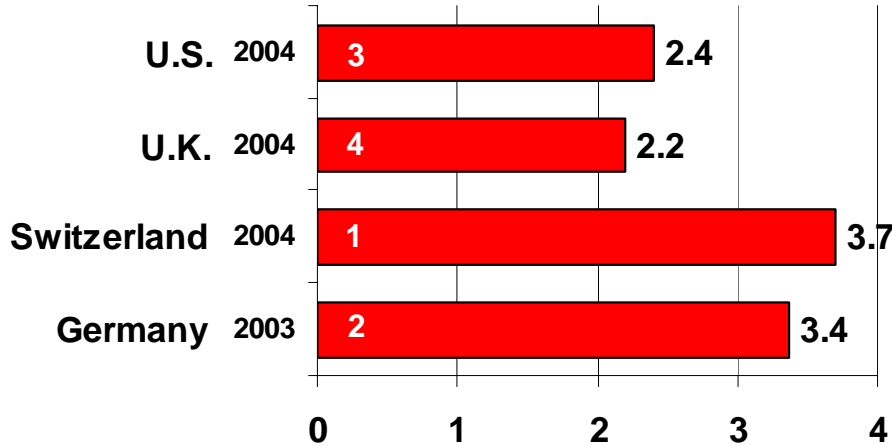


Source: WHO, OECD

# Input and Technology

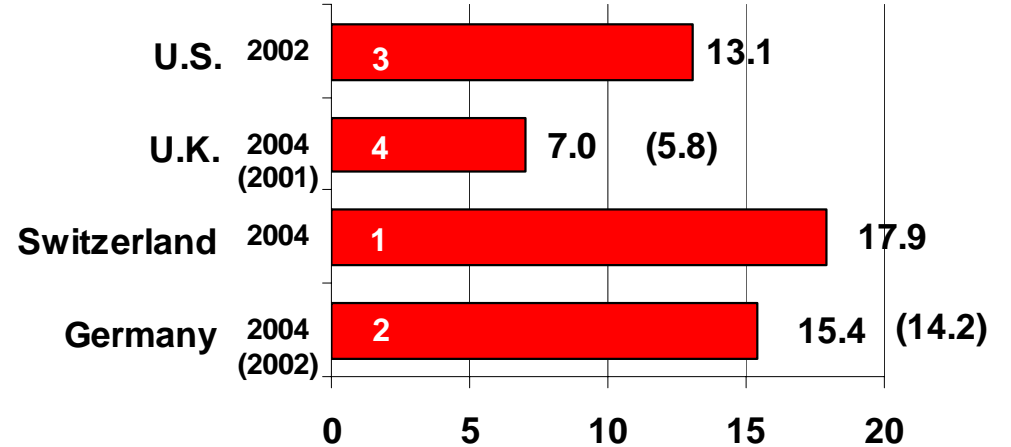
## Physicians

(density per 1,000 population)



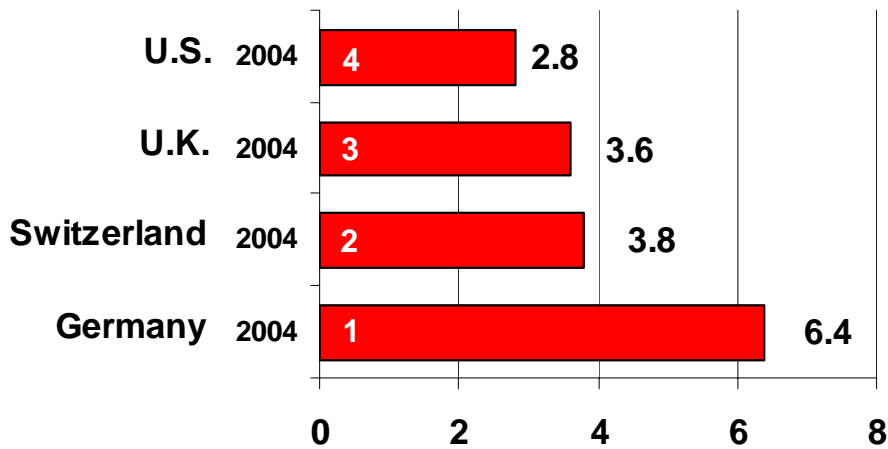
## CT Scanners

(density per 1,000,000 population)



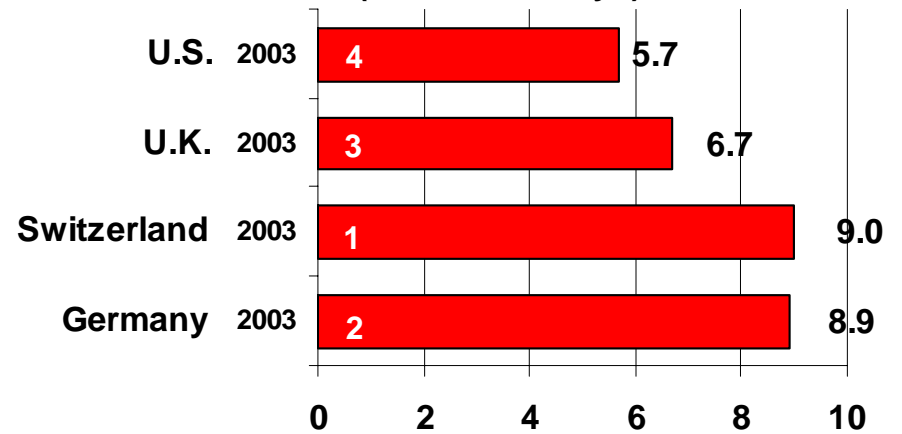
## Acute care beds

(density per 1,000 population)



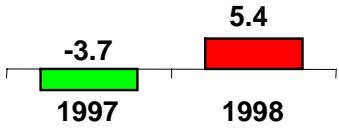
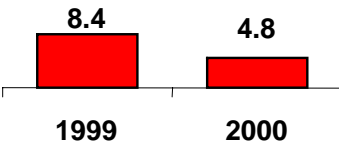
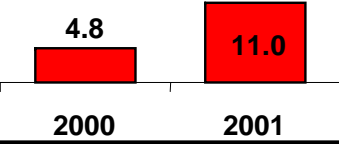
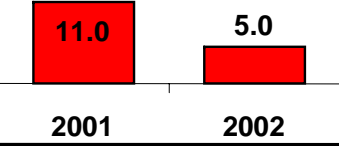
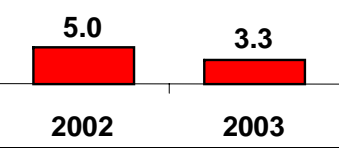
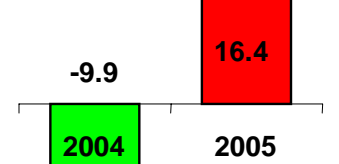
## Average length of stay

(acute care, days)



# German Health Reforms: Increasing Command and Control Does not Succeed in Controlling Costs

Year	Changes in pharmaceutical costs after regulation came into force (year 1 and 2; in %)	Regulations concerning pharmaceuticals
1982	<p>1.1      4.9</p> <p>1982      1983</p>	75 Cent co-pay per prescribed drug package
1983	<p>4.9      7.6</p> <p>1983      1984</p>	1 Euro co-pay per prescribed drug package
1989	<p>-1.1      8.0</p> <p>1989      1990</p>	Reimbursement level fixed for certain drugs; exceeding amount to be paid by patient (effect: fixed prices); higher co-pay per prescription; for drugs without fixed prices extra co-pay of 1.50 Euros
1993	<p>-14.5      6.6</p> <p>1993      1994</p>	Introduction of pharmaceutical budget caps (broken down to the level of physicians); co-pays for drugs depending on package size
1996	<p>6.6      -3.7</p> <p>1996      1997</p>	Higher co-pays

Year	Changes in pharmaceutical costs after regulation came into force (year 1 and 2; in %)	Regulations concerning pharmaceuticals
1997	 <p>1997: -3.7% 1998: 5.4%</p>	Co-pays raised to 4.50 - 6.50 Euros
1999	 <p>1999: 8.4% 2000: 4.8%</p>	Lower co-pays
2000	 <p>2000: 4.8% 2001: 11.0%</p>	Tightened budget caps; recourse, if budget is exceeded
2001	 <p>2001: 11.0% 2002: 5.0%</p>	Budget caps abolished
2002	 <p>2002: 5.0% 2003: 3.3%</p>	New spending cap, "aut idem" rule for pharmacists
2004	 <p>2004: -9.9% 2005: 16.4%</p>	10 per cent co-pay per drug package, minimum 5 Euros,