Health Care Spending in the United States and the OECD

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U.S. health care costs are higher—and growing faster—than those in other comparably developed countries

Introduction: This report by the Kaiser Family Foundation, a nonprofit foundation focusing on U.S. health care issues and policy, compiles and analyzes OECD data to show that per capita health care spending in the U.S. has nearly tripled in a generation, without significant improvement in outcomes. People in the U.S. spend much more on health care costs than do those in other comparable developed countries.

The report suggests that the United States pays more and achieves less than other governments in its health care programs. Interestingly, the report breaks down health care spending into two parts: government and private spending. This distinction reveals that the amount of money that the U.S. government spends on health care as a percentage of the economy is comparable to many of the highest income OECD countries. Despite this comparable level of government spending, the U.S. government provides health care coverage to a far lower percentage of its population than other countries who often offer universal coverage. Private health care spending in the U.S. far outweighs private spending in any of the other high income countries.

An excerpt from the report: It is reasonably well known that the United States spends more per capita on health care than other countries. What may be less well known is that the United States still has one of the highest growth rates in health care spending. Health care spending around the world is generally rising faster than overall economic growth, so almost all countries have seen health care spending increase as a percentage of their gross domestic product (GDP) over time. In the United States, which has both a high level of health spending per capita and a relatively high rate of real growth in spending, the share of GDP devoted to health care spending grew from 9% of GDP in 1980 to 16% of GDP in 2008. This 7 percentage-point increase in health spending as a share of GDP is one of the largest across the OECD.

Read the full report here.

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