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Health Care Costs

Having access to health care is considered by many to be a basic human right, but what happens when this right becomes too expensive for most people to afford? In recent years healthcare has become increasingly more expensive, and this trend is expected to continue. Currently in the U.S. it costs on average \$9,775 to deliver a baby. In the United Kingdom, it costs only \$2,641 to deliver a baby the same way (Young). According to Healthsystemtracker.org, "per capita expenditures are projected to grow from \$9,695 in 2014 to \$15,618 in 2024." There are many areas of healthcare that have unnecessary costs which could be reduced. With the upcoming 2016 Presidential election, candidates have been expressing their views on certain issues and their way of fixing the problem if elected. Hillary Clinton and Bernie Sanders are two that have discussed ways to decrease the rising costs of health care.

Of the many areas in which health care costs originate, hospitals, physicians and prescription drugs are the areas with the largest costs with 30.74%, 20.04%, and 10.01% respectively (aetna). The cost for both hospital services and physician services is expected to fall, however the cost of prescription drugs is expected to increase. The annual growth rate for prescription drugs is projected to be around 5.2% in 2017 and it will increase to be 5.9% in 2024. Part of the reason for this increase is the increase in the market for specialty drugs (healthsystemtracker).

Specialty drugs, such as a drug used to treat two kinds of blood disease called Soliris, are expected to cost four times as much in 2020 than they do now. For a drug like Soliris that costs around \$440,000 a year, this is crippling for the patients who are forced to choose between paying this enormous fee and succumbing to what could be a life-threatening disease. Part of this problem is that specialty drugs have no competition, and therefore can set their drug at practically any price they choose. Usually after the drug company sets what is called a “sticker price,” insurance companies are allowed to negotiate a lower price that the two parties can agree upon, however Medicare can’t. An article by Bill Hogan states that “Medicare is forbidden by law from using its strength in numbers to negotiate lower prices,” this means that patients with Medicare are less likely to be able to afford specialty drugs (Hogan).

Bernie Sanders, a democratic candidate in the 2016 election, expressed his opinion on the rising costs of prescription drugs and how he proposes to fix it. One of his proposals is that the Secretary of Health and Human Services should be able to negotiate lower drug prices for Medicare since they are currently unable to do so themselves. Sanders also says that there are many pharmaceutical companies that commit fraud but aren’t penalized for it. He proposes that they should be stripped of their “government-backed monopoly of a drug if they are found guilty.” Also in his article Sanders discusses the practice where drug companies with a patented drug pays those manufacturing a generic version of the same drug to hold off or stop production. When this occurs, the competition between brand-name and generic drugs decreases, causing the prices to rise. One way that he proposes drug costs could be lowered is if “transparency” is demanded. If the public knows the real cost of a drug’s research and production, companies are less likely to be able to get away with charging more than is needed to recoup the money they

spent as well as a reasonable profit. As Sanders said “Americans should not have to live in fear that they will go bankrupt if they get sick” (Sanders).

Another democratic candidate in the upcoming election, Hillary Clinton, has also proposed a solution to the rising costs of prescription drugs. Her solution is to have a limit on the amount of money patients with chronic illnesses spend on prescription drugs. Her plan also includes the denial of tax breaks for "televised direct-to-consumer advertising" for drug companies. In denying these tax breaks, she hopes to reduce the amount of money these drug companies spend advertising their products. Clinton also wants to "increase competition" between drugs companies to help lower the prices of certain specialty drugs. As she did in her campaign for the presidency in 2008, Clinton also wishes to allow Medicare the ability to negotiate lower prices for drugs, and through this, give their patients drugs at lower prices (Thomas & Lucey).

These feelings towards the rising drug costs are not just limited to Democrats. According to the article “High Drug Prices Are Killing Americans” by Bernie Sanders a “Kaiser poll showed that Republican voters care more about drug prices than they do about repealing Obamacare,” this means that this issue isn’t limited to a certain political party, or a certain group of Americans. This issue is affecting all Americans and it is up to all Americans to solve.

Health care costs and their persistent increase are becoming an issue both in the long run and the short run, especially where prescription drugs are concerned. With the increasing drug costs, less and less people will be able to have the access to health care they deserve. These rising costs in health care cause employers to no longer be able to provide health care benefits for their employees, ultimately leaving hard-working Americans without health care (aetna). This is a problem, one that many people are working hard to solve but we aren't quite there yet.

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