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Health and Politics®
essays

March 2010, Ankara
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Implications from the Obama Health Reforms: Lessons to be drawn for Turkey

One of the main reasons for comparing national health systems within the framework of comparative policy analysis is "to draw lessons." When viewed in this sense, Turkey, along with the EU health systems with which it has been involved in accession negotiations since 2005 may learn many lessons from the USA health system. The USA health system has a generally negative reputation among the world's health systems and has entered a process of radical reform under President Barack Obama.

After campaigning on the promise of radical reforms in the USA health care system that had been molded by a mindset of individualism and selfishness, Barack Obama (the Democratic Party) was elected as the President of the USA in 2008. Remaining true to his promise and loosening the purse strings, he has launched initiatives that have plunged the USA health care system into a process of radical reform. On March 21, 2010, the health care reform bill passed through the House of Representatives by a vote of 219 to 212. The bill should also be passed without obstacle by the USA Senate, which is the upper house.

The comprehensive health care reform aims to (Healthreform 2010) (1) reduce the long-term growth of health care costs for government and businesses; (2) protect families from debt or bankruptcy due to health care costs; (3) guarantee individuals the opportunity to choose health plans and doctors; (4) invest in prevention (preventive health care services) and wellness; (5) improve patient safety and quality of care; (6) assure affordable, quality health coverage for all Americans; (7) maintain coverage when someone changes or loses a job; and (8) end barriers to coverage for people with pre-existing medical conditions.

It will be advantageous to explore the state of health care that has lead the USA to pursue radical reforms in the health sector under the leadership of President Barack Obama. In other words, what conditions have led the USA to pursue health reforms, and more importantly, what is the philosophical background that has produced this situation? Understanding the system of beliefs and values that have resulted in this situation is of vital importance to shaping the future and drawing sound lessons from these national experiences.

While the United States spends far more on health care than any other country as a percentage of its GDP (16%–this ratio is predicted to rise to 25% if the current situation continues), the EU spends on average approximately 9%. Health care per capita is $7,290. This refers to a health care spending per capita more than three times that of other developed countries, and this spending shows a very rapid increase. Health insurance premiums have doubled since 2000. The primary factor that underlies the high rate of USA health spending is its private insurance-dominated financial system. Another reason is that constantly evolving technology-based treatment services outweigh preventive health services. That is to say, in health, the medical model is at the forefront. It is a classic rule: treatment is usually more expensive than prevention. An aging population and rising consumer expectations can be noted as other reasons underlying health spending. In the USA, health services are very expensive; people may go bankrupt and may fall into poverty due to medical costs. Thus, according to a survey conducted by Himmelstein et al. (2009), 62% of bankruptcies in 2007 resulted from medical expenses, and 75% of those people who filed personal bankruptcy had some form of health insur-

Suggested citation: Yıldırım HH. (2010). Implications from the Obama Health Reforms: Lessons to be drawn for Turkey, Health and Politics Essays (www.healthandpolitics.net, *access date*).

ance. The survey also found that bankruptcies attributable to medical problems increased by 50% from 2001 to 2007. According to another study in 2009, 41% of non-elderly adults (72 million) accumulated medical debt or had difficulty paying medical bills (Healthreform 2010).

When viewed in terms of health outputs/outcomes, not only is nearly one-sixth (45 million, 15%) of the USA population without health insurance coverage (uninsured) but also in a system predominated by the private insurance approach, "underinsurance" is at its highest level; 21% of the population is reported to be underinsured (Healthreform 2010), meaning individuals with existing health insurance coverage cannot achieve full access to health services. While the USA has a high level of health spending per capita and seems be performing well in terms of other health system inputs, it falls behind the EU averages in basic health indicators such as infant mortality rate, life expectancy at birth and maternal mortality (see: Table 1).

Further clarifying the situation, there is significant fragmentation of the USA health care system concerning health service delivery, legal context, and health financing. Health facilities are mainly owned and operated by the private sector. Health financing is provided primarily by the private sector insurance industry. However, the state runs programs such as Medicare, Medicaid, TRICARE, the Children's Health Insurance Program, and the Veterans' Health Administration. To summarize, the basic issues causing the need for health reform in the USA therefore include the following: (1) health care costs and spending are rising very rapidly; (2) health care spending and investments fail to generate a complete return, pointing to inefficiency and waste; (3) a significant portion of the population is deprived of health insurance coverage, and underinsurance is too common.

Table 1. The Comparison of the Health Production Systems of the USA, EU-27 and Turkey (2007)

Health Production System		**Countries**		
		USA	EU-27	Turkey
Demography and Economics	Mid-year population (000)	301,621	493,822	70,586
	GDP, US$ per capita	45,559	35,828	13,604
Health System Inputs	Total health expenditure as % of GDP	16	8.92	6
	Total health expenditure, PPP$ per capita	7,290	2,468	813
	Physicians per 100,000	312	322.34	154.27
	Nurses per 100,000	1,057	745.47	310.8
	Hospital beds per 100,000	310	570.18	284.59
	Alcohol consumption, litres per capita (age 15+)	8.6	9.11	1.2
Health System Outputs / Outcomes	Infant deaths per 1,000 live births	6.7	4.56	20,7
	Life expectancy at birth (years)	78.1	79.13	71.8
	Maternal deaths per 100,000	15.1	5.7	21.3
	Health insurance coverage rate (%)	85.3	98	80
Data: Sağlık Bakanlığı (2010); OECD (2009) and WHO (2010)				

The USA fails in the comparative picture with the EU-27 with regard to health care. What underlying factors/reasons cause the outputs/outcomes of the USA health system to lag behind the EU average despite relatively high levels of input? In other words, as also stated above, what is the main factor that has generated this picture? The health system of a country and the performance of this system are the reflection of variables such as historical, cultural, social, economic, technological, and beliefs shaped by the set of values of that country. The essence of these values is a "worldview" or "paradigm." The "individualistic" or "liberal" viewpoint or value judgment that steers American society finds its meaning in the field of health by seeing "health as an easily tradable commodity just like any other goods and services." In the framework of this meaning attributed to health and the field of health, supply and demand for health services are manipulated by individual economic capacities in the market conditions. Therefore, in an environment of risks and uncertainty, the inevitability of catastrophic expenses in cases of need for health services challenge individual economic capacities and lead to the above-mentioned bankruptcies or a gloomy picture of a health system.

However, in the European theory/philosophy and practice, "health is a birthright," and "unique characteristics of health services bring the trading of health in market conditions like other goods and services" to a standstill. Therefore, the viewpoint that as a "financer", "service provider" or "regulator", the intervention of the state is inevitable prevails. That is to say, in Europe, health is considered one of the practice areas of the social state approach. High politics molded by these viewpoints or worldviews also become the sole determinant in shaping health policies in lower context and their sub-practices. Politics shapes all aspects of the field of health, and there is a radical difference between the USA and the European mentality concerning the production of health. While individualism is prioritized in the USA, collectivism prevails in Europe.

However, the USA, with the prescribed reforms, moves toward a radical change of mindset in the field of health, and strengthens the state's role of "stewardship" in the field of health. Concomitantly, this transformation appears to signal the emergence of a social perspective in the USA field of health, at least in a protective manner. This change of mindset in the USA health field could probably not prove anyone right more than Prof Kenneth Arrow (1963), who pioneered the evolution of the discipline of health economics with his 1963 article, "Uncertainties and the Welfare Economics of Medical Care", and who was also a Nobel Prize Winner in economics. The reason is that in his article, Arrow stated in summary that the medical care market, due to its unique characteristics, was different from other goods and services markets, and thus, when left to the market system, it would face market failures and consumers would be harmed, as confirmed by the health services practices in the USA.

As for lessons to be drawn for Turkey, the situation in the USA has shown that money can buy neither happiness nor health. The decisive reform package President Obama has introduced proves that the path that the USA has chosen to follow in the health field was wrong, and that now it has reached the end of this path. Since 2003, Turkey has been endeavoring to effect health reforms in the scope of the Health Transformation Program (HTP) and has made a certain progress.

In Turkey, from time to time, opinions, albeit weak, are expressed that health care services should primarily be financed by private insurance or at least that the role of private insurance must be enhanced. The point the private-insurance-dominated USA health care system has reached has been briefly reviewed above. Thus, the first lesson Turkey must draw from the USA is that due to its unique characteristics, health services cannot be financed largely through private premiums; financial sustainability cannot be achieved, and fairness decreases. As a matter of fact, Turkey has never been in pursuit of such a mistake.

As stated before, the two major problem areas of USA health financing have been "non-insurance" and "underinsurance". These two problems actually arise from individualism and the predominant existence of the "private health insurance" system nourished by individualism. In fact, health reforms are oriented towards producing solutions for these two problems. In the Turkish health system, reforms are aimed at the Universal Health Insurance (UHI) to expand health coverage for everyone to cover the uninsured segment. That is to say, the UHI aims to leave no "uninsured" segment. Unfortunately, "the state of underinsurance" is deepened with some practices that have been implemented in the scope of the HTP. "User charges" rank first among these practices. Turkey has attempted to include the entire population in the scope of health insurance coverage through the UHI, which it has developed by integrating all social security institutions providing health insurance under one roof in the framework of the HTP and Social Security Reform (SSR). While attempting to expand health insurance coverage, however, it has contradictorily implemented user charges, which diminish the depth of health insurance coverage, widely and in various extents in the scope of the same reforms. User charges are a major component of "direct out-of-pocket health payments", and they are problematic.

Turkey, while formulating its health policies and building its health system, "must internalize the philosophical perspective of "the European social model" adopted in all EU member countries and at the EU level, which is appropriate for the nature of health and health services. The European social model, which incorporates values of coverage for everyone, including solidarity, fairness and quality,

is a response to market failures brought by the nature of health services. To do otherwise is unthinkable; using entirely "private health insurance" in the financing of health services demand is particularly inconceivable. Health, which is the most valuable capital of human beings and the cause of obtaining other capitals to the extent it allows, cannot be left entirely to the private sector. If done, this is not only inhumane but also unscientific.

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