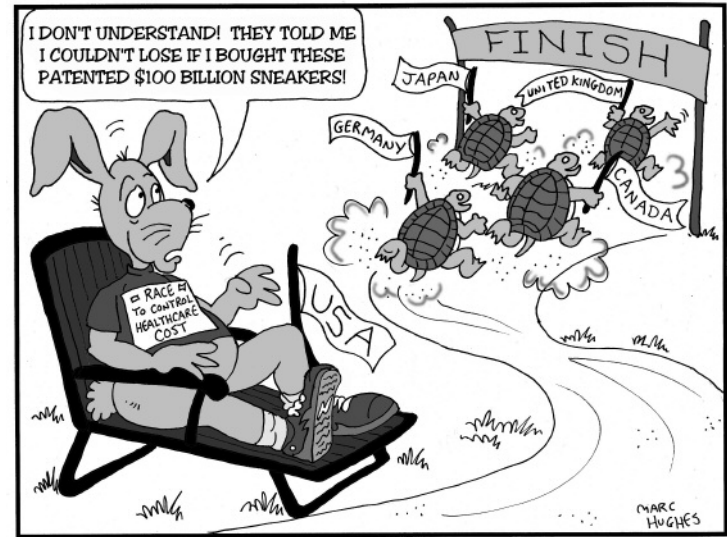


7.1 Hey, Big Spender

THROWING MONEY AT A PROBLEM DOESN'T necessarily make it go away. The U.S. spends a far greater share of its gross domestic product (GDP) on health care than other industrialized countries. Even though health care expenditures equaled more than 14% of total U.S. GDP in 2001, nearly 40 million people lacked medical insurance.

Americans rely on a hodgepodge of private insurance, public assistance, and out-of-pocket payments that finances luxury treatment for some but begrudges basic care to others. In most other wealthy countries, the government either provides care directly or insures everyone. This can reduce multiple layers of bureaucracy, resulting in more efficient and egalitarian provision of health care.

Doctors and hospitals in the U.S. are increasingly torn between the pressure to protect profits and the desire to provide decent health care. Many feel trapped in a system that often pits these objectives against each other.



SPUD AND MARC HUGHES

Health care expenditures as a percentage of GDP in 2001

