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A Realistic Path Towards a More Affordable Healthcare System for the United States

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A REALISTIC PATH TOWARDS A MORE AFFORDABLE HEALTHCARE SYSTEM FOR THE UNITED STATES

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ABSTRACT

This study was performed in order to try to discover ways in which the American healthcare system can improve and become more affordable for its citizens. The main focus was to see how implementing a universal healthcare system could benefit the United States. I analyzed aspects of many different universal healthcare system structures and chose aspects that I think should or should not be included in a revised version of the US healthcare system. There was a strong focus on the aspects of Japan and Costa Rica's healthcare systems. I also pointed out weaknesses in the US healthcare system that definitely need to be addressed. Within the study, I concluded that the United States charges its citizens far too much for their healthcare services, and performs worse than many comparable countries of similar economic prowess. I concluded that aspects of a universal healthcare system could prove to be beneficial in reducing these high costs and providing helpful coverage to millions of Americans who are uninsured.

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Introduction:

Within the American healthcare system there are many shortcomings that cause our hospitals and clinics to underdeliver to our citizens (Anderlini). One of these shortcomings is the lack of health insurance coverage for many of the citizens (McWilliams). Although a portion of the American population qualifies under the strict guidelines for Medicaid and Medicare, many people in our country must navigate high premiums of market or employer provided health insurance or have no health insurance at all (McWilliams).

Another issue is the high cost of treatment, including the cost of pharmaceuticals, that can cripple families and cause payments on their mortgage, groceries, education, amongst other things to become much more difficult to accomplish. According to the Colorado Center on Law and Policy, a staggering "66.5% of people who file for bankruptcy cite either medical expenses or illness-related work loss as at least one reason for their bankruptcy. This same study estimates there are 530,000 medical bankruptcies in the US annually" (Kestler). Also, according to the Texas Tribune, 58% of debts recorded were for medical bills and that around 100,000 Americans have medical debt (Levey). A study done by The University of Washington even states that medical debt can extend a person's period of homelessness by two years (Hagopian). These issues cause many citizens to avoid treatment when facing harsh illnesses and potentially life-threatening conditions. In fact, The Kaiser Family Foundation says that 4 of 10 Americans say that they have retarded or foregone appointments due to costs and that 47% of Americans say that it is difficult for them to afford their healthcare costs (Kearney). Generally, foregone medical appointments lead to unresolved medical issues and are at a greater risk for premature death (Lancaster University).

There is also disparity amongst the quality of treatment depending on factors like geographic location, economic status, and insurance status. These issues contribute to current debate as to how we can improve healthcare in the United States. According to the Kaiser Family Foundation, approximately 27.5 million nonelderly adult Americans are uninsured (Tolbert). Many people have health insurance through their employer and most uninsured patients come from low-income demographics, but do not meet the qualifications for Medicaid for their state. The qualifications for Medicaid are different for each state, so states with stricter qualifications generally see more issues with uninsured patients (Drake). Uninsured patients are significantly more likely to avoid appointments because of treatment costs, because uninsured patients are obligated to pay the entire payment for their care, which most of the time, is extremely expensive. Studies also show that uninsured patients are far less likely to receive preventative medical care for potential life-threatening diseases (Tolbert).

We live in a country with one of the most expensive health care systems in the entire world, and its costs are increasing, year by year. The US spent $4.3 trillion on health care, which averages out to about $12,900 per person. According to the consumer price index, the average change in price of medical care has grown by an average rate of 3.4% per year (pgpf.org). Although the US spends more money on healthcare annually than any other country, many of its citizens still cannot afford health insurance and have a life-expectancy lower than 45 other countries (Worldometer)(Figure 1)(Figure 2).

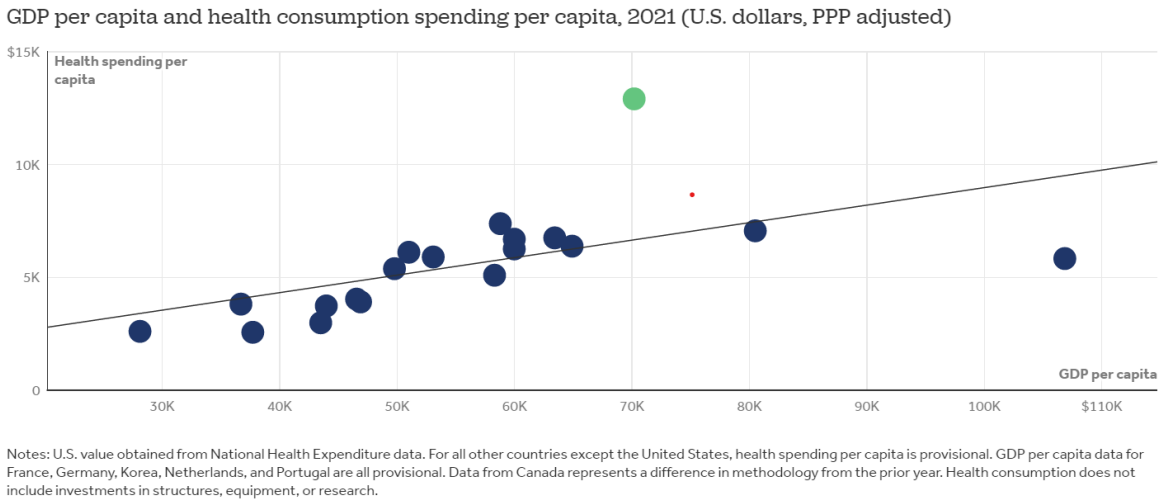

Figure 1: GDP per capita on healthcare of wealthy countries (McGough)

One can see that Figure 1 is a graph showing that the USA(green) spent significantly more per capita than any of the other countries (McGough). According to the Commonwealth fund, "In 2021, the U.S. spent 17.8 percent of gross domestic product (GDP) on health care, nearly twice as much as the average OECD country. Health spending per person in the U.S. was nearly two times higher than in the closest country, Germany, and four times higher than in South Korea" (Munira).

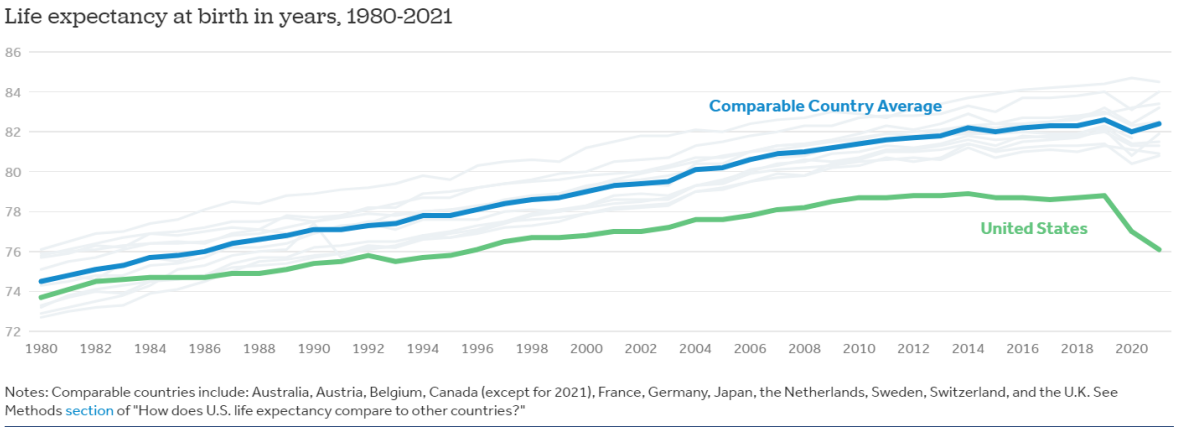

Figure 2: Life expectancy of the USA compared to other wealthy countries (Rakshit)

One can see within Figure 2, that although the USA spends so much more on healthcare, our life expectancy falls significantly below other comparable countries (Rakhit). This highlights the

idea that our healthcare system significantly underdelivers to its citizens, considering its exorbitantly high costs. The American healthcare system is extremely complex and is composed of many private insurance companies, government directed organizations, and payments directly from patient funds (Tikkanen). Because of the complex nature of healthcare and its politically controversial high costs, the solutions to addressing our current healthcare crisis are varied and often underdeveloped.

Rationale & Case Studies:

Comparing the US healthcare system to other types of healthcare systems could provide insight into how we might systematically approach or mitigate some of these challenges. This paper will specifically compare and contrast the Costa Rican and Japanese healthcare systems with the US healthcare systems in an attempt to provide some financially feasible solutions, then utilize existing literature to discuss options for making these culturally palatable.

My thesis will aim to conduct this comparison in order to determine the types of policies and which peculiarities of healthcare systems could improve these metrics within the healthcare system of the United States. I want to use comparative data because this is the most obvious way to tell how the different healthcare system structures determine the quality of care given to the citizens of the respective countries. The goal is not only to find out whether a more universal style of healthcare system would be appropriate for the United States, but also which ones are realistic for implementation into this country and which negative aspects to avoid during implementation.

Japan and Costa Rica are used as example countries because they both utilize a universal healthcare system and view health care as a right, but differ significantly in some aspects of the organizational structure of their healthcare system. Both of these countries boast very impressive

statistics in important healthcare metrics like life-expectancy, infant mortality rate, and more. Important distinctions between the two countries are the percentage of cost coverage provided by the public sector, sustainability of the model of healthcare system, ability to go straight to a specialist, satisfaction rate, and amongst others(VanderZanden)(Tikkanen). The purpose of this study is to be able to use these countries' models to be able to make reasonable recommendations as to steps that the United States can take in order to improve its health care system.

Both Costa Rica and Japan have extremely effective healthcare systems that exhibit attributes that could prove to be beneficial to the United States healthcare system if they were implemented properly. Costa Rica has a universally based healthcare system that provides care to all of its citizens. The system is publicly funded through the Caja Costarricense de Seguro Social (CCSS). Costa Rica's healthcare system commits strongly to primary care, disease prevention, and health and healthcare education (VanderZanden). The system has been found to be successful, boasting one of the highest life expectancies in Latin America and the Western Hemisphere. Costa Rica accomplishes all of this while spending significantly less per capita than the United States (Munira). In 2019, the health expenditure per capita for Costa Rica was $922 (Knoema), while for the United States it was $11,582 (Rama). Obviously, the economics are different in these two countries, but this is a staggering difference.

Japan also utilizes a universal healthcare structure known for both its cost-effectiveness and efficiency. In Japan, every citizen is obligated to enroll in a health insurance plan (Tikkanen). The public insurance sector generally covers up to 70% of the costs for treatment and people are able to get private insurance to help cover the other 30% (Tikkanen). Japan's healthcare puts strong emphasis on preventative care, which leads to few patients and lower average costs for its citizens (Kondo). Japan also uses a physician-run system that leads to lower

costs of pharmaceuticals and reduced costs that would normally go towards the payment for administrators (Statista Research Department). These aspects help Japan provide some of the best healthcare in the entire world.

Literature summary:

The literature utilized in this study displays a few important trends that will be further examined and discussed in this paper, to try to find ways in which the American healthcare system can improve. One important trend that we see is that higher performing countries have distinguishing characteristics from the US (Scheider). Some of these characteristics are "1) they provide for universal coverage and remove cost barriers; 2) they invest in primary care systems to ensure that high-value services are equitably available in all communities to all people; 3) they reduce administrative burdens that divert time, efforts, and spending from health improvement efforts; and 4) they invest in social services, especially for children and working-age adults" (Schneider). Schneider's study compared 11 wealthy countries and how their health care systems perform (Figure 3)(Schneider). To measure performance they " used indicators available across five domains: access to care, care process, administrative efficiency, equity, healthcare outcomes" (Schneider).

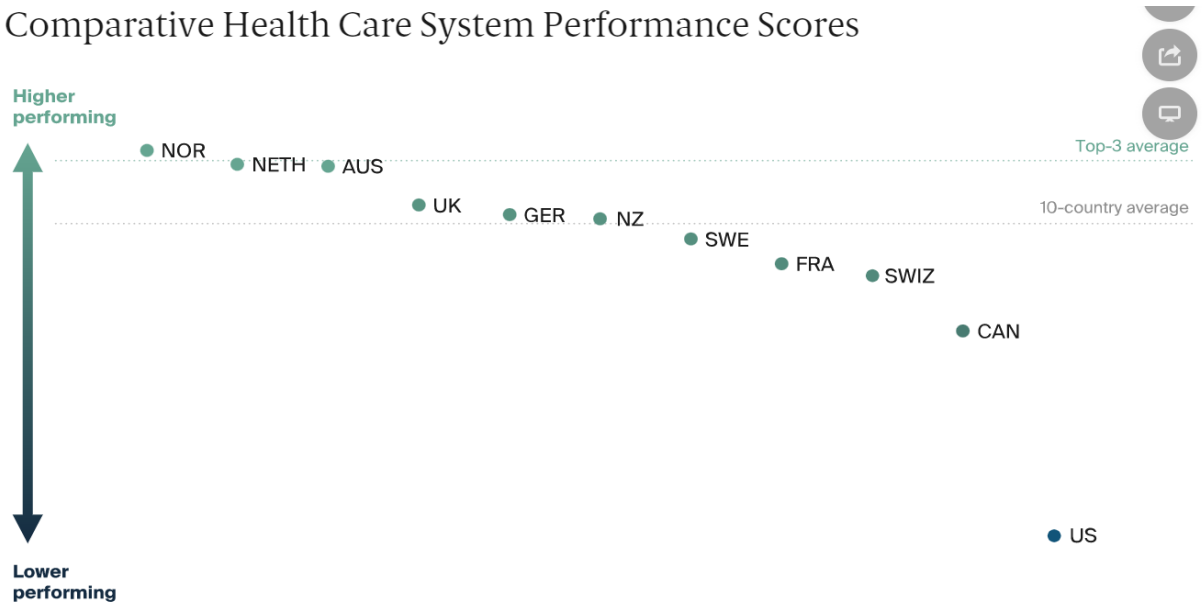

Figure 3: Chart of 11 countries comparing their performance in healthcare

As you can see from Figure 3, all of the other ten countries outperformed the US by a significant margin (Schneider). This is particularly concerning, when examining the results from Figure 1 because we are spending significantly more money for worse healthcare. We already mentioned 4 aspects of these healthcare systems that distinguish them from the US, but all 4 of these characteristics stem from the idea that these countries see affordable healthcare as a right, while the US does not. Viewing healthcare as a right could be simply described as the legal obligation of the government to provide every citizen with the healthcare they need, regardless of socioeconomic status or any other factor (World Health Organization). It is the belief that every citizen is entitled to a healthy life (World Health Organization). Similarly to the countries in Figure 1, excluding the US, Japan and Costa Rica view healthcare as a right. These countries utilize healthcare models with characteristics that I think could improve the US's healthcare system, and the aspects of these systems will be evaluated and compared to the United States throughout this paper.

Along with viewing healthcare as a right, Costa Rica and Japan also both use universal healthcare systems. The hallmark of a universal healthcare system is that basically every citizen of a country has health insurance (Investopedia). There are many different opinions on universal healthcare. People who are not in favor of universal healthcare generally believe that the healthcare that's provided will not be up to par, it gives the government too much power over the health department and the citizens, and that the wait times to see doctors will become too long (Hughes). People in favor of universal healthcare think that it will improve healthcare equality, it will improve healthcare affordability, it will increase our life-expectancy, and will improve our overall health (Thales Group). My personal opinion is that moving towards a universal healthcare system will benefit the United States and I intend to support this argument using Japan and Costa Rica as my primary examples.

Juan Rafael Vargas and Jorine Muiser demonstrate how the healthcare sector in Costa Rica improved after implementation of their universal healthcare system, CCSS. The CCSS was implemented in 1940, and "[b]y 1950, the total population of Costa Rica was almost one million, with youth (0–15 years age) and elderly (65 years and older) representing 43% and 3.4% of total population, respectively. Total fertility was 6.7 per woman and life expectancy at birth 56 years for both sexes. Health care expenditure was 2.2% of GDP and the CCSS covered around 8% of the population [8]....(by 1980) The total population grew to approximately two million inhabitants. Elders and youth represented 3.8% and 46% of the total population, respectively, at a dependence rate peak. Infant mortality decreased to 21 per 1,000 live births; fertility rates to 3.7 per woman. CCSS population coverage grew nine-fold reaching 39%...Babies were delivered at health facilities more than three times as often as in 1950 thus improving maternal mortality rates. The number of hospital beds per inhabitant decreased by half, but the number of medical

doctors almost tripled; life expectancy increased to almost 70 years at birth for both sexes" (Vargas).

Also, the study by Tetsuo Fukawa exhibited that Japan the successes that their universal healthcare system has had by displaying that Japan has a life expectancy of 82.1 (years), infant mortality rate of 2.8 per 1,000 births, and GDP (100 million US$) of 46.7 in 2004, compared to the United States which displayed 77.5 (years), 6.9 (per 1,000 births), and 116.8 (100 million US$) in the respective categories (Fukawa 34). These studies support the idea that the universal healthcare systems of Japan and Costa Rica have helped reduce infant mortality rates and improved fertility rates. Generally speaking these data not only help demonstrate that migration towards universal health care systems improve the country's status in major healthcare categories, but also show that they are much more cost-effective at the same time.

In 2020, the US had the highest infant mortality rate of all countries at 5.4 deaths per 1000 live births and a maternal mortality rate that was more than 3 times the rate of other richer countries at 23.8 maternal deaths per every 100,000 births (Petrullo). With the improvement that we saw in these areas with the implementation of the universal healthcare system in Costa Rica and the success and cost-efficiency that we've seen in these areas in Japan, it could prove to be beneficial for the US to attempt to adapt to a universal healthcare mode similar to the mentioned models in order to improve in these aspects of healthcare.

Limitations of the American Healthcare System:

By comparing the US to Japan and Costa Rica, this study aims to address 3 major shortcomings of the American healthcare system. These shortcomings include the privatization of hospitals and loose regulation of nonprofit hospitals, the limitations of the current public

sector and the lack of patients that receive assistance from Medicare and Medicaid, and the general idea that affordable healthcare is not a right, but a privilege.

The trend of privatization of hospitals in America has been a controversial topic for many years. Since the 1980s, there has been a decrease in the number of acute available care beds at public hospitals from 36% to 21% (Duggan). A significant concern with this trend is that private hospitals generally charge much more than non-profit hospitals for similar services. In fact, "on average, for-profit hospitals cost more than nonprofit hospitals by about 19%" (Burns). Increasing privatization can cause medical bills for struggling families to be even higher than they normally are and cause extremely difficult circumstances for families that are uninsured or who have weak insurance plans (Burns). Another disadvantage of privatization is the movement towards closure of rural hospitals. "About 41 percent of rural hospitals nationally operate at a negative margin, meaning they lose more money than they earn from operations" (Bolin). Since privatized hospitals are revenue-oriented and want to generate profit for shareholders and investors of the hospital, they will be less likely to place hospitals in rural areas because of the lack of the ability to generate revenue and increased difficulty of finding employees willing to work there. This movement negatively impacts already underserved communities and causes them to have to travel long distances for care and generally get a lower quality of care overall (Bolin). Another issue is that our hospitals that we deem "nonprofit" function like for-profit hospitals (Rosalsky). Many of these hospitals do just enough charity work to gain tax exemptions and the illustrious title of "non-profit", but definitely obtain a lot of profit each year from their patients (Rosalsky). They funnel their profit "into cushy salaries, shiny equipment, new buildings, and, of course, lobbying. In 2018, hospitals and nursing homes spent over $100 million on lobbying activities. And they spent about $30 million on campaign contributions"

(Rosalsky). This being said, it is important for the United States to not only trend back further towards non-profit hospitals, but make sure that non-profit hospitals are functioning in an ethical way, based on their title. Another common argument is that the well-being of the patient is not at the forefront of the concerns of many of our hospitals. Many of the administrators that run American hospitals do not interact with patients on a daily basis and therefore see the finances of hospitals more as numbers and less in relation to the needs of the patients. This is not necessarily them trying to be greedy or selfish, they just don't have the same perspective because their jobs are to make as much money for the hospitals as possible. This idea will be further examined later in this paper.

As seen earlier in the study a major shortcoming of the American healthcare system is the lack of coverage provided to Americans by the public sector, Medicare and Medicaid (Tolbert). One limitation of this sector is that it is reliant on government funding, which is dependent on political decisions of representatives, and can vary and be underfunded. The main downfall of this system is that Medicaid and Medicare have extremely specific and strict qualifications that are unrealistic and underserve a large impoverished population in the United States. The average maximum amount a family income can be for the parents of a dependent child to receive Medicaid is $24,860 (KFF). The average private health insurance family plan is $16,344 (eHealth). That means if your family makes $30,000 a year, and they want health insurance. They would be left with around $13,600 for the rest of their expenses for the year. This is a ridiculous expectation, that leaves thousands of Americans either uninsured, or motivated to live below the poverty line, so that they can receive healthcare coverage, because they obviously cannot afford the high premiums, while uninsured. We have to fix this problem and make healthcare affordable for every citizen.

Finally, the last shortcoming I want to address in this paper is the idea that affordable healthcare is not looked upon as a right in this country (Gerisch). When healthcare is considered a privilege there is a large inequality of availability of care and treatment. Generally, rich people will receive significantly better treatment than poorer people because of the costs of the treatment (eHealth). Many Americans choose not to go seek medical attention because our system is designed to collect such high profit margins (Coombs). By ensuring that affordable healthcare is a right and not a privilege, the United States can ensure that all individuals have access to quality healthcare at a reasonable cost, which is critical to promoting the overall health of its citizens.

Japanese Healthcare Takeaways:

Japan is known to have one of the most successful healthcare models in the world and its citizens have a life expectancy that is nearly 7 years higher than the US (Townsend). Their healthcare system is based on universal healthcare funded by taxes by citizens (42%), individual contributions (42%), and out of pocket chargers (14%) (Tikkanen). In 2015 the estimated total for health expenditure was about 11% of the GDP, 84% of which was funded publicly (Tikkanen). Japan's healthcare system is also considerably more affordable than the United States' model of healthcare. In Japan, 90% of eligible citizens have public health insurance that covers 70% of their medical expenses. The other 30% of these costs are paid by the patient out of pocket. Although, this percentage can be adjusted in the patient's favor, depending on their economic status. Additionally, over 70% of Japanese citizens have an additional form of private insurance that helps cover this 30% of costs (International Citizens Insurance).

The health care structure described is the statutory health insurance system (SHIS) which covers 98.3% of the population, while the Public Social Assistance program, a separate program, covers the other 1.7% (Tikkanen). The Public Social Assistance program covers a very poor portion of the population. Within the SHIS, there are two types of obligatory insurance. They are employment-based plans which cover around 59% of their citizens and residence-based plans which cover around 39% of the population (Tikkanen). There are lots of different types of employment based plans in order to properly address the needs of each citizen according to their occupation. Within these plans both the employers and the employees are responsible for contributing 10% of their monthly salaries and bonuses (Tikkanen). These rates can change based on an employee's income and are also capped at a certain rate. These caps vary by region. Japan has 47 different regions that all have their own specific residence-based insurance plan based on the needs of the individuals in that region. These residence plans include Citizen Health Insurance Plans for people who are younger than 75 and unemployed which accounts for about 27% of the population and Health Insurance devoted to Elderly people, which covers 12.7% of the population (Tikkanen).

The SHIS is regulated by both the national and local government in order to ensure that this system is run smoothly and is providing adequate care to its citizens (Tikkanen). The national government sets the regulations for insurance providers and provides the local government with the resources it needs in order to maintain functionality on the local level (Tikkanen). The local government helps manage region-based insurance and help create local delivery networks for regional health care. The municipalities in the different regions also help with the management of region-based insurance by collecting contributions and registering beneficiaries for the Citizens Health Insurance plans. For residence-based plans the federal

government provides support by also funding a portion of the mandatory contributions (Tikkanen).

In Japan 15% of hospitals are owned by the national and local governments (Tikkanen). By law, the private sector is not allowed to own hospitals, except in hospitals established by for-profit companies (Tikkanen). The vast majority of the hospitals utilized by the citizens are non-profit (Tikkanen). This aspect is extremely important because it creates an environment around their healthcare system that is care and patient driven, rather than business oriented. Obviously, they have to keep their staff paid and happy, but a principle of non-profit organizations is to not overcharge for services and serve the population well. In fact, data show that Japan is able to maintain this higher life expectancy and overall greater health amongst its citizens while only spending roughly half as much per capita for health care as the United States, $4,360 to $11,582 in 2019 (Knoema) (Rama).

Another important aspect of the hospital system in Japan is that their hospitals are run by physicians (International Citizens Insurance). It is an extremely positive aspect of the hospital that the people who make their administrative decisions are people who practice medicine daily and have relationships with their patients. This is a critical aspect of their healthcare system because the people in charge are forced to empathize with their communities and therefore see the financial responsibilities of the hospital from a different perspective. One of the best aspects of the Japanese healthcare system is that they have meetings amongst doctors, not businessmen and businesswomen, every two years in order to adjust the costs of medical procedures and medicines based on the economic status and needs of the population of their citizens (International Citizens Insurance). This helps them set reasonable prices for operations, medications, doctor visits, amongst other things and prevents hospitals from being able to

overcharge patients or unnecessarily order tests that force the patients' money into their hands. Arguably the way the US could most benefit from this model would be to lower its prices of pharmaceuticals. The US and Japan are the two largest markets for pharmaceuticals in the world with the US dispensing 24% of pharmaceuticals and Japan dispensing 21% (Comanor). Although their pharmaceutical markets are similar in size, per capita, "Japan spends $580 on pharmaceuticals per person while the US spends more than double that amount at $1420 per capita" (Comanor). One can easily notice the large difference between these two countries, and this discrepancy is particularly concerning because for Americans " the physical volume consumed per capita is not unusually high"(Comanor). Ultimately it all depends on drug pricing and regulation, which Japan does a much better job of. It is also worth mentioning that other countries with universally based healthcare spend even less per capita (Schneider), but Japan is the closest to the US in magnitude, as far as pharmaceuticals go, so it is the best reference point.

Japan also excels in preventative care by having a culture of healthier lifestyles in general (Townsend). For example, Japanese people walk an average of 3.5 miles a day compared to 1 mile walked by Americans (Townsend). Japanese people also have a much healthier diet composed of lots of seafood, which helps them prevent many common problems that we see in America like high blood pressure, high blood sugar, and obesity (Townsend). This is largely due to them being a smaller island that is heavily influenced by its coastline, but nevertheless, they maintain healthier lifestyles than Americans (Townsend). These aspects are very important because they keep people from having to go to the doctor as frequently. This being said, the most important aspect of Japan's ability to maintain such high levels of preventative care comes down to the commitment of the government and from the community to addressing health issues that plague the country's citizens (Kondo). A study by Naoki Kondo talks about different diseases or

epidemics that affected the populations, like tuberculosis and stroke induced deaths. and measures the government and the community went to in order to address these issues (Kondo). For example, with tuberculosis, they made tuberculosis treatment free and it was frequently encouraged amongst the population to get screened and do check-ups (Kondo). With strokes, doctors discovered an association with salty foods and encouraged their patients to limit their salt intake (Kondo). The community spread the information and education like wildfire and death from stroke declined at a fast pace (Kondo). The US constantly struggles with diseases, especially recently with COVID-19, becoming politicized and the community not being able to commit to fixing an issue. It would greatly benefit the US to be able to implement better community health resources and have a more committed and health driven community.

Costa Rican Healthcare Takeaways:

Costa Rica is known to have one of the best and most revolutionary structures of health care in Latin America and is one of the only countries that offers universal healthcare in this region(Columbia University) . The Costa Rican government considers healthcare to be a right amongst its citizens (Columbia University). Costa Rica is not alone in this ideology, in fact, “more than half of the world's countries have some degree of a guaranteed, specific right to public health and medical care for their citizens written into their national constitutions" (University of California- Los Angeles). It doesn’t explicitly mention that healthcare is a right within Costa Rica’s constitution, but it has been made clear through other laws and lawmakers that the citizens’ right to quality healthcare is considered sacrosanct (Columbia University). The US is one of 86 countries that does not promise its citizens any type of health security (University of California- Los Angeles).

Although it is not everything, this ideology is extremely important in providing quality healthcare to all citizens and keeping hospitals and clinics patient-oriented. It is an extremely important step for it to be stated within the institutions or laws of countries that a right to quality healthcare must be preserved to its fullest extent. This is only the beginning of the issue, as we see many countries who have this ideology written into law, but gaps between the capacity of their healthcare system and other acts of legislation prevent the provision of adequate healthcare to its fullest extent (University of California- Los Angeles). If the US were going to implement this ideology into law, it would need to formulate a proper plan and examine shortcomings of other countries that made promises that they have not kept. It is also true that there are countries that have not changed their constitution very much but still deliver great healthcare to their citizens. These countries are often ones with older constitutions that have not been amended very often since constitutional rights to health care became a trend (University of California- Los Angeles).

The US is in a peculiar situation because it is similar to these countries with older constitutions, because US lawmakers are often extremely reluctant to amend the constitution, but it does not deliver great healthcare to its citizens. Not only does the US not like to make amendments to the constitution frequently, but the process of making these amendments can take years before they are agreed upon and passed (NARA). This causes some debate on whether or not the most effective way would be to pass other legislative acts that do not involve amending the constitution in order to further integrate the ideology that healthcare is a right, or if it is impossible to change the country's behavior without changing the constitution. There is evidence for both sides of the argument. Recently, the Supreme Court passed the Affordable Care Act, 2012, which had "three main objectives: (1) to reform the private insurance market—especially

for individuals and small-group purchasers, (2) to expand Medicaid to the working poor with income up to 133% of the federal poverty level, and (3) to change the way that medical decisions are made" (Silver). This bill has helped countless Americans since it was passed and provides an example of a law that was not part of the constitution. However, the counter argument is that it will take too long to pass all of the smaller bills and truly provide adequate coverage to its citizens, without it being stated directly in the constitution and that it will make it easier for private healthcare companies to work around. Generally speaking, I think it's time for the US to explicitly state healthcare as right within its constitution. Our healthcare system has major issues and is in need of major legislative reform, and I think constitutive action is integral for the US to progress in this aspect.

Costa Rica uses a universal healthcare system model that provides quality healthcare to all of its citizens that is either free or extremely cheap. Free healthcare is only provided to the poorest of citizens in Costa Rica, most people have to pay the Caja (Columbia University). The public sector is organized through the Caja Costarricense de Seguro Social (CCSS), which is a version of social security for wage-earning citizens in the country. "The CCSS is an autonomous institution, separate from the Ministry of Health, that is in charge of financing, purchasing and delivering most of the personal health services in Costa Rica" (Columbia University). In order to participate in the Caja, you are taxed a certain amount based on your monthly income, usually 5-12% (Columbia University). Like in other countries, you are taxed more, if you make more money. This public sector of healthcare provides adequate healthcare at an affordable price.

The Caja was established in 1941 and it was the country's first step towards a universal health care system. The CCSS continued to expand until finally in 2010, when it became mandatory for residents to be insured by the CCSS and its healthcare system was considered

universal (Columbia University). Like most other countries, Costa Rica has experienced ups and downs during the utilization of this system. From formation to the 1980s, Costa Rica saw huge improvements in many aspects of its healthcare system and morale was high. However, in the 1980s, during an economic crisis, the government struggled to cope with financial difficulties which affected the quality of care it was able to afford its citizens. There were many doubts about the structure of the Caja, but changes were made to lower costs (Columbia University). Costa Rica's ability to adapt is a key characteristic that the United States lacks a lot of. Government officials have known that our healthcare system severely underperforms in terms of its cost-efficiency and quality of care to its citizens, due to the nature of its structure, but the government has not made nearly enough serious adjustments in order to care for its citizens.

There is also a private sector of healthcare in Costa Rica that around 30% of the population uses. This sector generally provides better care with more reasonable wait times, but is more expensive. That being said, the prices for these services are still reasonably affordable compared to the private sectors of other countries (Columbia University). This has made the country a really popular spot for medical tourism. Many citizens use the Caja for basic services and procedures, but use the private sector for more advanced procedures.

The idea that even one of the most publicly focused universal healthcare systems in the world still maintains a private sector, is strikingly important in the ability of the US to persuade its citizens into voting for a universal healthcare system. Due to positions held by influential politicians in the past, Americans are completely mortified by even the smallest microcosm of socialism. I believe that properly informing the American public that the implementation of a universal healthcare system does not call for the complete eradication of every aspect of private healthcare would help dramatically with the US's journey towards coverage for all citizens. It is

also worth mentioning that people could be informed that we can have a larger private aspect of healthcare than Costa Rica has, but citizens need to be aware of how badly our healthcare system underperforms and how millions of Americans desperately need more public coverage in order to have basic standards of health in our country. This argument also goes both ways, people are going to have to accept that many Americans are not going to want a universal model of healthcare that is completely public and be willing to make some compromises, so that Americans can get more coverage and support in a timely manner, because time is the most important factor in treating the health of others. It is also worth explaining that utilizing a universal healthcare system model does not make the US a completely socialist country and that there are plenty of other aspects that would preserve capitalistic aspects of our economy, which is a model that lots of Americans like. Rome was not built in a day and progress should not be seen as failure. Hopefully, America can improve quickly step by step, because I believe a completely drastic turn-around in the structure of our healthcare system is unrealistic.

Limitations of the Japanese and Costa Rican Healthcare Systems:

One limitation of the Japanese healthcare system is that they have the longest waiting times to be seen by a physician in the world. This is partially due to the population density in certain areas like Tokyo that hold large percentages of the population, but it is also due to the patient's ability to go straight to a specialist (Suzuki). Many of the doctors are busy treating patients with non-serious problems, and can't get to the other patients fast enough. In other countries there are laws where people must go to a primary care doctor first to then be further organized into specialists, in order to not clog up the lines of specialists. This is a difficult policy to manage because many people become really frustrated by having to make two appointments, but it generally keeps the lines shorter. Many people in Japan die while waiting in line for a

specialist, while many people in other countries spend months waiting to get assigned to specialists. This problem has to be dealt with according to many factors including population density and proximity to hospitals.

Another problem with the Japanese healthcare system is that they are far behind other countries on mental health resources (Kanehara). There is a strong stigma around mental health in Japan that causes lots of people not to seek professional help, when they are clearly suffering from mental health problems. Although data shows that Japanese people suffer from mental health issues much less than other countries, it is very likely that this low number comes from the population's unwillingness to report their issues (Kanehara).

Although the Caja provides good services at reasonable prices, there are some criticisms of the system by its citizens. One is that the public hospitals and clinics are completely overrun because of the enormous amount of people that want to receive services from the public sector because of the prices (InterNations). People have to wait in large lines for long periods of time very frequently in order to get proper health care (Zúñiga). The public sector also lacks a few treatments and medications that are more readily available in the private sector (Tico Times). Another issue seen in the public sector is that the patients are unable to choose their doctors and form good relationships because they are given whatever doctor is available (StartAbroad). The main issue with Costa Rica’s health care system is that the Caja is seemingly running out of money (Tico Times). The monthly payments from the citizens are not enough to support the costs of treatment and the retirement funds of the citizens (Tico Times). The government is trying to figure out how to solve this problem, because at the rate that it is going, it is not going to be able to provide the social security money for retirement for its citizens in the future (Tico Times). Part of this problem stems from the fact that the public sector is obligated to provide

service for so many people who might not be able to pay, have to pay slowly, or their payments have not been collected by the government (Gran). The government likes that they prioritize the healthcare of their citizens, but they are bothered by the idea of not being able to provide retirement funds in the future. Ultimately, this is a good healthcare system that provides good services to its citizens for low prices, they are just going to have to find a way to organize their system so that they can preserve the social security funds for their citizens.

Recommendations:

My first recommendation is for the US to transition to a more universal style of healthcare. The cost of our healthcare is simply too unaffordable for so many Americans. Like I mentioned before, "66.5% of people who file for bankruptcy cite either medical expenses or illness-related work loss as at least one reason for their bankruptcy. This same study estimates there are 530,000 medical bankruptcies in the US annually" (Kestler). This is an unacceptable metric and America cannot continue to let so many of its citizens suffer from this anymore. Our system is simply too privatized and profit-based. Transitioning to a universal system like Japan and Costa Rica's would allow us to provide more care for our citizens in a more cost-effective manner. I think that this shift would mostly mean an expansion upon the ridiculously tight qualifications for Medicaid, or an adjustment on our Medicaid policy that covers everyone at least to a certain degree. I think it's more realistic that we adopt a system more similar to Japan's where most of the cost is covered by public insurance, but there is still a strong presence of private coverage.

My second recommendation is that we involve physicians in administrative decisions more often. In Japan, their hospitals are run by physicians, and their hospitals are far more

patient oriented rather than profit-oriented. In the US we have many administrators whose sole focus is to find ways for the hospital to make as much possible, and it is hard to blame them because that's their job. They also are not physicians and just do not have the context for the needs of patients like doctors do. I think it is integral to the US's progression for doctors to become more involved in administrative decisions and for administrators to be further integrated into the treatment environment, so they can empathize with patients more.

I also think it's vitally important that physicians become more involved in pharmaceutical cost regulation. American pharmaceutical companies grotesquely take advantage of the American public. In a roughly similar market size to the US in the context of pharmaceuticals "Japan spends $580 on pharmaceuticals per person while the US spends more than double that amount at $1420 per capita" (Comanor). In fact, the costs of drugs like insulin, that people need to survive, are incredibly high and cripple the families of people who need it. "It can cost between $175 and $300 for a vial of which most need at least three a month. This isn't some experimental or niche drug; 35 million Americans need it" (Povey). Apparently, some people are able to avoid these higher prices depending on where they get it from, but these vials still cost somewhere between $25-$100. The out-of-pocket costs also vary depending on whether or not the patient has health insurance. In 2020, The national average for out-of-pocket per 30-day supply of insulin was $58 per bottle. The average for uninsured people was $123, more than double. "A 2018 study estimated that one vial of human insulin costs $2.28-$3.42 to produce, and one vial of analog insulin costs $3.69-$6.16 to produce" (SingleCare). The profit margins that American pharmaceutical companies are receiving are absurd, and one way or another, it needs to be regulated harshly.

Another recommendation is to promote a less politicized climate in our country and be able to compromise towards progress in our healthcare system. Of course, other countries have their debates over policies, but they are all able to agree that maintaining affordable healthcare should be at the forefront of their political concerns. Our country has become so rooted in hatred between political parties, that we cannot even agree on this simple aspect. We have to be more agreeable with each other and be willing to make certain compromises in order to take steps towards progress.

With the help of my previous suggestion, my final recommendation is that the United States write that citizens have the right to quality and affordable healthcare within the constitution. I do not think that the United States will honor this right until it has been written clearly and significantly into law. This will be difficult, but if our politicians are willing to make compromises and work with people across the aisle, I think we could accomplish this sooner than later.

Conclusions:

In conclusion, incorporating characteristics of Japan and Costa Rica's healthcare system models could significantly benefit the United States. The purpose of this study was to analyze 3 major shortcomings of the American healthcare system that could possibly be addressed within the evaluation of the healthcare systems of Japan and Costa Rica. These shortcomings include the privatization of hospitals and the leniency on non-profit hospitals, the limitations of the current public sector and the lack of patients that receive assistance from Medicare and Medicaid, and the general idea that affordable healthcare is not a right, but a privilege. All 3 of these shortcomings contribute to an unaffordable model of healthcare that needs to be changed.

Both Japan and Costa Rica display a universal healthcare system model that treats healthcare as a right, as opposed to a privilege and prioritizes the wellbeing of the patient, as opposed to making profit. In these aspects, the United States could learn from both countries. Both countries also utilize public insurance models that reasonably fit the needs of most of their citizens. Japan has 70% coverage of all expenses covered by public insurance, while Costa Rica has the Caja which covers all of the costs for the vast majority of operations. The United States could also deprivatize their hospitals and hold their non-profit hospitals to a better standard to resemble the structure of Costa Rican and Japanese hospitals. Costa Rica still has private hospitals; they are just much less common and are less frequented than the public hospitals. Japan has a lot of private hospitals but they have an efficient public insurance model that negates most of the consequences of private hospitals. I also believe that increasing the incorporation of physicians into administrative decisions and market-based decisions, like they do in Japan, is very important. Because their hospitals are run by physicians, instead of administrators, it causes costs to be lower and the hospitals to be more patient focused. Overall, I think that both countries provide great examples of how the United States could move toward a more universal healthcare system. I think that a model more similar to Japan is a more realistic goal for the United States, considering how drastic the change would be to adapt to Costa Rica's model and the capitalist nature of our country.

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