



## Economic Issues and Global Health Care

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### Abstract:

*The large number of people without adequate insurance has negative consequences on the community, affects individual health, adds to the strain on the US health care system, and increases the costs of care even globally. The purpose of this paper is to analyze the three most important economic issues confronting global health care today and into the next decade. This is an exploratory study. Specific secondary data in health care reviewed to support our position. This paper further recommends that improved population health can be achieved but requires a new critical paradigm of improving lives globally.*

**Keywords:** *Disease, Global health, Lifestyle, Undocumented immigrant, Uninsured*

### 1. Introduction

Globalization describes the increasing economic and social interdependence between countries. It is characterized by high morbidity, economic interdependence and electronic inter-connectedness. Therefore, in contemporary society what happens in one specific country matters to the rest of the world and health and diseases transcend national boundaries (Bradbury-Jones, 2009). Although the United States leads the way in advanced technology and research, the health care delivery system is ranked 37<sup>th</sup> in world class health care-just in front of Slovenia, and behind Costa Rica (Drayton-Brooks, 2006). Interestingly, health, health care, and health insurance dominate the economic and political landscape in the United States, Folland, Goodman, & Stano, (2010) said, “an estimated 46 million Americans at any moment in time lack health insurance” (p. 2). The United States devotes by far the largest share of gross domestic product (GDP) to health care spending, and its per-capita health care spending (nearly \$7,500) greatly exceeds that of any other country (Folland et al. (2010).

Critics of the United States health care system often wonder what Americans receive for their money, despite huge investment on health care. The purpose of this paper is to analyze the three most important

economic issues confronting global health care today and into the next decade. This is an exploratory study. Specific secondary data in health care reviewed to support our position. Consequently, we decided to analyze the issue of access to health care, Immigration, and Lifestyle changes as the three most important economic issues confronting global health care today and into the next decade. This paper recommends new measures to improve global health care.

## **2. Economic Issues and Global Health Care**

Health care disparities between the major and ethnic minority groups (Blacks and Hispanics) have continued to persist in view of major improvements in the health of all Americans. As a result of rising health care costs, many Americans are forced to make decisions between shelter, food, heat, or transportation and paying for health care (Drayton-Brooks, 2006). According to Owen (2009), some Americans fail to receive even basic health care services because they are uninsured, underinsured, discriminated against because of pre-existing medical or psychiatric conditions, or unable to locate a physician or mental health provider who accepts their particular forms of public or private insurance. Therefore, the issues of access to affordable health care for all Americans, and the escalating costs of health care have been in the forefront in the efforts by several United States administrations to reform the health care system.

## **3. Access to Health Care**

Access to care generally refers to the timely use of personal health services to achieve the best health outcomes. Although, there are several factors that may hinder individual's ability to access health care; however, the most pronounced factors are the socioeconomic factors like education, income, employment as well as health insurance costs. Multiple studies have documented that lower income and less educated populations do not access the health care system to the same extent that more educated affluent populations do (Access to health care, 2004).

As stated above, nearly 46 million Americans, about 15% of the population, had no health care coverage at any moment in 2007. Further, more than 28% of the working age adults do not have health insurance at some time during the year (Folland et al. 2010). The effects of lack of access to health care are that the uninsured seek care at emergency rooms, which increase the health burden of the nation. Moreover, uninsured Americans, according to Folland et al., consumed \$86 billion worth of health care in 2008. This figure consists of \$30 billion in out-of-pocket costs and \$56 billion in uncompensated care. Governments picked up about \$43 billion of the latter.

Access to medical services regardless of income, is as necessary to individual freedom, opportunity, and self-responsibility as is access to the protective service of fire or police department (Menzel, & Light, 2006). The Center for Disease Control annual report on health care released on December 2007 claimed that more than 40 million people in the U.S. said that they cannot afford adequate health care and that they did not receive needed health services because of costs (American Health Line, 2008). Therefore, escalating insurance premiums with high deductibles as well as high out-of-pockets payments are two of the main barriers that prevent millions of Americans from accessing needed health care.

Further, increasing numbers of small businesses conclude that they cannot continue to offer insurance to their employees and keep their workforce at the current level because of high insurance costs. Moreover, escalating costs have driven most Americans both insured and uninsured to the emergency rooms when they are sick. In fact, about 30% of young adults between the ages of 18 and 24 do not have a usual source of medical care, 30% lack health insurance and 10% of adults between the ages of 45 and 64 do not have a usual source of medical care. Consequently, the primary reasons people are uninsured is that insurance coverage is too expensive and the rising costs of providing care is beyond the reach of low-income Americans (Drayton-Brooks, 2006).

The implementation of national health care reform would increase the number of people with health coverage. Consequently, national health care program would provide coverage to additional Americans who could access needed preventive health care services, and reduce the costs of care in the long term.

#### **4. Immigration and Health Care**

Immigrants are an integral part of the United States society, contributing both to the economy and diversity of the country. Despite their important role, immigrants disproportionately lack health coverage and receive fewer health services than native-born citizens (Kaiser Family Foundation, 2003). The disparities confronting immigrants, especially undocumented immigrants are similar to those faced by low-income working families generally, but undocumented immigrants also face other barriers, including their inability to qualify for Medicaid.

The problem of undocumented immigration has broad economic, political and cultural implications, but as health care providers, hospitals and health care organizations' concerns are with the medical needs of all patients and communities, including undocumented immigrants (Footracer, 2009). There is also a dynamic connection between immigration and health care reform in the United States and the government estimates place the number of undocumented immigrants at 10.5 million as of January 2005 (Footracer, 2009).

Furthermore, American history cannot be told without the contributions of immigrants. Illegal immigration has become an American-not just California or Arizona-concern as more politicians are defining how America copes with illegal residents as well as their utilization of the health system (Gardner, 2007). Although illegal immigrants' use of expensive emergency department services does add to the cost for uncompensated care, this expenditure is not a primary cost driver but more a symptom of little or no access to preventative or primary care (Gardner, 2007). Therefore, low-income noncitizens are more than twice, as likely to be uninsured as low-income citizens.

Although when compared to native-born Americans, immigrants consumes less health care because undocumented immigrants are more likely to wait until they are acutely ill and then access emergency care rather than seek preventive care earlier in the disease process. The effect of seeking care at the emergency rooms, among other things, is that it increases the costs of health care. Moreover, several studies showed that immigrants were more likely to have no health insurance, report fewer medical conditions, spend less on health care, have fewer interactions with the health care system and have lower household incomes (Footracer, 2009). The effects of undocumented immigrants on the health care system is that it prevents this group from accessing needed preventive care because of fear that they will draw attention of immigration authorities.

However because emergency departments must treat patients without regard to their ability to pay, or citizen's status, it places additional burden on hospitals to care for uncompensated services, which contribute to the increase in the costs of health care. In fact, according to Footracer (2009), current estimate places unpaid hospital bills for undocumented immigrants at \$2 billion annually. The large number of people without adequate insurance has negative consequences on the community, affects individual health, adds to the strain on the US health care system, and increases the costs of care. Moreover, poor access to health care changes the government focus from preventive care to emergency treatment; contributes delays in identifying illnesses until later, more advanced stages, and increases the level of disease within a community.

The following are specific recommendations to address the issues of undocumented immigrants and health care: (a) the federal government should provide \$1 billion grants to the nations' hospitals to compensate for the care of undocumented immigrants, (b) federal government should provide financial assistance to states like California, Arizona, Texas, Florida, and New York with increasing number of

undocumented immigrants to supplement their health care systems for providing care to this group; (c) The federal government should also provide health education and promotional campaign, through the community-based organizations to educate immigrants and their families on the need to access needed care in the community hospitals without fear of being deported to their native countries; (d) The federal government should increase public funding for prenatal care of undocumented immigrants; (e). Last, Congress should urgently enact and pass a comprehensive immigration reform that will regularize or change the status of undocumented immigrants to legal permanent residents. Legalizing undocumented immigrants' status will allow this group to contribute financially into the health care system because they will pay taxes to the government and purchase needed health insurance. In essence, the reform will reduce health care disparities and improve quality of care of all Americans (Ku, 2009).

These recommendations aim to improve the health of all citizens, including undocumented immigrants. It would also reduce the health care costs as well as ensuring both citizens and noncitizens live happier and healthier lives. By increasing public funding for prenatal care of undocumented immigrants, this would lower health care expenditure overall by decreasing the incidence of low-birth weight babies, prematurity, and associated postnatal costs (Footracer, 2009).

## 5. Lifestyle Changes and Health Care

Public health problems related to lifestyle such as cardiovascular disease, type two diabetes and obesity are the three most important lifestyle issues that confront global health care today and into the next decade. Baic (2009), explained three lifestyle issues that are largely preventable, but, are the leading causes of death in the United Kingdom, China, Canada and other parts of the world. Smoking is the number one preventable cause of death in the United States.

Smoking causes a wide variety of illnesses, including 30% of cancers and heart disease as well as a significant percentage of lung disease (Seidman, 2010). About 46 million Americans continue to smoke with significant effects on the costs of providing care for smoking-related diseases such as lung cancer and other respiratory illnesses. According to the Center for Disease Control (CDC), smoking and tobacco use costs the United States approximately \$193 billion annually in health care costs. This figure includes \$97 billion from lost productivity, and \$96 billion in direct smoking-related health care costs (Seidman, 2010). According to the Secretary of Health and Human Services, about 443,000 Americans die prematurely each year from smoking and secondhand smoke exposure, making it the leading cause of preventable death in the United States (CDC, 2010). All Americans-smokers and nonsmokers-pay the price for smoking, therefore, it is high time for government intervention to reduce its impact on the costs of health care.

The following are the specific recommendations for addressing the issue of smoking and its effects on health care costs: (a) the government could improve lifestyle choices and educate citizens about the health hazards of smoking through health promotion and advertisement on the radio, TV, Internet as well as through the words of mouth of known celebrities, (b) the government should urge health insurance plans to encourage smokers to participate in smoking cessation counseling program, and the costs should be covered by the insurance plans, (c) the government should impose higher taxes on cigarettes and tobacco products to discourage smokers, (d) a comprehensive smoking ban in public places, such as restaurants and bars should be imposed by the government to reduce the impact of second hand smoking to non-smokers as well as to deter smokers from smoking. For example, Dove et al. (2009) said "comprehensive smoking bans have been shown to reduce smoking prevalence by 3.8% and to reduce the number of cigarettes smoked per smoker per day by 3.1" (p. 2206).

If the above recommendations are addressed, it would dramatically reduce the costs of treating smoking-related disease such as lung cancer, reduce the risk of coronary heart disease (CHD) as well as reduce the rate of hospitalization for acute myocardial infarction (AMI). Further, apart from the reducing the number of smoking-related deaths per year, the above recommendations would save



billions of dollars on health care costs that would have been diverted to care for smoking-related disease.

## 6. Conclusion

The three most important economic issues confronting global health care today and into the next decade are the problem of access to health care, the effects of immigration on health care cost as well as lifestyle changes and its impact on health and health care costs. Because of high cost of health care, Americans are forced to decide between shelter, food, heat, or transportation, and paying for health care. Further, there are estimated 46 million Americans at any moment in time who lack health insurance because of high insurance cost. Majority of the uninsured access the health care system through emergency services at the hospitals. Further, a comprehensive immigration reform is needed to address the issue of disparity in health care access between the majority and immigrant population.

Comprehensive bans on smoking with above recommendations would drastically reduce the number of deaths from smoking-related disease, and reduce the total health care costs on smoking related disease. This informs the readers that improved global health care requires a new balance of values and new ways of thinking and acting. This new paradigm must transcend and recognize national and institutional boundaries, in a globalizing world, because health and disease in many affluent nations is closely associated with health and disease in poor countries. Therefore, an improvement in health and well-being is crucial for all, and the value on health should be obvious in all aspects social and economic activity. In essence, this paper further recommends that improved population health can be achieved but requires a new critical paradigm of improving lives (Famer 2003; Navarro, 2007).

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