

WHY COSTS OF MEDICAL AND HEALTH CARE ARE SO HIGH?

O porque dos altos custos na área médica e da saúde

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We all know that health is a vital sector in the global economy and it is characterized by high management complexity in many issues.

Today the cost of health around the world, is around 9.5% of Gross Domestic Product (GDP), something around US\$ 5.3 trillion. In the United States, it represents 15.7% of GDP, and in Brazil is less than 8.5%.

Many are the causes responsible for the increased costs in health care. Among them the main drivers of its expansion are the new technologies led primarily by means of diagnostic imaging, cardiovascular procedures and diagnostic tests in vitro. These technological advances often raise prices even when there is a reduction of unit costs.

Medical research will lead to extraordinary solutions, but so costly that its supply is not available to everyone because we all know that the availability of medical care is lower, when lower is the GDP of countries. Despite the exorbitant enhancement, who do not want to take advantage of these advances? New technologies reduce suffering and prolong life. However they cost, and all segments of society must be prepared to counter this trend.

Another factor of great importance in medicine is the high values with care of elder people. Significant changes in the prevalence of diseases, especially chronic diseases, have been responsible for this item. It can be argued that it is not only the expansion costs in caring for the elderly population, but also in the care of chronic diseases.

According to data from the Brazilian Institute of Geography and Statistics (IBGE), the population considered elderly in Brazil (60 years or older) was 6.1% of the total in 1980, 10% in 2010 and the projection for 2040 is 23.8 %. Similarly, the incidence of disease by age group increases significantly. According to the IBGE, diseases such as diabetes mellitus focuses on ages 50 to 59 years at 9.18%, from 60 to 69 years, 15.35% and above 70 years, 17.04%. In hypertension, these percentages are: 36.5%, 50.4% and 56.5% in the

same age groups. These proportions are not different in other chronic diseases such as cancer and heart disease.

It is also clear in recent data from the National Health System (SUS), that there is an increase in geometric progression the use of the system by patients over 60 years, both as outpatient or in hospitalization.

Of course, we all want not only increase our lifetime, but its quality; we understand that there is now imperative need to establish a public health policy and its costs.

Another item of great importance is in regard to the high cost of pharmaceuticals. In the last decade, the United States has tripled spending on these products from U.S. \$ 40 billion to nearly \$ 140 billion. Certainly the pharmaceutical companies have been very successful in promoting the use of their drugs more expensive, but the uses of generic medication undoubtedly represents a great opportunity in the reduction of drug costs, preserving the quality. There is no doubt that doctors often offer a drug that can be replaced by another less expensive or by simple changing in lifestyle.

Another factor to be considered are the high costs associated with medical management (bureaucracy)¹. In publication of the New England Journal of Medicine², it can be found that spending on administration in the United States are responsible for somewhere around 50% of the cost of medicine in that country. Although there are no official data in Brazil, it seems to be higher, and represents significant portion of medical costs.

We can not forget and neither omit as a factor in increased input costs, medical malpractice. Unnecessary procedures, drugs incorrectly used, wrong admissions are examples responsible for this increase; its cause, surely, lies on the poor medical training. The indiscriminate proliferation of medical schools without any operating condition is a key factor in this matter.

Although Brazil do not have official data about medical malpractice and its consequences, it can be used data from the American Academy of Medical Sciences, which estimates 44,000 to 98,000 deaths per

year due to preventable medical errors. In this sense, the medical entities represented by the Brazilian Medical Association (AMB), the Federal Council of Medicine (CFM) and the National Federation of Physicians (FENAM), through its Political Affairs Committee (PAC) has made effort to approve the law 65/03, by Arlindo Chinaglia, that aims to establish criteria for accreditation of new medical schools.

Another item is the defensive medicine that clearly raises the costs of the profession. Data from the American Medical Association, estimates that spending on defensive medicine is responsible for 10% of overall costs of medical services.

The high cost of not taking care of ourselves (preventive medicine), for example, obesity, stress, smoking and alcohol abuse are factors that increases costs in relation to health. Policies in Brazil to encourage good health, improving quality of life of our population can reduce the cost of disease.

Doctors are, certainly, not the villains of the high health spending, as government agencies and operators of health plans have sought to blame. CFM in recent collected data described that nearly 50% of physicians in Brazil are receiving at most the equivalent

of \$ 7,000.00 per month, and 25% of these professionals do not receive more than \$ 4,000.00 per month. It is apparent that with this low-income in medical activity - which is not compatible with the profession -, the doctors are not responsible for the health chaos in our country and nor for the high cost of medicine.

High cost of medicine and health care are multifactorial, and some solutions need a lot of effort, not only from the government, but also the operators of health plans and the population; all of us together when this scenario is achieved, can get real changes in the current situation, reducing costs significantly but keeping good quality of life for our population.

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