

## US Healthcare – a 2.8 Trillion US dollar Market

Welcome to America!

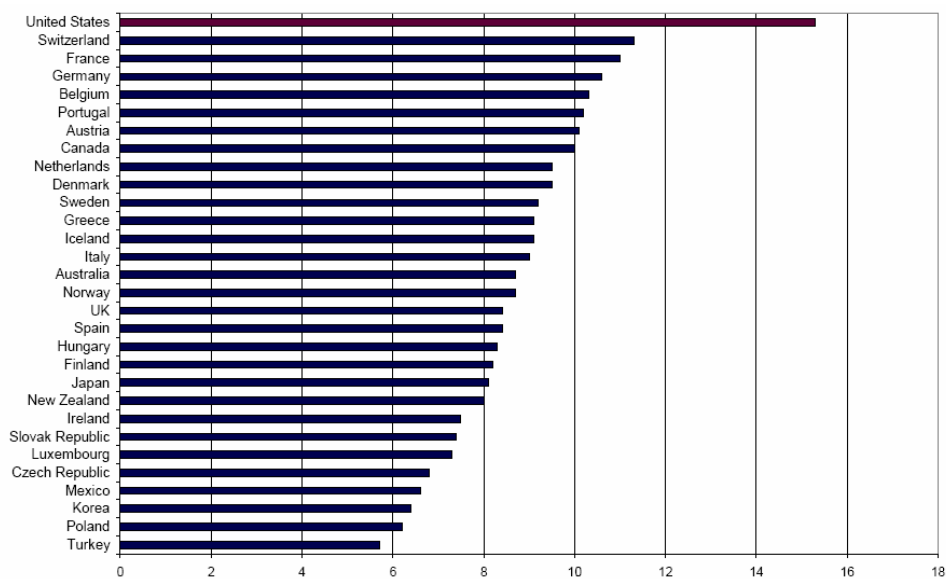
### General:

- ✓ Capital: **Washington, D.C.**
- ✓ Population: **322,369,319**
- ✓ National language: **English**
- ✓ Ethnic groups:
  - 72.41% White**
  - 12.61% Black**
  - 9.11% Other/Multiracial**
  - 4.75% Asian**
  - 1.12% Native**
- ✓ Total Area: **9,857,306 km<sup>2</sup>**

### Size of American Health Care

In sheer market size, the health care market in the United States of America is the largest in the world. The size of the market means that there is unequalled purchasing power, demand, and opportunity for innovation. In contrast, by structure, reimbursement systems), regulation, issues of access, and complexity it is perhaps the most opaque.

### Healthcare Spending as % GDP



Source: Organization for Economic Cooperation and Development, OECD Health Data, 2008 (Paris: OECD, 2008).  
 Note: For countries not reporting 2006 data, data from previous years is substituted.

### ***Delivery of services***

In Europe, we are generally used to a fairly straightforward set of delivery models. There is variation, but by and large, access to services is guaranteed and service delivery is dominated by state delivered or reimbursed services.

In contrast to the delivery model(s) that we are used to, the United States uses a mix of models. In the United States access to health care comes through a range of organizations and organization types. Many health care facilities are owned and operated by private sector companies and there has been considerable consolidation of the sector over the past 20 years. Still, some 58% of US community hospitals are non-profit. 21% of community hospitals are government (primarily county) owned, and 21% are for-profit. The United States spends more on health care per capita (\$8,608), and more on health care as percentage of its GDP (17.2%) (2011).

Government funded and administered programs such as Medicare, Medicaid, the Children's Health Insurance Program, and the Veterans Health Administration are 60–65% of healthcare provision and spending. The largest fraction of people under 67 is insured by their employer (or the employer of a family member), and a small part buy health insurance on their own, and the remainder are uninsured. Public sector employee health insurance is primarily provided by the government.

One of the most significant changes in health care payment and reimbursement has been the adoption and implementation of the Affordable Care Act (commonly called Obamacare). This has brought several million people into the ranks of the insured and changed the rules for insurance to make people with preexisting conditions eligible to be insured. In addition to improving access the ACA has caused the lowest health care inflation rate in decades.

### ***Regulation in the USA***

The primary regulator for devices, equipment, and pharmaceuticals is the Food and Drug Administration. While the FDA has reformed significantly over the past 8 years, its processes can seem difficult and demanding. For this reason this project will provide strong consulting into FDA processes.

### ***Control of reimbursers***

Insurance and managed care providers have non-regulatory control over health care service provision simply by virtue of reimbursement decisions. In 2012 the largest 125 U.S. health insurers collected some \$744 billion in 2013 premiums, and the top 25 accounted for nearly two-thirds of the total. By deciding what to pay for and not to pay for, these non-government bodies have significant control over the marketplace.

### ***Why the Health Access project?***

- Informed and insightful group and individual consultation regarding market entry that considers the major issues,
- Deep and realistic insights into the American market for market entry decisions,
- Assistance with strategy creation,
- Assistance with a network of potential partners useful for all stages of market entry.