



# LOFTUS

## WEALTH STRATEGIES

### Monthly Newsletter

#### Loftus Wealth Strategies

Michael Loftus  
 Managing Director  
 35785 Atlantic Ave.  
 Millville, DE 19967  
 302-251-8901 x102  
 PA - 484-331-6296  
 michael@loftuswealthstrategies.com  
 www.loftuswealthstrategies.com

## A View of Health Care from Around the World



The United States health-care system has been impacted by the Affordable Care Act (ACA). But how does delivery of health care in the United States compare to that of other nations? And where does

the United States rank with respect to the cost of health care per capita and as a percentage of gross domestic product?

#### Types of health-care systems

While each country has its own system of health care, most health-care systems generally fall within the parameters of one of four models, with the health-care system of the United States consisting of aspects of each of these models.

**The Beveridge Model.** Countries such as the United Kingdom, Finland, Denmark, Spain, and Sweden generally follow this model, named after social reformer William Beveridge. Health care is deemed to be a right for each citizen and is provided by the government and financed primarily through taxes. Hospitals and clinics may be government owned, and medical staff, including doctors, may be government employees. Medical providers are paid by the government, which generally dictates treatments provided and the cost for services.

**The Bismarck Model.** The Bismarck Model requires that all citizens have health insurance. Health care is provided by private doctors and hospitals whose fees and charges are paid for by insurance. The insurance programs are nonprofit entities and must accept all applicants, including those with pre-existing medical conditions. Insurance is funded through employer and employee payroll taxes. Countries that use a form of the Bismarck Model include Germany, France, Belgium, the Netherlands, Japan, and Switzerland.

**The National Health Insurance (NHI).** Combining aspects of both the Beveridge and Bismarck Models, the NHI Model is used in several countries, with the most prominent being Canada. Health care is provided through

private providers who are paid by government-run insurance. Citizens pay into the government insurance program primarily through taxes. As the sole payor, the government directly influences the cost of medical care and the services covered.

**The Out-of-Pocket Model.** Used by the majority of countries, including China, this model provides little or no government health care. Instead, those who can afford care get it and those who cannot pay for care generally do not receive care.

**The United States Model.** The United States incorporates all of these systems to varying degrees. Medicare is akin to the NHI Model; servicemembers and veterans receive health care similar to the Beveridge Model; and the ACA can be described as a type of Bismarck plan, although health insurers are typically for-profit entities.

#### Comparing the cost of health care\*

The following information compares health-care expenditures of several countries as a percentage of gross domestic product as well as per capita.

	2012 total expenditure on health as % of GDP	2012 total expenditure on health per capita
United States	17.9	\$8,895.10
Canada	10.9	\$5,740.70
United Kingdom	9.4	\$3,647.50
Switzerland	11.3	\$8,980.00
France	11.7	\$4,690.00
Germany	12.4	\$4,683.20
Japan	10.1	\$4,751.70
China	5.4	\$321.70

\*Information derived from The World Bank Health, Nutrition, and Population Data and Statistics ([www.datatopics.worldbank.org](http://www.datatopics.worldbank.org))

#### August 2014

A View of Health Care from Around the World

Retirement Myths and Realities

Home Staging: Getting Your Home Ready to Sell

Why are you paying more at the pump?

