

Same cancer, worse results and twice the cost in the US



Why is health care in the US so expensive? 02:15

Story highlights

Monthly spending on certain cancer patients in Washington was \$12,345 vs. \$6,195 in British Columbia

Despite paying double, Americans died slightly faster than Canadians in the study

(CNN) — Americans paid twice as much as Canadians for health care, but they didn't get twice the benefit, according to a new study of patients with advanced colorectal cancer who lived, in some cases, mere miles from each other.

The patients had similar diagnoses, levels of education, financial situations and other demographics that commonly affect health outcomes and mortality. Some of their ages were different, but the biggest difference between them is on which side of the border they live.

The research was presented Friday at the American Society of Clinical Oncology's annual meeting in Chicago.

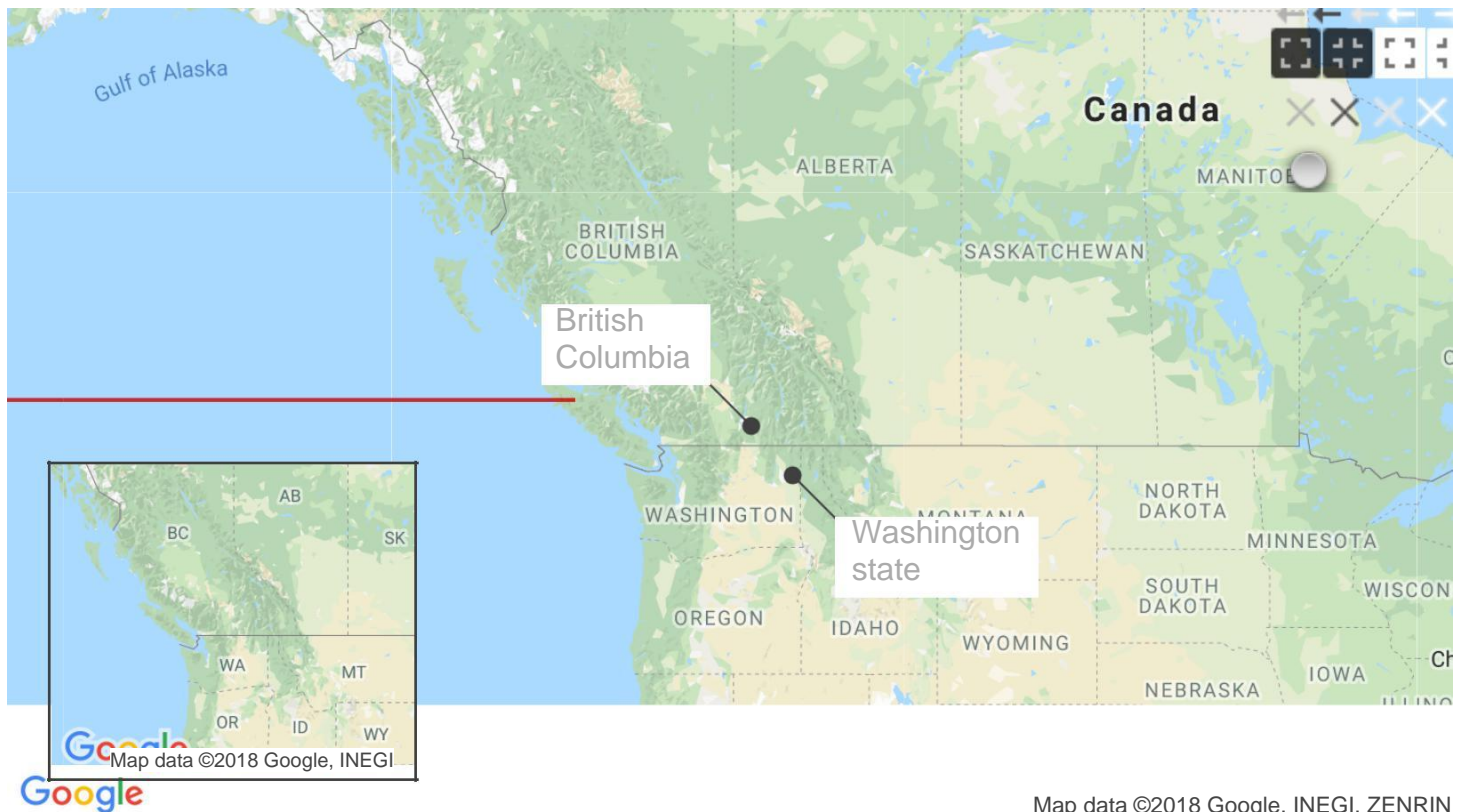
Using data from hospitals, Dr. Todd Yezefski of Fred Hutchinson Cancer Research Center in Washington found that a total of about \$12,345 was spent a month on the cancer patients in his study who lived in western Washington, whereas the monthly spending for British Columbia patients was \$6,195.



Care varied slightly for the two groups. American doctors ordered chemotherapy more often than the Canadian doctors did, but that may have been because the US patients were a little younger as a group than the Canadian patients, Yezefski said. But most everything else was the same, and while American patients' treatment was twice as expensive, these patients didn't live any longer than the Canadians.

American patients in western Washington with advanced colorectal cancer survived about 21.4 months with treatment; in British Columbia, it was 22.1 months. This survival time is consistent with this kind of cancer.

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"This is the first study that we know of that has looked at something like this that showed cost, utilization and outcome, and we'd love to get more data to know more detail about doctor visits and use of radiation and surgery so we could understand this even further," said Yezefski, a senior fellow in the Clinical Research Division at the Fred Hutchinson Cancer Research Center and Division of Medical Oncology at the University of Washington.

The research has its limitations, he noted. It is based on a small number of patients -- 1,622 in Canada and 575 in Washington -- and looks only at one kind of disease, but Yezefski believes there is a larger lesson here.

"The one thing we think we can take from this is that the government sets the prices for what they pay for



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William Dow, the Kaiser Permanente Endowed Chair in Health Policy and Management at the University of California, Berkeley and interim dean at the School of Public Health. He did not work on the new research but has undertaken similar scholarship.

He finds Yezefski's presentation interesting. "When you see double the spending like you do in this case, that's pretty striking," Dow said. He added that the results are consistent with other research into why Americans pay so much more.



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a better price, and that might encourage hospitals to charge less.

chemotherapy and for the drugs involved in this treatment in British Columbia," he said. "In the US, price is really set by the market and what pharmaceutical companies are charging. We think if Medicare, being the largest payer for medication, could negotiate drugs prices, the cost could go down overall, even for what private insurance pays."

Under current policy, the US Health and Human Services secretary is explicitly forbidden from negotiating directly with drug makers on behalf of people enrolled in Medicare Part D, the program's prescription plan. Medicare accounted for 29% of spending at drugstores in 2016. President Donald Trump has repeatedly criticized the policy, and most Americans want it changed, according to a recent poll.

"Americans do spend considerably more than other countries on health care, in large part because we have high prices not only on drugs but all throughout the health care system," said

"Prices drive the difference," he said.

Janet Currie, Princeton University's Henry Putnam Professor of Economics and Public Affairs, and chairwoman of the Department of Economics, agree on the importance of the new research. "I think it's important for Americans to understand that we do pay higher prices for most everything in the US health care system."

Currie, who did not work on the new presentation but has done similar research, said there are a few other factors that drive the high price of US health care.

One is a lack of price transparency. A lot of the time, patients don't know what they're paying for until they get the bill. Prices at hospitals vary wildly, sometimes even in the same ZIP code. If patients knew what things cost, they might shop around for

Second, administrative costs of health care are high, sometimes accounting for 25% of US hospital spending, studies show -- more than twice what hospitals in Canada spends. This is in part because the American health care system is fractured, meaning a doctor's office spends a lot of time on administrative tasks like filling out paperwork and chasing insurance companies to get paid. Canadian hospitals get a lump-sum budget that covers the costs of care.

Unless there is a major overhaul of the economic health care system, government projections show, the high costs of care in the US will only get higher.