

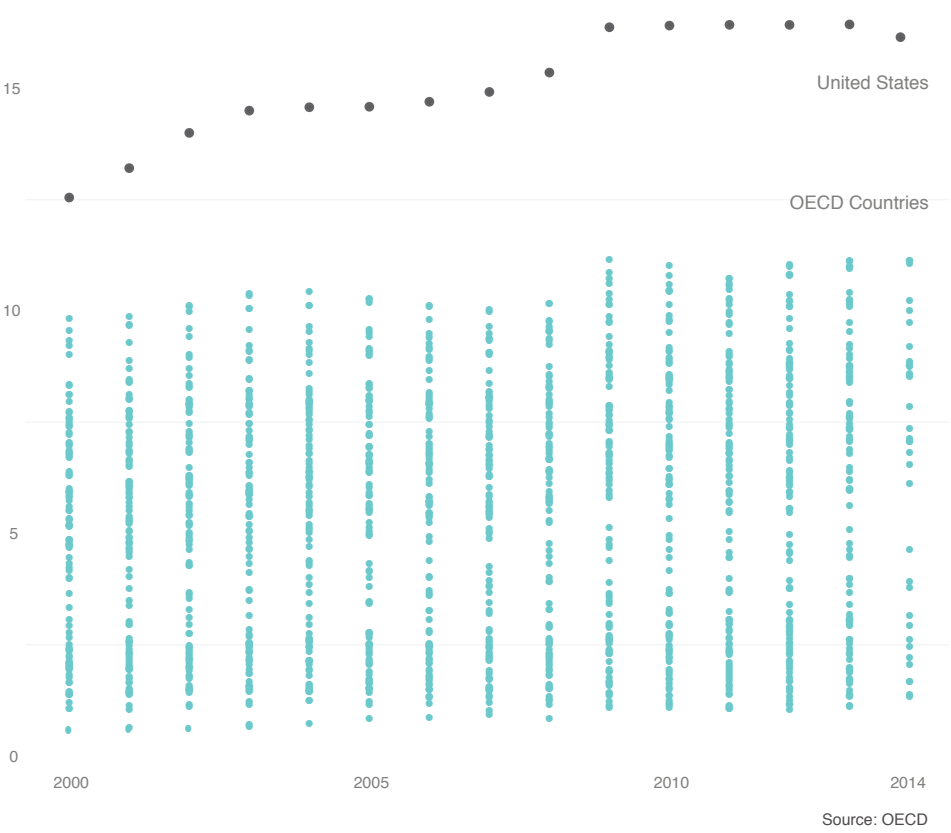
U.S. Outlier in health spending

Colonoscopy demonstrate discrepancies in prices, even within the country.

America spent on heathcare 9% of GDP in 1980, and despite constant GDP growth now the health bill represents almost 17% of the economic output. This is substantially more then any other country, putting the US on spotlight debates over the reason for its high health cost.

Health Spending in % of GDP

Each dot represents an OECD country

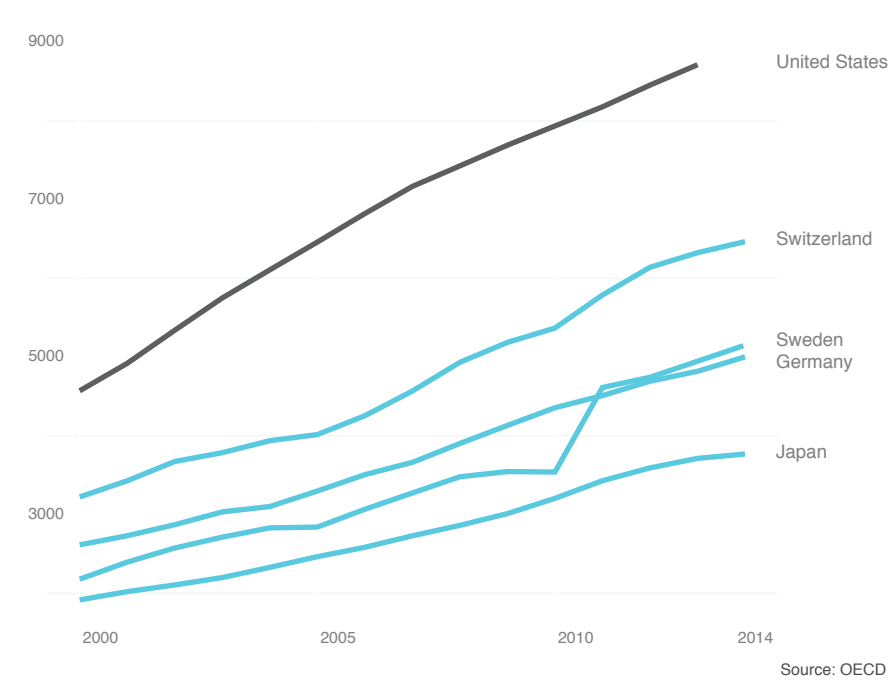


The US spends more than twice on health per capita when compared to other developed countries with similar health standards. A system where providers cater to patients who do not get to see the bill, which is mostly paid by insurers, breaks free-market instruments that could otherwise better regulate pricing. What seems free ends up as hefty insurance premiums. Since most employers pay for health insurance, people commonly forget that, ultimately, they all pay for the most expensive health system in the world - though arguably among the worst in developed nations*.

* U.S. Health in International Perspective: Shorter Lives, Poorer Health" (2013) National Institutes of Health

Per capta health spending

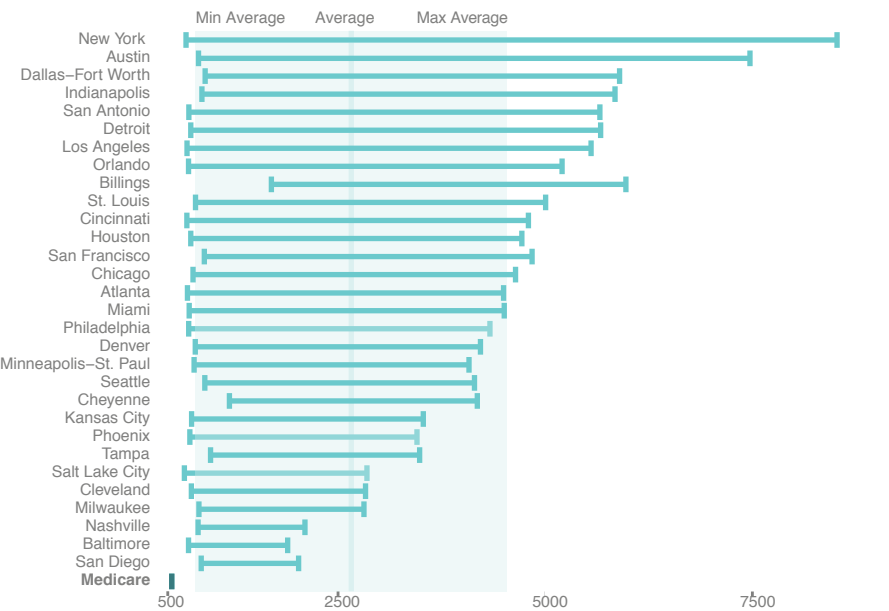
USD spent per year, adjusted for PPP



Data about the cost of Colonoscopies, the most expensive routine exam, reveals big differences in prices, even within cities. There are numerous tricks to insurers more insurers for the same procedure, such as the inclusion of unnecessary anesthesia, use of special facilities and others. Medicare, the government health plan for the elderly, shows that doctors are willing to do it for less.

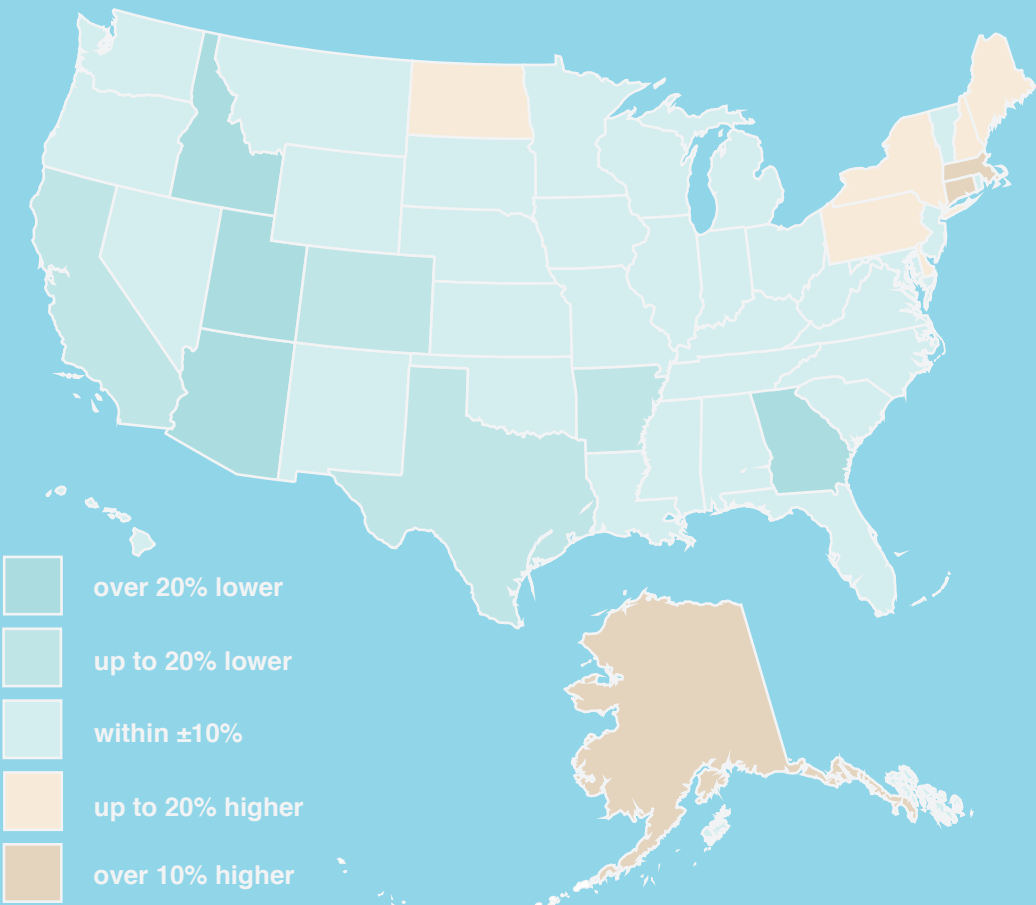
Price for a Colonoscopy across America

Actual prices paid (USD), min and max, in different US cities. in order of price discrepancy



Difference in Health Expenditure per state

% over national average (yearly, per capta)



SOURCE: Kaiser Family Foundation, 2009

Although prices for a Colonoscopy in the same city may vary up to fifteenfold, average yearly per capta expenditure data shows a more homogenous level across the US.

Healthcare in America is generally expensive, suggesting Colonoscopy's huge discrepancies may not be the rule. Patients can make more cost-effective decisions with some research.

Although the U.S. healthcare system has a triangular conflict of interest involving patients, providers and insurers, people should not forget that they ultimately pay for their healthcare and therefore should actively pursue and stimulate competitive practices.