



INTERNATIONAL FEDERATION  
OF HEALTH PLANS



HEALTH CARE  
COST INSTITUTE

2024-2025 REPORT



# INTERNATIONAL HEALTH COST COMPARISON REPORT



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# Who We Are

The International Federation of Health Plans (iFHP) is a global network of health insurers and payers dedicated to fostering collaboration and knowledge-sharing to tackle shared challenges in the healthcare sector. With members operating in more than 40 countries, iFHP brings together a diverse group of health plans, third-party administrators and HMOs—ranging from smaller funds to large, multinational health businesses.

## Our Mission

Through knowledge sharing, international studies and networking, iFHP seeks to advance healthcare financing and improve health systems. Our mission is to promote equitable access to healthcare while ensuring the sustainability of private health systems.

## Our Members

iFHP's membership spans a wide range of health insurance organisations across the globe. These members are united by a shared goal of advancing effective and sustainable healthcare systems. By sharing insights, data, and best practices, our members work together to address critical healthcare issues, as demonstrated in this Healthcare Cost Comparison Report.

## HCCI

The Health Care Cost Institute (HCCI) is an independent, non-profit research organisation established in 2011. HCCI serves as a trusted source of clear information for researchers, policymakers, and journalists, providing insights into the factors driving healthcare spending in the United States.

HCCI's mission is to leverage high-quality data and analytical expertise to create a more accessible, affordable, and equitable healthcare system. By methodically examining current care trends, HCCI aims to develop a better-performing, sustainable system of care.

HCCI maintains a comprehensive database of healthcare claims data, covering approximately 55 million Americans with commercial insurance, as well as 100% Medicare fee-for-service Parts A, B, and D. This extensive dataset enables HCCI to conduct robust analyses and produce impactful research on healthcare spending, utilisation, and prices.

## Executive Summary

The 2024 iFHP International Healthcare Cost Comparison Report, produced in collaboration with the Health Care Cost Institute (HCCI), provides an essential analysis of global healthcare costs across 24 countries. Representing nearly 90 private health insurers on six continents, iFHP supports equitable access to healthcare for all populations across the world and the sustainability of the private health insurance industry, representing over 250 million insured lives. A summary of the health systems within the countries discussed in this report can be viewed in appendix 1.

The mission of HCCI is to highlight the key issues impacting healthcare systems by using the best data to get the best answers. HCCI stands for truth and consensus around the most important trends in healthcare, particularly those economic issues that are critical to a sustainable, high-performing health system

underscoring the importance of transparent, data-backed insights to inform global health policy.

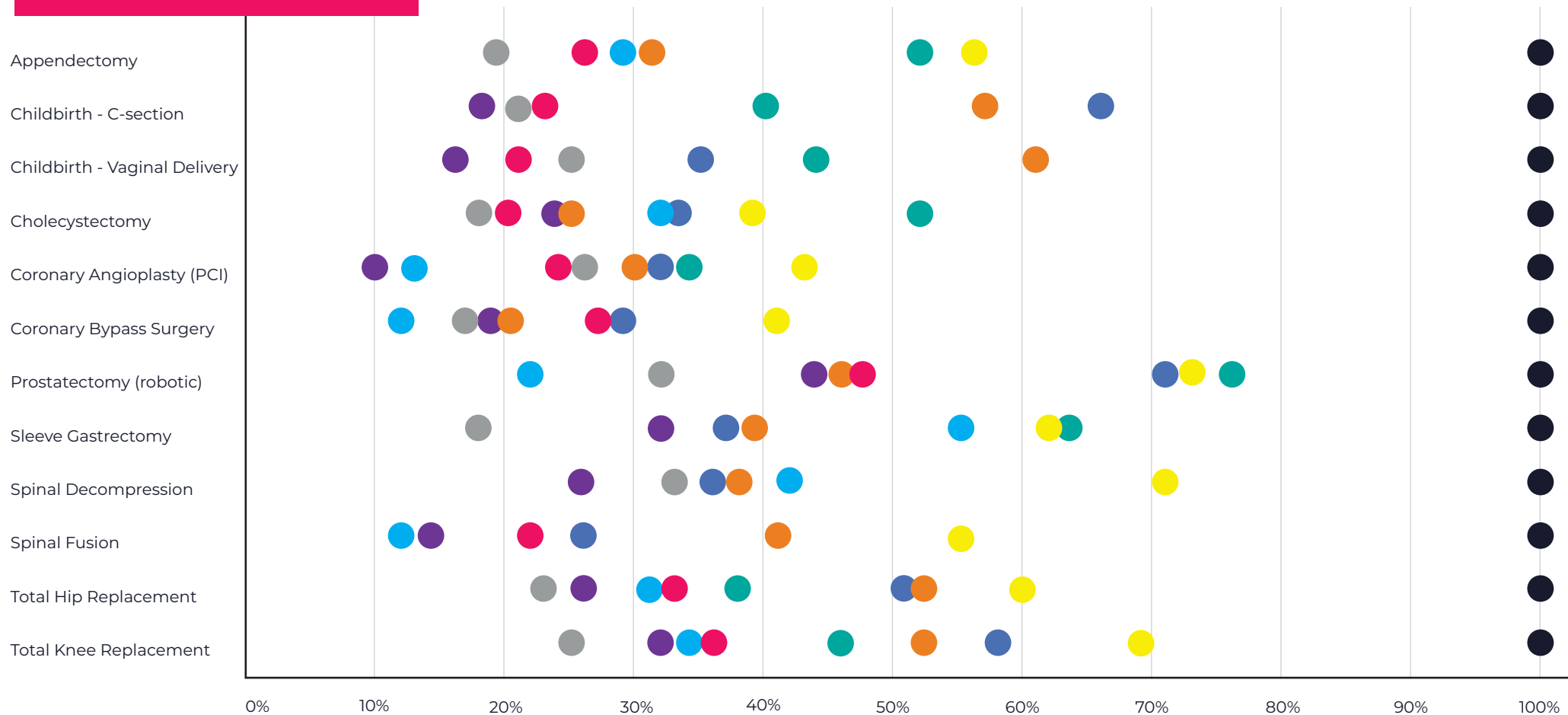
The aim is that it serves as a resource for policymakers, insurers, and healthcare leaders to identify areas for cost reduction, enhance pricing equity, and ultimately improve access to affordable healthcare. By benchmarking these costs, the report offers a foundation for discussions on optimising healthcare systems and promoting sustainable, high-quality care across international borders.

In the following sections iFHP and HCCI compare median claims costs for a broad range of inpatient and outpatient procedures and pharmaceuticals as provided by members and other agencies in 2022 across nine countries. 2022 data is used as it is the most recent complete data set available.

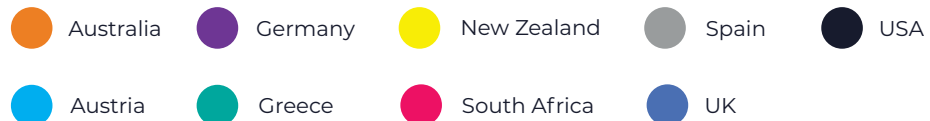
# 01. INPATIENT TREATMENTS

This section analyses the costs of 12 common inpatient procedures in nine countries, focusing on coronary artery bypass grafts (CABG), hip and knee replacements, and childbirth.

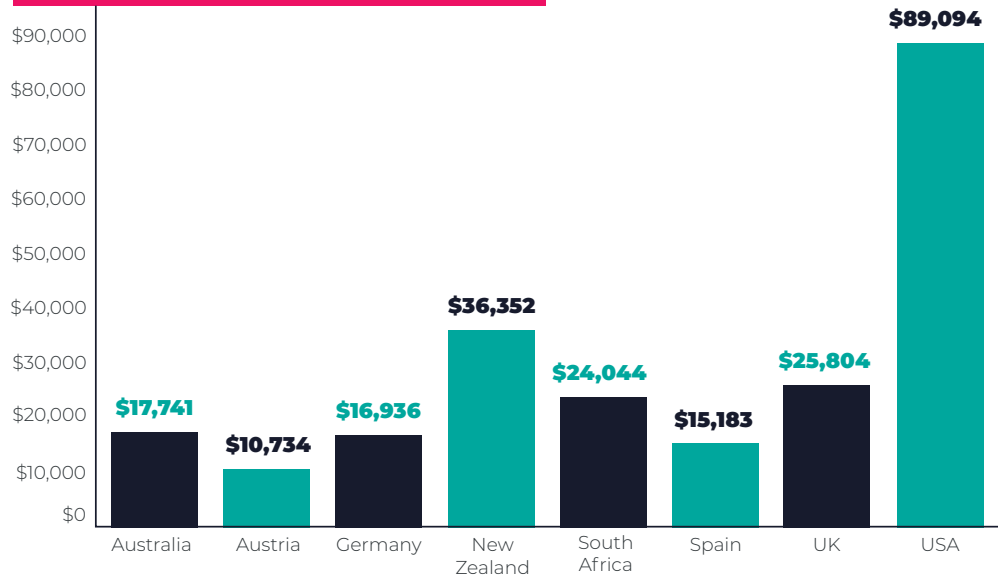
**INPATIENT ADMISSIONS:**  
PERCENT OF US PRICES IN 2022



Percent of USA Price

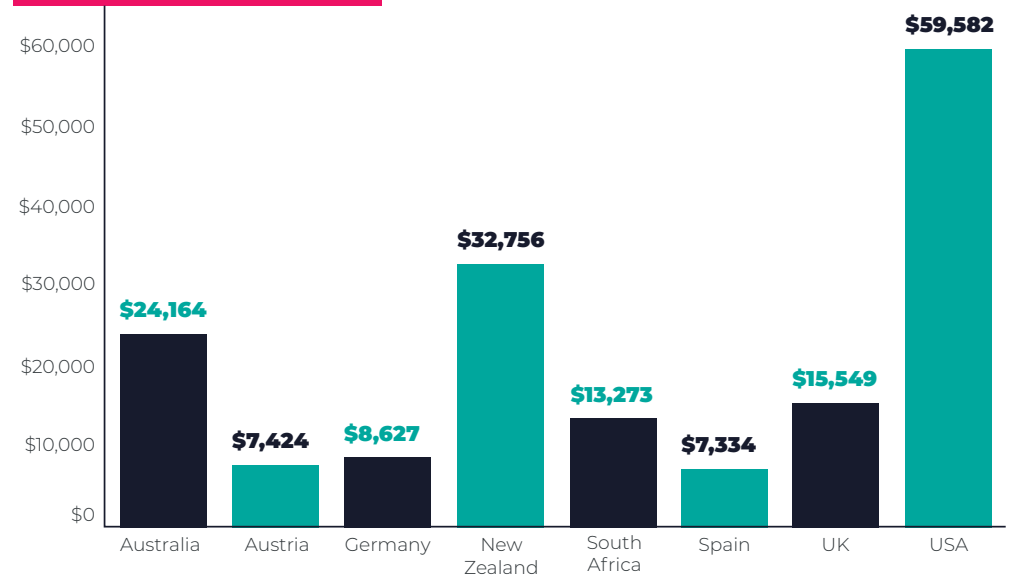


**INPATIENT: CORONARY BYPASS SURGERY**



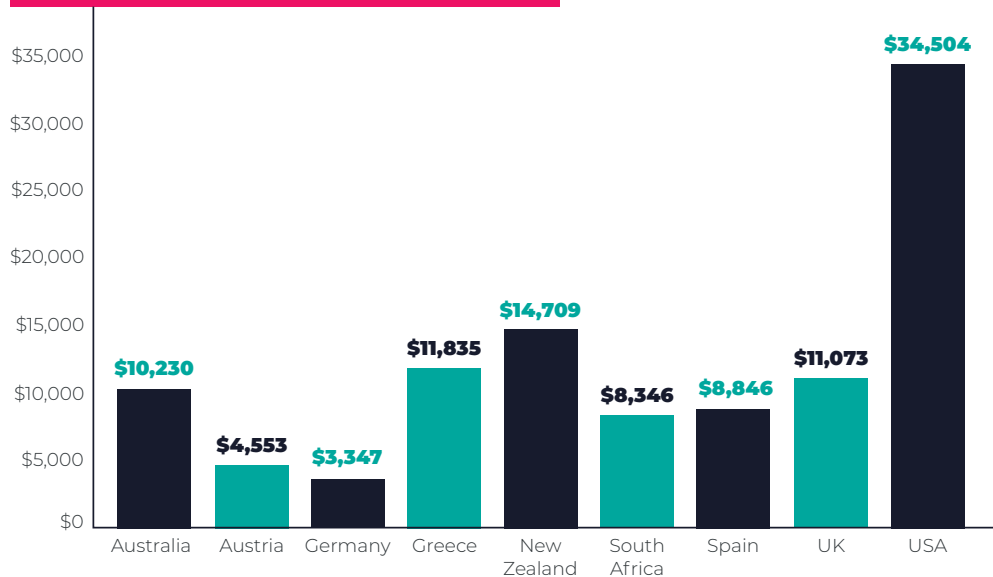
**Definition used:** Coronary bypass with cardiac catheterization without, bypass coronary artery, one site to left internal mammary, open approach.

**INPATIENT: SPINAL FUSION**



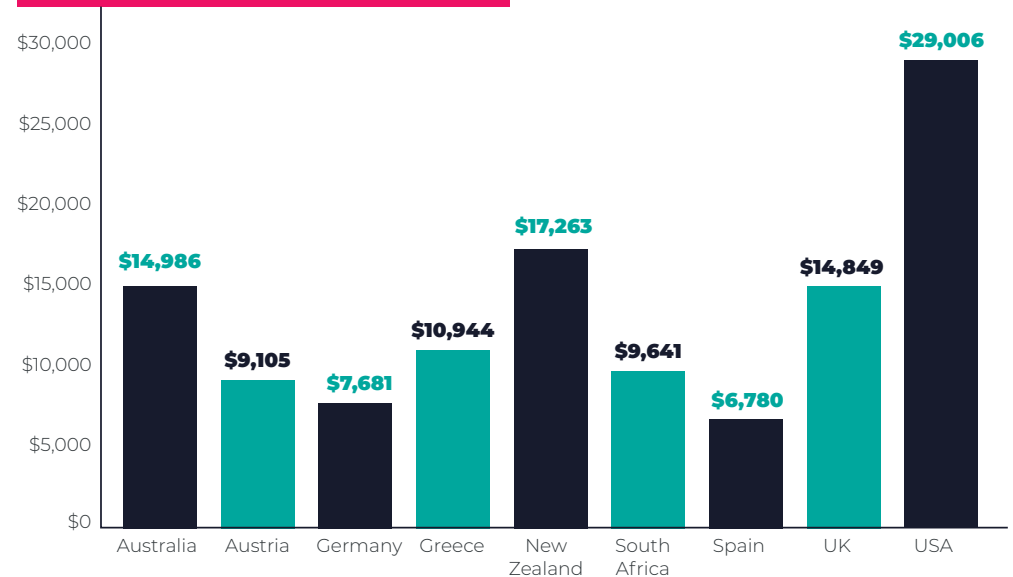
**Definition used:** spinal fusion except cervical without major complication or comorbidity.

**INPATIENT: CORONARY ANGIOPLASTY (PCI)**



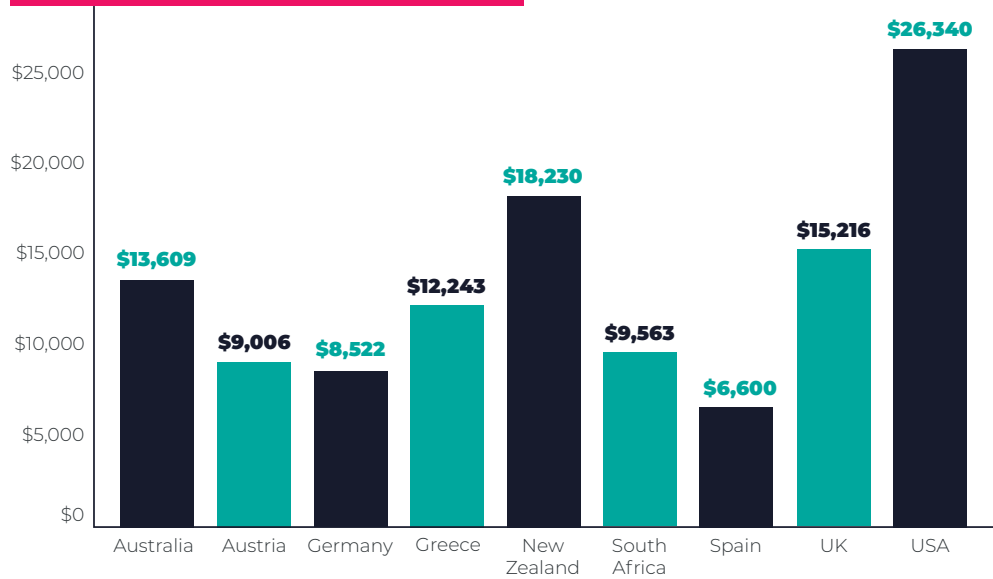
**Definition used:** Percutaneous cardiovascular procedure with drug-eluting stent without complications with overnight hospital admission, dilation of coronary artery, one site with drug-eluting intraluminal device, percutaneous approach.

**INPATIENT: TOTAL HIP REPLACEMENT**



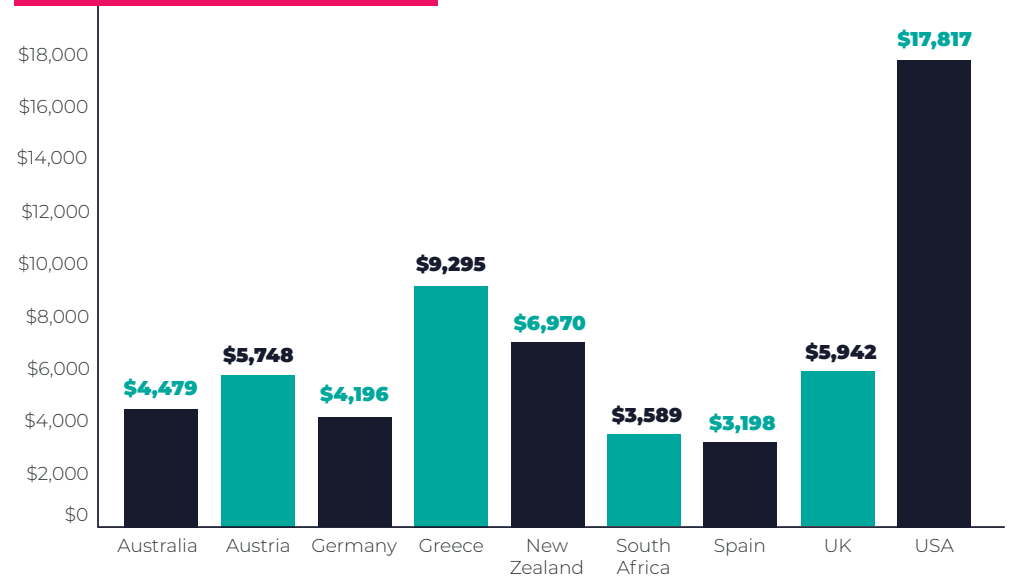
**Definition used:** Hip joint replacement without complications, with overnight hospital admission (uni), replacement of right hip joint with ceramic on polyethylene synthetic substitute, uncemented, open approach.

**INPATIENT: TOTAL KNEE REPLACEMENT**



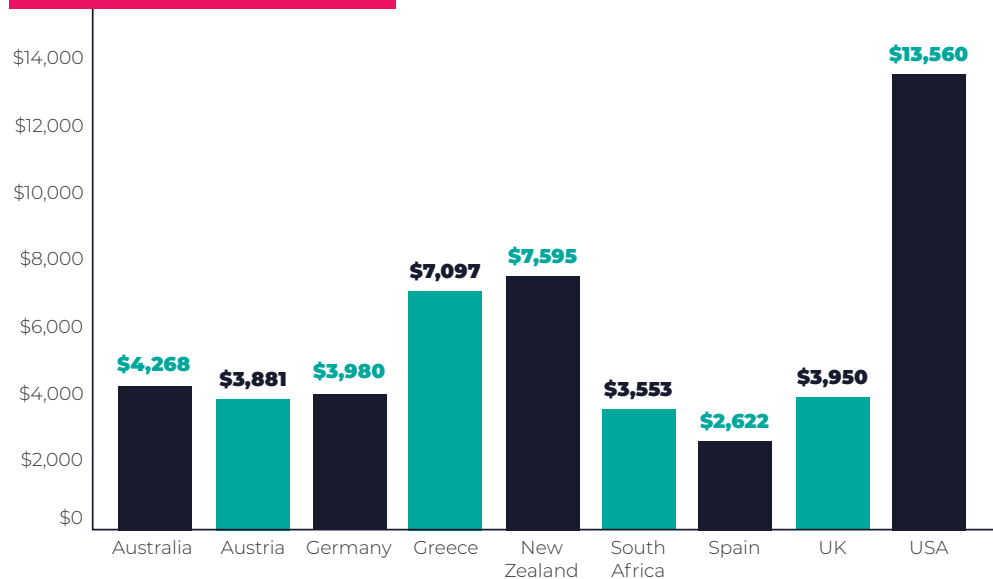
**Definition used:** Knee joint replacement without complications, with overnight hospital admission (uni), replacement of right knee joint with synthetic substitute, cemented, open approach.

**INPATIENT: CHOLECYSTECTOMY**



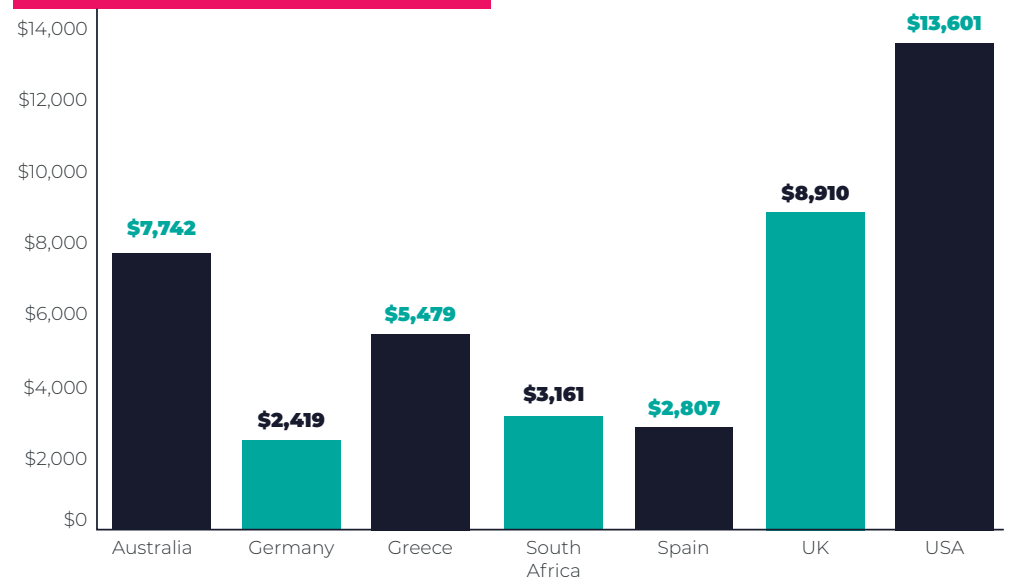
**Definition used:** laparoscopic cholecystectomy without common bile duct exploration (c.d.e) without complication or comorbidity, excision of gallbladder, percutaneous endoscopic approach.

**INPATIENT: APPENDECTOMY**



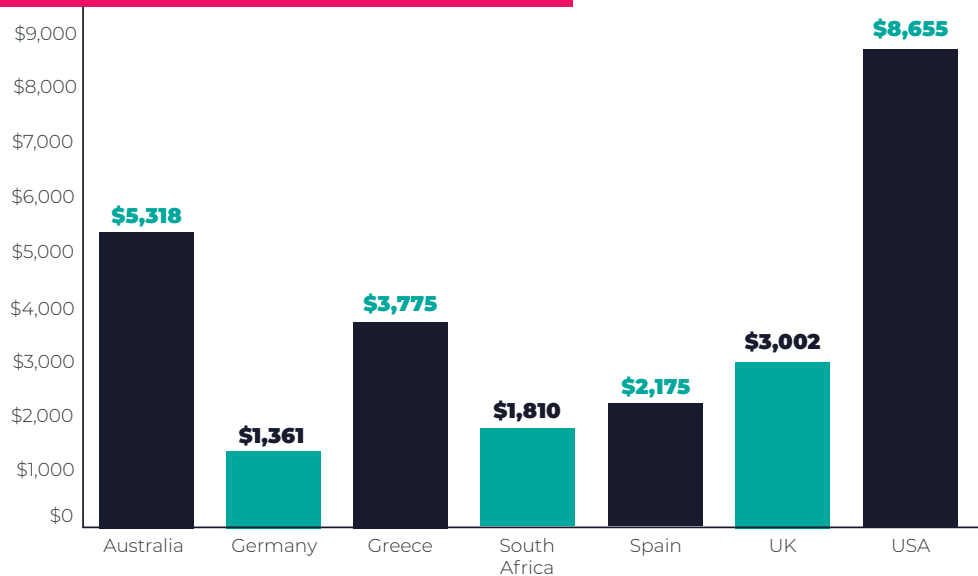
**Definition used:** Appendectomy without complications with overnight hospital admission, resection of appendix, percutaneous endoscopic approach inpatient.

**INPATIENT: CHILDBIRTH - C-SECTION**



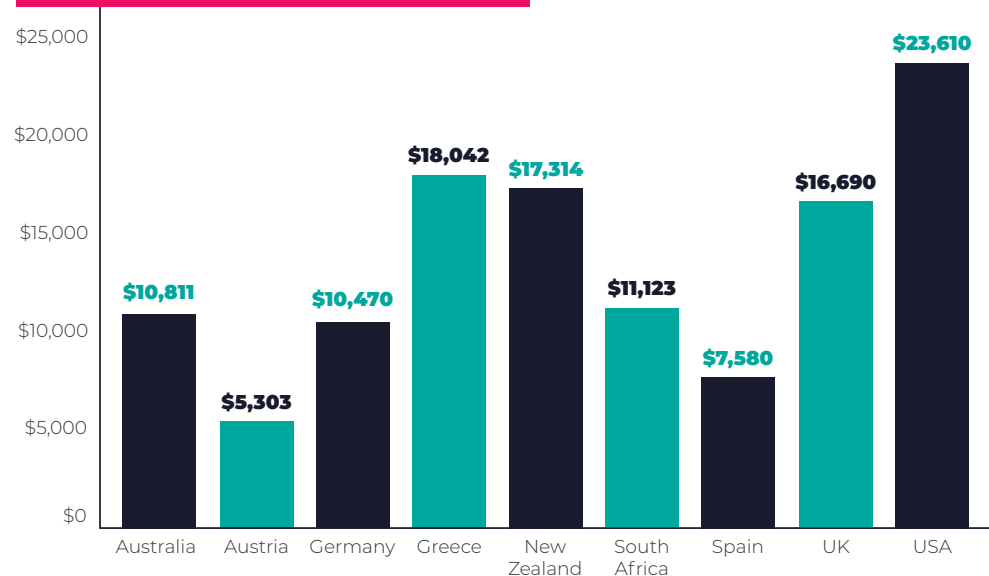
**Definition used:** Cesarean Section without complications, with overnight hospital admission.

**INPATIENT: CHILDBIRTH - VAGINAL DELIVERY**

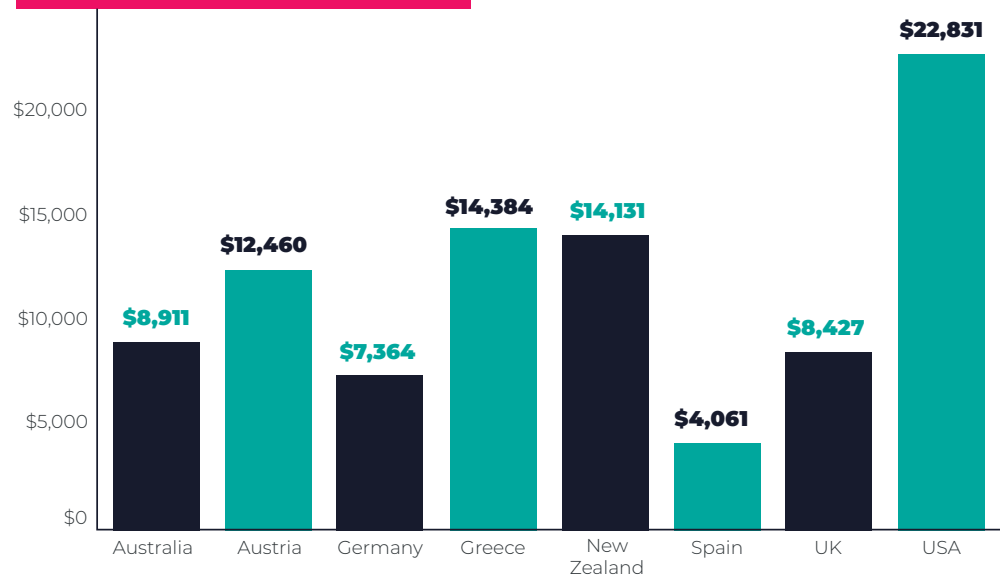


Definition used: vaginal delivery without complicating diagnosis.

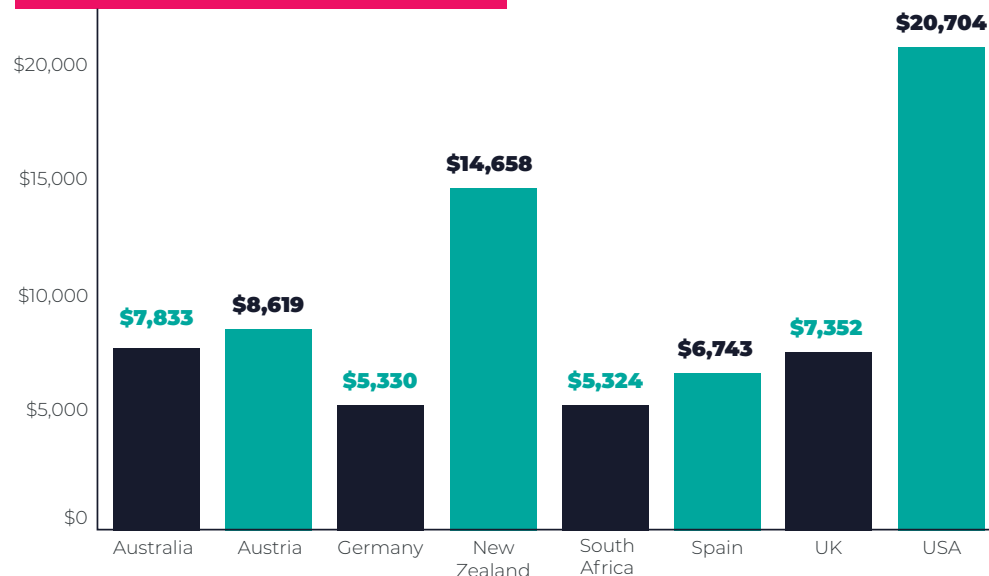
**INPATIENT: PROSTATECTOMY (ROBOTIC)**



**INPATIENT: SLEEVE GASTRECTOMY**



**INPATIENT: SPINAL DECOMPRESSION**





# ▲ Inpatient Treatments: Key Trends and Global Comparisons

The cost of inpatient treatments varies significantly across countries due to differences in healthcare system structures, reimbursement models, and resource allocation.



## Trends: United States Leads in High Costs

The U.S. stands out with consistently higher costs for nearly all inpatient procedures. This is largely driven by a complex fee-for-service payment model, high administrative expenses, and elevated labour and infrastructure costs. The system often incentivises more procedures and services, potentially increasing costs without necessarily improving patient outcomes.<sup>1</sup>

## Lower Costs in Europe, Australia and New Zealand

Spain benefits from a government-regulated healthcare system with centralised pricing controls. The cost of a coronary artery bypass graft (CABG) in Spain is significantly lower due to stringent government negotiations and streamlined hospital operations. Spain's focus on primary care and efficient hospital management contributes to shorter hospital stays, which helps control overall healthcare expenditures.<sup>2</sup>

Both Australia and New Zealand operate mixed healthcare systems with substantial government involvement. Procedures such as hip replacements are generally more affordable due to strong payer negotiation mechanisms and efficient use of public healthcare facilities. In Australia, the Medicare Benefits Schedule helps standardise costs, while New Zealand's focus on integrated healthcare pathways ensures cost efficiency and high-quality care.<sup>3</sup>

<sup>1</sup> Munira Z. Gunja, Evan D. Gumas, and Reginald D. Williams II, *U.S. Health Care from a Global Perspective, 2022: Accelerating Spending, Worsening Outcomes* (Commonwealth Fund, Jan. 2023). <https://doi.org/10.26099/8ejy-yc74>

<sup>2</sup> García-Armesto, S., Begoña Abadía-Taira, M., Durán, A., Hernández-Quevedo, C., & Bernal-Delgado, E. (2010). "Spain: Health System Review." *Health Systems in Transition*

<sup>3</sup> Cumming, J., McDonald, J., Barr, C., Martin, G., Gerring, Z., & Daubé, J. (2014) *New Zealand Health System Review*. Manila: World Health Organization.

Germany's multi-payer system, characterised by strong competition among insurers, results in a balanced approach to controlling costs. However, the widespread adoption of advanced technologies, such as robotic surgeries, can lead to higher costs for certain procedures. The German system's emphasis on high-quality outcomes has been shown to reduce the need for repeat surgeries, ultimately lowering long-term costs.<sup>4</sup>

### Key considerations Hospital Stay Length

While the U.S. is known for shorter inpatient stays, European countries, including Greece, often achieve cost efficiency with longer yet more cost-effective hospital stays. In Greece, hospitals under the National Health System focus on streamlining inpatient care while controlling daily rates through centralised price regulation. This model, combined with government subsidies, enables Greece to maintain lower costs for extended hospital stays.

In South Africa the private healthcare sector, which serves a smaller portion of the population, is characterised by shorter hospital stays similar to the U.S. but at a fraction of the cost due to lower overheads and competitive pricing among private insurers. Public hospitals, however, face resource constraints, often resulting in longer stays due to delayed procedures and a backlog in patient care.<sup>5</sup>

### Resource Utilisation

Many European countries, including Greece, optimise healthcare resources by prioritising essential diagnostics and avoiding over-reliance on costly advanced technologies unless necessary. Greece, with its limited healthcare budget, leverages a cost-efficient approach by focusing on essential services and minimising the use of high-cost diagnostics like MRI scans, except in critical cases.

Greece also has a semi centralised system which balances public healthcare funding with a growing private sector that offers supplementary services. This mixed model allows Greece to curb excessive spending while providing essential care through its national system. In its dual healthcare system, the private sector is well-equipped with advanced diagnostic technologies, often comparable to high-income countries, while the public sector struggles with resource shortages. However, in an effort to maintain cost, the disparity between the public and private sectors leads to significant differences in patient outcomes.<sup>6</sup>

Health systems like the UK and Australia use government negotiations to help control some costs, particularly of pharmaceuticals.<sup>7</sup>

In South Africa, healthcare is a dual system, with the public sector covering nearly 80% of the population. However, it faces challenges related to funding and infrastructure. In contrast, the private sector, which serves a wealthier minority, benefits from more resources and better-equipped facilities. The government's recent efforts to implement the National Health Insurance (NHI) scheme aim to centralise healthcare funding, improve equity, and reduce cost disparities between the public and private sectors.



<sup>4</sup> Busse, R., Blümel, M., Knieps, F., & Bärnighausen, T. (2017). "Statutory Health Insurance in Germany: A Health System Shaped by 135 Years of Solidarity, Self-Governance, and Competition." *The Lancet*

<sup>5</sup> Harris, B., Goudge, J., Ataguba, J. E., McIntyre, D., Nxumalo, N., Jikwana, S., & Chersich, M. (2011). "Inequities in access to health care in South Africa." *Journal of Public Health Policy, 32(S1)* S102–S123.

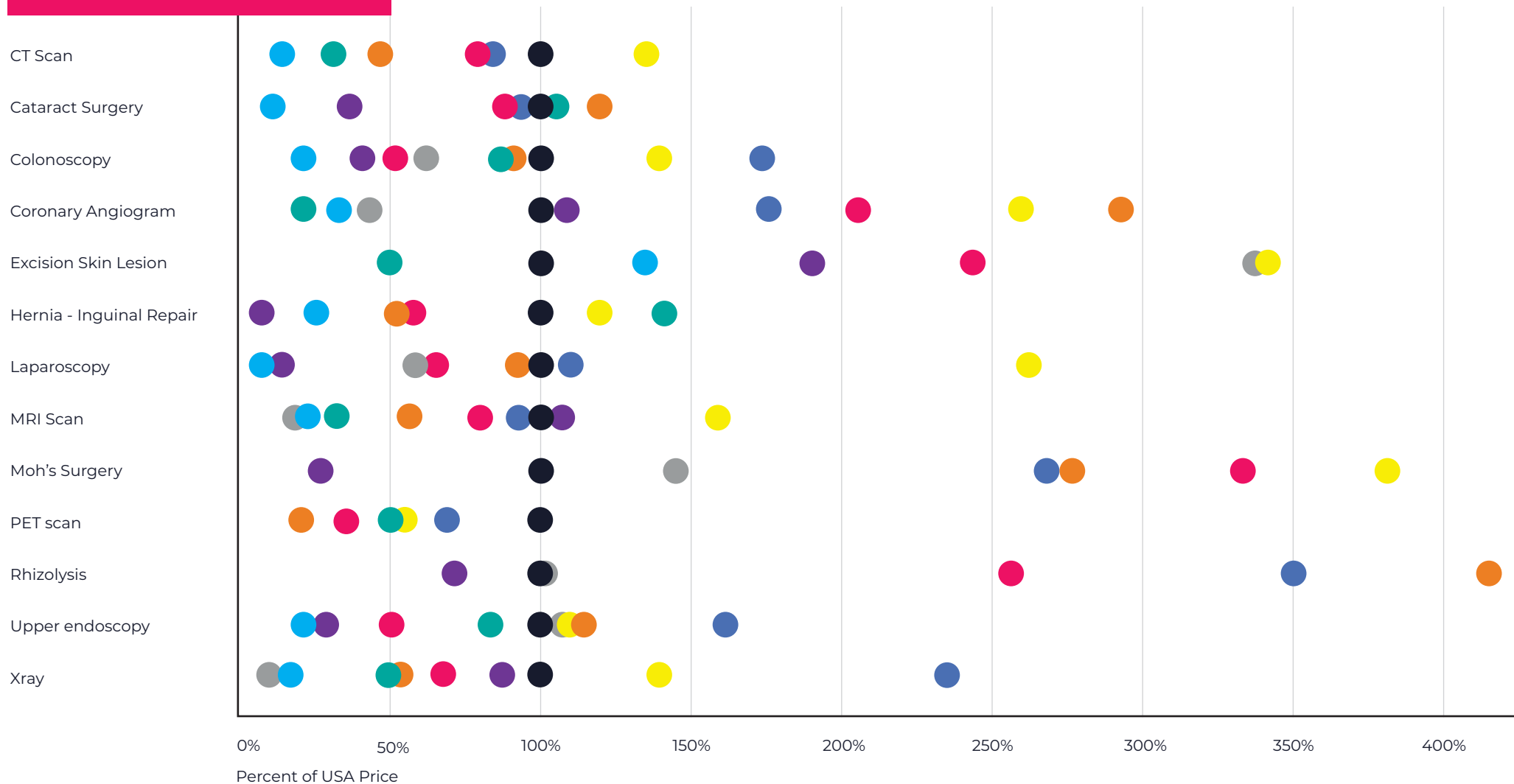
<sup>6</sup> Mossialos, E., Allin, S., Davaki, K. (2005). "Analyzing the Greek health system: A tale of fragmentation and inertia." *Health Economics, 14(S1)*, S151–S168

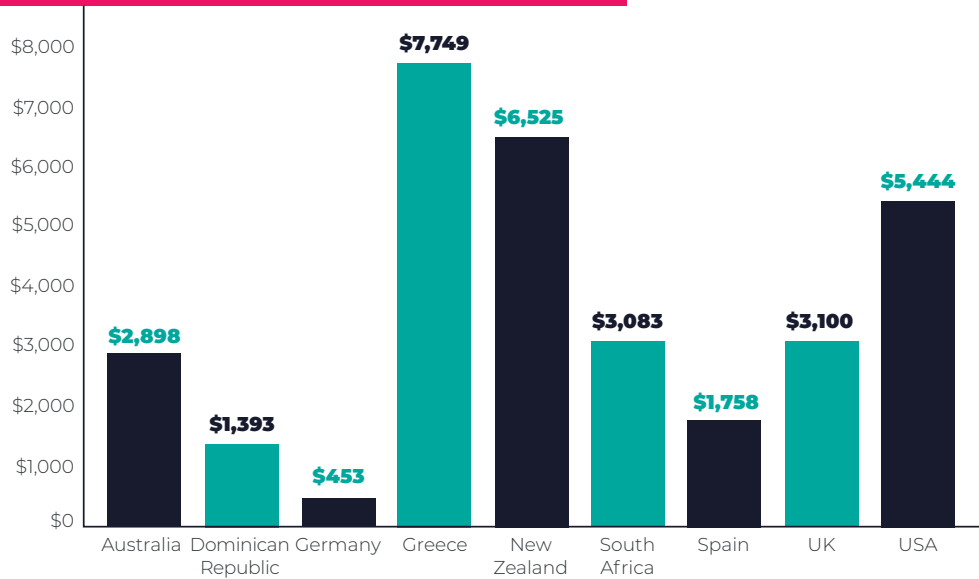
<sup>7</sup> Appleby, J., Baird, B., Thompson, J., & Jabbal, J. (2019). *The NHS Long Term Plan Explained*. London: The King's Fund.

# 02. OUTPATIENT TREATMENTS

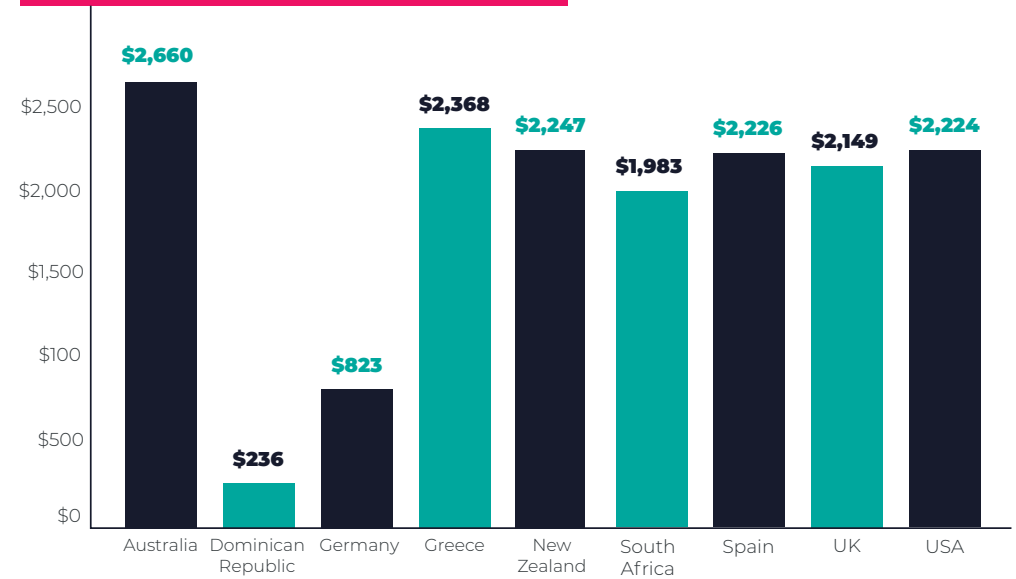
In the following section iFHP and HCCI compared the median cost of 13 outpatient treatments in 2022 across nine countries worldwide. The treatments were chosen for the relative cumulative cost they represent as a proportion of the overall treatment costs expensed by private health insurance companies. The objective of this study is to highlight price disparities internationally. Due to the differences in billing practices, it is not always possible to provide an exact match between what is measured in each claim per country. Where a treatment included additional or fewer constituent parts in a given country, this is indicated in the explanatory note below each graph.

**OUTPATIENT/OFFICE PROCEDURES:**  
PERCENT OF US PRICES IN 2022

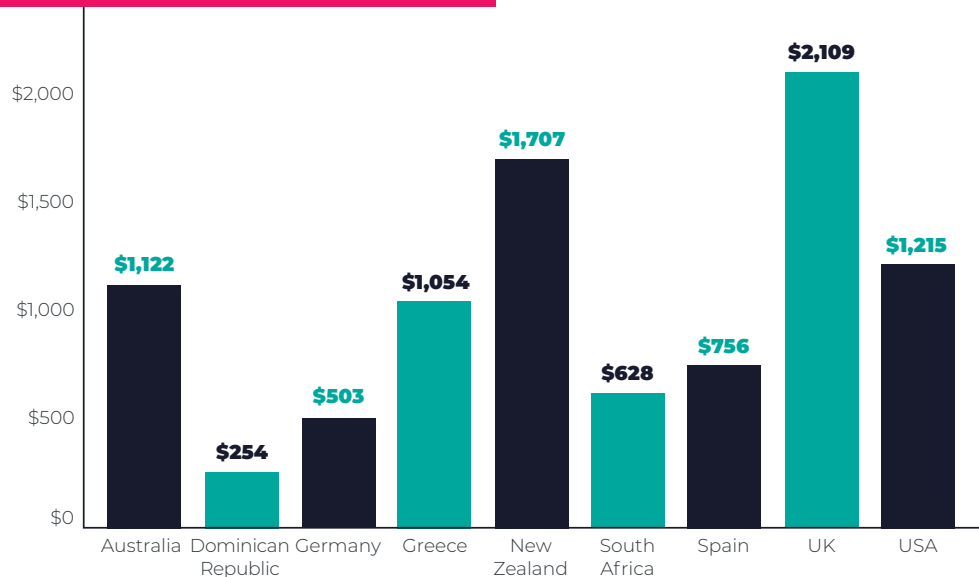


**OUTPATIENT/OFFICE: HERNIA - INGUINAL REPAIR**

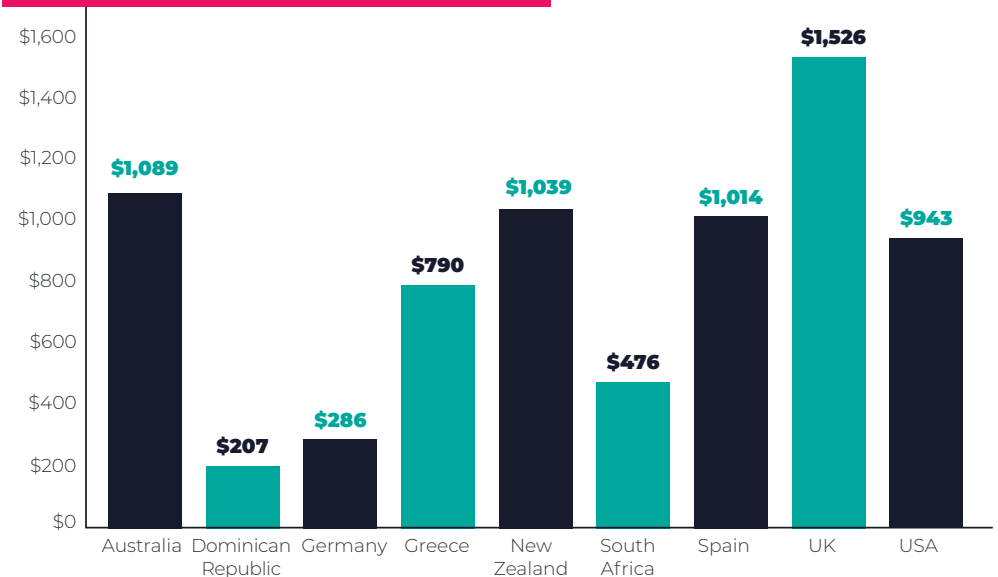
**Definition used:** Laparoscopy, surgical; repair initial inguinal hernia. The New Zealand price includes 6 weeks' follow-up. The Greek cost represents some open surgery as well as laparoscopic surgery.

**OUTPATIENT/OFFICE: CATARACT SURGERY**

**Definition used:** Removal of cataract with insertion of lens, with no hospital admission/overnight stay; includes all ancillary services; extracapsular cataract removal with insertion of intraocular lens prosthesis (one stage procedure), manual or mechanical technique. The New Zealand cost includes a 6-week follow-up period.

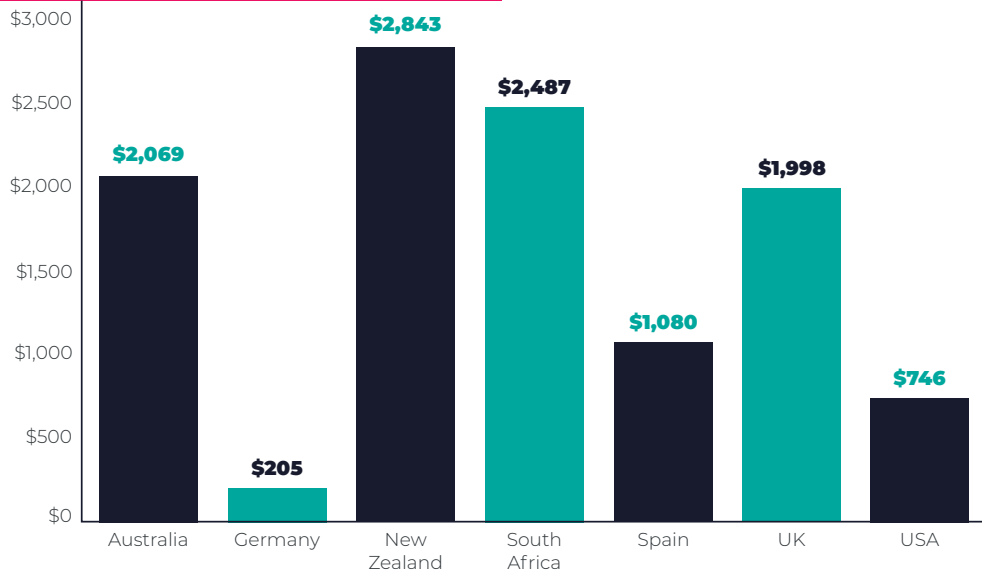
**OUTPATIENT/OFFICE: COLONOSCOPY**

**Definition used:** Diagnostic examination and biopsy of large bowel using an endoscope; includes all ancillary services; flexible colonoscopy proximal to splenic flexure with biopsy. The Kazakhstan cost does not include biopsy/polypectomy whereas elsewhere this is included. We found no material differences in what was being measured across all other countries. These figures represent median costs of this procedure.

**OUTPATIENT/OFFICE: UPPER ENDOSCOPY**

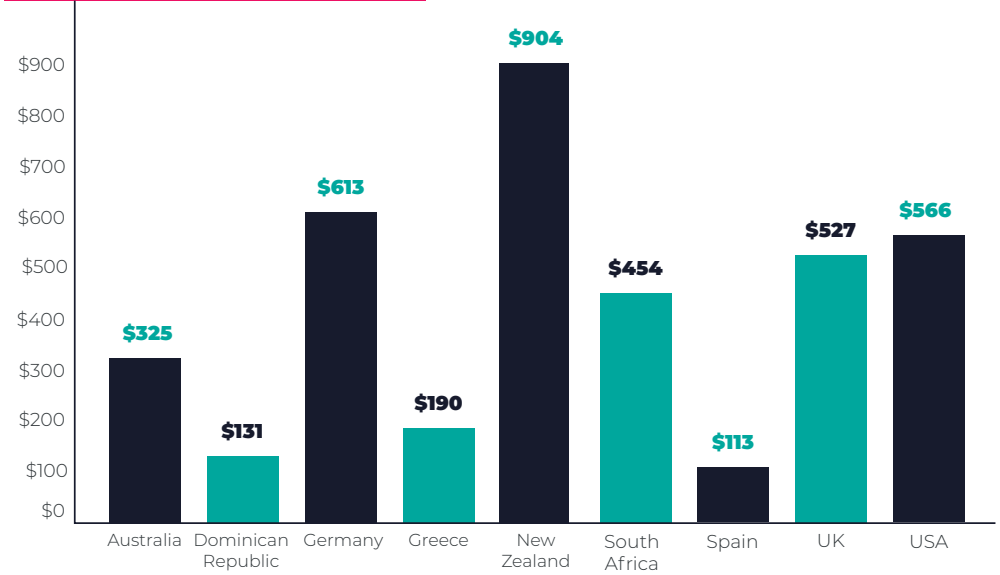
**Definition used:** Upper gastrointestinal endoscopy including oesophagus, stomach, and either the duodenum and/or jejunum as appropriate; with biopsy, single or multiple. Some variation in the cost may be due to the treatment location (hospital, specialist's office).

**OUTPATIENT/OFFICE: MOH'S SURGERY**



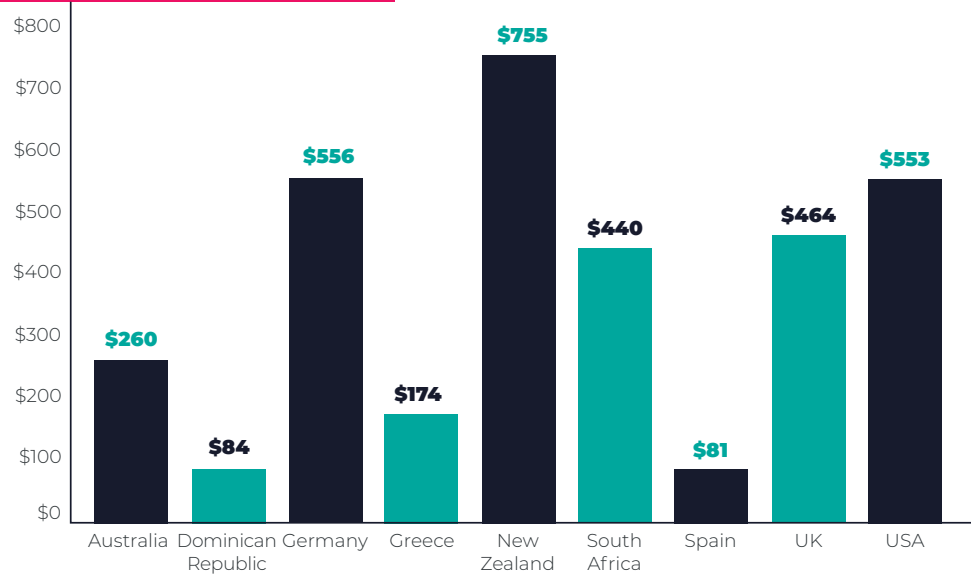
**Definition used:** Mohs micrographic technique, including removal of all gross tumor, surgical excision of tissue specimens, mapping, color coding of specimens, microscopic examination of specimens by the surgeon, and histopathologic preparation including routine stain. The cost in New Zealand includes a 6-week follow-up period.

**OUTPATIENT/OFFICE: MRI SCAN**



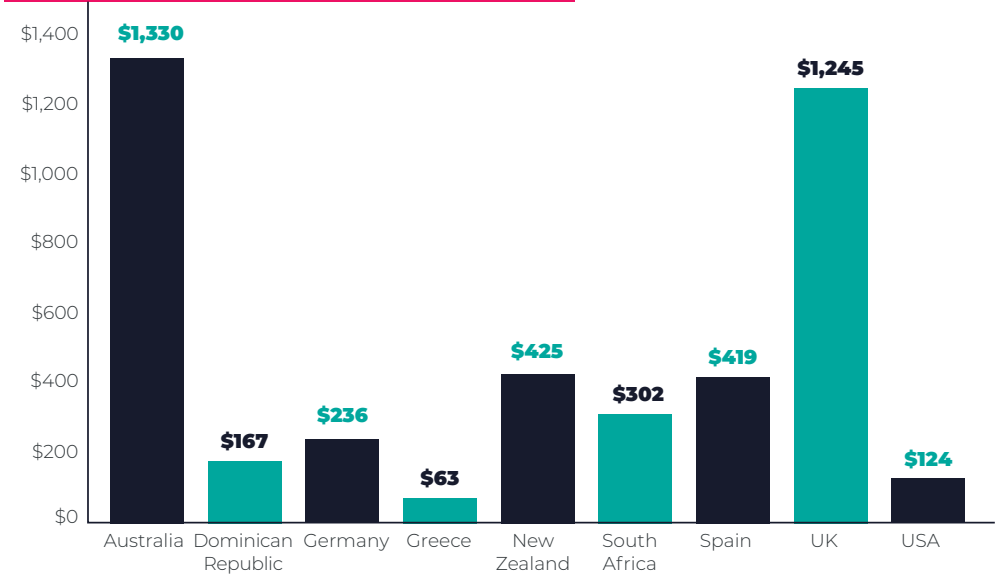
**Definition used:** MRI scan without contrast of leg joint.

**OUTPATIENT/OFFICE: CT SCAN**



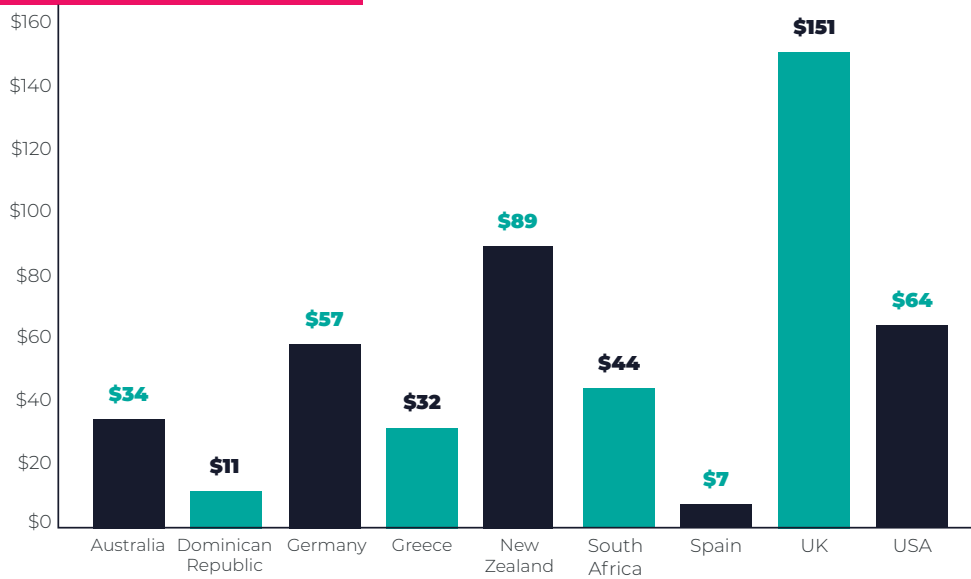
**Definition used:** CT of abdomen with contrast | CPT: 74160 - Computed tomography, abdomen, with contrast material.

**OUTPATIENT/OFFICE: EXCISION SKIN LESION**



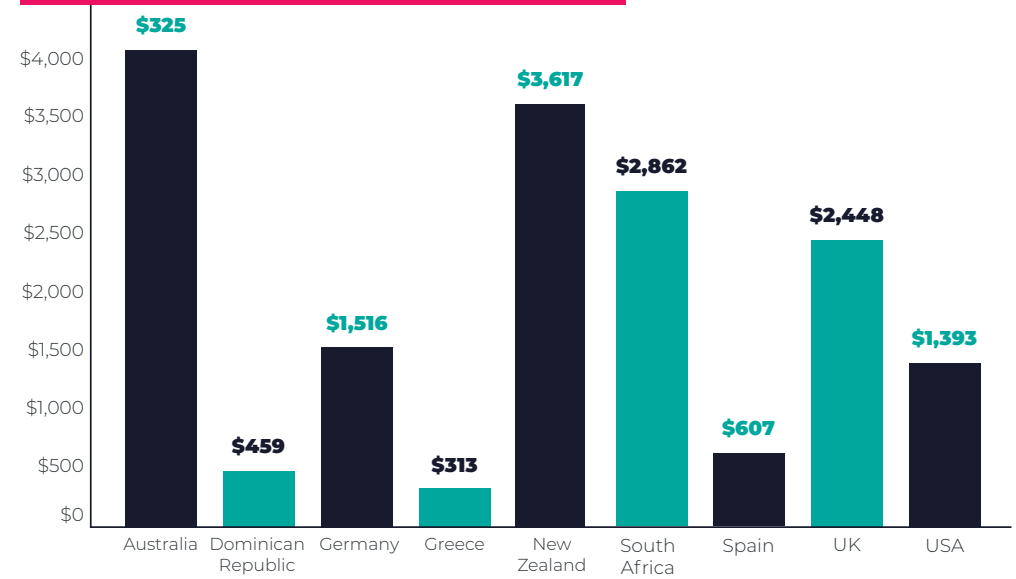
**Definition used:** Excision, benign lesion including margins, except skin tag, trunk, arms or legs. The cost in New Zealand includes a 6 week follow-up period. Some minor variability may be due to what is captured in the data, such as the inclusion or not of anaesthesia. Costs may be influenced by the diameter of the excision or the number of excisions per visit.

**OUTPATIENT/OFFICE: XRAY**

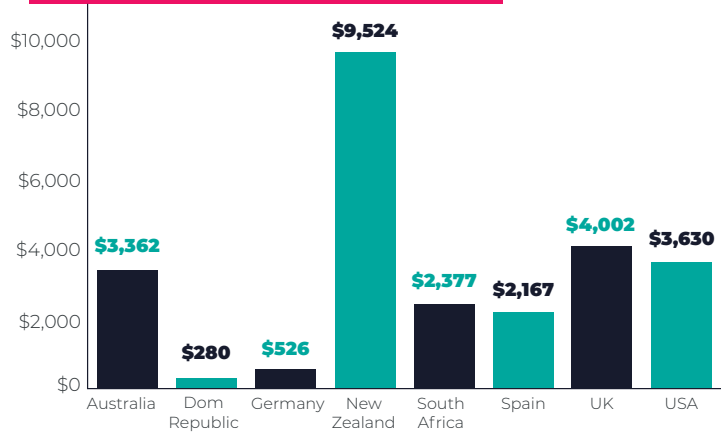


**Definition used:** X-ray chest 2 views. We found no material difference to what is included in this data for each country. These figures represent median costs of this procedure.

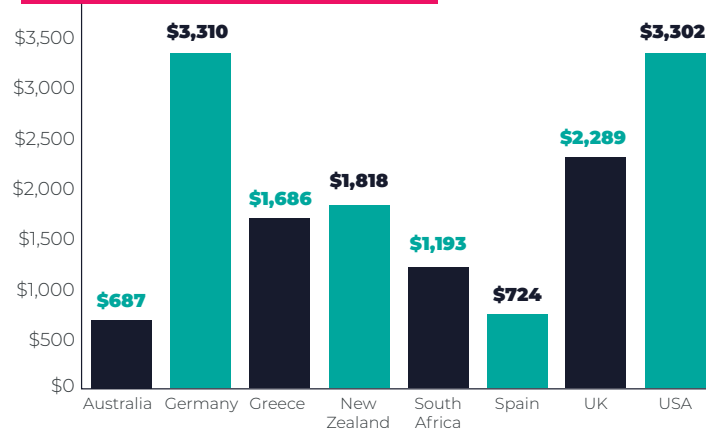
**OUTPATIENT/OFFICE: CORONARY ANGIOGRAM**



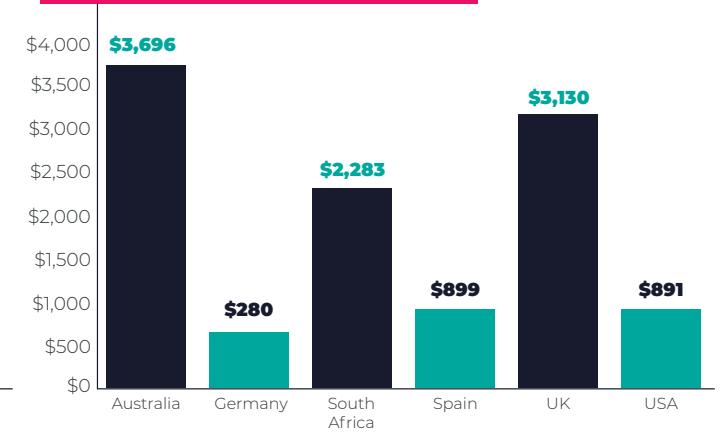
**OUTPATIENT/OFFICE: LAPAROSCOPY**



**OUTPATIENT/OFFICE: PET SCAN**



**OUTPATIENT/OFFICE: RHIZOLYSIS**



# ▲ Outpatient Treatments: Key Trends and Global Comparisons

Outpatient treatments, which include procedures such as cataract surgeries, colonoscopies, and diagnostic imaging, play a crucial role in reducing healthcare costs by shifting care from inpatient to outpatient settings. This approach helps alleviate pressure on hospital resources and enhances efficiency by treating patients without the need for overnight stays. However, the costs and availability of outpatient care vary significantly across countries due to differences in healthcare structures, reimbursement models, and technological adoption.



<sup>8</sup> Association of British Insurers (ABI) (2024) Private Medical Insurance Data 2023: Record growth in coverage. Available at: <https://www.abi.org.uk/news/news-articles/2024/112/private-medical-insurance-data-2023/>

<sup>9</sup> Nuffield Trust (2021). Digital Health and Care: Transforming Services Post-COVID-19.

## Key Trends Across Countries:

### UK – Efficiency Through Centralised Health System

The UK's healthcare system continues to evolve, with private medical insurance (PMI) playing an increasingly prominent role in outpatient care delivery. While the National Health Service (NHS) effectively controls costs through centralised negotiation and bundled payment systems, trends indicate that the private sector is addressing rising demand for outpatient procedures and diagnostics.

Outpatient treatments, including cataract surgeries and diagnostic imaging like MRI scans, represent a growing proportion of claims costs for private insurers. This reflects the sector's emphasis on faster access to care and specialised services.

Private Medical Insurance (PMI) in the UK has experienced significant growth, particularly in the outpatient sector. As of 2023, a record 4.7 million individuals were covered by employer-sponsored PMI schemes, marking the highest level in over three decades. This surge reflects an increasing reliance on private healthcare services to meet outpatient care demands.

The expansion of PMI has been instrumental in providing patients with expedited access to outpatient procedures and diagnostics, thereby alleviating some of the pressures faced by the National Health Service (NHS). However, this trend also raises considerations regarding equitable access to healthcare services across different population segments.<sup>9</sup>



## New Zealand – Integrating Outpatient Services for Cost Efficiency

New Zealand leverages its outpatient services, ensuring procedures such as hernia repairs and cataract surgeries are performed efficiently in non-hospital settings. The focus on outpatient care has been key to controlling costs and reducing unnecessary hospital admissions. For example, diagnostic procedures like MRI and CT scans are often prioritised in outpatient clinics, allowing hospitals to focus on acute and emergency care.

**Focus on Preventive Care:** New Zealand has successfully managed to reduce the burden on hospitals, enabling outpatient facilities to handle routine procedures and preventive health screenings. The integration of digital health solutions, such as telehealth, has also been expanded to rural areas, ensuring equitable access to outpatient services.<sup>9</sup>

## Dominican Republic – Balancing Public and Private Sector Dynamics

In the Dominican Republic, the private sector offers more comprehensive outpatient services, but these are often at a higher cost, making them inaccessible to a significant portion of the population.

**Private Sector's Role:** The reliance on private clinics for outpatient services has been growing, especially among individuals with private insurance. However, this increases out-of-pocket expenses, contributing to healthcare inequities. Efforts to expand outpatient capabilities in public hospitals are underway, but progress remains slow due

to funding constraints and infrastructure challenges.<sup>10</sup>

Germany and the United States incur high costs for PET scans due to their emphasis on high-quality technology, comprehensive diagnostic capabilities, and the financial structures within their respective healthcare systems. While Germany's costs are driven by its commitment to using cutting-edge medical technology and a robust reimbursement model, the U.S. sees elevated costs due to its fee-for-service system, lack of price controls, and fragmented healthcare landscape.<sup>11</sup>

## Provider Competition

In regions such as Germany, the presence of multiple payer systems fosters competition, which helps drive down outpatient service prices.

## Growth of Virtual Care

The rise of telehealth services has reduced the need for in-person outpatient visits in many countries. While it hasn't replaced major procedures, telehealth has significantly cut costs for diagnostics and follow-ups, especially in Europe and Australia

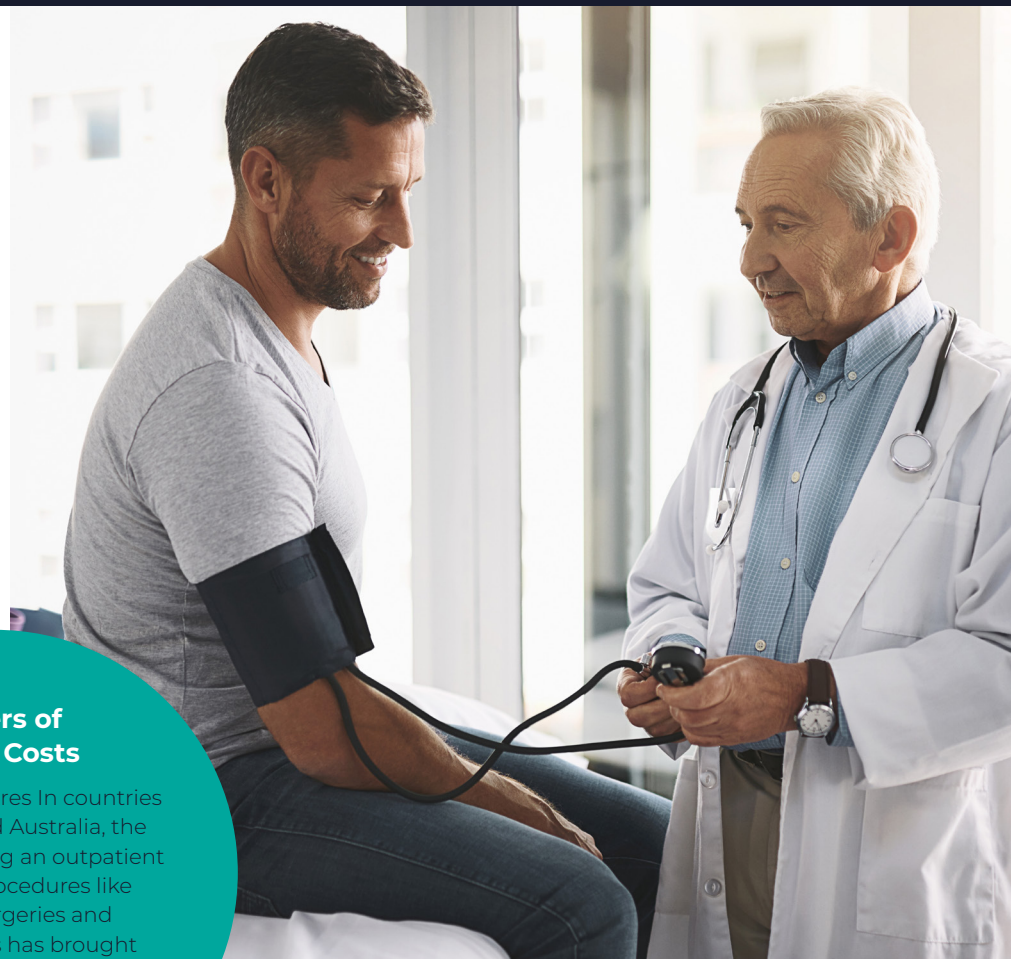
<sup>9</sup> Ashton, T., Mays, N., & Devlin, N. (2020). *Health Policy in New Zealand: A Comparative Approach*. Oxford University Press

<sup>10</sup> Pan American Health Organization (PAHO). (2017). *Dominican Republic Health System Review*

<sup>11</sup> Source: Lau, L. M., & Lantos, J. D. (2011). "Health Care Costs in the USA and Europe: A Cross-Sectional Analysis." *Health Policy*, 101(2), 149-155.

## Drivers of Lower Costs

**Outpatient Centres** In countries like the UK and Australia, the shift toward using an outpatient setting for procedures like cataract surgeries and colonoscopies has brought down costs, as these centres have lower overheads than traditional hospitals.

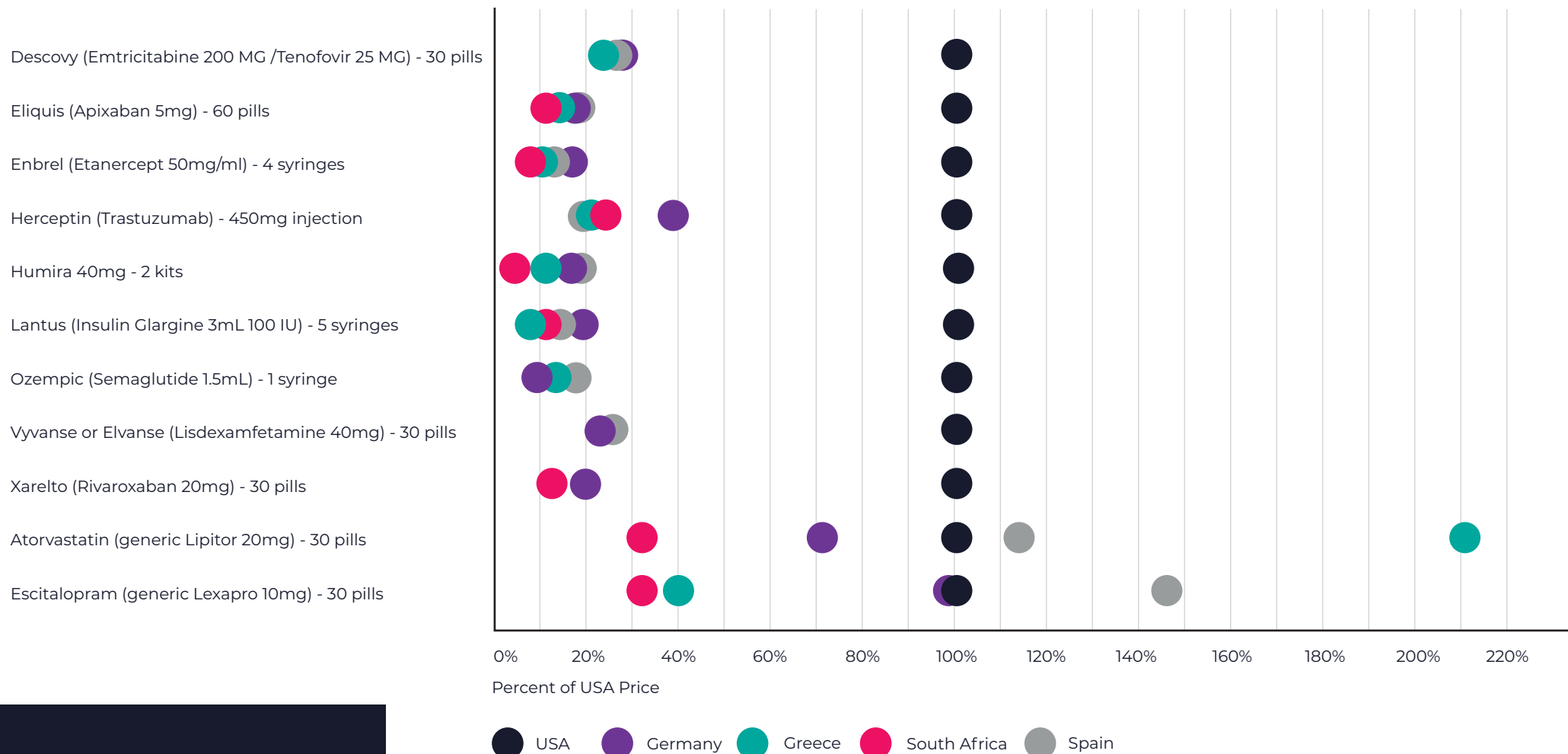


# 03. PRESCRIPTION DRUGS

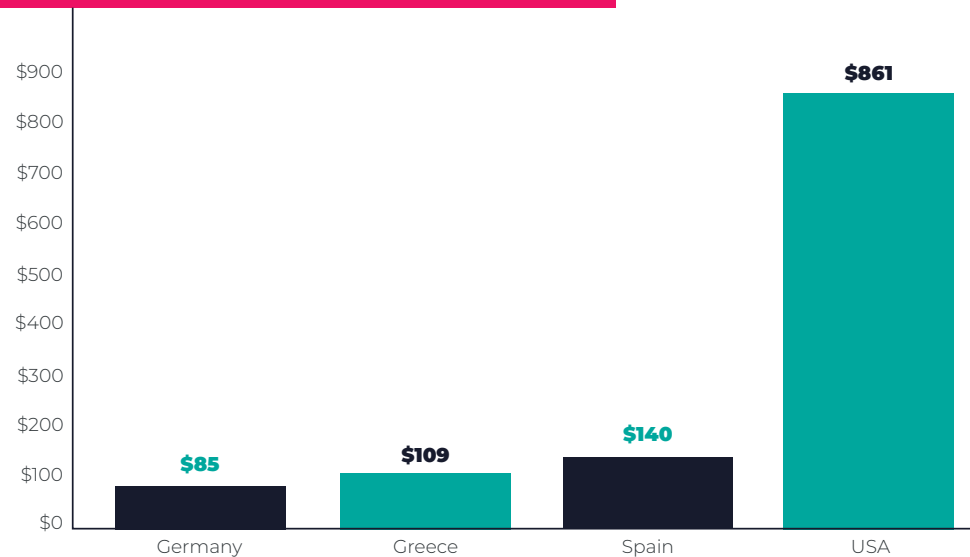
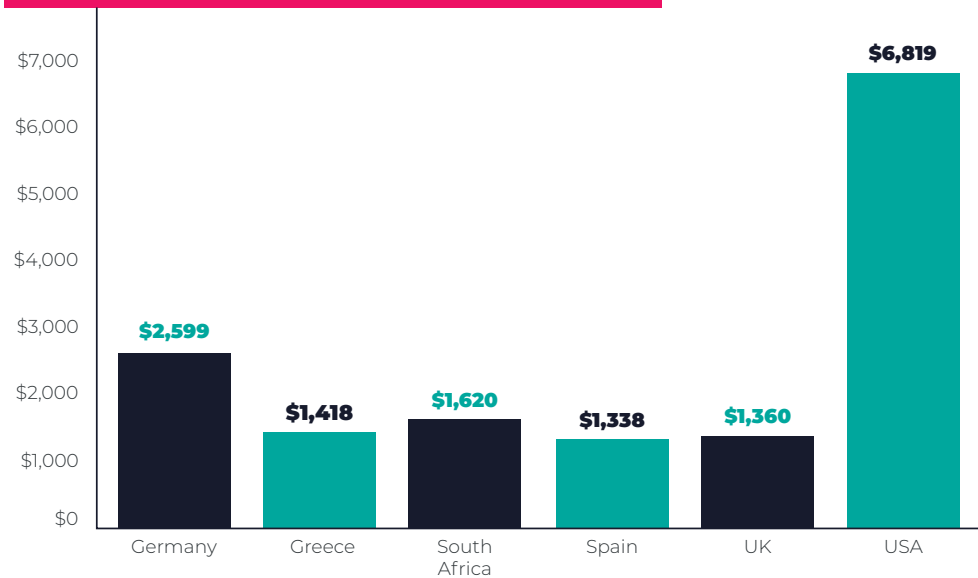
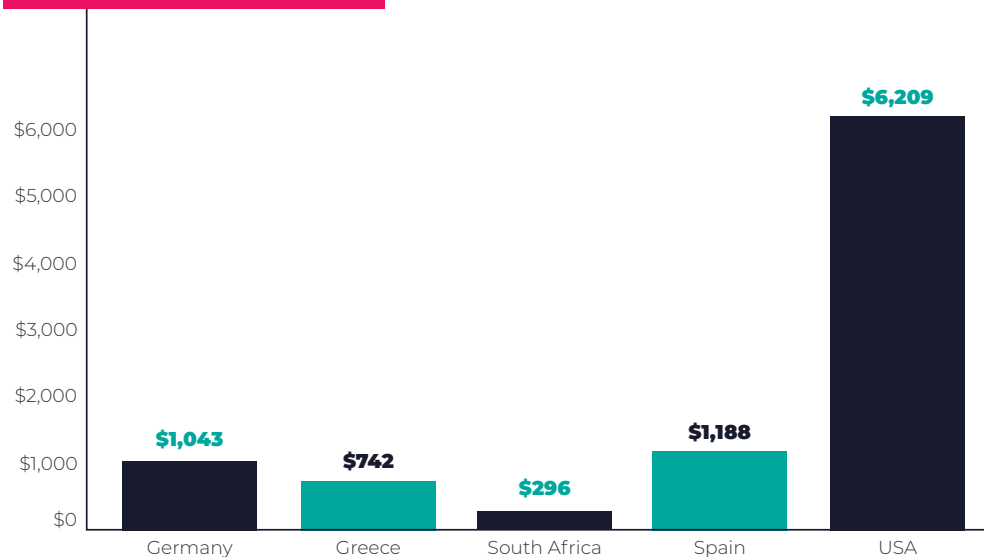
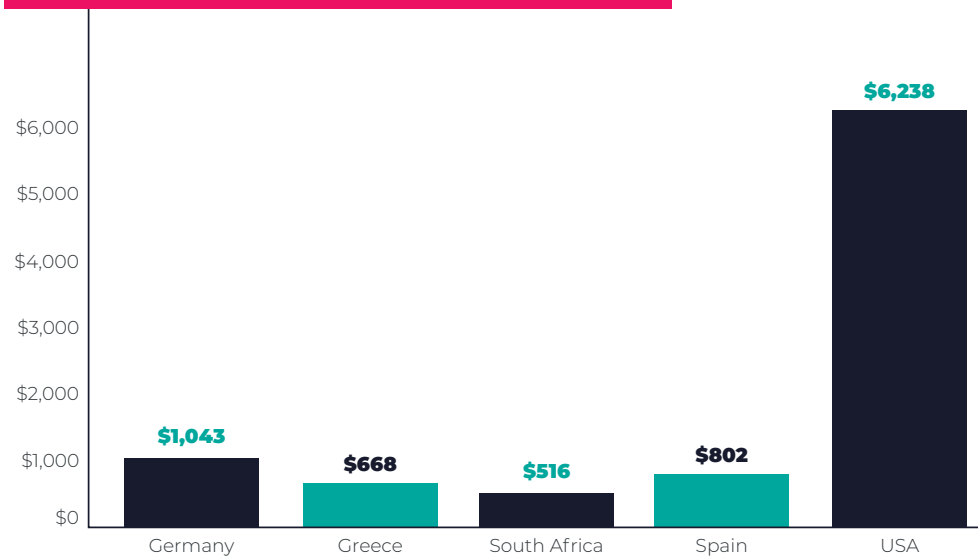
In the following section iFHP and HCCI compared the cost of 11 drugs in 2022 across five countries. The drugs were chosen for the relative cumulative cost they represent as a proportion of the overall drug expenditure to private health funds. Prices represent the median cost per drug. The objective of this study is to highlight cost disparities as a basis for further research into the contributing factors to those disparities. The costs are taken from claims data and as such they are influenced by both list price and confidential contractual agreements or rebates. List prices will be influenced by production and supply chain considerations, and these may differ between countries. List prices may also justifiably differ for ethical reasons, for example to ensure equal access to drugs by high-income, middle-income and low-income countries.

Contractual agreements and rebates may be influenced by volumes, and those again may differ between countries and health funds. While iFHP supports the validity of cost disparities due to the above considerations, some cost disparities may not be so easily explained. In general, higher drug prices tends to prevail where patents and exclusivity apply. While generics and biosimilars exert a deflationary influence over the drug price market, in essence their presence does little to alter the systemic structures that give rise to the big international cost disparities we note. A payer's power of negotiation is constrained by many factors including regulatory requirements that may cover some, most or nearly all drugs, and the volume of their market and its demographic make-up, amongst others.

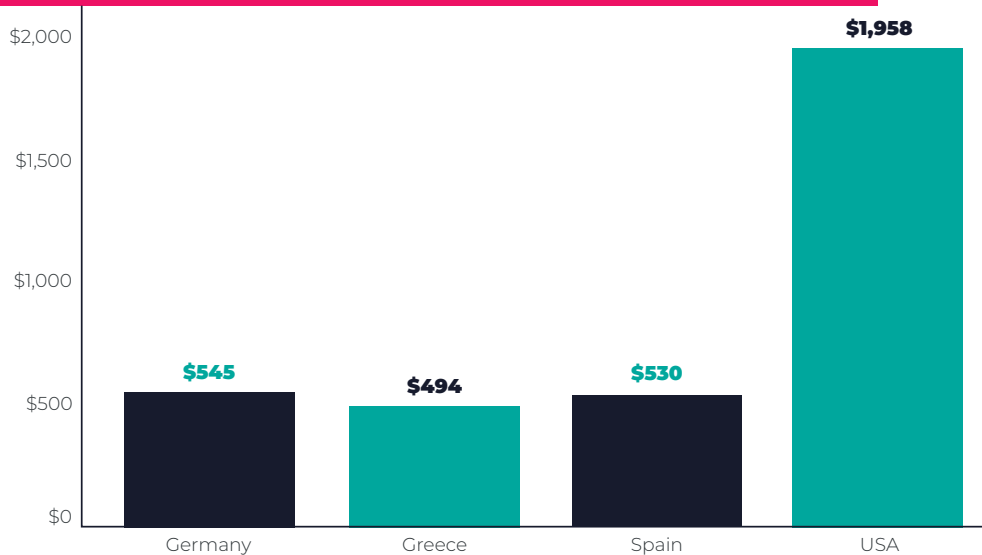
**DRUG:** PERCENT OF US PRICES IN 2022



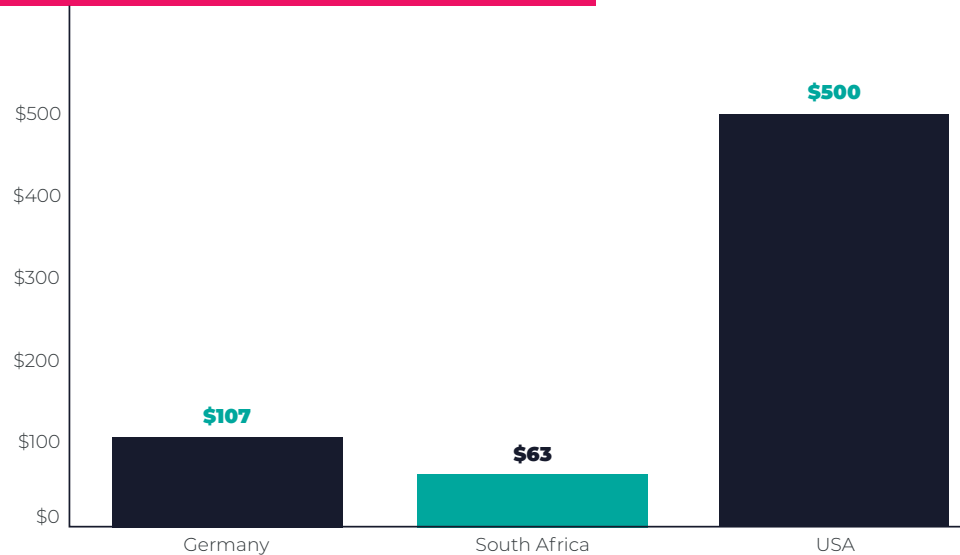
USA has higher median prices for branded drugs, but not for drugs with available generics.

**DRUG: OZEMPIC (SEMAGLUTIDE 1.5ML) - 1 SYRINGE****DRUG: HERCEPTIN (TRASTUZUMAB)450MG INJECTION****DRUG: HUMIRA 40MG - 2 KITS****DRUG: ENBREL (ETANERCEPT 50MG/ML) - 4 SYRINGES**

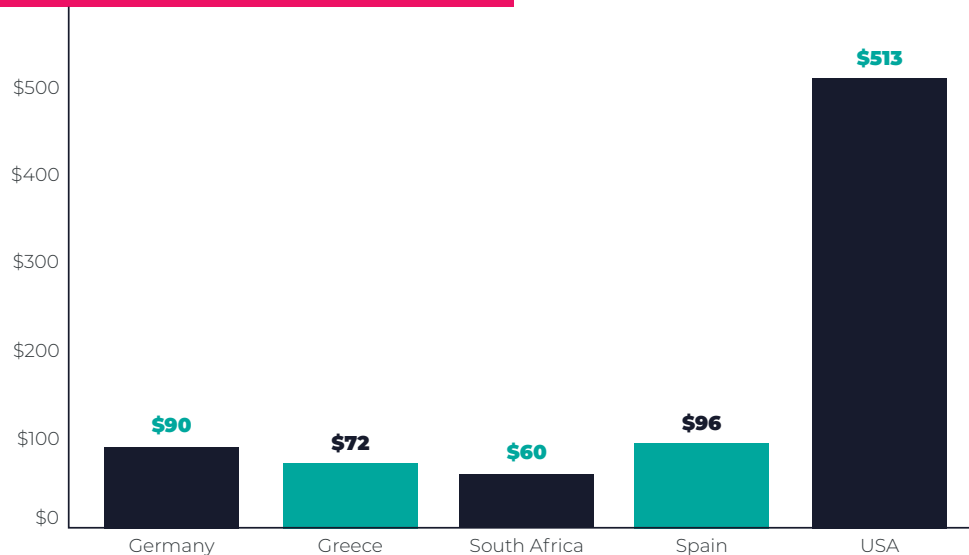
**DRUG: DESCOVY (EMTRICITABINE 200 MG /TENOFIVIR 25 MG) - 30 PILLS**



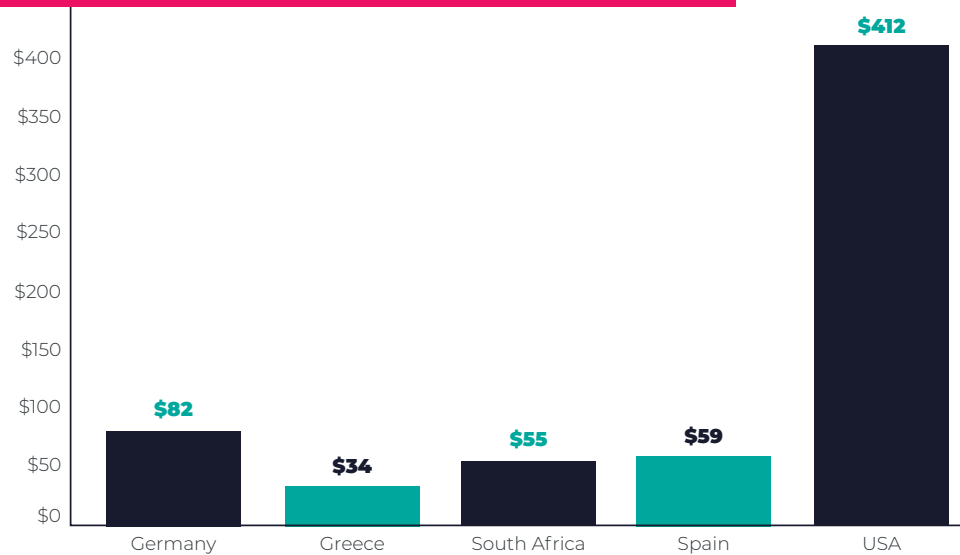
**DRUG: XARELTO (RIVAROXABAN 20MG) - 30 PILLS**



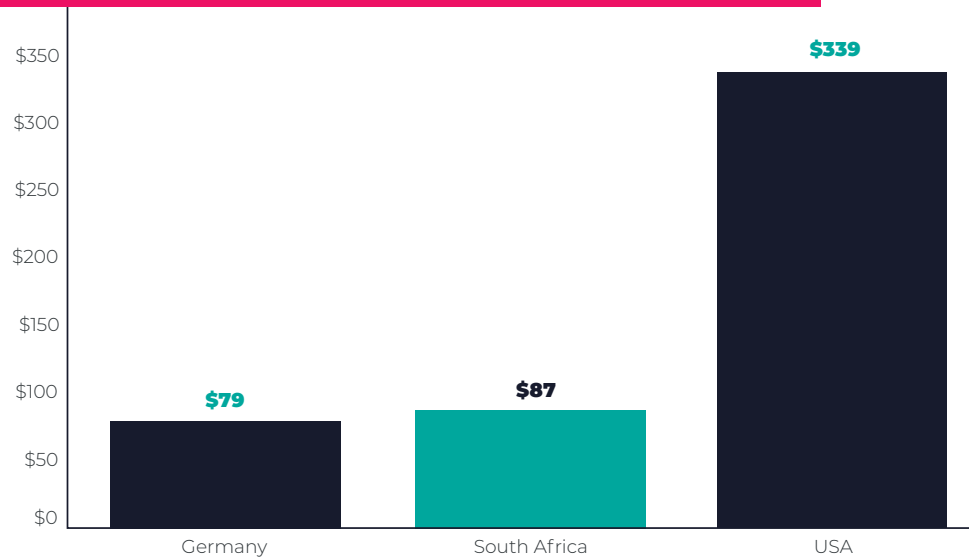
**DRUG: ELIQUIS (APIXABAN 5MG) - 60 PILLS**



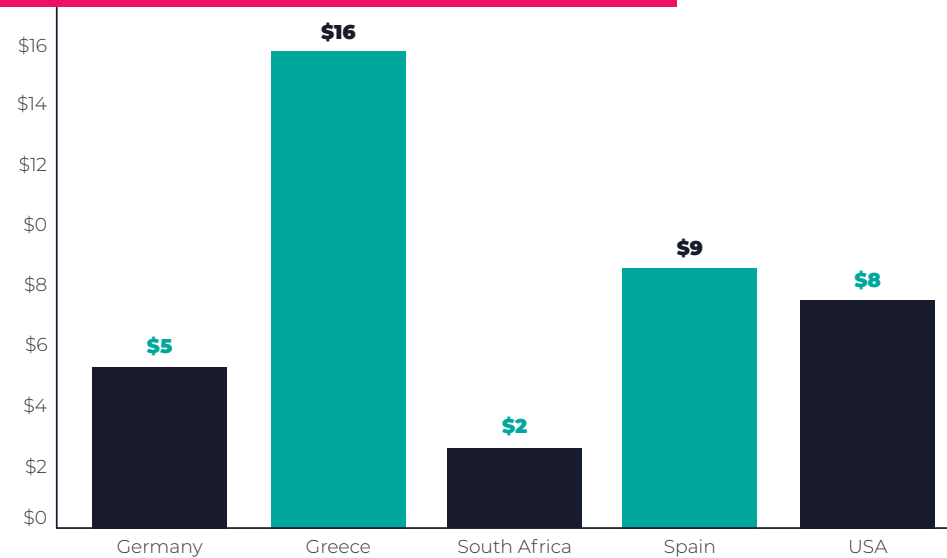
**DRUG: LANTUS (INSULIN GLARGINE 3ML 100 IU) - 5 SYRINGES**



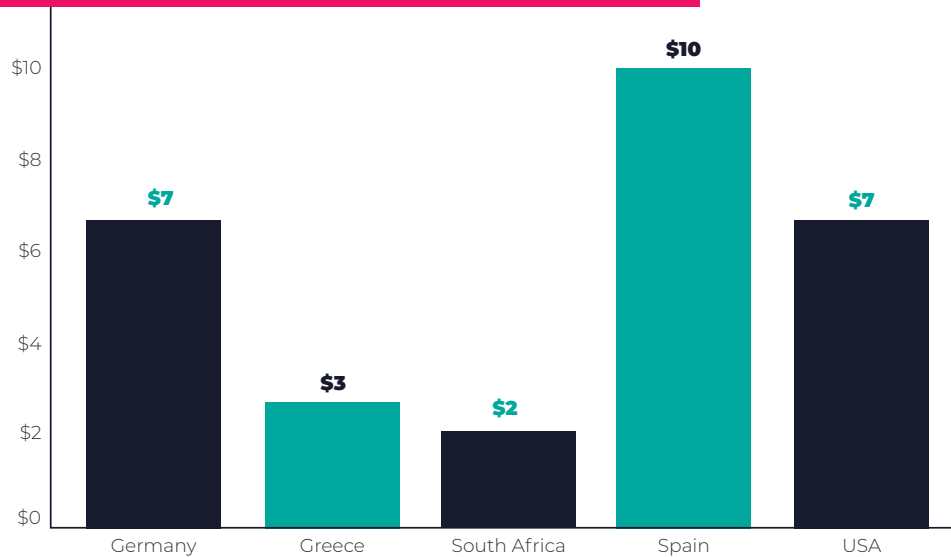
**DRUG: VYVANSE OR ELVANSE (LISDEXAMFETAMINE 40MG) - 30 PILLS**



**DRUG: ATORVASTATIN (GENERIC LIPITOR 20MG) - 30 PILLS**



**DRUG: ESCITALOPRAM (GENERIC LEXAPRO 10MG) - 30 PILLS**



# ▲ Prescription drugs: Key Trends and Global Comparisons

U.S. Drug Prices Remain the Highest: The United States consistently exhibits the highest prices for prescription drugs, particularly branded medications. For instance, the cost of certain cancer drugs or insulin in the U.S. can be up to five times higher than in countries like Canada or the UK. This disparity is attributed to factors including limited government negotiation power, robust patent protections, and pharmaceutical companies setting high list prices.<sup>12</sup>



## Lower Costs in Countries with Single-Payer Systems:

Nations such as Canada, Australia, and most of Europe experience significantly lower prescription drug prices. These countries often benefit from single-payer systems or centralised negotiations, where the government has the authority to negotiate prices directly with pharmaceutical companies. For example, Australia's Pharmaceutical Benefits Scheme (PBS) ensures that citizens have access to affordable medicines by capping drug prices.<sup>13</sup>

Germany's healthcare system maintains relatively strict controls over drug prices through its Federal Joint Committee (Gemeinsamer Bundesausschuss) and the Institute for Quality and Efficiency in Health Care (IQWiG). Newly introduced drugs undergo an evaluation to determine their added benefit compared to existing treatments. If a new drug shows no additional benefit, the prices are often set at a level comparable to alternatives.<sup>14</sup>

Despite these measures, Germany's emphasis on maintaining access to innovative drugs, coupled with higher labour and manufacturing costs, leads to elevated prices for some branded medications, especially for biologics and speciality drugs.

<sup>12</sup> Anderson, G. F., & Hussey, P. S. (2019). "Comparing US health care prices to other countries." *JAMA*, 323(9), 855-867.

<sup>13</sup> Australia's Pharmaceutical Benefits Scheme: The Impact of Centralised Negotiations." *Health Policy*, 125(5), 639-645.

## Generic Drug Market:

The expansion of the generic drug market has contributed to cost reductions in many countries. In the UK, the widespread availability of generics has led to a substantial decrease in pharmaceutical spending, providing patients with lower-cost alternatives to branded medications.

## Factors Driving Drug Prices:

**Patent Protections:** In countries like the U.S., drugs under patent protection can maintain high prices for extended periods, limiting the availability of cheaper alternatives.

**Negotiation Power of payers:** In single-payer systems, governments can negotiate directly with drug manufacturers, leading to lower prices.

In South Africa the government negotiates prices for essential medications, which are provided at subsidised rates to ensure accessibility. However, in the private sector, drug prices are largely market-driven, resulting in significantly higher costs.<sup>15</sup>

## GLP-1 Drugs: Rising Costs and Global Disparities

GLP-1 agonists such as semaglutide (Ozempic, Wegovy) and liraglutide (Victoza, Saxenda), have gained popularity for an increasing number of health applications besides treating type 2 diabetes and weight management. However, their high costs and lengthy treatment cycles pose challenges for both patients and healthcare systems.

### Germany:

GLP-1 drugs are reimbursed under statutory health insurance for patients with type 2 diabetes who have not responded to other treatments. However, their use for weight management is generally not covered, resulting in significant out-of-pocket costs for patients using them for weight loss. The emphasis on cost-effectiveness evaluations by IQWiG means that these drugs are often restricted to specific patient groups, which can limit broader access despite their proven benefits in weight management.

Greece faces challenges in managing the costs of newer medications due to its economic constraints. GLP-1 drugs are covered by the national insurance system primarily for diabetes management,



## Trends and Observations

### Biosimilars as a Cost-Saving Measure

The rise of biosimilars presents a promising avenue to reduce costs in high-expense drug categories like biologics. Countries such as the UK and Germany have been early adopters of biosimilars, observing reductions in the cost of treatments for chronic diseases like rheumatoid arthritis and cancer.

### Price Controls on the Horizon in the U.S.

Although the U.S. has historically resisted formal price controls on prescription drugs, there is growing political pressure for reforms, particularly concerning high-cost drugs like insulin and oncology treatments. This could impact future comparisons as legislative measures, such as Medicare price negotiations, take shape.<sup>16</sup>

<sup>14</sup> Busse, R., & Blümel, M. (2014). Germany: Health System Review. World Health Organization.

<sup>15</sup> Gray, A., & Vawda, Y. (2020). "Health policy and legislation in South Africa: South Africa's health policy framework(s)." *South African Health Review*, 2020, 27-36.

<sup>17</sup> European Medicines Agency (EMA) (2021). *Biosimilars in the EU: Information Guide for Healthcare Professionals*.



but access is more limited compared to other EU countries. The economic crisis has led to stringent budget controls, making it difficult for the healthcare system to expand coverage for off-label uses like weight loss. As a result, patients who wish to use GLP-1 drugs for obesity often have to pay out of pocket, which can be prohibitive for many.

Spain has a more regulated approach to drug pricing through its National Health System (SNS). GLP-1 drugs are covered for diabetes patients when prescribed according to clinical guidelines. However, like in Germany, their use for obesity management is often not reimbursed, resulting in high out-of-pocket expenses for patients seeking these treatments for weight loss. The Spanish government continues to negotiate prices with pharmaceutical companies to lower costs, but the high demand for GLP-1 drugs has strained budgets.<sup>17</sup>

### Recommendations for Addressing Drug Cost Disparities

**Expand Use of Generics and Biosimilars:** Countries like Germany and Spain could benefit from policies that encourage the adoption of biosimilars, particularly for high-cost biologics like GLP-1 drugs. This can help reduce costs while maintaining treatment efficacy.<sup>18</sup>

### Centralised Price Negotiation Models

Germany's model of evaluating the added value of new drugs before setting prices could serve as an example for where negotiating bulk purchases and leveraging state procurement power could help lower prices in both public and private sectors.<sup>19</sup>

### Focus on Preventive Health Programmes

Expanding access to preventive care and chronic disease management can reduce the long-term need for expensive treatments like GLP-1 drugs. Investing in public health initiatives that address obesity and diabetes could help lower future healthcare costs.



<sup>17</sup> Pharmaceutical Pricing and Reimbursement in Spain." *Health Systems in Transition*, 21(2), 1-131

<sup>18</sup> Morgan, S. G., & Daw, J. R. (2020). "Improving Prescription Drug Affordability." *Journal of Health Policy and Management*, 35(5), 857-864.

<sup>19</sup> Economic Crisis and its Implications on Healthcare in Greece." *Health Policy*, 121(4), 407-412.

## Conclusions and Global Recommendations

The 2024 iFHP International Healthcare Costs Comparison Report highlights significant disparities in healthcare costs across the globe. While countries like the United States continue to experience the highest costs due to fragmented systems and limited regulation, others, such as Germany, Spain, and Australia, leverage centralised controls and competitive markets to manage expenditures. Despite their differences, each country can benefit from targeted reforms. Below are country-specific recommendations based on existing policy developments:



### 1. United States

#### Focus on Transparency and Negotiation:

The U.S. should prioritise establishing centralised price negotiations for pharmaceuticals, similar to systems in Germany and the UK, to reduce drug prices. Implementing value-based care models can also help shift the focus from volume to quality of care.<sup>20</sup>



### 2. Germany

#### Encourage Value-Based Care:

While Germany's multi-payer system effectively uses competition to control costs, adopting more value-based care models could further align costs with patient outcomes. Additionally, expanding the use of biosimilars.<sup>21</sup>



### 3. Spain

#### Strengthen Preventive Health Measures:

Spain's centralised healthcare system allows for effective cost control, but further investments in preventive care and chronic disease management could reduce the need for expensive interventions.<sup>22</sup>



### 4. Greece

#### Expand Coverage for High-Cost Medications:

Greece's economic constraints limit its ability to provide comprehensive access to new therapies. Implementing stronger negotiation frameworks and increasing the availability of generics could help manage the costs of essential medications. Improving efficiency in public healthcare spending is crucial to reducing out-of-pocket expenses for patients.<sup>23</sup>



### 5. South Africa

#### Enhance Access to Preventive Services:

The disparities between South Africa's public and private sectors necessitate a focus on expanding public access to preventive and outpatient care. Encouraging the adoption of biosimilars and generics can help control costs in both sectors. The government should also consider expanding the National Health Insurance (NHI) to include coverage for high-cost treatments.



### 6. Australia

#### Invest in Digital Health Innovations:

Australia's mixed healthcare system benefits from efficient cost controls, but there are opportunities to further reduce costs by investing in digital health technologies, such as telemedicine and integrated electronic health records. This could enhance access to outpatient services and reduce hospital admissions.<sup>24</sup>



### 7. United Kingdom

#### Leverage Centralised Procurement:

The NHS is effective in controlling costs through centralised negotiations, but it faces pressures due to an ageing population. Expanding the use of biosimilars and promoting preventive health programmes can further alleviate long-term healthcare expenses. Continued focus on value-based care models will ensure resources are used efficiently.<sup>25</sup>

<sup>20</sup> Porter, M. E., & Kaplan, R. S. (2016). "How to Pay for Health Care." *Harvard Business Review*, 94(7-8), 88-100.

<sup>21</sup> IQWiG (2020). "Expanding Biosimilars for Cost Efficiency." *Institute for Quality and Efficiency in Health Care*.

<sup>22</sup> *Cost Control and Chronic Disease Management in Spain.* Health Systems in Transition, 21(2), 1-131.

<sup>23</sup> South African Government (2022). *National Health Insurance (NHI) Bill*.

<sup>24</sup> Duckett, S., & Willcox, S. (2015). *The Australian Health Care System*. 5th edn. Oxford University Press.

<sup>25</sup> NHS England (2021). *Biosimilars: Saving Costs While Maintaining Quality Care*.

## Appendix 1 Country Summaries & population estimation



DOMINICAN  
REPUBLIC

11,427,557



UNITED  
STATES

345,426,571



GERMANY

84,552,242



UNITED  
KINGDOM

69,138,192



GREECE

10,461,091



AUSTRALIA

26,768,598



NEW ZEALAND

5,223,000



SOUTH AFRICA

64,007,187

### United states

The healthcare system in the United States is characterised by high complexity and fragmentation, with a mix of public and private funding sources. While the U.S. does not have a universal healthcare model, it relies on major government programmes like Medicare and Medicaid for older adults, low-income individuals, and specific groups like veterans, as well as private health insurance, which is commonly employer-sponsored for those under 65. However, these systems do not provide full coverage for all, leaving gaps in access and affordability, which leads to disparities in healthcare outcomes across different populations.

Costs are significantly higher than in many other nations, with U.S. healthcare expenditure per capita

(USD 10,948 in 2019) far exceeding the OECD average (USD 4,087). This elevated spending reflects factors like high prices for services, medications, and administrative expenses. Additionally, Americans face considerable out-of-pocket costs, with deductibles and copayments leading many to forgo or delay care, often due to financial strain.

### Australia

Australia's healthcare system is a hybrid model that combines public and private elements, centered around its universal healthcare scheme, Medicare. Medicare provides access to a wide range of hospital and medical services for citizens and permanent residents at little to no cost, funded by the government primarily through taxation. Public hospitals offer free services for Medicare patients, while

private insurance is available for those seeking additional services, faster access, or coverage for private hospital care.

Private health insurance plays a complementary role, covering services Medicare does not include, such as dental and optical, and providing options for private hospital care. The Australian government encourages private health insurance through incentives like rebates and a tax surcharge for higher-income individuals who opt out. This system enables a balance between accessible public healthcare and private options, though healthcare costs can still be a concern, especially for services outside of Medicare's coverage.

Australia's health expenditure per capita is considerably lower than the U.S., and the system achieves relatively high outcomes in life expectancy and

general health indicators, attributed to its universal coverage model and emphasis on preventive care. The report should underscore Australia's Medicare-based universal access, moderated private sector role, and controlled costs, as these features contribute to its comparatively equitable and cost-effective healthcare system. This context will help illustrate Australia's position in the international cost comparisons provided in the report.

### Dominican Republic

The Dominican Republic's healthcare system is a mixed model, combining both public and private sector services. The public healthcare system is managed by the Ministry of Public Health and Social Assistance (MISPAS), providing free or low-cost healthcare services to citizens, particularly for

primary care and essential health needs. The country operates under a social security system that funds healthcare for formal workers and their families through contributions. However, public facilities are often challenged by resource limitations, leading to disparities in access and quality, especially in rural areas.

Private healthcare services play a significant role in the country, with many middle- and upper-income residents relying on private facilities for higher-quality care and shorter wait times. Private health insurance (PHI) is widely used to access these services, especially for specialised treatments, elective surgeries, and diagnostic tests not covered by the public sector. Private insurance plans are typically purchased by individuals or provided through employers as a benefit.

Out-of-pocket expenses remain a substantial component of healthcare spending in the Dominican Republic, as many services, medications, and specialised treatments are not fully covered by either the public system or private insurance. This can place a heavy financial burden on lower-income households, limiting equitable access to care.

Despite the challenges, the Dominican Republic has made progress in recent years to improve its healthcare infrastructure and expand access to essential services. Health outcomes have gradually improved, particularly in areas such as maternal and child health, though the country still faces issues related to chronic diseases and health disparities between urban and

rural populations. As the Dominican Republic seeks to strengthen its healthcare system, balancing public sector improvements with private sector efficiencies is key to ensuring broader access and affordability.

## Germany

Germany's healthcare system is a dual public-private model that provides universal health coverage through a highly regulated, multi-payer structure. The majority of residents (about 85%) are covered by statutory health insurance (SHI), funded through income-based contributions shared by employees and employers. SHI covers a wide range of services, including hospital and outpatient care, prescription drugs, and preventive services, with minimal out-of-pocket costs for patients. For higher-income individuals, self-employed people, and civil servants, private health insurance (PHI) is an option, allowing them to opt out of SHI and choose private coverage, which offers more flexibility and additional services.

The SHI system is managed by a network of non-profit health insurers called "sickness funds," which are required to accept all applicants regardless of age or health status. The government sets contribution rates, regulates premiums, and ensures equitable access to care, which helps maintain cost control and system stability. Although private insurance provides greater choice and shorter wait times for some services, SHI remains the primary source of

healthcare for most Germans, ensuring broad and relatively equitable access across income groups.

Germany's healthcare spending is high compared to other OECD countries, but it achieves favorable health outcomes, including high life expectancy and quality of care. The system's structured cost control mechanisms and universal access model contribute to these outcomes, balancing comprehensive coverage with cost efficiency. This context is essential for understanding Germany's healthcare expenditures in the international cost comparison report, where the efficiency and access of its SHI system can contrast sharply with countries that rely heavily on private or fragmented insurance models.

## Greece

Greece's healthcare system is a mixed public-private model, primarily funded through a combination of national health insurance contributions, taxation, and out-of-pocket payments. The public sector, managed by the National Organization for Healthcare Services Provision (EOPYY), offers universal health coverage to citizens and residents. Public healthcare services, including hospital care and primary health services, are available at government facilities and certain private providers contracted by EOPYY, but challenges like underfunding, workforce shortages, and long wait times impact the system's efficiency.

The private sector plays a complementary role, with private health insurance (PHI) used by those seeking faster access, shorter wait times, or more specialized services not fully covered by the public system. PHI is often employer-sponsored or purchased by individuals who can afford additional coverage, particularly for elective treatments and specialized care. However, out-of-pocket spending remains high, as patients frequently pay for private consultations, medication, and supplementary services due to limitations in public system capacity.

Greece's health expenditure per capita is lower than the OECD average, reflecting budget constraints in its healthcare funding. Despite financial pressures, Greece achieves reasonably good health outcomes, although access and quality can vary based on geographic location and income. This background on Greece's mixed funding structure and reliance on out-of-pocket payments will provide context for its healthcare costs in the international report, emphasizing the implications of resource limitations and the public-private divide on service affordability and access.

## New Zealand

New Zealand's healthcare system is primarily publicly funded, providing universal healthcare to all citizens and residents through a tax-funded model. The government manages healthcare services, with most primary, hospital, and specialist services provided free

or at low cost through the public system. District Health Boards (DHBs) oversee and deliver healthcare services regionally, ensuring that public hospitals and clinics are accessible across the country. New Zealand's healthcare system emphasizes equity and preventive care, with additional services for Māori and other underserved populations, aiming to reduce health disparities.

Private health insurance (PHI) is available as a complement to the public system, covering elective procedures, quicker access to specialists, and non-urgent surgeries not fully funded by the public sector. While private insurance is not essential for access to most services, it is used by around one-third of the population to avoid wait times or access additional services. Out-of-pocket costs are generally low but can be significant for dental, vision, and some prescription medications, as these are not fully covered by the public system. New Zealand's health expenditure per capita is moderate compared to other OECD countries, and the country achieves strong health outcomes, including high life expectancy and favorable health equity indicators. New Zealand's largely accessible public system, supplemented by a modest private sector, contributes to its relatively efficient healthcare spending. This context highlights New Zealand's public-sector-led, equitable approach, which is an important reference point

in the international cost comparison, especially when examining affordability and access outcomes in countries with mixed or private-centric models.

## South Africa

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South Africa's healthcare system is a dual public-private model, marked by significant disparities in access and quality of care across socioeconomic lines. The public healthcare system is funded through general taxation and serves the majority of the population, offering services at public hospitals and clinics. While public facilities provide essential health services at low or no cost, they are often under-resourced, with challenges including staff shortages, overcrowding, and limited medical supplies, particularly in rural and underserved areas.

The private healthcare sector, funded mainly through voluntary private health insurance (PHI), offers more comprehensive and timely care but serves only about 16% of the population—primarily higher-income individuals. Private insurance is costly, creating a significant divide in healthcare access between those who can afford private care and those who rely on the public sector.

South Africa has one of the highest private healthcare costs globally, with many individuals in the public sector experiencing long wait times and variable quality.

South Africa's healthcare expenditure is relatively high compared to other

middle-income countries, with a large portion going to the private sector despite serving a minority of the population. Efforts are underway to address these disparities, including a proposed National Health Insurance (NHI) scheme aimed at creating more equitable healthcare access.

This context underscores South Africa's challenges with healthcare inequality and cost disparities, which are relevant for the international cost comparison, particularly in highlighting the contrasts between public sector resource limitations and high private healthcare costs.

## Spain

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Spain's healthcare system operates on a universal public-private model, offering healthcare access to all residents, primarily through a tax-funded public system. The public healthcare sector is managed by Spain's 17 autonomous communities, which oversee the administration and distribution of resources to hospitals and clinics across the country. Public healthcare is generally free at the point of care, ensuring basic and specialized services are accessible to all, although there can be regional differences in quality and availability. Despite being well-regarded globally for its comprehensive coverage and cost efficiency, the system faces some issues, including long wait times for elective procedures and specialized care in certain regions.

The private healthcare sector in Spain, funded mainly through private health insurance, complements the public system and attracts patients seeking faster access, shorter wait times, and additional amenities. Approximately 20% of the population has private health insurance, typically those with higher incomes or employer-sponsored plans. This option allows people to bypass wait times in the public sector, although it is not essential, as the public system covers the majority of healthcare needs. Private sector utilization is concentrated more in urban areas where private hospitals and clinics are more readily available.

Spain's healthcare spending is relatively modest compared to other European countries, with the public sector representing the bulk of expenditures. However, funding challenges and regional disparities can sometimes lead to variability in healthcare quality, especially between urban and rural areas. Recent initiatives have aimed at improving efficiency within the public healthcare system, as well as reducing wait times and strengthening primary care services. Spain's model highlights a successful blend of public and private care options, but maintaining equal access and managing resource limitations remain central to ongoing reforms in the healthcare system.



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