

Medical Image of the Month: Complexity of Healthcare Payment

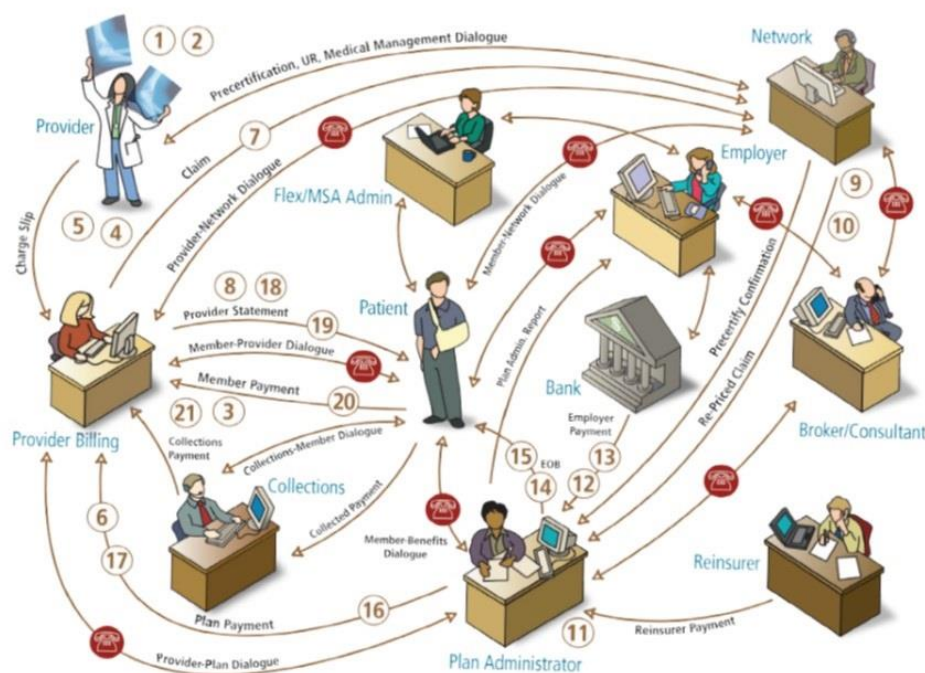


Figure 1. An illustration taken from an advertisement from a company that claims to simplify healthcare payment.

It is generally agreed that healthcare costs are too high in the US. In ground-breaking work published in 1991, Woolhandler and Himmelstein (1) found that US administrative health care costs increased 37% between 1983 and 1987. They estimated these costs accounted for nearly a quarter of all health care expenditures. Himmelstein now estimates that administrative costs may now account for up to 40% of healthcare costs (2). The cartoon shows one provider and one patient but 8 healthcare administrators. This payment system is overly complex involving multiple steps and personnel, with each administrator “dipping their beaks” adding to healthcare costs.

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References

1. Woolhandler S, Himmelstein DU. The deteriorating administrative efficiency of the US health care system. *N Engl J Med*. 1991;324(18):1253-8. [\[CrossRef\]](#) [\[PubMed\]](#)
2. Robbins RA, Natt B. Medical image of the week: Medical administrative growth. *Southwest J Pulm Crit Care*. 2018;17(1):35. [\[CrossRef\]](#)