

# A Tournament Among Eight Countries

has the best health system: Canada, Britain, Singapore, Germany, Switzerland, France, Australia or the United States

and three economists and physician experts in health care systems: **CRAIG GARTHWAITE**, a health economist with Northwestern University's Kellogg School of Management; **ASHISH JHA**, a physician with the Harvard T. H. Chan School of Public Health and the director of the Harvard Global Health Institute; **UWE REINHART**, a health economist with Princeton University's Woodrow Wilson School

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## France vs. Australia | Everyone Covered

**THE LIST OF SERVICES** covered in France is more extensive than in Australia — perhaps more than in any other health care system. Australia has the advantage in expense. Australia provides free inpatient care in public hospitals and access to most medical services and prescription drugs. There is also voluntary private health insurance, giving access to private hospitals and to some services the public system does not cover. The government pays for at least 85 percent of outpatient services and for 75 percent of the medical fee schedule for private patients who use public hospitals. Patients must pay out of pocket for whatever isn't covered. Most doctors are self-employed, work in groups and are paid fee-for-service. More than half of hospitals are public.

Everyone in France must buy health insurance, sold by a small number of nonprofit funds, which are largely financed through taxes. Public insurance covers 70 percent to 80 percent of costs. Voluntary health insurance can cover the rest, leaving out-of-pocket payments relatively low. About 95 percent of the population has voluntary coverage, through jobs or with the help of means-tested vouchers. The Ministry of Health sets funds and budgets; it also regulates the number of hospital beds, what equipment is purchased and how many medical students are trained. The ministry sets prices for procedures and drugs. The French health system is relatively expensive at 11.8 percent of G.D.P., while Australia's is at 9 percent. Access and quality are excellent in both systems.

**AARON France.** It provides almost everything you'd want, and it's expensive only compared with countries other than the United States. (Compared with the U.S., it's a bargain.)

**CRAIG France.** It has seemingly done a better job of using markets to create competition across public and private hospitals — which provides incentives for quality provision and innovation.

**AUSTIN Australia.** It was a close call. Australia achieves good outcomes (by some but not all measures better than France) with a lot less spending, making it a better value.

**ASHISH France.** Both countries cover everyone, but people in France report somewhat fewer problems getting access to care, as well as shorter waiting times.

**UWE France.** The Australian system is basically two-tiered: a public insurance-and-delivery system, and another based on private health insurance, each of which cover roughly half the population. This seems to work well in Australia, but in the U.S. the public system most likely would be badly underfunded. Therefore, France would be superior.

**Our pick: France, 4-1**

## FINALS



## France vs. Switzerland | The Peak (Alps Edition)

**FRANCE'S SYSTEM** is impressively comprehensive and in some respects simpler. Switzerland relies on a competitive yet much-regulated system of private insurers. Which has the edge and why?

**AARON Switzerland.** This is a tough call. Switzerland does a good job of combining conservative and progressive beliefs about health care systems into a workable model providing top-notch access and quality at a reasonable cost. It doesn't hurt that it does so through private (although heavily regulated) insurance.

**CRAIG France.** Its system has more competition among providers than Switzerland's does.

**AUSTIN Switzerland.** The Swiss system is so close to the A.C.A.'s structure (which, to date, has survived all manner of political attacks) that something like it could work in the U.S.

**ASHISH Switzerland** Both of these countries spend a lot on health care, outpacing the average among high-income countries, and both perform comparably on measures of access to care. However, in general, the Swiss health care system delivers a higher quality of care across a range of measures and invests more in innovation that fuels new knowledge and, ultimately, better treatments that we all benefit from.

**UWE France.** It is cheaper, its financing is more equitable, and its system is simpler.

**Our pick: Switzerland, 3-2**



## Switzerland vs. Germany | Neighborly Rivalry

**GERMANY'S SYSTEM** and Switzerland's are similar. Germany has slightly better access, especially regarding costs. Switzerland has higher levels of cost-sharing, but its outcomes are arguably the best in the world. Like every country here except the United States, Switzerland has universal health care, requiring all to buy insurance. The plans resemble those under the United States' Affordable Care Act: offered by private insurers, community rated and guaranteed-issue, with prices varying by things like breadth of network and size of deductible. Nearly 30 percent of people get subsidies offsetting premium costs, on a scale pegged to income. Although these plans are nonprofit, insurers can offer for-profit coverage, providing more services and hospital choices. For these voluntary plans, insurance companies may vary benefits and premiums and can deny coverage to people with chronic conditions. Most doctors work on a national fee-for-service scale. Patients have considerable choice of doctors.

unless they select a managed-care plan. Most Germans (86 percent) are covered primarily through the national public system; others choose voluntary private health insurance. Most premiums for the public system are based on income and paid by employers and employees, with subsidies available but capped at earnings of about \$65,000. Patients have many choices of doctors and hospitals, and cost-sharing is low. It's capped for low-income people, reduced for those with chronic illnesses, and nonexistent for services to children. There are no subsidies for private health insurance, but the government regulates premiums, which can be higher for those with pre-existing conditions. Private insurers charge premiums on an actuarial basis when they first enroll a customer and later raise premiums based only on age, not health status. Most physicians get fee-for-service pay with negotiated rates. There are limits on their annual pay. Both systems cost their countries about 11 percent of G.D.P.

**AARON Switzerland.** It has superior outcomes. It's worth noting that its system is very similar to the Obamacare exchanges.

**CRAIG Switzerland.** The Swiss system looks a lot like a better-functioning version of the Affordable Care Act. There's heavy, but quite regulated, competition among insurers and an individual mandate.

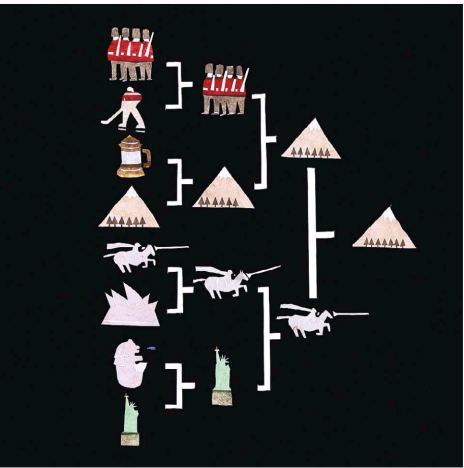
**AUSTIN Germany.** Germany has a low level of cost-based access barriers — tied with Britain for the lowest among our competitors.

**ASHISH Switzerland.** Switzerland outperformed Germany on a number of important quality measures, including fewer unnecessary hospitalizations and lower heart attack mortality rates.

**UWE Germany.** The Swiss social insurance system — a late comer, enacted only in the 1990s, and financed by per-capita premiums — is less equitable than many other European systems, including Germany's.

**Our pick: Switzerland, 3-2**

## CONCLUSION



**GERMANY WOULD HAVE TIED** Switzerland if we averaged our rankings of the nations instead of using head-to-head matchups in a bracket system (Switzerland eliminated Germany in Round 1). It's an example of how close the voting was. No vote was unanimous among the judges; all the semifinal and final votes were 3-2. Clearly, there is room for disagreement about the merits of health systems, and different experts would surely reach different conclusions. Some judges took a global view, giving the edge to countries, like the United States, that promoted innovation that benefited the rest of the world. In other cases, how health systems treated the poorest of society was paramount. To nobody's surprise, the United States could

do better at balancing health care costs with access, quality and outcomes. But there are many ways to reach that goal, and there will always be trade-offs. Learning about them from other systems and debating them honestly would probably do us a lot of good. We hope that readers will consider this to be merely the beginning of a discussion, not the end. We welcome your questions or comments. In fact, we look forward to writing articles in which we answer those questions and ask other experts with different views to weigh in. Have you experienced a health system outside the United States? Tell us its best or worst feature. And what advice would you give Americans?