

**ESTIMATING THE ABILITY-TO-PAY  
FOR HEALTH CARE EXPENDITURES RISING FASTER THAN GDP:  
AN INTERNATIONAL PERSPECTIVE  
COMPARING THE USA AND GERMANY**

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There is widespread concern over the ability to pay for (“affordability” of) total health care expenditures (THE) rising faster than gross domestic product (GDP). Current predictions of future health spending trends suggest, for the U.S. and Germany alike, that THE growth may exceed GDP growth rates by up to two-percentage points. **OBJECTIVE:** To estimate, from a macroeconomic perspective, the extent of future ability to pay, in the United States and Germany, for THE growth outpacing GDP growth by two percentage points and its sensitivity to assumed economic growth rates. **METHODS:** We assumed the upper limit of “ability to pay” to be reached once the increase of THE would fully absorb the growth of GDP, i.e., when non-health spending would stagnate or commence to decline. Using a mathematical model based on this incremental definition of “affordability”, we conducted one-way and two-way sensitivity analyses to examine the relationship between “affordable” THE and GDP growth. **RESULTS:** Under a base case assumption of real per-capita GDP growth rates of 1.2 percent per year, both economies (U.S. and Germany) could afford a two-percentage-point gap between THE and GDP for the next several decades (United States: beyond 2050; Germany: beyond 2060). Two-way sensitivity analysis revealed that higher GDP growth rates resulted in slight increases of this time span only, whereas the time of affordable THE growth exhibited high and asymmetric sensitivity to lower rates of real per-capita GDP growth. **CONCLUSION:** Under the assumption of real per-capita GDP growth rates above one percent annually, societal willingness to pay, not ability to pay, will determine the extent of future THE growth. Future funding of health care will be determined by distributive aspects and the value of health (care), not “affordability”.

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