

Wasteful Expenditures in the United States Healthcare System: Identifying Inefficiencies and Opportunities for Improvement

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Abstract

Rationale: The United States has one of the highest healthcare expenditures among developed nations despite performing poorly on health metrics and access to care. Wasteful healthcare expenditures in the US not only affect patients but also have broader implications for public health. **Aims and objectives:** To identify major sources that contribute to wasteful spending in the US healthcare system. **Method:** A comprehensive literature search was conducted to identify relevant studies on wasteful expenditures burdening the US healthcare system. Search terms such as “wasteful expenditures,” “healthcare costs,” and “inefficiencies in US healthcare” were used in PubMed and Google Scholar databases. Full-text peer-reviewed articles, reports, internet articles, and policy documents were included in the study. Studies published in languages other than English were excluded. No ethical approval was required for this review as the analysis was conducted on previously published literature. **Results:** Approximately a third of US healthcare spending is considered wasteful. According to the Institute of Medicine, excess costs have been associated with unnecessary services, inefficient delivery of services, high service prices, excessive administrative costs, low emphasis on prevention, and fraud. Other factors that were identified to affect the healthcare experience for patients included insurance payment denials, high out-of-pocket expenses, and administrative complexities. Overcoming these aspects might result in annual savings that can range up to \$282 billion. Additionally, the US has greater preventable and treatable mortality rates than other nations due to increasing chronic diseases, emphasizing the need for greater utility of preventive and primary care services. Despite the ACA’s intention to include preventive services in health plans, obstacles persist in their consistent integration across states. **Conclusion:** In summary, improving access to care by increasing affordability and prioritizing preventive care services can substantially reduce unnecessary costs to the US healthcare system.

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