

TALRESEARCH REPORT - 2025:

Navigating the Rising Costs of US Healthcare



Overview, Challenges, and
Recommendations

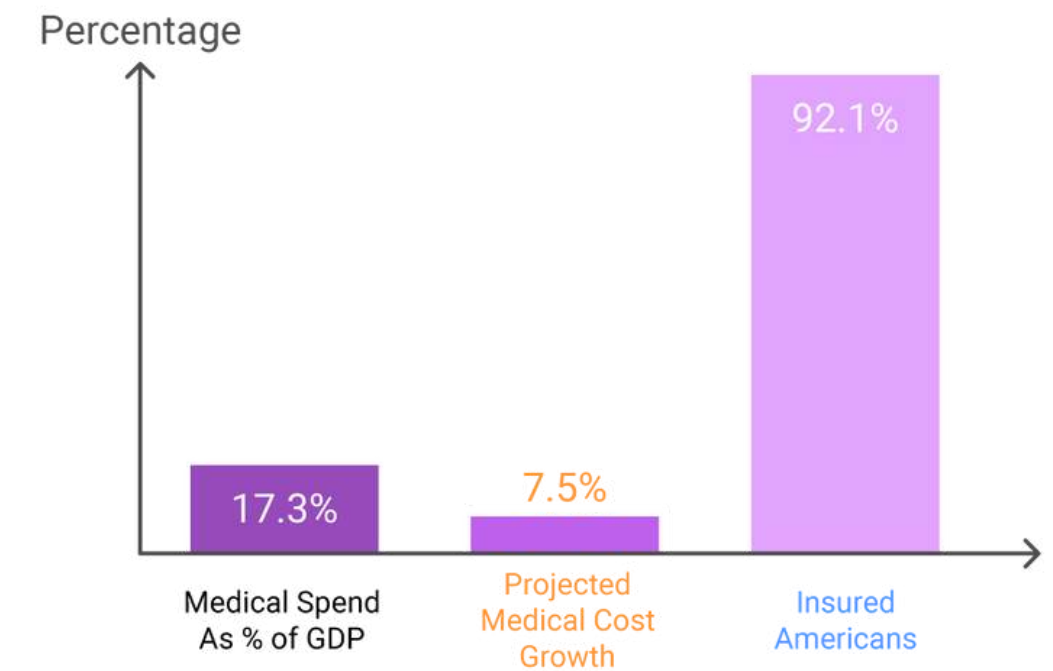




Executive Summary



The US healthcare system remains a global leader in innovation and specialized care but faces critical affordability, access, and equity challenges. In 2022, healthcare spending reached \$4.5 trillion, representing 17.3% of the GDP, and the medical cost trend is projected to grow by 7.5% in 2025, which is 70% higher than the average spending by an OECD. While 92.1% of Americans are insured, affordability issues persist due to underinsurance, with many Americans delaying or forgoing care due to cost.



Key Metrics of the US Healthcare System

This report analyzes the state of US healthcare, compares it to global peers, addresses the growing challenges, and proposes solutions such as adopting biosimilar drugs, telemedicine, and health tourism.





Current State of US Healthcare: Strengths and Weaknesses



> Strengths

- **Medical Innovation:** The US accounts for 43% of global biomedical R&D expenditures and frequently produces pioneering therapies, including gene—and cell-based treatments. In 2019, the FDA approved 113 new drugs, leading globally. AI adoption in healthcare is projected to grow 36.9% annually through 2025.
- **Specialized Care:** US hospitals house advanced medical technologies and consistently rank highly for complex procedures. They attract international patients seeking tertiary and quaternary care.
- **High-Quality Facilities:** Institutions such as the Mayo Clinic, Johns Hopkins, and Cleveland Clinic are globally recognized for their exceptional care quality and research contributions.





> Weaknesses

- **High Costs:** The US healthcare system is prohibitively expensive, with routine and preventive care costing 2-5 times more than in other countries. Healthcare costs are expected to rise by 6-9% by the end of 2024. Employers are projected to spend over \$16,000 per employee on health insurance alone.
- **Underinsurance:** While 92% of Americans have health insurance, 43% of working-age adults are underinsured, leading many to skip or delay care due to cost concerns. For instance, nearly half of American adults (46%) reported delaying or avoiding care because of high medical costs.
- **Prescription Drug Costs:** The US has the highest drug prices globally, with brand-name medications costing 2-3 times more than in other developed nations. For example, insulin prices in the US can be up to 10 times higher than in countries like Canada or the UK. The high cost of prescription drugs makes them unaffordable for many Americans, with 21% not filling prescriptions due to cost.
- **Health Inequities:** Vulnerable populations, particularly minorities, low-income groups, and rural populations, face significant disparities in health care availability and outcomes. For example, there is a 14-year life expectancy gap between the wealthiest and poorest Americans. Over 65% of Health Professional Shortage Areas (HPSAs) are rural.
- **Administrative Costs:** The US incurs the highest administrative costs among developed nations due to complex billing systems and non-clinical activities, which consume substantial healthcare resources.
- **Chronic Disease Burden:** Chronic diseases account for a significant portion of healthcare costs, with 60% of adults having at least one chronic condition, while 40% have two or more. Managing these conditions consumes 90% of the \$4.5 trillion US's annual healthcare expenditure.
- **Workforce Shortages:** A projected shortage of over 120,000 physicians and 500,000 nurses by 2033 may exacerbate access issues, leading to longer wait times and reduced access, especially in primary care, which can cause delays in diagnosis and treatment. (AHAs)





Global Comparison:

Achieving Affordable, High-Quality Healthcare



The US healthcare system often underperforms compared to other developed nations:

- **Spending:** 17.3% of GDP on healthcare vs. OECD average of 9.6%
- **Life Expectancy:** 78.6 years in the US vs. OECD average of 81.2 years
- **Primary Care:** 2.6 primary care physicians per 1,000 population vs. OECD average of 3.5
- **Administrative Costs:** 8% of total health spending, highest among OECD countries
- **Prescription Drug Spending:** \$1,443 per capita, more than double the OECD average
- **Preventable Deaths:** 112 per 100,000 population vs. OECD average of 71
- **Healthcare Access:** 22% of US adults skipped necessary care due to costs vs. OECD average of 10%





Countries like India, Thailand, and Germany exemplify affordable healthcare with superior outcomes, serving as benchmarks for potential reforms.

> India

India has become a premier destination for medical tourism, offering quality care at significantly lower costs. For instance, knee replacements can range from \$5,000 to \$12,000 compared to \$30,000 to \$50,000 in the US. A heart transplant surgery can range between \$30,000 and \$60,000 to \$1 million to \$1.5 million in the US. Many of the top hospitals in India are accredited by international bodies, ensuring that patients receive high standards of care.

- **Outcome Metrics:** Indian hospitals report high patient satisfaction rates, often exceeding 90%, and outcomes comparable to US institutions.

> Thailand

Thailand is known for its private hospitals, which cater to medical tourists.

Procedures like coronary angioplasty cost \$10,000–\$18,000 in Thailand, compared to \$20,000–\$30,000 in the US.

- **Outcome Metrics:** Thailand's top hospitals report patient satisfaction rates above 85%. Recovery times are often comparable to or slightly better than those in the US due to the personalized care provided in private healthcare facilities.

> Germany

Germany's universal healthcare system operates efficiently and costs significantly less. For example, a hip replacement costs 40% to 60% less in Germany than in the US. Germany also boasts a higher ratio of primary care physicians (3.5 per 1,000 people) than the US (2.6 per 1,000 people), contributing to better preventive care and early intervention.

- **Outcome Metrics:** High success rates for procedures, with patient satisfaction rates exceeding 88%. The country has lower rates of post-surgical complications due to its strong emphasis on preventive care and early intervention.





Cost comparison for care when compared to other regions

Procedure	US Price	Asia Price (average)	EMEA Price (average)	% Difference (US vs Asia)	% Difference (US vs EMEA)
Knee Replacement	\$30,000 - \$50,000	\$8,000 - \$15,000	\$12,000 - \$20,000	60% - 73% lower	40% - 57% lower
Hip Replacement	\$25,000 - \$40,000	\$7,000 - \$12,000	\$10,000 - \$18,000	62% - 72% lower	43% - 60% lower
Cataract Surgery	\$3,000 - \$5,000	\$1,500 - \$3,000	\$2,000 - \$4,000	33% - 50% lower	20% - 33% lower
Coronary Angioplasty	\$20,000 - \$30,000	\$8,000 - \$12,000	\$10,000 - \$15,000	57% - 67% lower	40% - 55% lower
Cesarean Section	\$10,000 - \$15,000	\$2,000 - \$4,000	\$3,000 - \$6,000	67% - 80% lower	50% - 67% lower
Hysterectomy	\$10,000 - \$15,000	\$3,000 - \$5,000	\$4,000 - \$7,000	57% - 70% lower	40% - 57% lower
Cholecystectomy	\$8,000 - \$12,000	\$2,500 - \$4,000	\$3,500 - \$6,000	56% - 69% lower	40% - 57% lower
Dental Implant	\$1,500 - \$3,000	\$500 - \$1,000	\$800 - \$1,500	50% - 67% lower	33% - 50% lower
IVF Cycle	\$12,000 - \$15,000	\$3,000 - \$6,000	\$4,000 - \$8,000	60% - 75% lower	40% - 57% lower
CABG (Heart Bypass)	\$70,000 - \$100,000	\$15,000 - \$25,000	\$20,000 - \$35,000	64% - 78% lower	50% - 67% lower
Heart Transplant	\$1,000,000 - \$1,500,000	\$200,000 - \$300,000	\$300,000 - \$500,000	75% - 86% lower	60% - 75% lower
Mitral Valve Repair	\$40,000 - \$60,000	\$10,000 - \$15,000	\$15,000 - \$25,000	60% - 73% lower	45% - 62% lower
Aortic Valve Replacement	\$50,000 - \$70,000	\$12,000 - \$18,000	\$18,000 - \$28,000	63% - 76% lower	50% - 67% lower
Shoulder Replacement	\$20,000 - \$30,000	\$6,000 - \$10,000	\$8,000 - \$14,000	60% - 73% lower	45% - 62% lower
Pacemaker Implantation	\$30,000 - \$40,000	\$8,000 - \$12,000	\$10,000 - \$15,000	57% - 67% lower	43% - 60% lower
Brain Tumor Surgery	\$50,000 - \$70,000	\$12,000 - \$18,000	\$15,000 - \$25,000	63% - 76% lower	50% - 67% lower
Hernia Repair	\$8,000 - \$12,000	\$2,500 - \$4,000	\$3,500 - \$6,000	56% - 69% lower	40% - 57% lower
Prostatectomy	\$20,000 - \$30,000	\$6,000 - \$10,000	\$8,000 - \$14,000	60% - 73% lower	45% - 62% lower
LASIK Eye Surgery	\$2,000 - \$3,000	\$1,000 - \$2,000	\$1,200 - \$2,500	33% - 50% lower	20% - 33% lower
Tonsillectomy	\$5,000 - \$7,000	500 - \$1500	\$2,000 - \$4,000	75% - 86% lower	33% - 50% lower

* 20% Price Variability based on the services and facilities opted for



Cost Comparison of Surgical Procedures by South Asian Country and by Hospital

Surgery	India (Apollo Hospitals)	India (Fortis Hospitals)	Singapore (Mount Elizabeth Hospital)	Singapore (Gleneagles Hospital)	Thailand (Bumrungrad International Hospital)	Thailand (Samitivej Hospital)
Knee Replacement	\$5,000 - \$8,500	\$6,500 - \$10,000	\$30,000 - \$50,000	\$28,000 - \$48,000	\$10,000 - \$15,000	\$9,000 - \$13,000
Hip Replacement	\$7,000 - \$12,000	\$8,000 - \$14,000	\$25,000 - \$40,000	\$22,000 - \$38,000	\$9,000 - \$14,000	\$8,000 - \$12,000
Cataract Surgery	\$700 - \$1,500	\$900 - \$2,000	\$3,000 - \$5,000	\$2,800 - \$4,800	\$1,500 - \$2,800	\$1,300 - \$2,500
Coronary Angioplasty	\$11,000 - \$15,000	\$13,000 - \$18,000	\$20,000 - \$30,000	\$18,000 - \$28,000	\$13,000 - \$18,000	\$11,000 - \$16,000
Cesarean Section	\$2,500 - \$4,500	\$3,500 - \$5,500	\$10,000 - \$15,000	\$9,000 - \$13,000	\$3,500 - \$7,000	\$3,000 - \$5,500
Hysterectomy	\$3,500 - \$6,500	\$4,000 - \$7,500	\$10,000 - \$15,000	\$9,000 - \$13,000	\$4,500 - \$7,500	\$3,800 - \$6,000
Cholecystectomy	\$3,500 - \$6,500	\$4,000 - \$7,000	\$8,000 - \$12,000	\$7,000 - \$11,000	\$4,000 - \$6,500	\$3,500 - \$5,500
Dental Implant	\$800 - \$1,200	\$1,000 - \$1,500	\$1,500 - \$3,200	\$1,300 - \$2,800	\$1,000 - \$1,800	\$900 - \$1,500
IVF Cycle	\$1,800 - \$3,500	\$2,000 - \$4,000	\$12,400 - \$15,900	\$10,500 - \$14,800	\$4,500 - \$8,000	\$4,000 - \$7,000
CABG (Heart Bypass)	\$6,600 - \$10,200	\$7,800 - \$12,000	\$70,000 - \$100,000	\$65,000 - \$95,000	\$22,000 - \$35,000	\$20,000 - \$32,000
Heart Transplant	~\$8,800	~\$10,000	\$400,000 - \$600,000	\$380,000 - \$550,000	~\$320,000	~\$300,000
Mitral Valve Repair	~\$10,000	~\$12,000	\$40,000 - \$60,000	\$36,000 - \$52,000	~\$25,000	~\$22,000
Aortic Valve Replacement	~\$12,000	~\$14,000	\$50,000 - \$70,000	\$46,000 - \$64,000	~\$30,000	~\$26,000
Shoulder Replacement	~\$10,000	~\$12,000	\$20,000 - \$30,000	\$18,500 - \$26,000	~\$12,000	~\$10,500
Pacemaker Implantation	~\$10,000	~\$12,000	\$30,000 - \$40,000	\$27,000 - \$35,000	~\$15,000	~\$13,000
Brain Tumor Surgery	~\$18,000	~\$20,000	\$50,000 - \$70,000	\$45,000 - \$65,000	~\$22,000 - \$35,000	~\$20,000 - \$30,000
Hernia Repair	~\$1,000	~\$1,200	\$8,000 - \$12,000	\$7,000 - \$10,000	~\$4,500	~\$3,500
Prostatectomy	~\$6,000	~\$7,000	\$20,000 - \$30,000	\$18,000 - \$25,000	~\$12,000	~\$10,000
LASIK Eye Surgery	~\$700	~\$900	\$2,000 - \$3,000	\$1,800 - \$2,500	~\$1,200 - \$2,200	~\$1,000 - \$1,800
Tonsillectomy	~\$2,000	~\$2,500	\$5,000	\$4,500	~\$4,000	~\$3,500

Range Factors: The price range represents various factors such as type of room, care level, and surgeon expertise. Please contact the provider for the correct prices.



Improving the US Healthcare System

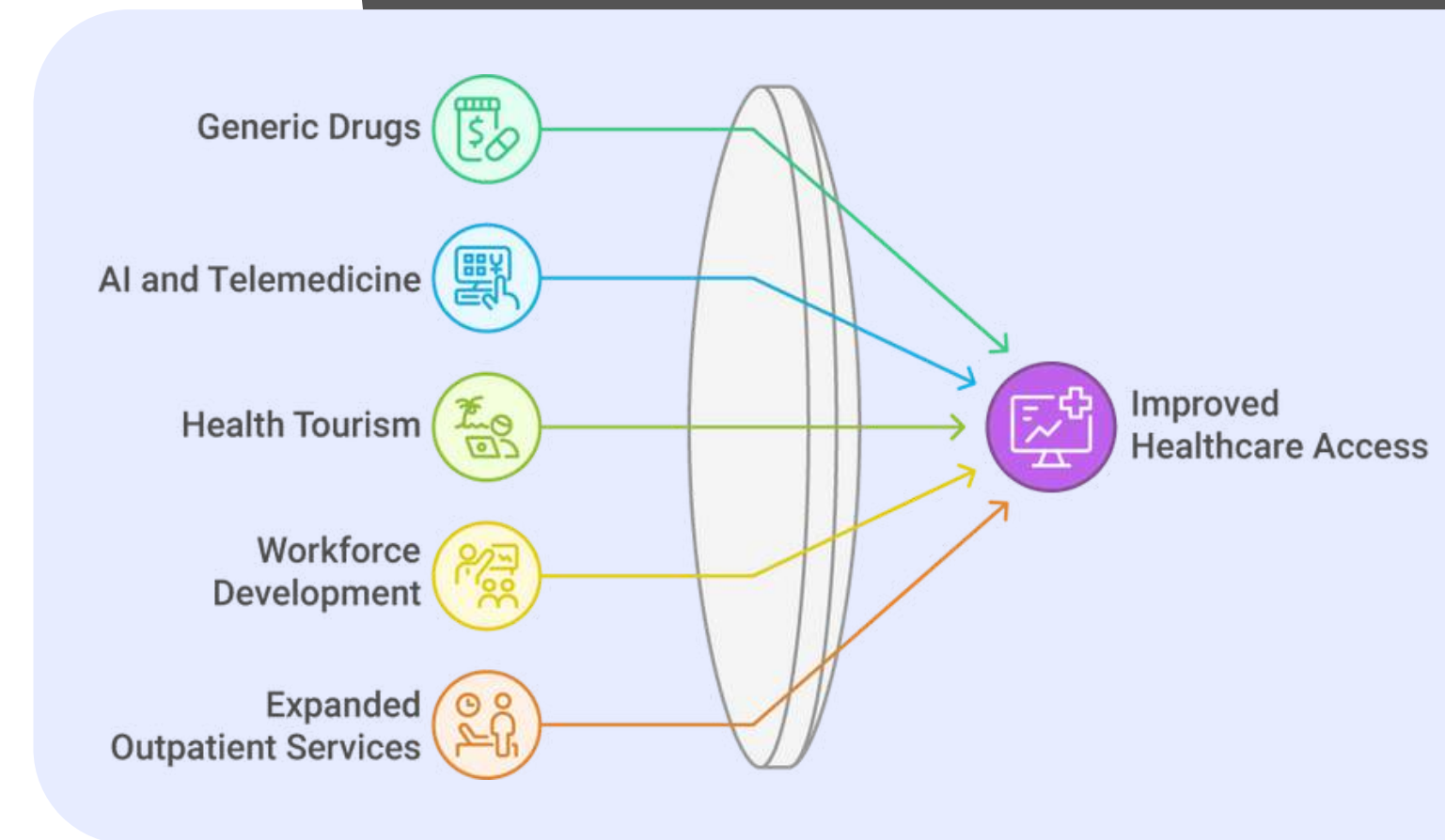


➤ Addressing Prescription Drug Costs

Prescription drug costs are a leading driver of healthcare expenses in the US. The high cost of medications impacts patients' access to life-saving treatments, increases the burden on healthcare payers, and strains the healthcare system. Several strategies, including promoting generic drugs and biosimilars, increasing price transparency, and implementing policy reforms, are essential to curb these rising costs.

On average, generic drugs cost 80-85% less than their brand-name equivalents. For example, a 30-day supply of generic atorvastatin (a cholesterol-lowering drug) costs around \$10, compared to \$400 for the brand-name version Lipitor. In 2022, the use of Generics resulted in savings of approximately \$338 billion for the US healthcare system.

Biologics are among the most expensive drugs, often used to treat complex diseases such as cancer and autoimmune conditions.



Biosimilars are typically priced **15-50% lower** than their reference biologics. For example, the launch of **biosimilars for adalimumab** (Humira), which accounted for \$18 billion in sales in 2022, is expected to reduce costs significantly. Humira biosimilars have been launched with prices **55% lower** than the brand-name drug. Biosimilars are projected to save the US healthcare system **\$54 billion** over the next decade.

However, barriers to their wider adoption exist. These include delays in approvals, company patent extensions (a tactic known as “evergreening”), and misinformation about the efficacy and safety of generics and biosimilars.



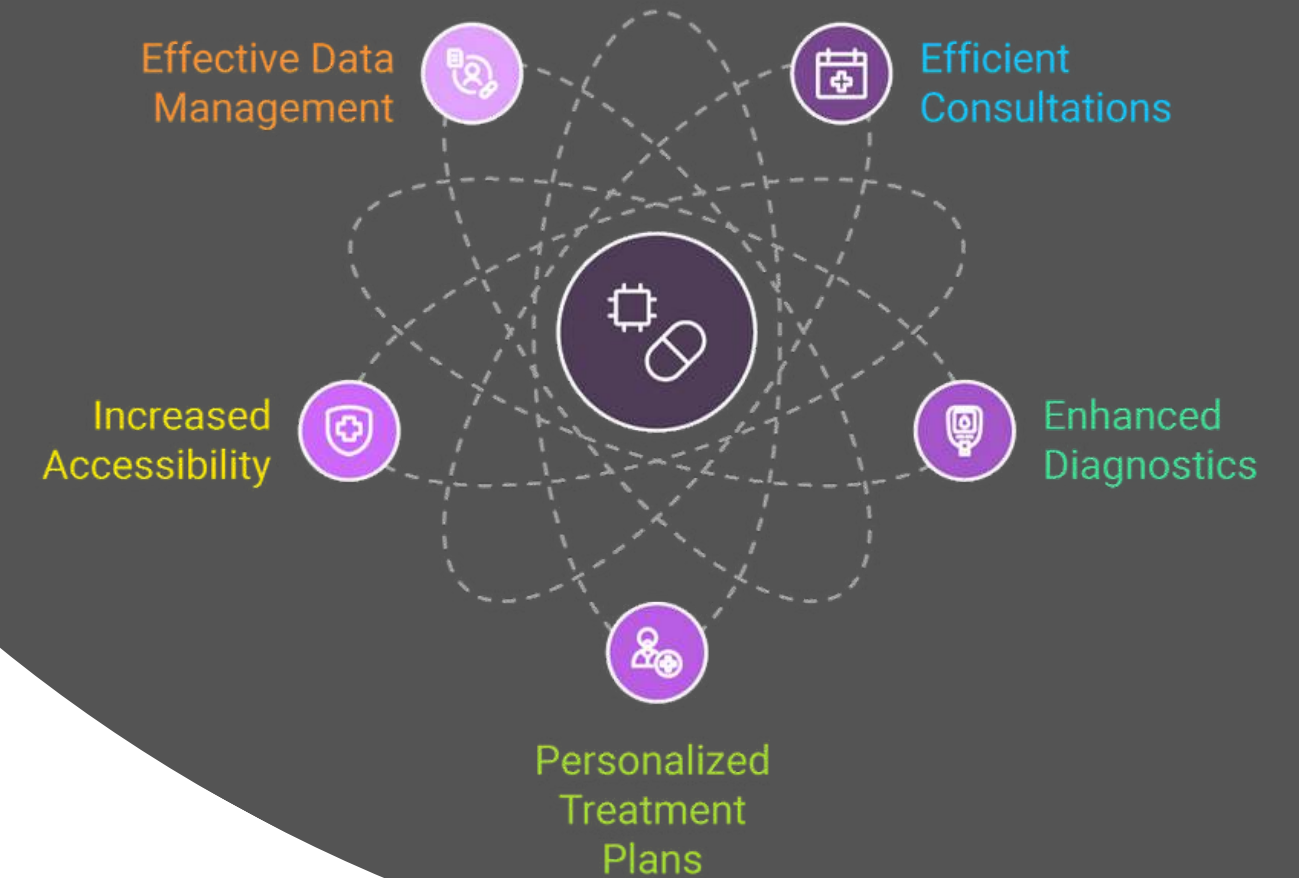
> Promoting Telemedicine

Telemedicine has become vital for improving access to care. During the pandemic, telehealth visits surged to 40% of outpatient appointments from a mere 1% pre-pandemic levels and still account for 15% of outpatient appointments in 2023. Telemedicine has the potential to significantly reduce healthcare costs, improve access to specialists, and increase patient convenience.

Despite its rapid growth and promise, telemedicine faces significant barriers to widespread adoption, particularly in rural areas and underserved populations where its benefits could be most impactful. To overcome these challenges, targeted investments in infrastructure and regulatory harmonization are essential. Initiatives such as expanding broadband access—backed by the Infrastructure Investment and Jobs Act (IIJA), which allocated \$65 billion for this purpose—are crucial for ensuring that all Americans, especially those in rural communities, can access high-speed internet.

Additionally, efforts to create interstate licensure agreements will enable healthcare providers to deliver telemedicine services across state lines, facilitating broader access to care. Achieving reimbursement parity between telehealth and in-person services is vital to promoting telemedicine further, as it will incentivize providers to offer telehealth services more widely.

Transforming Healthcare with AI and Telemedicine



The future of telemedicine also lies in integrating emerging technologies such as artificial intelligence (AI) and remote monitoring devices. AI-driven platforms can enhance remote diagnostic accuracy and treatment recommendations. At the same time, wearable devices enable continuous monitoring of patients with chronic conditions, allowing for proactive remote interventions that can reduce hospital admissions and improve overall patient outcomes.





➤ Promoting Health Tourism

Health tourism involves traveling to another country for medical treatment, often for procedures that are either prohibitively expensive or have long wait times in the United States. As healthcare costs continue to rise in the US, health tourism has emerged as a viable alternative for patients seeking affordable, high-quality care abroad, particularly for elective and non-emergency procedures. In 2022, approximately 1.4 million Americans sought medical procedures overseas, reflecting a significant increase from previous years. Health tourism can reduce medical expenses by 40-75%, with procedures like knee replacements costing between \$30,000 and \$50,000 in the US compared to just \$5,000 to \$12,000 in India.

Common procedures that drive Americans to seek care abroad include orthopedic, cardiac, cosmetic, and dental procedures. For instance, a heart bypass surgery can cost around \$75,000 in the US but may only range from \$15,000 to \$25,000 in countries like India and Thailand. Countries such as India, Mexico, Thailand, and Singapore have become premier destinations for medical tourists, offering advanced healthcare infrastructure and skilled practitioners at significantly lower costs.

Several initiatives can be implemented to enhance the viability of health tourism, including

- partnerships with accredited international hospitals to ensure high-quality care and access to follow-up services.
- Developing standardized post-procedure care pathways will facilitate continuity of care upon patients' return to the US.
- Leveraging technology, such as telemedicine and remote monitoring, can improve coordination between US-based and international providers for pre and post-care scenarios.

Some US insurers are also beginning to explore health tourism as an option for elective procedures, potentially leading to substantial cost savings for both insurers and patients.



➤ Tackling Workforce Shortages and Reducing Inequity

The US healthcare system is grappling with a significant shortage of healthcare professionals, especially in rural and underserved areas. An aging population and a rising demand for healthcare services further intensify this issue. Investing strategically in healthcare education and training is essential to mitigate these challenges, focusing particularly on rural and underserved regions. Expanding immigration policies to allow foreign-educated healthcare professionals to practice in these areas can also help alleviate workforce shortages; currently, foreign-trained doctors constitute 26% of practicing physicians in the US.

In addition to workforce expansion, it is crucial to enhance equitable access initiatives, such as community health and preventive care programs. These efforts aim to reduce disparities in healthcare access and ensure that all Americans receive quality care, regardless of their geographic location or socioeconomic status.

➤ Shifting Inpatient Care to Outpatient Settings

As healthcare continues to evolve, expanding the range of procedures that can be safely performed in outpatient settings can drive both cost-efficiency and better patient experiences. Shifting surgeries from inpatient to outpatient settings offers significant cost savings and improved patient outcomes. Outpatient settings are generally more efficient and less expensive, with procedures costing **20-30% less** than inpatient care. This shift reduces the financial burden on patients and the healthcare system, often leading to faster recovery times and fewer complications due to shorter hospital stays.





Conclusion

In conclusion, while the US healthcare system is a leader in innovation and specialized care, it must address pressing cost, access, and equity challenges. By adopting effective strategies, learning from global best practices, and partnering with leading healthcare organizations worldwide, stakeholders can improve outcomes and ensure a more sustainable healthcare future for the US.

On the other hand, Healthcare consumers can make informed choices for cost savings without compromising the quality of outcomes. Below are a few recommendations

1. Opt for Generics or Biosimilars

Choosing generic or biosimilar medications can significantly reduce your healthcare expenses without compromising on quality. These alternatives offer the same therapeutic benefits as their branded counterparts but are often much lower priced. Discuss these options with your doctor or pharmacist during consultations to ensure your treatment remains effective while staying within your budget. By making this choice, you can manage long-term healthcare costs more efficiently.

2. Explore Telemedicine and Health Tourism

Telemedicine provides a convenient and cost-effective way to access healthcare. It allows you to consult doctors and specialists from the comfort of your home. It is particularly useful for routine check-ups, follow-ups, and managing chronic conditions. Health tourism is another viable option, offering high-quality elective procedures at accredited international facilities for a fraction of domestic costs. Reviewing your insurance policy can help you understand coverage for these services and determine how they can enhance your care options.

3. Leverage Digital Platforms like TALhealth

TALHospitals, powered by the Touch-A-Life Foundation, is a global digital pro bono healthcare platform that connects patients with top-notch doctors and hospitals in the US and India. It offers free, secure online consultations, allowing you to access medical advice from home. The platform also lets you organize and manage your medical records digitally, ensuring they are accessible anytime, anywhere. By utilizing TALHospitals, you can save time and money, avoid clinic waitlists, and receive personalized healthcare tailored to your needs.





Sources:

- 1. American Hospital Association (AHA).** *Fast Facts on U.S. Hospitals.*
<https://www.aha.org/statistics/fast-facts-us-hospitals>
- 2. The Commonwealth Fund.** *The U.S. Health Care from a Global Perspective, 2022.*
<https://www.commonwealthfund.org/publications/issue-briefs/2023/jan/us-health-care-global-perspective-2022>
- 3. Centers for Disease Control and Prevention (CDC).** *Health Care Access and Quality.*
https://www.cdc.gov/dhdspl/health_equity/health-care-access.htm
- 4. Kaiser Family Foundation (KFF).** *Percent of Adults Reporting Not Seeing a Doctor in the Past 12 Months Due to Cost by Race/Ethnicity.*
<https://www.kff.org/other/state-indicator/percent-of-adults-reporting-not-seeing-a-doctor-in-the-past-12-months-because-of-cost-by-raceethnicity/?currentTimeframe=0&sortModel=%7B%22collId%22:%22Location%22,%22sort%22:%22asc%22%7D>
- 5. USA Facts.** *Health.*
<https://usafacts.org/topics/health/>

Costs of Care without Insurance:

- 6. Talk to Mira.** *How Much Does Surgery Cost Without Insurance?*
<https://www.talktomira.com/post/how-much-does-surgery-cost-without-insurance>
- 7. Mark T. Young.** *How Much Does Surgery Cost in the United States?*
<https://www.marktyoung.com/blog/2024/01/how-much-does-surgery-cost-in-the-united-states/>

Inpatient Surgery Data (2021):

- 8. Centers for Disease Control and Prevention (CDC).** *Inpatient Surgery FastStats.*
<https://www.cdc.gov/nchs/fastats/inpatient-surgery.htm>

Cost Comparison:

- 9. Karetrip.** *India Medical Tourism Cost Comparison.*
<https://karetrip.com/blogs/india-medical-tourism-cost-comparison>
- 10. Harvard T.H. Chan School of Public Health.** *Comparing the U.S. and India Health Care Systems.*
<https://www.hsph.harvard.edu/news/features/jha-rao-us-india-health-care-systems/>
- 11. Eastern Michigan University (EMU).** *Cost Comparison of Medical Treatment in the United States vs. India for Uninsured Americans.*
<https://www.emich.edu/chhs/health-sciences/programs/clinical-research-administration/documents/research/cost-comparison-of-medical-treatment.pdf>



Authors:

Kalyan Manyam
VP, Solix Technologies, Inc.

Brian Rice
Former VP, Gartner

Vikas Burri
Product Manager, Solix Technologies, Inc.

About TALResearch



TALResearch, the newly formed research arm of Touch-A-Life Foundation, is dedicated to equipping all stakeholders in the nonprofit ecosystem—including nonprofits, donors, policymakers, and engaged citizens—with actionable insights and strategic recommendations.

Our mission is to leverage data and research to help optimize resource allocation, uncover new opportunities, and enhance the collective impact of social initiatives.

