

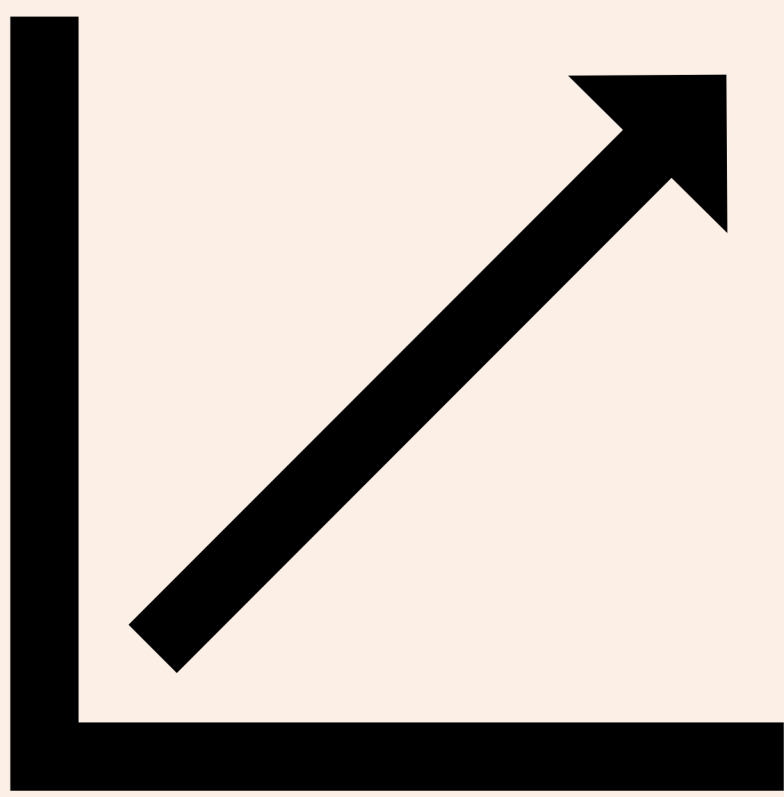
Competitive Policies in Taxed-Based and Privatized Health Insurance Models

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INTRODUCTION

The healthcare sector has continually seen an increase in expenditure over time primarily due to evolving factors such as population and demographic changes, innovations, among others.



One potential way to fix this is through policies that promote competition. Competition policy, at its core, has the goal of controlling cost while simultaneously improving efficiency, quality, and innovation within the healthcare setting.¹

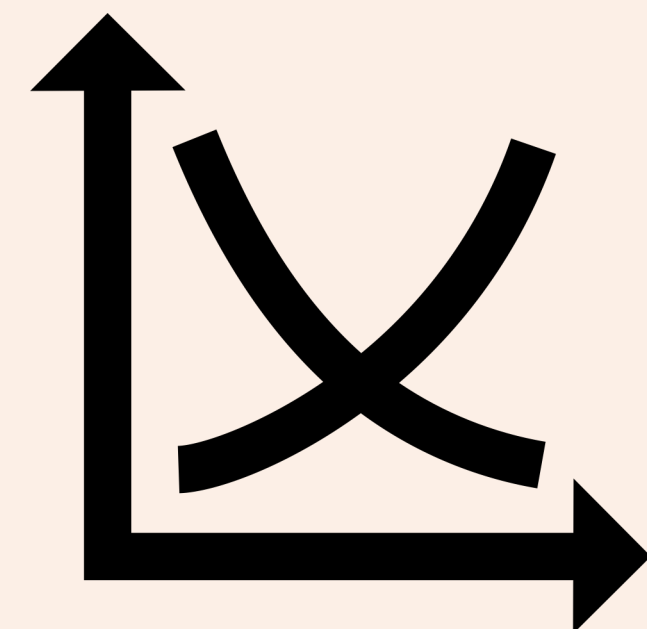
METHODS

A review was conducted by selecting articles from PUBMED and Google Scholar based on relevance to the topic. Search terms included “((Competition Policy) AND (Health Care)) AND (United States)” and “((Competition Policy) AND (Health Care)) AND (United Kingdom)”, along with slight variations in these search terms to be inclusive.

Not all articles were selected for inclusion in the review. Inclusion criteria included recency (post-2010 where possible), actual policies that have been implemented to promote competition present in the articles, and analysis of competition policy outcomes noted in the article(s). Most of these studies evaluate how the healthcare system (including the providers, hospitals, patients, or insurance systems) respond and change in accordance with the implementation of the pro-competitive policies.

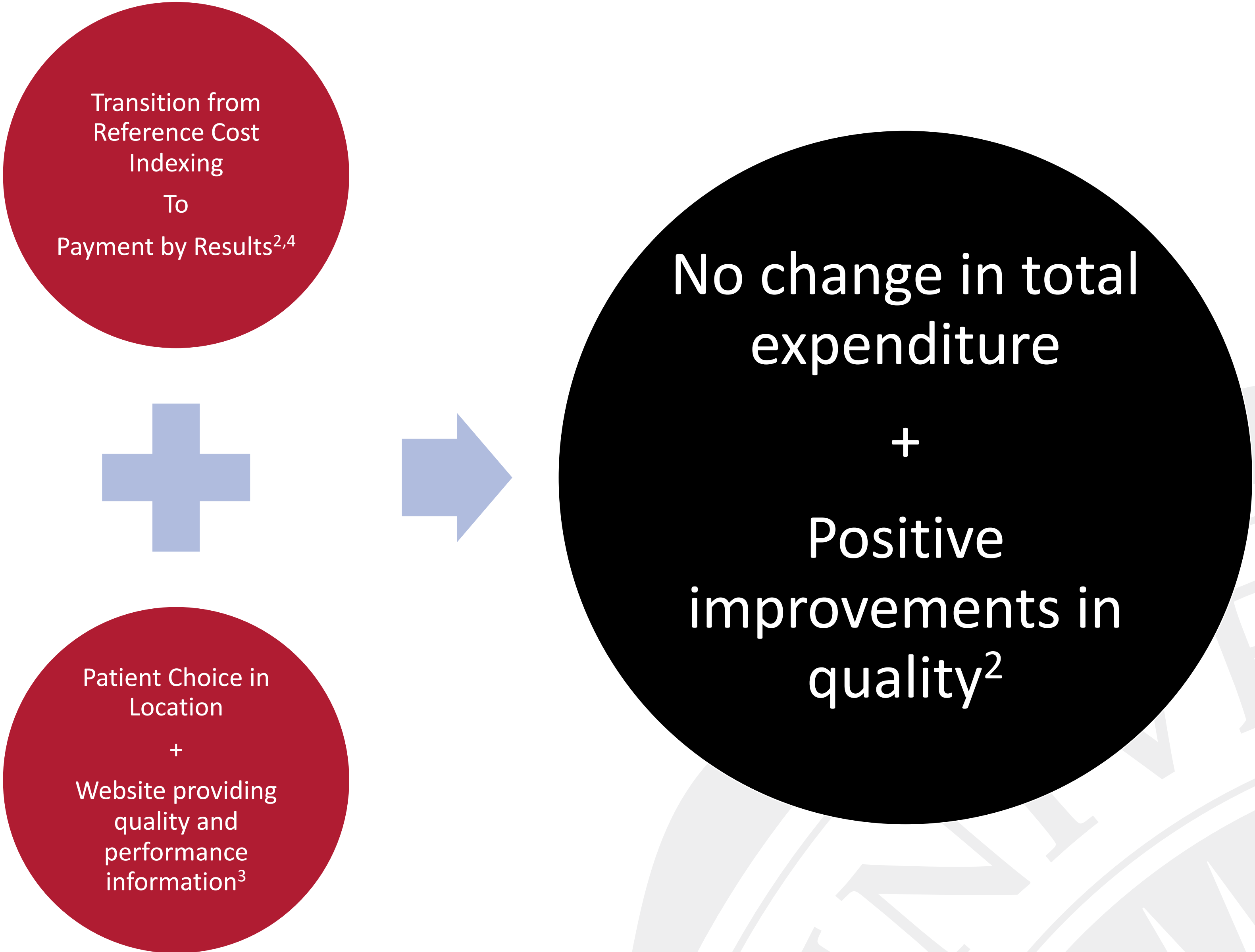
Challenges

Supply and demand determines a market’s equilibrium

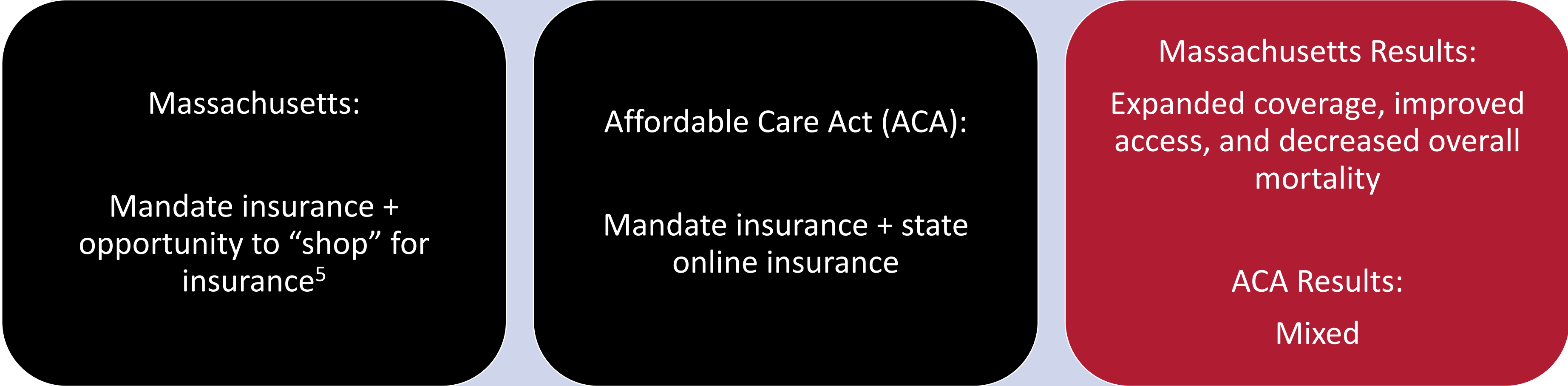


- Information asymmetry and moral hazard occupy the challenges on the demand side
- Entry and exit barriers and choice occupy the challenges on the supply side

RESULTS – UNITED KINGDOM



RESULTS – UNITED STATES



DISCUSSION

I recommend each country to evaluate their current health policies and consider how they can incorporate pro-competitive policies that

1. increase patient choice (of provider and insurer);
2. improve patient knowledge (specifically around access to quality matrixes);
3. improve cooperation (this leads to better value from within a competitive market);
4. change provider and hospital payment methods (to incentivize competition and quality).

SUMMARY

In summary, the pro-competitive reforms within taxation-based insurance models have generally been positive. The UK’s change in reimbursement and increased patient choice was considered successful at improving competition (and improving quality) without increasing cost. The private health insurance changes within the U.S. had mixed results in attempting to increase coverage and competition between insurance companies. The Massachusetts Health-Care Reform had positive results in terms of expanding access and service quality. The ACA had mixed results in increased access (more covered in total with a change in coverage for the working class) with mixed results in quality of care received; however, it may be too early to tell if the ACA has succeeded or not.

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