

Health care policy: market justice model and social justice model essay sample

[Business](#), [Marketing](#)



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Abstract

The issue paper is about the discussion of health care as a commodity with responses from patient, suppliers, and principles of supply and demand and impact of health insurance on purchase decisions. The issue paper argues that health care must not be seen as other commodities and relevant discussion is made. This is followed by the critical evaluation of CDHP policy initiative in health care to promote transparency in the health care sector. The role of government in promoting transparency is discussed. This helps in making the health care sector sensitive to the market forces.

Health Care Policy: Market Justice Model & Social Justice Model

Discussion of Health Care as a Commodity:

Sunday E Ubokudom, 2013 discusses that the market justice model of health care gets a fair distribution from the market forces in a free economy state. The market justice model is followed in the US health care. The market justice model is based on the following assumptions: Health care is similar to other commodities or goods governed by supply and demand. Health care responsibility lies on the individuals. Rational decision making is done in purchasing services of health care. Trust on the physician and their relationships and minimal interference from the government (Estes, C. L.,

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Chapman, S. A., Dodd, C., Hollister, B., & Harrington, C, 2013). The main characteristics of the market justice model include that a medical care depends on the paying capacity of the individual, privatization and individual well being (Levin JS, 2012).

Health care services cannot be treated as another commodity as it is the right of every individual to receive it. The social justice model of health care is a justification of this discussion. The social justice model states that health care is a right without considering the paying ability (Teitelbaum, J. B. & Wilensky, S. E, 2013). The main point to reject the market justice model is that the health care market is not a free market according to its assumptions.

The price per procedure of health care must be known by the patient including the cost of treatment and the insurance distorts. Pricing is kept in a hidden manner, in the health care. This aspect makes health care different from other commodities. Considering other commodities, a customer knows the price details and bargains before the purchase. In the case of health care the price of the treatment is not known during the purchase decision. Most of the patients rely on the trust of the doctor in getting treatment. Pricing becomes a second option making health care different from other commodities. In the current context, doctors sell MRI scans, X Rays and other unnecessary services to the patient that are not needed for the treatment. This condition has to be changed by adopting the social justice model.

In the social justice model, the suppliers or providers of health care receive no incentive on price basis but must look at health care as a service. The

insurance providers gain some incentive in the case of premiums but in the case of government insurance, the government bears all the expenses.

An inelastic demand prevails in the health care sector with the demand always on high on matters of death and life. Hence to address the inelastic demand, the government support must be needed to offer health care services to all citizens at all times due to the existence of demand at all times.

The impact of health insurance on treatment purchase decisions is huge. The awareness about health insurance is spreading slowly among the public.

Government has made health insurance mandatory for all employees in the organized sector. Some of the US government health insurance plans include Medicare, chronic care and senior drug coverage. The role of private health insurance is also gaining momentum. The health insurance services help spread the loss in an even manner benefiting the society.

Critical Evaluation of CDHP Policy Initiative in Health Care

CDHP (Consumer Directed Health Plan) allows the purchase of health care services on an individual basis. CDHP has received good response in the market for maintaining high quality health care and cost management. Most of the employers prefer CDHP as the best option for their employees after the announcement of insurance to be mandatory in the organized sector. The plan has two major features of savings and health reimbursement. The proposed CDHP initiative increases the price transparency in purchase decisions. The US government ensures transparency of CDHP through internet, teachable moments and making local comparisons. The main aim is

to provide all possible information about CDHP to its customers in all possible ways. This improves the transparency in the health care services. The role of the government in implementing transparency in policies includes the facilitating fairness among stakeholders and protecting the public.

Government ensures both quality and price transparency in the health care system. Government uses CMS (Center for Medicare and Medicaid services) to carry out the transparency efforts.

The transparency initiative is aimed at making the health care sensitive to the market forces. The health records are maintained in a digital manner in a computer system (Rogers, 2011). Health information systems are built to exchange and communicate information in a secure and quick manner.

Quality measurement is a vital aspect of the health information system.

Based on these, hospitals and doctors are ranked, and benchmarks are arrived. Price is also published in the health information system increasing the price and quality transparency levels.

Positive incentives are provided by the US government for providers; insurance companies and payer's etc. for publishing health care information.

Federal support is extended for all transparency efforts. The US Government has established the four corner plan to ensure transparency in the health care sector. The four corner plan includes the record maintenance on a digital manner, building health information system, quality measurement and price transparency. These measures make the health care sector become more sensitive to the market forces.

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