

# To privatize or not to privatize essay



Privatization refers to the shifting of the ownership of a government-owned property or any business enterprise into a private organization. Normally, different issues lead to the privatization of companies by the government. One of the main issues that may lead to privatization of a company is poor management and hence poor performance of the company. The privatization of companies and other properties usually has both positive and negative effects that concern people of that particular country. In the health care sector, privatization of the health centers can also occur due to various reasons. It is vital to note that the privatization of healthcare systems has its own advantages and disadvantages depending on the level of efficiency that would be attained. Therefore, there have been enormous debates concerning whether the healthcare systems in the country should be privatized.

This paper explicates various issues in the healthcare industry. Firstly, it will evaluate the impacts of the healthcare systems on individuals. Additionally, the paper covers the pros and cons of privatization as they relate to the income of individuals and households.

### Impacts of Different Healthcare Systems on Individuals and Households

The functions of a healthcare system entail diagnosis, treatment, or vaccination of individuals against various diseases. Normally, the existence of healthcare systems affects individuals and households both positively and negatively. Here are the impacts of healthcare systems on both individuals and households.

Firstly, healthcare systems ensure that the health and the being of households are in excellent shape. According to Alvarez (2006), healthcare is important for the health of households. Normally, healthcare involves matters such as immunization against polio and other diseases. The government usually sponsors immunization, so individuals do not have to spend anything on it. This is usually for the better of the future citizens' health and wellbeing. Additionally, a healthy country whose citizens are healthy generally has its economy grow, since everyone is healthy and able to work.

Secondly, healthcare systems lead to high taxation on individuals. Condrey (2010) asserts that the maintenance of a sound healthcare system attracts many expenses by the government with the aim of meeting everyone's needs. This implies that citizens would have to pay more taxes that would enable the government and other institutions to run healthcare systems in a smooth manner.

### The Pros of a Privatized HealthCare

The privatization of a healthcare system involves a transfer of the ownership of a healthcare system or company from the government to an individual.

The key pros realized from privatization are discussed below.

Firstly, with a private healthcare one decides when they want to be medicated. Normally, it is always advantageous to deal with private healthcare since individuals decide when they want to visit their doctors for medication. This is unlike all other government-owned healthcare systems, where one has to wait for long hours in the queues before doctors can attend

to them. It is necessary for the patient to decide by themselves when they want to visit the doctor. Additionally, this saves time since one would not have to spend most of their time on waiting in queues for the doctor or any other medical specialist. In some cases, an individual might be in a critical condition that needs immediate attention by the doctor; therefore, the ease of reaching the doctor under the privatized healthcare makes it advantageous.

Secondly, private healthcare systems involve a high level of privacy, which is the act of keeping an issue confidential. In private healthcare systems, patients normally get private rooms where they consult their doctors and are treated as necessary. On the contrary, the government-controlled healthcare allows patients little or no privacy (Finkler, Ward, & Baker, 2007). In the government healthcare system, patients usually all get medication from one room, hence losing their privacy. In the field of healthcare, privacy is necessary since the patients need to consult the doctors on some issues. With the assurance of privacy in the privatized healthcare systems, the patients get proper medication and this improves the healthcare system as a whole.

Thirdly, another advantage of the private health care is that there is continuity in care. Continuity in care implies that one can continue seeing the same medical personnel throughout the process of treatment. This is advantageous unlike in the government healthcare system, where the medical experts alternate depending on who is on duty.

Furthermore, there are no restricted visiting hours in the private healthcare units. Visiting of patients is important and there should be no restrictions on schedules thereof. In the private sector of the healthcare, the friends and relatives visit patients anytime without limits. Notably, the patients require moral support sometimes when they are recovering from a certain ailment. This implies that they should always have somebody near them and that is why the private healthcare systems ensure there are no restrictions in visiting hours.

### The Cons of a Privatized HealthCare

Firstly, the privatization of healthcare systems leads to inequality. Private treatment is obviously more expensive and tends to attract inequality in any given country. Notably, the people with low income will not manage to get treatment since the cost would be too high for them. Contrary to that, the upper class people would be privileged since they can afford to pay for the medication. Kieran Walshe (2006) affirms that inequality is not desirable in any country's economy, as many people would suffer since the middle and low class make up the largest part of population.

Secondly, private healthcare is disadvantageous since not all conditions are covered. The private healthcare mostly depends on the relevant policies and the prescription medication depends on the coverage. However, most policies only cover short-term issues, such as injury, meaning that one cannot be so readily treated if they develop serious problems.

Thirdly, privatized healthcare is expensive unlike the government-sponsored healthcare. Notably, private healthcare depends on the coverage and so

people have to pay. Concerning the coverage, the more coverage people have the larger premiums they have to pay. According to Leatt & Mapa (2003), this is expensive especially for the people who develop complicated cases that need serious examination and treatment. For them, the government-sponsored medication is cheaper since patients receive treatment at a small fee at all times because of the existing subsidization.

Moreover, the privatization of the healthcare would most likely leave many people uninsured. A person might not be able to access services from the private hospitals if their medical condition cannot be recognized. As a result, such people would be forced to pay enormous bills without getting any help from the outside sources. This is of great disadvantage to the lower class people. Additionally, private healthcare is not reliable, since the person may develop a problem which was not foreseen by the insurance agreement. Insurance companies normally cover certain problems that were initially agreed upon with the insured. After the agreement, a person is entitled to treatment anytime when the ailment specified occurs. This is risky and unreliable since nobody can predict the future condition of their health. Therefore, this fact is disadvantageous in the privatization of healthcare operations. Contrary to that, when the government owns the healthcare, any ailment that a person develops receives attention without any contract scrutiny.

### The Pros of a Government Controlled HealthCare

The government-controlled healthcare systems are those owned by the government. These healthcare systems operate differently from the

privatized healthcare systems and also have both advantages and disadvantages. Below are the pros and the cons of the government-controlled healthcare.

Firstly, one of the key advantages of the government-controlled healthcare systems is that they apply low health premiums, thus relieving individuals and families. The health premiums are the expenses incurred while securing medication. Parks (2012) confirms that this means that individuals have to spend little amount of money while seeking medication in the government-owned healthcare systems. This is contrary to the private healthcare systems, where the bills are highly rated to fit only the high-class individuals. With the low premiums, individuals would be able to budget their money better and save the money they could have spent on the privately owned healthcare.

Secondly, the government-controlled healthcare systems are of great advantage since there are little or no unnecessary surgeries. Notably, the main aim of the private healthcare is to make money. This means that the privately owned healthcare does not concentrate on treating patients, as their key focus is to earn profit. In line with that, a patient may go to a private health care center with a simple problem but the doctors will complicate it so that they can perform surgery to earn more. Preker & Schellekens (2010) affirm that this may be risky for the health of the patients, since it can even lead to death. However, the government-controlled healthcare works differently from the private-owned systems. The government healthcare systems normally aim at helping the patients but not

making profits. Regarding that, they provide the right medication and prescription for each problem.

Thirdly, another added advantage of the government healthcare is that it provides emergency transport by ambulance or air at a fair charge that most people can afford. As noted before, the government-owned healthcare systems normally aim at providing service for the patients but not gaining profit. This is the reason why they even provide transport at a fair rate. At times, a patient's health conditions might get worse forcing the doctors to refer them to other health centers. On such occasions, the government-controlled health centers are of great importance, because they would save the life of the patient by offering the transport services at a lower rate.

Moreover, in the government-controlled hospitals, there is equity. Equity is the act of fairness in service provision. It is worth noting that the private health centers may discriminate the patients depending on how much they can pay. Unlike them, the government-controlled healthcare is fair in providing its services equally for everyone. For instance, the government-controlled healthcare normally involves the queues of all those seeking medical services. There is never discrimination on the amount of money that the patient has; instead, government healthcare centers follow the law.

Additionally, the government-controlled healthcare has no co pays. Co pays are the small amount of money that the patients have to pay for the doctors and nurses before getting medical attention. These small amounts of money exploit the patients in private healthcare centers. However, in the government-controlled healthcare, the patients do not have to pay such



amounts of money. This enables the low class households to save some money.

### The Cons of a Government-Owned HealthCare

The government-owned health care normally does not have sufficient privacy. Privacy is necessary in the medical care industry and hospitals need to embrace it. In the private healthcare, the patients have the privacy and can explain out their problems to the doctors and other practitioners in a confident manner. Additionally, Preker, Scheffler, & Bassett (2007) add that they have rooms serving only one patient at a time, which is vital for hygiene promotion and privacy. Contrary to that, the government-controlled healthcare usually does not have adequate privacy for the patients. There are always some patients who require privacy in their consultation with the doctor. In relation to that, the government hospitals deny these types of patients that chance of consulting with the doctor. Again, the squeezing of patients in one room implies that, instead of getting better, their health conditions will probably get worse due to a poor hygiene.

Secondly, the government-controlled healthcare systems usually have long queues where patients have wait for service. According to Quaye (2010), these queues are disadvantageous since patients could collapse and die while waiting for the doctor to attend to them. On the other hand, the privately owned healthcare systems do not have queues; the patients there pay and the services are offered to them immediately. Treating patients immediately is usually important because their condition might deteriorate. This is the reason why the death rate in government-controlled

healthcare is higher than that of the privately owned healthcare. Indeed, the best way to save more lives of the patients is attending to them as soon as they arrive at the hospital. Notably, faster response helps in saving the lives of many patients and this is why the high class prefers private healthcare to government controlled healthcare.

Thirdly, most government-controlled healthcare systems provide poor quality services. This is another disadvantage of the government-controlled healthcare. Normally, the government-controlled healthcare employs a limited number of employees, which puts additional stress on them in their services. Doctors and nurses who have been overworked cannot provide better services than their colleagues in the private sector. The private healthcare centers normally have enough employees to run their errands and this makes them more comfortable and effective. Additionally, the government-controlled healthcare provides poor services since it lacks competition. Competition is an important thing in any given industry since it motivates people to work harder and provide better services than their rivals so that they can gain more customers. This is only possible with the privatization of the hospitals.

Furthermore, the universal healthcare would probably lead to the increase in taxation. In any country, the citizens have to pay taxes for the government to run their business. The government-controlled healthcare means that the government is responsible for all aspects of medication that the citizens or the patients need. However, this also implies that the citizens would have to pay higher taxes. The government cannot actually run its activities without

the collection of taxes. Notably, there is nothing free in any economy; one has to pay for everything, albeit indirectly.

Lastly, the government-controlled healthcare systems normally have restricted visiting hours denying the patients moral support. In the government-controlled healthcare systems, patient visiting hours are controlled by the management, meaning that individuals can only visit their patients at a given time. Notably, this affects the patients since some of them need relatives and friends by them at all the times for moral support. This is disadvantageous for the government-controlled healthcare.

#### Effects of Health Care Costs on Taxes, Social Security Benefits, and Individual Households

When the government provides healthcare for its citizens, it implies that the citizens do not have to pay for the health services. Notably, this will result in different impacts on taxes, social security benefits, and individual households.

Firstly, the increase in healthcare costs leads to the increase in the level of taxes. The rise in healthcare costs means that there would be a rise in the taxes that the citizens pay. As noted before, despite the fact that the government claims to provide healthcare to the citizens, it cannot provide it if the citizens were not paying taxes. Therefore, when there is a rise in the costs of the healthcare, the citizens have to pay higher taxes to enable the government to keep on providing the medical care. According to Sather (2012), the rise in tax affects the low class people since they would probably not manage to afford certain basic things in their life. Contrary to that, the <https://assignbuster.com/to-privatize-or-not-to-privatize-essay/>

fall in the costs of the healthcare will mean that the tax imposed on citizens would fall. The citizens would have to pay less in terms of taxes since the government is not spending a lot to provide healthcare.

Secondly, higher costs of healthcare will lead to increased contributions to cater for social security. Social security is the coverage that individuals access in order to improve their well-being and ease of access to health. When the government spends more on healthcare, citizens would have to pay more on social security and ensure that they access more benefits and adequate coverage. However, the decline in expenditures on or the cost of healthcare would lead to the contributions to social security. The benefits emanating from social security would only be realized in cases where the costs of medication are affordable for all citizens within the country.

Lastly, the high costs of health care affect the individuals negatively, especially those in the low class. It is significant to note that the high costs of healthcare lead to the payment of higher taxes. The high taxes will notably affect the low class persons, since they will have to find more means to pay. Contrary to that, the lower cost of healthcare relieves people as the government lessens the tax imposed on them.

In conclusion, healthcare is an important thing in any given country. Some countries have privatized healthcare while in others the government controls the health care centers. Privatization is the transfer of the ownership of a government property or any business enterprise into a private organization. The privatized healthcare systems exhibit both their advantages and disadvantages. Notably, private healthcare centers upkeep privacy and high

levels of confidentiality. Privacy is the act of keeping an issue confidential, and this is important in everyone's life. In private healthcare systems, patients normally have private rooms where they consult doctors and then follow the medication, as necessary. This is unlike in government-controlled healthcare where patients get little or no privacy. However, the main disadvantage with privatization is that the privatized healthcare is expensive unlike the government-sponsored healthcare. Notably, the private healthcare depends on the coverage and what people have to pay. In line with the coverage, the better the person is covered the larger premium they get. On the other hand, the government healthcare's main advantage is that there are little or no unnecessary surgeries. Notably, the main aim of the private healthcare system is to make money. This means that the privately owned healthcare systems do not concentrate on treating the patients but on earning a fortune from them. Regarding that, a patient may go to a private healthcare institution with a simple problem but doctors could complicate it so that they can perform surgery to earn more. Despite that, the government-controlled healthcare system usually involves long queues. Therefore, it would be vital not to privatize healthcare systems to ensure that all individuals have equal access to medical care each time they are in need.