

How conventional economic principles might or might not apply to the us health ca...

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Health care in the United States of America is influenced by various economic variables especially supply and demand. " Other factors that influence supply and demand in health care include: the education of health care givers, labor force, and the health system in place as well as the changing economy (Kovner, Knickman, & Jonas, 2008). " The way this factors will influence each other will determine market equilibrium or disequilibrium. Disequilibrium will occur mainly when there are labor shortages and this will mean that the lot of money will be paid by patients to be able to be seen by the health providers.

The number of health care practitioners also determine the number of patients who will be treated in a given health facility. Therefore, if medical practitioners are less, then few people will be treated and patients' health conditions will deteriorate if such situations are not addressed fast. On the other hand, when the supply of health care givers is high, then more patients will have access to better health care facilities. Shortages in labor market can directly influence health care practice and education.

In flux of student in health studies especially in areas like pharmacy may lead to future increased unemployment in such fields. " An economic policy that has revolutionized labor policies is managed care (Kovner, Knickman, & Jonas, 2008). " The introduction of managed care in the U. S in the 1990s was aimed at reducing costs on the economy as well as those offered by private practitioners. It managed to solve the health insurance issues that people were having a rough time paying and problems associated with over provision of medical services.

This helped in reducing the costs of health care. “ The various adjustments caused by managed care influenced the market conditions as the shifts in supply and demand were more favorable to Medicare patients rather than the health practitioners (Mayes & Berenson, 2006). ” Managed care organizations are thus enhancing reduction in costs for health care as they mainly advocate for preventive measures and primary care offered at lower costs (Thai, Wimberley & McManus, 2001).

In the U. S, the private medical practitioners are the ones who benefit the most from the specialized services they offer. Other than this, health care is controlled by various economic forces. If medical services were accessible to everyone and medical practitioners were enough, then everyone would be in a position of being able to choose the health centers they preferred based on the prices they can afford. Health care prices are not set through negotiations between patients and health care providers but by various agencies such as Medicare and Managed care organizations.

For this reason, the forces of demand and supply do not at all times help in determining the cost of health care (Shi & Singh, 2004). Shifts in the health care industry can directly influence the performance of other related industries. This is because as technology advances. New supplies in the market will increase demand. For example, when new tests, surgical improvements or pharmaceutical products are introduced into the market, demand for such services or products will increase.

Likewise, they will cost more. Such increasing health care costs are the reason why more people will opt for health care systems like managed care that try to keep such costs under control. Factors that limit the ability of <https://assignbuster.com/how-conventional-economic-principles-might-or-might-not-apply-to-the-us-health-care-environment/>

patients to decide on the way they will be treated include the demand for utilizing health care which based on the need rather than on the cost for treatment. This need is seen as the amount of Medicare that a person ought to have so that they can be well.

Another factor limiting patients' ability to make decisions is that the ability of the health care system to ensure access to proper care aids in the creation for demand. Therefore, specialist health providers benefit the most from provider-induced demand (Shi & Singh, 2004). In future, more registered nurses will need to be hired so as to keep up with the growing demand for health care (Mason, Leavitt & Chaffee, 2002). This is because the population is growing and the emergence of new diseases will require advancements in technology and improved health care plans.

“ More staff will therefore need to be hired to deal with labor shortages (Thai, Wimberley & McManus, 2001). ” This means that labor increments and shortages will most likely depend on supply and demand. To make sure that health care systems are equitable across all regions of the country, proper policies will be passed to enhance their effectiveness in different economic situations. This will help remote areas in the country which do not have access to proper health facilities to benefit in the various shifts of demand and supply.