


The role of Competition in health care

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General characteristics of competition (1)

- More freedom of the individual or more political and economic power?
- Stimulation of growth and welfare, reduction of prices and costs
- Competition as a discovery procedure (v. Hajek)
- Competition as disruptive innovation by pioneering entrepreneurs (Schumpeter)
- Competition serves as a public good; its effects will be available for all and will reduce the pioneer profits in favor of the consumer



General characteristics of competition (2)

- Competition needs rules and a legal framework that guarantees freedom for new ideas, new products, new procedures, better quality etc
- Competition and solidarity are/should be twins (socially bounded competition)
- The promotion of competition is part of economic policy
- Prices, quantities
- contribution rates (payroll taxes), premiums, co-payments



Parameter of competition (1)

- Freedom to choose different health plans, providers, preferred provider models, treatment, etc.
- Quality and its measurement (product, process, structure, diagnoses, indication, outcome, control)
- Customer service, waiting time, access, availability of innovations
- Patient/customer/user satisfaction
- Incentives, e.g. bonus/malus regulation



Parameter of competition (2)

- Regulated competition, antitrust law, cartel prohibition, merger control, abuse control and fighting
- Selective contracts between funds and providers
- Government restrictions on competition (e.g. protectionism, state monopolies., barriers to entry, etc.
- For this purpose: German Act Against Restraints of Competition (GWB) and European Competition Law



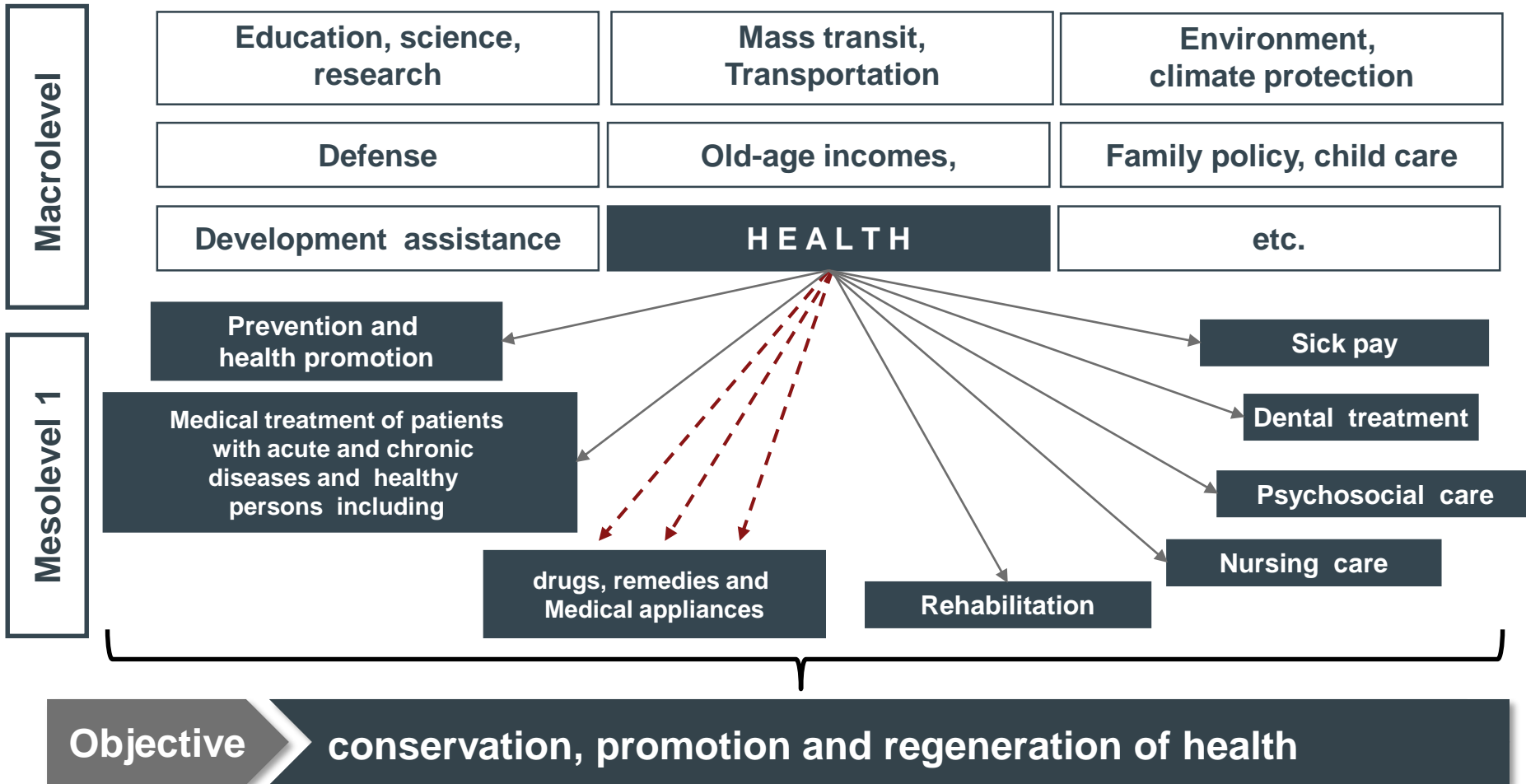
Risks of competition

- Competition increases complexity; so-called transaction costs are rising; Incomplete and asymmetric information gain in importance
- ruinous competition
- Hunt for subsidies; unproductive rent-seeking
- „Anarchy of markets“ (K. Marx); competition leads to social chaos
- Competition is not an end in itself but always only an instrument



Competition in health care impossible? A functional approach by objectives (bottom down)

Economic Resources – how to allocate them?





Competition in health care impossible? Economic Resources – how to use them (bottom up)?

Objective

Avoidable Mortality, Morbidity and Invalidity

Mesolevel 2

Diseases of the respiratory organs

Diseases of the skeleton, muscles, and
of connective tissue

Traumas

Infectious diseases

Psychiatric diseases and diseases
of the nervous system

Malignant growth

Heart and circulatory diseases

Diseases of the digestive organs

Allergies

etc.

Disease management on the basis of multimorbidity

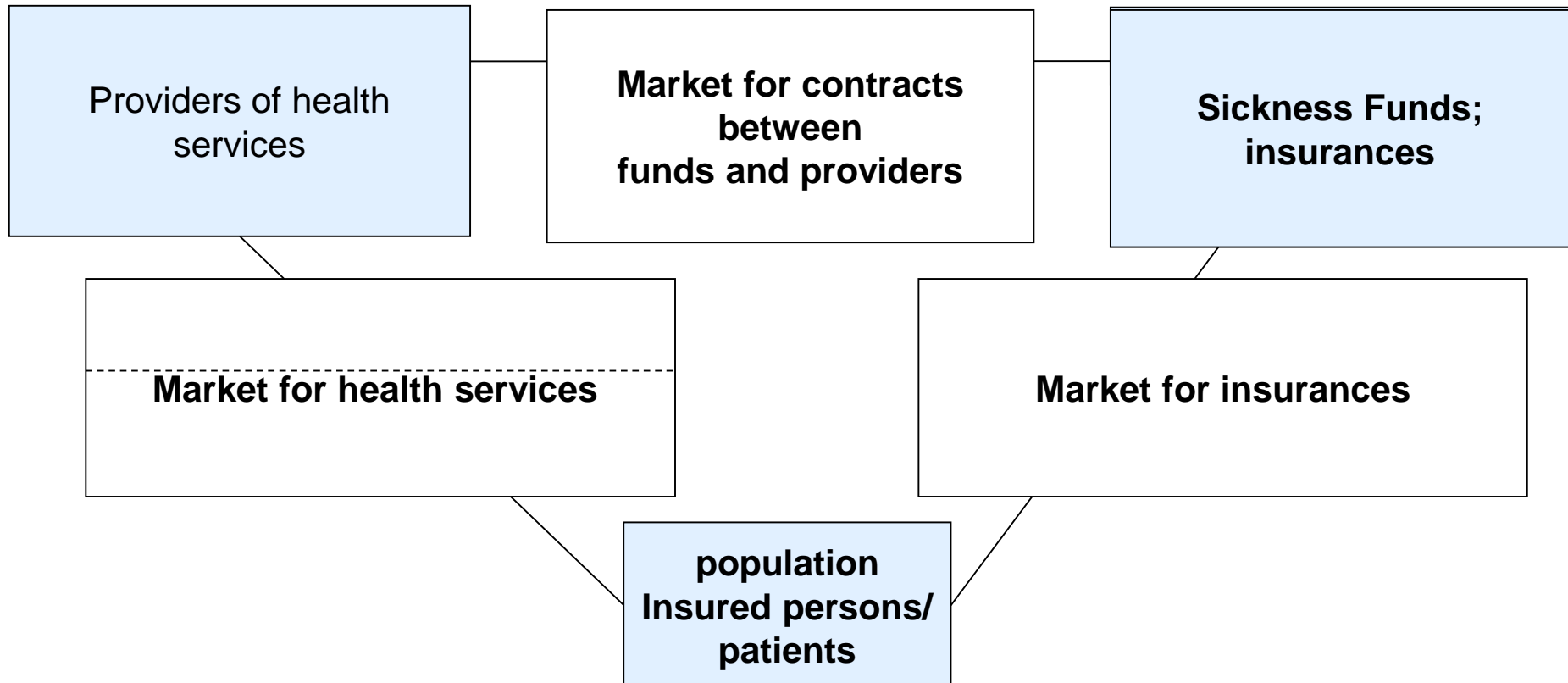
Microlevel

Individual demand for healthcare and risk protection;
funded by insurances and
additional private expenditures in the 2nd health market



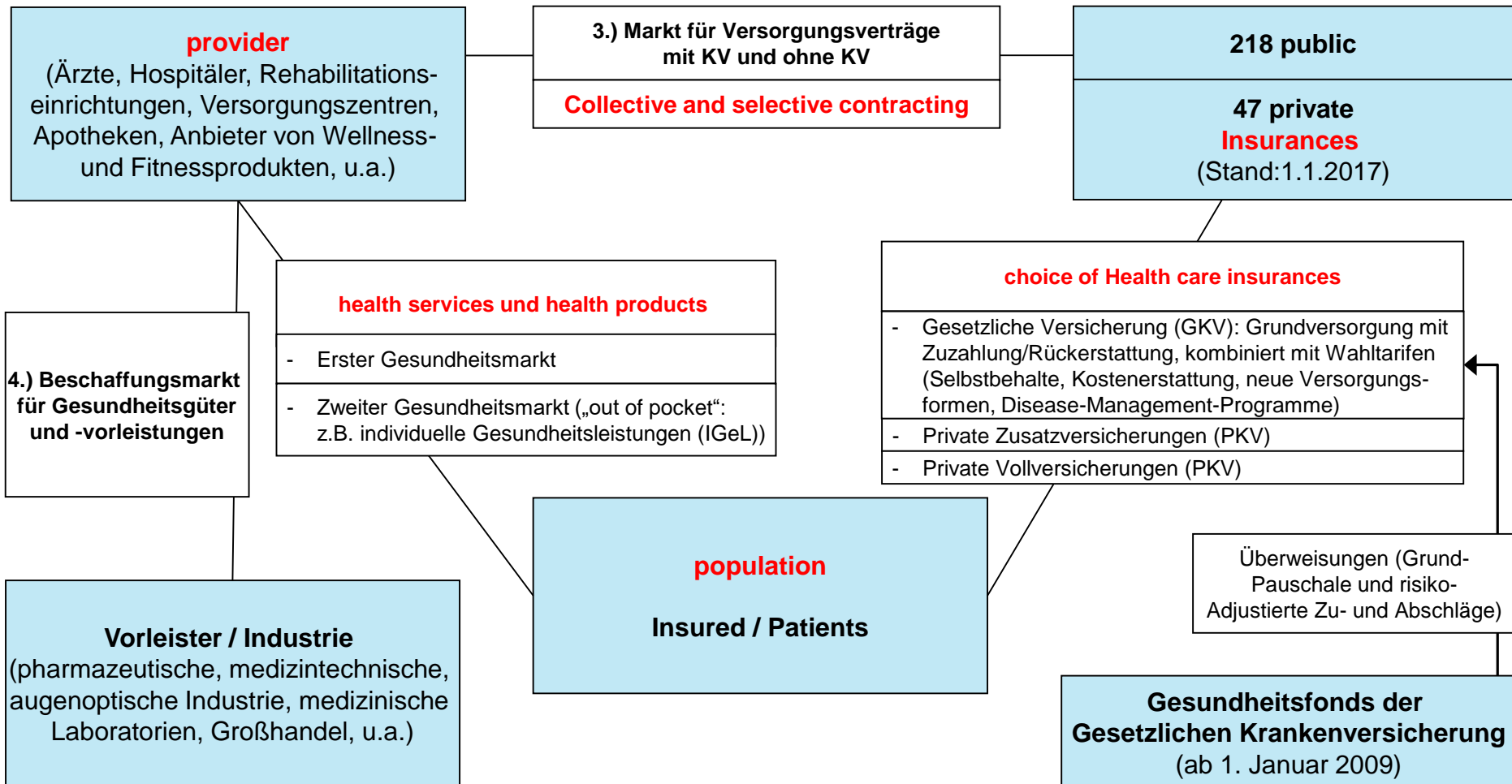
Competition in health care is possible

Markets for insurances, health services and contracts between funds and providers



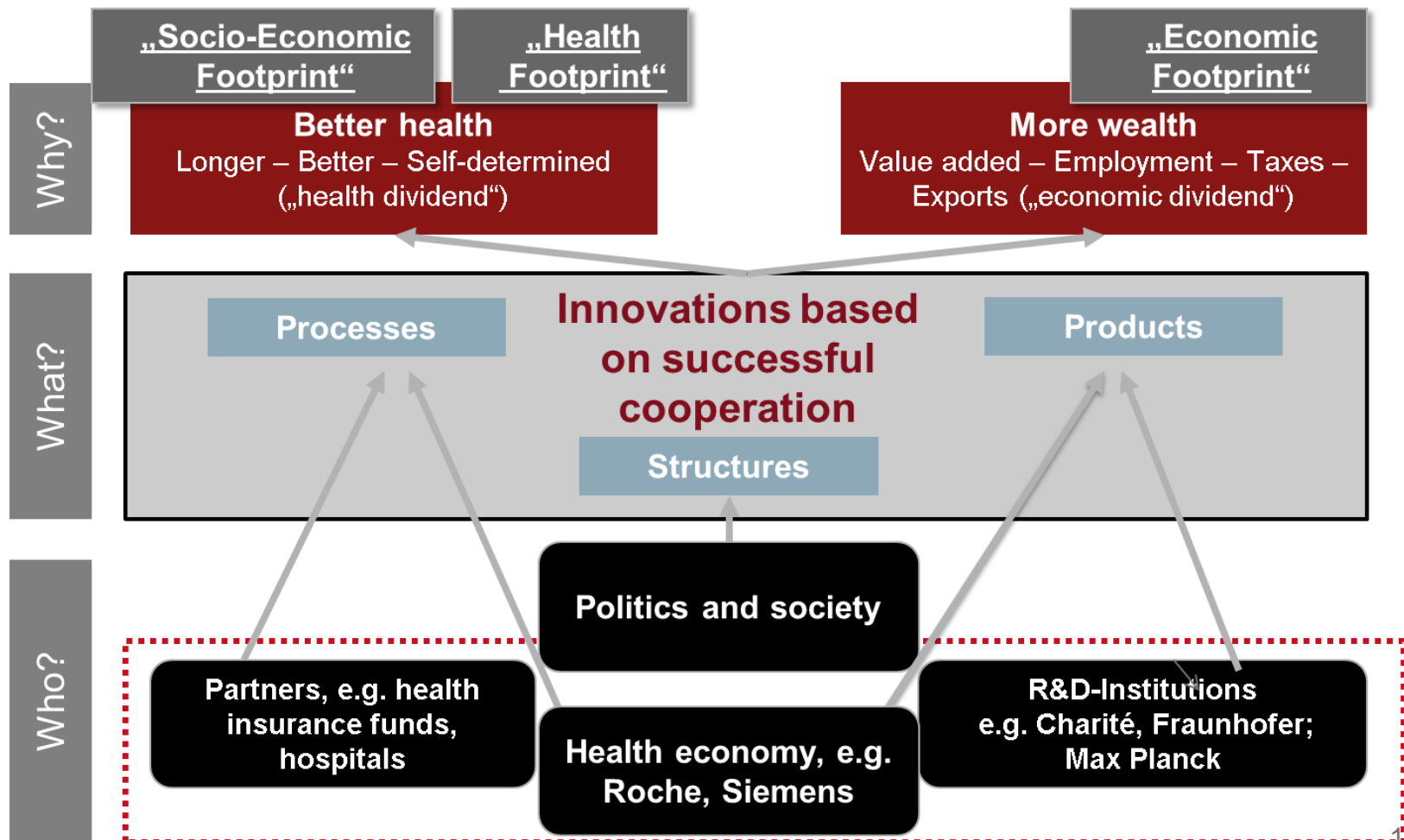


Selected fields of competition within the German health care sector





More Competition versus more cooperation – Health care as a part of social and industrial policy





Back up Folien

Health regions and literature



Governance Approaches and Integrated Care?

An list of Governance-approaches (1)

a) Political governance

- » command and control
- » stop and go interventions, muddling through
- » evidenced-based policy
- » direct/indirect democracy
- » Governance through interest groups and lobbyism
- » Governance by charisma

b) Economic Governance

- » financial incentives/financial mechanism
- » competition/markets/market based instruments
- » budget-based governance
- » Governance by targets, outcome and performance



Governance Approaches and Integrated Care?

An list of Governance-approaches (2)

c) **Fiscal Governance**

- » parafiscal systems
- » planning-programming-budgeting (issue-based governance)
- » Governance through bureaucracy
- » Central planning/budgeting governance

d) **Self-Governance**

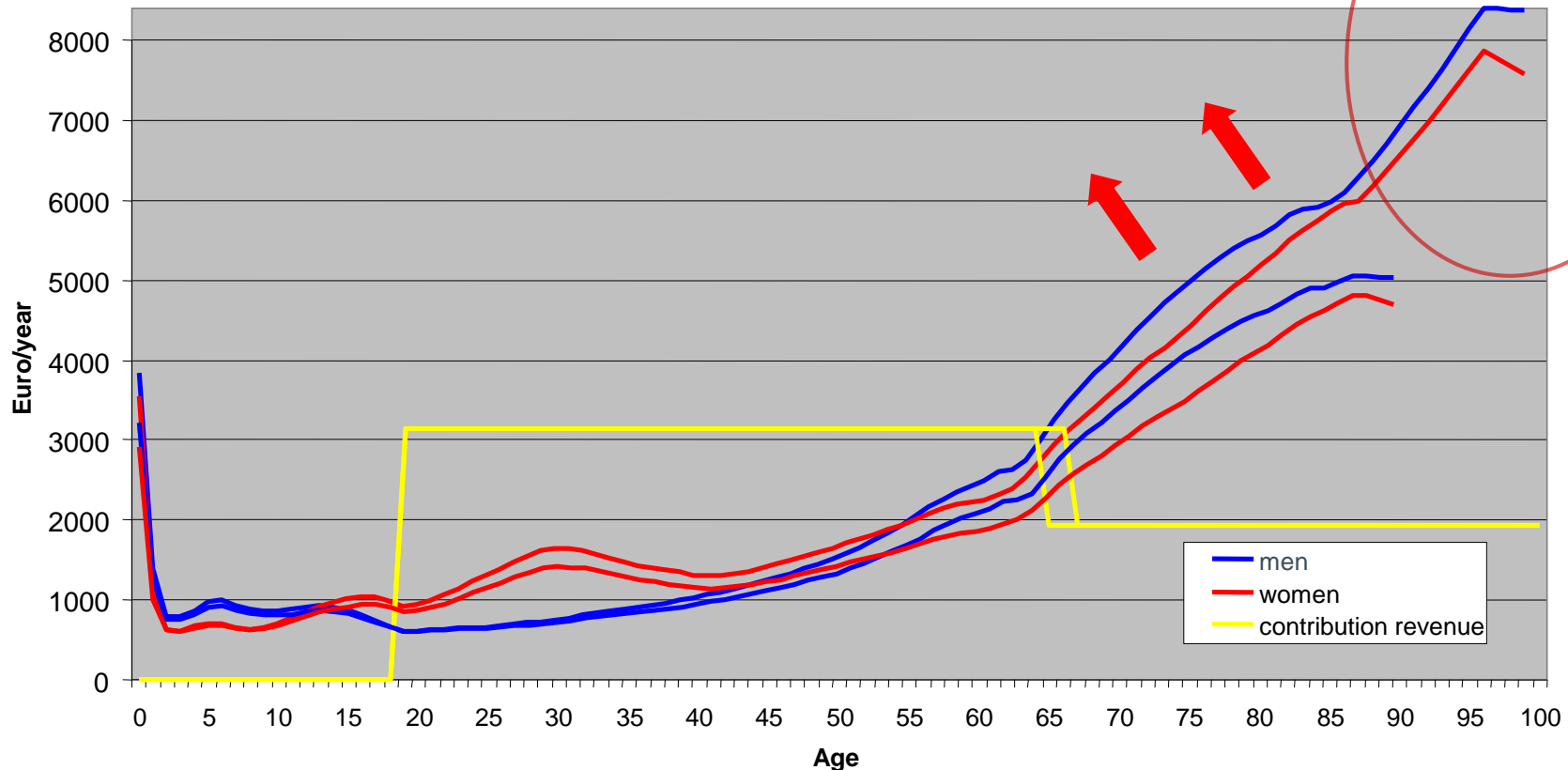
- » Cooperatistic/self-governmental systems
- » citizens participation
- » Corporate Governance (e.g. German Corporate Governance Codex) through networking



Perspective 1: A functional approach by objectives

Compression of Morbidity as a goal?

Spending Profile





4) Gesundheitsregionen als regionale Zukunftswerkstätten?

Gesundes Kinzigtal/**Gifhorn** als Modell?

Die Erfolgsfaktoren

- **Regionale Managementgesellschaft** mit Beteiligung eines Ärztenetzes
- **Sektorenübergreifende Versorgung** – durch IT-Vernetzung inkl. elektronischer Patientenakte, Fallkonferenzen, Behandlungspfade
- **Gesundheits- und Versorgungsmanagement** – vor allem für chronisch Kranke durch effiziente, standardisierte Analyse von GKV-Routinedaten, Daten aus Arztinformationssystemen
- **Aktivierung von Versicherten** – Shared Decision Making, therapeutische Zielvereinbarungen, Patientenbeirat
- **Innovatives Finanzierungsmodell** – der erzielte Gesundheitsnutzen wird belohnt, finanziell motivierte Leistungsausweitungen werden überflüssig
- **Beteiligung der regionalen Akteure an dem Gesundheitsnetz** – Vereine, Schulen, Betriebe und Kommunen werden einbezogen



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