

# Health care systems, resources generation and utilization in selected western countries

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## Abstract

Healthcare system is continuously changing and remodeling in both the developed and emerging economies due to many reasons such as increasing economic instability, demographic changes, inflation and unemployment. Under these circumstances definitely one of the major issues which is far complex yet of core importance is the generation of the funds and resources to handle the predicted health care needs of the societies. The situation in developed nations are different from developing nations because better health facilities in these countries itself create demands for more funds allocations and enhanced strategies. For example increased life expectancy rates means more aged populations requiring increased demand for health services. Modern and better technologies and newer effective medicines themselves require more finance allocation because of their increased cost. Persons on continuous drug treatment are also increasing to keep disease under control. (Prevalence increased) This is true for many chronic disease like AIDS, cancers, cystic fibrosis etc. All these examples generate augmented financial pressures which are the direct result of better health care facilities. Currently many Western countries practice distinctly different health care system where diversity in the method of funds generation is obvious. Out of these Single payer health care, Universal Health Care System and compulsory insurance systems are of special note which are dominantly observed in most of the Western countries including USA, Canada, Australia and European countries. In this article the salient features of these systems in current scenario, along with few notes about its utilization to attain operational consistency is discussed.

**Key words:** Health care system, compulsory Insurance, Single-payer, Universal health care, tax

## Funds Generation for Health in Developed Nations: How It Goes

Healthcare system is continuously changing and under reshaping in both the developed and emerging economies. The reason include globally increasing economic crises, demographic changes, inflation and unemployment and many more. Under these circumstances definitely one of the major issues which is far complex yet of core importance is the generation of the funds and resources to handle the predicted health care needs of the societies. The situation can be quite different from the underdeveloped and developing nations as better health facilities in these countries can itself create demands for more funds allocations and enhanced

strategies. For example increased life expectancy rates means more aged populations requiring increased demand for health services. Modern and better technologies and newer effective medicines themselves require more finance allocation because of their increased cost. Persons on continuous medicine treatment are also increasing to keep disease under control. (Prevalence increased). This is true for many chronic disease like AIDS, cancers, cystic fibrosis etc. All these examples generate augmented financial pressures which are the direct result of better health care facilities. At the government level still there is a lack of uniform system by which governments arrange the funds. A comparative analysis declares a clear difference of health care among nations. These

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differences not necessarily indicate the economic situations and GDP of the nations but more importantly the methodology and priorities of nations. Therefore health care problems related to the common denominator i.e. Funds (acquisitions plus allocations) may present with various shapes and styles . For examples most European nations including Netherlands utilize Universal Health Care System .As apparent by the name it means a health care system intended to full coverage of all citizens in which health care financing and health care services provision are mechanism is combined This system in most cases is funded by a combined support of public and private sources [1] .

The mainstream of universal health care systems are subsidized predominantly by tax income (countries include Spain, Portugal, Sweden , and Denmark etc . )On the other hands While France, Germany and some others utilize a multi-payer system in which funds for health care comes from private and public contributions Majority of the non - government funding is thorough a compulsory sickness fund deducted from (and vary with )person s salary. This is an example of an effective health based taxation. Yet further modification and stratifications is possible by of the distributing responsibilities for funds provisions between municipalities , states , counties or federal governments For instance, in one model primary and secondary health care provision is backed by municipality while federal government or provisional government take responsibility of tertiary health care. Whatever the structure Universal health care systems tends to redistribute resources among different levels of administration [2].

Different from this another method of health care funding seen in many developed nations such as USA ,Canada and UK is a so called single-payer health care where single payer is mainly government which bears the responsibility of funds provision itself. Government alone is responsible for the funding although it can employ private organizations for the implementations as seen in Canada. Therefore term "single-payer" merely defines the funding machinery backed by a single public body Supporter

of single payer health care quote many advantages over the other systems which worth consideration . Single payer health means consolidation of fragmented finances , independence from many insurance companies pressure, conversion and unification of separate public health programs in to single effective finance system . Moreover since government is the sole finance administrator there are numerous practically sound advantages. Like this system enables bulk purchasing of the medicines , equipment and accessories which saves huge amounts . Probably one of most important benefit of this system is that it creates need based rather than profit based strategy which cannot be eliminated in in profit - driven private health care bodies where often market opportunities rather than community health priorities is the core incentive[3] .

On the other hands some countries utilizes Insurance based health system .In these countries legislation make it compulsory for citizens to purchase government insurance which then become the chief source of heath care funds. Compulsory insurance in these nations where insurance is the back bone of health care system is of utmost importance. Inconsistencies in insurance can result in serious outcomes as un insurance leads to delays in seeking health care and lesser follow-up visits. Therefore lack of proper insurance coverage should be a cause for concern .One benefits of compulsory insurance by all which is not obvious superficially but of core importance is to avoid difference getting insurance by healthy and at risk population. Usually in common insurance industry, insurance companies take more premium from high risk people which can discourage them to get insured while they give nominal price for young and healthy people as they usually show less interest in getting insurance due to less health concern. This could result is a population where elderly in chronically diseased remain without insurance due to unaffordability and most young and health remain without insurance because of simply unconcerned. Therefore compulsory basic health insurance by government is a good solution. Another benefit of this effort is that it results in the creation of equalization pool to which nullify the hazards hidden in the open insurance

market. In this equalization pool younger and healthier people also have to pay so that older and sicker people can also enjoy from the same source. Even unemployed or the retired can also be benefited from the same pool system which otherwise could be ignored. The Netherlands is an example of this system of health care insurance based on the risk equalization pool. Sometimes along with compulsory government insurance private insurance can also be available because it is not necessary that government insurance can cover all health condition with no limits[4].

Netherlands gives a unique example of dual-level system. Here primary health care (which usually include Hospitals Clinics and GPs) is supported by mandatory insurance. While health care for the aged or chronically ill citizens is also funded from taxation.

Besides generations of resources, allocations and proper utilizations of the available resources has a profound impact on the health care system. In this aspect not only the health care structure but also the workers in the system plays vital role. How the health care workers are utilizing their power in the health care system are of key importance. Health professionals having the power of decision to spend resources are mainly GPs (general practitioners) and Consultants. The GPs are the first to deal with the people either healthy or having some underline disease. Proper and wise management of this group include selective choice of investigations and treatment options. It's also their duty to inform or educate the consumer about possible next options. GPs can make the people visiting them much apprehensive about their health status and they can demand more and expensive options which can result spending expenditures more on healthy people than sick people. While some time public can demand unnecessary investigation and tertiary care referrals for personal satisfaction. This discrepancy in the right of decision making can overburden the health system. In a recent study doctors held responsible for increasing the health budget expenditure due to the increasing use of diagnostic tests, unjust and increased referral to specialist and overutilization of advance procedure. While importance of proper investigation is unquestioned unnecessary use of this facility increases the anxiety of the people which result in further demand of sophisticated techniques which

even can lead to molecular diagnosis to exclude the hypothesized disease. This behavior no doubt increase pressure in the budget. Therefore there is a need of 'administrative gatekeeping' which may be the most ethical response in the solution of this problem. Again western nations has successfully coped this issue with proper health care education of people and wider and effective community involvement. This has generated a harmony and uniformity in the opinion about the health care priorities between healthcare professionals and members of community as seen in a recent study conducted in Australia. This is very important to run the healthcare system smoothly with a consistent funds generating system.

One and the foremost is to educate physicians so that they remain aware about expenditures and financial restraints. Some authorities even stress to include this medical schools' curriculum and residency programs trainings so that future doctors get properly trained about how to face challenges to handle limited health resources when in power [5].

#### Conclusion

Therefore in health care system resource generation and funding remain the core issue. While generation of resources is also a challenge, just utilization among all people is also very important so that every person can get right health care at right time. The world is experiencing different models of health care economics which suite there conditions and structure which will remain hard to apply on all countries equally there is a strong need that everyone adopts the better experiences from other nations which can be practical for them.

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