**Economics of Healthcare**

Your Name (First M. Last)

 Institution Name (University at Place or Town, State)

**Economics of Healthcare**

**Competition In Market of Healthcare:**

Term competitive market refers to the phenomena when multiple producers within market compete with each other to meet the needs of the consumer market. This competition is based on the quality, innovation, prices of goods and revenue generation. Many consider it as antidote for ineffective services that are sold at high price to consumer. In such markets single consumer, or single producer or no group of consumers; dictate the trends in the competitive market (Goddard, 2015).

When it comes to healthcare market, we can see that healthcare market is very competitive and results in consumer benefit and provide incentive to the service providers to improve their quality and prices to sustain the competition in the market. It keeps prices in check. Healthcare market constrains the competition and provided basis for mediocre quality of care and raises the cost for healthcare. These constraints include patent monopolies, fewer insurance options, and lack of transparency in price selection by the healthcare providers.

Normally patients don’t make decision regarding selection of services despite of the availability of numerous options in healthcare as physicians make this choice under the influence of manufacturers (“Is the healthcare market competitive?,” n.d.).

Healthcare providers need to compete only on the basis on expertise, quality care and prices, Insurers on the other hand should compete in business in terms of coverage and price. So that consumers are get care at better price.

Healthcare mergers were on rise in 2018. According to HealthLeaders’s survey 71% of the health services providers think that mergers and acquisitions benefits the companies. One of the biggest acquisitions of 2018 was between Optum and DaVita. UGH paid cash of $4.9B in cash to DaVita (“The 4 biggest health care mega-mergers of the past year—and how they could impact you,” n.d.).

Affordable Act care, that was formed by government in time of Obama to benefits the public; unfortunately doesn’t address of the issues caused by any constraints. There is little change in coverage and price in various states. Merger between healthcare providers

 **References**

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