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**Research paper**

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**Abstract**

*“This paper analyzes the circumstances under which a Beveridge system can be sustainable in systems competition. The analysis reveals a much more complicated redistributive structure of the pension systems than only between high and low incomes. As a consequence, the sustainability depends on growth rates, and equilibrium can exist where, contrary to the first intuition, and rich individuals prefer a Beveridge system”.*

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**1. Introduction**

The Beveridge system (Universalist) is a system of the healthcare organization, which is based on financing from the state budget and is characterized by a significant limitation of market relations between a doctor and a patient. Medical assistance is guaranteed by the state and is provided to all citizens regardless of their social and property status. The system was proposed by the English economist Beveridge. It is based on a transfer system of ordinary insurance principles. The state applies for transfer payments only to people who cannot provide themselves with medical care (Wallace *et al*., 2013).

Unlike the Bismarck system, in the Beveri-a healthcare organization system, doctors cease to be subjects in the medical services market and act as hired workers. The Beveridge system maintains competition between doctors, but this competition is not for the money, but the state. The salary of a medical worker depends on the qualifications of the doctor and nurses. When organizing a health care system using the Beveridge system, patients are limited in their choice of health care options (Musgrove, 2000).

**2. Body**

Beveridge system introduced in the UK, Greece, Denmark, Ireland, Italy, Spain, Canada, Norway, Portugal, and Finland.

**2.1 Benefits of the Beveridge system:**

* relatively simple financing technologies for medical institutions;
* A relatively simple wage system in the industry. Disadvantages of the Beveridge system:
* lack of market incentives for economic efficiency;
* poor motivation to improve the quality of medical services;
* the need for significant financial resources from the state budget for the development of the healthcare industry.

**2.2 Analysis**

Beveridge model proceeds from the fact that any person, regardless of his belonging to an active population, has the right to minimal protection about diseases, old age or another reason for reducing his resources. In countries that have chosen this model, sickness insurance systems are in place, the attachment to which is automatic, and pension systems provide minimum incomes to all elderly regardless of their past efforts to pay deductions from wages (the so-called “social pensions” as opposed to “ professional "). Such social protection systems are financed through taxes from the state budget. In this case, the principle of national solidarity, based on the concept of distributive justice, prevails. Adherents of this system are England and the countries of Scandinavian socialism.

U. Beveridge proceeded from the need to endow the state with powers to regulate social processes in society on the principles of universality and uniformity. In other words, the same guaranteed amount of pensions and benefits for all citizens, the prevention of mass unemployment, and equal access to free medical care and education. It should be noted that the views of W. Beveridge were significantly influenced by the ideas of O. Bismarck about the mandatory nature of social insurance, as well as the practical solution of issues of state regulation of the social sphere in the USSR (free health care and education) (Hills, J., Ditch, J., & Glennerster, 1994). .

**4. Methodology**

This model is the most expensive and not the best, but good for an example of mixing different approaches to financing medical care in single country.

The United States has a mixed market-social model. The needs of part of the populace are covered by the market insurance model. And for the rest, there is a social model based on state aid for health insurance (Medicare, Medicaid). For information, in 2010, the United States recorded 48 million uninsured people, and in 2016 - about 28 million. And this is considered an achievement of the Obamacare program, which expanded the population’s access to health insurance.

The United States Affordable Care Act (ACA) 2010 introduced the minimum mandatory requirements for categories of health services and their essential health benefits. There are 10 such categories, namely:

* outpatient care;
* ambulance and emergency conditions;
* hospitalization (inpatient care);
* care for pregnant women and newborns;
* provision of assistance for mental health disorders and disorders associated with the use of psychotropic substances, including behavioral therapy;
* prescription drugs;
* rehabilitation services;

**4.1 Advantages and Disadvantages**

**Advantages**

*“The U.S. has one of the best medical research systems in the world. Researchers from institutions such as Harvard Medical School, the Mayo Clinic and the Cleveland Clinic are world-renowned for the advances they are making in medicine, largely because of the current free-market system”.*

**Disadvantages**

*“The amount of money spent on health care in America is staggering. The U.S. spends more of its total GDP (gross domestic product) on health care than any country in the world. In 2001, the U.S. spent nearly 14 percent of its total GDP on health care. A major disadvantage of the American health care system is the fact that many individuals are underinsured or uninsured. According to the U.S. Census Bureau, in 2003, 60 percent of Americans were covered by employer-based health insurance, 26 percent were covered by government-based health insurance and 15 percent were without health insurance”*

**Conclusion**

This model is notable for its high cost and relatively low efficiency. Healthcare indicators in the US are worse compared to several developed countries, where medical care costs are lower than in the United States. In this model of healthcare, the share of additional mandatory payments at the expense of personal funds of citizens is quite large. Even in advanced insurance plans, there is no 100% coverage of the cost of services, the patient always pays for any part of the medical service (co-payment). This model does not guarantee the availability of medical services for all citizens. A significant part of US citizens is not insured at all or have insurance covering the minimum necessary package.

**Recommendations**

* *“The current proposals for health care reform in the U.S. should focus mainly on extending insurance coverage to all Americans,*
* *Decreasing the costs through should improve the efficiencies and expanding the breadth and depth of prevention and wellness programs”.*

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