

There is now a growing concern that care expenditure is rising at an alarmingly uncontrolled rate. The changes in economic policies of the nation's globalisation, liberalisation and privatization under the presiding triad - the World Bank, the International Monetary Fund and the World Trade Organisation - has no doubt contributed to the sweeping changes that we see today.

With escalating health care expenditures, increasing privatization of health care and reduction in the percentage allocation in the financial outlay of the government, the major public policy issue facing health care is the area of strategies for cost containment for controlling health care expenditure. This is a challenge to the health care consumers, health care providers, the government who has the responsibility for health care of the vast majority and the third party payers for the better off including a section of the organised working class, the insurance sector, who are the key determinants in the health sector.

The Health Care Market System: Strategies for Cost Containment

The hospital sector has become the largest component of the health care industry with its varied size, - services offered, age and modernity of the physical plant and its equipment, overall mission (service, education, research), ownership and influence of unionisation. The problem of cost inflation in the health care industry is extremely complex. There are a number of separate factors that can potentially contribute to health care costs. It involves the nature of health service technology, the nature and incidence of illness, the response of health providers and the response of the health care consumers to the changes. An ideal market system for health care should ensure an optimum amount of

resources devoted to health care, an optimum combination of resources, an optimum distribution of health care and an optimum investment of resources between current provision of health care and future needs through research and education.

ROLE OF NURSES IN PUBLIC POLICY ISSUES

Prof. Seethalakshmi

There is considerable uncertainty in the risk of contracting an illness, the appropriateness and efficacy of available treatments and the potential costs of health care. The nature and complexity of health services cause the information available to consumers to be inadequate for economic decision making. This results in a transfer of decision making power from the patient (consumer) to the physician (the producer). Medical care is a complex and highly technological product. As a result, few consumers are sufficiently knowledgeable to make informed decisions about health service. In addition, legal and institutional barriers exist that prevents consumers from acquiring directly some types of health services, as prescription drugs and hospital care. So, consumers delegate substantial decision making powers to the physician who control substantially the decision - making for health care services. How physicians use this power affects the performance of the market in health services. Physicians may be under pressure from pharmaceutical, medical technology and hospital sector besides the consumers themselves, to prescribe a high level of care even when alternate, less costly, modes of treatment are available. The supplier - induced demand exists in the market for health services that are beneficial to them or to the society.

For the privileged consumer class the organized sector, the medical or

health insurance with its tax incentive (income tax deduction) has in part become responsible for over - insurance on the one hand and excessive utilisation of health services on the other. But, of course, while this section forms a significant proportion of the prime health consumers, their proportion will increase with the entry of more private and foreign insurance companies, making this a key factor to be considered.

The conditionality for aid which stipulates the progressive cost recovery from consumers in the government (public) health sector and drastic cut back in health care allocation are all poised to the gradual dismantling of the government health care delivery through direct and indirect privatization, where the consumers will increasingly have to bear the health care cost. With decreasing purchasing power of a sizeable section who avail this service, they are more likely to be increasingly excluded from institutional health care. However, there is the crucial notion of health as a "right". A national commitment has developed that embraces the notion that the access to basic, essential health services should be guaranteed to everyone, irrespective to income or ability to pay.

Despite the above scenario, emerging medical or health economics is tragically still not given importance in education that most physicians, who invariably decide the cost of health care, have limited knowledge of the cost associated with hospital treatment. It is well recognized that cost containment is crucial to the growth and development of the health sector. The prime strategy that has increasingly come to be adopted is a market oriented and dependent strategy which is a combination of a number of factors viz. increasing consumer choices through consumer education and development of alternative health delivery systems, increasing consumer cost sharing, changing the tax treatment of insurance and medical care and ➔

Author : Principal, Sri Ramakrishna College of Nursing, Coimbatore [at the time of writing this article]

controlling the terms of employment – based insurance. The logic is that competition is the greatest leveller that very soon the market dynamics will force the health care industry to offer different packages of services according to the economic status and choice of the customer. Here, it assumes that there will be a large number of competitors in the market and not a monopolistic tendency. Sceptics believe that such an ideal market condition is a myth.

The second major approach to containment of health costs involves direct government regulation of health care market. The increasing subsidisation of medical or health care compels accountability for the expenditure of increasing amount of public money. Regulation seems to address itself directly to the problem. If prices are too high, rates can be regulated; if services are not available in an area for some people, the responsibility can be given to an institution or organization to see that they are made available; if the quality of service is low, standards can be set. Goals and requirements can be written into law or into regulations designed to solve the problem. There are, of course, costs and hazards associated with direct regulation. So policy makers have often chosen not to regulate opting for self – regulation, market as a mechanism for regulation and incentive – based competition. However, in reality, countries in the west and in the developing countries have adopted a third approach of a judicious combination of the first and second approach.

Nursing's Responsibility in Cost Containment

Nurses are responsible for the major portion of the work force in the health care field. Although Nurses and the work forces supervise a major component of the health care work force, the decision making about the role of nursing in health care delivery is in the hands of others such as the

physicians and hospital administrators. As a result of this external control of nursing by others and the internal divisions within nursing, energies become tied of debates related to the profession, rather than to a more constructive approach to addressing the key role of nursing in the provision of affordable health care.

Hospitals have become the centre of high technology and expensive treatments. An overwhelmingly large percent of Nurses are employed by hospitals. Within this context, Nurses get caught in the technology of health care, remaining in many instances mere technicians or adjuncts to this technocentric health service, rather than nursing itself. With high employment opportunities, Nursing is becoming a mere 'job oriented' profession and within a somewhat protected environment, the implications of high – technology costly care for the few are not overtly troublesome. Responsibility for decision making in the economic, political and ethical realm is not assumed to be part of the practicing Nurses' role. The fact that the privileged few receive high technology quality care while the poor, unemployed and elderly receive little or no medical or health care is not the concern of the practising Nurse within the hospital setting. Nurses are caught up in the competition between institution's control over health care rather than collaborative working in developing comprehensive co-ordinated health services.

Given this fragmented picture of nursing today, it may be argued that nursing is part of the problem contributing to escalating health care costs. Continued conflicts within the profession and control of nursing lead to inappropriate and under – utilisation of nursing resources throughout the health care system. Given the number of Nurses employed in the health care, the number of persons who are supervised by Nurses, the capacity of Nurses to provide health in contrast to disease care,

the placement of Nurses in hospitals and community settings, and the type of care needed to prevent expensive institutional care, nursing has the potential for becoming part of the solution. For this to happen, however a number of changes need to occur.

First, there is a critical need to settle our internal divisions. Instead of continuing the unending debate over the value of various categories of certification i.e, the different levels of qualifications in nursing, the diversified needs of health care delivery need to provide the context for defining the multifaceted team of Nursing personnel that are needed to provide a high – quality health care. The current preoccupation with professionalism is a fruitless quest without considering the total gamut of services for which nursing is responsible. To divide one segment of the profession as "professional" and not to be concerned about the "whole" is fatal. Nursing does have the potential to settle these internal divisions. The nursing "professionals" and organizations should meet regularly to reach common agreement on the educational preparation needed for the levels. If these key internal issues can be worked out, nursing can address broader health delivery issues from a unified position.

The mechanism for continued dialogue between hospital associations and medical associations need to be established. This is also consistent with the changes that are occurring in the nursing field. Increased career orientation, engagement in educational programmes to provide career mobility, increasing involvement in broader health care issues, aligning themselves with the consumer of health care services, in continuing care extending outside the boundaries of hospitals, are all becoming role of Nurses. Public policy issues in health care, as the high health care expenditure, is an issue of challenge to the Nurses, nursing organisations and to nursing profession itself in the years to come!