**Competition in Health Care**

In this week’s discussion attention is drawn to the effect that competition brings to the entire medical landscape regarding its functionality and the welfare of the patients. In the recent times, competition has heightened in the medical sector marking the continuing transformation of the U.S. healthcare industry. Overall, competition occurs among hospitals, health plans, physician groups, and drug companies, and between physicians and hospitals, and hospitals and health plans. Other aspects that are increasingly affected by competition within a hospital set up include pricing, convenience, quality of care and or services and products as well as services. The primary target to increase competition remains the price of products and services. With the fusion of cutting-edge technology and resources, hospitals as well as other service firms such as the drug companies, have cut out production methods that effectively cut the cost of production. As such, their prices tend to be lower due to reduced productions costs. Therefore, this offsets the competition in lower prices while maintaining top-notch products. Other spheres of competition include convenience and quality of products offered. With the contemporary technology, hospitals, physicians and other healthcare stakeholders such as the insurance can tailor their services in a manner that they are readily available through the internet which increases reach and convenience.

According to research, healthy competition is always essential in creating a healthy field for everyone to improve their skills. It increases relentless enhancements in both quality and cost of the final products offered in the market. It creates new and improved ways of doing things whereby only the strong survive and meet these specifications while the weak firms get absorbed into others forming formidable groups of operation while others get completely wiped out of the picture. Such is the reality of competition in the healthcare sector. Increase in competition has welded new methods and medications for incurable disorders (Jung & Polsky, 2013). At the same juncture, it has created new avenues of doing business such as the Obama Care which seeks to offer cover for the less fortunate Americans. Due to such competition, rival insurance companies have had to restructure and provide less expensive covers to remain relevant while those that failed to conform to the reality of cheaper covers are continuously facing the challenge of increasing their market share let alone maintaining their usual customers. In the case that competition was eliminated, changes would require acts of government policies like a mandatory cover, the introduction of cheaper covers, e.g. the Obama Care among others which compel the industry to change its ways of operation.

Competition in the market is not always healthy when the competition is unfair. Nonetheless, a healthy competition creates a rewarding situation for the buyers and sellers alike. Successful competition often results in the creation of better production ways that consider cutting production cost and at the same time benefit the buyers in the manner that it offers quality products. At the same time, healthy competition creates a field for diversification of products and services. For instance, the Obama Care increased competition in the health insurance. As such, the industry has seen a diversification of the companies and the services provided which provides the citizens with a wide variety to choose. Successful competition creates mergers whereby the merging firms aim to improve production, quality and offer better prices. Such has been the nature of the drug companies whereby big companies have joined hands to advance research and provide better products at better prices which benefits the clients. With high competitive intelligence (CI) producers have a higher understanding of the market including prices, cost of production, size of the market, government policies among others (Chatfield, 2015). As such, these companies gain the upper hand in production as they maximize on efficient production methods such that the end products are in line with market price demands and with the given laws governing such products.

The influence competition has on the services offered by healthcare organizations cannot be understated. Competition profoundly influences services provided in many ways including the quality and more so the prices. Increase in competition means an increase in sophistication of the production methods involved. As such, to match the demand, production companies have to advance their production methods which inevitably increase the quality of the final services to the buyers. With quality services, comes increased prices which enable these companies to stay in business and enjoying profits. At the same time, increase in competition means that firms require offering very competitive prices as the low prices increase the demand. Firms, however, need to meet the production cost which pushes businesses to create more efficient production methods that satisfy the demand of the market while maintaining a healthy profit margin. With such a level attained, there is increased variety in the market for the customers to choose. Further, the customers get to enjoy top notch services at very competitive prices as the competition inherently improves the quality of the final services.

**References**

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