

NHI White Paper: Day 22

This is the twenty second in a series of daily analysis pieces of the NHI White Paper that will be sent to SAPPF- and HealthMan Members. Different aspects of the NHI will be analysed on a daily basis, which will help to assist providers in understanding how the NHI initiative will impact the private provider and their practice, as well as the impact on their own access to healthcare. Some broader economic impacts will also be included on occasion.



Extract from the White Paper

Pooling of financial resources will strengthen the NHI Fund's purchasing power resulting in the reduction of costs of delivering personal healthcare services and expansion of the scope of personal healthcare services offered to the entire population.

Critical Analysis

Pooling funds reduces underwriting costs. It does not reduce the costs of personal healthcare service provision. Providers selling time and offering them patient bulk in lieu of reduced prices, will not bring down costs. Providers selling time and even if offered 100 patients, might only be able to service 40 in any given day.

So there is little room for economies of scale and applying discounts will not make any sense, as bulk discounted rates might not cover costs of delivering the services.

This will lead to efforts of seeing more patients in a day, affecting quality outcomes, as is the case in the Taiwanese system.

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