

Health Policy Forum

The Public-Private Balance in Healthcare: Political and Economic Tipping Points

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The United States Constitution's separation of authorities between our national and state governments, coupled with an historically significant role for the private versus the public sector, produces a tale of too many moving parts. Health is a state responsibility and federal involvement is, with some exceptions, a consequence of programs that rely on federal funding. The complexity of this relationship was presented by Alan Lyles, ScD, MPH, a Visiting Professor in the Jefferson School of Population Health and the Henry A. Rosenberg Professor of Public, Private and Nonprofit Partnerships at the University of Baltimore.

Dr. Lyles described the pastiche of market-based health insurance, accrediting authorities and care provision that precludes a unified – or even coherent – national health policy. Instead, maintaining a balance is more like pushing string – it is achieved through contractual, financing and regulatory procedures rather than direct authority. This arrangement can lead to innovation in health care services, but it can also pose competing pressures on participants. The marketplace has a short-term horizon and is accountable to shareholders for specific financial results. By contrast, government policies reflect a longer horizon and are based on equity and efficiency goals. The accidents of political and

economic history rather than planned rational design produced the unwieldy health care system that currently exists. Its costs, inefficiencies, even pathologies, have led to an emphasis on evidence-based decisions. Where the politics of health care reform seem to have a 1,000 points of 'no,' the cost of not changing appears unsustainable. This describes the perennial condition confronting health care reformers. In summary, the collapse of our economy, the disappearance of employment-based insurance and the urgency of American industry's regaining global competitiveness are tipping points that may propel significant change in the tottering balance between public and private sector roles. ■