Healthcare Categorisation as an Economic Good in Competitiveness Studies

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Introduction. Factors determining tradability and external competitiveness rely on properties of particular economic good class. The introduction of e-health, variable funding mechanisms allow for more stratified approach to healthcare mapping into economic good categories.

Methods. Comparative economic analysis. Historical method. Institutional analysis.

Results. Classical approach by L. Jordanova emphasises the unique aspect of healthcare: the provider is also the main evaluator of the quality, this way separating it from common classes of economic goods. Healthcare possesses traits of experience and credibility good. Baseline healthcare can be viewed as a survival good, whereas elective services as a search good. World Health Organisation moves towards the interpretation of healthcare services as a global public good. The public good content evolves from purely baseline coverage, like infectious diseases control and obstetrics services, to cover more risks posed by "societal challenges" to general "workability". Low tradability of public goods makes competitiveness assessment for healthcare export difficult; therefore, the focus is on systems with complementary or substitutive private healthcare provision. Full costing models facilitate coexistence of tradable and non-tradable goods in systems with mixed healthcare provision; however, non-transparent subsidies are common in healthcare.

The definition of economic units for healthcare services itself is a subject to alternate approaches: time (or resource)-equivalent – visits, money equivalent – episodes by diagnostic groups. Composition of money equivalents and resource equivalents in reimbursement schemes depends on the risk distribution, leverage ownership and collective bargaining options.

In Latvia full cost models in public healthcare were implemented during the 2000-ies, but as a consequence of crisis their use became limited; consequently tradability focuses on private healthcare provision. Employer-paid health insurance is common in Latvia, however, the "repairment" nature of insurance reimbursement limits the development of health-enhancing technologies.

Remarkably, large healthcare export sectors have been developed in countries combining a low level of a public good with efficient private provision system. Examples are healthcare service industries in South Korea and Singapore. However, dependence on low income tax regimes limits broader adoption.

Conclusions. External competitiveness analysis is pertinent to healthcare (goods and services) characterised by following traits: ex-ante evaluation of the quality, real cost calculation, private good. Depending on parameters of the local health system, marketing strategies can be developed based on individual weighting of strengths and weaknesses of the particular economic good.

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