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Income as A Factor Influencing Health Care Demand

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Income as A Factor Influencing Health Care Demand

There are different factors that impact the demand of health care services with income being one of the major factors. Income is the amount earned through work or investment. Income is critical in determining whether there will be an increase in the number of health care facilities in a certain area or a limited amount. Income is directly proportional to healthcare demand, therefore, the higher the income a person gets the more they will want to go for routine checkups for their well-being (Babalola, 2020). As a result, high income countries tend to offer cheaper health care services as compared to low-income countries. To create reliable and affordable health care services in such countries, the governments allocates scarce fiscal resources according to their understanding of the way investments in this sector will affect demand.

Income greatly matters in changing the value of services rendered in a health facility as well as the level of demand. In order to accommodate a large number of consumers it is necessary for the facility to accommodate both high-income earners and low-income earners. It is also necessary that there is quality assurance when it comes to healthcare services. Customer satisfaction is a key goal when a facility wants to retain its customers or even add more (Tangcharoensathien et al., 2018). Thus, satisfying high-income earners who tend to use more of their income to be healthy counts. The emergence of insurance that support different levels of income especially in developed countries make health care services cheap, thus, increasing the demand.

Being a low-income earner has its challenges especially when it comes to transportation to the health care facility. It is easier for high-income earners because they have the means of finding their way to the facility and to them it is affordable. Most low-income earners an extra

cost of transportation will be more expensive to them. In turn, this will have the effect of making the low-income earner shy away from seeking health care services (Guay & Blatz, 2019).

Again, income tends to determine whether a person will seek health care service or not. So, if an individual is earning a considerable amount, they will tend to seek health care services as opposed to someone who has a low income. As a result, their frequency to a health practitioner will vary by far. To those of low-income, routine checkups are not necessary at all, the only time one needs to see a doctor is when they are critically ill. Notably, this is brought about by lack of funds to facilitate their routine checkups.

Another point to take note is the necessity of insurance. With insurance covers, the demand of health care services will rise compared to paying for medical expenses from individuals' own pocket. Insurance provides a reliable way of facilitating health care for individuals (Ellis et al., 2017). However, this will only apply when reliable insurers are the ones providing the cover. Insurance is deemed to be cheaper than paying from the pocket, thus, developed countries tend to ensure almost every citizen has an insurance cover as opposed to paying directly from the pocket.

Rationing of prices is a key take away from the points raised above. Mostly in publicly funded organizations it takes the form of a copayment. The whole idea is to make the patient cost conscious. This is achievable through letting them pay a certain amount of the expenses. As a result, the patient will demand less health care, thus, containing moral hazard (Dubey, 2020). If this is done effectively, the quality of health care services will increase as the demand decreases.

As a manager, it is important to maximize output while minimizing inputs. This applies to most fields including the medical field, therefore, expense evaluation is crucial. One starts by

scrutinizing all practice expenses, classify them and do a comparison to national averages that are accessible. Each category should be assessed and determine whether the expense is low or high as compared to the national average. Once this is done, it is easy to apply the above information according to what works best for the individual. Another way of improving on health care services include streamlining operations.

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