Competition In Health Care Markets

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Competition In Health Care Markets

The arguments advanced by Bruce Vladeck and William Sage in their contributions to the June 2014 issue of Health Affairs are hardly new. As an expert witness in numerous health care antitrust cases, I have repeatedly heard similar arguments against the notion that sustaining competition among providers will benefit health care consumers.

Some of the nation’s leading economists have offered these arguments in their expert reports, which have been met with rebuttal reports by other top economists. These reports contain highly detailed analyses of theory and empirical evidence, often requiring well over a thousand hours of staff time to prepare. Judges may take months to evaluate the merits of each case, often reading thousands of pages of supporting materials.

In other words, these arguments have been vetted in the most thorough process imaginable. In the past decade, courts have consistently concluded that health care markets benefit from competition and that government cases against merging entities have merit. I can think of no more stringent refutation of the claim that competition will not benefit consumers.

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