

## Chapter 4

# Marketing of the Healthcare System in the Light of Sources of Its Financing and Tools for Building a Competitive Advantage

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### **ABSTRACT**

*The main purpose of the chapter is to review medical systems and their financing, and to popularize these systems through various marketing tools. Within the different approaches to healthcare financing, particular attention has been given to the method of individual medical accounts. According to the authors, this method is conducive to the development of various other methods of treatment due to the availability of funds from one's own therapeutic account and the patient's personal choice of the center and treatment method. In this way, it allows the strengthening of a specific supply of medical services, including alternative treatment methods from the point of view of classical medicine.*

These physicians dealt not only with healing but also with education and broadly understood prophylaxis for the subjects, the feudal family and the army. Next, the institution of physicians developed in royal and private towns, which marked the beginning of public health care. (Public health). The financing of such health care was either the responsibility of the rulers or the private payment of medical services. Healthcare funding has always been balanced between a private and a public fee. For example, in the eighteenth-century Polish-Lithuanian Commonwealth (now Poland, Lithuania, Belarus and Ukraine),

DOI: 10.4018/979-8-3693-0679-6.ch004

the Hospital Constitution was adopted in 1775 by the Warsaw Extraordinary Sejm, in which provincial physicians were appointed whose task was to supervise all medics in the state, and then in The Polish-Lithuanian Police Commission assumed the creation of the institution of district and district doctors. (Public health) These doctors were to provide free medical services to the poor and paid to the wealthy. This meant partially cross-financing the treatment of the poor by the wealthy and by public institutions. Balancing between the commercial and public model of providing medical services continues to this day. Between these two separate approaches, the possibilities of financing health care through voluntary or compulsory health insurance entered.

The basic research method is a literature review on the financing of health care systems in the world, especially in those countries where individual medical account solutions are used. The Polish proposal of individual medical accounts proposed by the former Minister of Health, Dr. Zygmunt Hortmanowicz, with whom one of the authors interviewed during his lifetime, is also described.

## **LITERATURE REVIEW**

### **Health Care Financing Models**

In practice, financing for healthcare around the world relies on several sources. A particular source may dominate in the treatment financing structure, for example, public health care facilities financed from the state budget or from health insurance, etc. Nevertheless, several basic models of financing medical services are distinguished in the literature:

- 1) Bismarck Model (Germany) – health insurance,
- 2) Semashko Model (Soviet Model) - centrally planned system,
- 3) Beveridge (British) - the system of the national health service,
- 4) free market (American) - treating health as a free market commodity.

The literature also distinguishes four other normative models of health care corresponding to the above division:

- 1) a moral model based on the principle of the sanctity of life and health, absolutizing the rights of the patient and disregarding economic conditions, in which medical professions are missionary professions,
- 2) bureaucratic, paternalistic model, centrally managed and supervised according to established procedures,
- 3) a free-market model in which the patient is responsible for his own health, and the scope of medical services is governed solely by the principle of their supply and demand,
- 4) an insurance model in which the scope of health services is the result of agreements between three parties: the patient, the doctor and the insurer.

The Bismarck model developed at the turn of the 19th and 20th centuries. Its creation was largely a political movement aimed at improving the living conditions of workers and nipping in the bud the growing socialist movements. The system later became a role model for other countries, including France,

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