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Regulation of Hospitals

The Consequences of Public Utility

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In economics, law and political science, the operation of the market system is a growing point of frustration. Actual operation of the health care delivery system in the United States, however, with or without regulation, does not correspond to the prescription for its delivery system in the United States, however, with or without regulation. The problem of the delivery system in the United States, however, with or without regulation. The problem of the delivery system in the United States, however, with or without regulation. The problem of the delivery system in the United States, however, with or without regulation.
1. Theoretical Models of Regulation

The conventional wisdom on what regulatory authorities do and why they are established flows from the political attitudes of the turn-of-the-century progressive movement. According to the traditional view, the purpose of regulation is to protect society from abuses of market power and from other types of market failure that seem endemic to certain industries that supply key goods and services (see Wilcox). American society is seen as largely homogenous, so that a clearly defined public interest exists and can be identified. The role of the regulator is to make certain that firms supplying services of great national importance serve this public interest: that market power or consumer ignorance is not used to enrich a relatively few businessmen while sacrificing the general welfare.

Regulatory institutions are argued to be necessary because in some industries competition cannot be relied on as a means for obtaining optimal price, output and quality. This can occur for any of several reasons: due to economies of scale, the most efficient size of a firm may be very large compared to the size of the industry (the "natural monopoly" case); wide, unpredictable fluctuations in supply or demand conditions within an industry may make it too risky to be attractive to many entrepreneurs unless they can earn abnormally high returns (the "ruinous competition" case); or the complexity of the product or service may be so great that consumers cannot reasonably be expected to make competent market judgments (the "consumer protection" case).

The forms of regulation that have evolved are enormously varied. "Public utility" regulation normally refers to controlling prices, profits and the entry and exit of firms from the industry. In the traditional conceptualization, this form of regulation is paired with the "natural monopoly" case: a firm is prevented from exploiting its position in a market in which there are none or few competitors by forcing it to serve more customers at lower prices and profits than it would otherwise freely choose. But public utility regulation is by no means limited to natural monopolies: interstate trucking, air transportation and pipelines are federally regulated, and in most cities so are taxicabs. Yet all are, at least in the markets that generate most of the industries' sales, certainly no less competitive than many unregulated industries. In fact, this puzzling circumstance of extensive regulation of at least rivalrous if not competitive industries is an important source of dissatisfaction with traditional theory.

Another source of criticism of the traditional explanation is its failure to explain why entry control is a necessary component of regulation. If one purpose of regulation is to suppress prices so that monopoly profits cannot be made, then firms should not find entry into regulated markets attractive. In particular, if prices no more than just recover costs and if a firm enjoys economies of scale, the best outcome an entrant could achieve would be to sustain losses until the entrenched firm went bankrupt and then just to cover costs (and never recover the losses incurred while two firms were operating). Nevertheless, firms persistently have tried to enter virtually every regulated industry -- not just the regulated competitive industries like trucking and taxi service, but also the so-called "natural monopolies," such as long-distance telecommunications and retail electric power distribution.
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The political economic theory focuses on the success indicators available to regulators to assess their own performance. To a private enterprise, the best indicator of success is usually the firm's long-term profitability, or perhaps its sales. To a district attorney, it probably is convictions won; and to a politician, continued reelection.

To a regulatory authority, several success indicators are available. First is the extent to which its decisions are overridden by appeals to the courts. Second is the response of legislators to agency decisions: do they pass bills that change an agency's decision, and do they react favorably to proposals to increase the authority and the budget of the agency? A third success indicator is the performance of the regulated industry. A catastrophic service failure, such as the northeast power blackout of the mid-1960s, is likely to be blamed at least in part on the regulators, as is financial failure by several firms in the industry (such as has occurred in the railroad industry).

All three success indicators lead to serious biases in regulatory outcomes. Obviously, the fear of financial and service failures creates an incentive to promote the interests of the regulated firms. Healthy profits prevent financial catastrophes, and provide funds for rapid adjustments in industry operations if service should prove seriously inadequate.

More subtle is the bias inherent in the methods by which agencies collect information for reaching decisions and by which groups dissatisfied with agency decisions appeal to the courts or the legislature for a reversal. This bias arises from the costs of dealing with the regulatory system. Being represented in a regulatory proceeding is expensive. Proceedings can drag on for years when an important issue is at stake, and maintaining adequate representation can involve heavy use of expensive professionals -- lawyers, engineers, economists, etc. Then, once a decision has been reached, appeals to the courts -- requiring more experts and to congressmen -- certainly made more effective by campaign contributions -- generate even more costs. An individual or an organized group (a firm, a trade association, a union) wishing to affect regulatory outcomes must be prepared to defray these costs of dealing with regulators, fighting court cases, and lobbying politicians. If a group is not already organized (for example, the nonexistent Association of Interstate Air Travelers), the costs of entering the regulatory process are even higher, for it must become organized in order to put together effective representation. In order for any group or individual to find entering the regulatory process worthwhile, it must expect its benefits to exceed these battle costs.

In general, the larger a group, the more expensive it is for the group to become organized to represent its members in an adversary process. And, in general, an individual is more likely to join a voluntary association if his stake in the service provided by the association is high and if the interest group of which he is a member is small enough so that his participation has an important effect on the success of the association (see Olson). Thus, an adversary system is more likely to be entered by a small group with a large per capita stake in the issue at hand than by a large group with a small per capita interest.

Obviously regulated firms have a great deal at stake in regulatory proceedings, and they will choose to be effectively represented. A few customer groups who use a service extensively may also be organized and enter the process, such as a local government whose jurisdiction is about to be abandoned by a railroad or a
In the process of establishing regulations, the agency must ensure that the rule-making process is transparent, fair, and open. The development of regulations should be guided by the principles of public participation, equal protection, and due process. The agency must consider all stakeholder inputs, including those from industry, the public, and experts, before finalizing a rule. The rule-making process must also ensure that the rule is necessary, the least burdensome, and the most efficient means of achieving the agency's objective. The agency must also consider the economic impact of the rule and seek to minimize any undue burden on the public. The agency must also ensure that the rule is consistent with existing laws and regulations. The agency must also ensure that the rule is clear and understandable to those who must comply with it. The agency must also ensure that the rule is adopted in a timely manner, and that it is implemented effectively. The agency must also ensure that the rule is reviewed and updated on a regular basis, to ensure that it remains effective and relevant.
II. Empirical Observations on Regulatory Outcomes

The traditional and revisionist theoretical propositions outlined above have quite different implications for the actual performance of the regulated industry. The traditional view predicts that regulation will cause prices to be lower than they would be without regulation: that to some degree regulation will eliminate some of the inefficiency due to monopolistic business practices.

The theory that regulation is a device to create a cartel has the opposite prediction. A regulated industry would be characterized by higher prices, higher profits and less output than would prevail without regulation. The political-economic theory embellishes the cartel theory, making similar predictions when only the regulated industry is represented in the regulatory process, but going on to predict that in conflict situations the regulators will go to some lengths to strike compromises among various represented groups, even though the consequences of the decision may be inefficient industry operations and higher prices to consumers.

Although the verdict is far from complete, the economics literature provides some revealing findings about the accuracy of these predictions. Economists have analyzed demand and cost conditions in several regulated industries and numerous pricing and profit decisions by regulatory agencies. Except in the case of the regulation of natural gas prices at the wellhead, no depressing effect of regulation on prices has been found. For example, retail electric and gas prices do not differ between the group of states that regulates retail power and the group that does not [see MacAvoy, "Effectiveness," and Moore]. Airline fares in the intrastate markets in California, where minimum price regulation has not been practiced, are less than half the fares charged in interstate routes of similar length and passenger density that are regulated by the Civil Aeronautics Board [see Levine]. Pipeline tariffs in regulated interstate markets are not only higher than in the unregulated intrastate markets, but apparently in some cases even somewhat higher than an unconstrained monopolist would charge [see MacAvoy and Noll].

Natural gas field prices are the main exception, being held considerably below the best estimates of the prices that would prevail in a competitive, unregulated market. But the explanation follows from the fact that the buyers of gas at the well-head -- the pipelines -- are themselves regulated. Here the relevant regulatory authority (the Federal Power Commission) is faced with the classic dilemma of arbitrating a conflict of interest between regulated groups. The response of the FPC to this dilemma was, first, to refuse to regulate the industry until forced to do so by congress and the courts, and second, to take years to make the initial decision as to how gas prices would be regulated. The resulting situation -- a reduction of prices below the cost of supplying new gas -- has not benefited consumers. To the contrary, prices set below the costs of new gas cause as troublesome inefficiencies as the artificially high prices charged by a monopoly. Below-cost prices have fostered uneconomically profligate use of the known reserves of the only fossil fuel that does not create serious environmental problems, have caused shortages that prevent new customers from gaining access to gas who would be willing to purchase it at a price high enough to justify opening new reserves, and have threatened existing customers with the
The critical evidence clearly contradicts the traditional

...
it is justified. They also question whether subsidies should be paid, pointing out that nowhere in the CAB's legislative mandate is it directed to maximize the number of cities offered service.

The historical development of cross-subsidization by the CAB illustrates the interplay between regulatory policy-making and interest groups. Initially, in response to pressure from representatives of less populous areas, Congress favored service to cities generating little traffic, and provided subsidies, both indirectly through mail contracts and directly through the CAB, to achieve that end. The airlines also favored the maintenance of unprofitable routes since regulation limited their profits to a fixed "fair" return on investment. The more routes flown, the greater the investment and allowed profit of an airline, and the better the prospects for future growth, investments and, hence, profits.

As the nation's population became more concentrated in large urban centers, Congress looked with decreasing favor on the airline subsidy, directing the CAB to work towards eliminating it. Yet many congressmen wanted service to their constituents in small cities to continue, as did the local governments and major businesses in these areas as well as the airlines. Cross-subsidization satisfied all these groups, at the expense of the passenger on major trunk routes who was unorganized and unlikely to respond to a hidden tax on air fares (from whence came the cross-subsidy) by making campaign contributions, casting ballots in congressional elections, or entering court appeals to bend policy more in his favor.

**Producer Protection**

The price structure can also be used by regulators to subsidize certain producers as well as particular groups of consumers. Regulatory agencies often set prices designed to prevent low-cost firms or industries from capturing business from high-cost competitors. Most often this occurs when alternative technologies have differing costs for each of several categories of service and the regulators decide not to let the firms employing these technologies specialize according to the service that each technology can offer with greatest efficiency.

Surface transportation is an interesting case in point [see Friedlander]. Railroads, water carriers and trucks usually face entirely different costs for providing a given service in a given market. If boats, trucks and trains were to be used to best advantage, all would charge a price related to cost for each service, and shippers would then choose among transportation modes according to their relative efficiency. Yet the Interstate Commerce Commission, in an attempt to preserve for each mode some of the market for each type of shipment, often sets prices at the same level for all modes and requires that firms as "common carriers" accept shipments at those prices. Sometimes the price is below the cost of the high-cost mode, so that firms are forced to accept shipments that do not cover costs even though another firm using a different transportation technology could earn a profit on the same shipment at the same price. Sometimes the price is high enough so that all three technologies can cover costs, including the technology with the highest cost.

This practice is defended on the grounds that the national interest demands a "balanced" transportation system, giving as many shippers as possible a choice of transportation modes. The concept of unregulated monopolization of a market by a particular firm is
adopt an interior method of providing the service. In providing piggyback service, the railroads faced a two-dimensional technical decision. The first concerned the length of the flatcar: should it be large enough to carry one or two truckloads? The second concerned the part of the truck to be carried: should the entire truck-trailer be carried (including the wheels) or just the freight container? The lowest-cost alternative for most railroads was to carry only the container and to use short flatcars that could carry only one truckload. Securing a container to a flatcar is easier than securing a wheeled trailer, and the shorter car is more stable on steeply banked roadsides, can manage the sharpest curves in tunnels without scraping the walls, is compatible with normal railyard switching equipment, and requires no excess capacity if an odd number of trucks is to be carried. But by insisting that Form A rates be used, the ICC prevented the low-cost method from being adopted, since the Form A revenue requirement for a one-truck car was far too high to induce truckers to use piggybacking. Because the price per truck on a double-truck car could, according to Form A, be half the rate on a single-truck car, the railroads were forced to adopt the former despite the fact that to do so necessitated redesigning tunnels, rebanking curves, and redesigning switchyards. And since the price on a flatcar transporting whole trailers could not differ from the price on flatcars transporting only the freight container, railroads were legally barred from giving the trucking industry a financial incentive to use trucks with removable containers, even though the cost savings from flatcars for removable containers were more than enough to make up for the extra costs of making trailer containers removable. Thus, the full cost advantage of the piggyback innovation could not be captured, and that which was captured could not be fully reflected in prices. This served partly, but not wholly, to inhibit the innovation. Rails did capture some long-distance traffic from trucks and waterways, but less than was economically warranted by the economics of the innovation. And in the process, the distribution of business and profits among transport modes was upset less than would otherwise have been the case. The main loser was the consumer, since commodity prices subsequently included unnecessarily high freight costs.

Another source of the reluctance of regulators to permit innovation arises from the uncertainty inherent in change. A new technology may be expected to produce great benefits, but usually there is a chance that it can cause a deterioration in some aspect of service. The agency faces an asymmetric penalty to making mistakes in such circumstances. Preventing a technology that would have been worthwhile may generate criticism, but at least the criticisms will be based on conjectural information on the uncertain potential of the new technology. And at least some of those who would have benefited from the technology will not be a source of criticism since they will not have realized their potential gains. On the other hand, adopting a technology that is not successful leads to the more informed, diverse criticism of hindsight. The agency will share the blame for service failure, and will be criticized by those who lost business because the new technology was adopted. Furthermore, associated with even an unsuccessful technology that is adopted will be some firms and workers whose welfare depends on its continued use. These groups represent one more voice to be reckoned with by the agency.
By reducing their messaging costs, major operators and service providers
are enjoying substantial reductions in their overall operating costs.

The CBA now include restrictions on service competition, which
pose significant challenges for providers and operators to
adapt. These restrictions, in turn, affect the quality and speed of service.

Second, the policies of regulation have led to more frequent
changes to regulations, which force firms to
be more competitive in order to maintain
customers. In the absence of adequate
regulation, service providers would not be
willing to pay for a lower price or allow
higher prices, as these changes will
lead to increased costs and reduced
profitability. The result is a decrease in
competition, as firms are reluctant to
champion the interests of their customers.

Finally, attempts to regulate competition have had a
negative impact on the overall quality of service. The
several regulatory bodies and laws that have been
enacted have led to some inconsistencies in
their enforcement, which has had a
detrimental effect on the overall
environment of competition.

Regulation-Induced Instability

The presence of regulation, by imposing the incentives faced
by firms, also damages the efficiency of their operations. Firms
are required to spend more resources on compliance with
regulatory requirements, which reduces their
ability to focus on improving the quality of their services.

Conclusion

In conclusion, the European telecommunications sector
has been affected by a number of factors that have
worked against the growth and development of
competition. The competition policies that have been
put in place have led to a decrease in
competition, which has had a
detrimental effect on the overall
environment of competition.

The decrease in competition has led to some
consequences, which will need to be addressed in order to
ensure that the sector continues to develop and grow.

References

1. European Telecommunications

2. Competition Policy

3. Telecommunications Regulation
that initially are given away, and even by defining the maximum square inches of a tourist-class seat. And, as each new avenue of competition is closed off, creative businessmen discover another, the "piano bar" being the latest. This unending sequence of innovative competition and regulatory response is the counterpart in regulation of Brer Rabbit's uncommunicative, sticky stranger.

The Costs of Regulation

The preceding discussion reveals what regulation does and does not do: generally regulators do not prevent monopoly prices. In fact to some extent they encourage monopoly prices as a kind of sales tax to finance "good works" by regulated firms in the form of subsidies to uneconomic services, firms and technologies. (We can all give thanks that the ICC was not established in the 1860s, or else we probably would still receive some of our mail by Pony Express.)

The discussion as yet contains no indication of the magnitude of the inefficiencies attendant to regulation. Some work has been done in this area, although the results are by no means complete.

First, the costs of operating the major federal public utility regulatory agencies -- the SEC, the ICC, the CAB and the FPC -- probably approach $1 billion annually. The agencies have budgets of about $25 million each, and the firms that are regulated probably spend several times as much in dealing with the agencies, the courts and the Congress on regulatory matters. Much of this expenditure is for pro forma, unproductive activities [see MacAvoy, "Formal Work-Product"].

Second, several estimates indicate that the costs of regulation in terms of the losses in efficiency of regulated firms is even higher than the direct cost of running the institution. For example, ICC regulation of surface freight transportation has been estimated to cost $5 billion annually, due to the shift from lower-cost to higher-cost modes caused by inconsistent cost-price relationships among the modes [see Moore's paper in Phillips]. The costs of an irrational pricing structure in air transportation probably are of a similar magnitude [see Keeler].

Thus, the unnecessary costs created by regulators are not minor; indeed they may account for twenty-five to fifty percent of the revenues of regulated firms. * It is at least open to debate whether

* See Green for a more complete survey of the literature examining the costs of regulation.

the American public, if given the opportunity, would cast a favorable vote on the proposition that the stability and uneconomic services resulting from regulation are worth this cost.

The inefficiencies attendant to regulation provide an explanation for why regulators are compelled to control entry -- an explanation that, as remarked before, eludes traditional theory. If prices in some regulated markets produce profits above those that are necessary to keep a firm in business in the long run so that cross-subsidies can be paid, inefficient firms can be preserved, regulation-induced costs can be covered or inferior technologies continued in use, then regulators must control entry. High profits, or the potential for profit with more efficient operation, will attract new firms. Their uncontrolled entry would lead to a loss of business by the firms internally subsidizing losing markets, or for some other reason favored by the regulators. To protect inefficient operations and cross-subsidies, further division of the market through entry must be prevented.
Stratification-cost-reimbursement system by which third-party and cost-containment guidelines and 'rules of thumb' are set. The determinants of the hospital's financial situation are in the hospital industry. The medical economics literature points out that the stability of the hospital industry is in realty, not of the hospital, but rather of the third-party payment system.

Innovations in hospital administration and regulation are not seen as a monopsonistic trend in order to influence outcomes, but rather as a trend towards increased efficiency and effectiveness.

[See Somero]
price discrimination [see Pashigian and Peltzman]. Nevertheless, these differences among profit and nonprofit enterprise in other regulated industries are small.

Second, most of the inefficiencies due to regulation arise from the policies of the regulators, not of the regulated firm. Cross-subsidization, producer protection, and overly cautious attitudes about innovation all are aided and abetted, if not initially conceived, by the regulators.

Third, the profit-nonprofit distinction probably has far less impact on most operating decisions than operators of nonprofit institutions suppose. The profit-orientation assumed to characterize private enterprise is a shorthand generalization of something far more complicated. A firm, like any other organization, only has goals to the extent that the people who control it have goals. The profit orientation of a firm reflects the profit orientation of equity holders, which is to say that those in control of an institution adopt policies in their own interest. A nonprofit institution is also run by individuals interested in their own welfare.

Since the types of people who control nonprofit institutions may differ from those who run profit-making enterprises, nonprofit institutions do behave differently in some circumstances than profit-oriented ones. But this behavior is not crucial as far as predicting

* K. Davis investigates the implications for hospitals of alternative behavioral assumption.

the consequences of regulation is concerned. Some studies have examined the proposition that hospitals are organized to some degree to benefit doctors [see Pauley and Redisch, and Perrow]. If hospitals are a "doctors' cooperative," their nonprofit orientation is a legal reality but practical fiction, and hospital regulation will be essentially regulation of a profit-oriented group of doctors.

Other studies have postulated different motives for those who operate nonprofit institutions. For the most part, these differences are over how the returns from profitable activities are to be spent. A profit-seeking organization will use these returns to pay equity holders or to reinvest in other profitable activities. A nonprofit organization will usually spend these returns on unprofitable activities: on unnecessary expenditures (such as on capital investments that are monuments to the officers), on providing unremunerative services (the counterpart to cross-subsidization in a regulated firm), on improving product quality beyond the level that its customers are willing to pay for, or simply on rising costs resulting from paying too little managerial attention to cost-efficiency [see Lee, Feldstein and Newhouse]. What is unlikely to differ significantly between profit and nonprofit enterprises is the price of a profitable service. In fact, the nonprofit enterprise, to the extent it operates in an unregulated and uncompetitive market, has a tendency to engage in the same inefficient practices that regulation creates for the profit-making institution.

The desire for stronger regulation on the part of hospitals is certainly consonant with the manner in which nonprofit institutions tend to exhaust their profits. Both nonprofit and for-profit institutions seek to protect themselves from competition, but for different reasons. To the for-profit institution, insulation from competition increases the profitability and reduces the financial risk of investment in the industry. To the nonprofit institution, the additional revenue-earning potential of insulation from competition expands the financial resources
The general problem of rising costs, expressed quite appropriately in the phrase "cost explosion," points to a basic flaw in our hospital industry that needs to be corrected. Rising costs are not only threatening the health of our economy but also the health care system itself. The problem lies in the fact that hospitals are not only businesses but also institutions that are closely tied to the community. The cost explosion is a result of this dual nature.

To understand the problem, it is important to consider the role of hospitals in society. Hospitals serve a dual function: they provide medical care and are a part of the community. The dual nature of hospitals makes it difficult to control costs. Hospitals have a tendency to overcharge for their services, and patients often pay more than they should. This is because hospitals have a monopoly of access to medical services, and patients have no choice but to pay.

The problem of cost explosion is not new, and there have been attempts to control costs in the past. However, these attempts have been largely unsuccessful. The reason for this is that hospitals have a lot of power in the marketplace. They are able to charge what they want, and patients have no choice but to pay. This power gives hospitals a monopoly of access to medical services, and patients have no choice but to pay.

The solution to the problem of cost explosion is not easy, but it is clear that hospitals need to be controlled. One way to do this is to regulate the hospital industry. This is not a new idea, and there have been attempts at regulation in the past. However, these attempts have been largely unsuccessful. The reason for this is that hospitals have a lot of power in the marketplace. They are able to charge what they want, and patients have no choice but to pay. This power gives hospitals a monopoly of access to medical services, and patients have no choice but to pay.

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Fair Representation

Another pro-regulation argument is that those who purchase hospital services are well-organized to provide a countervailing force to hospitals before an administrative agency. Certainly this argument is not without substance. Organisations such as Blue Cross, private insurers, the Social Security Administration, and other major payors are organized to plead their cases before a regulator. Their presence, according to the theoretical arguments advanced above, should make regulatory outcomes more of a compromise than if regulators only talked to representatives of hospitals. Unfortunately, this does not mean that regulation will produce a better outcome than even the present system.

The position of those not represented by a third party payor will probably be weakened under regulation. Today such patients face a multiplicity of hospitals with some degree of independence in making decisions on prices and service quality. Although hospital "shopping" is admittedly difficult, it nevertheless is possible for some consumers. With regulation, decisions on prices will be centralized, to be decided in an adversary process in which these patients are unlikely to be represented. Whatever the value of the minimal shopping and bargaining among hospitals that now takes place, it will be lost under regulation.

Probably more important is the change that regulation will make in the bargaining relation between major third-party payors and hospitals. Here the importance of independent decision-making among hospitals is significant, for third-party payors can deal with hospitals individually and provide some incentives for cost reduction if they so choose. Regulation allows hospitals to bargain as one before the regulatory authority, thereby avoiding the possibility that a more efficient hospital will strike a special bargain that undercut the position of other hospitals. In fact, one reason advanced by hospitals for the necessity of regulation is the ability of Blue Cross and the Social Security Administration to obtain "preferential" prices [see Cohen]. The hospitals expect that a regulatory system that allows them to bargain as a unit will produce a better result for hospitals than does a decentralized system. Further, they see a possibility for what appears to them to be a desirable cross-subsidy: charging equal prices to insured and uninsured patients even though the latter are more likely to default on payments and, therefore, are more costly to serve.

Finally, the interests of insured patients and insurers do not necessarily coincide, which makes third-party payors imperfect representatives of the interests of even insured consumers. Health insurance does not pay the same proportion of all hospital costs, so that insurers will benefit from cross-subsidisation of highly insured treatments by less-insured ones. Furthermore, as long as profit-oriented insurance companies can forecast accurately, they are not necessarily affected adversely by price increases. The demand for hospital insurance depends upon the financial risk of facing hospitalization without coverage. Rising hospital prices cause insurance rates to rise, but they also increase the risk of self-insurance. Depending upon the consumer's degree of risk aversion, and the sensitivity of his demand for hospital services to prices, rising hospital fees could lead to an increased demand for insurance, thereby benefiting insurers. And in states that regulate insurance by requiring that underwriting profits have some fixed relation to premiums and reimbursements, rising hospital costs can be the only mechanism, short of epidemic, for increasing insurance company profits.
passing judgment on the seller's description about the product. The consumer represented the consumer by reporting his or her role to the seller. He or she stated that the consumer's quality standards are not to be made without the consumer's permission. A necessary component of the decision-making process is to examine the data and make a decision. A decision-making process is one in which the consumer is present. The consumer is present when the consumer is a part of the decision-making process. A decision-making process is one in which the consumer is present. The consumer is present when the consumer is a part of the decision-making process.

The procedure mentioned suggests that a central role of accountability and public utility regulation is to "fit the purpose." Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision.

The problems facing the hospital industry are the result of institutional standards. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision. Accountability and public utility regulation are necessary for a just decision.
difficult to conceive of an institutional framework more removed from this latter model than one in which the present system is amended by grafting on public utility regulation.

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