

Short Communication : Managerial Economics – Family Medicine Care



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Supply and demand are amongst the essential requirements before starting up a business. Understanding the quantity of a commodity wished to be sold by producers based on different prices and the item needed by consumers wish purchasing is essential in coming up with ideas. Based on the understanding of this and background research on costs in healthcare, specifically family medicine, it is found that healthcare is amongst the essential requirements, and thus the critical focus of the business idea in a physician's practice focusing on family medicine care in the US. Starting up the business is based on healthcare demands in the market and further the pricing strategy utilized by most family medicine clinics.

Through a connection to the business based on visits in hospitals and the quality offered by these service providers, it is noted that the demand is high and is the most expensive sector in the world, but care is ineffective (The Peterson Center on Healthcare, n.d.) thus leading to searching for effective alternatives by consumers. This creates a potential for offering the most effective services to cater to the demands, and as noted by the Peterson Center on Healthcare (n.d.), the US healthcare system is the most expensive, and costs are projected to grow dramatically in the coming years thus creating the most significant business opportunity to entrepreneurs. By adjusting the resources and trying to cater to the demand in various locations, the key idea is to cater to the need and profit from the sector. The concern of gaining information in the market is research on different healthcare websites and the prices offered and the quality of their services. This will aid in adjusting the prices effectively and thus retaining the demand and supply chain.

By observing most healthcare facilities providing only inpatient services and minimum numbers providing family care services, the link created an interest in the business. Most patients are old and diagnosed with diseases needing frequent hospital visits, and thus most prefer home-based care (Landers et al., 2016), which reduces the number of hospital visits. The business idea mostly focuses on catering to patients' needs and thus improving healthcare demand for quality services.

By providing a range of services, most healthcare facilities offer different services and further different qualities of care based on the services. The table below shows a range of hospitals in the US offering family medicine care and home-based care with the long term and short-term charges of the services. It also depicts the quality that each institution offers, thus enabling a consistent comparison for the services concerning the prices offered.

Name Of The Institution	Services Offered	Long Term Charges	Short term Charges	Quality of the service
Peterson Center	Home-based care and clinical services	\$ 200 000	\$35,00	Very high
Meditech Expertise	Home-based care	\$150,000	\$28,000	high
Contactless Medical Check	Family medicine care	\$175000	\$50,000	Very high
Specialist Of Family Medicine	Clinical care and home-based care	\$180,000	\$30,000	Very high
Practice Option For Family	Family medicine care	\$210,000	\$45,00	Very high
White Plain Hospital	Family medicine care	\$225,000	\$55000	Very high
Family Medicines	Family medicine care	\$165, 000	\$45,000	High
Family Best	Family medicine care	\$130,000	\$44,000	High
Family Health Tech	Family medicine care	\$234,000	\$91,000	Very high
Tarr Family Center	Family medicine care	\$220,000	\$90,000	Very high

There is an extensive range of prices for these family-based healthcare providers. These service providers offer between high and very high prices for the services based on short- and long-term charges. Most of the costs are related to the quality of care they provide and the number of years in the market; thus, the prices are linked to services' expertise, which is affiliated with quality. According to Mosadeghrad (2014), the quality of medical services greatly depends on physicians' and patients' personal factors and factors related to the health setting and the broad environment. As value-based healthcare is consistently under transformation, most organizations are still undertaking individual practice areas (Porter and Lee, 2013), and thus this is affiliated to the high prices that some family medicine service providers are offering. By focusing on different healthcare needs, including eye care, specific disease treatment, and provision of general healthcare demands, the services range broadly relating to these factors. Porter and Lee (2013) clarify that for the improvement of value in Medicare, physicians, and provider organizations can put in place a set of interdependent steps in improving value, which is determined by how medicine is practiced. Another crucial consideration of most family medicine care providers' pricing strategy is the location the facility bases its operations. Rural based service providers offer higher prices compared to those in urban regions, and this is because of the availability of services provided. Thus, it is noted that through the focus on quality, the focus of services offered, and the location of the services, the prices vary, each factor being considered effectively by the organization offering family medicine care.

Based on the business idea and the pricing strategy that most family medicine care provider organizations offer; the idea is related to inelastic demand. By considering the quantity and the pricing of the services, the demand does not considerably change in response to fluctuation in prices. Healthcare is amongst the basic requirements of a human for survival. Thus, when costs are increased, this will not affect the demand as people will consistently need medical care services in evading diseases and further reducing the mortality rate.

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