

LETTERS

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How Some Countries Control Spending: The Authors Reply

We thank Pricivel Carrera for his response to our article (Nov 2020). Our investigation of how countries set physician fees was not intended as a comprehensive review of health care spending in these countries (France, Germany, and Japan). We recognize that the delivery of hospital care, for example, is not exclusively based on fee-for-service reimbursement. Nevertheless, our larger point about regular negotiations between health insurance funds and providers in the context of budget targets set by government applies to hospital and pharmaceutical spending as well as to physician fees. We agree that competition among health insurers in these countries is not based on price.

A key point of our article is that fee-for-service systems in countries with national health insurance usually involve centrally negotiated, standardized fee schedules. We also concur that it is crucial for each country to strengthen its existing institutions, but we believe that in doing so, the US could benefit if it were to adapt some of the lessons from other countries to its existing institutions.

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