

THE CONSEQUENCE OF ASYMMETRIC INFORMATION AND AGENCY RELATION OCCURRENCES IN HEALTH CARE FOR PUBLIC FINANCE

Summary

The starting point of this paper is the assumption according to which the present state of public sector and in this way the scope of public finance are a result and a symptom of civilization progress simultaneous. This assumption applies to health care in particular way. The human values and external effects speak for comprising health care by public sector and public finance.

Explosion of total health care expenses and economics efficiency requirements increase to market mechanism development in health care. Barriers for extending market mechanism in health care are: requirements of civilization development, the danger of health care transformation into catastrophic costly private goods and occurrence of asymmetric information and agency relation in health care.

The purpose of this paper is consideration of consequences of asymmetric information and agency relation in health care for public finance. As a result of this consideration it was found out that because of individual character of health care, asymmetric information and agency relation occurrences and also other economics features of health care, the innovatory approach to health care financing, which allows to reconcile economics efficiency with fairness in using health care, is highly needed.

The economic- finance mechanisms of health care which are developed in those days in different countries of world mean the need of simultaneous usage instruments, which are proper for public finance, insurance, corporate finance and financial market.