

## Implementing and Managing a Compulsory Health Insurance System

Gerald Wang\*

Department of Pharmacy, University of Assiut, El Fateh, Assiut Governorate, Egypt

### ABOUT THE STUDY

Compulsory Health Insurance (CHI), also known as mandatory or universal health insurance, is a policy approach that requires all eligible individuals to obtain and maintain health insurance coverage. One of the primary benefits of compulsory health insurance is that it aims to provide healthcare coverage to all citizens, ensuring that everyone has access to necessary medical services. This can help reduce disparities in healthcare access and improve overall public health.

Compulsory health insurance spreads the financial risk across a broader population. Healthy individuals, as well as those with pre-existing conditions, are included in the insurance pool. This can lead to more stable and affordable premiums for everyone. One of the primary advantages of compulsory health insurance is that it aims to achieve universal healthcare coverage. This means that everyone in the population has access to healthcare services, regardless of their income or employment status. This can help reduce disparities in healthcare access and outcomes. Compulsory health insurance creates a large and diverse risk pool. This spreads the financial risk of healthcare costs across a broader population, which can help lower overall healthcare costs for individuals. When everyone is covered, individuals are more likely to seek preventative care and early treatment for illnesses. This can lead to better health outcomes and reduced long-term healthcare costs.

Health insurance provides a safety net against high medical expenses. In cases of serious illness or injury, compulsory health insurance can prevent individuals and families from facing financial ruin. When health insurance is compulsory, it reduces the problem of "free-riding," where some individuals choose not to purchase insurance and rely on emergency services when needed, shifting costs to others. The compulsory health insurance infringes on individual freedom by forcing people to purchase a product they may not want or need. This raises ethical and philosophical questions about the role of government in personal choices. Implementing and managing a compulsory health insurance system can be administratively complex and costly. It often requires a significant bureaucracy to ensure the

compliance and manage funds effectively. While it's true that risk pooling can reduce costs for some, others may see their insurance premiums rise significantly. This can be particularly burdensome for young, healthy individuals or those with low incomes. Compulsory health insurance systems tend to adopt a standardized approach to coverage, which may not meet the diverse needs of all individuals. Some often more market-oriented system allows for greater customization. Implementing compulsory health insurance can be politically challenging, as it often faces opposition from interest groups and those who are ideologically opposed to government intervention in healthcare. By having a larger and more diverse pool of insured individuals, the government or private insurers can negotiate better prices with healthcare providers. This can help control healthcare costs and prevent price gouging.

With compulsory insurance, people are more likely to seek preventive care and early treatment, which can reduce the overall burden on the healthcare system and lead to better health outcomes. When everyone has insurance, there are fewer instances of uncompensated care, which often results in higher healthcare costs for those who are insured. Implementing and managing a compulsory health insurance system can be administratively complex and costly, involving government agencies or private insurers, which may lead to inefficiencies and bureaucracy. Some individuals may resist the mandate and choose to pay penalties instead, leading to a portion of the population remaining uninsured. This undermines the goal of universal coverage. For low-income individuals and families, the cost of mandatory insurance premiums can be a financial burden. Even with subsidies, it may strain their budgets. The implementation of compulsory health insurance can be politically contentious, with opposition from various interest groups, leading to difficulties in passing and maintaining such policies.

### CONCLUSION

In conclusion, Compulsory Health Insurance is a policy approach designed to ensure widespread access to healthcare services and mitigate the financial risks associated with healthcare.

**Correspondence to:** Gerald Wang, Department of Pharmacy, University of Assiut, El Fateh, Assiut Governorate, Egypt, E-mail: wang520@hotmail.com

**Received:** 18-Sep-2023; **Manuscript No.** JPCHS-23-26666; **Editor assigned:** 20-Sep-2023; **Pre-QC No.** JPCHS-23-26666 (PQ); **Reviewed:** 10-Oct-2023; **QC No.** JPCHS-23-26666; **Revised:** 19-Oct-2023, **Manuscript No.** JPCHS-23-26666 (R); **Published:** 27-Oct-2023, DOI: 10.35248/2376-0419.23.10.298

**Citation:** Wang G (2023) Implementing and Managing a Compulsory Health Insurance System. J Pharm Care Health Syst. 10:298.

**Copyright:** © 2023 Wang G. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

While it offers several advantages, including universal coverage and cost control, it also faces challenges related to individual freedom, administrative complexity, and political controversy. The

effectiveness of compulsory health insurance depends on how well it is designed, implemented, and managed, and it often requires a balance between individual rights and the common good.