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HMOs

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Allyson Pollock in her article, Primary Care – From Fundholding to Health Maintenance Organisation?[1] describes HMOs in this way:

In the United States, Health Maintenance Organisations (HMOs) have become large for-profit multibillion dollar businesses. Some of them are owned by doctors, who in turn employ and salary or contract with other doctors. HMOs have three features:

First, they combine the insurance function with the provider function.

Second, they do not provide universal coverage: as provider organisations they are free to pick, choose and select the patients they will cover on the basis of risk. Because of this they neither serve local geographic areas, nor do they have any direct accountability to local communities.

Third, they are not restricted in size and are free to compete for patients and populations and buy-out competing services. In many deprived inner city areas, this has led to the buy-out and closure of local services because they are unprofitable and public hospitals are left to serve the most vulnerable groups without the benefit of pooling risk. In many cities, these public hospitals are also threatened and being closed, leaving virtually no safety net for the poor and the forty million unemployed.

Reference

1. Pollock AM (1998) Primary Care – From Fundholding to Health Maintenance Organisation? NHS Doctor and Commissioning GP p6-7 available at www.allysonpollock.com/wpcontent/uploads/2013/05/NHSDrCommGP_1998_Pollock_FromFundholdingToHMOs.pdf