



December 15, 1995
Policy Analysis no. 246

Policy Analysis

The Medical Monopoly: Protecting Consumers or Limiting Competition?

by Sue Blevins

Sue A. Blevins is a writer and health policy consultant based in Boston.

Executive Summary

Nonphysician providers of medical care are in high demand in the United States. But licensure laws and federal regulations limit their scope of practice and restrict access to their services. The result has almost inevitably been less choice and higher prices for consumers.

Safety and consumer protection issues are often cited as reasons for restricting nonphysician services. But the restrictions appear not to be based on empirical findings. Studies have repeatedly shown that qualified nonphysician providers--such as midwives, nurses, and chiropractors--can perform many health and medical services traditionally performed by physicians--with comparable health outcomes, lower costs, and high patient satisfaction.

Licensure laws appear to be designed to limit the supply of health care providers and restrict competition to physicians from nonphysician practitioners. The primary result is an increase in physician fees and income that drives up health care costs.

At a time government is trying to cut health spending and improve access to health care, it is imperative to examine critically the extent to which government policies are responsible for rising health costs and the unavailability of health services. Eliminating the roadblocks to competition among health care providers could improve access to health services, lower health costs, and reduce government spending.