Healthcare Industry

The healthcare industry (also called the medical industry or health economy) is an aggregation and integration of sectors within the economic system that provides goods and services to treat patients with curative, preventive, rehabilitative, and palliative care. It includes the generation and commercialization of goods and services lending themselves to maintaining and re-establishing health. The modern healthcare industry is divided into many sectors and depends on interdisciplinary teams of trained professionals and paraprofessionals to meet health needs of individuals and populations. Healthcare industry I chose is HCA and the NAICS 62211.

Despite a slow growth rate in recent years, national healthcare spending will still increase to approximately 22 percent of the gross domestic product by 2038 under current law, according to the Congressional Budget Office's 2013 long-term budget outlook report. There are 5 factors that are affecting healthcare industry. **Technology -**the medical technology is changing and can affect some patients. While a particular new technology may either increase or decrease health care spending, researchers generally agree that, taken together, advances in medical technology have contributed to rising overall U.S. health care spending**. Healthcare services and product-** is a local level, health care spending growth is more likely to be viewed as beneficial. It creates health care jobs, increases wages for health care workers, expands local tax revenues, and increases demand for related goods and services. **Market power-** Hospitals’ market power appears to be one of those frustrating moving targets. Hospitals, physicians and other providers have been consolidating at a rapid rate. **Health insurance coverage-** Getting health insurance coverage can potentially reduce patients' incentives to seek the most efficient, lowest-priced care. **Demographics and patient characteristics-** Changes in the age and health status of the population can make a significant difference in healthcare spending.

Total U.S. health care expenditures were estimated to be $3.24 trillion in 2015, and are projected to soar to $3.78 trillion in 2018. The health care market in the U.S. in 2015 included the major categories of hospital care ($1,031.1 billion), physician and clinical services ($640.3 billion), dental services ($119.1 billion) and prescription drugs ($328.4 billion), along with nursing home and home health care ($253.6 Billion)Traditional competition in health care involves one or more elements (e.g. price, quality, convenience, and superior products or services); however, competition can also be based on new technology and innovation. A key role of competition in health care is the potential to provide a mechanism for reducing health care costs. HCA is a top competitor in the healthcare industry.

At its founding in 1968, Nashville-based HCA was one of the nation's first hospital companies. HCA is committed to the care and improvement of human life and strives to deliver high quality, cost effective healthcare in the communities we serve. Building on the foundation provided by our Mission & Values, HCA puts patients first and works to constantly improve the care we give them by implementing measures that support our caregivers, help ensure patient safety and provide the highest possible quality. HCA factors that affect the industry growth is technology, healthcare products and service prices, market power, Health insurance coverage, and Demographics and patient characteristics. The top three competitors are Adcare Health Systems Inc., Adeptus Health Inc., and American Caresource Holdings Inc. HCA typically invests about $1.5 billion annually to keep our facilities modern and up-to-date technologically and to expand and add services where needed. The sales in the recent years in 2011 are 29.68B, 2012 is 33.01B, 2013 is 34.18B, 2014 is 36.92B, and 2015 is 39.68B.

HCA new competition is THC = Tenet Healthcare Corp., Pvt1 = CATHOLIC HEALTH INITIATIVES (privately held), and Pvt2 = Adventist Health System/Sunbelt, Inc. (privately held). The forces affecting innovation is industry players, funding, public policy, technology, customers, and accountability—can help or hinder efforts at innovation. Individually or in combination, the forces will affect the three types of innovation in different ways. Three kinds of innovation can make health care better and cheaper. One changes the ways consumers buy and use health care. Another uses technology to develop new products and treatments or otherwise improve care. The third generates new business models, particularly those that involve the horizontal or vertical integration of separate health care organizations or activities.

Changes in population size, age, race and ethnicity affect the health-care resources needed, the cost of care provided, and even the conditions associated with each population group. Health-care organizations will have to adapt quickly to meet their patients’ changing needs—all while addressing health-reform requirements. The healthcare industry is challenged today to deliver more value to consumers while keeping costs low. With changing market dynamics and a more customer-empowered marketplace, healthcare organizations must acquire the most profitable members to sustain a competitive advantage.

HCA competitors have different sales. Adcare Health Systems Inc. last sale is $2.32 and Market cap is 46,282. Adeptus Health Inc. last sale is $ 58.80 and market cap is 838,900. American Caresource Holdings Inc. last sale is $ .3325 and market cap is 5,519. Adeptus Health Inc. is the only one who sales have increased. Adcare Health Systems Inc. and American Caresource Holdings Inc. are decreased.