



Institutional design and moral conflict in health care priority-setting

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Abstract

Priority-setting policy-makers often face moral and political pressure to balance the conflicting motivations of *efficiency* and *rescue/non-abandonment*. Using the conflict between these motivations as a case study can enrich the understanding of institutional design in developed democracies. This essay presents a cognitive-psychological account of the conflict between efficiency and rescue/non-abandonment in health care priority-setting. It then describes three sets of institutional arrangements—in Australia, England/Wales, and Germany, respectively—that contend with this conflict in interestingly different ways. The analysis yields at least three implications for institutional design in developed democracies: (1) indeterminacy at the level of moral psychology can increase the probability of indeterminacy at the level of institutional design; (2) situational constraints in effect require priority-setting policy-makers to adopt normative-moral pluralism; and (3) the U.S. health care system may be in an *anti-priority-setting equilibrium*.

Keywords Cost-effectiveness analysis · Drug pricing · Moral philosophy · Moral psychology · Quality-adjusted life-year · Rule of rescue