Title: Market failure, policy failure and other distortions in chronic disease markets

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Author's response to reviews:

In response to Reviewer 2's comments re clarification of the format of the paper:
The paper has been re-formatted as per the guidelines for Debate Articles. Sections are now headed as: Background, Discussion, Summary. Most of the original headings are now subheadings within the Discussion section of the paper.
A statement has been added at the end of the Background section briefly describing what the paper is about. The Abstract has also been modified and word number increased.

In response to Reviewer 1's comments:

Externalities – we agree that this is an important source of market failure, this is covered under the subheading ‘Time inconsistent preferences and consumption of services in chronic disease management’ on pages 5-8. We have modified the text in this section to emphasize the externality problem.

Secondary prevention and time costs – this is an important issue and whilst not specifically addressed it is alluded to on page 6 in the context of the high (total) cost of preventive services faced by the consumer.

Jargon – we have attempted to clarify some of the economic concepts and arguments so that the paper is relevant to clinicians, economists and health service researchers/policymakers. This has meant small changes/edits throughout the paper.

Reference to specific chronic diseases – this is a fair comment re the economics of chronic disease and risk factors in general, however we do not believe that this is relevant to the current paper, which takes a more theoretical perspective.

Introduction – this has been slightly changed to reflect the problem in high income countries generally, with the US expenditure figure provided as an example.