

Problems that face managed care organization (mcos)

[Health & Medicine](#), [Healthcare](#)



The article seeks to identify the problems that face managed care organization (MCOs) in contemporary competitive environment which include broad public opinion, competitive realities, need for cost reduction. The article also notes that there has been an increase in healthcare cost despite the establishment of the managed health care systems implemented through the managed care organizations. Increase in cost remains to be a major concern for patients/consumers. Due to this, patients are ready to switch from one plan to another in which cost difference in premium is as little as \$15. 0 per month. The article also claims that there has been concern from the society as far as quality of managed healthcare service is concerned. Such concerns encompass: accessibility, and the verification of what is ' medically necessary' including the diagnosis tests and referrals. Other concern is freedom of choice. Additionally, perceived quality which is increasingly valued by contemporary patients/consumers has been lacking in the managed care organizations. (Entrepreneur 1998). Strategies or techniques are used to solve the problem or address the issue.

This article proposes application of institutional theory to MCOs performance as well as strategic planning. Over emphasizing of institutional theory at the expense of strategic planning will not help the managed care organization to survive in the contemporary competitive environment. The article proposes a strategy that will respond and conform to the needs of the patients and the society at large. Being cost efficient and conforming with socially accepted norms will lead to superior performing of MCOs.

Thus, a strategy that encompasses technical requirements as well as conforming to needs of the patients/consumers is very critical for success of any MCO. Only emphasizing or dealing with cost issue is not a strategy for long-term MCO superior performance and success. The article also proposes that all MCOs must demonstrate what contemporary consumers/patients and society expects. These expectations include accessibility, freedom of choice, and perceived quality i. e. always provide value for all patients. (Entrepreneur1998).

My conclusions and recommendations It is clear that the establishment of managed care and the managed care organizations have not been a panacea to all problems facing patients/consumers. Instead, what the patients would like to have is more accessibility to health care services, freedom of choice, better services emphasizing on perfect diagnosis tests, reduction in cost of this services as well as flexibility of managed care systems. This is yet to become a reality. To ensure this, responding to consumers/patients needs will be of great importance.

This should include training the health care workers on the best way to serve the patients better, and carrying out perfect diagnosis tests before treating the patients. Increase in number of medical practitioners in MCOs so as to ensure accessibility of these services should also be considered. The managed care plans should also employ modern technology that will improve the quality of health care services. This should encompass better disease diagnosing equipments, and establishing better information systems.

Reduction of cost is also very imperative. All inefficiencies and wastage should be checked through a well planned compliance system that should work closely with the human resource department. (Harris, J. S. 1994; Morton-Cooper & Bamford 1997; Alexander & Amburgey. 1987) Contribution of the article to helping practicing healthcare managers This article is of great help to many practicing healthcare managers. First, it point out the importance of being market oriented i. e. responding to the needs of the patients/consumers and society at large.

Factors that determine patients choice of particular health care provider i. e. accessibility of the service, cost of the service, perceived quality such perfect diagnosis test for appropriate medication and so on are also enlisted. The article also emphasis on need of employing a strategy that ensures adherence to technical requirements, cost reduction, high quality, and also freedom of choice to the patients/consumers. Such insight is of great importance to any practicing health care manager who wants to succeed in this career.