

Pros and cons of managed care plans

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Pros and Cons of Managed Care Plans

Managed care plans refer to a collection of systems that are interdependent and that integrate financial and delivery of the right health care services to individual who is covered. Managed care plans have a bunch of benefits that make them worth investing in. However, managed care plans have disadvantages. This paper objective is to discuss the pros and cons of managed care plans.

First, managed care plans create competition in the health care provision market. This helps to reduce inefficiencies and improve the degree of health services, as well as lower costs. Managed care plans compete on prices to attract more subscribers consequently lowering the cost of medical services. This benefits the beneficiaries of the plans (Kongstvedt, 2007). Managed care plans are beneficial in preventive measures. The people who have benefited from managed care plans are more likely to receive vaccinations and thus less likely to fall ill. This reduces the amount of resources spent in medical attention.

However, managed care plans have areas that need improvement. First, managed care plans provide for cream skimming that ensures that only the healthiest people subscribe to the programs. This locks out people who are able and willing to pay the premiums and divides the society into groups based on their health status. Managed care plans can limit the patient's use of services by controlling the physicians' motivation (Health Strategy, 2010). These plans do so by controlling the amount of incentives they offer to the physicians. Physicians' incentives should be standard, and beneficiaries should receive quality medical services at all times (Kongstvedt, 2007).

Competition among managed care plans may lead to a decrease in the
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quality of health care services provided to beneficiaries. All the managed care plans will seek to enroll the healthiest people and, therefore, the programs that fail to recruit such people may be driven out of the market. Managed care plans also give physicians an opportunity to alter the way their treatment to people who are not subscribed to the plans so that they can use high concentration services. This will increase revenue to the managed care plans at the expense of patients.

Managed care plans should come up with ways of monitoring the quality of services provided by practitioners to ensure that the beneficiaries receive high-quality services all time. Involvement in managed care plans is voluntary. Beneficiaries of managed care plans accept restriction of the health care providers in return for benefits that are not experienced by non-members (Health Strategy, 2010). Such benefits include lowered out-of-pocket spending on premiums, preventive services, gym memberships, treatment drug coverage as well as dental care. Participants in the managed care plans pay regular premiums that cater for the services they enjoy.

In conclusion, managed care plans help the subscribers in that they do not have to pay in cash for services in the selected service providers, as well as sharing in the premiums, thus reducing the cost borne by the beneficiaries. The managed care plan providers benefit from substantial revenues they draw from the plans. Practitioners benefit from the strong incentives they get from the managed care plans so that they can be highly motivated to provide better quality services to the beneficiaries (Luren, 2009). I would recommend changes in the beneficiary selection criteria. Selecting the healthiest people disadvantages patients with health problems and are willing to pay high premiums for better health care services. However, I

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agree with the author that managed care plans may or may not improve the quality of health care services.

References

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