

# Trends in healthcare services

Business



Trends in Healthcare Services Trends in Healthcare Services The best method to raise \$4000 per employee is by increasing the income tax by 7%. In this way, all employees with higher salaries would need to pay higher premiums and employees with lower salaries would pay lower premiums. By doubling the payroll taxes, the firm would not be able to raise the mandatory \$4,000 from two employees as they do not make enough. In a fixed charge system, the employees making lower salaries would lose a greater portion of their salaries and employee with higher salary would have to pay a very small amount.

Managed care sponsors such as (HMO, PPO, EPO & POS) accomplish the tasks of increasing outpatient care, reducing administrative costs, eliminating the complicated procedures and claims forms and minimize the unnecessary tests. This is done by reviewing needs of every patient before the treatment, needing a second opinion prior to allowing doctors to manage care, providing the authorization prior to hospitalization and administering before approval of services to be performed by the specialists. On the positive side, the managed care plan sponsors have added incentive of emphasizing procedures of preventive maintenance that helps patients to avoid serious health expenses and problems in future. For instance, through these plans patients can typically get checkups and physicals at very low rate or free that helps in detecting and preventing several long-term complications. Managed health care plans have managed to effectively displace the traditional fee-for-service insurance plans (Inc, n. d).

The economic and societal factors affecting the pricing and demand of healthcare services in health insurance market are:

We compensate our hospitals, doctors and other medical services providers

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in ways that rewards for doing more, rather than for being efficient.

Everyone is growing sicker, older and fatter.

People want new technologies, drugs and procedures.

People get tax breaks for buying healthcare

People are not well aware about which plan is the best for them.

Hospitals and other healthcare providers are gaining market share and are able to demand higher rates.

There are demand and supply problems, and several legal issues that complicates efforts of slow spending.

#### References

INC . (n. d.). Health Maintenance Organizations and Preferred Provider Organizations/

Retrieved 22 May 2014, from [http://www. inc. com/encyclopedia/health-maintenance-organizations-and-preferred-provider. html](http://www.inc.com/encyclopedia/health-maintenance-organizations-and-preferred-provider.html)