

Research paper on healthcare financing

[Business](#), [Marketing](#)



Introduction

The manner in which the societies are paying for health care and the amount of resources that they are devoting to health is direct impact on how people are cared for and the quality of the health care. In many countries that are developed, health care is usually paid for mostly by government or organizations that are associated with it by use of taxes that has been collected from the citizens. The United Kingdom is an example that has a system called the “ single-payer” where the government directly pays for health care. In Germany and France, taxes are collected by the government so as to partly fund the government’s system of health care while individuals and employers pay the remaining costs directly. In countries like the United States, the health care system is partly market-based which is paid for by the private entities like the individuals and the employers. In the market-systems, governments may make the health care available to those people who are vulnerable. All the societies, choices have to be made between how to make advanced and basic health care accessible, how much should be paid for the health care and also the innovations that should be made available to the patients.

A system that is efficient will help in minimizing deadweight losses that are associated with disbursing and raising revenue. A system that is progressive aims at redistributing resources from those who are rich to the poor people. The choice on which system to be utilized has implications on the equity and efficiency both in the disbursement and collection of funds. The implication of the system used come up in three levels. The financing choices influence the

efficiency at which the system of health care supplies and produces health care services. The choices also have redistribution influenced and finally the choice of the manner in which to collect funds affects the way the economy and the social service sector functions as a whole .

Efficiency of Operations and Financial Choices of Health Care Systems

Health care systems usually operate in economies that are efficient and where resources are organized in a manner that makes every member of the society more contented. The technical efficiency takes place when the inputs of a health care system are optimally used in order to address a certain need in health care. Technical efficiency is dependent on the systems that are used in paying the providers while the systems of insurance financing are attuned with the mechanisms of provider payments. For instance, a system that is revenue financed could make payments to its providers by use of salaries (case in the UK), case rates, and fees for service rate (in Canada) or the capitated rates (purchasers of primary care in the UK).

In the market competition, an unseen hand of market establishes the payment rates for service and goods providers. There are reasons that this outcome does not take place in the systems of healthcare and market bids prices too high. The monopoly powers of the providers or inefficiencies that are related to payments however do not influence the choice of financing systems. The efficiency of systems starts to tie to financing when the choices of consumers enter into the health care systems. The place where this occurs first is in the decision of using health care. As many have argued, it seems that there is no specific reason to suppose that the decisions that are

made by the uninformed patients in order reduce their utilization of services will be medically incorrect. The effects that are as a result of equity are dependent on the protections which have been put in place for the people who have low incomes.

Connections between financing and efficiency may also come up in context of the fragmentation of the system. The difficulty in measuring and defining health care services, the services' complexity that requires to be organized and those problems that are related to hand-offs within services imply that more summative forms of payments which include the payments to health provider groups or to health plans may be preferred to arrangements of provider specific payments. Organization of health care into health plans (which include plans that have a delivery which is integrated) which are paid using capitated rates that are risk-adjusted may help in the improvement of the efficiency of health care. Once a health care system has been divided into distinct systems of delivery, the patients/consumers must be provided with some incentives or be compelled to make selections that are appropriate and continue to stick with them.

Since the spending on health care constitutes one of the many services given by the government, it proves difficult for the ordinary citizens to be able to assess the health care system efficiency. The lack of political accountability and transparency in the systems that are financed through revenue collection has resulted to most analysts preferring the financing of social insurance. In the financing of social insurance, there is more transparency in the costs of health care to the taxpayers. Social insurance

financed systems are increasingly organizing their systems to the capitated health plan in order for consumer to adjust their use of health care. It is possible to set the social insurance payments to the health plan at a minimum that is mandated by the government and the individuals who would want to acquire more health care can choose a plan that is more generous such as paying from the pocket.

The cross service and lifecycle patterns of spending in the health care suggests that there are some forms of spending in health care that progress faster than other. The people in the low income bracket use the hospital days disproportionately mostly because the arrangements of discharge for the people with low income are more complicated. In many systems of health care, the people with low income are less probable to instigate specialist health care than those people who have a high income in spite of their bad initial status of health. In many countries, the people with low income require more days in the hospital on hospitalization than those people with high income do.

In Canada, those people that have high income also disproportionately make use of the elective surgeries such as the replacement of the knees and the hips. In addition, the people with high income use the health care service more often in the their old ages while those that have low income have a high disproportionate use of health care services in their mid-life. The patterns do suggest that the focus on the public health care on the days of skilled nursing, ability to access the general practitioners and the care that is related to the conditions which manifest in the mid-life have an effect that is

more progressive than in the focus of addition tax on the specialist care of the elective surgeries. Financing sources that are progressive should have more devotion on progressive ends.

Health promotion by nurses

Nursing can be said to include a range of definitions and specialties that which vary from one country to another. Following the International Council of Nurses, “ Nursing encompasses collaborative and autonomous care to people of all ages, families, communities and groups, well or sick and in every setting. Nursing includes prevention of illness, promotion of health and care for the ill, those who are disabled and the dying people. Promotion of safe environments, advocacy, and participation in the development of health care policies, research, the management of health systems and patients and also education are key roles of nursing”

In the current world, promotion of health has proven to be more important than in any other time before. The nurses in the practice, research and the education settings can involve themselves in the improvement of health not only in mainstreams but also in the forefront of the nursing practice. In the past, patients have been taught the management of illness by the nurse educators but in the future, the nurses must focus on teaching individuals on remaining healthy. The nurses should have an understanding that is evidence based of the efforts that should be made in the interventions of health promotion and also communicate their understanding to the general public. As there is more awareness of the activities and factors that result to a good health, people become more knowledgeable on the status of their

health and also their families' health and as a result there will be improvement of the overall health of the society.

Health promotion model

Diabetes is an incidence that is in the increase worldwide and specifically in England, there are 1.3 million citizens translating to 2-3% of the people who are affected by DH 2001a. The diabetes disease affects psychological and physical well being and also relationships, lifestyles, life expectancies, income and significant financial implications. Large amounts of resources are used on handling the diabetes diseases. Other costs are spent on treating diseases that are related to complications that are as a result of DH 2001a and these diseases include, neuropathic and peripheral vascular disease, Ischaemic heart diseases, Diabetic renal disease, Cerebrovascular disease and the Diabetic eye disease.

My health promotion model will aim at reducing the complications that come with diabetes by making most people as possible aware of the ways in which to maintain a healthy life style. The model will have the objectives of building a healthy lifestyle programmes for the individuals that suffer from diabetes and will extend to managing the lifestyle of the community at large. The principle of the model will be founded on working in partnership with the users and the community based on a multi-agency and multi-professional approach. Attaining the aims and objectives of the health promotion model will mostly depend on the proactive consultation and communication skills.

Fixed expenses will include the rent that will be paid for the offices in which the staff will be working from, the cost of administration, salaries and those

expenses related to power and water. The variable expenses will include the cost of publications of the booklets that will be used to inform the people about diabetes, the variable expenses will also include the costs on transportation, costs on research and those salaries that will be based on performance. The controllable expenses will include the expenses on publication, those of transportation and the ones on research for the reason that the amount in which they are required can be controlled. The unrecoverable expenses in case the health promotion model is not implemented will include the expenses on research, consultation and also the expenses of seeking professional advice.

The benefits that will be accrued from fixed expenses will help the health promotion model in the every day operations of this model while the variable expenses will help the model in attaining its overall aims and objectives. The health promotion model is worth of implementation considering the benefits that will be gained from the expenses that will be involved. The funds that will be lost in case the model is not implemented are not high and hence the worth of taking the route of this health care promotion model.

Annotated bibliography

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Activity

Research and consultation

Publication of booklets

<https://assignbuster.com/research-paper-on-healthcare-financing/>

Informing and educating the society

Cost benefit analysis

This will help in reducing the costs that would be incurred in encountering unexpected situations which would cost the health promotion model.

It will result in maintaining the information with the people and the costs of moving to the people now and then will be reduced.

Costs on medication to the individuals and the government will be minimized greatly as most people will be educated on diabetes and will be able to prevent it.

Implementation activity

This activity will be carried out by consulting with firms that have carried out similar health promotion activities.

Each time the team involved with giving guidance and information on diabetes visits they people, they will ensure that the booklets are distributed to every person.

People who are knowledgeable on diabetes will be sent to the ground to educate the people on prevention of the disease and also advice those people who already are suffering.