

Essay on major problems in the us healthcare system

[Economics](#), [Insurance](#)



Problems in the Us Healthcare System

There have been numerous debates regarding the state of healthcare in the USA. The country's healthcare system was declared broken a decade ago. Healthcare consumers have long complained about the quality of services received without much reprieve. Industry players including physicians, nurses and allied workers have been caught between blame and concern over the future of their profession. The only hope remains with healthcare administrators and policy makers to make the necessary changes. Some of the issues such as the cost rising cost of healthcare services and the huge number of uninsured Americans require strategic solutions and committed implementation. This paper will list some of the problems and suggest solutions from a healthcare administrator's point of view.

In the last two decades, the US bill on healthcare has expanded dramatically. Healthcare costs expand one and a half times faster than the average annual economic growth rate. At the moment, healthcare accounts for about 20% of all economic costs (LaPierre, 2012). Should the trend witnesses in the last 20 years continues, the US economy will collapse under the burden of healthcare spending. There will be no money to spend on other important social services such as defense and social security. The government could take different approaches to tackle the problem. There is the economic outlook, in which focus should shift to creating value for every penny spent on healthcare and eliminating excesses. Another approach is the managerial approach in which all resources allocated to healthcare are planned, organized and controlled to create a healthy, working and productive nation. In all these approaches, healthcare administrators have a key role to play.

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This is because they are the first line of contact for government, patients and doctors. They are the central cog in the wheel of healthcare service provision.

Nearly 45 million Americans are uninsured. The exact number is not known, however, this means that there is a large population of individuals who have no reliable means of covering their healthcare expenses. Consequently, healthcare costs take up a large portion of household expenditure for the uninsured. The harsh economic economy has made an already bad situation worse. Employers are cutting down on expenditure to avoid losses. Many Americans have had to make do with smaller coverage packages or no healthcare coverage at all. Companies justify these cuts by saying that either make the cuts and retain the employees or provide full benefits and risk bankruptcy and the resultant job losses. With such arguments, it is impossible to blame the companies for choosing to save jobs for many households. Another common justification for the benefits cuts is that the government provides monetary incentives for companies that create employment opportunities. Companies are choosing to cut down on indirect costs such as healthcare in order to budgetary allocations for new employees.

The overall result of these cuts is that the average middle-class family is increasingly disenfranchised. The population is not healthy due to poor lifestyle choices. Obesity is quickly becoming a morbid problem. Doctors are reporting more cases of depression and other stress related psychological conditions than at any other time in history. More people are choosing to self medicate instead of visiting a qualified doctor for proper diagnosis. This

situation speaks volumes of the luxury that healthcare has become in the USA.

The first solution to correcting the healthcare situation is basic universal health insurance. Universal basic healthcare coverage guarantees every citizen access to basic healthcare whenever they need it (Sameer, Neha, and Ronak, 2011). Just like other insurance types such as automobile insurance, all citizens would be required to have some form of healthcare coverage. The idea is to secure the collective health of the citizens. The insurance coverage will be used for most of the basic visits to healthcare service providers. All citizens including the old, the disabled and the mentally challenged will be covered (Sameer, Neha, and Ronak, 2011).

Universal coverage is just the first step in solving the healthcare crisis. As far back as 1965, the government had put in place plans to provide aided cover for citizens. This was the time when Medicaid and Medicare were introduced. Medicare and Medicaid have been marred with numerous implementation challenges. Firstly, Medicaid was designed to cover the medical expenses of senior citizens and young people with mental illnesses. This essentially left out those who were of employable age but could not meet their healthcare expenses. Over the years, this group has grown to about 45million people with no healthcare coverage and no reliable means to pay for their healthcare costs.

In 2010, the government made the first major attempt to correct the flaws witnessed in Medicare and Medicaid. President Obama signed the Patient Protection and Affordable Care Act (PPACA) commonly termed as Obamacare. This act, together with Health Care and Education Reconciliation

Act, overhauled the healthcare system as it had been since 1965. PPACA primarily hopes to reduce significantly the number of uninsured Americans. Unlike Medicare, the Act requires all insurance companies to provide healthcare coverage even to clients with pre-existing conditions that would normally disqualify them. The Act also aims to provide several avenues through which healthcare providers can cover for their costs and ease the burden on the healthcare consumer. These avenues are subsidies, tax credits and mandates which organizations utilize to increase healthcare coverage to the citizens. The act makes it easy for individuals to purchase good cover while creating a bigger pool for insurance firms to sell their health covers.

The new healthcare coverage system should allow healthcare consumers to change insurance providers according to their needs. This means that an individual will not be forced to stick to one insurer for fear of losing their covers. It will also mean that employees can ask their employers to allow them to shop around for the best mix of packages from various service providers.

Healthcare administrators can take advantage of the provisions to partner with the government in healthcare provision. It is not be possible for on faction of the stakeholders to take up the responsibility of streamlining the industry single handedly. A government-service provider partnership is the best way to implement the universal healthcare coverage plan. Healthcare administrators and other healthcare service providers have firsthand information of the challenges of providing health services. On the other hand, the government has the resources to support the provision of

healthcare services. Furthermore, it is the moral obligation of the government to ensure that all citizens live a comfortable life. This collaboration will ensure that all the projections made for PPACA will be met or surpassed. The projections are that in ten years, Medicare Advantage policies will have reduced by \$132 billion. Medicare home health care payments could drop by \$40 billion while hospital payments could reduce by \$22 billion (Sameer, Neha, and Ronak, 2011).

The second problem with the healthcare system is the quality of healthcare services offered to the citizens. Healthcare administrators should be more worried about this problem since it affects the image of the healthcare industry. Healthcare is a necessary service; it is therefore not possible to say that poor quality service can lead to the death of the sector. However, for professionalism and integrity purposes, it is imperative that all service providers maintain the highest standards of service. Healthcare administrators have the responsibility of maintaining professional standards and order within their individual establishments and by extension, the entire healthcare sector. They are also charged with the added task of ensuring consistency in the provision of all healthcare services ranging from simple examinations to complex operations.

In a recent survey, Americans reported more medical malpractices than Canadians, Britons and Germans. The study found that any of the complaints involved medical misdiagnosis, wrong medication and inaccurate lab reports. There are several reasons why Americans reported many of these medical malpractices. Firstly, the healthcare system in the US is largely fragmented. Individuals rarely go to one service provider for all their healthcare needs. It

is very common for people to have a doctor in different locations for all their major healthcare needs such as a dentist, gynecologist, pediatrician and general physician. In the end, these individuals receive varying quality of service due to the absence of detailed history at any one of these service providers.

Another plausible explanation for the high incidences of medical malpractice is the slow rate in which the healthcare sector adopts technology. Many hospitals and private establishments use unreliable manual record keeping systems to record patient information. In many cases, during emergencies, doctors are not able to access accurate client information in time. The result has been endless malpractice lawsuits against doctors and hospitals.

It should be noted that the service industry is prone to customer dissatisfaction. In healthcare, this dissatisfaction often results in a malpractice lawsuit. The courts have the responsibility of determining whether a tort has been committed against the plaintiff or not. To avoid such lawsuits, healthcare administrators should ensure that doctors and other direct healthcare service providers are insured against malpractice. This is a very important administrative task because it protects the entire organization from possibly devastating punitive damages. Secondly, the healthcare administrator should ensure that all roles relating to healthcare service provision are clearly cut out for each employee. This information should be made available during employment and in other subsequent employer-employee engagements.

Additionally, the administrator can ensure that employees have access to vital operational manuals in the form of strategically placed easy-to-read

pin-ups, memos, e-mails and other acceptable communiqué. When employees are provided with adequate information on what they are expected to do, the chances of errors occurring reduce significantly. Thirdly, administrators should conduct assessments on the areas with the most number of malpractices. These evaluations will reveal the actual problem areas and allow for thorough investigations. Investigations may reveal procedural shortcomings, technical weaknesses or human error. Whatever the outcome, such assessments should be conducted regularly and their findings used to find permanent solutions for recurrent problems. Lastly, there should be an open and honest approach to dealing with healthcare malpractices. Administrators should ensure that the hospital gives regular and accurate reports on malpractice cases. This will build faith in the healthcare facility by making it clear to the clients that the facility is committed to quality, honesty and integrity in the provision of healthcare services.

The last major problem facing the healthcare system is the lack of efficient information management systems. As mentioned earlier, hospitals and other healthcare facilities still rely on physical patient files for information. The nurse's station often doubles up as a filing station. This manual system pushes costs in terms of labor, space, staff and the time required to retrieve and store files (Shortliffe & Cimino, 2006). Apart from increasing administrative costs, manual filing systems reduce the quality of service by increasing average patient waiting time and increasing the possibility of error.

Insurance companies that provide healthcare insurance spend millions of

dollars in manual filing systems and application procedures. These costs are added onto the huge healthcare bill that is already chocking the economy. Should insurance companies adopt more efficient information management systems, insurers could save as much as \$27. 7 billion. A similar system would save hospitals about \$17 billion (Odier, 2010). The same benefits could accrue to physicians who choose to adopt information management systems. Such physicians could save up to \$6. 9 billion in administrative costs.

Hospital management systems are very important in ensuring efficiency and cost effectiveness within a hospital setting. Furthermore, healthcare administrators can benefit from customized payment systems, faster communication networks and secure security systems. It is the responsibility of healthcare administrators to determine the needs of their facility and shop for the best solutions. Hospital managers can choose from commonly used solutions. They can also opt for customized solutions which are designed specifically to meet the peculiar needs of an organization. Regardless of the option taken, the system should meet all, or most of the needs of the organization. The system should be flexible to changes and unique circumstances. Administrators and the clients being served should be able to understand quickly and operate the system. The user interface should be appealing, easy to understand and maneuver. Lastly, the system should be usable for a long time into the future without becoming redundant or obsolete.

The problems identified in this paper are only but a fragment of what ails the healthcare system in the USA. The solutions suggested would tackle the

problem from the providers' endpoint; government and healthcare service providers. The middle point which is composed of healthcare consumers is not covered. Healthcare providers make up the equation of the healthcare system. They are the primary reason why healthcare costs have been skyrocketing over the years. The population has grown faster than the social capacity. Healthcare is just one of the sectors affected by unplanned increase in the demand for social services. The financial status of healthcare consumers is another important areas not addressed in this paper (Zydzianaite, & Egle, 2007). The debate is whether the poor and unemployed deserve the same benefits as corporate big wigs and the upper echelon of society. Such debates speak to the core of universal healthcare and what it means to individuals and society in its entirety.

A lot remains to be done in order to raise the profile of healthcare in the USA. The best part is that there is government goodwill expressed through revolutionary legislation. Healthcare providers are quickly realizing that they have a pivotal role to play in healthcare cost reduction by providing quality services at the lowest cost possible (Mango, and Vivian, 2009). The individual healthcare consumer should join the fray by making better lifestyle choices and finding good healthcare covers within the insurance market. In all this, the healthcare administrator is responsible for running an efficient establishment. Efficiency is required in administrative procedures, financial management, and human resource management and procurement procedures. The role of the administrator is vital because he or she ensures quality and value at the point of service delivery. Administrators manage the image of the organization together with client expectations. They do this by

managing the day to day operations in hospitals and other healthcare institutions across the country. In the quest to resolve the healthcare crisis, healthcare administrators should be consulted and involved in the actual implementation of solutions (Mango, and Vivian, 2009). Their position gives them a unique vantage to the problems within the healthcare industry and the contributory effect of the government and healthcare consumers. They can then use their management skills to come up with workable solutions for the entire sector through leadership and initiative.

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