

Strengths and weaknesses of the current health care reimbursement system



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Evaluate the strengths and weaknesses of the current health care reimbursement system. What components do and do not contribute to the overall effectiveness of the system? Why?

- The symbiotic nature of components in the health care system
- The fragmentation of the health care system
- The school of thought regarding health care as a free-market good
- The school of thought regarding health care as a universal right

The U. S healthcare reimbursement system is very complex.

It involves private and public payers and changes in the reimbursement approach of one payer have implications for the other. One feature lacking in both type of payers is reimbursement linked to quality. Payment is based on delivery of services: “ Right or Wrong”. The current system does not promote quality care and most services for preventive care are not reimbursed. Those components don’t contribute to the overall effectiveness of the system.

Given a clean slate, would you keep the current system, keep components of the current system or change it altogether? One thing we should keep in mind is, although not effective, the current system works! Billions of service transactions occur each year and providers receive payments that sustain them financially even though some physicians believe reimbursements are not sufficient to support their increasingly complex practices. The problem is that:

- The current system leaves approximately 45 million American uninsured and a considerable number underinsured. Health care expenditures are rising at a rate that makes most payers tense.
- Because there are many payers and each has specific rates and administrative rules that are continuously changing; the current reimbursement system is burdensome. Those growing signs prove that the inadequacies in our

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healthcare financing system may break the entire edifice. The best approach will be to completely replace the current financing system. But it's almost impossible to replace that system unless there is a tragedy!