Discussing the four methods of reporting cash flow within health care

Per Diem Per Diem is a mode of paying for health services rendered for patients who go to hospitals, nursing facilities or clinics in order to obtain the amenities and services that they need for their wellbeing. The amount of payment or bill that is usually paid on a per diem visit is a predetermined amount in accordance to the treatment and length of time given to administer the care needed by the patient (Hicks, n. d.). In the past the per diem way of paying health care bills or costs was decided by the provider (hospitals, physicians, etc.); currently, the per diem paying method became contractual, and the payer or the third party (insurance company) sets the price or amount to be paid for health care services given (Kaufman 2009). 2) Per Episode Per episode payments are usually the costs of all services given to a patient in one period of care. These are generally called case rates where the total amount paid for by the patient includes all care services needed for operation procedures and in-patient visits to hospitals in connection to DRG or Diagnosis Related Groups that contains a required time frame required for a particular treatment to be done (Hicks, n. d.). Per episode payments are generally employer based because employers are required by law to provide health insurance benefits for their employees. This is done by paying the insurance company directly or by going through a public health insurance entity by deducting the required premium or payments (employee and employer share) from the payroll (Mefford 1994). 3) Per Patient Per patient payments, generally called capitation costs or expenses are fixed or standard payments that patients shell out on a monthly basis to the hospital or health care facility an outpatient goes to. The amount of payments stay the same irregardless of the number of visits the patient has made; where in some cases there may have been no hospital

visits made within a specified period. State Medicaid payments are an example of per patient payments since doctors are paid a set amount of money for a specific range of service or care they give to patients (Hicks, n. d.). Categorized as a single payer health scheme, per patient can be compared to the social security system where chosen tax revenues are paid to providers or third parties via a single governmental; entity like Medicare/Medicaid (Mefford 1994) so members can avail of certain health privileges. Capitation payments or per patient payments also normally incorporate a third party (insurance company) so medical fees incurred by any member within a month are reimbursed by the said third party to the health care facility or medical office where the medical service/s was availed from (Casto et al 2006). 4) Fee-For-Service The fee-for-service payment method requires patients to pay a fix amount for each set of service they are given within a health care facility. This includes doctor check-ups, x-rays, laboratory tests and other routine medical tests required in order to come up with a proper diagnosis. The advantage for the medical facility office that provided the care service for this particular type of health care payment method is that it collects the highest repayment for the type of care or service given (Hicks, n. d.). The reason behind this is that patients are billed separately for each kind of service provided, which is based on a list of fees and charges agreed on by the health care provider and the third party (insurance company) who pays the bill after a claim has been submitted (Casto et al 2006). References Casto, A., and Layman, E. (2006). Principles of Healthcare Reimbursement. Retrieved from library. ahima. org/xpedio/groups/public/? documents/ahima/... Hicks, J. (n. d.). 4 Ways to Get Paid. Retrieved from http://medicaloffice. about.

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