

Economics of Health Care

Economics

- How is money going to be allocated?
- Health care is a limited resource and choices have to be made
 - Oregon State passed legislation providing example of choices
 - Americans are typically opposed to a rationing system

Trends Affecting the Rising Costs of Health Care

- Intrinsic factors
 - Population characteristics
 - Health care demand
 - Employer-paid health insurance
- Extrinsic factors
 - Availability of technology
 - Prescription drug costs
 - Workforce costs

Factors that affect the economics of healthcare

- Rules regarding services covered
- Need preauthorization or preapproval of services
- Utilization review—determine if care was appropriate, necessary, and covered
- Market value of healthcare (not a whole lot of competition)

Economics and the CONSUMER

- What responsibility does the consumer have?
- Should health care be rationed due to life style choice?

Fiscal Responsibility to the Patient

- Primary and most important fiscal responsibility
- Use most cost-efficient combination of resources to maximize health benefit to the patient
- Understand costs of care and different reimbursement systems
- Engage in early discharge planning

Fiscal Responsibility to the Employing Institution

- Provide quality patient care
- Use resources wisely
- Understand prospective payment systems
- Accurately document patient's condition

Collective Bargaining and Healthcare Economics

- Staffing
- Shared governance—decision making
- Health hazards
- Clinical or career ladders
- Benefits
- Wages
