Payment mode analysis

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Today healthcare providers are going for new reimbursement models in order to lower their costs and enhance care.

Some payment models are:

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| **Payment Mode Name** | **Summary** | **Strengths** | **Weaknesses** |
| Fee for Service | * Government agencies and insurance companies pay physicians and healthcare providers * Payments are unbundled in this method (Ikegami, 2015). | * Freedom of choice * Patients receive highly valued service * No delay | * Expensive * Paperwork * No preventive benefits * Restricted to personal visits |
| Pay for Performance | Physicians and healthcare providers  are paid based on productivity  ***​*** | * Worker motivation * Encourages efficiency of care | * Subjective performance measurement * Can result in low quality |
| Patient-Centered Medical Homes | This model provides safe, high-quality and accessible patient-centered care by coordinating care across all segments of the healthcare structure (Budgen & Cantiello, 2017). | * Most convenient for patients * Reduce healthcare costs * Enhance the delivery of preventative services | * Limited choice of providers * Multiple steps required to receive care |
| Accountable Care Organizations | Groups of doctors, hospitals, and other health care providers who come together voluntarily to provide coordinated high-quality care | * Better care for patients * Physician-driven treatment. | * Challenge of data security of patients * Increased administrative costs |
| Bundled Payments | Provide a fixed amount of payment for all services provided for a single episode of care (Shih, Chen, & Nallamothu, 2015). | * Increased coordination among multiple caregivers * Flexibility in place and timing * Coordination across multiple providers | * Payment distribution difficulties * Unreliable data refutes benefits * Inspire disparaging competition for patients with cost-effective bundles. |
| Global Budgets | A fixed payment amount is allotted to a health care provider for covering operating expenses for a specific period | * Budget is predictable | * No incentive to improve quality |

**Payment Mode Activity**

* **A 28-year-old with poorly controlled diabetes**

Patient-Centered Medical Homes as it will reduce healthcare costs and a specialist will be available at an affordable cost.

* **An elderly individual with multiple chronic conditions**

The preferred payment model will be bundled payments as it will offer flexibility in place and timing and there is also increased coordination among multiple caregivers to treat the ailment.

* **A pediatric neurosurgeon**

Pay for Performance is preferred payment model as physicians and healthcare providers are paid based on productivity.

* **A registered nurse**

Fee for Service is the preferred payment model in this scenario as payments are unbundled in this method.

References

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