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:

|  |  |  |  |
| --- | --- | --- | --- |
| **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 providersare 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
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| 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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