Organizational Systems and Quality Leadership

Task 3, SAT1-0517/1217

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**Healthcare Financing**

**This template is intended to be used for task 3 for SAT1-0517/1217.**

**Please follow the task instructions and rubric in the course of study in responding to these prompts.**

**A1. Country to Compare**

The healthcare systems of many developed countries today are faced with similar challenges yet have developed and adopted different strategies and policies to address them, in which some are more successful than the other in terms of relative performance for a particular aspect of healthcare. In this paper, some differences between the healthcare systems of the U.S. and the UK will be discussed in terms of their quality, access, and other factors governing their overall efficiency in providing care to their respective populations.

**A1. Access**

In the United States, access to healthcare is complex and fragmented. A range of insurance coverage options, private and public, are offered with varying coverage to citizens, children, the retired or the unemployed. The Affordable Care Act was passed in 2010 to address some of these inefficiencies and aimed to provide affordable and high quality health care options to individuals, employers and the government. Individual states and the U.S. federal government jointly finance the Medicaid program that offers medical coverage to qualified lower income families, pregnant women, children and the disabled. The CHIP Program was developed for children and their families that are not covered by Medicaid. Those who are not covered by insurance, such as the unemployed or senior citizens are offered plans through an insurance marketplace system. Those who are above the age of 65 or are retired are eligible for the Medicare program, whereas the unemployed can buy coverage from the marketplace (Baribault & Cloyd, 1999).

In contrast, the healthcare system is run by the UK government through taxation. The ‘National Health Service’ (NHS) is a universal and free healthcare system that provides coverage for individual citizens as well as the retired, the unemployed, or children. Healthcare services are delivered free of cost by the NHS, while offering senior or retired people the same access as any other individual. Public hospitals, local health programs and clinics deliver healthcare to both the unemployed and the uninsured (Kimuyu, 2015). Moreover, different health care institutions are situated in urban as well as country areas, while the income of an individual does not generally determine the type of healthcare access or coverage they are provided.

**A2A. Coverage of Medications**

Most healthcare plans within the U.S. healthcare system cover medication, although the extent of coverage can vary among states and the type of coverage. Some private insurance plans cover prescription drugs though shared costs in the form of annual deductibles and co-payments. In the Medicare plan, prescription medication is covered if individuals have registered themselves for an additional plan, whereas medication is covered entirely by the Medicaid plan, without incurring shared costs. In the UK, the NHS provides certificates and vouchers that individuals can use to obtain medication. Prescriptions can be purchased through annual, monthly or single vouchers, which however, depends on the prescriptions required per month. Different health and social care services provide coverage for unemployed citizens which includes prescription medication costs (Glenza, 2018). Nevertheless, the overall system in the U.S. is more expensive for an average citizen compared to the British NHS, since it depends heavily upon the type of insurance coverage they have, which ultimately determines how much they are required to pay.

**A2B. Referral to See a Specialist**

Some forms of insurance coverage in the U.S. health care system require referrals while some do not. Although, there is no restriction with regards to choosing a specialists’ or a physician’s services in the free-for-service insurance program, however any referrals to specialists needs a prior referral by the primary care provide, in certain plans. Similarly, in the UK, a referral to see a specialist requires the approval of a general practice physician. Moreover, because the number of available specialists can be limited, therefore it can take longer for a patient to be able to see a specialist, especially in the case of an elective or a non-emergent procedure.

**A2C. Coverage for Preexisting Conditions**

Pre-existing medical conditions are generally not covered by the NHS in the UK, unless a certain time-period has lapsed. The application process is easier and quicker since it does not require any medical questionnaire to be filled, and additionally, providers are encouraged for lower premiums by the system (Assistant Secretary for Public Affairs, 2017). In the U.S. the different plans offered in the insurance marketplace generally include coverage for pre-existing conditions, regardless of whether the condition occurred before the coverage plan was initiated. The client cannot be rejected by the insurer and the rates cannot be increased exclusively on grounds of pre-existing health conditions post-enrollment. Medicaid, CHIP, and other plans all follow the same direction. However, if the individual changes his or her insurance plan, then treatment may be declined on account of the precondition clause.

**A3. Finance Implications for Healthcare Delivery**

The different systems governing healthcare in the U.S. and the UK have contrasting financial implications. For instance, the 15% of the U.S. economy’s GDP is spent on healthcare but according to many, it does not achieve a good value for money. Comparatively, the NHS is regarded to be a generally improved system in terms of the number of care providers, facilities and services available. One factor behind the higher cost of healthcare in the U.S. is to reimburse private health insurance and drug companies with profits, and thus healthcare providers are usually more willing to carry out expensive treatments. In contrast, UK’s healthcare system encourages doctors to select a more cost-effective solution in order to fulfill budgetary requirements. Although, the U.S. healthcare system is expensive, as a result of the premiums collected by insurance companies, healthcare providers are able to recommend better and more costly treatments in spite of higher expense. Moreover, doctors and nurses are also compensated better. There are generally no waiting lists to commence treatment. Nevertheless, the coverage depends highly on one’s individual circumstances and the phase of life an individual is in. For the uninsured, paying healthcare bill through cash can be highly expensive, and more elderly citizens are worried in the U.S. about healthcare in comparison to the UK (Blendon, Schoen, DesRoches, Osborn, & Zapert, 2003). The UK’s healthcare system has its own drawbacks, such as cost-benefit analysis of treatments and often long waiting lists for specialized treatment, however, it offers British citizens a greater value for money by providing equitable and a more comprehensive coverage, with a healthcare expense of only 6% of the economy’s GDP. Nevertheless, inefficiencies exist within the system since a competitive market with a profit incentive does not exist. Both systems have been developed with a different framework in mind, owing to their country’s individual circumstances and criteria which leads to contrasting approaches to achieve quality of care.

# **References**

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