Analysis of a Pertinent Healthcare Issue

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NURS - 6053N : Interprofessional Organizational and Systems Leadership

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12/01/19

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Nationally the healthcare system needs reform. Rising cost of health care is the biggest national issue. health care as an element of social infrastructure, its place and role in social production

1. new economic mechanism in healthcare
2. characterization of resources used in health
3. economic efficiency of the functioning of health care institutions, problems of determination and calculation
4. problems of health care reform in the transition to a market

The interest in the health care economy is primarily due to the increase in the cost of maintaining the services of the industry and the limited resources of health care in relation to the rapidly growing needs of society for medical support. New socio-economic conditions caused by market relations require a more objective consideration of the costs and results of the network of medical institutions. Therefore, the rational economic feasibility of material and financial costs in order to maximize the satisfaction of the population in medical care is of particular relevance.

Public health is a criterion for the quality of population, which is associated with assessments of the level of education and culture, training, labor productivity. Public health and economics are closely linked. On the one hand, economic achievements in society, the level of economic development, welfare significantly affect the health status of the population. There is a lot of data showing that the higher the level of well-being, the ceteris paribus the higher the level of health of the population, although the connection is not always traced. On the other hand, population health is the ability to reproduce labor potential, labor resources, which is associated with an increase in productive forces. Health factors such as an aging population, the spread of acute and chronic diseases, disability,

In the postwar years, in almost all countries, there was a significant increase in the expenditure of financial resources on health. This is due to the significant resource-intensiveness of the healthcare system, in particular, the increase in the number of workers employed in the healthcare system, the cost of medical equipment, devices, and modern methods of examining and treating patients. The World Health Organization (WHO) recommends spending at least 6-6.5% of gross domestic product (GDP) on public health. Developed countries of Western Europe (Germany, France, Sweden, Norway, Switzerland, etc.) Japan and others spend 8-10% of gross domestic product for healthcare, and the United States - over 13% of GDP. US health care costs are several times higher than the corresponding defense spending of the country.

One of the important reasons for the increase in health care costs is the growing need for various types of medical care. To a certain extent, this is due to an increase in the population, demographic development trends associated with an aging population, as well as a change in the nature of the incidence. A sharp increase in the number of older persons is characteristic of the republic in the 1990s.

With an increase in the age of citizens, the number of chronic diseases increases, and the need for medical care increases. It has been established that in people over 40 years of age in our country 3-4 different chronic diseases are detected, most often these are diseases of the cardiovascular system, digestive organs, respiratory system, musculoskeletal system, endocrine pathology, etc.

In modern conditions, a rational strategy not only for development, but also for the functioning of the social sphere, requires advancing the qualitative parameters of changes in comparison with the quantitative ones. In this direction, funds invested in this area, including in health care, will not give the desired result.

Health care consumes part of the gross national product. at the same time, health is also consumed for the production of material goods. Therefore, the indicator of life expectancy can become one of the main indicators of the effectiveness of social production. The protection and promotion of public health is a multifaceted system of state, public, socio-economic and medical measures, which are based on a preventive focus, the unity of medical science and practice, the widespread use of scientific and technological progress, the development and implementation of a scientifically based system of measures carried out by state and local government, allowing the most fully and efficiently combine the needs of the population in medical care, drug provision and sanitary and epidemiological services with economic opportunities to meet it.

The current state of healthcare in the republic is characterized by inadequate resource and financial support, low efficiency of the activity of medical institutions, inadequate quality of medical care if there is sufficient provision of the population with medical personnel and hospital beds. Therefore, public health continues to face the massive challenge of continuing comprehensive reform.

Health economics is a branch of economic science that studies the effect of economic laws in the specific conditions of production and consumption of medical services, as well as the conditions and factors that ensure the most complete satisfaction of society’s needs for medical services and the protection of public health with a certain level of resources (Ricketts & Fraher, 2013).. The World Health Organization and the following defines the goals of the health economics:

Structuring the organization and financing of health services, determining the effectiveness of the allocation and use of resources, analyzing the impact of the work of health services on a preventive, therapeutic and rehabilitation profile on individual and national productivity. Since in any economic system, including the activities of healthcare institutions, the availability of resources and their rational use are very important, it is necessary to give a classification of resources that can be used to protect public health.

**Classification of resources by their content**

Natural resources (land, minerals, the presence of therapeutic balneological factors, the presence of healing waters, mud, etc.); material and technical resources (main and auxiliary buildings, structures, provision with such elements of improvement as water supply, sewerage, supply of oxygen, natural gas and electricity, transport base, fuel and lubricants warehouses, other components of infrastructure, medical devices and equipment); human resources (doctors, nurses and nurses, taking into account the profile and level of training, maintenance staff); financial resources (cash, taking into account their sources and volume); information resources (the use of modern information technologies, advertising of medical services, connection to global information networks in order to exchange medical information,

The next classification principle is own and borrowed resources; replaceable and non-replaceable; reproducible, partially reproducible and non-reproducible; classification of resources, varying in degree of distribution (and, accordingly, value) - from very common to unique, and this classification applies to both material and labor, and financial resources. All of the above facts cannot but affect the functioning and development of healthcare in the republic. His crisis condition is associated, in addition to a direct lack of funds, with the imperfection of the financing system of the industry, the prevalence of the residual principle. This inevitably entails a decrease in the responsibility of medical institutions and doctors for the quality of services provided and the effectiveness of treatment.

Paradoxically, one of the most serious problems of domestic health care is the lack of interest of people in maintaining their own health. it is clear that in the context of the transition to market relations, people's behavior will primarily be determined by their economic interests. It is possible to economically interest a person in maintaining their health only if the potential patient knows: they are treating him with his own money. “The Affordable Care Act has created a new vocabulary to describe networks of providers tied together to offer enhanced care coordination”( Ricketts & Fraher, 2013).

**Health economics includes the following sections:**

Macroeconomic health issues; the market for medical services, its characteristics (competition, advertising of medical services as a public and individual product); evolution of payment for medical services (payment from the consumer’s pocket, insurance methods, budget financing); advantages and disadvantages of each method; financing of health care, assessment of the necessary volumes of financing of health care, planning, sources of financing under various systems of payment for health services methods of distribution of financial and other resources, a combination of centralized and decentralized methods of financing; the problem of making economic decisions in the field of healthcare; microeconomics of healthcare, supply and demand in the market of medical services, their regulation in the framework of cost containment policies; economic analysis, the reason for the shortage or overproduction of medical services; price system for medical services, pricing methodology in healthcare; organizational and legal forms of medical activity (commercial and non-profit organizations); remuneration of medical workers, the use of economic methods to improve the efficiency of their activities; marketing and management in healthcare and other issues. “Even though the ideal compensation model for primary care remains to be resolute, lessons learned from current payment models can help guide the shift from volume-based to value-based care”( Park, Gold, Bazemore & Liaw, 2018) .

The problem of healthcare development can be divided into several blocks. The first of them determines the choice of a health development strategy taking into account the following features. Firstly, the provision of medical and social services (much more than any other) requires personal contact between the manufacturer and the consumer, which is characterized by a high degree of individuality and non-standard relations in the “doctor - patient” scheme. Secondly, in health care, the relationship between labor costs and its quantitative results - the state of health of members of society (their morbidity, average life expectancy, and mortality rate) is very ambiguously traced. Thirdly, the pricing of health care services requires taking into account the mechanism of combining the principles of economic efficiency and social justice.

References

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