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Where Is Your Tertiary Health Care Dollar Going?

By

Sam Biddle

WHERE IS YOUR TERTIARY HEALTH CARE DOLLAR GOING?

OUTLINE

The Present Situation:

- A. On-Island steps to cut utilization of Tertiary medical facilities.
- B. The need for Tertiary treatment facilities.
- C. The risk that Tertiary treatment costs place upon the shoulders of the individual patient, his family, and ultimately the government.

Viable Options For Pacific Nations Regarding Use of Tertiary Medical Services:

- A. Discounted fee for service
- B. Prepaid capitation and risk shifting
- C. Services beyond just the provision of medical treatment

Objective

A portion of the Tertiary dollar that is spent should come back to the Pacific nation in the form of direct support of that nation's health care delivery system.

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ABOUT SAM BIDDLE AND UNITED BENEFIT CORPORATION

Sam Biddle, President of United Benefit Corporation, has been consulting with Pacific nations regarding the development of medical financing programs since 1979. Programs that have been developed are bringing cost effective health care benefits to thousands of residents of island communities whose health care resources and facilities are limited. These programs include financing methods for payment of medical services, the coordination of specialist visitations to island communities, primary care development and community health education program development, and discounted fee for service/prepaid capitation contracting with tertiary medical providers and patient care coordination.

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WHERE IS YOUR TERTIARY HEALTHCARE DOLLAR GOING?

September 23, 1986

Sam Biddle

INTRODUCTION:

- A. On-Island steps to cut the utilization of tertiary medical facilities. (Primary care development, up-grading on-island facilities and capabilities of personnel, etc.)
 - ** Paperwork/Referral Authorization
 - ** Coverages and Exclusions
 - ** Philosophies Regarding Medical Referrals
 - ** Patient Payment Policies
- B. However, when you need to refer it is important that the referral be to a location that provides cost effective/quality treatment in such medical specialities as cardiology, orthopedics, oncology, etc.
- C. The media can be used to explain the referral process and how the government health care system views referral availability.
- D. Bottom Line is the Catastrophic Risk to which the individual family and ultimately the Government is facing.

VIAABLE OPTIONS AVAILABLE TO PACIFIC NATIONS FOR TERTIARY MEDICAL SERVICES:

- A. Enter into agreements with medical providers at the tertiary location for discounted fee for service arrangements for those medical referral patients.
- B. Enter into an agreement with a medical provider(s) whereby a prepaid capitation rate is paid monthly to that provider(s) that is/are qualified to service the off-island tertiary medical requirements of medical referral patients. Provider(s) will agree to treat all patients medically referred to the facility and the cost will be covered by the monthly prepaid amount.
 - 1. Risk Shifting
 - 2. Stop Loss Guarantee

If incurred medical claims exceed the amount of the total prepayment, the medical provider absorbs the loss. If the incurred medical claims are less than the amount of the total prepayment, a number of options are possible.

- 1. Since the provider is assuming all financial risk, it would be entitled to keep any difference remaining between the total prepaid amounts and the actual claims incurred.

2. A second alternative would be where the provider retains a portion of the difference as a reserve to insulate itself from future risk and returns the remainder to the participating nation.
3. A third alternative is for the provider to provide services beyond medical treatment. These services could be included in the prepaid capitation rate. Such services should include:

**** Meaningful Utilization Control and Tracking:**

By monitoring patient progress with in-house utilization control mechanisms, the cost of medical treatment can be controlled. This will ultimately affect the prepaid capitation rate the participating nation would pay. Tracking patient progress can assure he receives the treatment needed when necessary.

**** Patient Follow-Up and Reporting:**

When the patient episode at the tertiary provider is complete, it is important that any follow-up medication and/or treatment be arranged for. Too often a patient returns home after expensive treatment without sufficient medication to continue his treatment regimen or there is no medication in stock at the local hospital. This can have a negative affect upon his recovery. The tertiary provider can provide follow-up tracking via phone and in writing to assure that the primary local physician does a follow-up with the patient. Patient would remain in the computerized follow-up tracking system until his medical condition is resolved.

**** Drugs and Supplies Ordering and Purchasing System:**

The drug and medical supply needs of the participating nation would be reported to the provider purchasing program. The order would be completed and shipped. Payment would come from the participating nation. Substantial discounts are available through the purchasing power of this program. Computerized inventory control of supplies and automatic reorder of supplies could be part of this program. Utilize computer systems which are compatible with your country's system.

**** Medical Equipment Lease/Purchase/Install/Repair Program:**

The ordering and purchasing of medical equipment can be handled basically in the same way as with drugs and supplies, while providing significant savings to the participating nation. Financing arrangements, ordering the right equipment, installation, training, and repair availability are important benefits of this program.

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** Specialist Visitation Program:

The cost effective visitation of medical specialists to the participating nation is important. Significant savings can be realized by treating certain medical conditions on-island rather than referring them to the tertiary provider. This program can provide a screening and coordination benefit i.e. working with the needs as established by the participating nation's health care system, the tertiary provider can assist in locating the specialist and scheduling his visitation as well as other logistic matters. Specialties would include:

- * Epidemiology
- * ENT
- * Orthopedic
- * Cardiology
- * Dental

** Seminar Resource Personnel Visitation Program

Personnel from various medical fields would visit the participating nation to provide input in such areas where such assistance would be helpful. Continuing education programs would be augmented by the visitation of qualified medical and other personnel to provide informational/educational support to current medical and administrative staff.

- * Public Health
- * Health Education Programs
- * Sanitation Awareness Programs
- * Maternal and Child Health Programs
- * Wellness Program Development
- * Substance Abuse Program
- * Major Illness/Disease Control
(Respiratory System, Skin, Digestive System, Injuries and Adverse Affects)
- * Chronic Disease Control
(Asthma, Tuberculosis, Hypertension, Diabetes)

** Medical Staff Training Programs

Provision could be made whereby staff from the participating nation's health care system could attend in-house continuing education programs to upgrade their skills at the tertiary provider facility. Provision of "refresher courses" for:

- * Medical Officers
- * Health Assistants
- * Nursing Staff

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** Medical Information:

The tertiary provider could make available to the participating nation useful information via regular dissemination of information that would be of interest to medical and health service administrative staff. Also such information would be useful as source articles for health newsletters.

CONCLUSION - "FORGING A PARTNERSHIP"

Such a program support on-island efforts that have the goal of increasing the capability of the participating nation's health care system. The dollar that is spent for tertiary care would come back to the country. The cost effective use of available health care resources of the island nation would be supported by such a tertiary program.