



HEALTH ECONOMICS

Title: Paying for healthcare

Lecture no:14

Done by:Ramzi abujamuos







Paying for Healthcare





Part 2

Dr. Omnia Elmahdy

Copayments

A fixed cost per episode of care, such as a

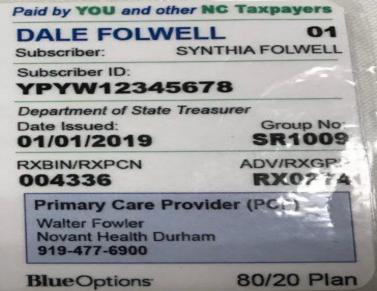
doctor's visit or hospitalization

تكلفة ثابتة لكل حلقة من الرعاية، مثل زيارة الطبيب أو المستشفى

بتكون شركة التأمين حاكيتلك انها رح تغطي 20 من كل زيارة الك لمستشفى او دكتور هاذ المقصود ب fixed cost

مبلغ ثابت مش نسبة





شركة التأمين بتحكيك انا بغطيك 50% من التكلفة

نسبة محددة مش مبلغ

A <u>fixed percentage</u> of the cost of care, such as 10 or 20 percent of the cost of a doctor's visit.

The advantage of co-insurance is that it reduces the price of the service and still provides the patient with an incentive seek out ess costly to providers بحث عن اقل تكلفة



Coinsurance

(vs.)

Copay

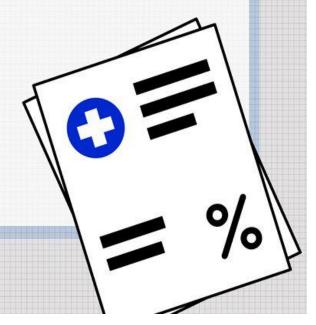
Percentage of costs you pay after you've met your deductible

 Encourage Cost-Sharing and Consumer Responsibility

- Lower Premiums for Policyholders
- Reduce Overutilization of Insurance Services

تعيين معدل تدفعه مقابل الوصفات الطبية، وزيارات
Set rate you pay for الطبيب، وأنواع أخرى من الرعاية
prescriptions, doctor visits,
and other types of care

Doesn't count toward your deductible



Investopedia

• Deductibles

المشترك

A <u>fixed</u> amount that the <u>enrollee has to pay</u> <u>before</u> <u>insurance</u> covers expenses

An important reason for using a deductible is that it تكاليف الإدارة
lowers the administrative costs of claims processing
when there are many small claims and the cost of
handling these claims is high انتا copayment في ال administrative cost انتا copayment التا deministrative cost التا فيها والتأمين ما الوفيها

اما في coinsurence بتنحسب ضمن التكلفة الكليه

وبتدخل بالنسبة

Stop Loss Levels, Limits, and Maximums

• Deductibles and co-insurance can add up to a large financial loss to a person who has a serious illness.

Insurance therefore includes a "stop loss". هون لما يصير مع الشخص مرض محتاج تكاليف عاليه جدا فعشان

ما یخسرو ف بحسبو ال total insurenc خلال حیاتو ویحطو ...
Once the patient's out-of-pocket medical expenses

(deductible and co-insurance) reach a certain dollar

amount, typically \$2,500, then the patient is no longer

responsible for additional out-of-pocket payments.

While stop loss levels are meant to protect the patient from a large financial loss, "limits" and "maximums" are similarly used to protect the insurance company from large losses

- Insurance companies often include a <u>lifetime limit</u> on how much they are willing to reimburse for a patient's medical expenses.
- Expenditures <u>above</u> that limit become the responsibility of the patient

Most health insurance plans have:

1 BENEFITS: What the plan pays for.



Pealthcare professionals that provide discounted services within health plan.



3

COSTS:

These can be premiums, deductibles, co-pays and coinsurance.





Paying for Healthcare





Part 3

Dr. Omnia Elmahdy

Types of Health Insurance

اداریا I- Administratively

A. Governmental (compulsory by law) non-profit, funding is through taxes.

B. **Voluntary** (private agencies) for profit

الله نظر الله نظر II- Benefits point of view

- A. Cash Indemnity Plans تعویض عن أضرار
- B. Service Benefit Plans
- C. Combination of both

A. Cash Indemnity Plans

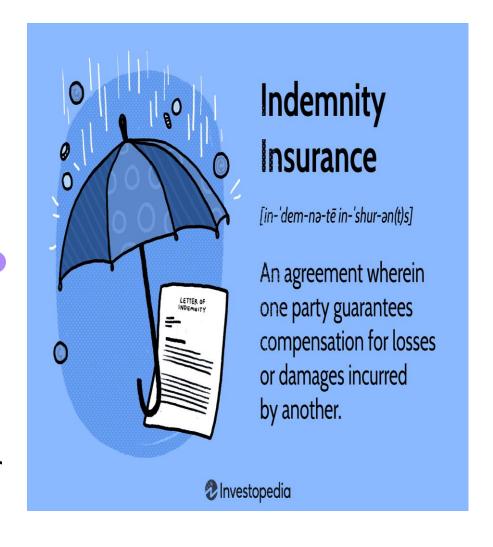
The plan pays the insured in case of

sickness a <u>prefixed sum</u>

of money

e.g; 100 JD for one week hospital stay or 15 JD for

the doctor's visit



Regardless of the actual expenditure

- The <u>insured pays</u> the hospital or doctor <u>and later files</u>

 <u>a claim</u> for cash <u>reimbursement</u> (تسدید النفقات) in the amount specified in the contract.
- In case of **accident** the plan pays according to the **compensation's schedule.**
- The <u>amount of reimbursement</u> is often a <u>fixed amount</u> per hospital day or admission or a <u>percentage</u> of the bill.

B. Service - Benefit Plans

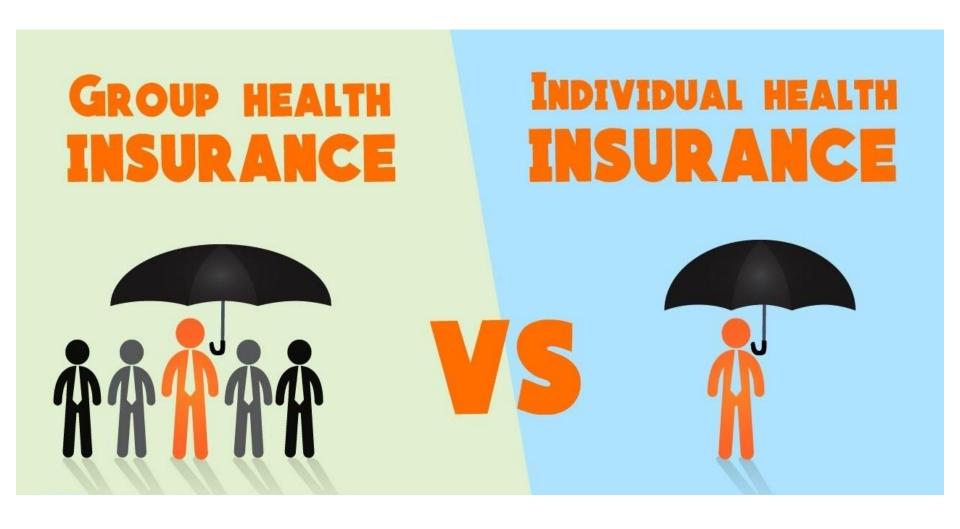
The plan pays to the <u>doctor and the hospital</u> while the <u>insured pays only for services and extras</u> not included in the contract

e.g; First class accommodation إقامة من الدرجة الأولى

An indemnity benefit, offered by commercial insurers, differed from a service benefit in that the patient was reimbursed, not the hospital, a predetermined amount for the patient's medical costs.

Cash Indemnity Plans	Service-Benefits Plans	
1- Subscriber is free to choose the hospital and treating doctor	1- Subscriber chooses among the participating doctors and hospitals	
2- The plan does NOT guarantee the service provided	2- The plan guarantees the service regardless of its cost as it either owns or in agreement with health services according to a certain level of care provision	
3- Patient has to put a down payment for the hospital or doctor in advance	3- The subscriber's identification card serves as a credit reference	

III- Group VS Individual plans



Group Plans (Employment-based health insurance):

A group buys insurance for everyone in the group.

اللي ينتعاقد مع شركة التأمين هو الشركات او ال employer مش الموظفين

- Employer or other organizations can purchase group plans بمكن لصاحب العمل أو المنظمات الأخرى شراء خطط حماعية لأعضائها. for their members.
- In most cases, group insurance is **provided by an employer**

as a benefit to its employees. في معظم الحالات، يتم توفير تأمين جماعي من قبل صاحب

العمل كفلية لموظفيها.

With employment-based health insurance, employers usually pay most of the premium purchases health insurance for their employees



Advantages:

- Generally, less expensive. عموما، أقل تكلفة.
- Everyone who belongs to the group can enroll even if preexisting conditions exist.

Disadvantages:

- Options are limited depending on what the plan sponsor chooses. الخيارات محدودة اعتمادا على ما يختار ال sponsor ... يعني الخيارات محدودة اعتمادا على ما يختار ال
- The plan sponsor can <u>discontinue the insurance at any</u> <u>time</u> as long as everyone in the plan is dropped.

ممكن التعاقد مع شركة التأمين يخلص او يوقف .. فبصير كل الموظفين بدون تأمين لحد ما يتم التعاقد مع شركة اخرى

Individual Plans:

People who are <u>self-employed</u>, or whose <u>company does not</u> offer health insurance as a benefit, can <u>buy health insurance</u>

directly from an insurance company.

With private health insurance, athird party, the insurer, is added to the patient and the health care provider, who are the two basic parties of the health care transaction.



Advantages:

- Individual can have the **policy written for his needs**.
- **Discounts** can be offered for healthier people.

Disadvantages:

- Usually more **expensive**.
- If a **pre-existing** condition exists, it will be **very expensive** to cover.
- Young people who are relatively healthy often do not see the need
 - for health insurance
- Unless an illness is life-threatening, a health-care provider can
 - refuse to treat patients.

ما لم يكن المرض يهدد في الحياة، يمكن لمزود الرعاية الصحية رفض علاج المرضى.

	<u>Group</u>	<u>Individual</u>
Protection when job is lost (Employee)	Limited	Yes
Protection when changing jobs (Employee)	Limited	Yes
Choice of medical providers (Employee)	Limited	Yes
Coverage of pre-existing conditions (Employe	Yes	Yes
Who purchases the plan?	Employer	Employee
Tax Deductible?	Yes	Sometimes