



HEALTH ECONOMICS

Title : **Paying for healthcare**

Lecture no : **14**

Done by: **Ramzi abujamuos**



وَقُلْ رَبِّ زِدْنِي عِلْمًا





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 حاكيتك انها رح تغطي 20 من كل زيارة الك لمستشفى او دكتور هاذ

المقصود ب fixed cost

مبلغ ثابت مش نسبة ☆

North Carolina State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer
Treasurer Dale R. Folwell, CPA

In-Network Member Copay

Selected PCP	\$10
Designated Specialist	\$45
Specialist	\$85
Physical/Occupational/ Speech Therapy, Chiropractic	\$52
Urgent Care	\$70*
ER	\$300 + Ded + 20%*

* same for out-of-network

Paid by YOU and other NC Taxpayers

DALE FOLWELL 01
Subscriber: SYNTHIA FOLWELL
Subscriber ID:
YPYW12345678
Department of State Treasurer
Date Issued: **01/01/2019** Group No: **SR1009**
RXBIN/RXPCN: **004336** ADV/RXGRP: **RX077A**

Primary Care Provider (PCP)
Walter Fowler
Novant Health Durham
919-477-6900

BlueOptions 80/20 Plan

• Coinsurance

شركة التأمين بتحكيك انا بغطيتك 50% من التكلفة

نسبة محددة مش مبلغ

A fixed percentage 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 to seek out less costly providers

بحث عن اقل تكلفة



I am liable for 20% while my insurer is liable for 80%

20%

80%

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 الطبيب، وأنواع أخرى من الرعاية
Set rate you pay for prescriptions, doctor visits, and other types of care

Doesn't count toward your deductible



- **Deductibles** الخصومات

A **fixed** amount that the ^{المشارك} **enrollee has to pay** **before** ^{نفقات} **insurance** 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 ^{ال administrative cost في ال copayment انتا}

^{بتدفعها والتأمين ما الو فيها}

^{اما في coinsurance بتنحسب ضمن التكلفة الكليه}

^{ويتدخل بالنسبه}

• 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 يخسرو ف بحسبو ال total insuranc خلال حياتو وبحطو
limit بعد هيك بتصير تدفع للتأمين بس بدون ما تستفيد منو ...

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 lifetime limit on how much they are willing to reimburse for a patient’s medical expenses.
- Expenditures above that limit become the responsibility of the patient

Most health insurance plans have:

1

BENEFITS:

What the plan pays for.



2

NETWORKS:

Healthcare professionals that provide discounted services within health plan.



3

COSTS:

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





Paying for Healthcare



Part 3

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Types of Health Insurance

^{إدارياً} I- Administratively

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

B. Voluntary (^{وكالات خاصة} private agencies) for profit

فوائد وجهة نظر

II- Benefits point of view

- A. **Cash Indemnity** Plans تعويض عن أضرار
- B. **Service – Benefit** Plans
- C. **Combination** of both

A. Cash Indemnity Plans


The plan pays the insured in case of sickness a ^{مسيبوقة} prefixed sum of money

e.g; 100 JD for one week

hospital stay or 15 JD for

the doctor's visit

Regardless of the actual expenditure



Indemnity Insurance

[in-'dem-nā-tē in-'shur-an(t)s]

An agreement wherein one party guarantees compensation for losses or damages incurred by another.

Investopedia

- The insured pays the hospital or doctor and later files a claim for cash reimbursement (تسديد النفقات) in the amount specified in the contract.
- In case of accident the plan pays according to the compensation's schedule. جدول التعويض.
- The amount of reimbursement is often a fixed amount per hospital day or admission or a percentage of the bill.

B. Service – Benefit Plans

The plan **pays** to the doctor and the hospital while the insured pays only for services and extras 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

1- Subscriber is free to choose the hospital and treating doctor

2- The plan does NOT guarantee the service provided

3- Patient has to put a down payment for the hospital or doctor in advance

Service-Benefits Plans

1- Subscriber chooses among the participating doctors and hospitals

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- The subscriber's identification card serves as a credit reference

III- Group VS Individual plans

**GROUP HEALTH
INSURANCE**



**INDIVIDUAL HEALTH
INSURANCE**



VS

Group Plans (Employment-based health insurance):

- A group buys insurance for everyone in the group.
اللي بيتعاقد مع شركة التأمين هو الشركات او ال employer مش الموظفين
- **Employer or other organizations** can purchase group plans for their members.
يمكن لصاحب العمل أو المنظمات الأخرى شراء خطط جماعية لأعضائها.
- 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 كدفعة لموظفيها.

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



Advantages:

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

Disadvantages:

- Options are limited depending on what the plan sponsor chooses. الخيارات محدودة اعتماداً على ما يختار ال sponsor... يعني انت وحظك
- The plan sponsor can discontinue the insurance at any time as long as everyone in the plan is dropped. يمكن التعاقد مع شركة التأمين يخلص او يوقف .. فبصير كل الموظفين بدون تأمين لحد ما يتم التعاقد مع شركة اخرى

Individual Plans:

People who are self-employed, or whose company does not offer health insurance as a benefit, can buy health insurance directly from an insurance company.

With private health insurance, a third 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>
<i>Protection when job is lost (Employee)</i>	Limited	Yes
<i>Protection when changing jobs (Employee)</i>	Limited	Yes
<i>Choice of medical providers (Employee)</i>	Limited	Yes
<i>Coverage of pre-existing conditions (Employee)</i>	Yes	Yes
<i>Who purchases the plan?</i>	Employer	Employee
<i>Tax Deductible?</i>	Yes	Sometimes