Chapter 1

Managed Healthcare: A Temporary Trend or a New Standard for Providing Health Services?

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ABSTRACT

This chapter describes how managed healthcare is a systemic and institutional approach for cost management. It might be the remedy for increasing demand for limited human and material resources. In most of the developed countries the number of elderly patients with multimorbidity is increasing every year. This situation creates the necessity for implementing new policies based on cost-effective methods of diagnosis and treatment. Keeping quality high is crucial for patient safety, although cost reduction must occur to ensure the proper care for all. However, several ethical concerns are raised with these changes. The main is that although the physicians are focused on cost-effective procedures, they will take the patient’s opinions into consideration. The outcome of an undermined relationship between doctors and their patients may be contrary to the reduction of the compliance and adherence may in fact increase the cost of services for specific patients. The proper communication patterns and post-discharge care is mandatory for limiting unwanted additional costs and benefits policy makers keeping patient satisfaction high.

DEFINITION OF THE MANAGED HEALTHCARE

General description of the managed health care term usually contains two elements of equally high importance - cost reduction and quality improvement. (Kongstvedt, 2012; Sekhri 2000) By far it is the simplest and most objective definition describing its nature in every case. However, managed care is not homogenous across the globe. Primary solutions were modified to satisfy political and financial needs of different countries. The development of managed care system and its variations was forced by rising costs.
health demands and costs. Preserving the high quality of care caused the reduction of availability of the health services due to relative shortness of funds. The idea of managed health care is to implement optimal diagnostic, therapeutic and organizational procedures for cost reduction and quality maintenance or improvement. (Tobin, 1997) Due to such solutions greater number of patients may receive proper care in adequate moment.

The idea of managed care is thought to be an American invention. However, system is adapted in several countries worldwide. It is well known in Great Britain, Australia, Russia, New Zealand, Croatia, Hungary. Some parts are also introduced in the Netherlands, Germany and Israel. (Stein, 2016) Managed health care is being also implemented in Poland as a part of national health care system reorganization. The project is called Coordinated Health Care (orig. Koordynowana Opieka Zdrowotna – KOZ). The most precise Polish definition was created by Polish Association of Managed Care (orig. Polskie Towarzystwo Koordynowanej Ochrony Zdrowia - PTKOZ). It states that managed health care means organized activities of system participants for achieving cost-effective benefits, quality and continuity of patient care (Fedorowski, 2017). According to PTKOZ managed care should also fulfill several requirements. It has to be:

- Complex and integrated
- Controlled organizationally
- Dynamically reactive towards stakeholders demands
- Modern and of high quality
- Valuable and effective
- Referring to solutions proven as correct in different parts of the world

Polish government and main stakeholders interpreted, coordinated, or managed health care as unified actions of several types of providers such as hospitals, ambulatory care units, basic health care providers, rehabilitation facilities, administration and prophylaxis for better health and financial outcome. (Banaś, 2016) The payment is done after whole process of diagnosis and treatment is finished according to standards & procedures. Every detail of this multistage plan has to be reported. Patient is being coordinated by one qualified person and there is no need for him to find proper provider for specific procedure to be done. All of his effort is to enter the process and agree or not to proposed methods of diagnosis and treatment. As the providers are connected into public network their ability to fulfill these requirements is probable. The most important factor of Polish interpretation is that the managed care system will be public and the only funding will be national. The aim of policy makers is to provide health care for every citizen of Poland regardless if they have insurance coverage or not (NFZ materials, 2017).

Types of Managed Health Care Organizations

The main managed care organizations (MCOs) existing at US market are not described in existing literature as specified individual health care plans. They are rather presented as continuum of solutions of the same issue. The main purpose they are designed for is to reduce the total health care cost. Some of them are more efficient, others are more consumer- or provider-friendly but unfortunately, more expensive. The evolvement of all presented MCOs is the answer for imperfection and insufficiency of insurance and health benefits models present in US in the first half of 20th century. (Kongstvedt, 2001)