

## The Reduced Hospital Payment Program as Part of the Healthcare Development Plan in Imam Reza Hospital in Kermanshah

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### ABSTRACT

Health is viewed from a broader perspective in the world today and non-medical demands have become more emphasized. People's growing demands in relation to safety, quality and equity have increased the urgency to create a healthcare system incorporating performance accountability. For years, financing the medical treatment required was reason for even greater worries for the majority of patients due to the neglect, credit issues and various associated policies of the healthcare system. Today, as a main objective of the Healthcare Development Plan, patients' share in healthcare costs incurred has reduced significantly. This part of the implementation of the Healthcare Development Plan is concerned with the financial protection of citizens against health costs, organizing hospital services, improving the quality of healthcare and facilitating the equitable access of all citizens to medical services. Given the importance of funding for medical costs and the crucial role of the Healthcare Development Plan in reducing these costs, the present study was conducted to assess the reduced hospital payment program in patients admitted to Imam Reza teaching hospital in Kermanshah, Iran. The data collection tool used in the present descriptive study consisted of a checklist of the reduced hospital payment program designed by the Healthcare Development Plan office of the Medical Deputy of Kermanshah University of Medical Sciences and Healthcare Services. Data collected were analyzed in SPSS. The results obtained suggested a favorable status for the reduced hospital payment program in Imam Reza hospital of Kermanshah. According to the results of the present study, Imam Reza hospital appears to play a part in the accomplishment of the main objective of the Healthcare Development Plan, that is, reducing patients' share in healthcare costs incurred.

**KEY WORDS;** Healthcare Development Plan, Reduced Hospital Payment Program, Perspective

### INTRODUCTION

Health is not merely the absence of disease or other deficiencies in the body, but the state of lacking mental, social, economic and physical health problems in every member of the society. Health is a valuable asset that should be preserved and improved as part of the main efforts of people's daily life. A healthy human is the foundation of sustainable development, and being healthy is essential to humans for benefiting from the Divine blessings. Focusing on health and making efforts to maintain and promote it have always been therefore a priority. The main mission of the healthcare system is the promotion of health and responding to the society's health needs, which are constantly changing with the economic, social, political and environmental conditions. Diseases and health-threatening factors are also constantly changing, with a particularly fast pace at the present time. Responding to these changes is the principal reason for the development and improvement of the healthcare system [1].

Health is an item that requires accountability on the part of the people as well as the government and the other authorities, industrialists, businessmen and servicemen. The president of the Islamic Republic of Iran has also consistently stressed people's right to health and the reduction of their out-of-pocket payment for their healthcare and announced it a priority of his cabinet to support the health sector and ensure people's health, and has also allocated part of the revenues from the second phase of the Iranian targeted subsidy plan to the health sector (according to the Act of Parliament) [2].

Changing the healthcare system with consideration for the particular features of the national healthcare sector is beyond the authority of the Ministry of Health, and as addressed by many local experts and also in the experience of most countries, constructive change requires the involvement of other ministries, health NGOs and the private health sector as well. Accomplishing such change requires initiation and strategic planning at the highest executive level in the country and in the form of a supreme strategic council. To prepare this proposal, the Ministry of Health and its policy council have formed a task force in 2010 and assigned it to reviewing the views of policy-making, administrative and academic experts as well as to analyzing the experiences of other developed and developing countries. The draft proposal prepared by the task force was discussed in meetings of the policy council and the vice-health ministers' council [3].

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The health development plan is a valuable offering in and by itself that clearly defines the future of the health system, policies, macro-goals and the route toward the realization of these goals. Other measures are also required for this plan to be implemented and to identify its level of progress, implementation obstacles and problems, operations executives and the means of monitoring the implementation of the plan, regular control and supervision, periodic reports and their content, etc. [1]. All the 8 projects of the healthcare development plan began in May 5<sup>th</sup>, 2014, to be gradually implemented across all the 380 public hospitals in the country; as a result of the implementation of this plan in public hospitals, patients are no longer required to receive their laboratory and imaging services or even purchase medication and equipment outside the hospital. This effort has the benefit of eliminating the costs imposed on patients and their families and also reducing 5.5% of the patients' out-of-pocket payments [4]. Since one of the main goals of the plan is to reduce payments made by patients, people's share in paying for medical costs is considerably reduced. This part of the healthcare development plan is concerned with the financial protection of citizens against healthcare costs, organizing hospital services, improving the quality of healthcare and facilitating the equitable access of all citizens to medical services.

By 2014, nearly 8 million people will be admitted to public hospitals, and given the average hospitalization costs of 16,000,000 Rials, patients are incurred an amount of 640,000 Rials every time they need to be hospitalized. With the implementation of this plan, however, patients' share in the payment will be 1,600,000 Rials. At the present, patients hospitalized in public hospitals are guided to external sources for purchasing medications and medical equipment and to receive laboratory and imaging services. However, with the implementation of this plan, all these services, medications and equipment will be accessible inside hospitals, or else, the hospital will be responsible for providing the amenities through connections with its affiliated universities.

- Organizing the chaotic medical equipment market in terms of price, quality and procurement is among the expected achievements of this plan.

- This plan will cut people's out-of-pocket (OOP) payments by 5.5% [5].

The minister for health stated that, through the implementation of this plan, medical costs were reduced by 31.5% in rural areas and by 32% in urban areas, and also argued that the expenditure of more than 40% of a family income on health alone is grueling and added that the 4<sup>th</sup> Development Program aimed at a 20% to 30% cut, yet, 50% to 60% of the costs are to be paid out-of-pocket, although the World Bank's strategy is for 80% of the costs of health services to be paid for by governments by 2030. Reminding his audience of the health development plan, he stated that the Health Policy Council was formed in 2013, and the health development plan was then approved and announced for implementation in March 2014. He also discussed other achievements of the plan, including reducing drug shortages from 2700 items to 29 items, multiplying the access to hospitals and facilities and increasing satisfaction with the plan to 70%. The Iranian minister of health referred to a report by the Statistical Center of Iran and said that the implementation of the health development plan has led to a 31% reduction in people's out-of-pocket payments for health [2].

## MATERIAL AND METHODS

The data collection tool used in the present descriptive study consisted of a checklist of the reduced hospital payment program designed by the Healthcare Development Plan office of the Medical Deputy of Kermanshah University of Medical Sciences and Healthcare Services. A total of 49 questionnaires were periodically completed in Imam Reza teaching hospital in Kermanshah, and the data obtained were analyzed in SPSS-16.

## RESULTS

At Imam Reza hospital in Kermanshah, one individual was put in charge of coordinating the implementation of the plan, and all the personnel in the revenue, discharge, admission and administrative units were informed of the details of the plan, and the staff received information through banners and notices posted in the units. These units, particularly the admission unit, highly recommend patients to present their insurance and national code, and patients without insurance receive instructions on how to obtain insurance. At the time of admission, patients are also informed about supplemental insurance policies. Except in the case of infants, unidentified individuals and prisoners, the patients' national codes are recorded prior to discharge 100% of the time. The hospital is equipped with a HIS, in which a bill is issued for all eligible patients containing all the diagnostic and medical services and medications and disposables used by them. The rest of the results obtained in the present study are presented in table 1.

**Table 1.**

Receiving 100% of the costs of medications and medical disposables not covered by insurance from the patient	100%
Calculating a 3% to 6% rate for records taking under 6 hours	100%
Providing sanitary bags as per instructions	100%
Providing insurance coverage for the ambulance transfer of patients for services not provided in the source hospital	100%
The hospital providing packages of disposables	100%
Eliminating the costs of patient registration and document photocopying	100%
Covering the costs of organ transplant in patients needing transplantation	0%
Covering the costs of damages caused by suicide in the plan	100%
Asking for no pre-payments from emergency patients	100%
Observing 3% tariffs for rural patients and 5% for other insurance holders	100%
The hospital providing all the medications and medical equipment required by hospitalized patients	100%
Registration of discharged patients' records in the Iran Electronic Health Record System (SEPAS)	100%

## DISCUSSION

To ensure the proper implementation of the reduced hospital payment program, requirements of the package were addressed. According to the results obtained, the healthcare development plan can be said to lead to a significant reduction in patient's share in healthcare costs incurred in hospitals, which is consistent with the findings of studies conducted in some hospitals of Tehran reflecting people's satisfaction with the implementation of the reduced hospital payment program. Examples follow.

A young woman had come to the hospital to discharge her husband, carrying a bill of 37,000,000 Rials to be paid to the counter for a total knee replacement operation. When asked about hospital costs, she replied, "Many of the items are not included in the healthcare development plan since we claimed at the time of admission that we had supplemental insurance, and so we have to pay the entire bill to the hospital first and then ask to be refunded by the insurance company. But, with this plan, we made 90,000,000 Rials in savings on the costs of a total knee prosthesis, which is paid for by the hospital, and we didn't pay a dime for this".

A middle-aged woman is about to have her son discharged. She was concerned about her son's cancer only, and no longer about medical costs. She said, "of the 13,000,000 Rials cost of my cancerous son's thyroid operation, we only paid 1,800,000 Rials, including the costs of diagnostic procedures such as imaging and laboratory tests".

Another young woman who had come to pay for her husband's discharge said, "of the 34,000,000 Rials cost of the bill, we only have to pay 4,000,000 Rials, and the hospital and the Social Welfare insurance will pay for the rest".

A young couple had brought their 4 year-old child for an operation on her congenital knee defect. When asked about the costs, the father said, "we have only made a pre-payment until now, and the hospital has not asked us to pay for anything else, including the tests, imaging services, the operation and the prosthesis". He added, "I am a farmer in Babol and do not have health insurance. When we came here, the hospital officials insured my daughter and told me not to worry about the costs" [3].

The Deputy Executive of the Iranian Students' Polling Agency (ISPA) announced the results of a poll on the implementation of the healthcare development plan and said, "At the request of the National Institute of Health Research as a consultant for presenting health decision-makers with scientific evidence and responsible for the assessment of the healthcare development plan, ISPA started a poll and assessed the effect of the plan in three phases, for patients, doctors and nurses". Falah continued, "Polling began on July 15<sup>th</sup>, 2014, and the data on the indicators of the healthcare development plan were collected over the phone to assess the patients', doctors' and nurses' satisfaction with the implementation of the plan. Polling was performed by the executive team of ISPA within three statistical populations, including patients, doctors and nurses, and lasted from July 16<sup>th</sup> to August 5<sup>th</sup>, 2014. According to the results published by the Institute for Health Research, 30% of patients were fully satisfied with the services provided to them at hospitals and 43% were partly satisfied [6].

The Medical Deputy of the Ministry of Health stated that, according to a poll, about 73% of the public are satisfied with the implementation of the plan [2].

## CONCLUSION

Despite the major challenges, the healthcare development plan is a valuable offering in and by itself that clearly defines the future of the health system, policies, macro-goals and the route toward the realization of these goals. Other measures are also required for this plan to be implemented and to identify its level of

progress, implementation obstacles and problems, operations executives and the means of monitoring the implementation of the plan, regular control and supervision, periodic reports, etc.

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