

## **Financing Health Care**

### **I. Role of Financing**

- A. Demand Side
- B. Supply Side

### **II. Health Care Expenditures**

- A. Categories
- B. Statistics
- C. Sources of Funds
  - 1. Private
  - 2. Public

### **III. Insurance**

- A. Principles
- B. Concepts
- C. Private Financing
  - 1. BCBS
  - 2. Commercial
  - 3. Self-insurance
  - 4. Individual Private Health Insurance
  - 5. Managed Care plans
    - a. HMO's
    - b. PPO's
    - c. POS
- D. Public Financing
  - 1. Worker's Compensation
  - 2. Medicare
    - a. Hospital (Part A)
    - b. Supplemental (Part B)
    - c. Medicare+Choice (Part C)
    - d. Prescription Drugs (Part D)
  - 3. Medicaid
  - 4. Balanced Budget Act Programs
    - a. PACE
    - b. SCHIP
  - 5. Military Health Services System
  - 6. Department of Veterans' Affairs
  - 7. Indian Health Services

### **IV. Payment Function**

- A. Reimbursement Methods
  - 1. Fee-for-service
  - 2. Bundled charges
  - 3. Resource-based relative value scale

- 4. Managed care approaches
  - 5. Cost-plus reimbursement
- B. Hospital Reimbursement
  - 1. Retrospective
  - 2. Prospective
    - a. DRG's
- C. Problems in Financing
  - 1. Long term care
  - 2. Cost shifting
  - 3. Fraud and Abuse
  - 4. Uninsured