

**HEALTH CARE TODAY
GOOD BUSINESS BAD MEDICINE**

**KENYA ASSOCIATION OF PHYSICIANS
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CHANGING FACE OF MEDICINE

- ART TO SCIENCE
- SERVICE TO BUSINESS
- PATIENT TO CONSUMERS
- LAWYERS DECISION MAKERS

PROFFESION (NOUN)

- An occupation, especially one that involves knowledge and training in a branch of advanced learning.
- We live and work in a society

SOCIETY

- Totality of Human Relationship
- A human community sharing a culture.

MORAL (ADJ)

- Of or concerned with goodness and badness of human character
- Or with the principle of right and wrong in conduct.

HEALTH CARE TODAY

- POLITICAL INFLUENCE:
- EXPANDING SERVICES:
- QUALITY OF CARE
- PRIVATE CARE Vs PUBLIC SERVICE

THE CONSULTANTS

- Past - Consultants
few/Patients many
- Low technology generalists
- Now - High tech/specialists
- Previously Mainly giving time
- Examining patient “consulting
- Now - Intervention Orientated
“Endoscopies” , Echo etc

HEALTH CARE TODAY

- **HEALTH CARE AS BUSINESS**
- **MUST BE MADE KNOWN TO CONSUMERS**
- **ADVERTISE**

ADVERTISE DEFINITION

Oxford English Dictionary

- Make generally known
- Promote (goods or services)
- Physically to encourage people to buy or use them
- Ask or offer by public notice

ADVERTISEMENT

- Be demonstrably true in all respects.
- Not be misleading, vulgar or sensational;
- Seek to maintain the decorum and dignity of the profession;
- Not contain any testimonial or endorsement of clinical skills;
- Not claim that one doctor is superior to others nor contain endorsement for any particular doctor; an
- Avoid aggressive forms of competitive persuasion, such as those that prevail in commerce.

ADVERTS

- For sale; an antique desk suitable for lady with thick legs and large drawers.
- Now is your chance to have your ears pierced and get an extra pair to take home, too.
- Wanted: Unmarried girls to pick fresh fruit and produce at night.

ADVERTS

- Sheer stockings. Designed for fancy dress, but so serviceable that lots of women wear nothing else.
- We build bodies that last a lifetime.
- Man, honest. Will take anything
- Used Cars: Why go elsewhere to be cheated? Come here first!

MANAGED CARE

- WHAT IS MANAGED CARE
- The origins [Early 20th Century]
- Technological Advances
 - “THE FAILURES OF OUR SUCCESSES”
 - “DOCTORS – THE CULPRITS
 - GOVERNMENTS/COMPANIES”
- Minimal Utilization of resources least Expensive health care

MANAGED CARE

- Cost containment: Gate keepers
- Quality Care
- Reasonable Cost
- Some Issues:
 - Financial Aspects
 - Clinical Decisions
 - Restricted: Tests, Procedures and formularies

MANAGED HEALTH CARE

- HMO:
- Insurance function/health care provision
 - Out Patient
 - In patient cover
 - Own clinics
 - Employ Doctors
 - Contract doctors services

HEALTH CARE

- DOCTORS DILEMMA
- Service to patients
 - hospitals
 - Insurance
 - HMOs
 - Pharmaceutical Industries
- Who pays the Bill

MEDICINE AS BUSINESS

- Medical care: Economic transaction
- Doctors: Purchasing agents
- Medical care: consumer good
- Doctors: skilled vendors
- Market: price/forces

DOCTORS: EARNINGS

- Relate to how they handle business side of practice not how good they are.
- Difficult to objectivity
- Doctors generate health care cost.

HOSPITAL AS INVESTMENT

- Selection of Area (prosperous)
- Selection of patient location (insurance cover)
- Chain of hospital
- Procedure orientated
- Price mark-ups
- Avoiding “low profit” illness
- Management: MBA verses MPH

HOSPITAL REPORTS

- Customers
- Market Shares
- Cash flow problems
- Products versus Services
- Bottom line results
- Consumer versus patient care needs
- Marketing/Advertising and consumer service

HEALTH CARE

PRODUCTIVITY VERSUS PATIENT CARE

- How many patients seen
- Bed occupancy
- Physicians- Assistants/Nurses
- Perform routine tasks
- Physicians rate – less

Technical decisions

DIAGNOSTIC FACILITIES AS BUSINESS

- Pathology
- Diagnostic Imaging
- Ownership
- Co-operate influences

INFORMED CONSUMER

- Ideal market situation range of options.
- Health care and choice service of money health cover.
- **CUSTOMER SERVICE IN HOSPITALS**
 - Hospitals are spending huge sums on customer service for competitive services.
 - Are patients simply “Customers”
 - Medicine- a profession or a job a vocation or trade

PATIENT NEEDS (ETHICS/ECONOMICS)

- **Security (Universal Access)**
- **Freedom of choice**
- **Central (Contain) Cost**
- **Note – Impossible to do all simultaneously.**
Do them well

EMERGING CONTRADICTION

- **Health Providers**

- **Want to maximize their income**

- **Achieve sense of professional satisfaction**

- **Preserve their professional freedom**

INSURANCE

- Strong competitive positions
- Driven by increasing profitability-
public acceptance
- Growth infetered by restrictive
regulations
- Employers pay competitive field
- Seek profitability
- Motivated/healthy workforce

MANAGED CARE

- Maximize profit.
- Dictate duration of hospital stay
- Commercial insurance off
- Health insurance (health hazard)
- Blue Cross/Blue shield not for profit
- Now competitive several insurance markup in place

- Now insurance greater risk selection influence behavior of health care delivers
- Only healthy/young take
- Business Strategy

COMMERCIAL ENTERPRISE IN MEDICAL PRACTICE

- Increasing financial pressures in society
- Physicians/sell medical as well as non medical products

FEE FOR SERVICES

- Fixed fees by managed care
- Price fixing –procedures/operations consultation
- Charity practice – unacceptable
- Managed care and negotiated fees

MARKETING PRACTICES

- Health care diagnostic and treatment possibilities.
- Specialties:- sports/cosmetic
- Health care needs/versus selling consumer products
- Drugs are manufactured for profit

CHANGE

**THE ONLY PERMANTENT THING
IN
THIS WORLD IS CHANGE**

Good God! Give us Health & Wealth

- **Can business and professions occupy the same podium at the same time?**
- **Can we move responsibly between customer, client and patient?**
- **Can we fulfill what we have professed?**
- **Is it a business you run or a profession you practice?**