



HEALTH LITERACY AND HEALTHY LIFESTYLES PROGRAM FOR ROMA IN ROMA SETTLEMENTS



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for local Roma educators and mediators

- **Module 2: HEALTH SYSTEM**
 - **Chapter 3: Health insurances and economy of healthcare**

SUMMARY:

Understanding the economy of healthcare.

Public health insurances and private health insurance schemes in Europe.



OVERVIEW of Module II: Healthcare System



- **Healthcare System - General Overview**

Healthcare system – concept and definition. Health system as a structure promoting, restoring and maintain health. Healthcare system influencing determinants of health.

- **Understanding the healthcare system**

Understanding Healthcare as a complex system. Understanding of the local healthcare system functioning - in effort to improve health quality, outcomes, cost, and equity in access to quality healthcare services.

- **Health insurances and economy of healthcare**

Understanding the economy of healthcare.

Public health insurances and private health insurance schemes in Europe.

- **Accessible and quality healthcare: rights and responsibilities**

Addressing accessible and quality healthcare as a universal human right that every human being is entitled to. Raising awareness about health-related human rights and responsibilities in Roma communities in Europe.



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MODULE II: HEALTH SYSTEM

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What is Health insurances and economy of healthcare

Healthcare operates as a multifaceted and intricate system, woven from the threads of healthcare providers, insurance entities, patients, and the extensive network of government regulations and policies that oversee its functioning.

To truly grasp the dynamics at play in this vital sector, we must recognize the intricacies that define it and appreciate the way these elements intersect and influence one another.





The economy of healthcare

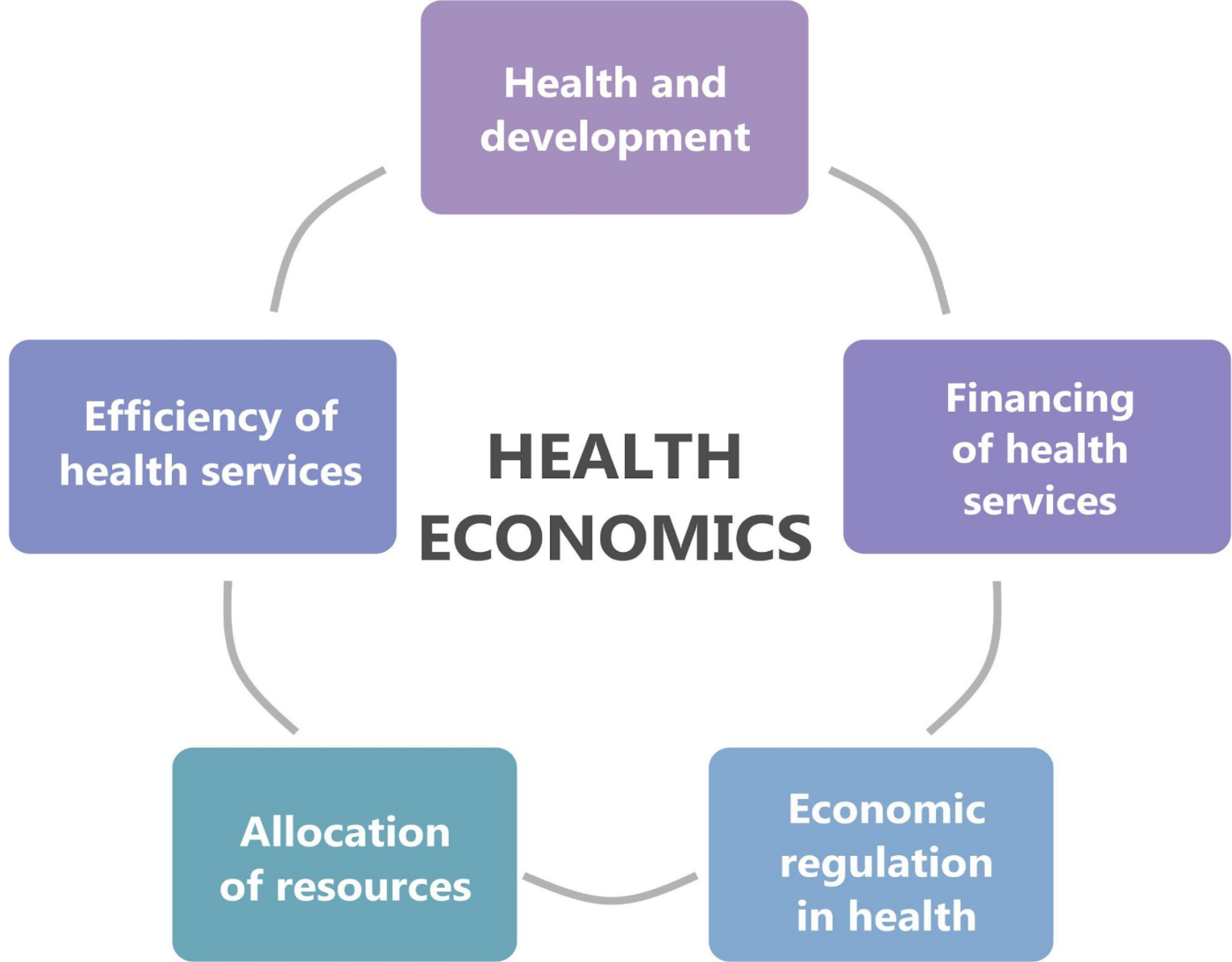


Health economics explains the relationship between health and the resources that are needed to promote it. These resources are both monetary and non-monetary in nature. By applying economic theories of consumer, producer and social choice, health economics aims to understand the behavior of individuals, health care providers, public and private organizations, and governments in decision-making.

Health economics is used to promote healthy lifestyles and positive health outcomes through the study of health care providers, hospitals and clinics, managed care and public health promotion activities.



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The Economics of Healthcare

Educational Video



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- https://www.youtube.com/watch?v=cbBKoyjFLUY&ab_channel=CraShCourse



Health Financing

Health financing is a core function of health systems that can enable progress towards universal health coverage by improving effective service coverage and financial protection. Today, millions of people do not access services due to the cost. Many others receive poor quality of services even when they pay out-of-pocket.



Carefully designed and implemented health financing policies can help to address these issues. For example, contracting and payment arrangements can incentivize care coordination and improved quality of care; sufficient and timely disbursement of funds to providers can help to ensure adequate staffing and medicines to treat patients.

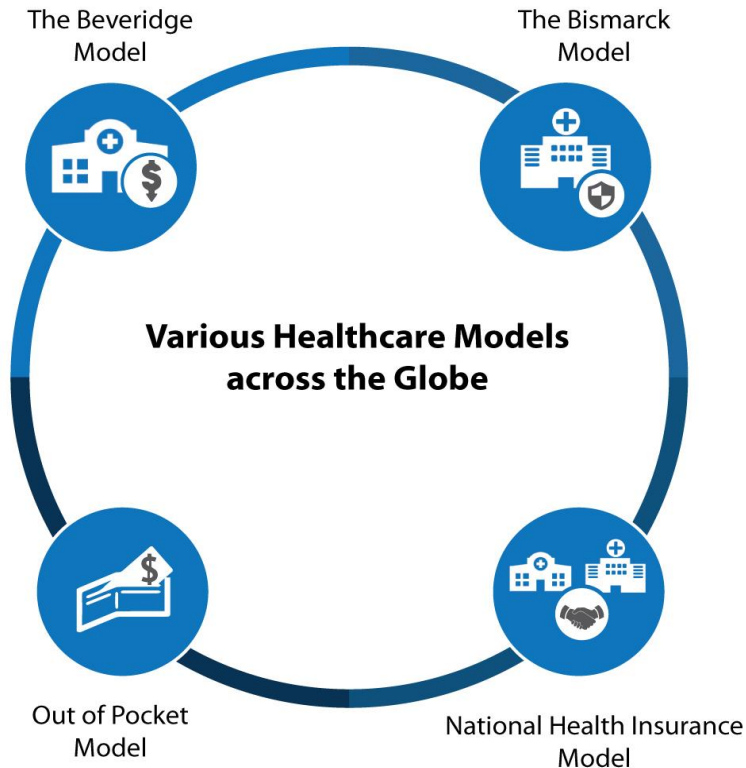
HealthCare Financing Models

All countries have policies on which services the population is entitled to, even if not explicitly stated by government; by extension those services not covered, are usually paid for by patients (sometimes called co-payments).

There are four major healthcare models:

- The Beveridge model,
- The Bismarck model,
- The national health insurance, and
- The out-of-pocket model.

While each model is distinct in and of itself, most countries don't adhere strictly to a single model; rather, most create their own hybrids that involve features of several.





Beveridge Model

- Universal coverage funded by general taxes
- Government-operated facilities
- Private physicians
- Limited private insurance and private facilities
- Global healthcare budget caps costs
- Significant access issues for non-emergent & non-primary care



Bismarck Model

- Health insurance is mandatory
- Individuals select a private, non-profit health plan funded by payroll taxes
- Care provided by private facilities & physicians
- Regulation and global pricing schedules control cost
- Moderate access issues for non-emergent & non-primary care



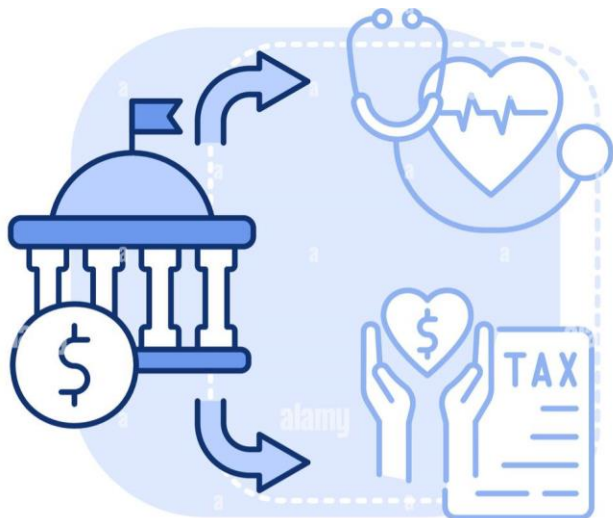
Single-Payer

- Government-funded health coverage
- Care provided by private facilities and providers
- Moderate penetration of private insurance
- Global healthcare budget caps costs
- Significant access issues for non-emergent & non-primary care



Out-of-Pocket

- Used by roughly 80%+ of countries, typically lack social and economic infrastructure to systemize care
- All care paid for by individuals, no third-party funding
- Generally only the upper classes can access modern care
- Public or charitable care options may exist, but have significant access and quality issues



The Beveridge Model



The Beveridge HealthCare Financing Model

Developed in 1948, by Sir William Beveridge in the United Kingdom, the Beveridge model is often centralized through the establishment of a national health service. Or, in the case of the UK, *the* National Health Service.

Essentially, the government acts as the single-payer, removing all competition in the market to keep costs low and standardize benefits.

As the single-payer, the national health service controls what "in-network" providers can do and what they can charge.

Funded by taxes, there are no out-of-pocket fees for patients or any cost-sharing.

Everyone who is a tax-paying citizen is guaranteed the same access to care, and nobody will ever receive a medical bill.



The Bismarck HealthCare Financing Model

Created near the end of the 19th century by Otto von Bismarck as a more decentralized form of healthcare.

Within the Bismarck model, employers and employees are responsible for funding their health insurance system through "sickness funds" created by payroll deductions. Private insurance plans also cover every employed person, regardless of pre-existing conditions, and the plans aren't profit-based.

Providers and hospitals are generally private, though insurers are public. In some instances, there is a single insurer (France, Korea). Other countries, like Germany and the Czech Republic, have multiple competing insurers. However, the government controls pricing, much like under the Beveridge model.

Unlike the Beveridge model, the Bismarck model doesn't provide universal health coverage. It requires employment for health insurance, so it allocates its resources to those who contribute financially.

Used by Germany, Belgium, Japan, Switzerland, the Netherlands, France, and some employer-based healthcare plans in the U.S.



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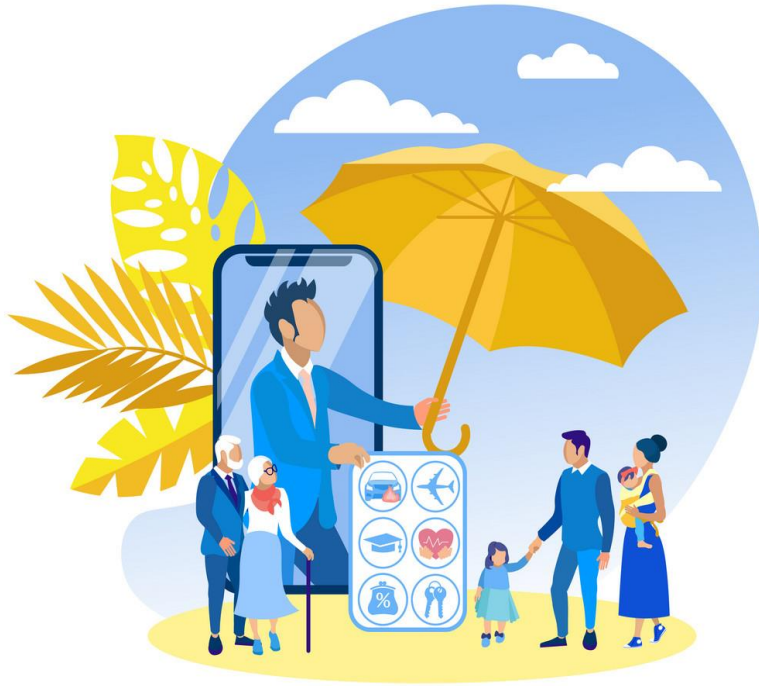
The National Health Insurance Financing Model

The national health insurance model blends different aspects of both the Beveridge model and the Bismarck model. First, like the Beveridge model, the government acts as the single-payer for medical procedures. However, like the Bismarck model, providers are private.

The national health insurance model is driven by private providers, but the payments come from a government-run insurance program that every citizen pays into. Essentially, the national health insurance model is universal insurance that doesn't make a profit or deny claims.

Since there's no need for marketing, no financial motive to deny claims, and no concern for profit, it's cheaper and much simpler to navigate. This balance between private and public gives hospitals and providers more freedom without the frustrating complexity of insurance plans and policies.

Used by Canada, Taiwan, and South Korea, and similar to Medicare in the U.S.



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The Out of Pocket HealthCare Financing Model

The out-of-pocket model is the most common model in less-developed areas and countries where there aren't enough financial resources to create a medical system like the three models above.

In this model, patients must pay for their procedures out of pocket.

The reality is that the wealthy get professional medical care and the poor don't, unless they can somehow come up with enough money to pay for it. Healthcare is still driven by income.

Used by rural areas in India, China, Africa, South America, and uninsured or underinsured populations in the U.S.





Health Insurances are Part of the Complexity of Healthcare



- **Hospitals:** Specialized care centers with advanced medical resources.
- **Clinics:** Offer a broad range of healthcare services, from primary care to specialized treatments.
- **Physicians:** Diagnose, treat, and coordinate patient care.
- **Pharmaceuticals:** Provide essential medications for treatment.
- **Insurance Providers:** Offer financial support for medical expenses.

Types of Health Insurance

- **Private Health Insurance:**

- Offered by private companies.
- Open to anyone, with premiums based on individual factors.

- **Government-Funded Health Insurance:**

- Provided by the government (e.g., Medicaid and Medicare).
- Eligibility based on factors like income, age, and disability.

- **Employer-Provided Health Insurance:**

- Offered by some employers to their workers.
- Eligibility tied to employment status.



Social Health Insurance

- Public and private formal sector employees
- Limited coverage (<25%) in most developing countries
- Financed by payroll tax on employers and/or employees

Private Health Insurance

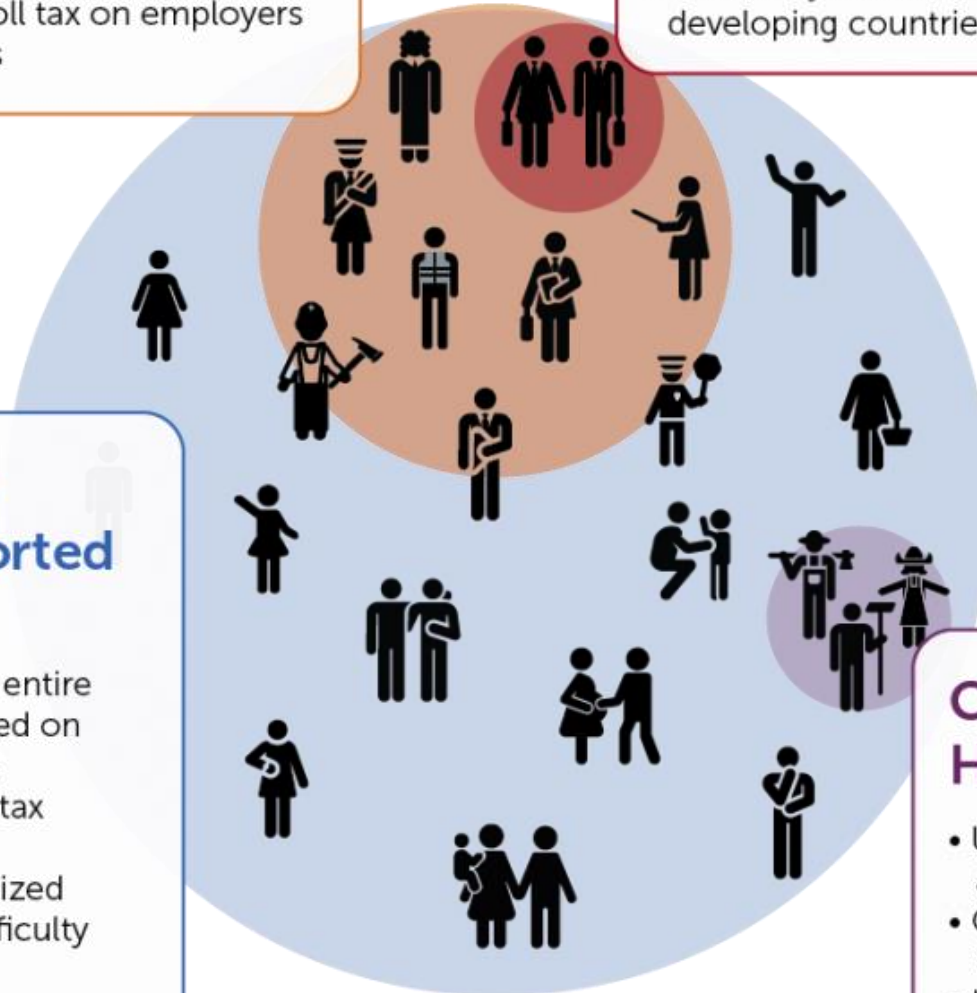
- Private formal sector employees, usually limited to large firms
- Individuals/families can enroll but often face high premiums
- Extremely low coverage in most developing countries (<5%)

National and Other Government-supported Insurance

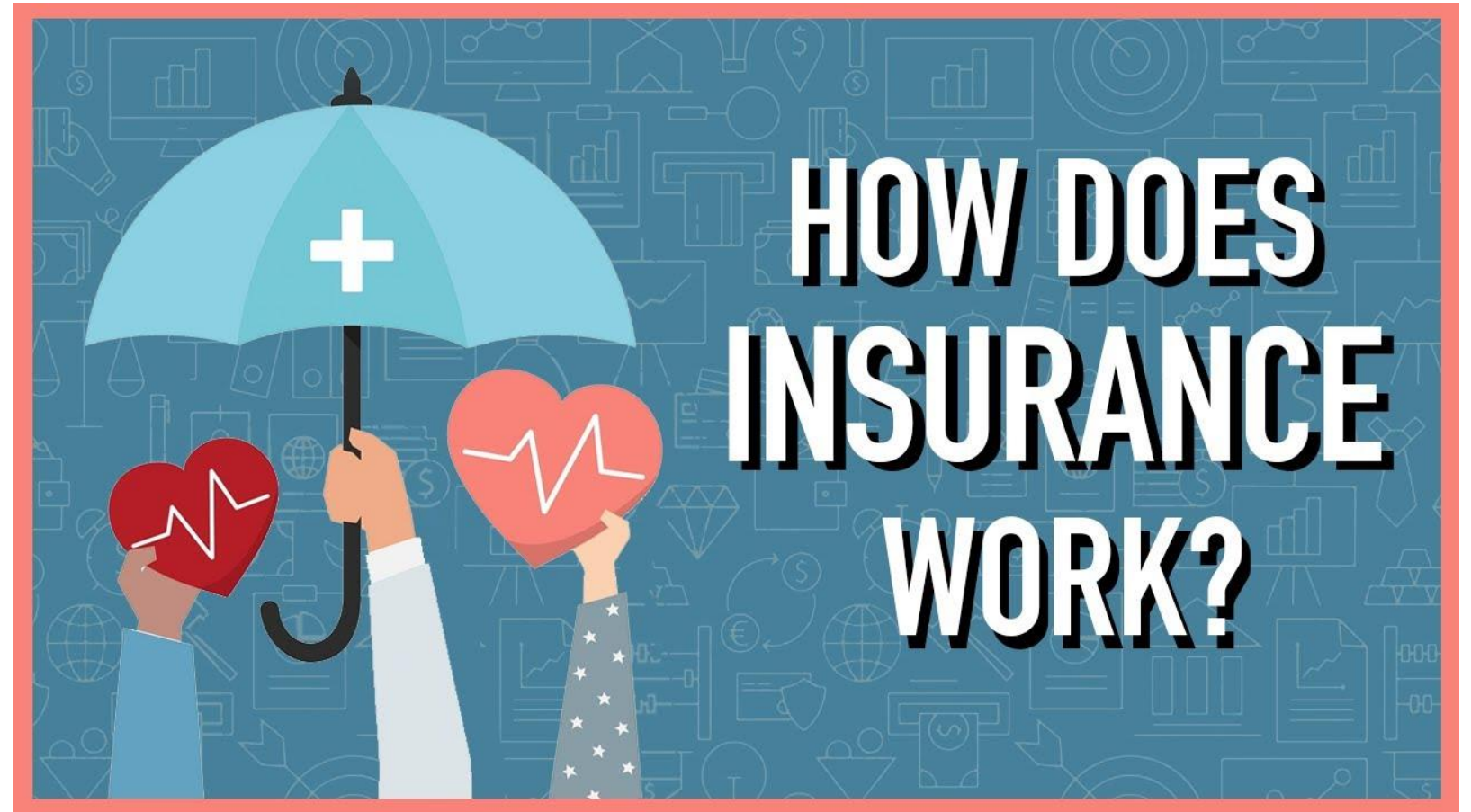
- Aims to offer coverage for the entire population, with eligibility based on citizenship or residency status
- Typically funded from general tax revenues
- Often targets poor with subsidized coverage, although there is difficulty in identification
- Informal sector workers may have voluntary enrollment with set premiums

Community-based Health Insurance

- Usually rural, informal sector workers and households
- Often has a more limited benefits package
- Limited cross-subsidization due to homogeneity of risk pool (poor)



How Does Insurance Work?



- https://www.youtube.com/watch?v=pZHilGFLN8Y&ab_channel=WorldHealthOrganization%28WHO%29



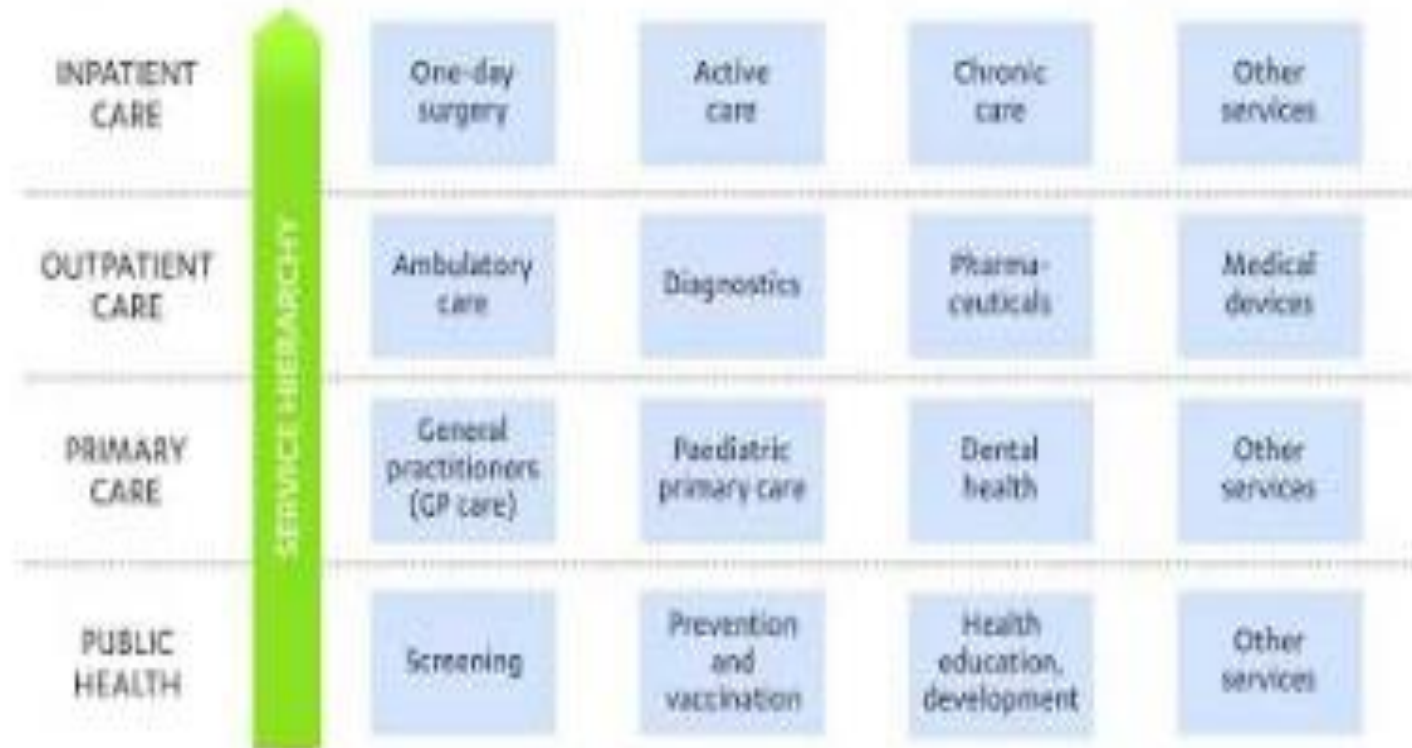
Importance of Health Insurance

- **Financial Safety Net:** Prevents overwhelming medical costs.
- **Preventive Care:** Covers vaccinations, screenings, and check-ups, encouraging early intervention.
- **Quality Care:** Provides access to accredited healthcare professionals.
- **Reduced Barriers:** Makes healthcare more affordable and accessible.
- **Emergency Coverage:** Ensures immediate care in critical situations.
- **Peace of Mind:** Reduces stress and enhances overall well-being.

Financing Methods in Health Care

Educational Video

Developed health care systems provide a wide range of publicly funded services to patients



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- https://www.youtube.com/watch?v=VFirqkhs5e0&ab_channel=Janssen4Patients



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CONCLUSIONS

- Healthcare systems' goals are good health for the citizens, responsiveness to the expectations of the population, and fair means of funding operations.
- Progress towards them depends on how systems carry out four vital functions: provision of health care services, resource generation, financing, and stewardship.
- Other dimensions for the evaluation of health systems include quality, efficiency, acceptability, and equity.



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