

## Healthcare Legislation

By Sam Vaknin

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Healthcare legislation in countries in transition, emerging economic, and developing countries should permit - and use economic incentives to encourage - a structural reform of the sector, including its partial privatization.

Private health insurance plans - including franchises of overseas insurance plans - should be allowed, subject to rigorous procedures of inspection and to satisfying financial and governance requirements. Such competition is bound to shake the inefficient and corrupt state Health Fund and reshape it.

Procurement of medicines - should be transferred to an autonomous central purchasing agency. Both this body and its tenders will be supervised by a public committee aided by outside auditors.

The Approved List of Medicines - will be recomposed to include generic drugs whenever possible and to exclude expensive brands where generics exist. This should be a requirement in the law.

To maintain their license to practice medicine, medical staff - from nurses to doctors - would be required to acquire continuing education and to publish in peer reviewed papers. To prevent nepotism and corruption in appointments of doctors to jobs in clinics and hospitals, all positions from ward doctor upwards will be subject to periodic review and open, public tenders.

The law should explicitly allow for the following arrangements with the private sector for the provision of healthcare:

#### Service Contract (Dominican Republic)

The government pays private entities - including doctors - to perform specific healthcare tasks, or to provide specific healthcare services under a contract. The private service providers can make use of state-owned facilities, if they wish - or operate from their own premises.

Payments by the government are usually based on capitation (a fixed fee for a list of services to be provided to a single patient in a given period, payable even if the services were not consumed) adjusted for the patients' demographic data and reimbursement for

fee-for-service items.

#### Management Contract (Cambodia)

The government pays private entities to manage and operate public health care facilities, like clinics, or hospitals.

#### Lease (Romania since 1994)

Private entities - including doctors - pay the government a lump sum or monthly fees to use specific state-owned equipment, state-employed manpower, clinics, or complete public health care facilities.

The private entity is entitled to all revenues from its operations but also bears all commercial risks, is responsible for management and operations and liable for malpractice and accidents.

The state is still responsible to make capital investments in the leased facility or equipment - but maintenance costs are borne by the private entity.

#### Concession and Build-Operate-Transfer (BOT) (Costa Rica)

Concession is exactly like a lease arrangement (see above) with one exception: the private entity is responsible for capital investment. In return, the contract period is extended and can be voided only with a considerable pre-notice.

In BOT (Build-Operate-Transfer) and ROT (Rehabilitate-Operate-Transfer) the capital investment involves the construction or renovation/upgrade of new healthcare facilities. The private entity uses the constructed facility to provide services. After a prescribed period of time has elapsed, ownership is transferred to the government.

#### Divestiture and Build-Own-Operate (BOO) (Texas, USA)

The law should permit the outright sale of state- owned health care facilities to a qualified private entity.

Another possibility is a BOO scheme, in which the private entity contractually undertakes to add facilities, improve services, purchase equipment, or all three.

#### Free entry

The law should allow qualified private providers to operate freely. Though regulated, these private firms will have no other relationship with the state.

Such entities would have to be licensed, certified, overseen, and accredited for expertise, safety, hygiene, maintenance, track record, liability insurance, and so on.

The state may choose to encourage such providers to locate in specific regions, to cater to poor clients, or to provide specific healthcare tasks or services by offering tax

incentives, free training, access to public facilities, etc.

Franchising (Kenya, Pakistan, Philippines)

A private firm (franchisee) acquires a license from and shares profits with the franchisor (a domestic, or, more often, foreign firm). The franchisee uses the brand name, trademarks, marketing materials, management techniques, designs, media access, access to approved suppliers at bulk (discounted) prices, and training offered by the franchisor. The franchisor monitors the performance and quality of service of the franchisee.

This model works mainly in preventive care, family planning, and reproductive health.

The World Bank ("Public Policy for the Private Sector", Note number 263, dated June 2003):

"Franchisers in the health sector, often supported by international donors and nongovernmental organizations (NGOs), establish protocols, provide training for health workers, certify those who qualify, monitor the performance of franchisees, and provide bulk procurement and brand marketing."

Hospital Management

(See separate document)

The law should allow:

- I. Colocation of private wing within or beside public hospital
- II. Outsourcing non-clinical support services
- III. Outsourcing clinical support services
- IV. Outsourcing specialized clinical services
- V. Private management of public hospital
- VI. Private financing, construction, and leaseback of new public hospital
- VII. Private financing, construction, and operation of new public hospital
- VIII. Sale of public hospital as going concern
- IX. Sale of public hospital for alternative use
- X. Consolidation of redundant public healthcare facilities by merging them or closing down some of them

Private Sector Healthcare Monitoring and Regulatory Agency

The law should provide for the establishment of an agency to monitor and regulate private sector healthcare provision: compliance with contracts, servicing the indigent and the uninsured, imposing sanctions or "step-in" rights, and dispute resolution.

#### Voucher System (Nicaragua)

The law should allow for experimenting with novel payment and resource allocation techniques, such as vouchers distributed to needy populations and guaranteeing free basic service packages provided by a limited list of clinics or other healthcare facilities. Such schemes can also be managed by the private sector.

#### Medical Savings Accounts (Singapore)

Contributions by employers and employees accumulate over time and are used, tax-free, to pay for hospital expenses in public and private hospitals, national supplementary health insurance premiums, special procedures (including abroad), and expensive outpatient treatment and drugs for the saver and his immediate family.

#### Consumer Organizations

The law should encourage the formation of consumer organizations in the healthcare field (such as buyers' clubs or Health Maintenance Organizations-HMOs).

These groups will shop and tender for the best, most reasonably priced, and most efficient healthcare services for their members.

#### Devolution

Responsibility for the provision of some types of healthcare services and the allocation of inputs should be devolved to local authorities (municipalities).

#### Performance and Payments

The central authority should impose minimum performance targets in performance agreements on all healthcare facilities, both public and private. All payments - wages included - will be tied to these targets and their attainment.

Payment options should include:

Capitation - A fixed fee for a list of services to be provided to a single patient in a given period, payable even if the services were not consumed, adjusted for the patients' demographic data and reimbursement for fee-for-service items.

#### Diagnosis Related Group (DRG)

#### Resource-based Relative Value (RBRV)

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Why to register md-domains

By Hans Peter Oswald

**Why to register md-domains by Hans Peter Oswald**

What is .md?

.md is the web address that identifies you, your company or your organization with the healthcare industry. Thousands of professionals and companies in the healthcare industry are already utilizing .md for their branding and marketing efforts, including some of the world's largest pharmaceutical companies. .md is a valuable and unique asset that can be used as an intuitive and dynamic communication tool.

- .md is the perfect web address for medical professionals and healthcare companies
- .md is a permanent professional address
- .md is a dynamic communication tool and distribution channel for participants in the healthcare community
- .md may be used to protect your brands and trademarks to prevent international cyber-squatters from purchasing your domain names and using them for other purposes
- .md may be used as a unique, intuitive, and available promotional tool to market prescription and OTC drugs

.md Focus: Healthcare

We are developing an Internet domain for the global healthcare community where participants in the healthcare sector can acquire valuable .md domain names that correlate precisely with the marketing of their core business practices and new products. .md permits corporations and individuals to establish a unique Internet presence that carries an automatic, intuitive association with healthcare and other medical services and applications.

Growth of the .md Registry

Since becoming operational, there has been significant interest in the .md TLD. The wide adoption of .md, prior to launching a formal .md marketing campaign confirms the need and desire for a top level healthcare centric domain. The number of .md registrations continues to grow exponentially with this exposure.

The leading adopters in the .md registry are:

- Physicians
- Medical Schools
- Private Practices
- Health Clinics
- Drug Development Companies
- Pharmaceutical Companies
- Health Insurance Companies
- Medical Laboratories

Additionally, Fortune 1000 companies have adopted .md as part of their global brand

marketing strategy. These include companies from the following industries:

- Telecom
- Banking and Finance
- Entertainment
- Media
- Consulting
- Automotive
- Travel
- Insurance
- Retail
- Technology

Hans Peter Oswald

<https://www.domainregistry.de/md-domain.html>

CEOICANN accredited registrar Secura<http://www.com-domains.com>

Related eBooks:

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