Managed Care in Saudi Arabia

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Abstract

Managed care has transformed healthcare delivery systems globally, including in Saudi Arabia, where it is influenced by the Compulsory Employment-Based Health Insurance (CEBHI). This paper explores the integration and impact of managed care within the Saudi Arabian healthcare system, which includes government, semi-governmental, and private sector providers. The study delves into the structure and types of managed care plans available in Saudi Arabia, such as Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO), Exclusive Provider Organizations (EPO), and Point of Service (POS) plans. It evaluates the advantages of managed care, including cost reduction, enhanced preventive services, and improved access to healthcare for the insured population. However, it also identifies key disadvantages, such as potential declines in care quality, restricted access to specialists, and issues affecting the doctor-patient relationship. The paper also assesses the effects of managed care on various healthcare specialties and compares the Saudi experience with managed care systems in other countries, particularly the United States. The findings underscore the dual nature of managed care, highlighting both its potential to enhance efficiency and its risks to quality and accessibility. Recommendations are provided to address these challenges and improve managed care outcomes in Saudi Arabia.

Introduction

Healthcare in the Kingdom of Saudi Arabia (KSA) is provided by three main providers, the governmental hospitals, the semi-governmental hospitals such as Military hospitals and the private sector. The majority of service is provided by the government represented by the Ministry of Health (MOH)(Al-Hanawi, 2018). To minimize the burden of the services, a Compulsory Employment-Based Health Insurance (CEBHI) was implemented to cover all workers in the private sector.

The way in which managed care has pierced its way into the health care market raises concern for many patients, doctors and stakeholders. The effects that different organizational and financial features might have on the HealthCare System is an area on concerns. Those concerns represent the reaction of the providers who are against the perceived or feared hurtful effects of the corporatization of health care practices. However, objective and theoretical bases for genuine concern remain. This paper will look into the Managed Care System and its application in Saudi Arabia and its Advantages and disadvantages for the doctors, patients and the system and how it may be affected by managed care.

Managed Care System

Managed Care System (MCS) is the type of Healthcare delivery system that is designed with an aim to reduce the financial cost and improve the quality of services by which an insurance company or Third Party Agencies (TPA) form a contract with Medical Care Organization (MCO) to form a network of providers that the client can chose to visit for medical care (Brockett, 2019).

In general, MCS utilize different type of plans such as: Health Maintenance Organization (HMO) that tend to have a reduced monthly payment thus lower cost for service, However, it requires the patient to be seen

by primary care provider (PCP) before referred to a specialist and unless it is an emergency, the plan will not cover payment to out-of-network providers. Another type that is being utilized is the Preferred Provider Organization (PPO) where the insurance companies or TPA has a referred network of providers, it tends to have a higher premium but it is less restricted as it will pay for the out-of-network providers, it is most popular among employer-sponsored health plans. The third plan is the Exclusive Provider Organization (EPO) it is a combination between HMO and PPO, where client are restricted to the provider network exclusively but client are not required to visit PCP for a referral. The fourth type is Point of Service (POS), in which you have the ability to be seen by out-of-network providers but you still require a PCP referral(Rosenthal et al., 2018).

It is worth to mention that Non-Managed Care plan are called Indemnity or Conventional Plans, where clients are not restricted by a network of providers and a client will reimbursed a portion of the charge(Rosenthal et al., 2018).

Managed care has changed the course of the healthcare industry significantly over the last few decades in this country. There is great confusion regarding the many different forms of managed care that have arisen. There are continuous debates regarding its impact on quality, cost savings and access to care. Determining the impact that managed care has had within our healthcare system seems an almost insurmountable task. Many of the health insurance changes occurring through The National Transformation Plan (NTP) and Vision 2030 were implemented over the last years, and we have yet to see the ultimate impact of those changes on the managed care system, and our healthcare system as a whole with regard to access, quality, and effectiveness(Albalawi, 2019).

Advantages Managed Care System

Managed care has become extremely popular due to its ability to deliver health care at affordable rates for. Employers are able to provide their employees with insurance that is positive for both the employers and the employees. Offering health benefits at a job brings in more prospective applicants. Employees are offered quality health insurance for their family at reasonable prices. Medicaid, a managed care program, provides the elderly people and disabled people with access to health care (Soper, 2016).

There are many positive benefits that stem from managed care plans. Preventive care is provided to patients in managed care programs. Managed care primarily focuses on keeping patients healthy. By giving their patients preventative care, they eliminate avoidable illnesses and therefore, deter costs Some of the examples of preventive care that they provided are: Annual Medical checkup, Children Vaccination, Women Health and Oncology screening. Another positive aspect is that doctors are less likely to send the client for unnecessary procedures and tests. Managed care programs provide doctors with incentives that keep down costs, preventing them from ordering excessive testing and costly operations(Black, 2020).

Managed care programs save their clients' money in a number of ways, as patients only have to pay low premiums for coverage with very low copayments. These programs are able to provide such low prices because they depend on their rates to draw in higher numbers of clients to balance the offset. Another benefit of being enrolled in one of these programs is the discounted prices on prescriptions. MCOs cover a wide range of prescriptions and patients sometimes can have very low to no copayments (Bundorf, 2004).

Due to the fact that managed care physician tries to get as many patients through their clinic as they can, visits are short and concise. The patients will usually sit and wait for shorter periods of time. In addition, any administrative work can be expedited as doctors and health administrative assistants will handle the

majority of it. This allows them to deal directly with the insurance companies and TPA for billing purposes (Brockett, 2019).

Disadvantages Managed Care System

From the previous statements, managed care seems to be a great solution to the many problems of health care. However, if we start to look a little deeper, the positive aspects start to fade away. Some believe it can cause more harm than good.

With all the pressure performed on the clinics and doctors to keep the cost as low as it could go, introduce a question about the quality of care how it is being affected by the fast session and reduce cost as doctors might be offered incentive to keep the cost low but we know that the cost of quality is high, this incentive might provide the opposite motivation for patient care and quality of the service.In some cases doctors sign contracts with companies that impose gag rules, which inhibits doctors from letting their patients know all possible treatment options if they are too expensive, even though they might be the best choice for treatment (Brockett, 2019).

Another disadvantage is that fact that the primary care physician has to provide a referral in order for a patient to see specialist. Otherwise, it will not be covered under their plans. Companies try to deter doctors from referring patients to specialists in order to cut down costs, this canhave detrimental effects on patients.in the literature mandatory MCO participants were thirty-two percent more likely to have trouble getting a referral to a specialist. This raises concern for the patient because there are cases that can be too severe to be treated by a primary care physician. The primary care physician will not be educated enough to treat the patient's disease. Sometimes patients also need a referral to go to the emergency room in order for the care to be covered, which also endangers the patient(Bundorf, 2004).

Effect of Managed Care on Healthcare Specialties

With the introduction of MCS there has been some concerns regarding the individual with mental health problems and those who suffer from substance addiction, as there is no evidence to support that these individual will receive a better intervention or quality of care in contraire that might have a difficulty in accessing the service, however, more regulatory bodies started to address this issues in MCS at their respected areas(Soper, 2016).

With the aim to reduce the cost and increase the quality, some public provider and community-based services started a new sub-capitation rate just to share some of the potential profit. As they will provide some of the necessary services to specific population or a portion of the monthly payment with the creation of sub-capitation it introduce a new layer to the system and with each sub layer the administrate fees increase thus, the amount of payment dedicated for the medical services will be reduced and with it the services provided or its quality will be minimized(Samuels, 2012).

Social and support services considered as a care for client with chronic and disability, with MCS emphasize for preventive care and management for acute cases, social and support services will be hugely affected by MCS(Rosenthal et al., 2018). A study that addressed the effect of MCS on patient with Myocardial Infraction found out that MCS has an effect on availability of needed technology and the cost for managing non treatable condition(Chmiel, 2018).

Managed Care on Healthcare and Doctor-Patient Relationship

The doctor-patient relationship has always been the foundation of healthcare, it is where the client starts the access to the healthcare system, the client information gathered and where the client gets to be diagnosed,

treated, formulation of the care plan and gets the support needed. Patient satisfaction in about doctor-patient relationship has always been a critical factor of the viability of the treatment protocol and can guide the patient decision making in the treatment process(Kit, Rasid, Ismail, & Mokhber, 2017).

When the medical interview is performed, it is thought to be the major medium of health care. Most of the medical encounter is spent in discussion between the doctor and the patient. There are three functions to the interview: getting information about the patient condition, establishing and maintaining a therapeutic relation and transfer and communicate educational and therapeutic information. Effective interviews and interactions give patients a sense that they have been heard and allowed to express their major concerns. Y minimizing the session time and increasing number of patients in a clinic, this will compromise the relationship between the doctor and their patient and consequently affecting the whole treatment and service process, by changing the nature from patient-centered therapy to physician centered therapy(Kit et al., 2017).

Managed Care in Other Counties

This part of the paper will discuss MCS in the United States of America (USA), as the healthcare system in USA is rapidly changing and evolving, the start of MCS dated back to the creation of Medicare and Medicaid in 1965 and then in 1972 when the Health Maintenance Organization Act was implemented(Brockett, 2019).

In general, USA healthcare system has the same component mentioned above such as HMO, PPO, EPO and POS. However, since the introduction of the Affordable Care Act (ACA) in 2010, healthcare insurance bodies have to keep up with new changes in the marketplace. As many states are implementing a type of MCS and with the expand of insurance population after the ACA implementation, both federal, states and insurance companies are looking to enhance the quality of service and reduce the cost specially after the introduction of the Medical Loss Ratio in 2016 which provide the states regulator to measure and manage quality of acre in a better way and now required to implement a Quality Rating System (QRS) for each managed care plan (Brockett, 2019).

Conclusion

Managed care has many excellent, positive aspects that provide people with the opportunity to receive quality, preventative care that is both efficient and cost effective. However, there are several issues regarding the managed care systems that need improvement.The public needs to be educated on these issues. This would allow them to acknowledge their importance with these issues.

Referance

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