

Why healthcare management should be special

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Abstract

For serious thinking of international political and scientific circles, we consider, that any helpless ill person is the most wanting and inadequate from people, therefore such needy human is not able to pay the necessary money for treatment from own pocket or to obtain a basic donation if He does not have the necessary money. Naturally, everyone will agree with me that the entire progressive society of humanity is developing in the direction of humanism and with the corresponding ideology, and let's think very seriously about how humane this is when a seriously sick person is asked to pay money. Therefore, we call on progressive international political and scientific circles to try to improve health management as much as possible. By observing the mean-square deviation and variation of the expected random economic parameters, using the “fish-bone” multi-factor analysis, perspective prognostic extrapolation and Delphi methods, we came to the conclusion that in the near future of georgian healthcare, 2% of the population's taxable income will be completely sufficient to provide the population with free qualitative primary emergency care.

Keywords

Healthcare management, healthcare financing, life expectancy.

Introduction

If the seriously ill person has no money to pay and this is regulated and controlled by a tariff set at the global level, some extortionist "doctors" will not be able to prolong the treatment process, will not refer the patient to unnecessary expensive surgical manipulation, which may cause additional harm.

During the Covid-19 pandemic, the United States of America has shown an unforgettable humanitarian mission to selflessly save humanity by providing necessary vaccines and other medicines. Traditionally, the attitude of the US Medicare and Medicaid (Achou 2023) to the population is exemplary. Even my country - Georgia, despite the difficulties of the first years of economic independence, is trying its best to organize a universal health care system, the best examples of Great Britain and Germany are also in this regard, but neither the above-mentioned nor any other individual country can create universal perfection in the world health care, if we fail to make a united effort.

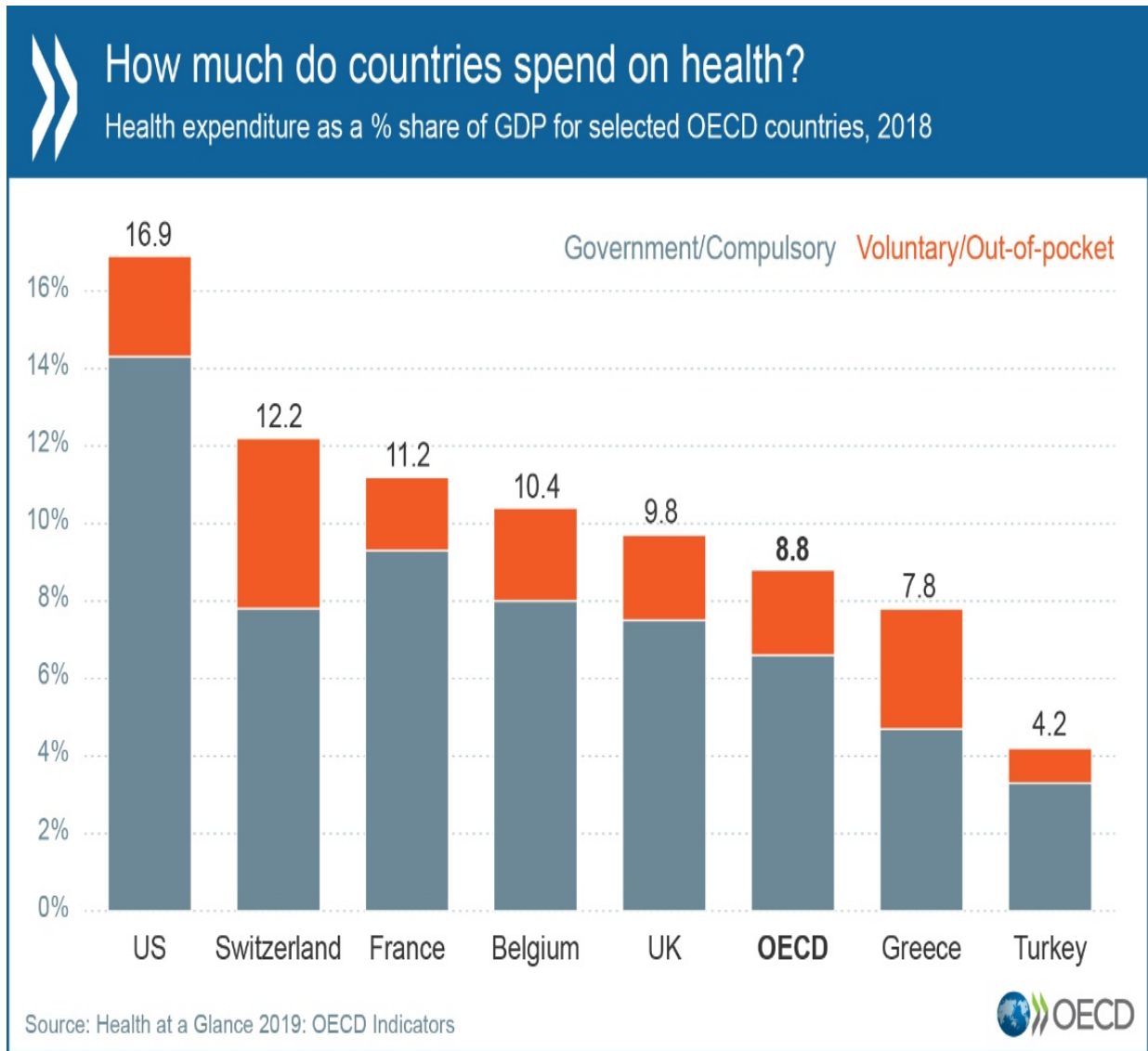
Main Part

I think, all countries should support to the World Health Organization and, like Lord Beveridge's model (Physicians for a National Health Program 2010), should develop a unified method for accumulating tax revenues in the first stage for the needs of the emergency medical care system of the population. As an already quite experienced economist, I am convinced by multifactorial calculations that this will not be an insurmountably large interest rate - a maximum of 2% of taxable income from income tax will be quite sufficient to fully implement the set humanitarian goals. In order to make the mentioned conclusion, we can be convinced of the really exemplary example of Georgia: if we spend 20% of the GDP on health care - like the best caring American model (Figure 1) and, according to the latest data (Table 1), the national income of the population in the gross domestic product is about 94% (National Statistics Office of Georgia 2018-2021), and the ratio of population services with primary emergency assistance to the number of referrals to doctors in ambulatory-polyclinic institutions is close to 8% (National Statistics Office of Georgia 2010-2021, Figure 2-3), we will need at least $0.2 \times 0.94 \times 0.08 = 0.015$ that is 1.5% of the population's income on free emergency assistance (2% marked with permissible error). I am confident, that when a person in the developed world pays even more than 40% income tax (Figure 4), no one will refuse to use at least 2% of these percentages for vital health needs.

In the case of the introduction of a comprehensive global health care system, aesthetic medicine, elite dental care or other types of non-emergency medical services may retain full freedom of pricing and reimbursement for services. We oppose in every way such excessive "social" mechanisms, when a certain segment of the population gets used to helplessness and lives on the state's satisfaction, and at the same time, corruption and inertia are given way, and the processes of economic decline are accompanied.

Figure 1

Healthcare expenditure in GDP



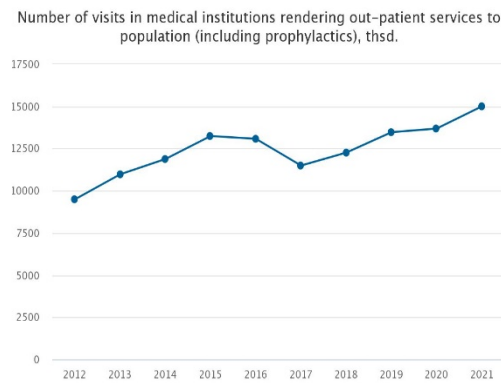
Source: https://www.oecd.org/newsroom/HAG2019_NR_EN-01.jpg

Table 1.
Some Indicators of Georgian Economy and Health Care

Indicators	2021	%
Gross Domestic Product at current prices. Source: https://www.geostat.ge/en/modules/categories/23/gross-domestic-product-gdp	18.6 Billion USD	100
Gross National Income. Source: https://www.geostat.ge/en/modules/categories/24/gross-national-income-gni	17.5 Billion USD	94
Number of visits in medical institutions. Source: https://www.geostat.ge/en/modules/categories/54/healthcare	15.0 million	100
Emergent medical care, number of patients. Source: https://www.geostat.ge/en/modules/categories/54/healthcare	1.2 million	8

Figure 2

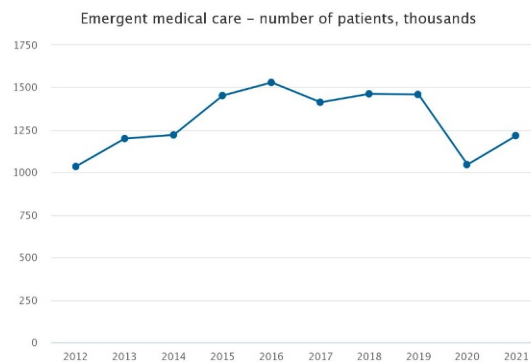
Number of Visits in Georgian Medical Institutions



Source: <https://www.geostat.ge/en/modules/categories/54/healthcare>

Figure 3

Emergent Medical Care in Georgia



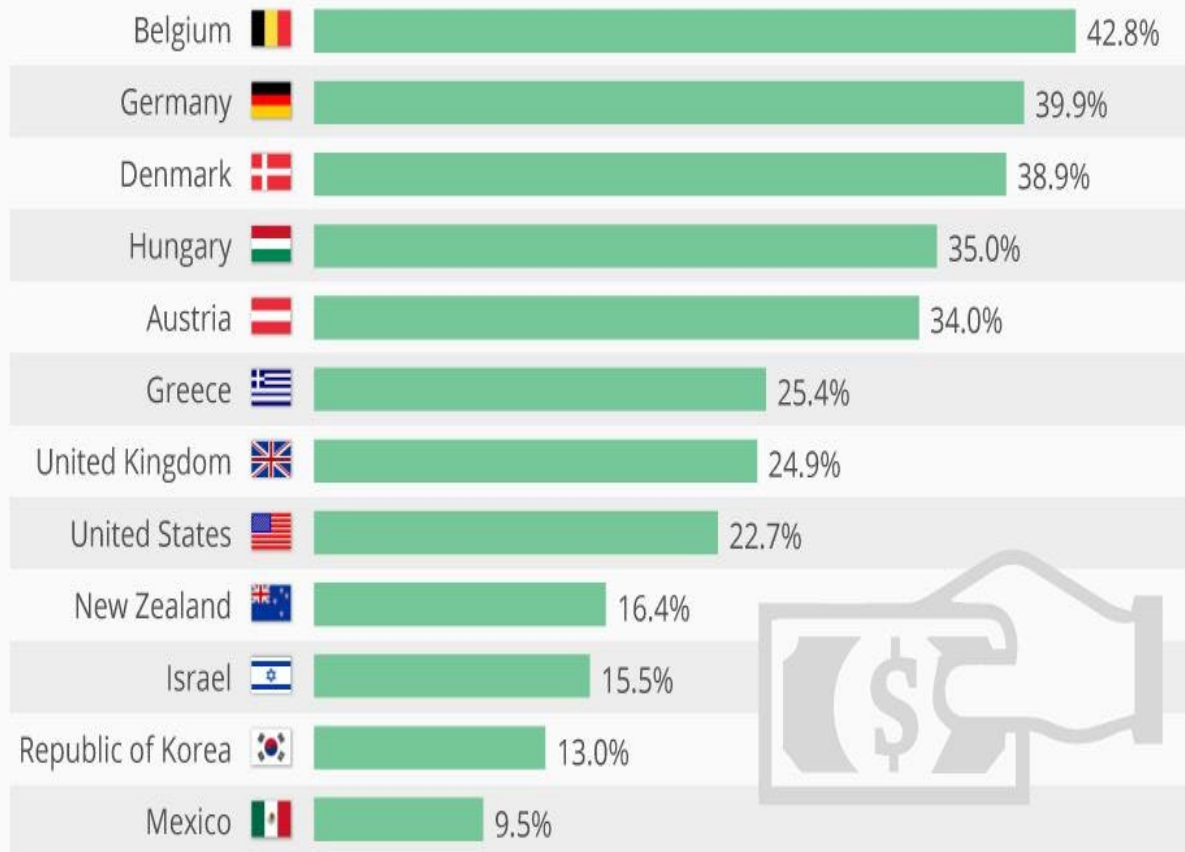
Source: <https://www.geostat.ge/en/modules/categories/54/healthcare>

Figure 4

Income Tax by Countries

Where Do Workers Pay The Highest Income Tax?

% of earnings paid in income tax/social security contributions in selected countries*



* Single people on an average salary without children - latest available year



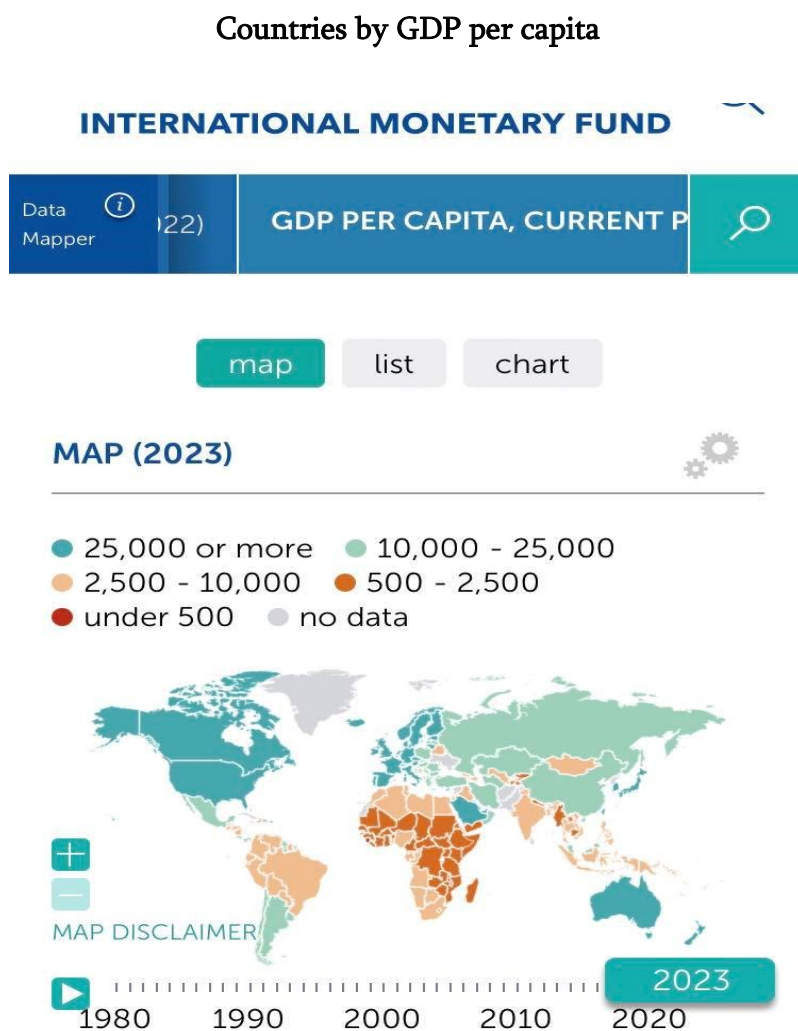
Source: OECD

Forbes statista

Source: <https://images.app.goo.gl/eujyPGZvbEsTTMrZ8>

According to the data of the International Monetary Fund, it is revealed that in the territories where more funding is provided for health care, they live better economically. It is clearly visible that the regions with the best diverse health care system (in the United States, Western Europe, Japan and Australia) are also distinguished by the standard of living (Figure 5) - the GDP per capita in the dark colored areas already exceeds 25 thousand US dollars.

Figure 5

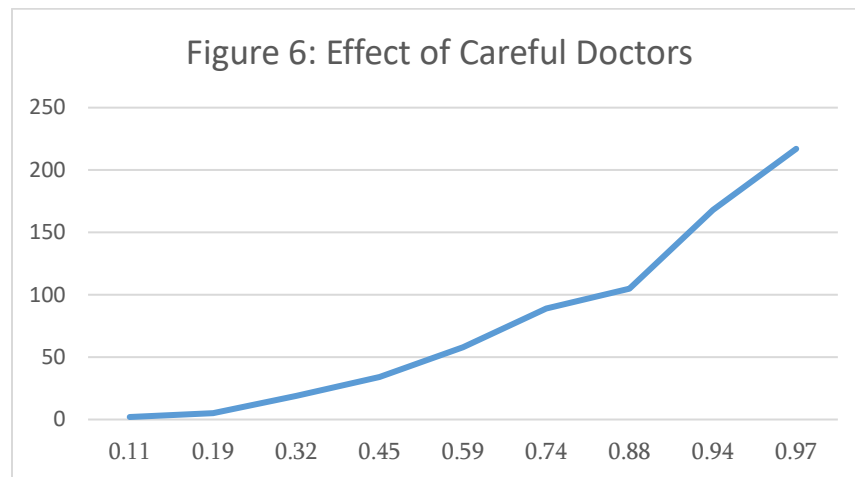


Source:

<https://www.imf.org/external/datamapper/NGDPDPC@WEO/OEMDC/ADVEC/WEOWORLD>

For the best example, in the United States, as we mentioned, priority is given to improving the services of the retired population (Achou 2023), health care financing as a percentage exceeded 16.7% of GDP (World Bank 2019), therefore, life expectancy reached 77 years (World Bank 2020) and the level of gross domestic product per head of the population for a country of this size was a record 78.42 thousand US dollars (International Monetary Fund 2023). In addition, as some friendly advice to Americans, I should point out that some of the lag in life expectancy is not due to poor management, but to the proliferation of fast food items with refined baked goods and trans fats, which should be replaced with fruit and vegetable items maximally.

In addition, by multifactorial analysis of the data obtained by own experience (1650 visits and contacts to doctors, with 98-% level of recovery), it was unequivocally established that those doctors who treat the patient humanely and selflessly, more often and sooner achieve appropriate results in the recovery of people than extortionist "specialists". When treating family members, statistical data accumulated over a 33-year period (1990-2023), finally, we assumed that the intellectual potential of doctors with the longest training is approximately equal, and I grouped them according to the dependence of two parameters (Figure 6) using Delphi method (Dalkey and Helmer 1963) - rating the caring nature of doctors on a 0-1 scale interval and the degree of recovery of patients with a 250-point system. As a result, it was revealed that the more caring the doctor is, the more uncorrupted he is and the faster the patients heal.



Source: Author's calculations.

The risk assessment with the mean square deviation showed that the probability of fulfilling the above mentioned is quite high and the fluctuation variation does not exceed 6.2%. Promisingly, forecast extrapolation reveals that by 2050, the expected improvement in selfless care trends is unquestionably evident.

We have made some adjustments in classical economic theory by the issues of assessing competition and substitutability of goods and services, which was used to work out my so called "Management by Abilities" (Lordkipanidze 2021) instead of famous "Management by Objectives" and was evaluated in the global Wikipedia encyclopedia (Lordkipanidze 2022). For example, in medicine, profitability goals should be minimized as much as possible and mechanisms of perfect soft control to cost of delivering the outcomes and permanent lean accounting should be used (Table 2). Such American health care management is as close as

possible to such perfection, where the main part of healthcare objects is represented by non-profit organizations and some government structures.

Table 2: Exemplary Porter’s Framework and Lean Accounting

Value Table	Health outcomes		
Cost of Delivering the Outcomes	<i>Decrease</i>	<i>Stay the Same</i>	<i>Improve</i>
<i>Increases</i>	decrease in value	decrease in value	?
<i>Stays the Same</i>	decrease in value	no change in value	Increase in value
<i>Decreases</i>	?	Increase in value	Increase in value

Source: <https://www.iecodesign.com/blog/2016/2/10/value-in-healthcare-porters-framework-and-lean-accounting>

It is very cruel that during a pandemic, some "managed" to earn stolen money and therefore, soft control is always needed. In our opinion, due to wise control, it is necessary to minimize costs as much as possible, but this does not spoil the quality of medical services.

Our proposed skills-oriented management by abilities (MBA) in health care (Lordkipanidze 2023), naturally, along with humane care, should be as intelligent as possible, with the willingness to mutually beneficial (constructive) cooperation with state and international organizations. Despite many positive factors, effective management mechanisms are sometimes delayed, and the main reason for this is improper attitude to learning processes. When the youth learns that more than a formal attitude to learning, a sincere love of the profession and innovative approaches are needed, the situation will become much more adequate in relation to modern great scientific jumps.

Conclusion

The research confirmed our earlier position that healthcare management should not be focused on profit and extracting money from sick patients, which was supported by the position that patients recover faster in an environment of caring selfless doctors. As a result, with united international efforts and reasonable financing mechanisms, we must achieve that health care is increasingly freed from the interests of enrichment at the expense of the sick. Based on approximate expert assessments on the example of the Healthcare of Georgia, it was concluded that 1.5 percentage points (2% with permissible error) from income tax would be sufficient to

maintain quality emergency medical care. To this, for the first time, we applied the definition of "careful doctors" and our calculations showed that in the conditions of such caring specialists, patients recover faster.

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