

## **Counting the challenges of the program to reduce the amount of hospitalized patients in the Iranian health system: a qualitative study**

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### **Abstract**

**Introduction:** The program to reduce the amount of payment in the health system with 3 approaches of financial protection of people, creating justice in access to health services and improving quality was implemented in May 2013. The payment reduction program, like any other program, has faced challenges. Therefore, this study was conducted to explain the challenges of the payment reduction program in the health settings of the Iranian health system.

**Methods:** This applied study was conducted qualitatively with a semi-structured interview on the policy makers and planners of the Ministry of Health, Treatment and Medical Education of Iran in 2020, using the purposeful sampling method. The obtained data were entered into MAXQDA10 software, and analyzed through content analysis approach.

**Findings:** From data analysis, 4 themes: "Weakness in the structure of health expenditure management", "Weakness in the structure of policy and planning", "effectiveness and low efficiency of the health system", "control of debilitating health costs by reducing people's payment" were categorized in 12 themes and 79 sub-themes and challenges were extracted.

**Conclusion:** By identifying the opportunities and challenges of out-of-pocket (OOP) payment, the results of this study could provide a suitable framework for monitoring and evaluation of the payment reduction program in the Iranian health system and a good way for policy makers and planners in different stages of the program.

**Keywords:** Payment reduction program, Challenge, Qualitative study

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MANAGEMENT AND ECONOMICS****Introduction**

Today, the lack of financial protection in health is recognized as a disease of health systems and the discussion about condition and financial composition of health services has always been one of the main challenges for health system planners and policy makers, particularly in the developing countries (Jowtt et al., 2020).

The most important factor determining the fairness of financing in a health system is the prepayment share of the total cost paid by the household. OOP payment is usually the most resilient method of paying for health and is the method with the most devastating financial risks for individuals (Knaul et al., 2007).

These high costs, which have been increasing over time, prevent patients from accessing services, thereby, worsening the disease, increasing the percentage of households that face the catastrophic cost of health. Statistics of the World Health Organization show that ,150 million people face health costs every year worldwide. Direct OOP payments are the most descending methods of pocket payment for health services, and exposing people to more catastrophic financial risks. As the cost of medical care increases, patients pay more during treatment (Aghajani et al.,17).

The growing cost of health systems around the world has become one of the main concerns of health system managers and decision makers. Iran's health system, like other health systems, is facing the challenge of a sharp rise in costs. While the overall cost index in Iran has increased 30 times in the last 20 years; this growth in health sector spending has increased 71 times. The share of patients in health care costs is so high that, 3.5 million people go below the poverty line just because of annual health care costs(Davari, 2011).

In Iran, before the start of the health system transformation plan, there were significant problems in the field of health and treatment. According to the data of the Statistics Center of Iran, the share of people for the OOP payment in 2019 was 58.2%, but after injecting (100 billion US Dollar )subsidies to the health sector ,this index reached to 50.5% in 2011(Davari, Walley, & Haycox, 2011). Meanwhile, the average of this index in this period was 17.9% in the world, 46.6% in the Middle East and North Africa and 36% in the neighbor countries. In addition, in many public hospitals, patients 'companions were directed to purchase some pharmaceutical items and do laboratory diagnostic tests out of hospital, which led to patients' dissatisfaction, and increased OOP payments. Finally, in the World Health Organization ranking, Iran in terms of percentage of OOP payments was ranked 86th of 191 countries, out of the total expenditures of the health system (Esfandiar, Rasi, & Khodamoradi , 2016).

The study conducted by Alidadi et al. Showed that weakness in policy and management, low effectiveness and efficiency of the health system, control of disruptive health costs by reducing people's payments has had a significant impact on the health system transformation program (Alidadi et al., 2016). Also, the study of Peykanpour et al. Showed that the lack of feasible studies, lack of sustainable resources to continue the project, contradiction with upstream policies, conflict of interest in policy-making, treatment priority over prevention, inefficient human resource management and low effectiveness of policies, as main challenges of the program introduced for payment reduction (Peikanpour et al., 2018).

Therefore, due to the importance of the issue, officials and policy makers of the Ministry of Health and Medical Education decided to integrate the previous existing studies, such as the study of national health accounts and its financial indicators, problems and needs in the field of health, worldwide statistics, optimization of advanced health systems in the field of costs

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by creating a platform for cross-sectoral cooperation and focusing on the definition of new credit sources and knowing the opinion of all stakeholders in the field of health, emphasizing the social effects of household health costs, examining the results and consequences of reducing the franchise for medical services provided in public hospitals (Hashemi et al., 2015).

Franchise reduction program guidelines were formed as the first plan of the health system transformation plan to support hospitalized patients, and this guideline can have strengths and weaknesses that can be evaluated, identified and introduced to policy makers and implementers. Help to eliminate these shortcomings and achieve the goals of the program. Therefore, by recognizing the current situation of OOP payment of patients and related challenges, especially in the field of treatment, we can help correct or eliminate weaknesses and improve the achievement of the goals of this program and provide quality health services. Therefore, the present study was conducted to explain the achievements and challenges of the payment reduction program in the health system in Iran.

**Methods**

This qualitative study was conducted by qualitative content analysis method. Criteria for entering this study was the individuals having at least 10 years of experience in policy-making and planning in the Iranian health system in the field of payment reduction, minimum medical education, doctorate in health management and health economics, master of accounting in the Deputy Minister of Health. The samples were selected by snowball method and sampling continued until the data were sufficient. Participants included 15 persons who were experts in compiling a set of guidelines for reducing the amount of payment. Interview was conducted with 3 specialists and general practitioners, 5 people in health economics, 4 people in health services management and 3 accountants in charge of reducing the amount of payments. Therefore, the participants in this study were officials, managers of the Deputy Ministry of Health and Medical Education of Iran. The interview for 45 to 60 minutes. At the beginning of each interview, the objectives of the research were explained to the participants and, with their agreement, the interview was recorded. Also, in order to comply with the ethical issues, participation in the study was optional and the confidentiality of information was guaranteed. In collecting qualitative data, semi-structured interviews were used. The interview guide had 3 pivotal questions and 11 supplementary questions on the challenge of OOP payment for patients admitted to the health system (Table 1).

Table 1: Semi-structured interview questions

Central questions	Partial questions
What are the challenges of the inpatient payment reduction program	What are the the challenges of implementing a pay reduction program? - What are the challenges in the field of planning in the payment reduction program? - What are the policy challenges in the payment reduction program? - What are the challenges in the field of ethics and spirituality in the payment reduction program? - What are the challenges of lack of codified and sustainable planning in the payment reduction program?
What are the opportunities of the inpatient payment reduction program	-What are the factors that create opportunities in the payment reduction program? -What are the amplifying opportunities of implementing the payment reduction program in the discussion of people's satisfaction and trust? What are the necessary opportunities in formulating the goals of the payment reduction program?
What are the most important solutions offered by policy makers in the program of reducing the payment of hospitalized patients	- What are the solutions to stay in the pay reduction program in different governments? - What are the solutions for identifying fixed suppliers and participants in the payment reduction program? What are the solutions to provide codified and sustainable planning and policies based on?

By reviewing the sources and information collected by the researcher group, the initial scope of questions was determined and finally, in order to ask the main research questions, a number of in-depth interviews were conducted with policy makers and experts, as a result of which the main questions were designed. The validity of the questions was confirmed by 5 experts. Data were analyzed using content analysis using MAXQDA10 software.

## Results

The results showed that all participants were general practitioner or with PhD and master's degrees employed in the Deputy of the Ministry of Health and Medical Education involved in the development of planning and policy reduction programs. Participants had more than 10 years of managerial experience. Findings from the interview were stratified and designed based on 4 main components of the weakness in the structure of health expenditure management, weaknesses in policy and planning, low effectiveness and efficiency of the health system and control of disruptive health costs by reducing people's payments, were stratified and designed in 12 themes and 78 sub-themes. Table 2 shows the process of forming the main components, themes and sub-themes.

### 1- Factors causing weakness in the health expenditure management structure

#### 1-1- Increasing the share of health expenses

Participants in this study stated the distribution inequalities and allocation of financial resources as one of the major challenges of the program in reducing the amount of payment in health system financing. Cost wastage and creating a heavy financial burden on insurance companies with high tariff increases were the challenges of the program. Most of the participants, regular increasing of informal receipts, Inefficient human resource management, lack of sustainable resources to continue the program, lack of resource management allocation, inconsistent tariffs for diagnostic services, lack of patient financial protection, heterogeneity in the overall structure of the health system and reducing the share of

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infrastructure credits as cost challenges in the health expenditure management structure stated that.

**1-2- Execution of the program**

Participants in the study stated that lack of resource definition, lack of cross-sectoral cooperation, lack of support for the Ministry of Health's payment reduction program the most important challenge in this area, which were not successful in releasing hospitalization costs in public hospitals. A participant quoted as saying that, formulation of the payment reduction plan that was on the agenda of the Health Policy Council, was under the influence of the upstream. Most of the participants stated that lack of cooperation with the basic health insurance organization and not covering all patients increased the number of patients in reducing the amount of financial protection payments for hospitalized patients risk.

**1-3- Economic challenges of the program**

Iran's health system, faces the challenge of drastically increasing costs. According to the participants, one of the economic challenges of the program was payment reduction .Due to the limited public budget, the sustainable financing of the payment reduction program faces challenges.

One of the things that, most of the participants believed, was the lack of funding. Another important aspect of economic challenges is insurance obligations. Plan to reduce payments by creating a heavy financial burden on insurance organizations, with high tariffs and lack of anticipation programs to control rendering of services in government centers providing health services, reduced the ability of insurance organizations to repay hospitals and practice of obligations.

**2- Factors causing weakness in the policy-making and planning****2-1- Inadequacy of the budget payment program in reducing payment, with the objectives of the health system**

Focus on not strengthening public insurance funds, excessive increase in physicians' tariffs, imbalance between physicians' receipts, discrimination in the implementation of new tariffs, incompatibility of budgeting services package with the patients' health needs and severe dependence of the health insurance system on government funds are the challenges expressed by the participants. A participant stated that weakness in the general policies of the economic system, failure to amend the legal materials and clauses related to the tariff method have created many problems for OOP payments.

**2-2- The inconsistency of the payment reduction program with the macro policies of Iran**

Participants in this study, stated the inconsistency of the health insurance system with the objectives of the program, lack of fair distribution of health services, conflict of interest in policy-making, low effectiveness of policies, non-participation of policy-makers , decision-makers , planners, non-coverage of non-insurance drugs, significant weakening of insurance mechanisms, lack of establishment of referral system and spending of relevant resources in the current costs of the program were the challenges.

**3<sup>rd</sup> International Conference On Research In  
MANAGEMENT AND ECONOMICS****2-3- Failure to modify the structure before implementing the payment reduction program**

Most of the participants in the study were of the opinion that there is improper structure in the field of OOP payment at all. One of the participants said that, we have never seen a proper payment system in the Iran's health system. Also, most of the participants believed the lack of reform of the comprehensive hospital information system, the lack of accurate reform of health technology management, systematic designing of the electronic patient health records and the lack of reform of the structural process of legislation on guardianship ,as the challenges of the inpatient payment reduction program.

**2-4- Lack of attention to the ethics of spirituality**

In the program to reduce the rate of payment in all aspects of the health system, requires serious attention to the issue of ethics and spirituality. The participants mentioned, one of the most important objectives of medical ethics and spirituality is to reduce harm to patients and physicians, and implementing of medical ethics measures in the health system is necessary. Otherwise, the issues of referring the patient to a private office, which unfortunately, today, despite the implementation of the plan to reduce the amount of payment, are more or less witnessed.

**3- Factors causing the effectiveness and low efficiency of the health system****3-1- Imbalance of resources and expenditures**

The participants mentioned the lack of the necessary mechanism for fair distribution of sub-budgets, focus on resources and treatment, severe recession and reduction of health resources, lack of money management in the health system, lack of proper resource management to increase resource effectiveness are the most important challenges in this area.

**Uncertainty of stable source participants in financing the payment reduction program**

Lack of resources, complexity of the health structure, very limited financial resources, lack of a new financial system commensurate with the reduction plan were the most important challenges in this area, which were expressed by the interviewees.

**4- Challenges of controlling devastating health costs by reducing people's payments****4-1- Lack of opportunity to continue and attract more resources to support low-income and vulnerable groups**

Participants in the study stated that the lack of priority of government policy to establish a reduction plan, the lack of attention to the cooperation of all different agencies in the continuation of the health transformation plan, lack of intermittent development ,commensurate with the complexities of the health system, lack of accurate and comprehensive planning, paying attention to community health indicators were the most important challenges in this area.

**4-2- Lack of step-by-step implementation and the existence of necessary opportunities to identify possible problems in the field of implementation and policy-making and its reform**

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Participants in the study stated that the lack of priority of government policy for the definitive implementation of the pay reduction program, Lack of attention to the cooperation of all different agencies in the continuation of the program to reduce the amount of payment, lack of intermittent development, commensurate with the complexities of the health system, careful and comprehensive planning, attention to community health indicators, were the most important challenges in this area.

### 4-3- Negative consequences of the payment reduction program

Participants described the negative consequences of the pay cut program as "discrimination in payments", "threat to the private sector" and "dissatisfaction of service recipients". How to pay in the program on reducing the amount of payment is one of the negative consequences of this program.

Table-2: main axes, themes, extracted sub-themes from interviews regarding payment from the pockets of hospitalized patients

The main axes	themes	Sub theme
Weakness in the structure of health expenditure management	Increasing the share of health costs	Lack of fair distribution of resources and credits, wasting costs, creating a heavy financial burden on organizations, insurance management with high tariff growth , increasing the regulation of payments at the level of informal receipts, health costs , inefficient management of human resources , lack of sustainable resources to continue Program , lack of resource management allocation , non-uniformity of tariffs for diagnostic and treatment services , lack of financial protection of patients , heterogeneity of the overall structure of the health system and reduction of the share of infrastructure funds
	the program execution	Lack of definition of resources , lack of inter-sectoral cooperation in developing a plan to reduce the amount of payment , lack of program support , lack of attention to upstream documents , lack of market management of drugs, consumables and medical equipment , lack of close cooperation with basic health insurance , lack of universal health insurance coverage , lack of strengthening the referral system and family physician in Iran , non-uniformity of invoices for hospitalization costs ,lack of financial protection ,review of health service tariffs ,review of the book of relative value of health services , development of monitoring procedures of
	The economic challenges of the program	financial resources and insurance obligations
Weakness in policy and planning	Inadequacy of the budget payment steps of the payment reduction plan with the objectives of the health system	Lack of strengthening public insurance funds , excessive increase in physicians' tariffs , imbalance between physicians' receipts , discrimination in the implementation of new tariffs , inadequate budgeting services package with patients' needs , severe dependence of the health insurance system on government funds , weakness In the general policies of the economic system , failure to amend the articles and legal provisions related to the method of tariffs and the law of public insurance
	Heterogeneity of the payment reduction Macro program with policies of the country	Lack of proper understanding of the family physician mechanism , incompatibility of the health insurance system with the goals of the program , lack of fair distribution of health services , conflict of interests in policy-making , low effectiveness of policies , lack of participation of team Policymaker , decision maker , planner , lack of coverage of non-insured drugs , significant weakening of insurance mechanisms , lack of referral system and spending of relevant

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		resources on current program costs
	Failure to modify the structure before implementing the payment reduction program	Lack of comprehensive hospital information system , lack of accurate health technology management , lack of centralized health system , lack of information system infrastructure and its inefficiency , lack of systematic design of electronic patient health records , lack of coordination and interaction between the policy-making system on program implementation , process reform legislative structure on tolit , lack of proper infrastructure to reduce the amount of payment
	Lack of attention to the ethics of spirituality	Referral of the patient to a private office and asking for informal payment , leading physicians to materialism with much payments , non-integration of health services into the essence of professional ethics , lack of serious attention to the issue of ethics and spirituality in clinical activities , economic and income view of the physician to the patient
Reduction of effectiveness and efficiency	Imbalance of resources and expenditures	Orientation of resources and treatment , severe recession and reduction of health resources , lack of money management in the health system , lack of proper management of resources to increase the effectiveness of resources and increased induced demand
	Uncertainty of stable participants financing the program	Lack of establishment in providing resources , complexity of health structure , allocation of very limited financial resources and lack of new financial system commensurate with the plan to reduce the amount of payment
Control the devastating costs of health by reducing people's pay	Lack of opportunity to continue and attract more resources to support low-income and vulnerable groups	Lack of control over direct costs to 6% in urban areas and 3% in rural areas , ensuring financial security of vulnerable people and population , lack of attention to low-income groups and incurable patients
	Step-by-step implementation and the necessary opportunities to identify problems Possible in the field of implementation and policy-making and its reform Negative consequences of the program	Lack of priority of government policy for definitive implementation of the reduction plan , lack of attention to the cooperation of all different agencies in the continuation of the program , lack of intermittent development commensurate with the complexities of the health system , lack of accurate and comprehensive planning and attention to community health indicators  Discrimination in payments , threats to the private sector and dissatisfaction of service recipients

### Discussion



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The present study was conducted to explain the challenges of the health system payment reduction program from the perspective of policy makers and planners of the Deputy Minister of Health, Treatment and Medical Education of Iran. The main problems of this program are lack of resources and credits, low effectiveness of policies, discrimination in payments, threat to the private sector, dissatisfaction of service recipients, increase in induced demand, heavy financial burden for insurance organizations, lack of referral system and family doctor in Iran and raise of informal payments. Based on the findings of the present research on the context of weakness in the structure of health expenditure management, the majority of participants' views showed ,most important challenges of the program to reduce the payment of patients admitted to the Iranian health system was the lack of sustainable and codified planning and due to political haste during various periods.

The results of this study are consistent with the study of Nematbakhsh. He concluded that if the potential or actual factors that are among the strengths and opportunities of a reform plan are not seriously implemented, it will lead to unplanned programing (NeamatBakhsh, 2015).The non-uniformity of the tariff for diagnostic and medical services, the incorrect implementation of the program, the non-obligation of the insurances during the implementation of the program were also acknowledged.

The study of Khalajinia about the views of experts on the challenges of the health system transformation plan in the field of urban treatment, showed that limited financial resources and heavy financial burden on insurance organizations imposes a heavy financial burden on household expenses and increases the amount of payment (Khalajinia et al., 2014). The participants the challenges of policy making and supervising in the tariff, tariff structure, methods and principles of tariff, health sector expenditures and other related concepts need to be corrected and, in case of failure, the OOP payment creates challenge for the inpatients. The results of Doshmangir showed that reforming the franchise situation in Iran's health system by policymakers and planners has led to the control of costs and reduced payment from the pockets of hospitalized patients, which is consistent with the results of this study (Doshmangir, Rashidian , & Akbari, 2012).

In general, the findings of this study indicate the inadequacy of the budget of the planning with the objectives of health system reform and lack of proper policy, the inadequate tariff structure of influencing and challenging factors to reduce the payment plan. The results of this study are consistent with the findings of Doshmangir. He found that the issue of tariffs in Iran is one of the most sensitive issues every year, so that, it seems impossible to follow a single pattern in tariffs (Doshmangir, & Rashidian, 2015).

Aton in a study based on the views of experts on health care reform and insurance coverage in Latin America, showed that, lack of strengthening public insurance funds, excessive increase in physicians' tariffs, imbalance between physicians' incomes, discrimination in the implementation of new tariffs, incompatibility of budgeting services package with the health of patients' needs, severe dependence of the health insurance system on government funds, are challenges that have caused great dissatisfaction among physicians and patients (Aton et al. 2015).

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Based on the results obtained from the experiences of the participants in the present study, in relation to the weakness in the general policies of the economic system, the lack of amendment of materials and legal clauses related to tariffs and the public insurance law, as sub-themes, consistent with the results of (Emami Razavi, 2016). One of the other challenges of the present study is the inconsistency of the health insurance system with the goals of the program, lack of fair distribution of health services, conflict of interest in policy making, low effectiveness of policies, lack of participation of policy makers, decision makers and programmers. Karimi found that the trend of the health policy index has not been able to make a significant change to improve equity in financial access (Karimi et al., 2013). Participants cited the non-coverage of non-insurance drugs and the significant weakening of insurance mechanisms as the challenges of the program to reduce payments. Kheiri found that the delays of insurance organizations and the limitation of their credits, as well as the non-transfer of credits related to the payment reduction program to insurance organizations caused a crisis in these organizations, delayed payment of bills, dissatisfaction in patients, as well as delays in the payment of costs for drugs and medical equipment by relevant companies (Kheiri et al., 2015). The non-establishment of the referral system and the spending of relevant resources in the current expenses of the program is an important challenge of the program to reduce the amount of payment. Mehr Al-Hassani showed that weakness in the comprehensiveness of executive instructions, weakness in per capita adequacy and allocation, low efficiency of health information management system, are the defects in the referral chain (Mehr Al-Hassani et al., (2012).

Other findings from the total sub-theme is the lack of structure reform before the implementation of the payment reduction program. According to the participants, the lack of a comprehensive hospital information system, the lack of accurate health technology management, the lack of a centralized health system, the lack of information system infrastructure and its inefficiency, and the lack of systematic electronic patient health record design, led to the OOP Payment in the hospitalized patients. Several other relevant findings agree our data. Among them are the results of Azizi indicating that the use of computer system has a significant reduction in the time and cost of patient care processes, which is consistent with the results of this study (Azizi et al., 2011)

According to the participants, the lack of coordination and interaction between the policy-making authorities on the proper implementation of the program, reforming the structural process of legislation on the tolit, lack of proper infrastructure to reduce the amount of payment are other challenges. Report of Sajjadi on the policy analysis of the Health Transformation Plan, recommended the reform of the policy-making process necessary (Sajjadi et al., 2018).

Other findings from the sub-categories of imbalance of resources and expenditures, indicate the lack of necessary mechanism for fair distribution of sub-budgets, focus on resources and treatment, severe recession and reduction of health resources and lack of proper management of resources the important challenges. Nouri noticed that the prioritization and allocation of resources in the health system is more based on criteria of cost-effectiveness and equitable distribution of resources that are consistent with the results of this study (Nouri et al., 2017).

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Also, the findings of the present study revealed that with the implementation of the Health Transformation Plan, induced demand has increased. Keyvan Ara conducted a study on the health system transformation plan at Isfahan University of Medical Sciences, and found that induced demand leads to uncontrollable cost growth, unnecessary costs and double financial pressure imposed on insurance organizations (Keyvan Ara et al., 2013).

According to the findings of this study, not paying attention to ethics and spirituality is one of the most important challenges of the program to reduce the amount of payment, which agrees with the findings of Milanifar, indicating that , lack of serious attention to the issue of ethics and spirituality in clinical activities and inaccuracy in maintaining confidentiality following the dignity of individuals, the doctor's economic and income view of the patient , cause of immorality and other causes of lawlessness (Milanifar, 2011).

Another challenge from the findings of the present study is the negative consequences of the payment reduction program. By analyzing the participants' perspectives, the challenges in this dimension included discrimination in payments, threats to the private sector and dissatisfaction of service recipients. Regarding discrimination in payments, the participants expressed that by implementing this program and increasing the gap between the incomes of doctors and other medical personnel, especially nurses, is under the influence of this discrimination and injustice, and agrees with the data of (Nakhaei et al., 2017).

Regarding the threat to the private sector, Farahani noticed that the implementation of the payment reduction program in the Iranian health system can be a challenge for private centers that is consistent with the present study (Farahani et al., 2017). Shariati found that the satisfaction of patients referring to teaching hospitals has decreased compared to before the implementation of the payment reduction program, which is consistent with the results of the present study (Shariati et al., 2015).

In analyzing the results of this study, it was found that the payment reduction program has brought positive points and favorable outputs such as reducing OOP payments in the public hospital, improving access and covering the medical needs of the uninsured population for the Iranian health system. However, with the implementation of the program to reduce oop payments, it was hoped to further reform the mechanisms of this program, such as reforming the insurance system, implementing the family doctor plan and referral system based on electronic health records, reforming the supply of medicine, equipment and medical supplies, clinical and para clinical services with the aim of preventing increasing induced demand, emphasis on general health policies on the strict implementation of this program, reform of the payment system based on justice and efficiency in accordance with general health policies, creating fair access to health services and reform of infrastructure in different parts of Iran, especially deprived areas. And over time, some of the positive effects of this plan, which was obtained by spending a lot of resources, has taken the opposite trend. By explaining the challenges of the pay reduction program, based on the findings of this study, it could provide useful information for policy makers and health service providers to use these findings to have better planning and a brighter future and corrective measures to promote the health and satisfaction of individuals in society

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