



## THE ROLE OF ECONOMIC EFFICIENCY IN IMPROVING THE QUALITY OF HEALTHCARE SERVICES

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### Abstract

This paper explores the critical intersection between economic efficiency and the quality of healthcare delivery. As global healthcare costs rise, the challenge for administrators is to optimize resource allocation without compromising patient outcomes. The study analyzes various economic models, the impact of digitalization, and the role of Value-Based Healthcare (VBHC) in ensuring sustainable medical service quality.

**Keywords:** Value-Based Healthcare, medical service, double squeeze, critical intersection, economy

### Introduction

The healthcare sector is facing a "double squeeze": an aging population requiring more complex care and a finite budget. Economic efficiency is often misunderstood as simple cost-cutting; however, in a medical context, it refers to achieving the best possible health outcomes for every dollar spent.

Theoretical Framework of Economic Efficiency in Medicine

Allocative Efficiency: Distributing resources among different types of care (preventive vs. curative).

Technical Efficiency: Producing the maximum output (patient treatments) from a given set of inputs (staff, equipment).

Productive Efficiency: Providing services at the lowest possible cost while maintaining clinical standards.

The Relationship Between Cost and Quality

Contrary to the belief that higher spending equals better care, research from the World Health Organization (WHO) suggests that waste accounts for up to 30% of healthcare spending. By reducing "low-value" care—tests or procedures that do not improve patient outcomes—systems can redirect funds to high-impact treatments, thereby raising overall quality.

Value-Based Healthcare (VBHC) Model

The shift from "Fee-for-Service" to "Value-Based" models is a primary driver of efficiency.

Patient-Centered Outcomes: Measuring success by patient recovery speed rather than the number of visits.

Incentivizing Quality: Rewarding hospitals for low readmission rates and successful surgeries.

Impact of Digitalization and AI

Economic efficiency is significantly boosted by technology:

Telemedicine: Reduces overhead costs and increases accessibility.



Data Analytics: Predicting disease outbreaks and managing hospital staffing levels based on patient flow data.

Electronic Health Records (EHR): Eliminating redundant testing and administrative errors.

Case Study: Innovations in Healthcare Financing

International Perspective: Analysis of the OECD Health Statistics regarding cost-effective healthcare systems in Northern Europe.

Local Perspective: The development of mandatory health insurance in Uzbekistan and its role in increasing transparency and competitive quality among providers.

Challenges in Implementing Economic Efficiency

Resistance to change from medical staff.

The high initial cost of implementing digital infrastructure.

Ethical dilemmas: Balancing "the most good for the most people" vs. expensive specialized care for rare diseases.

Strategic Recommendations for Policymakers

Standardization of Protocols: Implementing clinical pathways to reduce variations in care.

Investment in Prevention: Economic data shows that \$1 spent on primary prevention (vaccines, screenings) saves \$5-10 in emergency care.

Public-Private Partnerships (PPP): Leveraging private sector efficiency to improve public health infrastructure.

Conclusion

Economic efficiency is the engine of modern healthcare quality. By focusing on value rather than volume, healthcare systems can achieve a sustainable balance where financial stability leads to better patient safety, higher satisfaction, and improved public health indicators.

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