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Graduate Certificate in Veterinary Business Management

## Healthcare Economics in Veterinary Business

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### **\*\*Accountable Care Organizations (ACOs)\*\***

Related terms: Alternative Payment Models, Value-based Care

Accountable Care Organizations (ACOs) are groups of healthcare providers that come together to provide coordinated, high-quality care to their patients. By working together, ACOs aim to improve patient outcomes, reduce costs, and enhance the overall healthcare experience. ACOs are typically paid through alternative payment models, such as bundled payments or shared savings, which reward value over volume.

### **\*\*Bundled Payments\*\***

Related terms: Episode of Care, Global Payment

Bundled Payments are a type of alternative payment model in which a single payment is made for a predefined episode of care, rather than paying for each individual service or procedure. This approach incentivizes providers to work together more effectively, as they share the responsibility for managing the entire care episode and are accountable for the overall cost and quality of care.

### **\*\*Capitation\*\***

Related terms: Fee-for-Service, Risk Adjustment

Capitation is a payment model in which healthcare providers receive a set amount of money per patient, per period of time (e.g., per month or year), regardless of the number of services provided. This model shifts the financial risk from payers to providers and encourages them to provide only necessary and cost-effective care.

### **\*\*Clinical Pathways\*\***

Related terms: Best Practices, Evidence-Based Medicine

Clinical Pathways are standardized, evidence-based care plans that outline the most appropriate steps and interventions for specific medical conditions or procedures. By following clinical pathways, veterinary teams can ensure that patients receive consistent, high-quality care, while also reducing variability, waste, and costs.

### **\*\*Cost-Benefit Analysis\*\***

Related terms: Return on Investment, Opportunity Cost

Cost-Benefit Analysis is a method used to evaluate the financial viability of a project, program, or

investment by comparing its costs to its expected benefits. This analysis helps organizations make informed decisions about where to allocate resources, based on the potential return on investment and the opportunity cost of alternative uses of those resources.

**\*\*Economies of Scale\*\***

Related terms: Efficiency, Scope of Practice

Economies of Scale refer to the cost advantages that can be achieved by increasing the size or scale of a business or operation. In veterinary medicine, economies of scale can be realized by sharing resources, consolidating services, and leveraging purchasing power, which can lead to increased efficiency, lower costs, and improved profitability.

**\*\*Episode of Care\*\***

Related terms: Bundled Payments, Global Payment

An Episode of Care is a defined period of time during which a patient receives care for a specific medical condition, treatment, or procedure. Episodes of care can be used to structure payment models, such as bundled payments, which incentivize providers to coordinate care and manage costs more effectively.

**\*\*Evidence-Based Medicine\*\***

Related terms: Best Practices, Clinical Pathways

Evidence-Based Medicine (EBM) is a practice approach that involves integrating the best available research evidence with clinical expertise and patient values to make informed healthcare decisions. By relying on EBM, veterinary professionals can ensure that their treatment recommendations are based on the most current, high-quality evidence, which can lead to improved patient outcomes and reduced variability in care.

**\*\*Fee-for-Service\*\***

Related terms: Capitation, Value-based Care

Fee-for-Service is a traditional payment model in which healthcare providers are reimbursed for each individual service or procedure they perform. This model can lead to overutilization and higher costs, as providers may be incentivized to perform more tests, procedures, and visits to generate additional revenue.

**\*\*Global Payment\*\***

Related terms: Bundled Payments, Episode of Care

Global Payment is a type of alternative payment model in which a single payment is made for all the services provided to a patient during a specified period, such as a year. This approach encourages providers to focus on coordinating care, managing costs, and improving outcomes, as they are responsible for the overall cost and quality of care.

### **\*\*Healthcare Analytics\*\***

Related terms: Business Intelligence, Data Visualization

Healthcare Analytics is the systematic examination and interpretation of healthcare data to drive decision-making, improve performance, and support continuous improvement. By leveraging analytics, veterinary organizations can identify trends, monitor key performance indicators, and make data-driven decisions about resource allocation, clinical protocols, and operational processes.

### **\*\*Healthcare Economics\*\***

Related terms: Healthcare Finance, Healthcare Policy

Healthcare Economics is the study of how scarce resources are allocated and managed within the healthcare industry. This field encompasses various aspects of healthcare finance, policy, and management, and examines the economic factors that influence the cost, access, and quality of healthcare services.

### **\*\*Healthcare Finance\*\***

Related terms: Healthcare Economics, Financial Management

Healthcare Finance is the branch of finance that deals specifically with the financial aspects of healthcare, including revenue cycle management, financial planning, budgeting, and investment analysis. Effective healthcare finance management can help organizations optimize their financial performance, ensure their long-term sustainability, and make informed decisions about resource allocation.

### **\*\*Healthcare Policy\*\***

Related terms: Healthcare Economics, Public Health

Healthcare Policy refers to the laws, regulations, and guidelines that govern the delivery, financing, and regulation of healthcare services. Healthcare policies are designed to address various issues, such as access, affordability, quality, and safety, and can have a significant impact on the operations, finances, and outcomes of healthcare organizations.

### **\*\*Lean Management\*\***

Related terms: Continuous Improvement, Six Sigma

Lean Management is a process improvement methodology that focuses on eliminating waste, reducing variability, and enhancing value in healthcare delivery. By applying lean principles, veterinary organizations can streamline their operations, improve efficiency, and reduce costs, while maintaining high standards of quality and patient care.

### **\*\*Opportunity Cost\*\***

Related terms: Cost-Benefit Analysis, Resource Allocation

Opportunity Cost is the value of the best alternative use of a resource or the next best alternative given up when making a decision. In healthcare, opportunity costs can influence decisions about resource allocation, technology investments, and service offerings, as organizations must weigh the potential benefits against the costs of foregone opportunities.

#### **\*\*Patient-reported Outcomes\*\***

Related terms: Value-based Care, Quality of Life

Patient-reported Outcomes (PROs) are measures of a patient's health status, quality of life, or functional status, as reported directly by the patient. PROs can be used to assess the effectiveness of treatments, monitor disease progression, and inform shared decision-making, and can help organizations transition to value-based care models that prioritize patient-centered, high-quality care.

#### **\*\*Performance Metrics\*\***

Related terms: Key Performance Indicators, Balanced Scorecard

Performance Metrics are quantifiable measures used to evaluate and monitor the performance of healthcare organizations, teams, or individuals. These metrics can be used to assess various aspects of performance, such as clinical outcomes, financial performance, patient satisfaction, and operational efficiency, and can help organizations identify areas for improvement, set goals, and track progress over time.

#### **\*\*Population Health\*\***

Related terms: Public Health, Prevention

Population Health is an approach to healthcare that focuses on improving the health outcomes of entire populations, rather than individual patients. By addressing the social, economic, and environmental determinants of health, population health initiatives aim to prevent disease, reduce disparities, and promote health equity, ultimately improving the overall health and well-being of communities.

#### **\*\*Prevention\*\***

Related terms: Population Health, Public Health

Prevention refers to efforts to prevent disease, injury, or disability before they occur. Preventive measures can include vaccinations, screenings, and lifestyle modifications, and can help individuals maintain their health, reduce healthcare costs, and improve quality of life.

#### **\*\*Price Transparency\*\***

Related terms: Cost Sharing, Cost-Benefit Analysis

Price Transparency is the practice of making the prices of healthcare services and products readily available and understandable to consumers. By promoting price transparency, healthcare organizations can help patients make informed decisions about their care, compare prices, and understand their financial

responsibilities.

**\*\*Prospective Payment System\*\***

Related terms: Retrospective Payment, Diagnosis-Related Groups

A Prospective Payment System (PPS) is a payment model in which healthcare providers are paid a predetermined amount for specific services, based on the patient's diagnosis or other factors, prior to the delivery of care. This approach can help control costs, promote efficiency, and encourage providers to deliver high-quality care, as they are responsible for managing resources and costs within the predetermined payment.

**\*\*Public Health\*\***

Related terms: Pop