Lesson 6

# PRICE

6EMHC2

Marketing in Healthcare

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Lesson 6

# Price

MARKETING IN HEALTHCARE

# content

1. Price of service
2. Case study: DIAGNOSE.ME
3. Establishing the price
4. Price or reimbursement

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# Group WORK

What is price in healthcare?

*Try to define by your own words.*

# price

- Consumer: The amount of time, money and effort you need to spend on getting the product.

- Provider: The price is the only tool of the 7P marketing mix that makes up the healthcare facility's revenue. All other 7P tools represent costs.

- Health insurer: reimbursement to the provider

# Price of a service

- For services, the price becomes also a quality indicator.
- Inseparability of service and provider - specifics in pricing.
- When determining a price, you also need to take into account:
  - Price of the healthcare service itself
  - Informal costs
  - Psychological costs
  - Time spent
  - Travel costs

# PRICE OF THE HEALTHCARE SERVICE ITSELF

- Patient pays the full price here

**OŠETŘENÍ KOŘENOVÝCH KANÁLKŮ (DLE POČTU)** **OD 7 590 KČ**

Léčení kanálků je jedním z nejsložitějších a nevyzpytatelných zákroků, proto se u nás provádí výlučně pod mikroskopem. Cena se odvíjí od počtu kanálků. Jeden kanálek vyjde celkově na 7 590 Kč. Zuby mají od 1 po 4 kanálky, ojediněle i více kanálků. Cena nezahrnuje finální korunku. Cena u více kanálků není násobkem ceny za 1 kanálek, je ponížena o vybrané výkony, které se účtují jenom jedenkrát.

SCHILL DENTAL CLINIC

Ošetření kořenových kanálků

- Strojové opracování kanálku

1. 1 kořenový kanálek **2200,-**
2. 2 kořenové kanálky **3000,-**
3. 3 kořenové kanálky **4000,-**
4. 4 kořenové kanálky **4400,-**
5. Plnění provizorní výplní CaOH **300,-**
6. Uzávěr perforace/plnění širokého kanálku MTA **1000,-**

PEKADENT

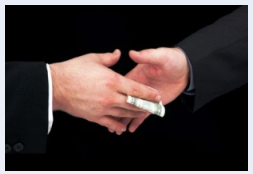
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Operační program Výzkum,

# Price of the healthcare service itself

- Pacient pays the part of the price
- Pacient does not pay at all (covered by health insurance)

| SÚKL kód - název - balení | Výrobce | Typ | Výdej | Cena | Doplatek |
|---|---|---|---|---|---|
| | | | | | zobrazit pouze léky bez doplatku |
| 0232326 **Azithromycin Aurovitas 500mg** - 3 ks | Aurovitas | Potahovaná tableta | R | 119,70 Kč | 0,00 Kč |
| 0226304 **Azithromycin Aurovitas 500mg** - 3 ks | Aurovitas | Potahovaná tableta | R | 119,70 Kč | 0,00 Kč |
| 0045010 **Azitromycin Sandoz 500mg** - 3 ks | Sandoz | Potahovaná tableta | R | 56,10 Kč | 0,00 Kč |
| 0155862 **Sumamed 500mg** - 5 ks | Teva | Prášek pro přípravu infuzního roztoku, intravenózní podání | R | 924,90 Kč | 0,00 Kč |
| 0176024 **Zitrocin 500mg** - 3 ks | Teva | Potahovaná tableta | R | 56,10 Kč | 0,00 Kč |
| 0053913 **Azitromycin Sandoz 250mg** - 6 ks | Sandoz | Potahovaná tableta | R | 119,70 Kč | 63,60 Kč |
| 0010382 **Azitrox 500mg** - 3 ks | Zentiva | Potahovaná tableta | R | 136,30 Kč | 80,20 Kč |
| 0197643 **Azibiot Neo 500mg** - 3 ks | Krka | Potahovaná tableta | R | 137,40 Kč | 81,40 Kč |
| 0175839 **Azyter 15mg/g** - 6x3,75mg | Laboratoires Thea | | R | 163,10 Kč | 101,10 Kč |
| 0155867 **Sumamed 20mg/ml** - 20ml | Teva | | R | 126,70 Kč | 110,30 Kč |
| 0155861 **Sumamed 125mg** - 6 ks | Teva | Potahovaná tableta | R | 152,20 Kč | 115,70 Kč |
| 0155868 **Sumamed 250mg** - 6 ks | Teva | Tvrdá tobolka | R | 195,90 Kč | 139,90 Kč |

# INFORMAL PAYMENTS

| | Expectations exists (paid before the service/treatment) | No expectations exist (after the service/treatment) |
|---|---|---|
| Payment to principal (hospital, policlinic, pharmacy) | Price   | Gift  |
| Payment to agent (doctor, nurse, primary physician) |  Bribe |  Tip |

*R*OSE-ACKERMAN, S.: Bribes and gifts In: BEN-NER, A., PUTTERMAN, L.G.: Economics, Values, and Organization, Cambridge University Press, Cambrige, 1998

# psychOLOGICAL costs

- When determining the price, it is necessary to take into account the so-called psychological costs.
- Psychological costs are unique to each person, different levels of tension and stress are experienced by different people.
- Examples:
  - Uncertainty
  - Fear of examination
  - Fear of examination result
  - Frustration from a crowded waiting r
  - Unpleasant behavior of doctor

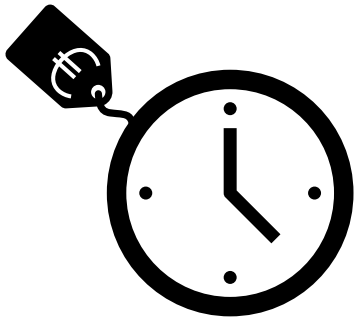
**Ceník analgosedace a celkové anestezie**

| | |
|---|---|
| Celková anestezie | **od 19 450 Kč** |
| Analgosedace | **od 14 300 Kč** |

Analgosedace a celková anestezie jsou primárně určeny pro nespolupracující děti a rozsáhlejší chirurgické výkony.

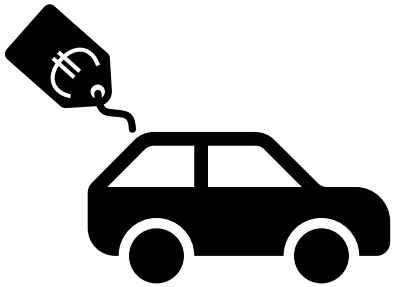
# Time COSTS

- The time spent is the value of the time a customer spends to get a product.
- Time costs are unique to each person, different people attribute different values to their time.
- Example:
  - Waiting lists for examination
  - Searching times for alternatives
  - Waiting for results
  - Waiting time in the waiting room in front of the examination room



# Travel costs

- Travel costs reflect the value a customer will spend on traveling to a medical facility.
- Example:
  - A trip to a specialist in another city
  - Route to dialysis
  - Visiting the general practician



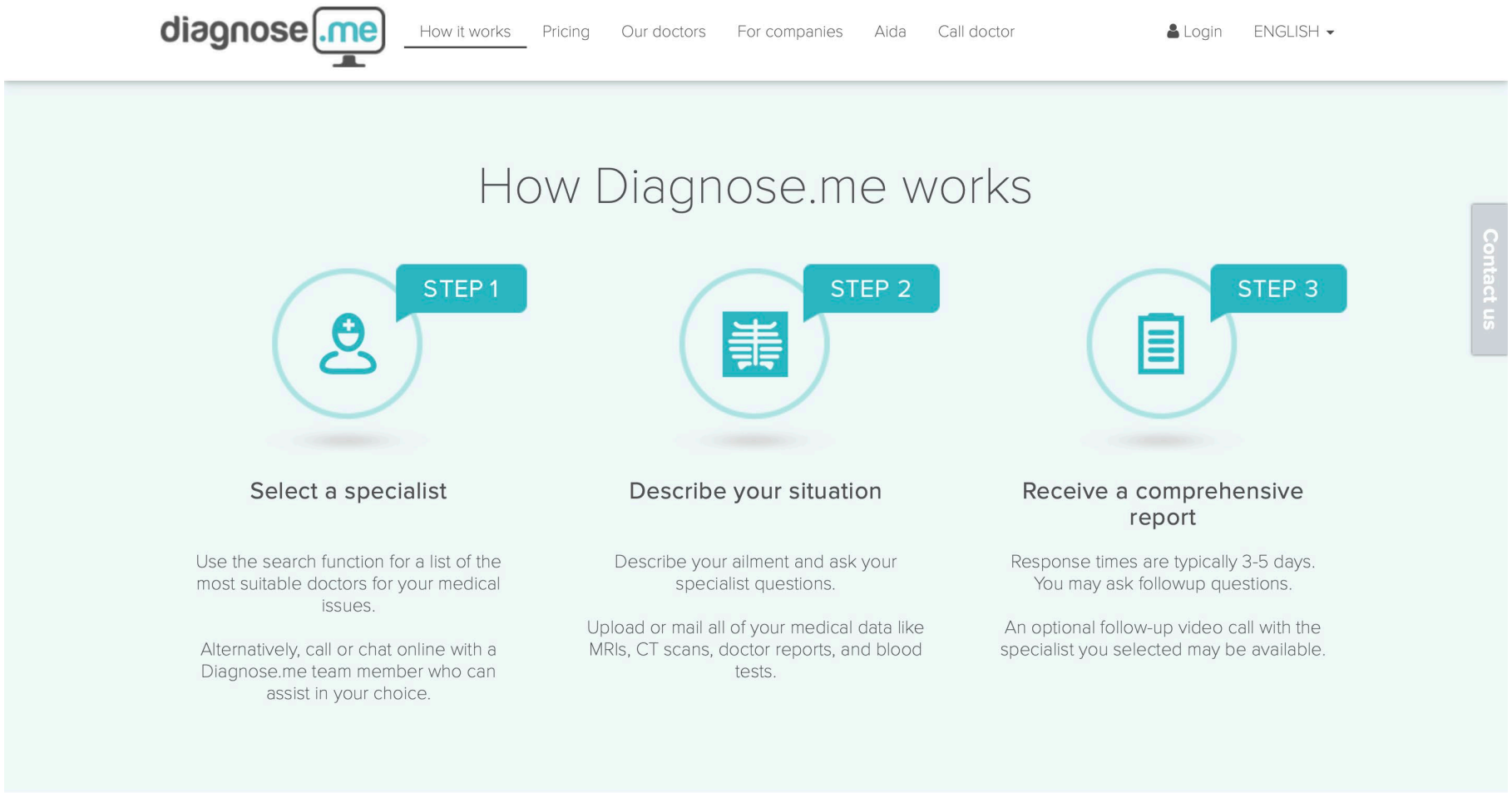
# SUMMARY: PRICE IS A COMPLEX COMPONENT

Price of the healthcare service + Informal payments + Psychological costs + Time costs + Travel costs

# DIAGNOSE.ME


diagnose.me
How it works
Pricing
Our doctors
For companies
Aida
Call doctor
Login
ENGLISH
Where world-class doctors answer your questions
Through the Diagnose.me platform, you can consult your diagnosis with top doctors and multidisciplinary teams. You can select the doctor, hospital or the team that specializes in just your problem.
Erik Ranschaert, MD, PhD
Chief medical officer
Search for your diagnosis or symptom
Search
Contact us
How Diagnose.me works
STEP 1
STEP 2
STEP 3

# DIAGNOSE.ME

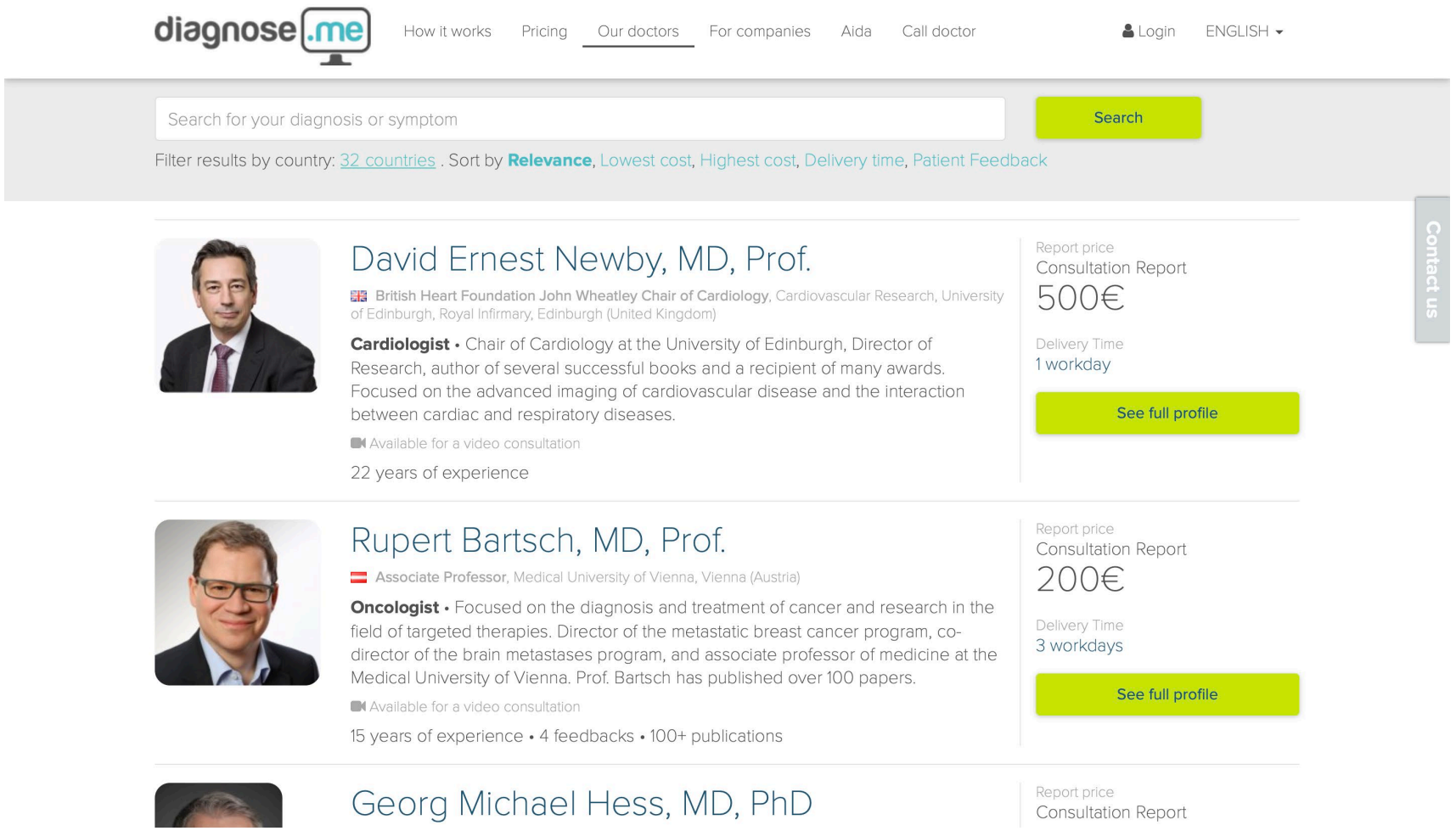

diagnose.me
How it works
Pricing
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For companies
Aida
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ENGLISH
How Diagnose.me works
STEP 1
STEP 2
STEP 3
Select a specialist
Use the search function for a list of the most suitable doctors for your medical issues.
Alternatively, call or chat online with a Diagnose.me team member who can assist in your choice.
Describe your situation
Describe your ailment and ask your specialist questions.
Upload or mail all of your medical data like MRIs, CT scans, doctor reports, and blood tests.
Receive a comprehensive report
Response times are typically 3-5 days. You may ask followup questions.
An optional follow-up video call with the specialist you selected may be available.
Contact us

# DIAGNOSE.ME

- https://youtu.be/DKJ9FUG6l3A

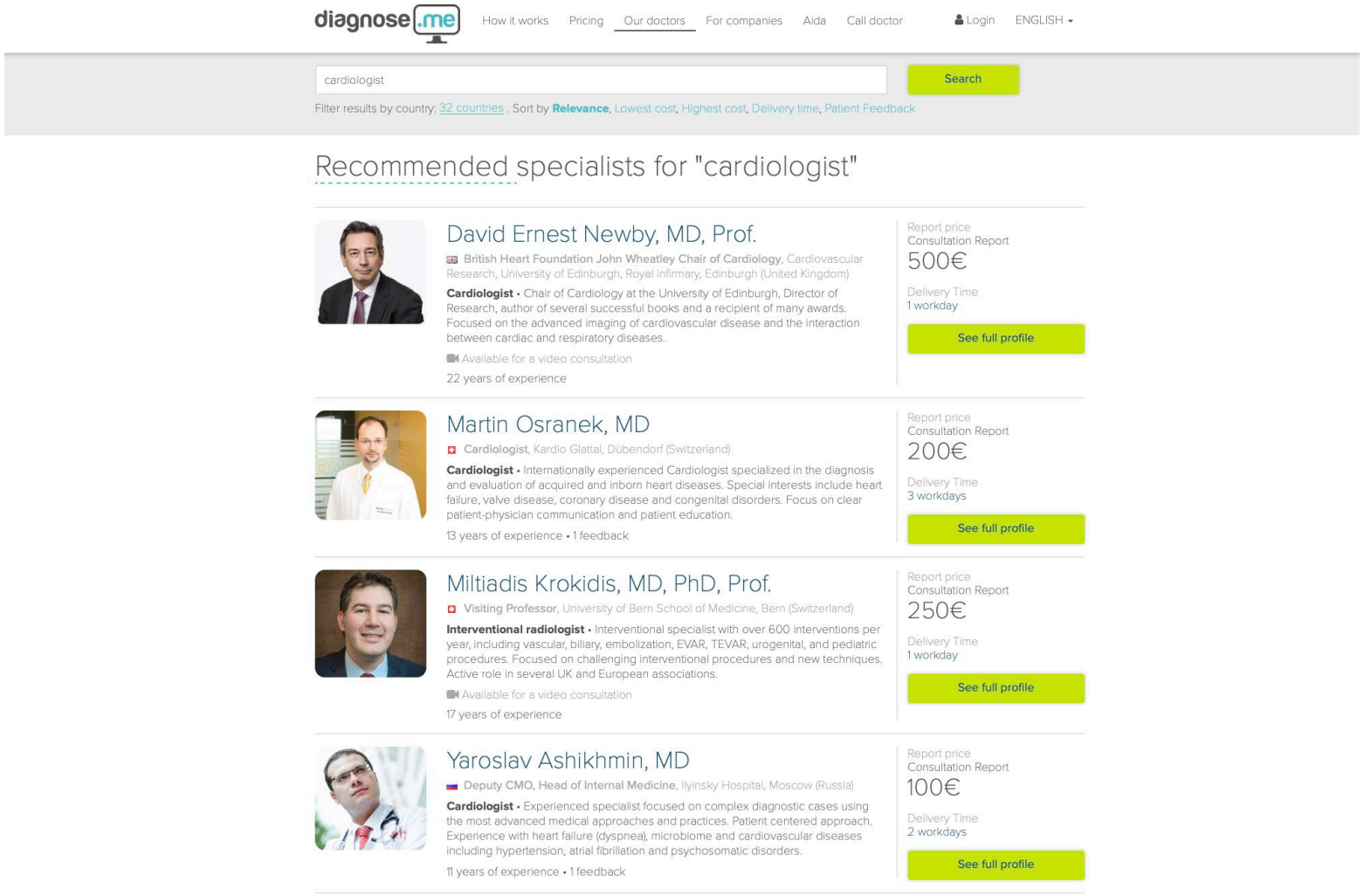
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# DIAGNOSE.ME



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# DIAGNOSE.ME



# Establishing the price

Establishing the price for a product or service effectively is a multistep process:

1. Identify the constraints
2. Objectives
3. Estimate demand
4. Determine the cost, volume, and profit relationships
5. Pricing strategy
6. Positoning

# Establishing the price
# 1.) identifying constraints

- Ideally, high prices ☺
- Demand
- Life Cycle
- Production Cost
- Channel Lengths
- Market Structure
- PRICE vs REIMBURSEMENT

# Establishing the price
# 2.) Pricing objectives

- Profit
- Sales
- Market Share
- Image
- Stabilization
- Market Penetration

# Establishing the price
# 3.) Estimating demand and revenue

- Demand schedule
- Understanding consumers' price sensitivity
- In determining consumer response to price

# Establishing the price
# 4.) Cost and Volume Relationships

- Cost-Plus Pricing
- Break-Even Analysis
- Marginal Cost Pricing
- Markup Pricing
- Target pricing
- Demand-Minus Pricing

# Establishing the price
# 5.) Pricing strategies

- Price lining
- Odd Pricing
- **On-price policy**
- **Flexible pricing policy**
- Prestige pricing
- Penetration pricing
- Leader pricing
- Bundled pricing
- **Reference pricing**
- Discounts

# Establishing the price
# 6.) Positioning value of price

- Price plays a major strategic role in the positioning of the product, service, or organization
- In establishing the price level, companies must consider the competitive environment and the position where they would like their service to be priced relative to the competition
- Company must consider how much focus will be placed on price in promoting the service

# HEALTH INSURER: Price or reimbursement?

Reimbursement as part of payment mechanism from Health Insurance Company

- Existence (Capitation)
- Activity (Fee-for-Service, Diagnostic-Related Groups)
- Coordination (Full-risk capitation)
- Performance (P4P)

# summary

- Price is a very active element of the marketing mix (only that represents REVENUE):
  Healthcare service costs + Informal payments + Psychological costs + Time spent +Travel costs
- Establishing the price
- Price vs Reimbursement

# Thanks for your attention