The importance of payment systems for family physicians: with emphasis on capitation

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Letter to Editor

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A major challenge for policymakers is how to design and implement payment systems for healthcare providers [1]. Due to their direct effect on healthcare providers' behavior, payment systems are essential knops to healthcare system reforms [2].
Among all healthcare providers, physician's roles are of significant importance. Despite the fact that physician direct costs make one fifth of the total healthcare costs, Due to the asymmetric information between physicians and patients and the agent role that physicians play in how patients make decisions in respect to the healthcare market, physicians' decisions indirectly have effects on different healthcare costs items like medicine expenses and use of hospital services, [1,3]. The way that a physician gets paid causes different motivations for them to make decisions. Often economical models evaluate the effects of a payment method on a physician's behavior in such perspective: services they supply, demands that they induce and the number of the patients they admit [4]. The role of a family physician as the gatekeeper gives them more significance in comparison with other physicians. However, they are accounted patients' managers in healthcare systems. Thus double importance is ascribed to designing and implementing a family doctor's payment system, which will have direct and indirect effects on healthcare system functions [1].

Salary, fee for services, capitation and blended systems can be called the most common payment mechanisms for family physicians. Once a physician receives a regular salary, there will be no direct relationship between his income and the services provided or the number of patients in charge of. Less productivity will be the potentially outcome in this case. Furthermore, when the payment is based on fee for services, physicians are motivated to boost productivity in terms of the number of services. Although an increase in productivity is indubitably pleasant, but it ensues an increase in healthcare expenditures [1,4]. Capitation payment system simply means definite payment for the population (healthy or sick) that every physician is assigned with at a definite period of time. This mechanism has been emphasized for primary healthcare in recent years [5]. In I.R. Iran, the Referral System and Family Physician Manual for Urban Area is mainly based on capitation payment system also [6]. To summarize the most significant effects of this method, there are several points: physicians admit and register more population; they attempt at having a healthier population in less need with less repeated referrals; encourage team work between physicians and healthcare personnel; they supply fewer and more efficient services, and more of preventive interventions and education of healthier lifestyles. Capitation with holding physicians more responsible who would otherwise attempt at supplying greater services helps to lower healthcare costs while it assures an easier access to primary healthcare services for patients. Also, patients that now have the chance to choose a family physician make the atmosphere more competitive for physicians. As a result, highly qualified services and

responsiveness are encouraged. Capitation has problems when it comes to performance. Elderly and populations with high demands may face problems with reception. In other words, although the capitations are similar, physicians are inclined to healthier patients. This problem would disappear if it were mandatory for physicians to register all patients and/or to modify (increase) capitations through risk adjustments for populations in greater need, be it for sex or age [1,6].

Having a constant relationship with a primary healthcare provider as a guide for a patient is one of the most important parts of a good healthcare system. A primary healthcare provider can lead a patient with her referral and choosing between healthcare services, medicines, and diagnoses. In order to achieve this, it is helpful to make use of a blended payment model for primary healthcare with capitation taking priority. Drummond (2011) suggests a 70% capitation and salary and 30% fee for services model [1]. Now that the national family physician plan for urban areas has already commenced, it is imperative to design and implement a satisfying payment system that is suitable both to local conditions and to the goals set by the I.R.Iran Health care System so as to provide effective healthcare services.

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