MEWX1Z

**Effect of Capitation on Utilization and Quality of Healthcare in the Ghanaian National Health Insurance**

Dr Eugenia Amporfu, Kwame Nkrumah University of Science and Technology, eamporfu@gmail.com

Format: (1) Title, First Name, Surname, Institutional Affiliation, E-mail Address, Postal Address. (2) ....

Mr. Peter Gyamfi, Kwame Nkrumah University of Science and Technology

ABSTRACT

Provider payment mechanism has influence on visits, referrals and quality of healthcare, which capitation healthcare payment is not an exception. As Fee for Service (FFS) payment system is characterized by inducement, Diagnostic Related Grouping (DRG) is attributed to a higher cost episode irrespective of the nature of care. The negative effects of these payments mechanisms have has popularized capitation as a payment system. Capitation was introduced in Ghana in 2010. It was however faced with resistance from pressure groups (e.g., Ashanti Development Union (ADU)) and healthcare providers. As providers claim it would reduce their profit margin the ADU expected that capitation would decrease utilization to inefficient levels as stipulated by several studies. Using Poisson regression, ordered logistic regression and ordered binary regression, this research was primarily conducted to find out the effect of capitation utilization, visits, referrals, quality of healthcare and the willingness of patients to retain the primary care provider within a period of three months. A sample size of 500 NHIS Urinary Tract Infectious patients was selected with 250 each from Komfo Anokye Teaching Hospital (capitated group) and Korle-Bu Teaching Hospital (FFS/DRG group) was employed for the study.

Some of the principal findings of the research showed that patients under capitation had less number of visits compared to patients under DRG (controlled group). It was discovered that patients under capitation had less quality of healthcare compared to patients under DRG (controlled group at Korle-Bu). Contrary to expectation, the research discovered that patients under capitation are more likely to change their primary care provider, compared to those under the DRG payment system. Capitation impacted positively referrals compared to patients under DRG.

The research concludes that without proper monitoring capitation can lead to deterioration of care both in quality and quantity. The high percentage of referrals in the capitated region could either imply cream skimming or an effective gate keeping system provided by capitation. Policy recommendations are provided to improve quality under capitation are provided.