



ELSEVIER

Health Policy 51 (2000) 163–180

HEALTH policy

www.elsevier.com/locate/healthpol

The response of providers to capitation payment: a case-study from Thailand

Anne Mills ^{a,*}, Sara Bennett ^a, Porntep Siriwanarangsun ^b,
Viroj Tangcharoensathien ^c

^a *Health Economics and Financing Programme, London School of Hygiene and Tropical Medicine, London WC1E 7HT, UK*

^b *Bureau of Health Policy and Planning, Ministry of Public Health, Thailand*

^c *Health Systems Research Institute, Thailand*

Received 17 July 1999; accepted 7 September 1999

Abstract

Those designing payment systems for health care in low and middle income countries are increasingly looking to capitation payment, in order to avoid the cost inflation experienced with fee-for-service payment. However, there is virtually no documentation of the experience of introducing capitation payment, or of its effects. This paper draws on several research studies to explore responses by health care providers at both the market and facility level to the introduction of capitation payment, in the context of a new compulsory insurance scheme for workers in Thailand. The paper ends by identifying lessons for both Thailand itself and for other countries. © 2000 Elsevier Science Ireland Ltd. All rights reserved.

Keywords: Capitation; Payment mechanisms; Social insurance; Private sector; Thailand

1. Introduction

In recent years, there has been a great increase in interest in low and middle income countries in introducing (or expanding) compulsory social health insurance schemes. Improving protection from out-of-pocket health care expenses by imposing a payroll tax has proved more acceptable to many governments than increasing

* Corresponding author. Tel.: +44-171-9272354; fax: +44-171-6375391.

E-mail address: a.mills@lshtm.ac.uk (A. Mills)