



Selected Highlights of Ghana's Experience with Capitation

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Outline

- Institutional roles and responsibilities:
- The design of the payment:
 - what to buy
 - from whom to buy
 - how to buy
- Some key results and challenges



Institutional Roles

- Capitation was introduced in 2012 but only after 18 months of planning and deliberation.
- The NHIS set up a Technical Sub-committee on Provider Payment Methods to provide technical direction for design and implementation of Capitation.
- The committee consisted of representatives from
 - National Health Insurance Authority (the purchaser)
 - Ghana Health Service, Teaching Hospitals, maternity homes, private (provider)
 - Christian Health Association of Ghana (providers)
 - Ministry of Health (health sector coordinator/regulator; national policy maker)



– Steering committees at the

– National level

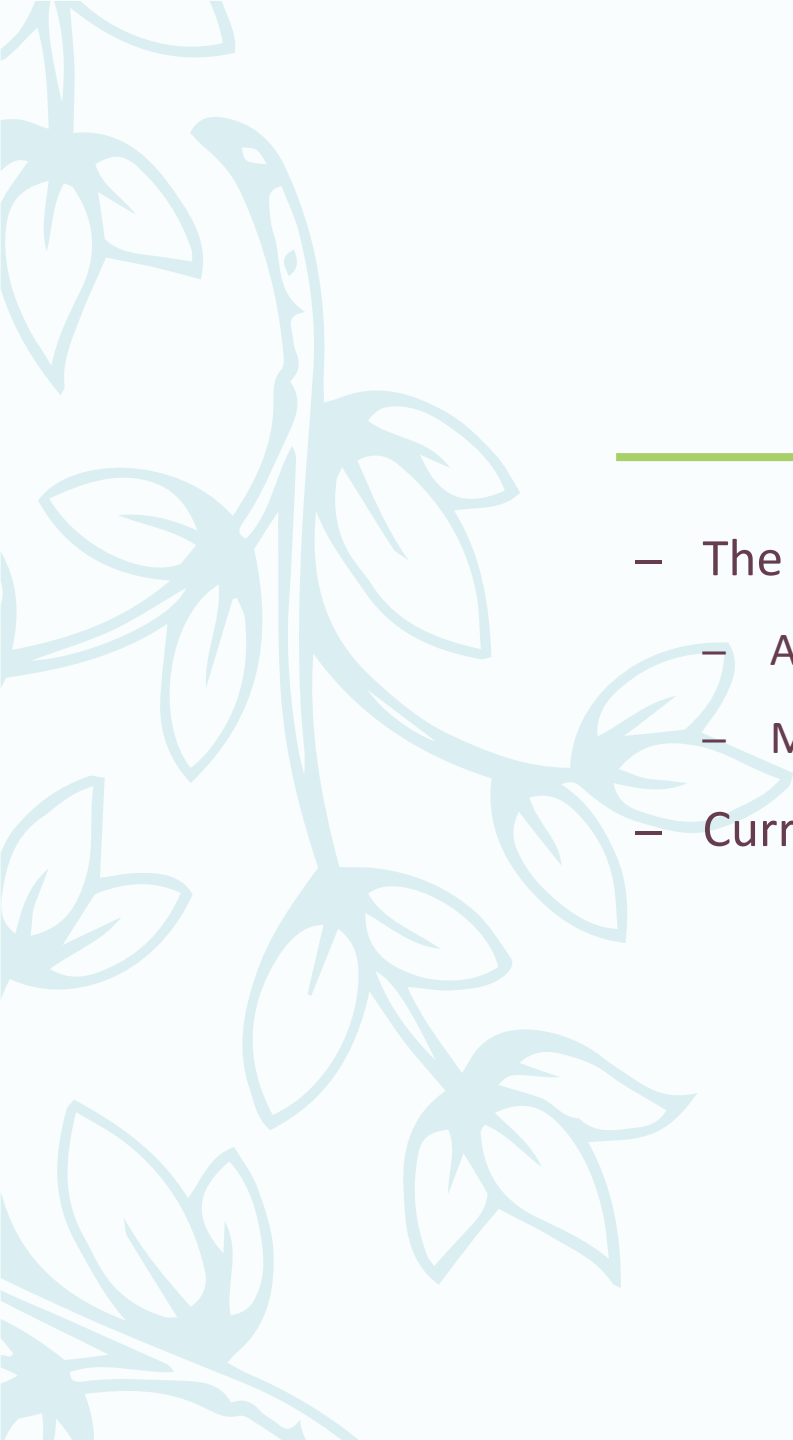
– Regional level

– District level



Design: What to buy - Capitation Package

- The original content was mainly primary healthcare services and covered 70% of total claim costs
- Maternity consultation and services with a trained midwife or doctor for antenatal, postnatal and normal delivery.
- Primary health care OPD consultation with a trained prescriber.
- Routine laboratory services that can be performed at all levels, namely Routine Urine Examination, Blood film for malaria parasites, haemoglobin, blood sugar, urine for pregnancy test, VDRL.
- Selected Medicines appropriate to the diagnosis selected as “primary care” based on the most recent version of the Essential
- Drug List (EDL) and Standard Treatment Guidelines (STG).

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- The reviewed package removed ANC and medicines
 - ANC → GDRG
 - Medicines → fee for service
 - Current coverage of services under capitation is 22 percent of total claim costs




From whom to buy: Providers

- The providers who participated were first accredited by the NHIA to provide services to its clients. These can be hospitals, clinics, health centres, CHPS, maternity homes, (public and private)
- Providers have to be selected by NHIS members as their preferred primary provider (PPP).
- A health care facility that cannot provide the basket of services is allowed to team up with one or more other providers as a PPP.
- A PPP may therefore be
 - a single health care facility or
 - a group of facilities.

How to buy: Capitation design

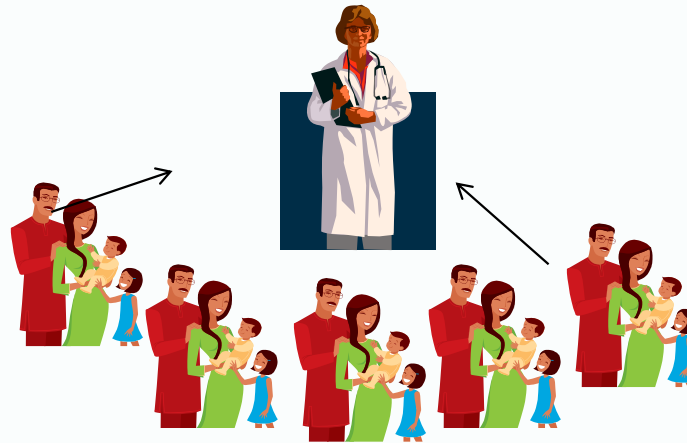
- Members
 - Enrol on NHIS
 - Select a PPP that is within district of residence or can select PPP outside district of residence if closer to residence
 - Can change a PPP up to twice a year
 - Can only receive treatment from specialist upon referral from a PPP
- Providers
 - Receive advanced payment of capitated services according to the number of NHIS members that selected it as PPP at the capitation rate.
 - Advanced payment is received every other month

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- Referrals are paid for by G-DRG.
 - Emergencies treated by a member's PPP is covered under capitation.
 - Emergencies treated by other providers other than the PPP is paid using the G-DRG
 - In non-emergency cases, the cost is paid for by the member.

Calculation of Capitation rates

$$\begin{array}{|c|} \hline \text{Fixed payment to a} \\ \text{Provider to Deliver} \\ \text{all Services in a} \\ \text{Defined Package} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Base Per} \\ \text{Capita} \\ \text{Rate} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{\# of People} \\ \text{Enrolled with} \\ \text{that Provider} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Adjustments} \\ \hline \end{array}$$

Patients are linked to a provider for a fixed period of time





Successes

- Provider acceptance and understanding of the business model of capitation
- Smooth PPP enrollment that reduces client frustrations to the barest minimum
- Timely reimbursement of providers
- Effective local structures to champion the promotion activities at the local levels



Challenges

- Cost shifting of Capitated services to G-DRG services
- The small proportion of services covered by Capitation weakened its ability to reduce costs.
- Cost containment?