COST AND BENEFIT ANALYSIS OF CONTRACTING OUT PRIMARY MEDICAL CARE TO PRIVATE CLINICS UNDER SOCIAL SECURITY SCHEME



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This is a study, studies about costs and benefits of a programme for implementing the contracting out of primary medical care to private clinics and the impacts of the contracting out interms of provision, utilization and efficiency improvement. Nopparat Rajathanee Hospital and it's networks were sekected to be the representative of public hospitals and their networks in Thailand.

The contracting out health care services is a new health services delivery system in Thailand, as in most developing countries, and it is believed that it can improve health services efficiency, by using public financing and private provision.

The study showed that the programme can achieve (1) allocative efficiency by making a contribution to prevention of some severe illnesses and to early recover; (2) fical efficiency as net monetary benefit is 12,594,925.75 baht and the benefit-cost ratio is 1.66; (3) technical efficiency since contracted private clinics can provide the health services with treatment charges for out-patient per visit and drug prescription cost per visit cheaper than the hospital provision. Other important outcomes of the study are (4) awareness of the high incremental administrative cost; (5) equity of access of insured workers to health services which are more readily available and (6) the service utilization rate increase of 50%

Regarding administrative efficiency, although the administrators are given authority and freedom to mange the social security budget by themselves, they have very low rewards so that the brain drain from public to private sector may trend to be encouraged. As for improvement of services provision, it can not be concluded from this study whether this has happened or not, because withing one year of the health care provision, it might not have any effect on the overall society, it needs a more longitudinal study which uses appropriate indicators.

The contracting out primary medical care to private clinics is possible to implement for other main-contractors. But it needs more studies in detail, because the success of contracting out depends on many criteria, i.e. the number of main contractors, sub-contractors, competition among them and details of fiscal policy of each hospital, capacity of main-contractor to control sub-contractors.

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