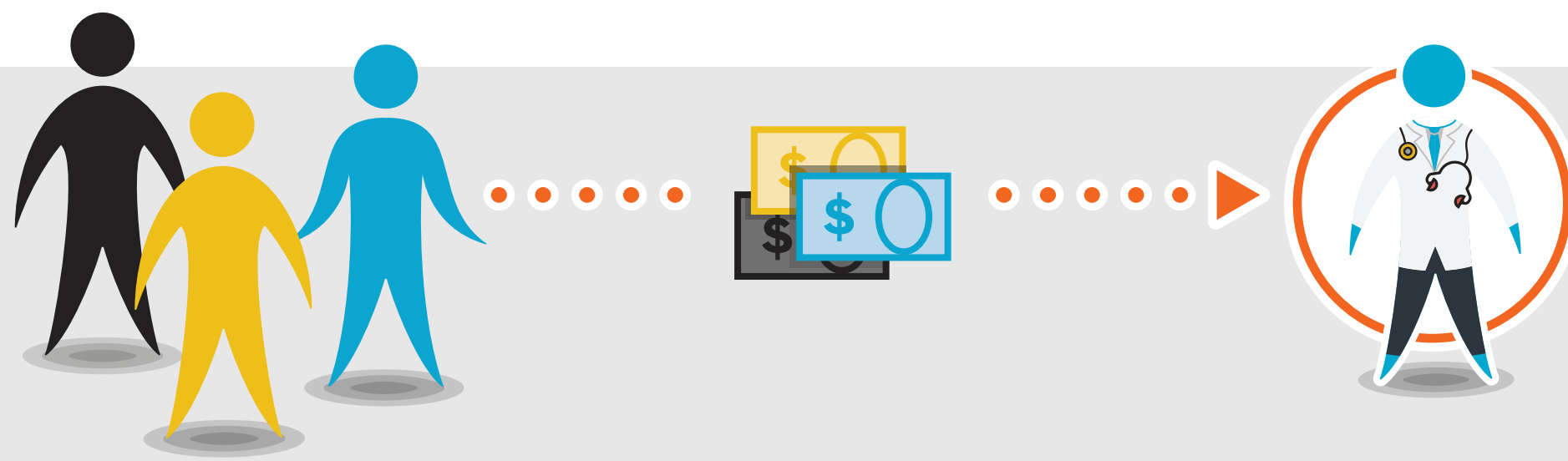


WHAT IS CAPITATION?



Capitation describes payment to a health care provider on a per-patient rather than a per-service basis.



For example, under capitation, a healthcare facility may be paid a fixed amount each month to serve as the primary care provider for a specific number of patients assigned to physicians within the facility, regardless of how little or how much care each patient needs.



Studies show that **capitation addresses the 3 main kinds of waste** in the health care system:



At the case-level: the unnecessary use of care

This makes up half of all waste. For example, x-rays done twice when originals can't be found or duplicate lab tests ordered because a physician didn't know someone else had already done the tests.



At the production-level: inefficiencies in producing units of care, such as drugs, lab tests, x-rays or hours of nursing support

An example of a solution to this would be negotiating prices down for supplies and streamlining processes for producing lab tests.



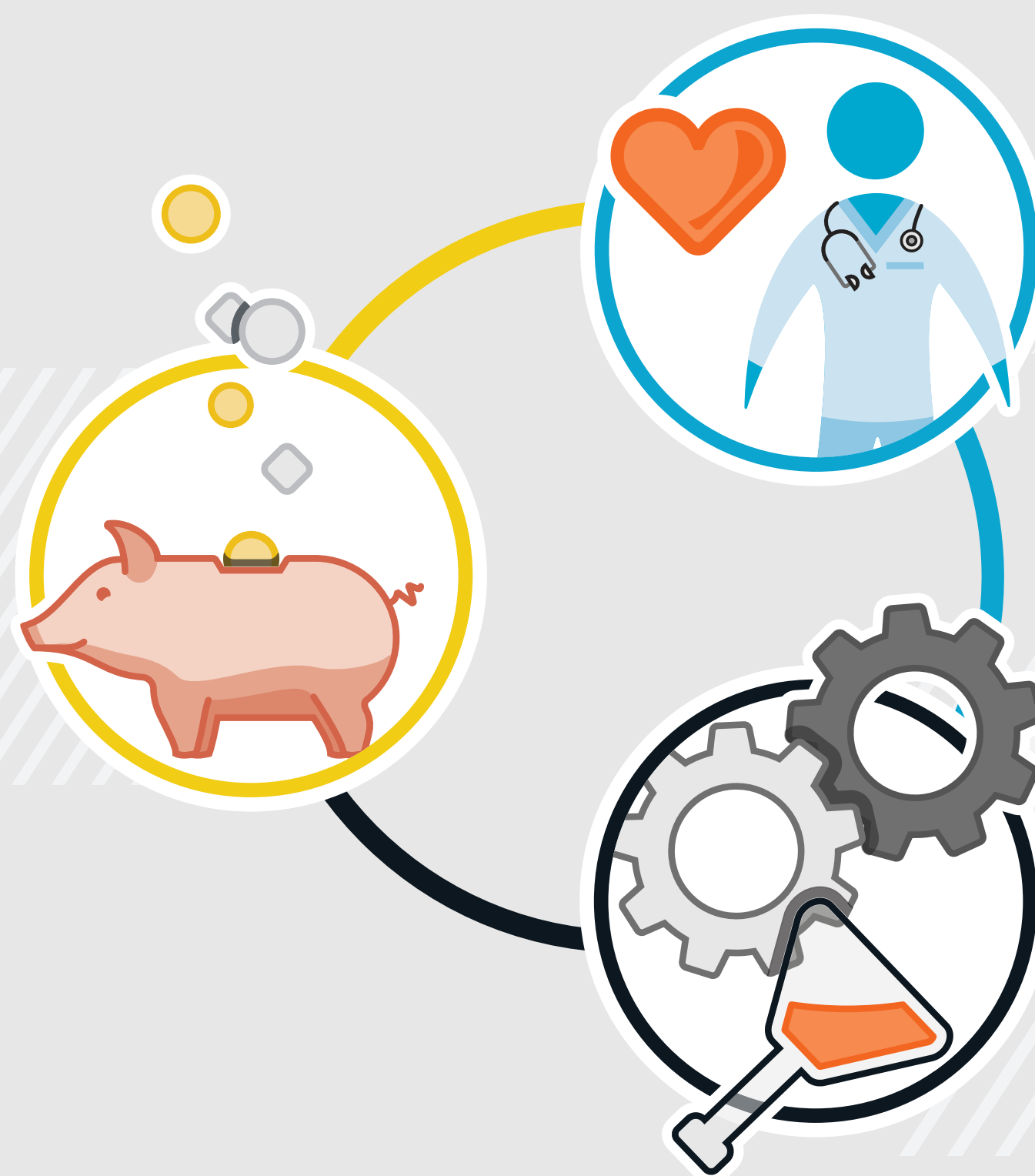
At the population-level: care that is unnecessary or preventable on a larger scale.

This makes up for 45% of total waste. For example, this includes unnecessary visits to specialists or hospitalization that could have been avoided by a regular visit to a primary care provider.

CAPITATION IS THE RIGHT MODEL



Capitation is the **right model** for The Bahamas because it gives:



Less expensive, higher-quality care for patients

Higher profits for primary care providers

More opportunities for health care providers, such as investing higher profits into cutting-edge technologies to **continue the elimination of waste**



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