
Editorial Article

Decreasing Out of Pocket Payment: Direct or Indirect

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One of the determinants of health system function is the rate of out of pocket payment (OPP). When it increases to more than 40 percent of non-food expenditure, it is named catastrophic cost; it can destroy family and push it under poverty line (1).

In Iran, in developing 4th national development plan OPP was considered and one of the goals of the program set for it. By the end of the program, OPP for health should be decreased from 60% to 30%. The program did not achieve to this goal and again in 5th national developmental program it was focused. In the last years of the 5th program, the Ministry of health and medical education focused on a reform program in which decreasing OPP was the main goal of the first phase. In this reform program direct support of Ministry of health and insurance companies decreased OPP in governmental hospitals. On the other hand the Ministry revised payments to the physicians and tried to omit under-table payments to the physicians in private sector. After one year, OPP for outpatient was 6% and for inpatient reported 3% in governmental sector.

This revision made a financial burden on the Ministry and insurance companies which affect the maintenance of the program in long term. Some experts believe that it was better to consume this huge amount of money for building a health infrastructure that could be more cost effective. For example, in urban area especially in metropolitans, the health care providing system has not defined in a cost effective way; it is based on a free market in private sector in which physicians can prescribe any medicine and

diagnostic imaging or lab tests; this can increase OPP and total health expenditure. To manage this problem we need guidelines and a cost effective care providing system like family physician program; although this program was developed in last 10 years, but the main basic principals were missed in this program: this system is most effective when per-capita payment is considered and defined protocols are used by the physicians; referral criteria should be well defined. There is no need for family physicians to be a specialist! Family physician should be a position for general practitioners. Health care should be provided by the least education that can provide the care effectively (2,3). Authorities of health should decide that spend the money as subsidy to care provision system and directly decrease the OOP or building infrastructures to improve health system and decrease OOP indirectly. Research may help them to assess the effectiveness and length of effectiveness.

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