**Discussion Board (Population Based Payment)**

[Name of Writer]

[Name of Institution]

A capitated payment with regards to healthcare provision basically refers to the idea of paying for services in healthcare but not based on the quantity of services provided but based on the number of people who receive said services. Capitated payment is therefore payment for healthcare services per person. It is a form of value-based payment which is where the healthcare industry is currently shifting. (M Japinga, 2017)

The article explains that the most basic and easily understandable benefit in regard to PBP (population-based payment) is the monumental reduction of waste while also keeping the focus on the financial health of the service-providers. It will become more about them rather than about insurance-providers. Healthcare expenditures have been a strain on the GDP, and they will continue to be so even with conventional methods for reducing waste. Another major benefit of this new practice will go to health insurance providers as they no longer have to cover care. Their only remaining domains will be similar to any regular insurance providers. PBP is also a better method compared to older methods of cutting costs even with capitation because it also provides healthcare providers and physicians to make greater room for making the decisions that they think are best for the patient they are responsible for. The benefit therefore trickles down to patients. (BC James, 2016)

However, there are several serious risks to capitation in healthcare as well. For implementing this system, researchers assume that healthcare providers give out more services than needed and over-diagnose to get greater returns for those services. But there is a very serious issue with any form of capitation that it will lead to healthcare providers cutting down on services even when needed. Moreover, wastefulness and inefficiency regarding insurance and healthcare provision can exist in any system regardless of the payment system. Shifting attention to small scale insurers is also liable to backfiring. (Cox, 2011)

Anyhow, I would still conclude that the benefits outweigh the risks which is enough to convince me to have it implemented in any future setting where I might practice healthcare.

# References

BC James, G. P. (2016). The case for capitation. *Harvard Business Review*, 102-111.

Cox, T. (2011). Exposing the true risks of capitation financed healthcare. *Journal of Healthcare Risk Management*, 34-41.

M Japinga, R. S. (2017). The Evolving Payment Reform Landscape: New Opportunities for Gastroenterology Leadership. *Clinical gastroenterology and hepatology*, 1322-1325.