

Global Health Economics Summit

July 25-26, 2016 Berlin, Germany

LUMP-SUM FINANCIAL INCENTIVES WORK IN ATTRACTING PRIMARY CARE PHYSICIANS TO RURAL AREAS: EVIDENCE FROM BULGARIA

Georgi Boichev^a and **Harminder Guliani**

^aUniversity of Regina, Canada

Rural access to primary health care remains a significant issue in developed and developing countries alike, in part due to the unwillingness of primary care physicians to practice in rural areas. In this article, by using Bulgarian data we present evidence that lump-sum financial incentives, paid to physicians in addition to fee for service, increase the number of primary care physicians per capita. In the analysis, we exploit variation in the amount of salary-based incentives to rural areas that are in part based on geographic remoteness. Our results from a panel data model with municipal fixed effects reveal that a larger amount of a monthly lump-sum financial incentives paid to a physician for practicing in a particular town increases both the number of physicians per capita and the likelihood that at least one physician practices in a given town.

Biography

Georgi Boichev has completed his PhD from Simon Fraser University in 2014 and is currently a postdoctoral Fellow at the University of Regina.

georgi.boichev@uregina.ca

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