Introduction: In recent years the way health systems are organized has changed significantly and most countries have undertaken reforms that have resulted in decentralization of health administrative services and autonomy for service provision. Contractual relations based on delegation of responsibility are set up so that rather than directly managing the health services it owns or undertaking to develop health coverage itself, the state delegates an entity to take over this task. Contracting is one of the tools being used to enhance the health systems performance in developing and developed countries. Material and method: This is a descriptive, cross sectional study in which we have searched through TUMS electronic library. In this way we could find 12 relative articles that consequently we sorted them by the topic we have aimed to study. The collected information from selected articles gathered and the results came out of them. Discussion and Conclusion: contracting in health care is extremely diverse in terms of actors who use it and the purposes thereof. However, contracting should not be reduced to a mere management tool used to cut health costs. It is an approach that should lead the various actors to offer the health services that are increasingly efficient, effective, superior and fair. There is a need for strong capacity development to manage more effectively the process of management contract development within the health sector in order to ensure health policy goals are realized. Key words: management contract, health system, efficiency, effectiveness, fair.