



Performance-based financing

Why?

What results?

What evidence base?

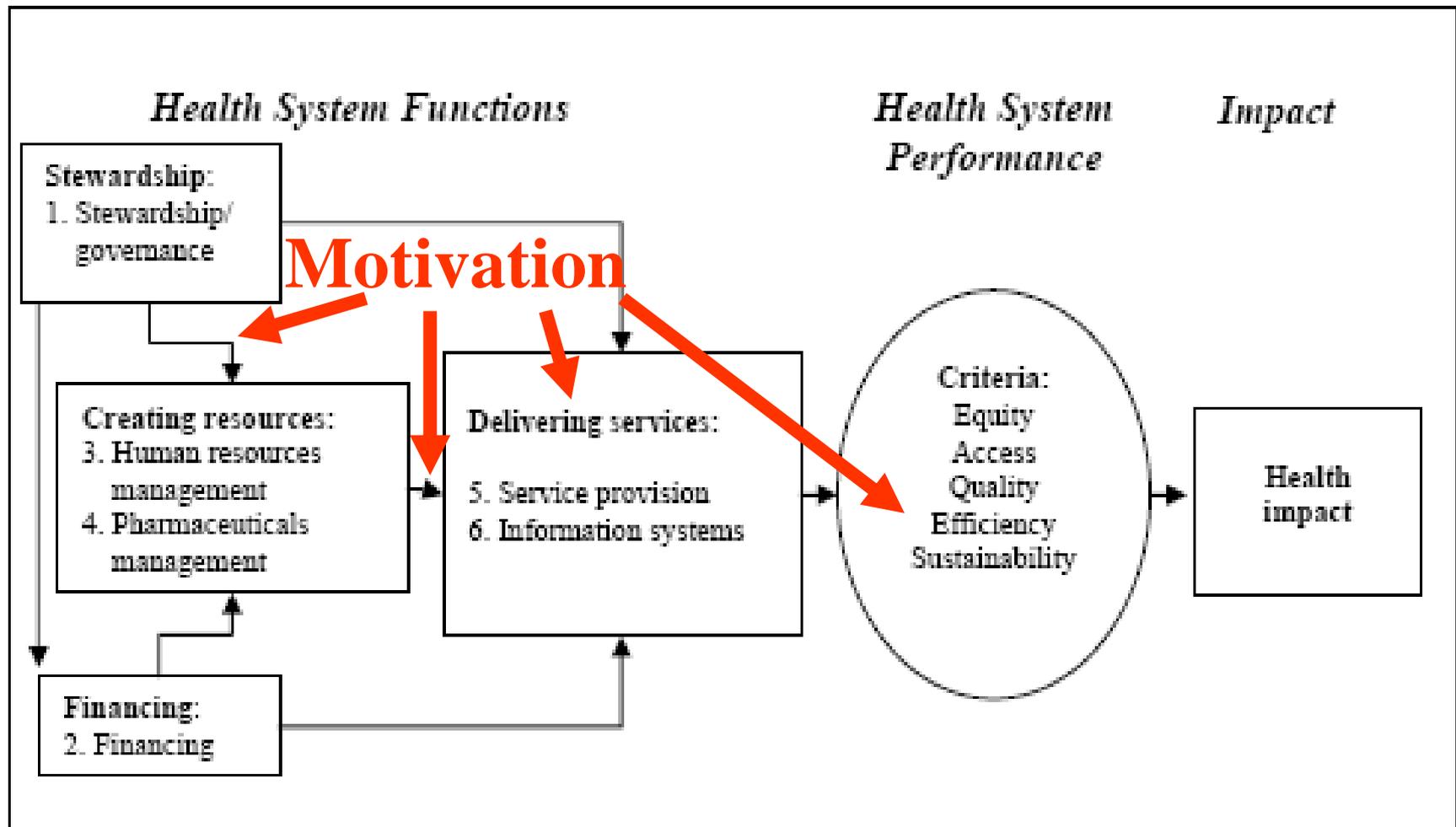
Performance-based financing

- “transfer of money or material goods conditional on taking a measurable action or achieving a predetermined performance target” (R. Eichler)
- A strategy to align the incentives of providers and purchasers of health care services, thereby increasing service coverage and accountability

The problem

- Health workers typically paid salaries that are not linked to output or outcome measures.
- Providers are typically paid a budget that depends on historical trends or population covered
- Focus is usually on ensuring the presence of all the necessary inputs, but not on the process by which these inputs are converted into outputs.
- Motivation of health workers and the health care providers is a key factor in determining the efficiency of the production process

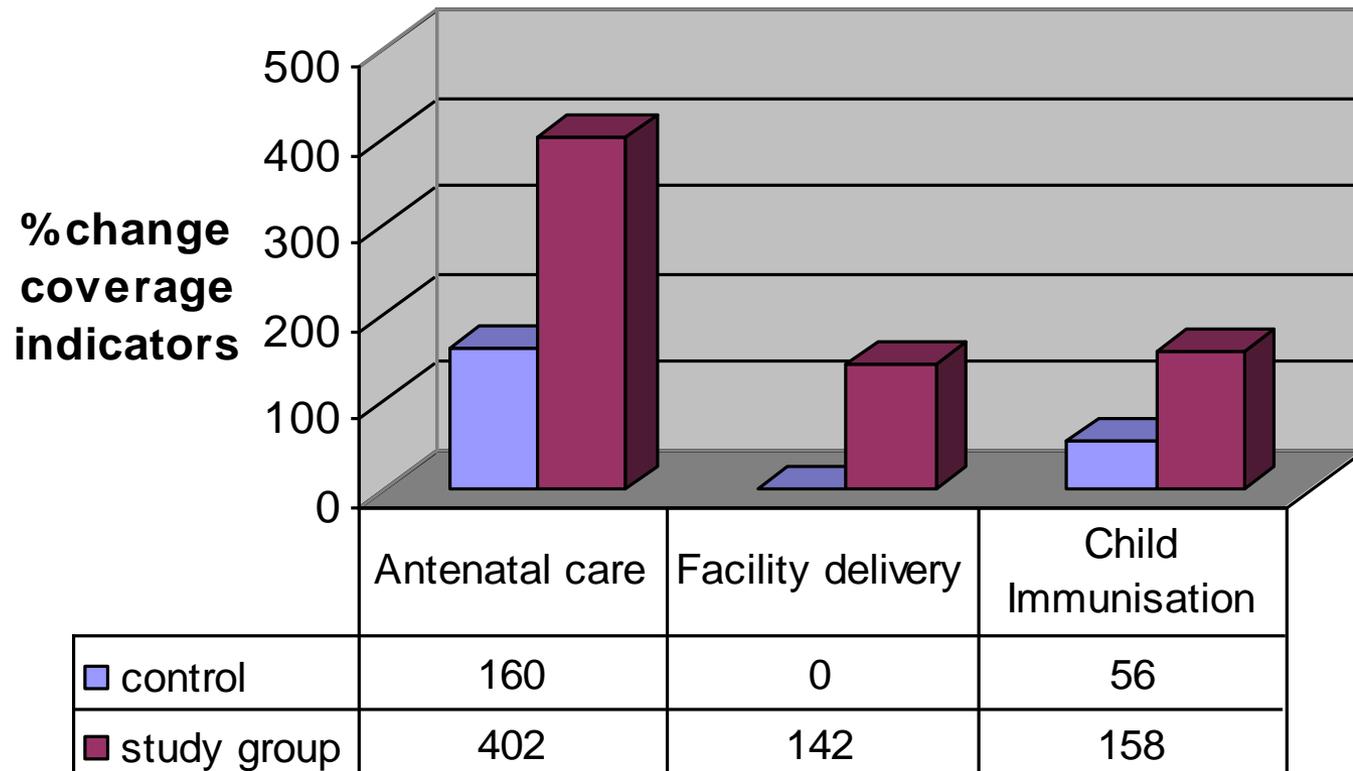
PBF: motivating health providers



Source: USAID, adapted from WHO

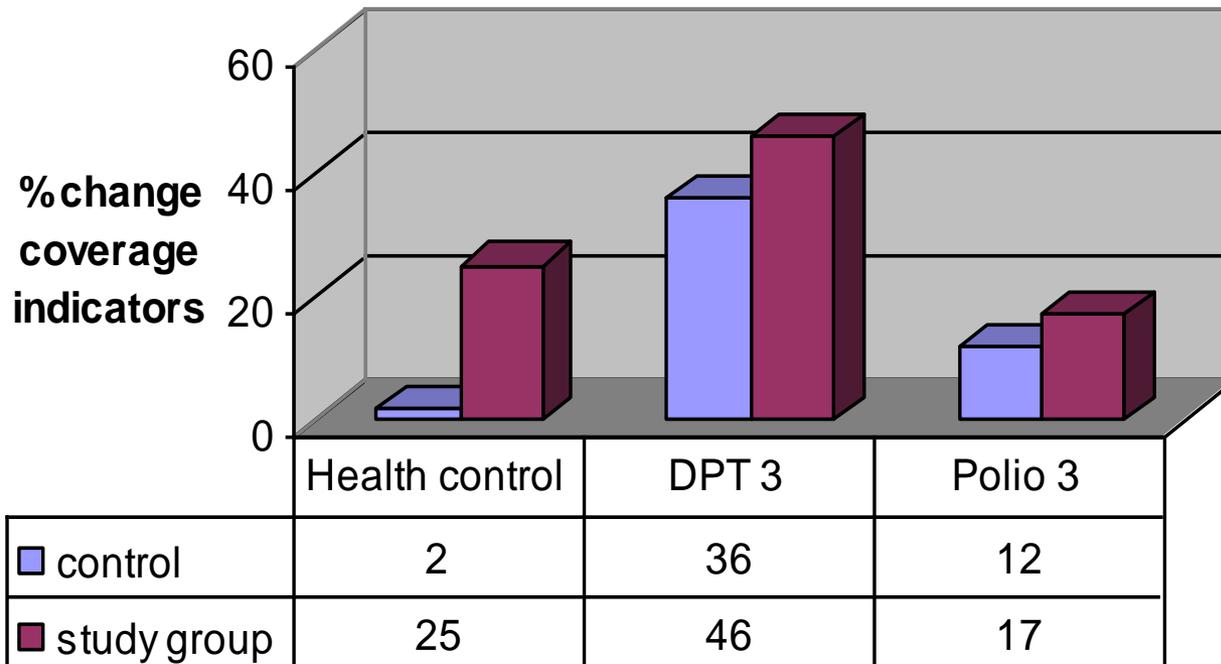
PBF evidence: Cambodia

Cambodia (1999 - 2002)



PBF evidence: Nicaragua.

Nicaragua (2000-2002)



PBF: limits of existing evidence

- Often no control groups
- Different scheme and study designs
- Confounding
- Publication bias?
- Most studies and reports don't make reference to known limitations of PBF

PBF: some caveats

- artificially inflate or manipulate records for the activities remunerated by the scheme;
- induce demand for remunerated services that are not needed by individual patients;
- offer the delivery of remunerated services despite having inadequate capacity;
- neglect services that are not remunerated or incentivised;
- overlook the quality dimension;
- overlook the distributional aspects of outcomes.

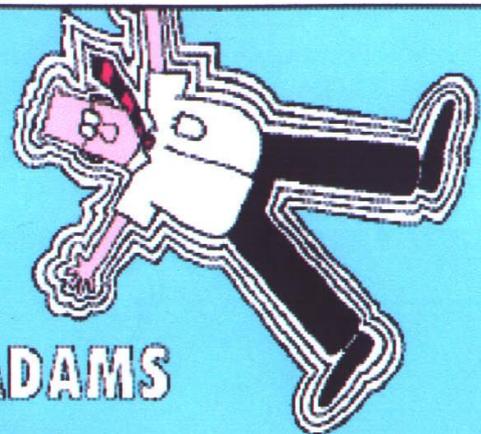


Conclusion

- Need to increase coverage of selected MNCH services to reach MDGs
- PBF intuitively attractive tool to expand coverage
- Question marks on available evidence
- Known caveats regarding optimal specification of incentives and scheme design



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SCOTT ADAMS

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EVERYTHING IS MEASURABLE IF YOU TRY HARD ENOUGH.

IS THAT YOUR WELL-REASONED OPINION?

OR IS IT THE DOGMATIC BABBLING OF A MANAGER IN TOTAL COGNITIVE SURRENDER?

FOR EXAMPLE, WE COULD MEASURE THE NUMBER OF WORDS YOU TYPE.

WE'LL HAVE TO SUBTRACT WORDS YOU DELETE. THAT WAY WE WON'T MOTIVATE THE WRONG BEHAVIOR.

IN THIS EDITION OF TINA'S HOURLY NEWS-LETTER, I COMPARE OUR PROJECTS TO VARIOUS TYPES OF WOOD.

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