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BetterHealthSystems

Strategies that Work

Exploring the impact of Health Systems 20/20 worldwide

Tapping into the Potential of Performance-based Incentives

WHAT ARE PERFORMANCE-BASED INCENTIVES?

Performance-based incentives or PBI is a health sector financing strategy that links payment to better health results. Incentives can be given to patients when they take actions to improve their own health or their family's health. They can also be given to health care providers when they achieve performance targets or to health managers at the district, provincial, and national levels when specific health goals are met. PBI starts with the results themselves – such as more children immunized or better quality care – and allows providers on the front lines to decide how to achieve them. PBI turns the traditional health financing model of paying for inputs (and hoping better health follows) on its head. Though no silver bullet, performance-based incentives have been shown to work in a variety of settings.

For more than a decade, USAID has been a global leader in PBI, by supporting the design, implementation, and evaluation of PBI programs across the globe. USAID has also invested in research to determine what works – and what doesn't – in terms of strengthening individual programs and facilitating cross-country learning. Through Health Systems 20/20, USAID has supported the design of new PBI programs in places such as Tanzania and Mozambique; invested in learning more about the potential of PBI, such as its impact on maternal and child health; and examined different mechanisms for strengthening accountability in health systems.



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Making PBI programs effective, however, requires careful planning, design, implementation, and monitoring and evaluation. Health sector stakeholders increasingly view PBI as an important complement to inputs such as buildings, drugs, and trainings. In countries where PBI is being tried, the evidence suggests it can help to strengthen health systems, achieve progress toward the health Millennium Development Goals, and improve health outcomes.

FACILITATING PBI DESIGN: THE CASE OF SENEGAL

The Senegalese Ministry of Health and Prevention (MSP) decided to pilot PBI in three districts (Darou Mousty, Kaffrine, and Kolda), encouraged by promising evidence from neighboring countries and faced with stark health outcomes. Despite significant investments in the health sector, for example, too many Senegalese women and children still die from preventable complications or illnesses. The maternal mortality ratio was estimated by the Demographic and Health Surveys at 410/100,000 live births in 2008. There is a dearth of skilled health workers, particularly in rural areas, where most of the poor live, and the health information system is weak, which undermines the process of making decisions aimed at correcting these deficiencies.

Since 2010, Health Systems 20/20 has worked closely with the MSP to facilitate PBI workshops and lead the PBI technical working group through a process of determining indicators, targets, payment mechanisms, and other key design and implementation elements. The PBI pilot aims to improve the numbers of delivered services and their quality, motivate health workers, build the capacity of district health teams, and strengthen public sector health institutions, specifically district health management teams, district hospitals, and health centers.

The idea of linking payment to results resonated deeply with the members of Senegal's technical PBI working group, which is composed of representatives from the MSP specializing in health financing and in maternal and child health. The pilot design was endorsed this year by stakeholders, including representatives from the Ministry of Finance, the donor community, trade unions, civil society, and district and regional officials at a national workshop chaired by the Permanent Secretary of Health. This comprehensive buy-in has been critical to the smooth implementation and sustainability of Senegal's PBI program, which began in mid-2012.

“We are given money to do a job, but at the end, what is the impact of that allocation on the population? When we manage for results, there is an intellectual exercise of saying: these are the objectives I want to reach and this is what I need



to do to reach them. Having to think this through forces you to think about the population you are supposed to be serving,” said Mr. Dame Camara, Director of Senegal’s Budget Office of the Ministry of Health

BUILDING THE EVIDENCE BASE FOR PBI

The PBI strategy has transitioned from a subset of health financing into one of Health Systems 20/20’s eight key strategies. Our early focus was on increasing global understanding of how incentives can influence health system performance. Health Systems 20/20, for example, co-hosted two regional PBI workshops, the Africa Pay for Performance Workshop in Kigali, Rwanda, and the Asia Pay for Performance Workshop in Cebu, Philippines. With USAID, Health Systems 20/20 developed the *Paying for Performance in Health: A Guide to Developing the Blueprint*, which was used in both workshops. The guide offers a systematic framework to document and structure the thought process, rationale, and ultimate decisions made in designing a PBI initiative. While the PBI concept is often intuitive, the mechanics of its implementation must be carefully planned to elicit the desired behavior change in a given country. As a result of these workshops, teams from 22 countries were able to prepare detailed PBI design approaches, many of which went on to be funded.

Over the life of Health Systems 20/20, interest in PBI as a way to strengthen health systems has grown, but the evidence on how best to design and implement such schemes has been limited. To fill some of the knowledge gaps, we commissioned 13 country case studies that describe in practical detail the nuts and bolts of how PBI programs are designed and how they evolve as they are implemented. We also devoted attention to providing, for the first time, a comprehensive picture of PBI activities, trends, and challenges in sub-Saharan Africa. In addition, we assessed the impact of PBI globally on maternal and child health, evaluated the mechanisms for incentivizing quality of care and family planning, and explored mechanisms involving communities in PBI implementation as a way to improve health governance. Together, the new research has added significantly to the PBI knowledge base.

In addition, Health Systems 20/20 has provided global leadership by participating in the Interagency Working Group on Results-Based Financing, by presenting at international events such as the International Health Economics Association, by helping to develop a new PBI approach for all of the GAVI Alliance’s cash-based support, and by contributing to the PBI community of practice. More recently, Health Systems 20/20 has supported PBI efforts in Afghanistan, the Democratic Republic of Congo, Malawi, Mozambique, and Senegal. In particular, we have emphasized strengthening the steering role of the ministries of health in managing the design, implementation, and evaluation of PBI efforts.



INTEGRATING PBI INTO STRENGTHENING EFFORTS

Value for money will continue to be at the top of both donor and government agendas. PBI will be increasingly recognized as a strategy that provides a direct link between investments in health systems and results that demonstrate these investments work. In the future, we expect PBI to be better integrated into a country's health financing strategy - and not treated as a stand-alone activity. We should see, for example, PBI incorporated into the way insurance schemes reimburse providers and national governments transfer funds to lower levels of government, conditional on results. Health systems managers will communicate the results achieved through PBI to their citizens, and civil society groups will have the evidence to hold their governments accountable. The next generation of PBI programs will evolve to raise the bar on quality and effective management of chronic conditions. The big challenge, however, is how to make PBI sustainable as donor funding shrinks. Evidence of the impact of PBI will be critical to demonstrate to ministries of finance that investments in health generate the results that justify spending of public resources.

Looking Ahead

At this time of global economic uncertainty, health systems should be even more efficient and, increasingly, are asked to provide more services with fewer resources. To meet these challenges and build sustainability, Health Systems 20/20 collaborates with our partners to assess their health system, identify its strengths and weaknesses, and then choose the most effective strategies and tools to build a more effective health care delivery system.

We recognize that each country's story is unique. Our staff combines expertise and flexibility to craft solutions that strengthen individual health systems and eliminate barriers to the use of priority health services, such as for HIV/AIDS, tuberculosis, reproductive health, and maternal and child health care. Since 2006, Health Systems 20/20 has worked hand-in-hand with our partners in 50 countries to cultivate and grow the next generation of health leaders. While each country will progress at its own pace, depending on its health care needs, resources, and leadership, our goal remains the same everywhere – healthier men, women, and children.

About the Better Health Systems: Strategies that Work Series

The Better Health Systems briefs explore Health Systems' 20/20 strategies and tools, why they work, and how they contribute to better health systems. Collectively, the series will distill valuable lessons learned in an effort to share the project's wisdom with our partners and colleagues. For more information, please visit www.healthsystems2020.org.

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About Health Systems 20/20

Health Systems 20/20 is USAID's flagship project for strengthening health systems worldwide. By supporting countries to improve their health financing, governance, operations, and institutional capacities, Health Systems 20/20 helps eliminate barriers to the delivery and use of priority health care, such as HIV/AIDS services, tuberculosis treatment, reproductive health services, and maternal and child health care.

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