Pay for Performance Case Study

International Experiences with P4P in Healthcare

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Outline

- Cross National Experiences as Backbone of P4P
- Kenya’s Healthcare System
- Case Study - Applicability of P4P in Kenya
- Concluding Remarks

Cross National Experiences as Backbone

- P4P to improve performance in the healthcare system
- Provider participation: compulsory vs. voluntary
- Provider concentration: regional vs. disease-based
- Budget allocation: „new money“ vs. budget neutrality
- Implementation: phased vs. comprehensive

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Structure of the Healthcare System

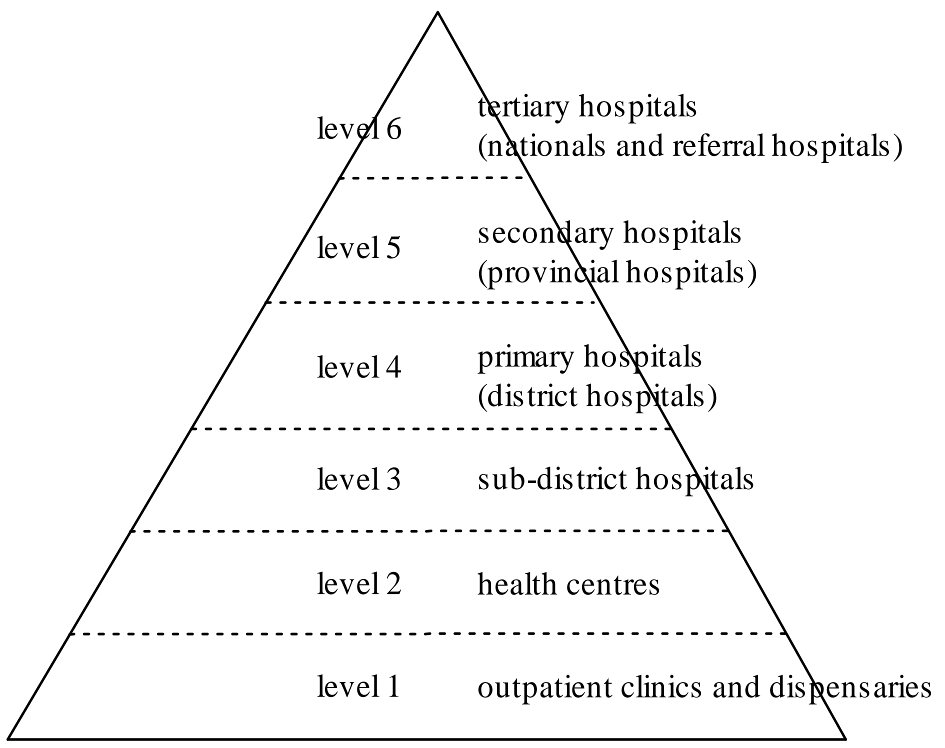
- Beveridge Model of healthcare financing
  - The government through the Exchequer → 23%
  - Statutory Health Insurance → 15%
  - Cost-sharing → 56%
  - The private sector
  - Local and international NGOs
  - Development partner funding
- Types of hospital facilities
  - public sector institutions → 52%
  - faith-based facilities
  - non-profit facilities
  - private sector facilities

Levels of Care

Facilities organized around six levels of care

Kenya's Healthcare System

Facilities organized around six levels of care



Healthcare System Inefficiencies

- Imbalance in the availability and distribution of resources in the sector
  - financial resources
  - personnel
  - facilities
- Underdeveloped infrastructure
- Poor governance structures

Imbalance of input/output relationship

Information assymetry

Underutilization of Capacity

Countering System Inefficiencies

- Reforms towards attaining universal coverage
  - National Health Insurance Fund
  - Co-Payment schemes
  - Decentralization
  - Staff Rationalisation

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Hypothesis and Performance Indicators

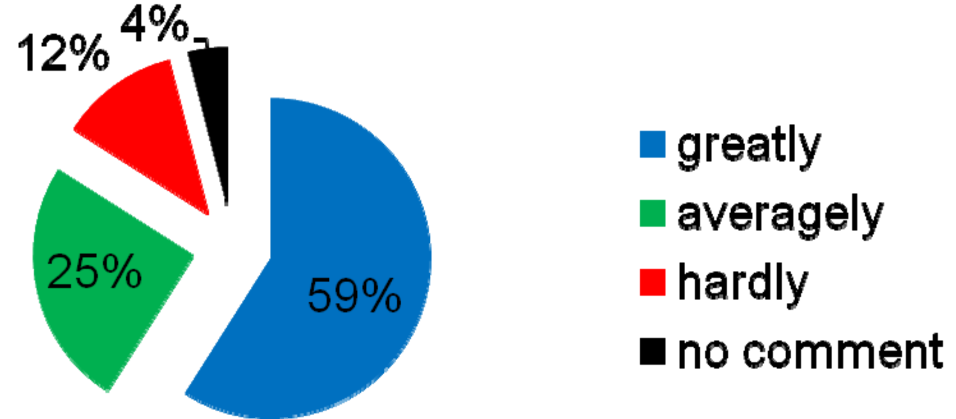
- 7 Hypotheses in 3 clusters
  - the contextual environment
  - the interrelation and coordination of services
  - the medical care service provision
- Performance Indicators within the domains:
  - Management
  - Mother-Child Health
  - HIV/AIDS Care
  - Trauma Care

Study area

- 12 hospitals – levels 4 to 6 hospital
- Central, Eastern and Nairobi provinces
- 5 public sector hospitals, 4 faith-based hospitals, 3 private sector institutions
- Of the 5 public: 1 national teaching & referral, 2 provincial, 2 district hospitals

Selected Key Findings and Discussion

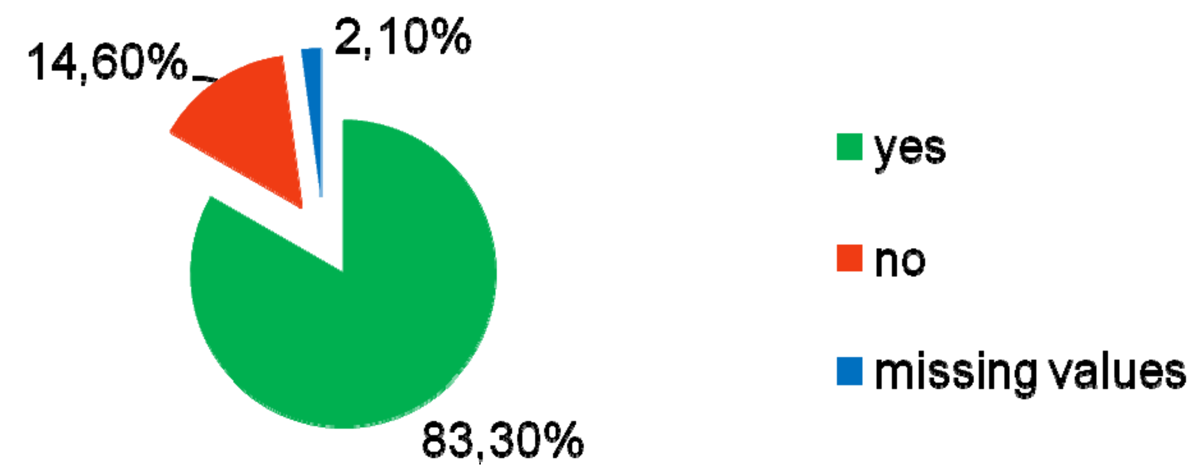
1. Wide acceptance of P4P with respondents



→ P4P can be implemented in the healthcare sector in general and in Kenya in particular

Selected Key Findings and Discussion

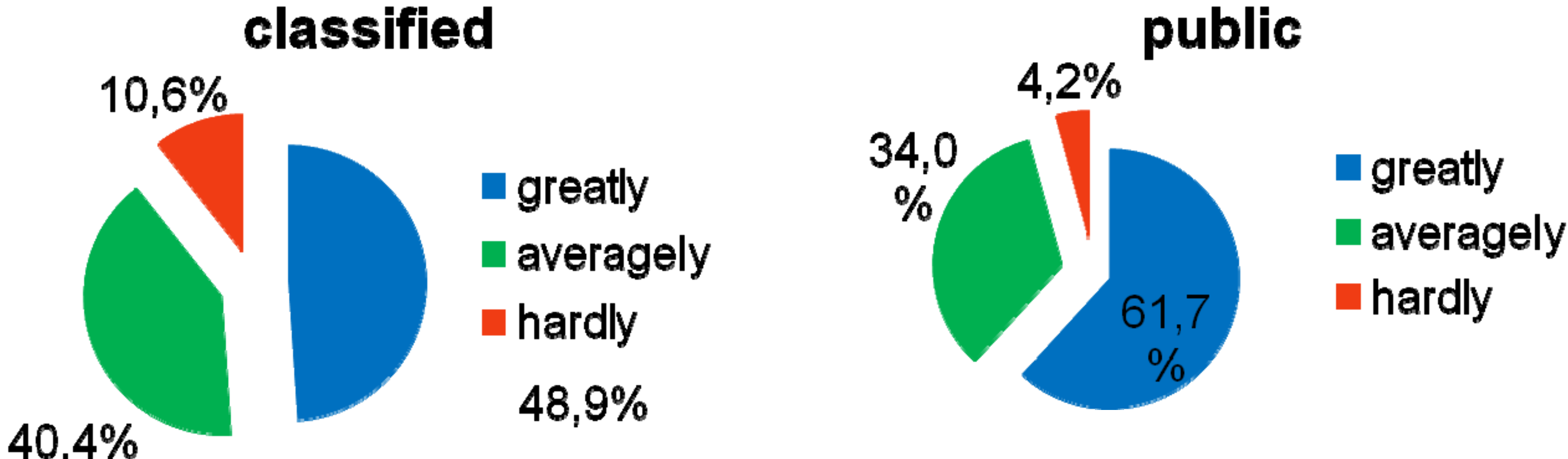
2. Respondents generally anticipated that providers would provide care differently in P4P



→ P4P acts as an external control mechanism

Selected Key Findings and Discussion

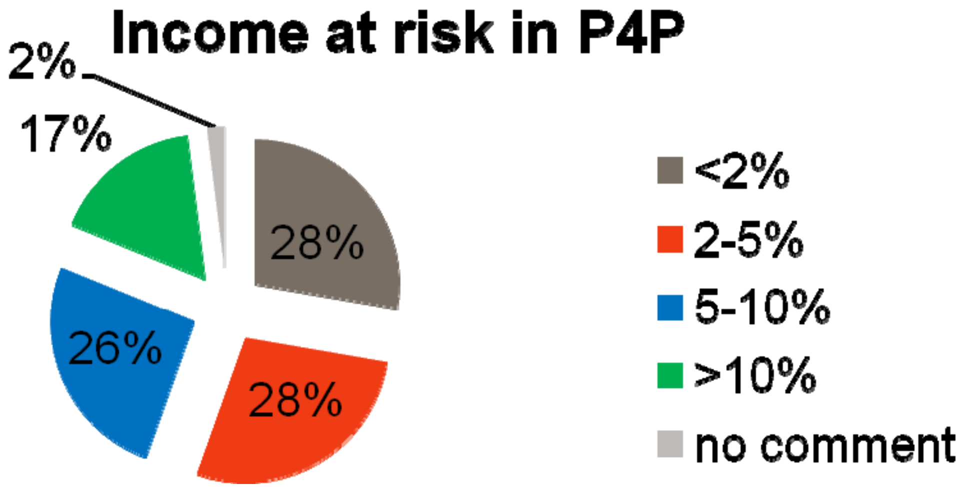
3. Public disclosure of provider performance was the more preferred mode of communicating performance



→P4P increases transparency in the sector

Selected Key Findings and Discussion

4. Respondence expressed willingness to risk more income than is the general practice



→Design P4P more stringently and based on a larger portion of total capitation

Selected Key Findings and Discussion

5. Phasing implementation along medical domain not the most promising alternative

   i. Willingness to change behaviour in P4P

	Interviewee's speciality				Hospital type			Level of care		
	mgm	MCH	HIV/ AIDS	trauma	private	mission	public	L6	L5	L4
Y	83.3	91.7	83.3	81.8	100	60	95	100	87.5	100
N	16.7	8.3	16.7	18.2	0	40	5	0	12.5	0

Selected Key Findings and Discussion

5. Phasing implementation ...

   ii. Results for tested hypothesis reveal more pronounced differences along
      - Level of care
      - Hospital type
      - Years in practice
      - Age of physician

→P4P IS applicable to the same extent in all medical specialities

Thank you very much for your attention!

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