

Types of Incentives and Their Impact on Primary Health Care Workers and Organizations

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Incentives

- Definition of Incentives
- Types of Incentives
- Impact of Incentives
- Lessons learned About Incentives

Definition of Incentives

- Incentives are things that encourage or motivate a person, group, organization, or the health care system to do something. A higher rate of pay is an example of an incentive in the work force.
- An incentive analysis looks at differences in incentives among health organizations and attempts to characterize the differences in incentive structures faced by individuals involved in collective efforts.

Types of Incentives within Health Care Systems

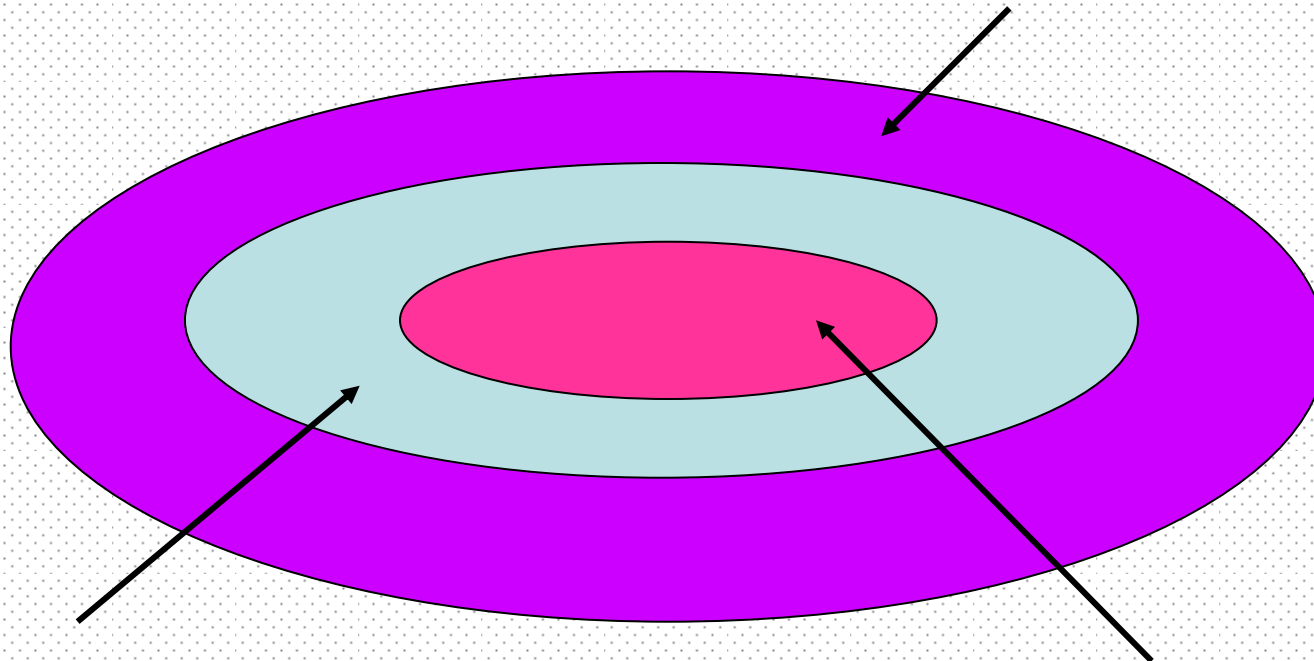
- **Personal Incentives** - motivate an *individual* through their tastes, desires, duty, pride, personal drives to artistic or professional creation or accomplishment.
- **Social Incentives** - motivate an individual or organization through the practices, rules, norms and polices established at a social level.

Reasons for the Distinction

- **Personal** incentives are essential to understanding why a *specific person* acts the way he/she does and must be considered when changing social incentives.
- **Social** incentives reflect the incentive situation faced by a person in a given position within the health system. Social incentive structures aid in the governance of various forms of social interactions.

Links Between Personal and Social Incentives Systems

Social Incentives



Persons,
Groups,
Organizations

Individual Person
and Personal Incentives

Need for a Framework to Study the Impact of Incentives

- Providers' response to incentives are mediated by professional values, norms and experience.
- Specific behavioral responses cannot be certain or predicted with the enactment of a specific incentive without the knowledge of the context within which it will exist.
- There is need for a framework to analyze the impact of incentives.

WHO Framework

- **Macroeconomic Restructuring and Health Policy**
- **Health Finance**
- **Provider Supply and Practice Characteristics**

WHO Framework

- **External Constraints and Enabling Factors**
- **Professional environment**
- **Evaluation of Funding Systems and Policy**
- **Sustainability of Change**

Incentive Pressure Points in Primary Health Care System

■ Key Actors

- State
- Medical Profession
- Private Finance

■ Social Control

- Hierarchy
- Collegiality
- Market

MEDICAL PRACTICE



Example - Financial Incentive Packages for Human Resources in Canada, New Zealand, Estonia, etc. for Rural Health Care

Objectives	Incentives	Complementary Measures	Constraints	Results
Recruitment and Retention in Rural Areas	Higher Salary and Location Allowances Pay Based on Workload	Decentralization Freedom to Allocate Funds to Incentives Improved Infrastructure and Staff Competence	Staff Shortages Budget Limitations Professional, Lifestyle Disadvantages Better Earnings in Urban & Private Market Conflicting Incentives - Housing Allowance	Very little to no Identified Success

Lessons Learned About Incentive Management and Results

- Changing Incentives is like Pushing on a Spider's Web at One or A Few Points.
- Incentive Structures are More Tricky Than They First Appear.
- Policy Makers Who Offer Incentives are in Most Cases Unable to Predict the Way Individuals or Organizations will Respond.
- Imperfect Knowledge and Unknown Side Impacts can make Incentive Management more Complex Than First Appearances.
- When Making Incentive Changes Always Consider the Trade-offs, Advantages and Disadvantages - IN PRACTICE it is a **"GREAT BALANCING ACT"**

Thank You



"...And so...keep alive the incentive to push on further, that pain in the soul which drives us beyond ourselves."

Dag Hammarskjöld
(1905 - 1961)

Swedish Statesman and
Diplomat

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