Improving the quality of care for people with chronic conditions is central to advancing universal health coverage, given the large burden of premature mortality from noncommunicable diseases.

This research study aims to describe experiences with purchasing arrangements and payment methods and how they have been used to improve quality and better health outcomes for people with chronic conditions.

Methods

Scoping reviews of the literature and summaries of Cochrane and other systematic reviews were conducted to identify the effects of payment methods on process quality and outcomes for chronic care.

Eight case studies were commissioned to describe implementation arrangements for payment methods that reward quality for chronic care in Australia, Canada, Chile, China, Germany, Indonesia, South Africa and Spain.

Results

A challenge in most settings was to balance the incentives in blended payment methods (i.e. a combination of two or more payment methods).

Very little information was published about the decisions made to distribute payments across and within teams, which may create uncertainty among health care providers.

A mix of process and outcomes measures was used in all studies, with a reliance on information collected by existing administrative systems.

Only two case study schemes were independently evaluated and peer reviewed, and these evaluations faced important methodological challenges, including selection bias.

Key facilitating and inhibiting factors included those related to governance, service delivery, quality standards, the health information infrastructure, as well as the financial and regulatory environments.

Lessons learned

Emphasizing health care delivery models more strongly and systematically identifying obstacles that inhibit quality enables policy-makers to focus on quality and health outcomes for the population as a whole and to identify the appropriate mix of purchasing mechanisms that support service delivery reforms to achieve quality objectives.

Using process quality indicators that are significant to clinical health may ensure strong linkages between provider practice and improved health outcomes, particularly if based on established professional practice norms and guidance. Relative or progressive targets may encourage providers and facilities to strive towards gradually improving standards of care.

Adjusting the quality measures for patient health risk and complexity may help ensure that providers do not face incentives that inhibit them from caring for the sickest patients. Adjusted metrics may more accurately reflect performance for providers working with populations that have higher health risks.
- **Metrics can also be adjusted for social risk factors** to redress equity in provider payments. Such adjustments made for geographic settings, for example, can avoid penalizing health facilities that serve poor and vulnerable patients.

- **Balancing financial incentives** in payment methods is a critical design challenge. Relatively small incremental payments may not be sufficient to counter stronger incentives in activity-based base payment methods that produce a larger share of provider payments.

- The case studies suggest that withholding payment as a penalty had important negative effects. **Penalties for poor performance should be considered carefully** so as not to undermine a programme’s overall objectives and reduce the resources available for quality improvements.

- A key design element is **payment certainty**, which may affect providers’ willingness to participate in a programme or accept changes to their practice. Confidence is increased in the payment method where there are clear and transparent rules for distributing performance payments across or within teams, related to salary or effort.

- Financial incentives to improve quality need to be embedded in **broader quality assurance mechanisms**. This likely requires investments in strengthening the standards for health systems input and processes to provide a foundation for purchasing for quality.

- **Sequenced implementation** can be done in which new payment methods are initiated while broader capacities in human resources and service delivery are also built.

- Key design elements in the payment method should be **carefully monitored and adjusted** to provide optimal incentives and identify unintended effects.

- **Selection bias** is the most common challenge in evaluations, and it should be identified and addressed to the greatest extent in analytical plans; it should also be considered carefully when interpreting results.

- There is a lack of good evidence and documentation about other complementary purchasing instruments commonly thought to promote quality. **Close monitoring and evaluation of these purchasing instruments is essential to determine their effects on behaviour**.

- There is a need to learn from past experiences about the design and evaluation of payment methods, including how lessons learned can be systematically adapted across different country contexts. While proactive learning takes time and effort – particularly across countries and among different stakeholders – it is essential to share experiences to avoid continually repeating mistakes and implementation failures.