

Day 1 Group Exercise: What are the incentives in existing payment mechanisms?

For this session, please break into groups according to your respective USAID health element. See the attached list if you're uncertain about which group to join.

- MCH
- TB
- HIV
- Emerging Pandemic Threats
- Supply chain and quality of medicines

Together with a team of experts in your specific health area, your task is the following:

1. Specify one outcome that you hope will be attained. For example, in TB you might specify: increase case detection or increase treatment completion
2. Specify behavioral obstacles among health care providers (facilities and health workers) and managers in both the private and public sectors that are getting in the way of attaining the outcome.
3. Describe the primary payment mechanisms used to pay health facilities, health workers, and others (drug vendors, etc.) in the service delivery/supply side of the system where you and your teams work.
4. Identify the incentives in these payment mechanisms.
5. Assess whether the current payment mechanisms are designed to achieve the desired social goal.

Guidance: Select a note taker, facilitator, and presenter. You will have 30 minutes to discuss together and then 5 minutes to present to everyone, followed by discussion. We offer an example from malaria to give you a taste of the approach.

Desired outcome	Behavioral obstacles	Primary payment mechanisms	Incentives in payment mechanisms	Are payment mechanisms designed to achieve desired outcomes/social goals?
<p>Pregnant women receive IPT to prevent malaria in pregnancy in accordance with GOI guidelines</p>	<p>Providers aren't following guidelines</p>	<p>Capitation payment to puskesmas doesn't reward IPT coverage results</p> <p>Public providers receive low salaries</p>	<p>Capitation payment provides incentives to under-provide services. If services aren't provided and associated costs of services aren't incurred, puskesmas have more excess revenue.</p> <p>Provider compensation is not related to performance so providers don't feel motivated</p>	<p>In this case, capitation payments provide weak incentives to provide IPT to pregnant women. Weak incentives to provide outreach and health education to pregnant women about how to prevent malaria in pregnancy.</p>