Healthcare systems around the world are characterized by a suboptimal delivery of healthcare services. There has been a growing belief among policymakers that many deficiencies (e.g., in the quality of care) stem from flawed provider payment systems creating perverse incentives for healthcare providers. In several countries this has led to reforms based on pay-for-performance (P4P), a payment approach in which healthcare providers receive explicit financial incentives to improve the quality and efficiency of care. Over the past decade, P4P has attracted widespread interest, with programs being uncritically implemented in many countries. In contrast to what this interest suggests, however, to date P4P does not appear to have been very effective in delivering the desired improvements. Moreover, several unintended effects have been demonstrated. In part, these disappointing results may well have been due to the limited knowledge about crucial aspects of the design and implementation of P4P. By identifying and analyzing these aspects, synthesizing empirical literature on (unintended) effects of P<sub>4</sub>P, and addressing important empirical questions about performance measurement, this thesis aims to provide insight in key conceptual and practical issues in the design and implementation of P4P for healthcare providers.

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## SIGN, PERFORMANCE MEASUREMENT,

## PAY-FOR-PERFORMANCE FOR HEALTHCARE PROVIDERS

## DESIGN, PERFORMANCE MEASUREMENT, AND (UNINTENDED) EFFECTS



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