

# USING FINANCIAL INCENTIVES TO IMPROVE THE QUALITY OF PRIMARY CARE IN AUSTRALIA

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## POLICY CONTEXT

There is a broad consensus that financial incentives to improve the quality of primary care should be introduced in Australia. This will require a staged approach based upon the principles set out below.

## KEY FINDINGS

The Cochrane systematic review found six rigorous empirical studies of effects of the use of financial incentives on quality in primary care. All showed relatively weak effects of financial incentives on quality of care. However, the narrative review and synthesis revealed a number of weaknesses in the design of currently used incentive schemes. Key design features of any future scheme in Australia are given below:

- build on what exists already
- reward for improvements in quality as well as achievement of levels of quality
- financial incentives linked to quality should comprise at least 10 per cent of physician's total revenue
- financial incentives are more likely to have an effect where there is one single funder of primary care services
- a stable and enrolled population will strengthen the role of financial incentives
- incentives should be paid at the practice level, and payments to health professionals involved in improving quality of care should be equitable with respect to their skill and effort
- keep payments simple to administer for primary care practices
- consider potential unintended consequences
- conduct rigorous evaluation of the effects of any new scheme.

For more details, go to the [three page report](#)

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