

# Pay for performance schemes 'can undermine motivation and worsen performance'

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Financial incentives (pay for performance) schemes for health professionals "can undermine motivation and worsen performance" warn US experts in an editorial published in the *British Medical Journal* today. They also say that gaming of the system is rife.

Their views are published alongside an analysis of the positive and negative effects of financial incentives led by Professor Paul Glasziou of Bond University in Australia.

Glasziou and colleagues describe the current evidence on the effectiveness of financial incentives as "modest and inconsistent" and say that, although reward schemes can sometimes improve the quality of clinical practice, they may also be an expensive [distraction](#).

Yet such schemes have already been adopted as a key strategy by the NHS in the United Kingdom, Medicare in the United States, and many [private insurers](#), based on the tenet that people respond to rewards.

Glasziou and colleagues have therefore devised a checklist to assess the potential benefits and harms of pay for performance schemes before they are implemented.

"While some commentators and policy makers believe financial incentives can reduce the delay between new evidence and changes to

clinical practice, there are many pitfalls," they write. "The proposed checklist is aimed at guiding implementers of financial incentives past some of these pitfalls."

In the accompanying editorial, Professors David Himmelstein and Steffie Woolhandler from City University of New York and Professor Dan Ariely from Duke University in North Carolina argue that "questionable assumptions" underlying pay for performance schemes cast doubt over their [clinical effectiveness](#).

They believe that offering [financial incentives](#) to doctors, rather than enhancing their intrinsic motivation, "may reduce their desire to perform an activity for its inherent rewards (such as pride in excellent work, empathy with patients)."

They say they are worried that pay for performance "may not work simply because it changes the mindset needed for good doctoring." However, they conclude that "if such schemes must be envisaged, it is essential that their likely benefit is rigorously considered before their implementation. Glasziou and colleagues' checklist provides a salutary guide to such consideration."

**More information:** "Why pay for performance may be incompatible with quality improvement," Steffie Woolhandler, M.D., M.P.H., Daniel Ariely, Ph.D., David U. Himmelstein, M.D. *BMJ*, Aug. 15, 2012.

Provided by British Medical Journal

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