**Performance based financing, health service delivery and revenue generation: evidence from primary health care facilities in Ghana**

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**Abstract**

Performance based financing has been implemented in many health systems all over the world with the primary objectives frequently of improving the quality and coverage of health care delivery, partly through mobilizing additional revenues for facilities and through the results-based incentive scheme itself. In developing countries this is considered to be an important tool in achieving health targets. In Ghana, PBF has been implemented in recent years to, among other things, improve primary health care delivery. While this is lauded by some analysts as a relevant policy, others have argued that it may not lead to any real improvement in facility outputs. However, there is not clear empirical evidence on the impact of PBF scheme in Ghana. In this study we intend to estimate the effect of the Ghana PBF scheme on service delivery and revenue generation across primary health facilities. Two main research questions will therefore be answered: (i) does PBF improve client service delivery? (ii) Does PBF discourage revenue generation from other sources? Secondary data from the Access, Bottlenecks, costs and Equity (ABCE) facility survey will be used for analysis. This is a panel data collected on facilities in Ghana between 2007 and 2012. About 73 primary health facilities (health centers) were included in the survey. Treatment effects will be estimated using the difference-in-difference estimator. Facilities operating PBF scheme will be the treated while those without PBF scheme, the control group. It is expected that PBF facilities will have improved client service delivery, relative to control facilities. We also expect to find evidence of “moral hazard” behavior where treated facilities tend to relent in efforts to generate additional revenue.

**Key words:** Performance based financing, primary health care, health financing, Ghana