

# Information and Quality

## Designing Non-monetary Performance Incentives for Physicians

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### Abstract

In recent years, several countries have introduced non-monetary performance incentives for health care providers to improve the quality of medical care. Evidence on the effect of non-monetary feedback incentives, predominantly in the form of public quality reporting, on the quality of medical care is, however, ambiguous. This is often because empirical research to date has difficulties in isolating the non-monetary incentive effect. We use a controlled laboratory experiment to isolate the impact of non-monetary performance incentives: subjects take on the role of physicians and make treatment decisions for patients, receiving varying information on the relative quality of their treatment. The subjects' decisions result in payments to real patients. By providing differing amounts of information either in private or in public we are able to disentangle the motivational effects of self-esteem and social image. Our results reveal that certain public information incentives have a significant and positive effect on the quality of care that is provided. Private feedback, on the other hand, has no significant impact on treatment quality. These results hold for medical students and for other students.

**Key Words:** Laboratory experiment, quality reporting, information, treatment quality, performance incentives

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