

A contract management scheme in Cambodia illustrated that the introduction of higher official user fees, combined with strict monitoring and performance-based incentives for health workers led to the improved quality of health services, greater health worker productivity and a reduction in high informal user fees. Previously, low and irregularly paid monthly salaries in Cambodia forced health workers to seek alternative sources of income in order to meet their needs. A performance-based staff incentive structure replaced the traditional fixed salary and per diem system. Contracts were signed with each health worker and utilization targets were implemented. Health workers received a monthly incentive payment which was guaranteed during a three-month contract period, a punctuality payment, and a performance bonus which was based on meeting monthly financial targets for the health facility. Health workers largely complied with the non-private practice agreements, and service utilization increased dramatically [12].