

Results Based Financing (RBF) Lessons Learned in the Health Sector



Benjamin Loevinsohn, AFTHE

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Definition of Results-Based Financing

- *Results-Based Financing is any program that rewards a verifiable health action or outcome through financial or in-kind incentives.*
- *Payment is conditional upon verification that the agreed-upon action or outcome has actually been achieved.*

Outline

1) Supply Side:

- Performance-Based Contracting
- Performance-Based Financing

2) Demand Side:

- Conditional (Cash) Transfers
- Vouchers (can be demand & supply side)

3) Lessons Learned

How “Performance-Based Contracting” differs from any other contract?

1. A clear set of objectives and indicators by which to judge contractor performance
2. Collection of data on the performance indicators – preferably NOT by the contractor
3. Consequences for the contractor based on performance such as provision of rewards or imposition of sanctions

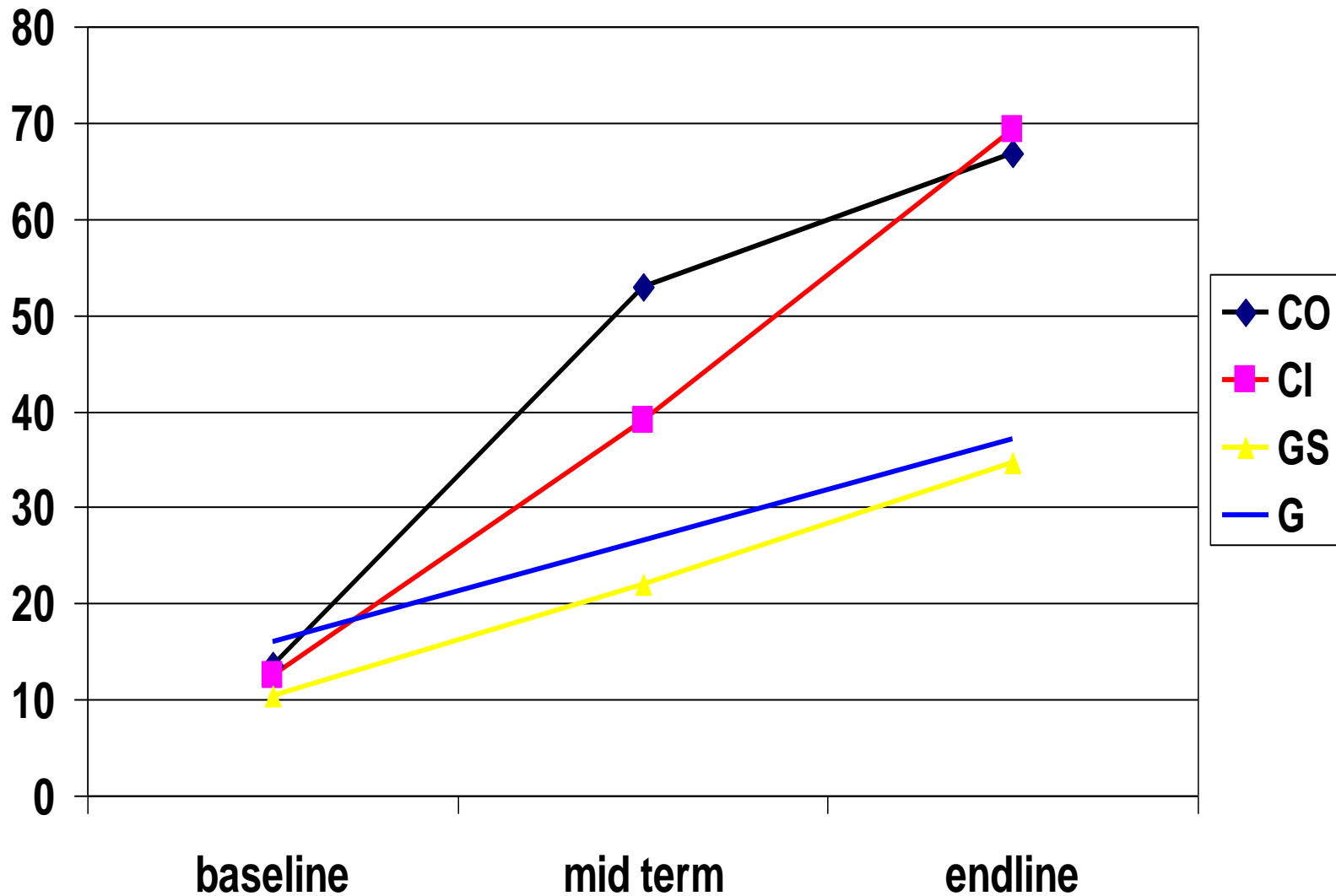
Cambodia – Nature of the Contracts

- Lump-sum contract, contractor paid a specific amount (in bid) every 3 months
- Specified 7 indicators of success and need to reach the poor
- Independent measurement of performance using household and health facility surveys
- Contracts could be terminated for poor performance. Bonuses possible for good performance.

Methodology Used to Evaluate Contracting in Cambodia

- 12 districts (100,000-180,000 pop'n each) randomly assigned to CO, CI, or GS.
- 3 districts were not contracted → G
- Baseline household surveys carried out by 3rd party in 1997
- Follow-on survey carried out in mid-2001, 2.5 years after start of the contracts and in 2003, 4 years into the contracts

% of Pregnant Women Receiving Antenatal Care



What Kinds of Services Can Be Contracted?

- 1) Services/actions that can be measured
- 2) Services/actions that can be measured independently
 - Rural and urban PHC – Contracting In or Out
 - HIV prevention and treatment
 - Operating voucher or insurance scheme
 - Intermediary to provide performance bonuses to government health workers i.e. PPA
 - Demand side financing - CCTs
 - Increasing ITN coverage and use
 - Making BCC performance-based
 - Contracting for outcomes such as nutritional status or reduced incidence of diarrhea

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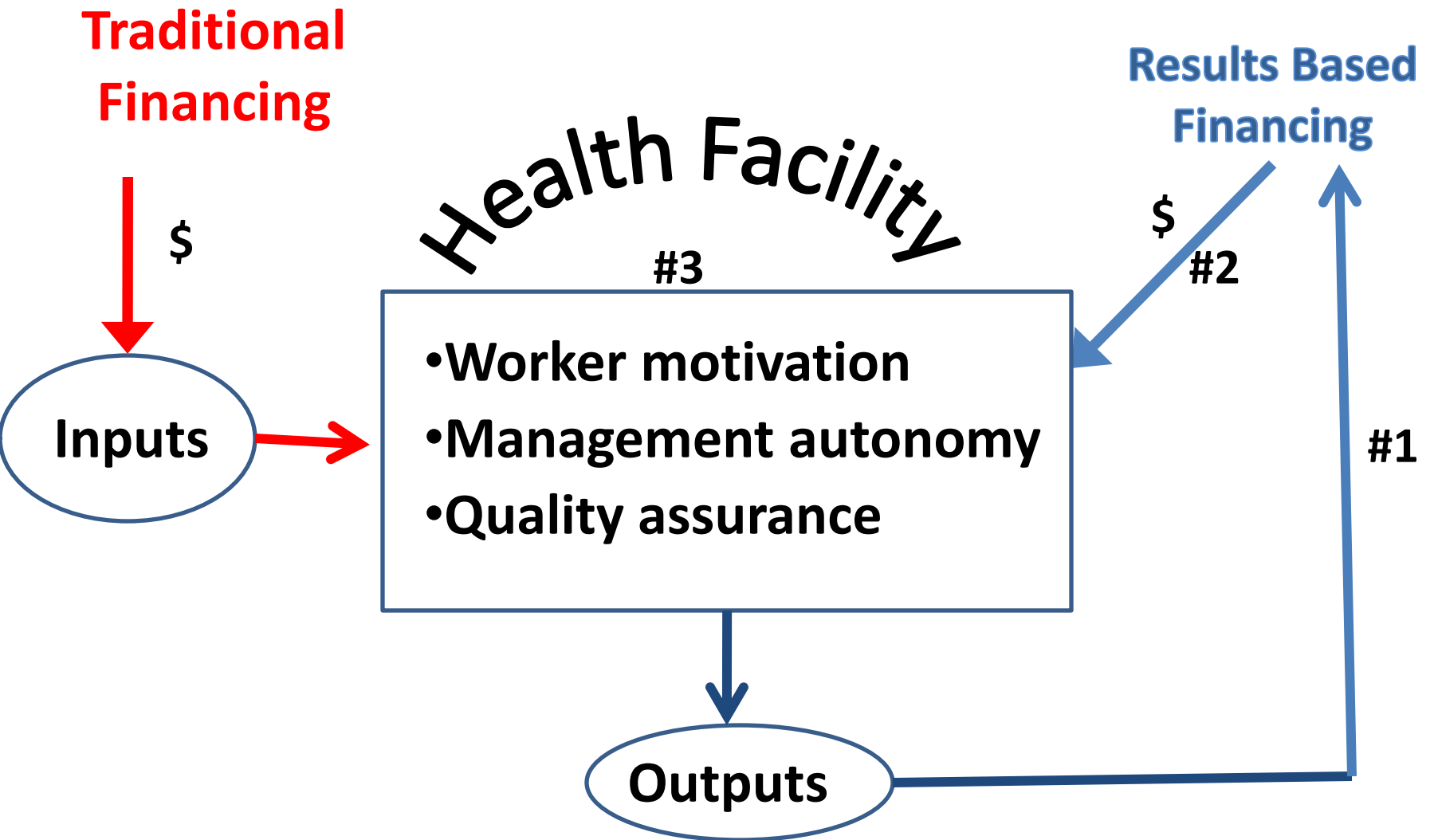
3) Lessons Learned

Example of RBF in a health facility

| | Number provided | Unit price (\$) | Total earned (\$) |
|--------------------------|-----------------|-----------------|-------------------|
| Child fully vaccinated | 100 | 5 | 500 |
| Skilled birth attendance | 20 | 10 | 200 |
| Curative care <5 years | 1,000 | 0.5 | 500 |
| Total before correction | | | 1,200 |
| Remoteness Bonus | | + 50% | 1,800 |
| Quality correction | | x 60% | 1,080 |

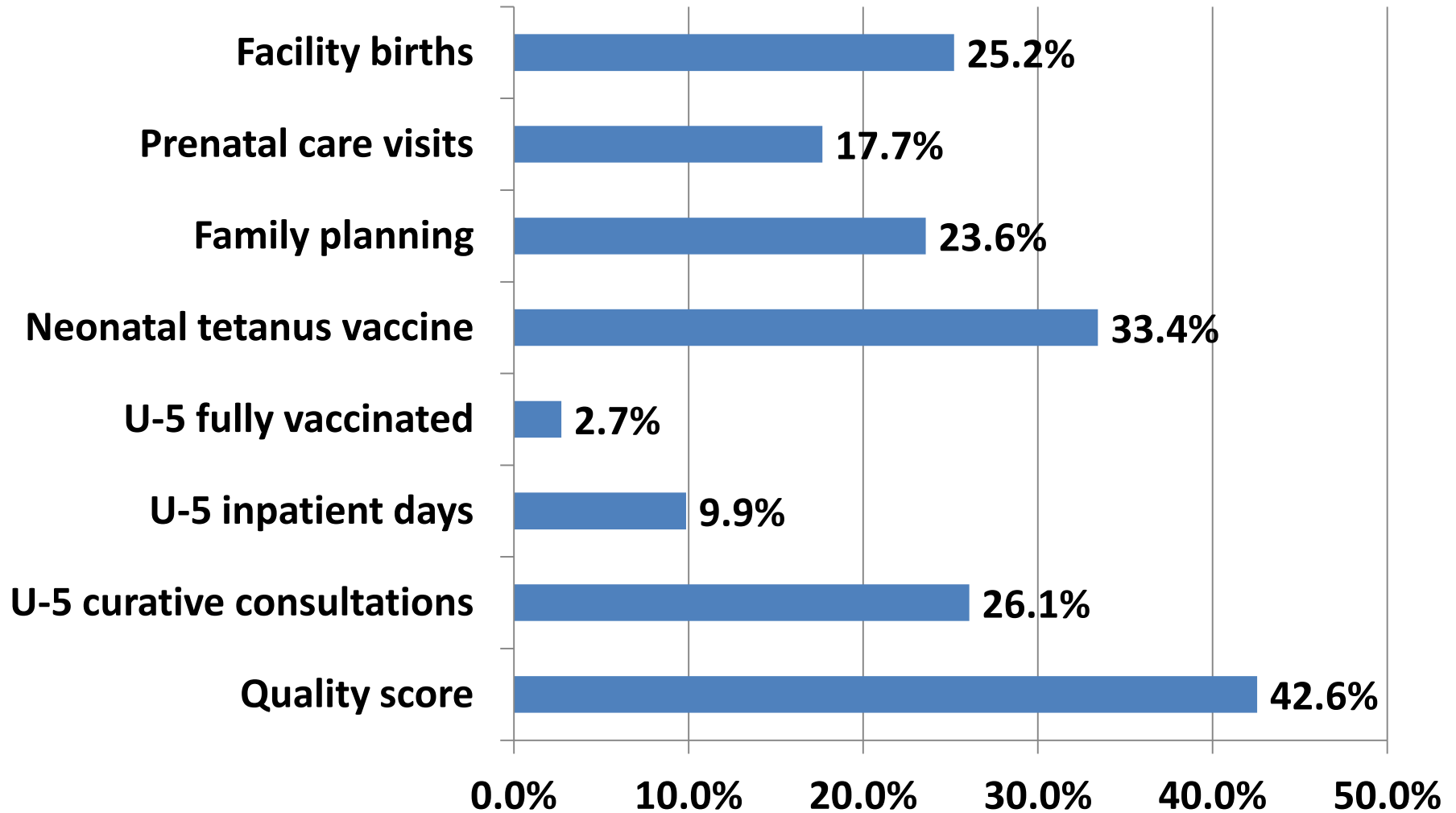
Health Facility can use \$1,080 for:

- Health facility operation costs (supplies, maintenance, outreach etc) – about 40% of funds
- Performance bonus to health workers – about 60% of funds



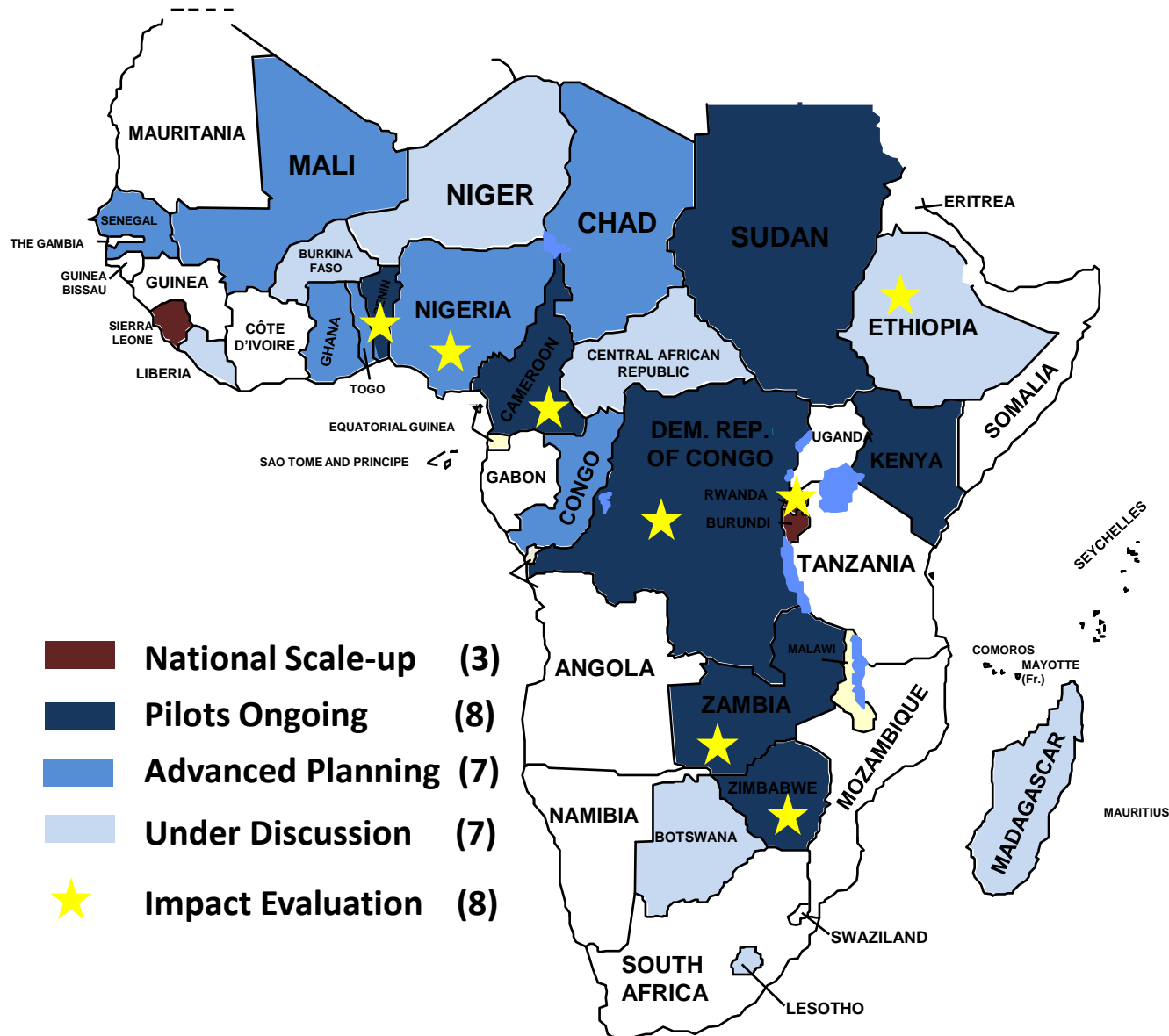
- #1 – Financing is provided for outputs (not inputs)
- #2 – Funds go directly to health facility not as inputs
- #3 – Addresses issues within the facility – e.g. motivation

Burundi: Significant Changes - April 2010- April 2011



Notes: all results are changes from April 2010 to April 2011, except quality score is the change from mid 2010 to the end of 2010.

Current State of WB-Financed RBF in SSA



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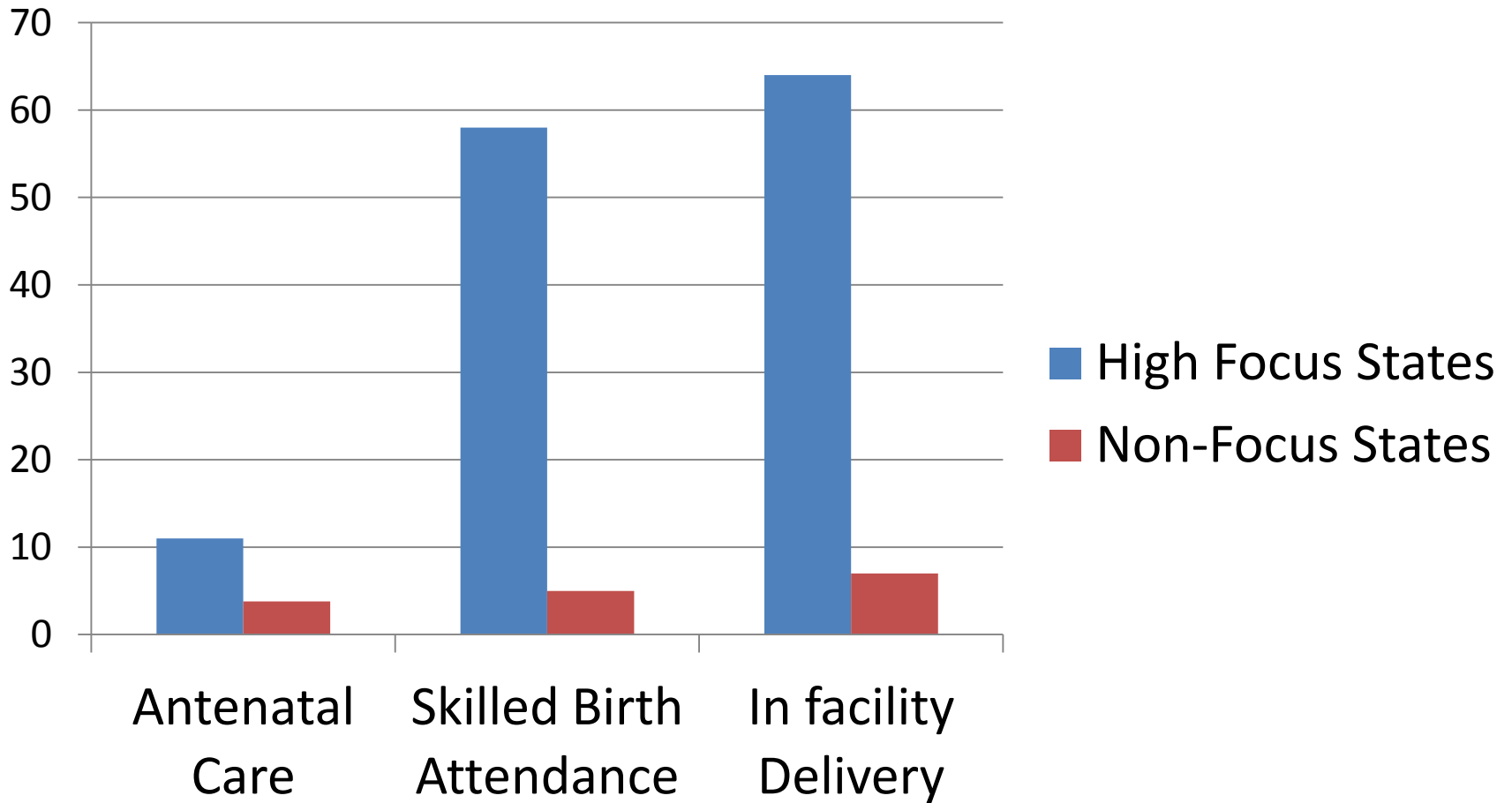
- **Conditional (Cash) Transfers**
- Vouchers (can be demand & supply side)

3) Lessons Learned

India's JSY Program – CCT for Facility Delivery

- Objective: reduce maternal and neonatal mortality rates
- Meant to encourage delivery in government or accredited private facility
- \$31 paid to all women after delivery in 10 high focus states
- \$15 paid to BPL women in other states
- In 2009, \$342 million for 9.5 million beneficiaries

Treatment Effects of JSY



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Voucher Program Design & Functions

Government stewardship & funding

Voucher management agency (purchaser)

- Voucher marketing & distribution
- Contracting
- Claims processing & vetting
- Internal monitoring & evaluation –(validation, costs, utilization, quality)

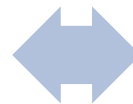
Program Management

Client

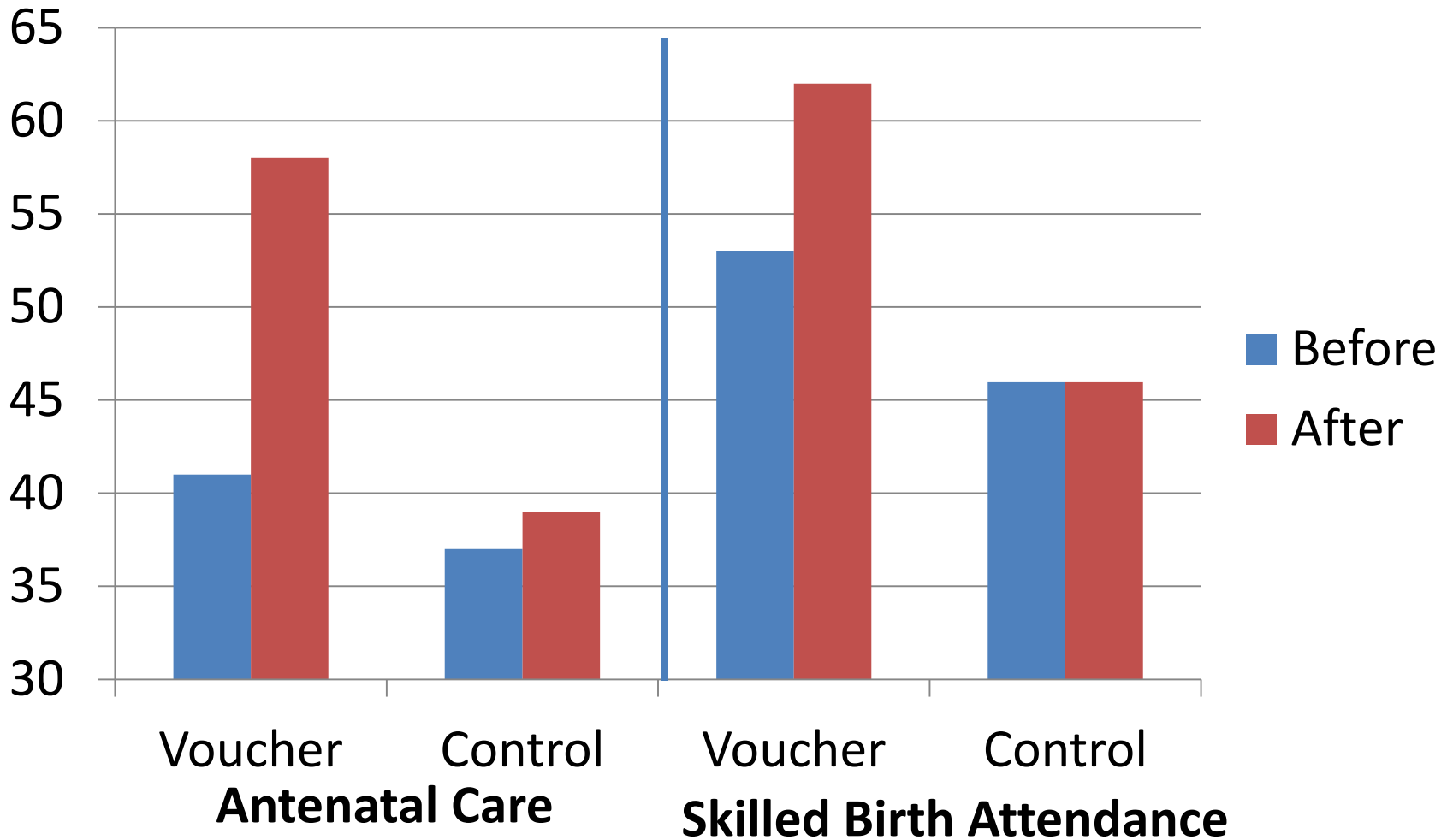
- Voucher acquisition (targeting)
- Care seeking and treatment adherence

Facility

- Clinical practice
- Administrative management



Reproductive Health Voucher Scheme in Uganda



Some of the Lessons Learned

- It is NOT crazy to think that rewarding results will yield better results!!
- Robust evaluation will help determine which RBF approaches actually work & add credibility
→ Do IE's
- Small scale pilots (pre-pilots) are helpful to work out technical/programmatic details
- Reasonable sized pilots are essential for testing external validity and doing IE's
- Real time learning is possible and necessary

Some of the Lessons Learned

- Look for **cost – effective** (and low cost) approaches
- **Be Creative!** Not always clear what will work or where good ideas will come from.
- **Keep Innovating:** There are always ways of doing things better
- There's **much to learn about why** things work
 - More focus on M&E, decentralization, space for innovation?