

Results Based Financing: a paradigm shift for health systems in low-income countries

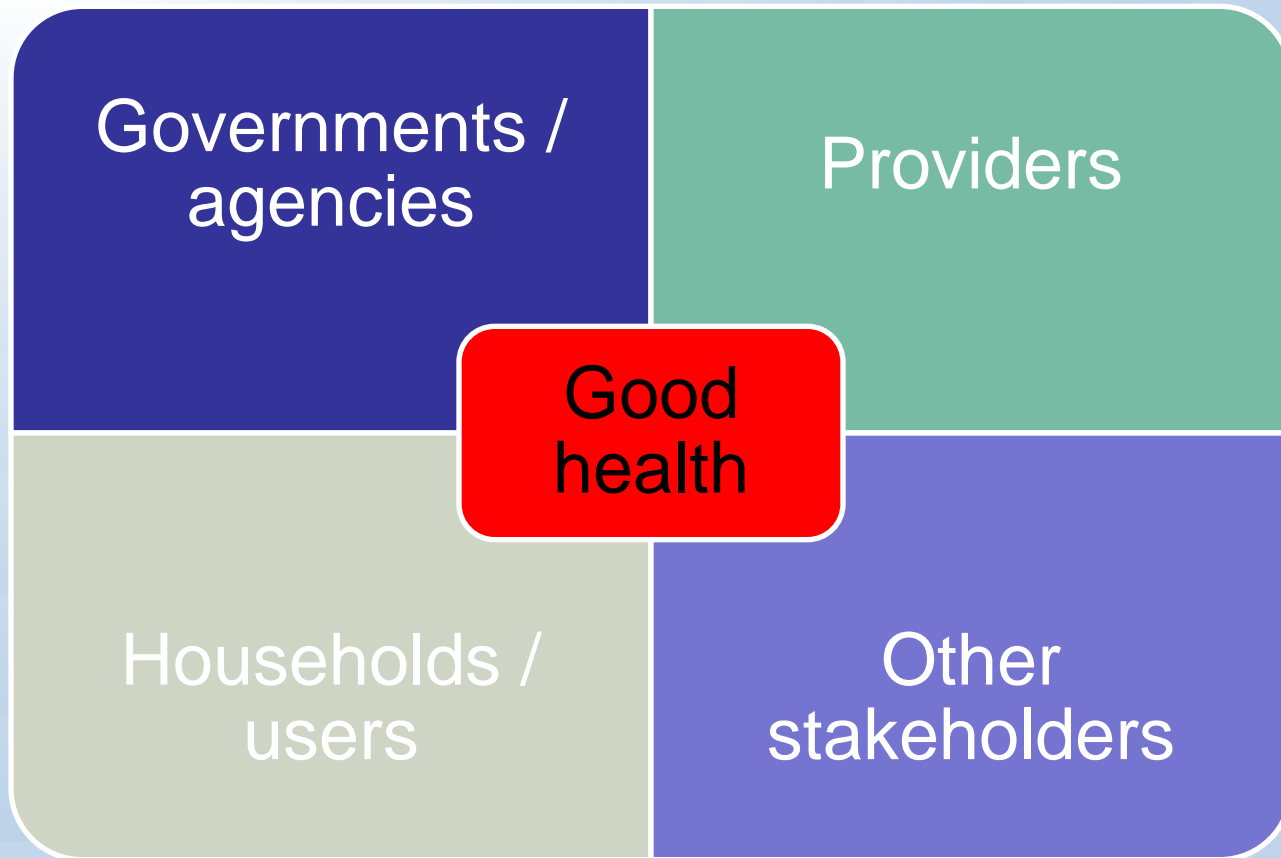
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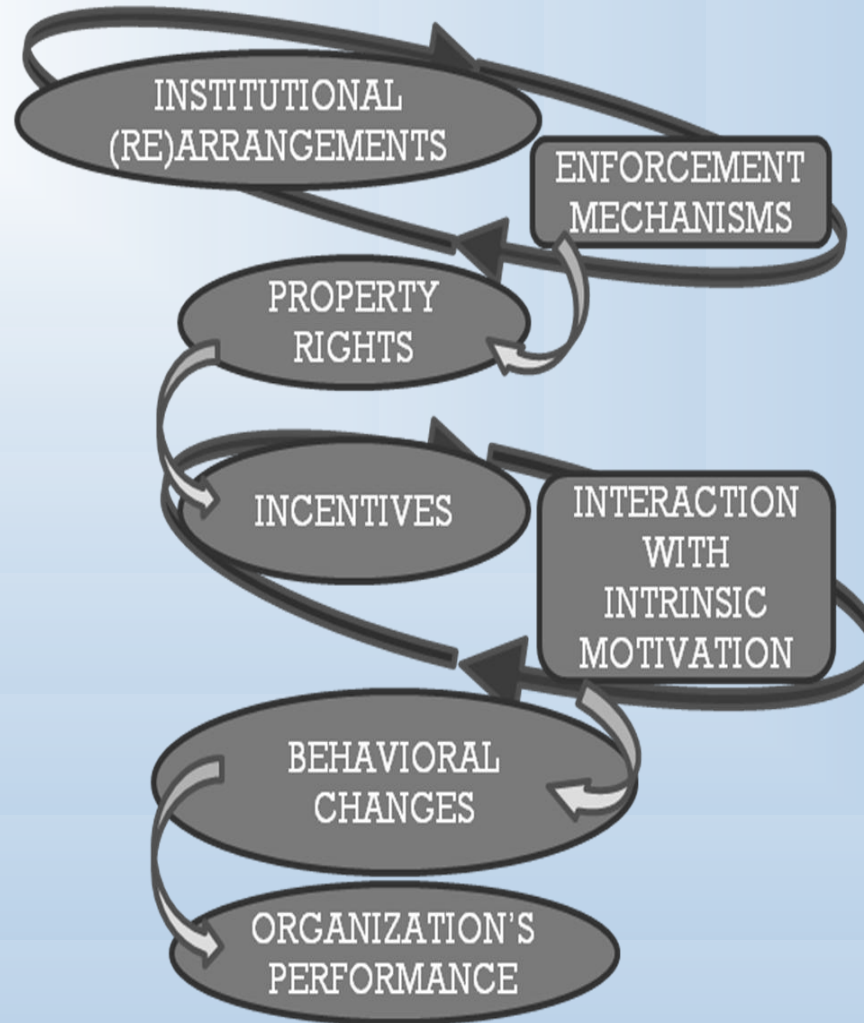
Observation 1:

Health: outcome of a co-production process



Observation 2:

It is about behaviors – **incentive matters**



Source: Bertone & Meessen 2013



RBF: many options

- Incentives
 - at country level: Cash On Delivery
 - At provider level: Performance Based Financing (PBF)
 - At household level: conditional cash transfer
 - At user level: family planning voucher for poor women



PBF – the story (1998-2013)

- Cambodia
- Rwanda
- Central Africa
- *The Health Results Innovation Trust Fund*

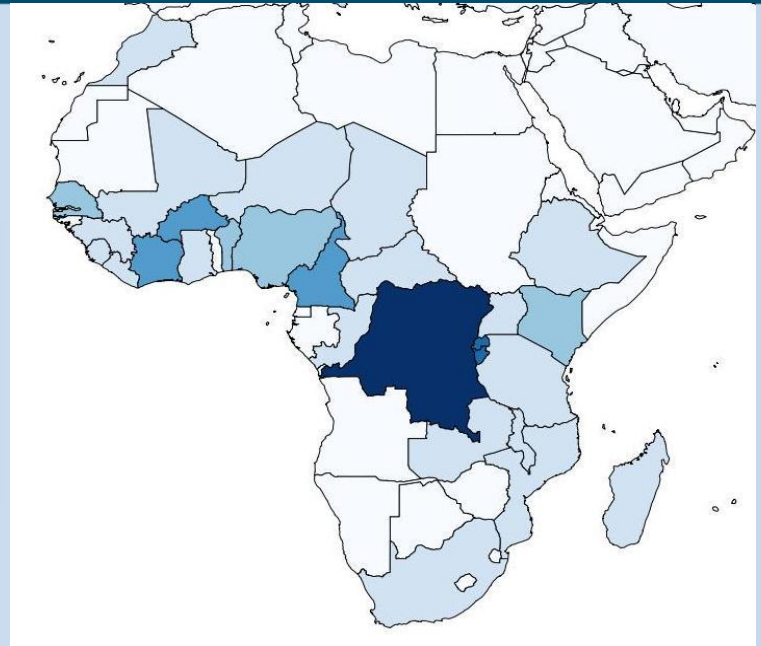


PBF: a reality in Africa



PBF: an African community of experts

- A virtual group of 1,200+ experts



A screenshot of the 'Health Financing in Africa' blog. The header includes 'Harmonization for Health in Africa' and 'Blogs'. The main content area features a post titled 'Bringing cash to the frontline: the experience of the Health Sector Services Fund in Kenya' dated 08/21/2012. The post text describes a pilot PBF project in Samburu Central district, Kenya, led by Dr. Rael Mutal. It mentions a workshop organized by the World Bank in Livingstone, Zambia, in May 2012. The post also includes a 'Blogroll' section with links to 'Performance-based financing blog', 'UHC Forward', 'Karen Grepler's global health blog', 'CCD Global health policy', 'International Health Policies', and 'Politique internationale de santé'. The footer of the post mentions 'RM: Sometime in 2003, the Ministry of Health did a study to see what proportion of public funds allocated to primary level facilities actually made it to the facilities. It was found that hardly 30% of the funds that left the central government ever reached the small facilities. So the government came up with the idea to do a pilot of a direct funding of these facilities. The pilot was commissioned in the Coastal Province of Kenya. Over a period of 3-4 years, they were able to see these funds that had been channeled directly to facility account were having an impact. Based on that study, the government came together and decided to form the Health Sector Services Fund (HSSF). The HSSF is supposed to be rolled out to the rest of the country.'

A screenshot of a Google Groups page for the 'Performance Based Financing' group. The page shows a list of topics with titles, authors, dates, and view counts. The first topic is 'La gratuité des soins, une étape vers la couverture universelle en Afrique?' (14) by Nizore Sileunou, dated Mar 15. Other topics include 'Free health care as a step towards UHC? Maybe it...' (2) by me, 'PBF et secret médical' (2) by Joel Arthur Vindobégo, 'RE confidentielle en français' (1) by me, 'Re: [CoP PBF] Digest for performance-b...' (12 Messages in 3 Topics) (4) by FASSINOU BASILE, 'Jeanette Vega's comment on UN General Assembly resolution on universal health coverage' (2) by Emmanuel Ngire, '27ème cours international PBF Cotonou/Bénin' (2) by Aboud Iboualma, and 'Fwd: Global Health Check: The political context of Universal Health Coverage' (2) by Alan Hanuzimama.



PBF: an African agenda

Countries will :

- *“Improve efficiency in health systems (...) including the introduction of measures such as results based financing (RBF) and incentives to enhance transparency and performance and reduce wastage”*

(Tunis Declaration, 2012)



PBF = a reform of provider payment

	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

\$1,080 available for:

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



... which secures key strengths of previous strategies

- Primary health care
- Community participation
- Key role for the State (incl. strategic purchasing)



... but also dares to **reform** the **health sector**



PBF – many **spill-over effects**

- Real SWAp
- Public finance reform
- Public sector reform
- New approach to decentralisation in the health sector
- Integration of the private sector
- New ecosystem enhancing effectiveness of other interventions



Challenges

- Agencies: adapt your instruments, approaches & expertise.
- All of us: work together to find the right mix of approaches.
- Accompany countries – from pilot to long term sustainability.



How you can contribute?

- Join existing schemes.
- Inform experts of your agencies.
- Support knowledge building.



Conclusion

- RBF: **health system strengthening strategy focused on results.**
- Many ways to support the momentum.



PBF improves efficiency

Efficiency :

- Allocative efficiency: Funding is targeted on **cost-effective interventions**
- Technical efficiency: strong incentive for **greater effort**, better management, innovation.
- Transactional efficiency: concern for **low transaction costs** (eg. direct transfer to health facilities).



PBF improves equity & accountability

But can also improve

- **equity:**
 - formula to target specific groups (e.g. Burundi) or geographical areas.
- **transparency and accountability:**
 - Stress on verification
 - Possible to benchmark performance

Transparency of funding flows



A paradigm shift?

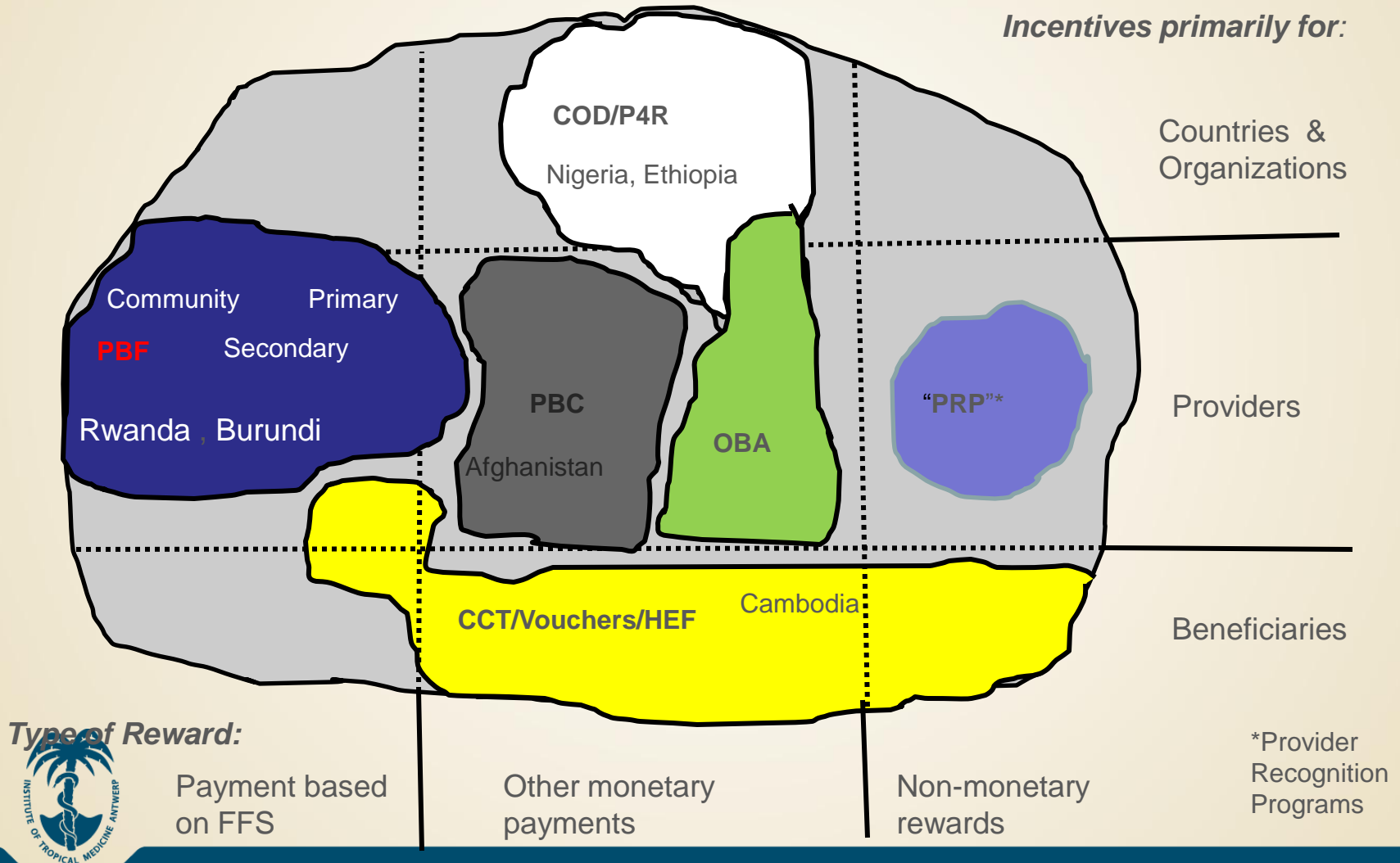
- The most structured proposition for health systems in LICs for 25 years.
- It fits well with the new agenda for results (MDGs...).
- It shares common points with New Public Management introduced in the nineties in several OECD countries.



A paradigm shift?

	Old paradigm	New paradigm
Primary health care	YES with some of the same strengths and limits (e.g. lack of attention to non-medical determinants)	
Community participation	*	** but could be stronger
Attention to results	*	*** but could be even stronger
Role of the state	The ubiquitous State	The strategic State
Private-for-profit sector	Excluded	Can be included
Public finance reform	Not necessary	Necessary
Mechanisms	Reliance on planning, leadership and public service ethos	Recognition of the importance of incentives (incl. autonomy) – overreliance?
Theoretical back up	Public & development planning	New Institutional Economics
Values	Trust in the civil service & relationship	Individual responsibility & market

Diversity of RBF Interventions



Type of Reward:



Payment based on FFS

Other monetary payments

Non-monetary rewards

*Provider Recognition Programs