

# Results-Based Financing for NCDs

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# Presentation Overview

- Defining Results-Based Financing (RBF)
- RBF in the Health Sector
- RBF Approaches to Address NCDs in Latin America and the Caribbean
- Country Focus: Belize
- The Way Forward

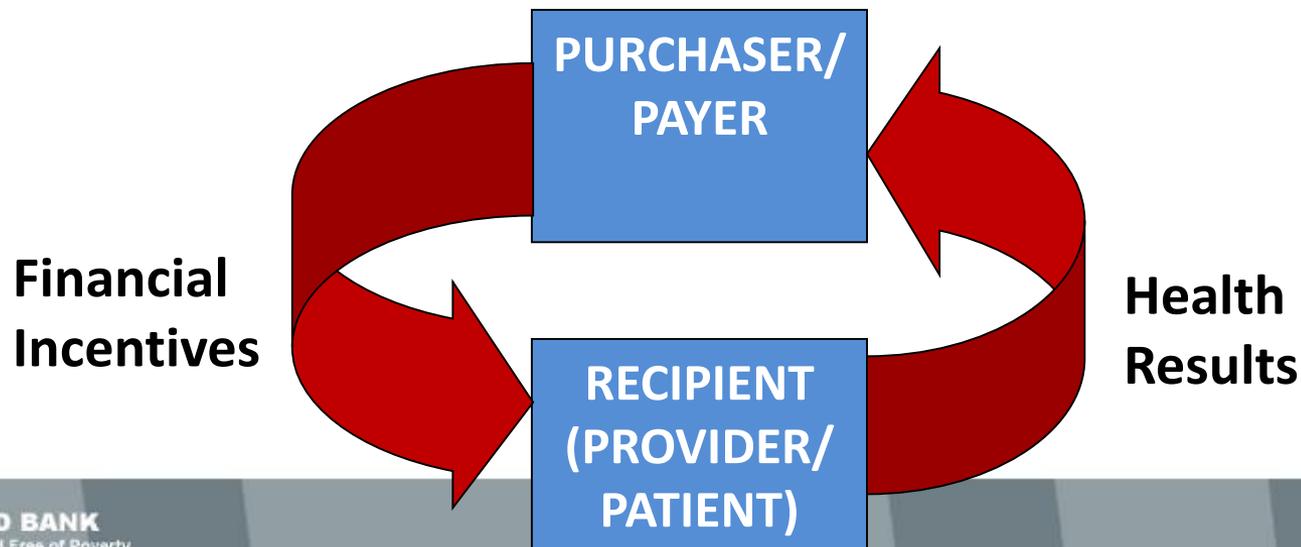


# Defining Results –Based Financing (RBF)



# What is RBF

- A tool used for increasing the quantity and quality of health services combining the use of incentives for health-related behaviors with a strong focus on results.
- Any program that rewards the delivery of one or more health outputs or outcomes through financial incentives, upon verification that the agreed-upon result has actually been delivered.
- Incentives may be directed to service providers (supply side), program beneficiaries (demand side) or both. Payments or other rewards are not made unless and until results or performance are satisfactory.



# Different Shades of RBF

- **Results-Based Financing (RBF) – Rewards delivery of one or more outputs or outcomes by one or more incentives, financial or otherwise, upon verification that agreed-upon results had been delivered. (Supply or D-side)**
- **Pay for Performance (P4P), Performance-based Payment, and Performance-Based Incentives – RBF synonyms**
- **Performance-Based Financing (PBF) – incentives only to providers, awards purely financial, considering non-financial rewards (transportation, improved housing)**
- **Performance-Based Contracting, PBC – sets fixed price for desired output, adds variable component that can reduce payment for poor performance or increase it for good performance.**
- **Output-Based Aid – subset of RBF, usually applied to non-health sectors which in practice includes only financial rewards.**
- **Cash on Delivery (COD) – subset of RBF, objectives and payment contracted, the principal does not dictate or supervise the agent**
- **Conditional Cash Transfer (CCT) – demand-side, incentives apply exclusively to the beneficiaries rather than to the agent(s) delivering services.**

# RBF in the Health Sector



# Role of RBF in the Health Sector

- **Help focus government and donor attention on outputs and outcomes -- *for example, percentage of women receiving antenatal care, or taking children for regular health and nutrition check ups* -- rather than inputs or processes (e.g., training, salaries, medicines).**
- **Strengthen delivery systems and accelerate progress toward national health objectives.**
- **Increase use, quality and efficiency of services in a variety of situations.**

# How RBF is being used in Health

## DEMAND SIDE

- **ARGENTINA PLAN NACER**
- **RWANDA PERFORMANCE-BASED FINANCING (PBF)**

## SUPPLY SIDE

- **MEXICO'S CONDITIONAL CASH TRANSFER PROGRAM**



# Argentina's Plan Nacer

**Plan Nacer aims to expand coverage and improve quality care for pregnant women and children under six.**

- **60% funding to province determined by number of eligible beneficiaries enrolled**
- **40% linked to targets for 10 health indicators (such as measles immunization coverage and timely inclusion of eligible pregnant women in prenatal care services)**

**Preliminary impact evaluation using admin data from 2 of the 9 provinces showed:**

- **Increased probability of a first prenatal care (PNC) visit before week 13 of pregnancy by 8.5% and before week 20 of pregnancy by 18% over the control.**
- **Indications of improved quality of PNC visit measured by increased number ultrasounds and tetanus vaccinations**
- **Significant increase in probability of having well child checkups during first 6 months of life**
- **Improvements in the quantity and quality of services translated into better child birth outcomes**

# Rwanda's Performance-Based Financing

**Rwanda's PBF pays providers for quantity of services, conditional on quality**

**The impact evaluation of the Rwanda health center Performance-Based Financing project demonstrates that PBF payments increased the likelihood:**

- **A woman delivered in a facility by 8.1 percentage points (23.1% increase over baseline)**
- **A woman received a tetanus toxoid vaccine during antenatal care by 5.1 percentage points (7.2% increase over baseline)**
- **A child 0-23 months attended a preventive care visit by 11.9 percentage points (55.9% increase over baseline)**
- **A child 24-59 months attended a preventive care visit 11.1 percentage points (131.6% increase over baseline)**
- **No impact on likelihood of a woman completing 4 or more ANC visits**
- **No impact on the likelihood a child 12-23 months was fully vaccinated**

# Mexico's Oportunidades

**Mexico's human development program Oportunidades targets poor with cash transfer conditional on health and education co-responsibilities, e.g., periodic checkups; growth monitoring; pre- and postnatal care; nutritional supplements for vulnerable; and 'self-care' health education workshops.**

**Program evaluations show positive results in reducing poverty and improving children's future through increased investment in their health and education. Specific results in health include:**

- Increased preventive and curative health visits (by 35% in rural and 26% in urban)**
- Decreased maternal deaths and infant mortality (by 11% and 2%, respectively)**
- Increased growth by children <2yr (1.42 cm greater height compared to non-beneficiaries)**
- Reduced number of anemia cases for children <2 yr (by 12.8 percentage points)**
- Higher levels of adequate nutritional supplements (over 90% of beneficiary children)**
- Reduction in sick days among children under five in rural areas (by 20%).**

# RBF Approaches to Address NCDs in Latin America and the Caribbean



# How RBF is being used to address NCDs

- **Argentina** – Provinces reimbursed by MOH (based on predefined amount) for carrying out NCD public health activities (certification of smoke free zones, epi surveillance)
- **Belize** - Supply-side P4P scheme, financial incentives linked to performance on pre-determined targets in primary care for chronic illnesses (diabetes, hypertension, and asthma).
- **Brazil** – federal-state and federal-municipal annual results agreements include NCD relevant triggers (reduced stroke admissions, adolescent behavioral risk factor survey, etc.)
- **Dominican Republic** – piloting RBF approach in Caribbean which introduces pay for results on achievement of NCD indicators (hypertension, diabetes).
- **Panama** – pays for results on achievement of NCD indicators
- **Uruguay** – capitation payment to health insurance entities in 3 provinces requiring all enrolled individuals to receive a medical screening including information on physical activity, anthropometry, and waist circumference.



# Country Focus: BELIZE



# Belize's RBF Approach to Address NCDs

- Supply-side P4P scheme since 2001.
- P4P aims to strengthen health prevention activities, boost primary care, improve service quality, and increase worker productivity.
- Focuses on pre-natal and postnatal care and deliveries, and primary care for chronic illnesses (diabetes, hypertension, and asthma).
- Financial incentives linked to performance on pre-determined targets.



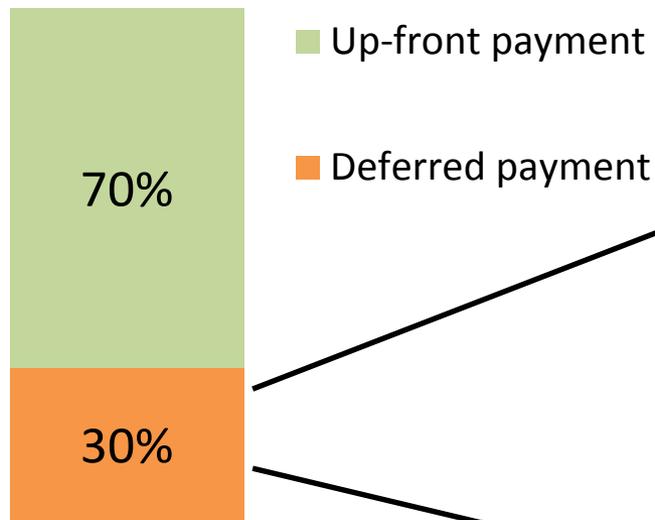
# Institutional Roles in P4P Design

- National Health Insurance (NHI), primary funder and purchaser of health services, purchases health services on behalf of the MOH.
- MOH develops policy, determines package of services to be purchased by NHI, licenses and accredits health facilities, and designs criteria for the selection of health facilities to be included.
- NHI ultimately responsible for all management functions of the P4P and making the incentive payments to each clinic.
- Autonomy of health facilities to spend the money. Clinic administration determines payment distribution. (In public clinics that receive a bonus, usual policy is for all staff to get a \$300 bonus.)

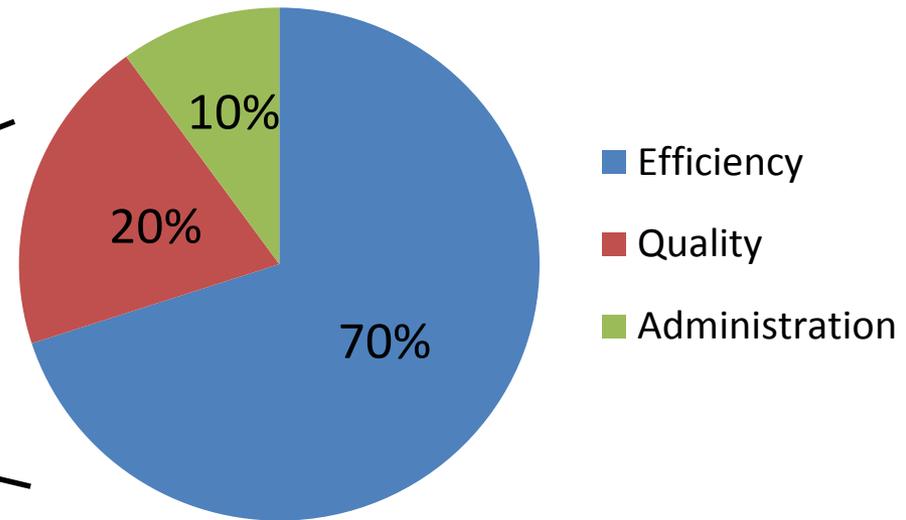


# Payment Scheme – Monthly Payments

## Payment Timing



## Breakdown of Deferred payment



# Example of Maximum Monthly Payment

Monthly Indicators	How Measured	Performance Standard	Maximum Amount (US dollars)
Efficiency Indicators: (70%)			\$15,876
1. Productivity per GP team/day	Database exported to NHI by clinic	28-36 pts/shift	\$3,176
2. Rational drug usage (drugs/encounter)	Database exported to NHI by clinic	<2.0	\$3,176
3. Rational imaging usage (tests/encounter)	Database exported to NHI by clinic	<0.5	\$3,176
4. Rational laboratory usage (tests/encounter)	Database exported to NHI by clinic	<1.5	\$3,176
5. Completeness of encounter forms/rostered patients	Survey (bi-annual survey implemented by NHI)	99% forms complete	\$3,176
Quality Indicators: (20%)			\$4,536
6. Patient satisfaction: survey	Survey (bi-annual survey implemented by NHI)	>80 patient satisfaction	\$2,268
7. Medical Records compliance	Random auditing of medical records	99% compliance	\$2,268
Administrative Indicators: (10%)			\$2,268
8. Unreported encounters/activities	Database exported to NHI by clinic	<0.5% margin of error	\$1,134
9. Data entry errors	Database exported to NHI by clinic	<1.0% margin of error	\$1,134

Note: Assumes clinic with 12,000 enrolled members at US\$6.50 per person per month.

# Incentives and Targets – Bonus Payments

- 10 % of total annual earning
- Minimum overall score of 70% for established clinics or 60% for newly established clinics
- Indicators same for all public and private clinics. Once clinic meets minimum score, 10% of annual revenues generated is calculated
- Bonus payments determined according to weights for each indicator.



# Key Performance Indicators for Annual Bonus Payments for Belize City Primary Care Providers, April 1–Dec. 31, 2009

Primary Care Providers (PCPs)	Target	Bonus	Means of Verification
At least 90% of the GPs and nurses have received training on protocols in the last year (Chronic Disease Management Protocols)	90%	5%	Report from PCPs on training with list of participants signatures
Percentage of clinical records with incorporated forms and complete information*	80%	15%	Audits by NHI
System for suggestions/complaints in place	Yes	5%	Facility evaluation by NHI (direct observation)
Percentage of complaints resolved within two weeks	80%	5%	Facility evaluation by NHI (direct observation)
At least 85% of PCP patients expressed full satisfaction** with regard to services received from the PCP	85%	15%	Patient Satisfaction Survey by NHI
Percentage of women age 19-64 who had a Pap smear test in the last two years	50%	10%	Reports from PCPs and data analysis by NHI
Percentage of pregnant women with one prenatal care visits during the first trimester	50%	10%	Reports from PCPs and data analysis by NHI
Percentage of high-risk pregnancy cases with at least seven prenatal care visits during their pregnancy period	80%	10%	Reports from PCPs and data analysis by NHI
Percentage of men over 50 yrs of age who had Prostate Specific Antigen (PSA) test a during the past two years	30%***	10%	Reports from PCPs and data analysis by NHI
Compliance with Medical Protocols implementation (diabetes, hypertension, and asthma) <sup>2</sup>	75%	15%	Protocol audits by NHI



# Initial P4P Results

- Plans to conduct an Impact Evaluation. (2011/2012)
- District with highest MMR prior to P4P reported no maternal deaths during the first 2 qtrs. 2008.
- The NHI P4P scheme contracting of additional clinics provided easier access to a clinic and its services.



# The Way Forward



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# Lessons Learned

- NCDs require incentives targeted to quantity, complex processes, and quality. (*Uruguay, Brazil – follow-up and patient tracking*)
- NCD RBF projects often have complex MIS requirements requiring training and support (*Uruguay, Belize, Brazil, Dom Rep.*)
- Projects able to address NCDs even when RBF mechanism not fully implemented (*Argentina, Brazil*)
- *Further Impact Evaluation analysis required*



# Opportunities and Options for NCD-RBF Approaches

- **Use incentives to address risky behaviors – alcohol consumption, inadequate diet, and physical inactivity.**
- **Providing financial incentives through Family health programs to reward screening, detection, and early management of NCDs.**
- **Aligning supply and demand side incentives through CCTs and performance bonuses directed at providers.**
- **Population based intervention on diet and exercise going beyond information-based campaigns, focus on underlying causes**

# Thank you!

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