Results-Based Financing for NCDs

Healthy Caribbean 2012: Rallying for Action on 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 of 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

- 70% Up-front payment
- 30% Deferred payment

Breakdown of Deferred payment

- Efficiency: 70%
- Quality: 20%
- Administration: 10%
## Example of Maximum Monthly Payment

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

<table>
<thead>
<tr>
<th>Monthly Indicators</th>
<th>How Measured</th>
<th>Performance Standard</th>
<th>Maximum Amount (US dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency Indicators: (70%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Productivity per GP team/day</td>
<td>Database exported to NHI by clinic</td>
<td>28-36 pts/shift</td>
<td>$3,176</td>
</tr>
<tr>
<td>2. Rational drug usage (drugs/encounter)</td>
<td>Database exported to NHI by clinic</td>
<td>&lt;2.0</td>
<td>$3,176</td>
</tr>
<tr>
<td>3. Rational imaging usage (tests/encounter)</td>
<td>Database exported to NHI by clinic</td>
<td>&lt;0.5</td>
<td>$3,176</td>
</tr>
<tr>
<td>4. Rational laboratory usage (tests/encounter)</td>
<td>Database exported to NHI by clinic</td>
<td>&lt;1.5</td>
<td>$3,176</td>
</tr>
<tr>
<td>5. Completeness of encounter forms/rostered patients</td>
<td>Survey (bi-annual survey implemented by NHI)</td>
<td>99% forms complete</td>
<td>$3,176</td>
</tr>
<tr>
<td>Quality Indicators: (20%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Patient satisfaction: survey</td>
<td>Survey (bi-annual survey implemented by NHI)</td>
<td>&gt;80 patient satisfaction</td>
<td>$2,268</td>
</tr>
<tr>
<td>7. Medical Records compliance</td>
<td>Random auditing of medical records</td>
<td>99% compliance</td>
<td>$2,268</td>
</tr>
<tr>
<td>Administrative Indicators: (10%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Unreported encounters/activities</td>
<td>Database exported to NHI by clinic</td>
<td>&lt;0.5% margin of error</td>
<td>$1,134</td>
</tr>
<tr>
<td>9. Data entry errors</td>
<td>Database exported to NHI by clinic</td>
<td>&lt;1.0% margin of error</td>
<td>$1,134</td>
</tr>
</tbody>
</table>
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.
<table>
<thead>
<tr>
<th>Primary Care Providers (PCPs)</th>
<th>Target</th>
<th>Bonus</th>
<th>Means of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least 90% of the GPs and nurses have received training on protocols in the last year</td>
<td>90%</td>
<td>5%</td>
<td>Report from PCPs on training with list of participants' signatures</td>
</tr>
<tr>
<td>(Chronic Disease Management Protocols)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of clinical records with incorporated forms and complete information*</td>
<td>80%</td>
<td>15%</td>
<td>Audits by NHI</td>
</tr>
<tr>
<td>System for suggestions/complaints in place</td>
<td>Yes</td>
<td>5%</td>
<td>Facility evaluation by NHI (direct observation)</td>
</tr>
<tr>
<td>Percentage of complaints resolved within two weeks</td>
<td>80%</td>
<td>5%</td>
<td>Facility evaluation by NHI (direct observation)</td>
</tr>
<tr>
<td>At least 85% of PCP patients expressed full satisfaction with regard to services received</td>
<td>85%</td>
<td>15%</td>
<td>Patient Satisfaction Survey by NHI</td>
</tr>
<tr>
<td>from the PCP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of women age 19-64 who had a Pap smear test in the last two years</td>
<td>50%</td>
<td>10%</td>
<td>Reports from PCPs and data analysis by NHI</td>
</tr>
<tr>
<td>Percentage of pregnant women with one prenatal care visits during the first trimester</td>
<td>50%</td>
<td>10%</td>
<td>Reports from PCPs and data analysis by NHI</td>
</tr>
<tr>
<td>Percentage of high-risk pregnancy cases with at least seven prenatal care visits during their pregnancy period</td>
<td>80%</td>
<td>10%</td>
<td>Reports from PCPs and data analysis by NHI</td>
</tr>
<tr>
<td>Percentage of men over 50 yrs of age who had Prostate Specific Antigen (PSA) test a during the past two years</td>
<td>30%***</td>
<td>10%</td>
<td>Reports from PCPs and data analysis by NHI</td>
</tr>
<tr>
<td>Compliance with Medical Protocols implementation (diabetes, hypertension, and asthma)³</td>
<td>75%</td>
<td>15%</td>
<td>Protocol audits by NHI</td>
</tr>
</tbody>
</table>
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
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*
• 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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www.worldbank.org/lachealth

www.rbfhealth.org