

Performance Based-Contracting for Health in Liberia



What is Performance Based Financing?

-B. Harris & P. Vergeer

Gbarnga, Bong County

May 2009

Notes Slide 1:

Objectives



- Increase understanding of Performance Based Financing
- Enhance awareness on the MOHSW contracting policy and guideline, which includes Performance Based Contracting

Notes Slide 2:

Why Performance Based Financing?



- **Improve CRITICAL** health outcomes
 - E.g. Maternal Mortality, Child Mortality, Infant mortality
- Improve health worker **motivation** and **retention** particularly in rural areas
- Increase **ACCESS TO QUALITY** care in low performing counties
- Increase **ACCOUNTABILITY** through better reporting and monitoring
- Promotion of **local creativity** and **spirit for performance**

Notes Slide 3:

The reasons for introducing performance based financing as expressed by the MOHSW

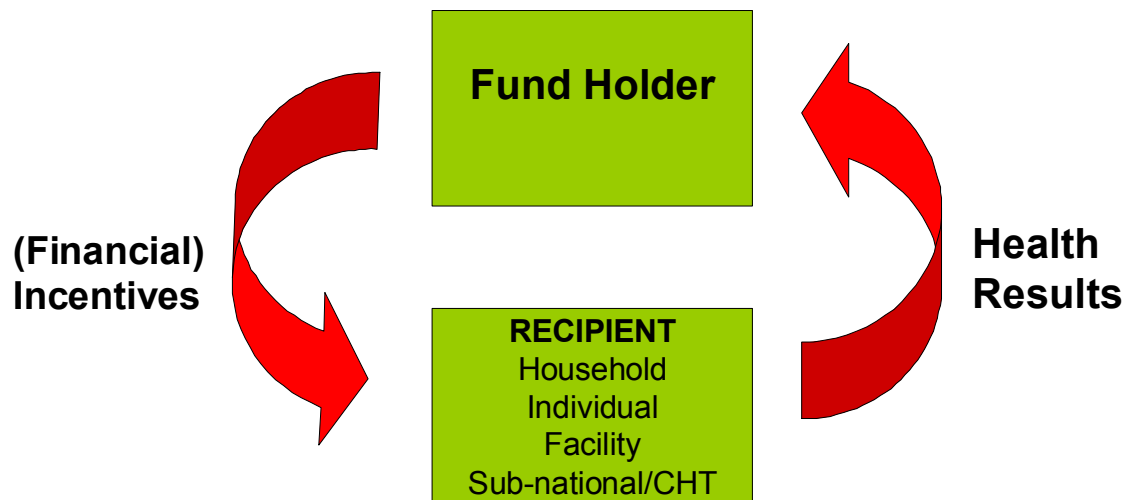
What is Performance- or Results Based Financing?



World Bank presentation A. Batson, June 2008

Cash or goods provided against measurable actions or achievement of a defined performance target

- Incentives targeting the behaviors of **PROVIDERS** and/or **USERS** of health care to achieve health results



Notes Slide 4:

From World Bank presentation- 'RBF why, what how' by A. Batson June 2008 in Rwanda:

- Definition of RBF: "Cash or goods provided against measurable actions or achievement of a defined performance target."
- How RBF intends to work: Incentives to target behavior of Providers and/or Users of health care so as to achieve health results.

Important to note is that these incentives do not have to be financial but can be non-financial such as training for staff.

Performance Based Financing- How?



No Business as Usual:

- From focusing on Input to focusing on **Results:**
Output & Outcome
- **Responsibility** for Performance
- Paid according to **Performance**

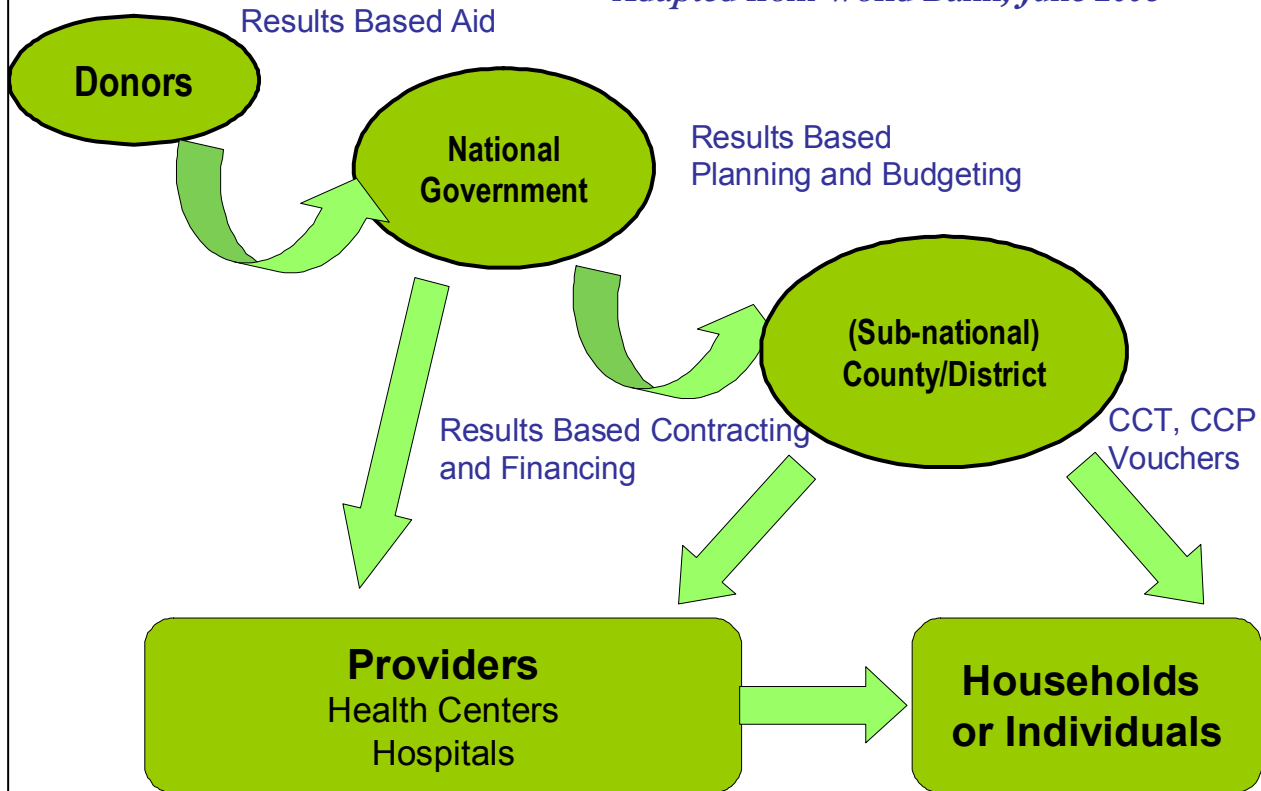
Notes Slide 5:

PBF requires a change in approach, it is no longer business as usual! The focus shifts from inputs to results. This is accompanied by a responsibility for performance and being held accountable for performance or under-performance and being paid accordingly.

Results-based financing can be used at any level but incentives trickle down to provider-consumer level for maximum impact



Adapted from World Bank, June 2008



Notes Slide 2:

From World Bank presentation- 'RBF why, what how' by A. Batson June 2008 in Rwanda – amended to fit Liberia context

RBF can be used at any level – but to maximize improvements to performance, the incentives need to trickle down to provider-consumer level!

For example:

- Donors can provide funding to nat govt based on results (results based aid)
- Nat govt can implement results based planning and budgeting- also to sub-national level.
- There can be results based agreements (contracts) with subnational level (i.e. in Liberia – county or district level) from national level – paying based on results.
- Similarly, there can be agreements (contracts) with providers (either NGO's or public service providers) with pay based on results coming from the (sub) national level or other actors like health insurance.
- To promote behaviour change at the individual level, Conditional Cash Transfers/ Payments or Vouchers can be used.

What is the evidence?



- **Supply side in Haiti:** NGOs paid partly for results achieved a more than 13% increase in immunization coverage per year over those paid for inputs.

Source: Eichler, Auxila, Antoine, and Desmangles, "Haiti: Going to Scale with a Performance Incentive Model", in Performance Incentives for Global Health-Potentials and Pitfalls. (2009).

- **Nicaragua CCT (both Demand and Supply):** Increase of over 30% in immunization coverage compared to control areas- even larger increases for the extreme poor.

Source: Regalia and Castro, "Nicaragua: Combining Demand- and Supply-Side Incentives," in Performance Incentives for Global Health-Potentials and Pitfalls. (2009).

Notes Slide 7:

Evidence for pay for performance is provided in the 2009 CDG book "Performance Incentives for Global Health-Potentials and Pitfalls" by Echler and Levine and the Performance-Based Incentives Working Group.

Some examples here of effects of both demand and supply side incentives (taken from presentation by both authors 'Pay for Performance: Changing Incentives to achieve Results' at the Asia P4P Workshop Jan 2009 held in the Philipinnes)

What is the evidence?



- **Supply side in Rwanda:** increasing use of generic curative services. Pilot regions with P4P saw increase in per capita curative services from .22 to .55 while comparison regions increased from .2 to .3.

Source: Rusa, Schneidman, Fritsche and Musango. Rwanda: Performance-Based Financing in the Public Sector, in Performance Incentives for Global Health-Potentials and Pitfalls. (2009).

- **Supply side in Haiti:** Significant increase in attended deliveries under P4P. NGOs paid partly based on results achieved a more than 19 percentage point increase in skilled deliveries over NGOs paid for inputs.

Source: Eichler, Auxila, Antoine, and Desmangles, "Haiti: Going to Scale with a Performance Incentive Model", in Performance Incentives for Global Health-Potentials and Pitfalls. (2009).

Notes Slide 8:

What is the evidence?



- **CCTs in LAC (demand side):** Reduced child stunting by:
 - Colombia: 6.9% points
 - Nicaragua: 5.5% points
 - Mexico : 29% girls, 11% boys
- **Supply side Uganda:** little impact of performance based contracts of government with health facilities run by private not-for profit as similar improvements were seen in the control groups.

Source: Glassman, Todd and Gaarder. "Latin America: Cash Transfers to Support Better Household Decisions". In Performance Incentives for Global Health-Potentials and Pitfalls. (2009).

Source: Lundberg, Marek, Pariyo: "Uganda Can Performance Bonuses Improve the Delivery of Health Services?". In Performance Incentives for Global Health-Potentials and Pitfalls. (2009).

Notes Slide 9:

However, important to recognize that there are also less positive results reported as in the case of Uganda were similar improvements were seen in the control groups. Three explanations provided (as described in the CDG book): 1. the bonus was too small; 2. contract was complicated; 3. time was too short to show results (2 years). This is highlighting the importance of the design.

What are the risks/lessons learnt?



- **Performance improvements are seen** but more **critical analysis is needed of what works and how.** There are limitations to the evidence i.e. cost-effectiveness analyses lacking and few rigorous evaluations done (e.g. attribution, often small sample size i.e. pilots).

Source: Toonen, Canavan, Vergeer, Elovainio, "Performance Based Financing: A synthesis report" KIT 2008; Eichler, Levine, "Performance Incentives for Global Health-Potentials and Pitfalls" CGD 2009.

- World Bank currently supports piloting RBF in 8 countries with rigorous impact evaluations. **Preliminary results in Rwanda reveal the performance improvements made would not have been as significant as without PBF.**

Notes Slide10:

It can be said that with PBF, performance improvements are seen but there are limitations to the evidence still and more critical analysis is needed of what works and how.

The World Bank is currently piloting RBF in 8 countries whereby impact evaluations will be carried out. Preliminary results of research in Rwanda show the improvements in performance would not have been as significant as without PBF, as expressed by J. Schweitzer (Director of HNP department of World Bank) in the Lancet (2009, Volume 373, p. 1749)

What are the risks/lessons learnt?



- **Focusing on results, use of health data, increased autonomy and accountability**

Contributes positively to health system development and staff motivation if done well. However, it **requires capacity building** at all levels.

Potential negative effects exist such as over reporting and diverting attention from other areas. Attention to the **design and institutional set up** is vital as is consideration for the **context**.

Source: Toonen, Canavan, Vergeer, Elovainio, "Performance Based Financing: A synthesis report" KIT 2008; Eichler, Levine, "Performance Incentives for Global Health-Potentials and Pitfalls" CGD 2009.

Notes Slide11:

Some spill-over effect have been seen from PBF on strengthening the health system but - focusing on results, using health data and increased autonomy and accountability - were also found to require corresponding capacity building.

Moreover, to avoid potential negative effects it is vital to pay attention to the design and institutional set up as well as the context

Policy Framework Liberia



- **GoL Executive Law** provides for contracting, with preference for indigenous organizations
- **National Health Policy and Plan** call for contracting as one approach in implementation
- **Contracting policy** developed with clear parameters for its use.

Notes Slide12:

What is the policy framework for Liberia performance based financing and particularly contracting?

- GoL Executive Law provides for it – emphasis on indigenous organisations
- Recent national health policy and plan promotes it as one approach to be used.
- Contracting policy has been developed

Contracting Policy Aims



- Increase equitable **access** health services
- Improve the **quality** of service provision
- Strengthen national and county **support systems** to restore government management of government health facilities

Notes Slide13:

Aims of performance based contracting as expressed in the Liberia contracting policy.

Contracting policy - approaches



A mixture of approaches will be tried:

- **Contracting in**- when one level of government contracts with another
- **Contracting out**- when a partner is contracted with complete authority over all resources (human, material and financial) to provide health services
- **Management contracting**- when a partner is contracted to provide only management services over government resources.

Notes Slide14:

The approaches that are intended to be tried in Liberia- elaborate on difference between contracting in/out and management contracting.

How Can PBF be Done in Liberia



- Incorporate PBF approach into upcoming **CONTRACTS between MoH and NGOs** (management contracting/contracting out)
 - To provide BPHS and capacity building (**Health Services Contracting Policy Guidelines**)
- Incorporate PBF approach **within government** (contracting in)
 - Between MoH Central and CHT
 - Between CHTs and public facilities

Notes Slide15:

PBF in the short- to medium-term in Liberia:

- contracts between MOH and NGO's so as to provide the Basic Package of Health Services and capacity building
- pilot of PBF between MOH central and CHT' or even between CHT and the facilities – so within government

Scale of Performance Contracting



- USAID's Rebuilding Basic Health Services (RBHS): **105** health facilities
- MOHSW's Pool Fund: **60** health facilities
- CHT's as potential GFATM or Pool Fund sub-recipients
- Potential future donor funding (e.g. European Commission, Irish Aid)

Notes Slide16:

- Currently RBHS project of USAID has negotiated performance based contracts with NGO's to provide management support to 105 health facilities to deliver the BPHS.
- MOHSW intends to follow suit (by October) with similar contracts to support 60 health facilities, funded through Pool Fund
- CHT may be contracted through GFATM or Pool Fund.
- Other donors have shown an interest.

Discussion



1. Risks of PBF in Liberia?
2. Benefits of PBF in Liberia?

Notes Slide17:

People are requested to brainstorm on the risks and benefits of implementing PBF in Liberia. Once risks and benefits are known, these can be taken into consideration for the specific design of PBF appropriate for Liberia

This discussion can be done either before or after the role play -and either in the big group or in small groups subsequently reporting back to the larger group.

Discussion: Risks of PBF?



- What are its risks?
- What are the experiences so far with PBF i.e. pool fund or RBHS?
- What capacity building and systems are required at the operational level to implement PBF?
- What support will be needed during the implementation? Are there preconditions to implement?
- What about costs? Sustainability?
- How can PBF affect your work?

Notes Slide18:

If needed, some sub-questions can be posed to help the discussion along.

Discussion: Benefits of PBF?



- What are the benefits of PBF? Also compared to input financing.
- How can PBF work to improve results?
- At what level should PBF work i.e. demand or supply side?
- To whom accountable? Community participation?
- How can PBF benefit your work?

Notes Slide19:

If needed, some sub-questions can be posed to help the discussion along.