

In Schematics: Afghanistan Performance-Based Financing of Non Government Organizations and its Health Facilities

BY PETRA VERGEER, TEKABE BELAY and JEAN-PIERRE MANSHANDE (World Bank) in collaboration with Ahmad Shah Salehi (Ministry of Public Health, Afghanistan)

In 2003, the government of Afghanistan received a grant from the World Bank for a three-year Health Sector Emergency Reconstruction and Development Project to rapidly expand the delivery of a basic package of health services (BPHS) aimed primarily at women and children in seven under-served and primarily rural provinces (population approx. 2.7 million). The government signed three-year Performance-based Partnership Agreements (PPAs) with eight competitively selected NGOs (chosen through a quality and cost based procedure), who were responsible for implementing the BPHS in the provinces. The contract period was subsequently extended to five years. Winning bidders received the bid amount and were eligible to receive a performance bonus of up to ten percent of the value of the contract for good performance on a series of quality measures over the life of the contract period. The quality measures were assembled in a “Balanced Scorecard” (BSC), which focused on six domains of health services (patient perspectives, staff perspectives, capacity for service provision, service provision or technical quality, financial systems, and overall vision for the health sector), together with two composite measures of performance (percent of upper and lower benchmarks achieved). Each year an independent 3rd party agent (Johns Hopkins University with its partner the Indian Institute of Health Management Research) collected data to calculate these indicators and benchmarks through a health facility assessment. Facilities were rated on a scale of 0-100, and further categorized as high, medium or low performers. To earn an annual performance bonus, an NGO had to demonstrate a ten-percentage point or more improvement over its previous score on the assessment. Results of the assessments were publicly available. Further descriptive information on this process can be found in e.g. *Verification at a Glance*, by editors: Joseph F. Naimoli and Petra Vergeer at: <http://www.rbfhealth.org/rbfhealth/library/doc/309/verification-glance> The BSC is currently still in use in Afghanistan for monitoring purposes but is no longer linked to payment for performance of the NGOs.

In 2008, a new round of PPAs was commenced which was an opportunity to further evolve the performance based payment system in Afghanistan. It was found that though conditions to provide quality of care had improved; there was still an underutilization of services which the Ministry of Public Health (MOPH) wanted to address. For that reason, performance payments were also made available for the volume of services conditional on the quality of care (similar to the PBF scheme in Rwanda). It was furthermore felt that the incentives should trickle down from the implementing NGO to the Health Facilities (HF) in the province to improve actual performance in service delivery quantity and quality. The scheme below illustrates the revised scheme whereby the HF submits a report on the quantity of services provided while the Provincial Health Office (PHO) quarterly scores the quality for each HF. A third party independent firm is contracted to counter-verify on quarterly basis that patients exist and received the services reported. Following reconciliation of the NGO report on the number of services provided (by the HFs in their province) with the third party results and the quality scoring submitted by the PHO, payment is made from the Health Economics and Finance Department (HEFD), formerly known as the General Contract Management Unit (GCMU), in the MOPH to the NGO. The NGO in turn, pays the health facility based on their performance. The PHO contracted to carry out the quality scoring is also paid on a quarterly basis by the GCMU. The annual HF assessment carried out by the third party counter verifies the PHOs quality reports submitted. A difference of more than 10% between the annual average of scoring by the PHO and the third party HF assessment requires the PHO to reimburse on an annual basis.

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