Results-based financing and NCDs
An overview of the WB work in the Caribbean

Carla Pantanali
Health, Nutrition and Population
Outline of the presentation

1. Why RBF for NCDs in the Caribbean?
2. What are we doing?
3. Design issues and challenges
Health challenges in emerging markets...

Rise in non-communicable diseases
such as cardiovascular disease, cancer, respiratory illnesses and diabetes, make up the largest contribution to mortality in most low-income countries and globally.

Paradigm shift
Chronic conditions require a different skill and workforce mix, centered around primary care. This means fewer hospital specialists, but more nurses and other health professionals.

Increasing costs and expectations
Ageing populations, more advanced and costly technology and increasing expectations from patients.
do not vary significantly...

Why RBF for NCDs in the Caribbean?

What are we doing?

Design and challenges

Lack of infrastructure
Many low-income countries lack the facilities necessary to provide basic health care services and products.

Shortage of trained staff
Many low-income countries have a shortage of adequately trained staff to meet the needs of the population.

Limited resources
Resources from all sources are limited which means that governments increasingly need to do more with the same amount of resources.
Rise in non-communicable disease burden
Financial burden is increasing and will increase more
Spending in health is relatively low and not optimally allocated
Shortage of trained medical and nursing staff
and the Caribbean is no exception
Some data to keep in mind...

**Burden of Disease:** around 70% of Years of Life Lost in the Caribbean due to NCD (global avg. 50%)

**High Expenditure.** NCD patients spend 36% of total household expenditure for care

**Erosion of the countries’ workforce and productivity and increase vulnerabilities of the Caribbean population**

**Heavy burden on limited resources for both governments and households**

Why RBF for NCDs in the Caribbean?  
What are we doing?  
Design and challenges
Substantial BOD due to NCDs in the Caribbean

Why RBF for NCDs in the Caribbean?

What are we doing?

Design and challenges
Risk factors have worsened...

- Overweight/Obesity: 38.4% males, 65.3% females to be obese by 2015.

- Physical Inactivity levels: due to urbanization and sedentary lifestyles

- Smoking responsible for at least 10% of all deaths in the Caribbean.

- Excessive alcohol consumption common across the Caribbean and in poorer households
Lost output due to the five conditions
≈ US$ 47 trillion

In low and middle income countries cumulative economic losses in the period 2011-2025 are estimated to surpass nearly US$ 7 trillion.

That means...
— Average of nearly US$ 500 billion per year
— Yearly loss equivalent to approximately 4% of these countries’ current annual output
Projections get worse...

[Graph showing projected lost output (2010 US$) for different income categories from 2011 to 2029.]

Source: Harvard School of Public Health

Why RBF for NCDs in the Caribbean?

What are we doing?

Design and challenges
WHAT HAVE WE DONE SO FAR IN THE CARIBBEAN?
Why RBF for NCDs in the Caribbean?

What are we doing?

Design and challenges

BOD Saint Lucia

1990/2010
BOD Dominica 1990/2010

Why RBF for NCDs in the Caribbean?

What are we doing?

Design and challenges

1

2

3

Annual % change 2005 to 2010 DALYs/100,000
Convening RBF:
S2S Exchanges to Pilot RBF to address NCDs

Assessment: NCD: Dominica and Saint Lucia situational analysis

Convening: RBF: S2S Exchanges to Pilot RBF to address NCDs

Financing: Potential Regional Operation for NCDs

Why RBF for NCDs in the Caribbean?
What are we doing?
Design and challenges

2012
2014
1. Why RBF for NCDs in the Caribbean?
2. What are we doing?
3. Design and challenges

Phase 1: ASSESSMENT

- Siutational analysis in Saint Lucia and Dominica
- Recommendations for piloting RBF approaches in the Dominica and Saint Lucia health sector
- Financing for piloting RBF for NCDs in SL and Dom

- Jan 2012: RBF awareness raising workshop
- Nov 2012: In-country consultation
- Expectations!

- Analysis of financing options
- Assessment of organizational arrangements and HIS and M&E
- In-country discussion of results

- Securing of WB TF for piloting RBF

PILOT IN SAINT LUCIA AND DOMINICA
Phase 2: Knowledge exchanges

- FESP Project
- Plan Nacer
- Fiduciary arrangements (audit)

- PARS 2 Project
- Information system

- Pay-for-performance scheme

ARGENTINA (NOV 2013) → DOMINICAN REPUBLIC (JAN 2014) → BELIZE (FEB 2014)

PILOT IN SAINT LUCIA AND DOMINICA
Essential Public Health Functions Project

1. Strengthen the stewardship of National and Provincial Authorities
2. Reduce exposure of population to risk factors associated to NCDs
3. Expand coverage of 7 Groups of Diseases and Prioritized Public Health diseases
4. Strengthen Health Promotion, Healthy habits and lifestyles and community participation

How they use RBF?

ARGENTINA
PUBLIC HEALTH ACTIVITIES - WHAT ARE THEY?

• Group of actions aimed at strengthening and improving public health results

• Effective and standardized activities, with measurable and justifiable value.

• At design:

  Identify operational unit costs of delivering PHAs

• At implementation:

  Identify and agree on annual targets to be achieved
  Define protocols for each PHA and for the External Audit
Safe Blood Program: Increase voluntary blood donations

How the Project tracks the indicator:

1) Traditional Financing: Construction of a regional blood banks

2) Eligible Medical Supplies: Procurement of reagents to screen blood

3) RBF - PHA:
   - Blood donation operatives by regional blood banks (25 donors)
   - Unit of measurement: # of operatives
   - Unit cost components: professionals and technicians extra time, travel and meals, promotion materials, data collection
   - Unit cost: UDS 870
LIFE CYCLE OF PHAs

1. Why RBF for NCDs in the Caribbean?
2. What are we doing?
3. Design and challenges

NO OBJECTION FROM WORLD BANK

1. DESIGN
   C.U. National and Provincial Programs

2. NO OBJECTION FROM WORLD BANK

3. EXECUTION (PROVINCES)

4. SWORN STATEMENTS

5. SETTLEMENT

6. AUDIT

ARGENTINA
Partnerships with the Argentina Association of Bakeries towards salt reduction

7,000 out of 28,000 bakeries engaged in salt reduction strategy
WHY PHAs?

- Improve need for strategic planning
- Collaborate with progress of identification of population
- Foster allocative efficiency
- Improve data quality
- Introduce reimbursement on the bases of public health results
Before Plan Nacer

- Implicit universal public coverage.
- Financed through public budget.
- Quality and coverage gaps.

Plan Nacer

- Explicit coverage of prioritized services for the population without formal insurance.
- Additional investment through RBF
- Quality driven strategy.

Final Objectives

- Improve the health status of population
- Increase satisfaction

ARGENTINA

Why RBF for NCDs in the Caribbean?

What are we doing?

Design and challenges
Full Capitation payment based on performance

Enrollment (monthly payment)

Health outcomes – Tracer indicators (every four months)

Provincial Health Insurance

Fee for Service (monthly payment)

NATION

PROVINCE

HEALTH PROVIDER

Sets a per capita value USD2,5

Performance Agreement

EXTERNAL and INTERNAL VERIFICATION

Stewardship

Autonomy in use of funds

Consensus

USE OF FUNDS

• Staff Incentives
• Staff hiring and training
• Supplies
• Investment
• Maintenance

Consensus
Virtuous cycle promoted by the Program

- Health care is provided to the population
- Improvements in health care
- Additional resources to health providers
- Verification and Payment
  - Tracers measurement
- Ex post Verification

✓ Health professionals complete the medical records
✓ Administrative staff bill the health services
✓ Verification and Payment
  ✓ Tracers measurement
RBF thru Health Sector Reform Project

- Supports GODR overall goal: improve quality of health expenditures & health services
- Primary Health Care focus
- Performance based contracts between MOH and Regions, in coordination with NHI
  - 50% = capitation for essential health services package
  - 50% = regional performance for 10 indicators (MCH & comm. diseases; NCDs) of coverage & quality
Fosters results-oriented & learning culture

Improvements: data recording & info verification systems/mechanisms

RBF regions account for ~ 81% of Clinical Mgt. System (CMS) entries nationwide

Notable progress in indicators (2011 to 2013)

- % children < than 15 mos. w/ complete vaccination scheme acc. to protocols: 0.01 to 46.7
- % of pregnant women monitored for risk acc. to protocols: 0.43 to 18.8
- % of children monitored for growth & devt. acc. to protocols: 0.27 to 25.8
- % of individuals > 18 years w/ hypertension screening acc. to protocols: 0.89 to 45.2
DECIDE

What to reward
Who to reward
How much to reward

1. Why RBF for NCDs in the Caribbean?
2. What are we doing?
3. Design and challenges

AFTER ASSESSMENT....DECIDE!

Phase 3: Designing the pilot
Strategies for Prevention and Control of NCDs

Focus: DIABETES and HYPERTENSION

1. Why RBF for NCDs in the Caribbean?
2. What are we doing?
3. Design and challenges

Surveillance

Public Health Interventions

Health Facilities

Institutional Strengthening

[Graphs showing trends in blood pressure and population distribution]
Assessment of existing tools, guides & protocols
Paying for inputs

- Line item budgets
- Fee-for-service

Paying for outputs

- Fee-for-service

Paying for performance

- DRG
- Capitation

Paying for outcomes/results

- Full capitation with performance incentives
- Episode-based payment with performance incentives

Why RBF for NCDs in the Caribbean?

What are we doing?

Design and challenges

Provider payment models

Why RBF for NCDs in the Caribbean? Why?
2 proposed Components for RBF pilot for NCDs for Saint Lucia and Dominica:

1) Output Based Disbursement (PHA or P4P)

2) Capitation
1) Output Based Disbursement

Payments for Public Health Activities on a production basis

Payment = Costs of activities * quantity of activities
2) Capitation

Fixed payment to a Provider to Deliver all Services in a Defined Package for one Individual for a Fixed Period of Time

Base Per Capita Rate \times \text{# of People Enrolled with that Provider} \times \text{Adjustments}

Patients are linked to a provider for a fixed period of time
Why RBF for NCDs in the Caribbean?

What are we doing?

Design and challenges

Who are the stakeholders involved?

Ministry of Health (MOH)
- Define Protocols
- Budget allocation

Chief Health Planner (CHP)
- Establish goals
- M & E
- Determine allocation to clinics

Clinics
- Enroll target population
- Provide services
- Report clinic records
- Allocate funds
DECISIONS TO MAKE:

SF = 30% * (K * PE) + 70% * (K * PE * GA)

- **Decision 1:** Population to cover
  
  **PE** = number of target population enrolled

- **Decision 2:** Amount of the Capita. Significant enough to change behaviour
  
  **K** = Capita

- **Decision 3:** Type of indicators
  
  **GA** = Percentage of Goals Accomplished

- **Decision 4:** Definition of eligible items
  
  **Allocation of funds**
TO KEEP IN MIND....

CLEARLY DEFINE THE GOAL OF THE PROJECT: Standardization of care or Reduction of Incidence of Diabetes and Hypertension?

Do we want to improve the quality of life through the effective management of Diabetes Mellitus & Hypertension?

Or Improve the effective standardization of care in the approach to the management of NCDs and the reduction of the incidence and complications among the population?
CHOOSE YOUR TARGET POPULATION for each specific intervention

Indicators: Need to be measurable and attainable within the project timeframe. If using PHAs, align them with result indicators

Given the importance of quality assurance, consider selecting initial indicators that would focus on updating of and training on protocols and dedicating HR to enforce compliance

PHA: Need to develop guidelines and protocols for each PHA as well as information systems for record-keeping
IMPLEMENTATION ARRANGEMENTS: ASSESS RBF IMPACT AT THE SYSTEM LEVEL

- Decentralized system in Dominica will require funding for RBF allocated to the districts and managed at that level.

- Centralized system in Saint Lucia: few organizational changes due to RBF. The MOH will remain the payer of services through the Primary Health Care Services.

HUMAN RESOURCES: RBF scheme may result in a redistribution of personnel
Thank you!
Carla Pantanali
cpantanali@worldbank.org