

# Results-Based Financing for Health November 5, 2014

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# Overview

- **Why results-based financing (RBF) for health?**
- **What is RBF?**
- **How does RBF work?**
- **What do results show about RBF?**
- **What are some lessons from RBF?**

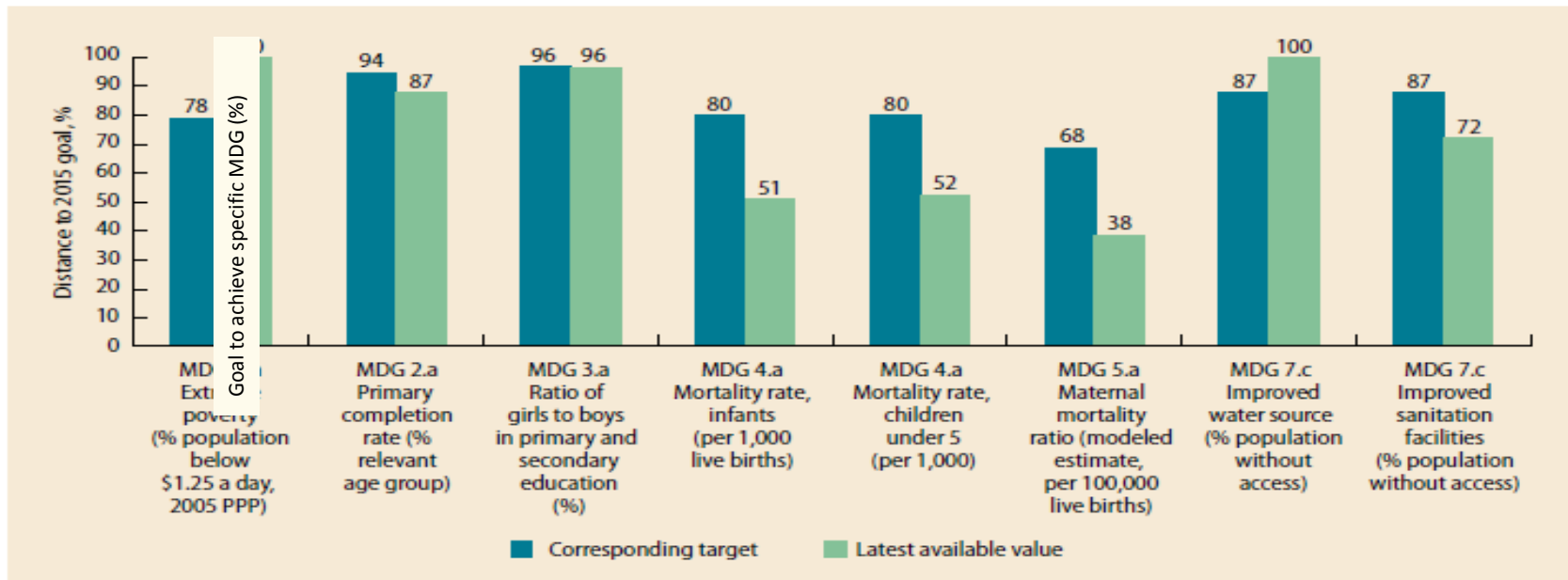


Why RBF?

# Challenges for countries

- Broad progress towards achieving the Millennium Development Goals (MDGs) but some challenges remain for health-related MDGs, including the epidemiological transition

**FIGURE 1 Global progress toward the MDGs varies**  
Developing countries, weighted by population

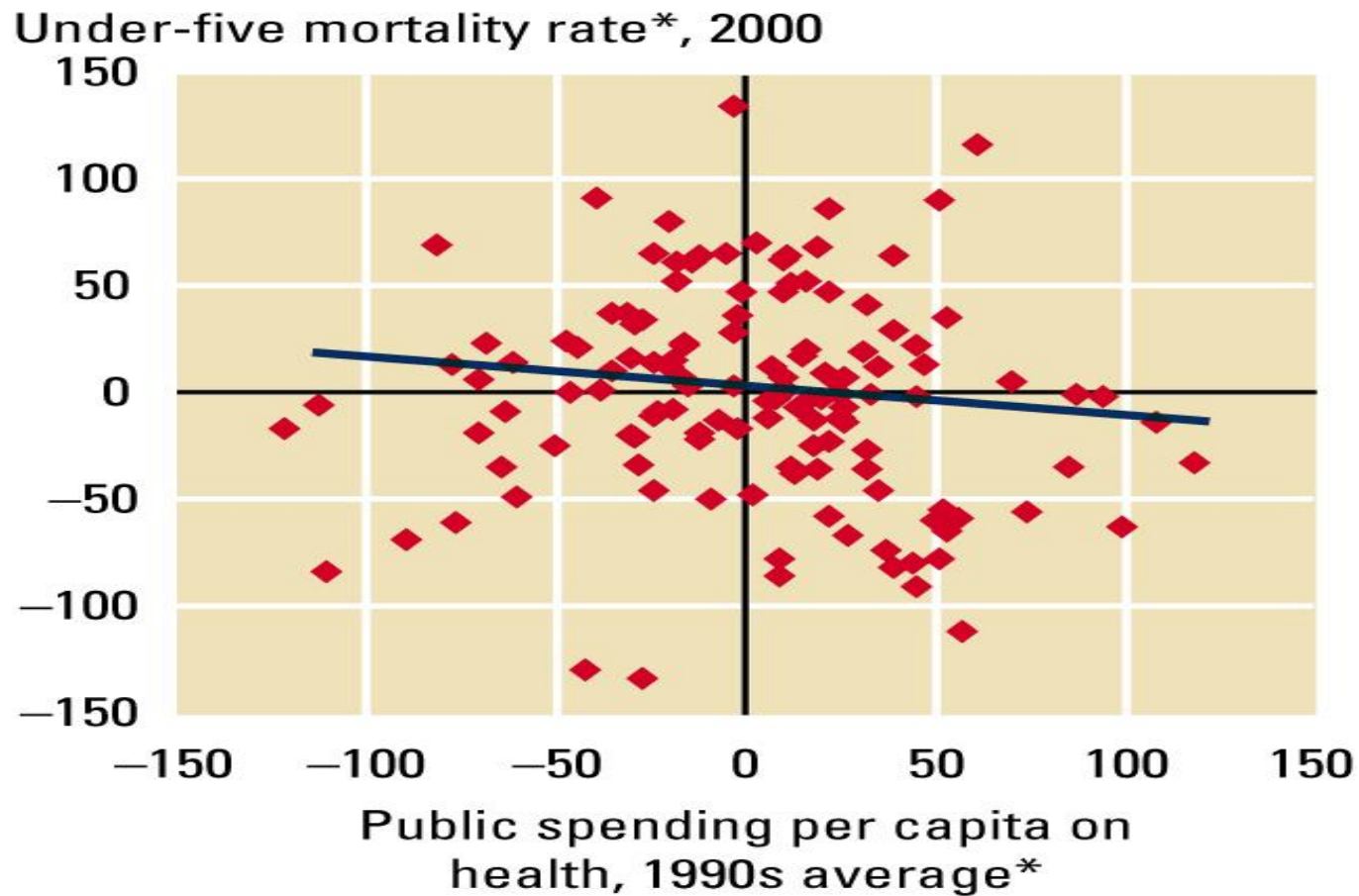


Source: World Bank staff calculations based on data from the World Development Indicators database.

Note: A value of 100 percent means that the respective MDG has been reached. "Corresponding target" indicates progress currently needed to reach the goal by 2015. "Latest available value" denotes current progress as illustrated by the most recent available data: extreme poverty, 2010; primary completion rate, total, 2009; ratio of girls to boys in primary and secondary education, 2009; mortality rate, infants, 2010; mortality rate, children under 5, 2010; maternal mortality ratio, 2008; improved water source, 2010; improved sanitation facilities, 2008. PPP stands for purchasing power parity.

Source: World Bank Global Monitoring Report, 2012

# It is not just a matter of more money



\* Percent deviation from rate predicted by GDP per capita

Source: Spending and GDP from World Development Indicators database. Under-5 mortality from Unicef 2002

Source: Soucat, A. *'The Promise of RBF to Reach the Health MDGs and the Evidence Gap: How Impact Evaluation Can Inform Policy Dialogue'*.

# Role of RBF in health

## RBF in the health sector is needed to:

- Help focus government and donor attention on outputs and outcomes
  - Example: the number of women receiving antenatal care or taking children for regular health and nutrition check ups to reduce child mortality rather than inputs or processes (i.e., 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.



What is RBF?

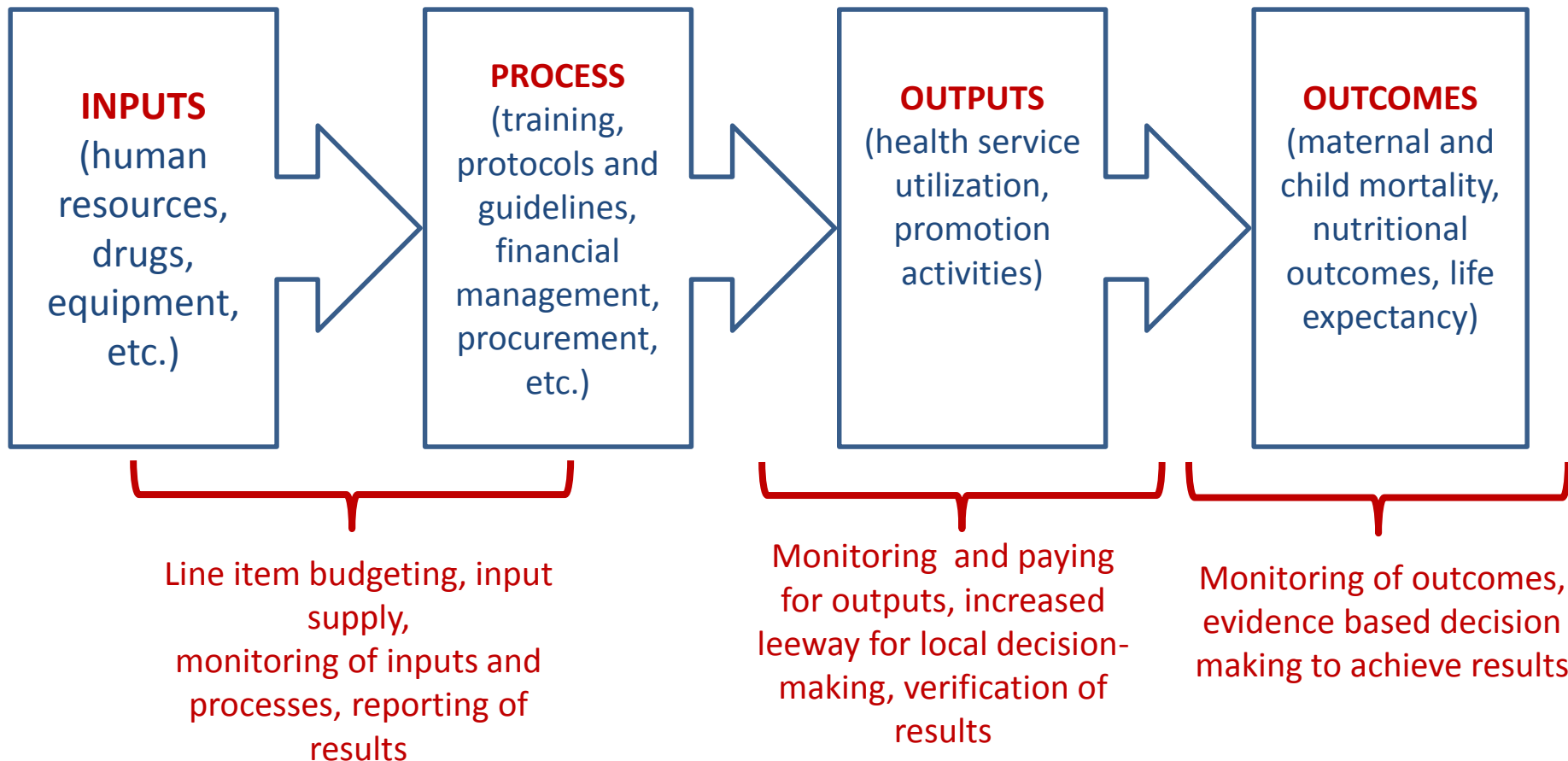
# What is RBF for health?

**Results-Based Financing (RBF) – Umbrella term applicable to many sectors**

**RBF for Health – “a cash payment or non-monetary transfer made to a national or subnational government, manager, provider, payer or consumer of health services after predefined results have been attained and verified”** ([www.rbfhealth.org](http://www.rbfhealth.org))



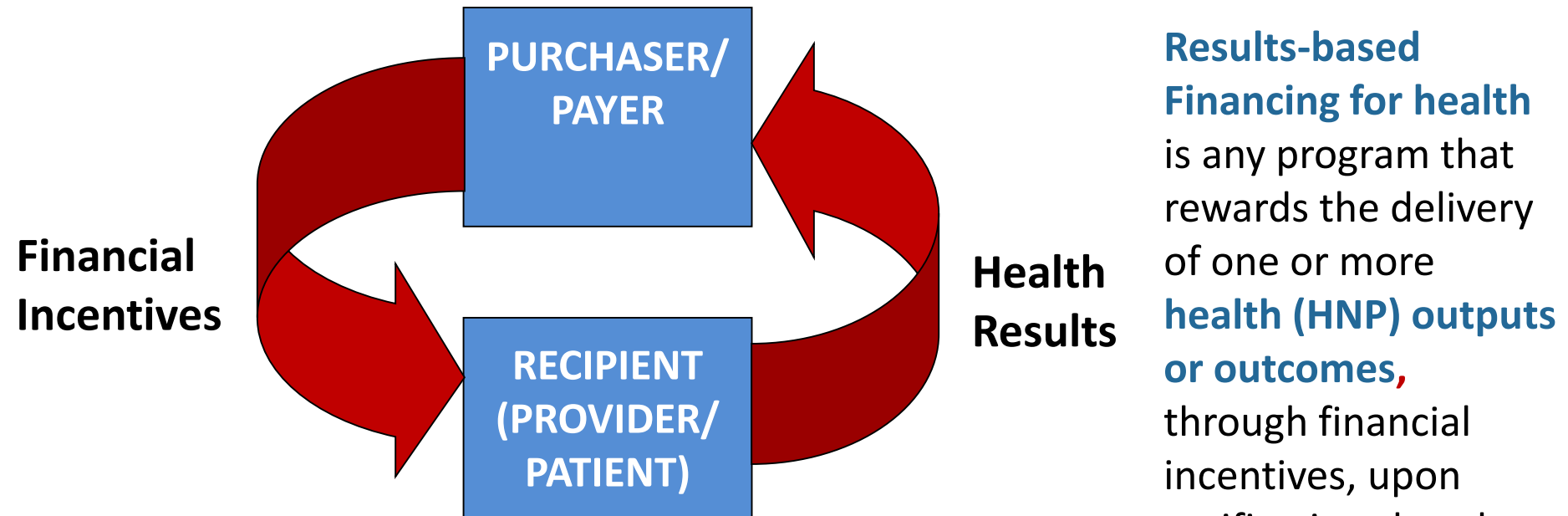
# Traditional Input Financing vs. Output Financing: A Shift in Focus





How does RBF  
work?

# How does RBF work?



**Results-based Financing for health** is any program that rewards the delivery of one or more **health (HNP) 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.

# An example how supply side RBF works

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# RBF is a health system intervention



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# RBF is a health system intervention



LINKING PAYMENTS TO RESULTS



# RBF is a health system intervention

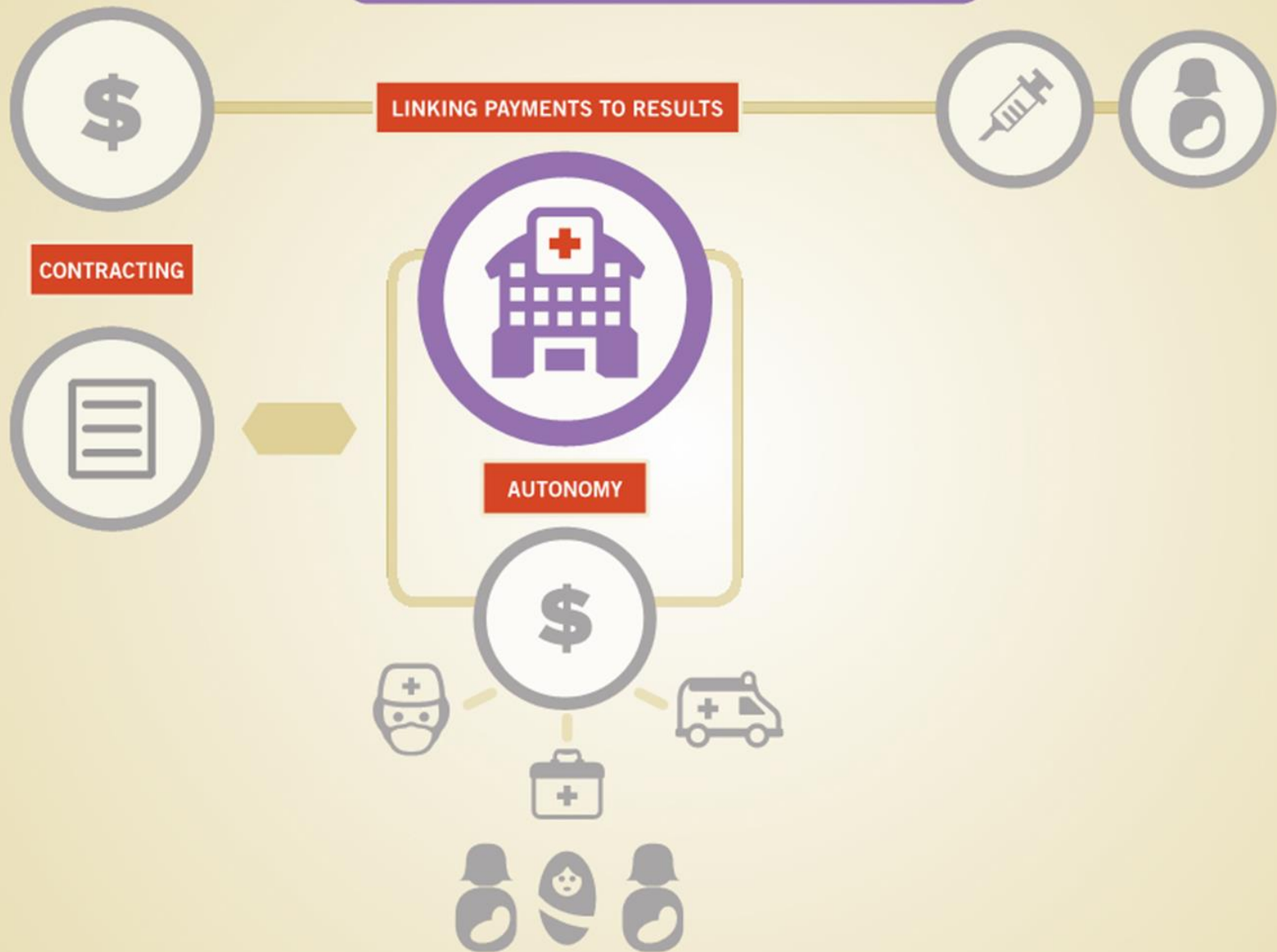




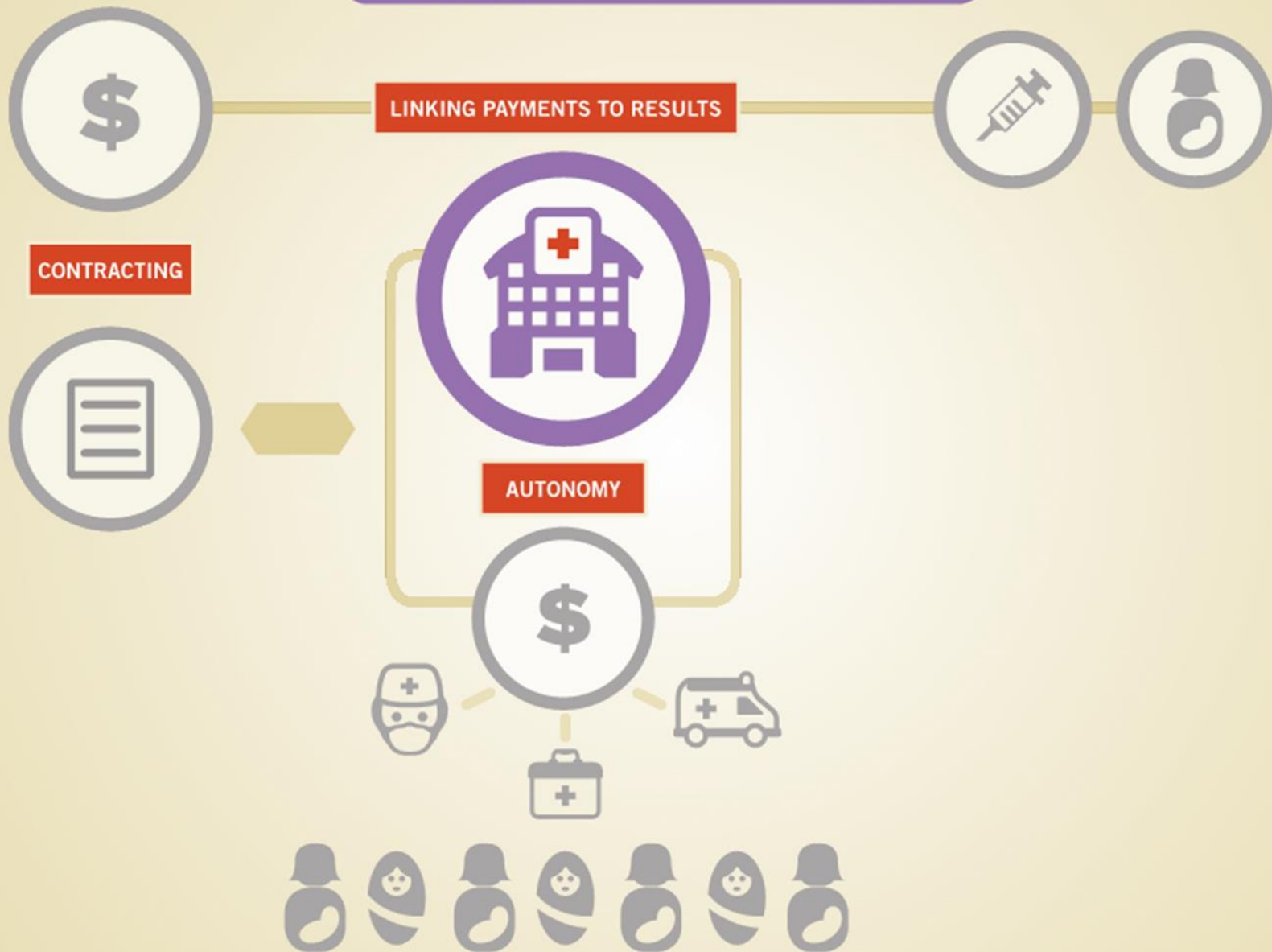
# RBF is a health system intervention



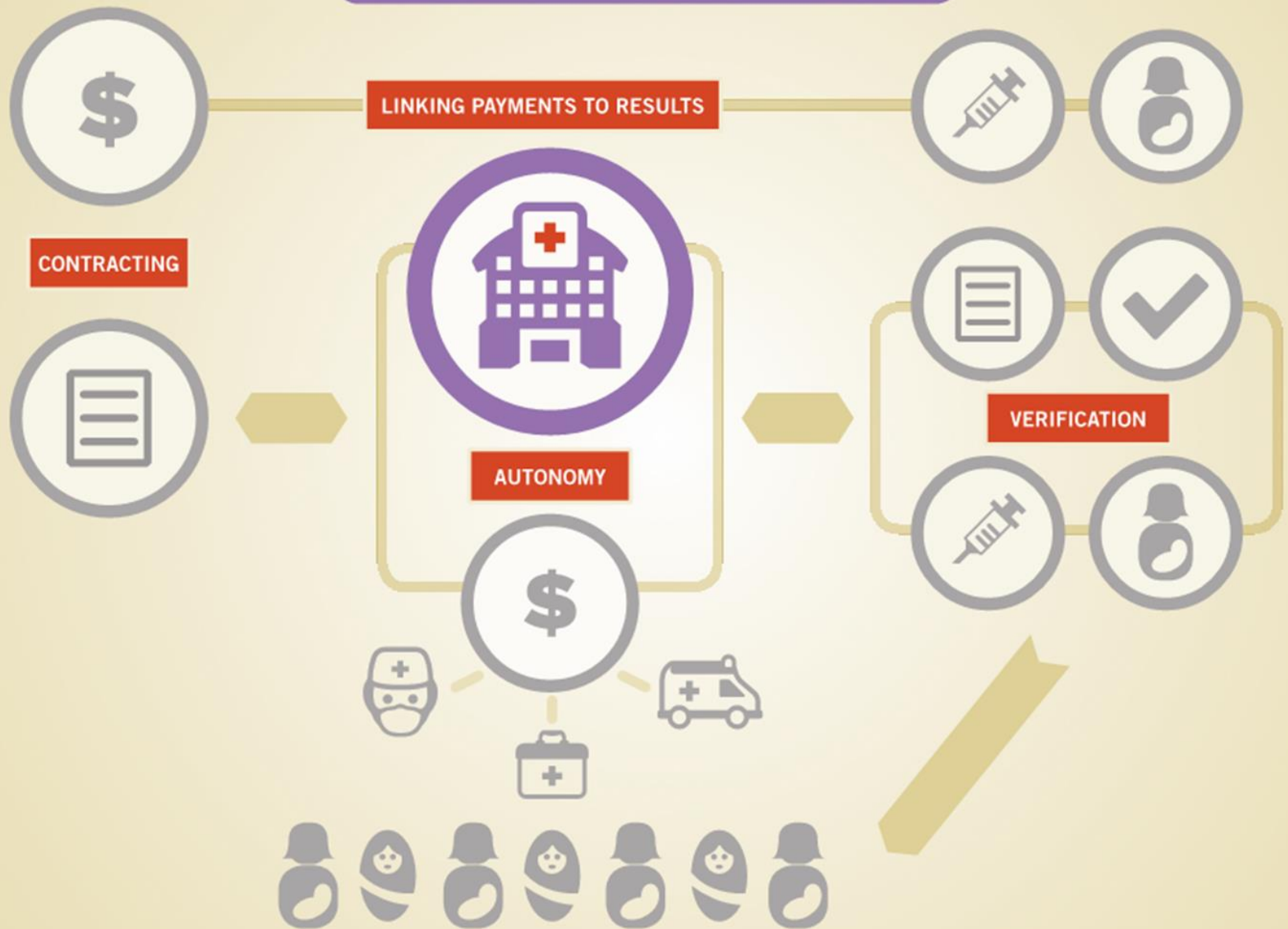
# RBF is a health system intervention



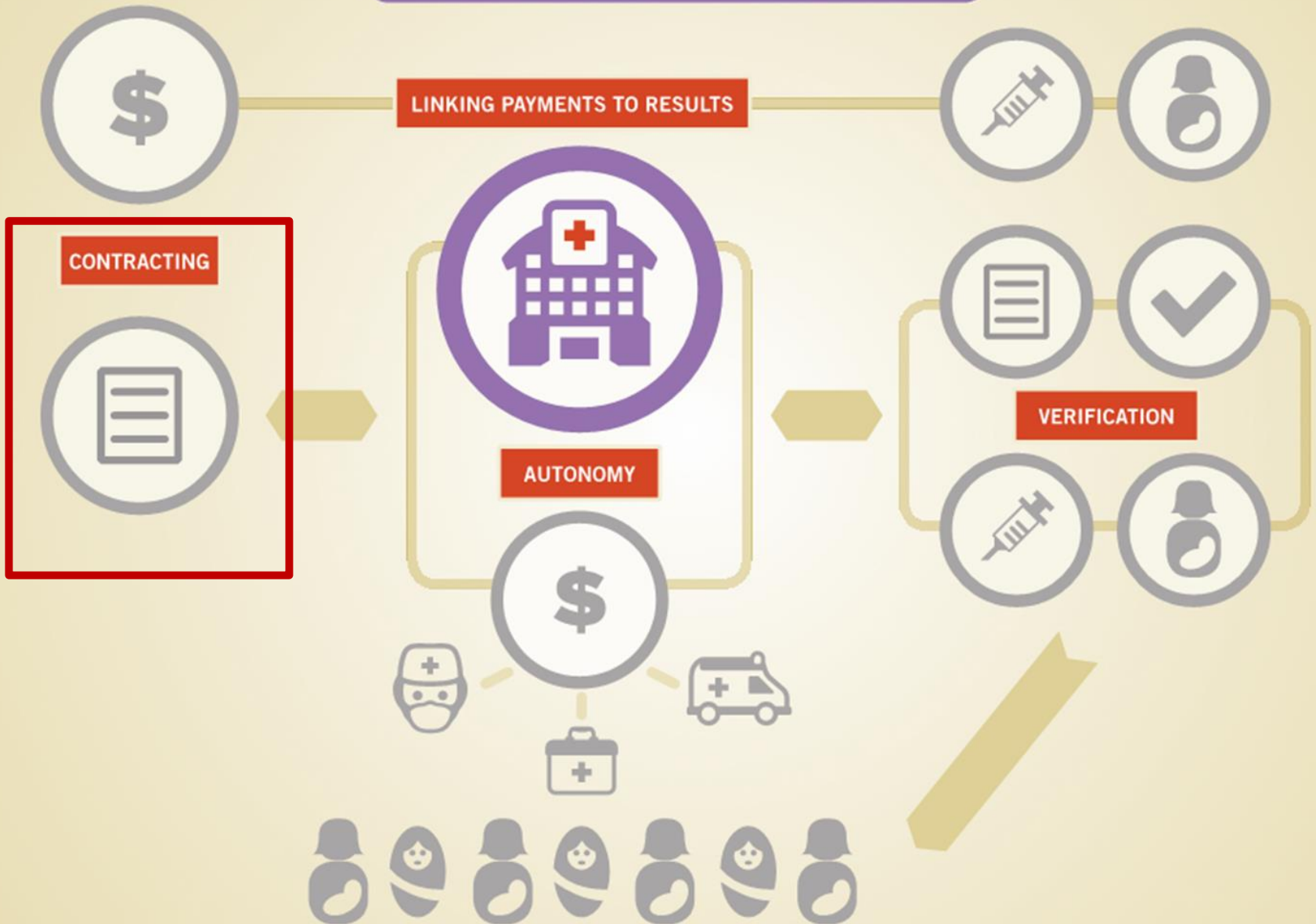
# RBF is a health system intervention



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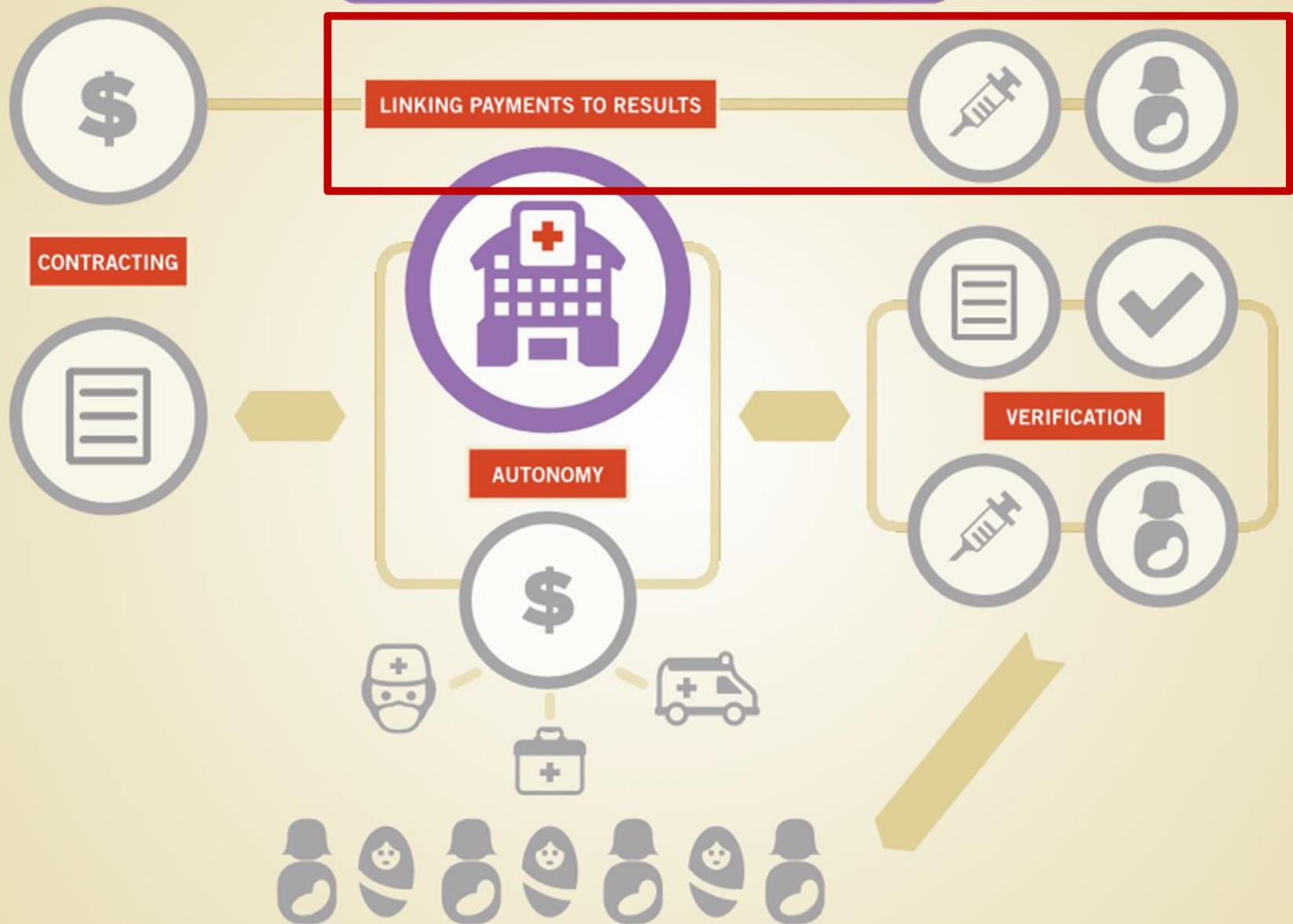
# RBF is a health system intervention



# Contracting and what to purchase

- **What to purchase?- Depends on underlying issues:**
  - MDGs, non communicable diseases
  - Preventive vs. curative indicators/services
  - Service delivery quantity and/or quality
- **Who to purchase from?**
  - Demand and/or supply side (beneficiary, hospital)
  - Public and/or private (sub-contracting)
- **Contracts to establish new rules of the game**
  - Consequences for non performance (e.g. carrot and/or stick)
  - Sanctions for misreporting

# RBF is a health system intervention



# Choosing realistic indicators

**Under the purview of those responsible for achieving them**

- Decision-making authority

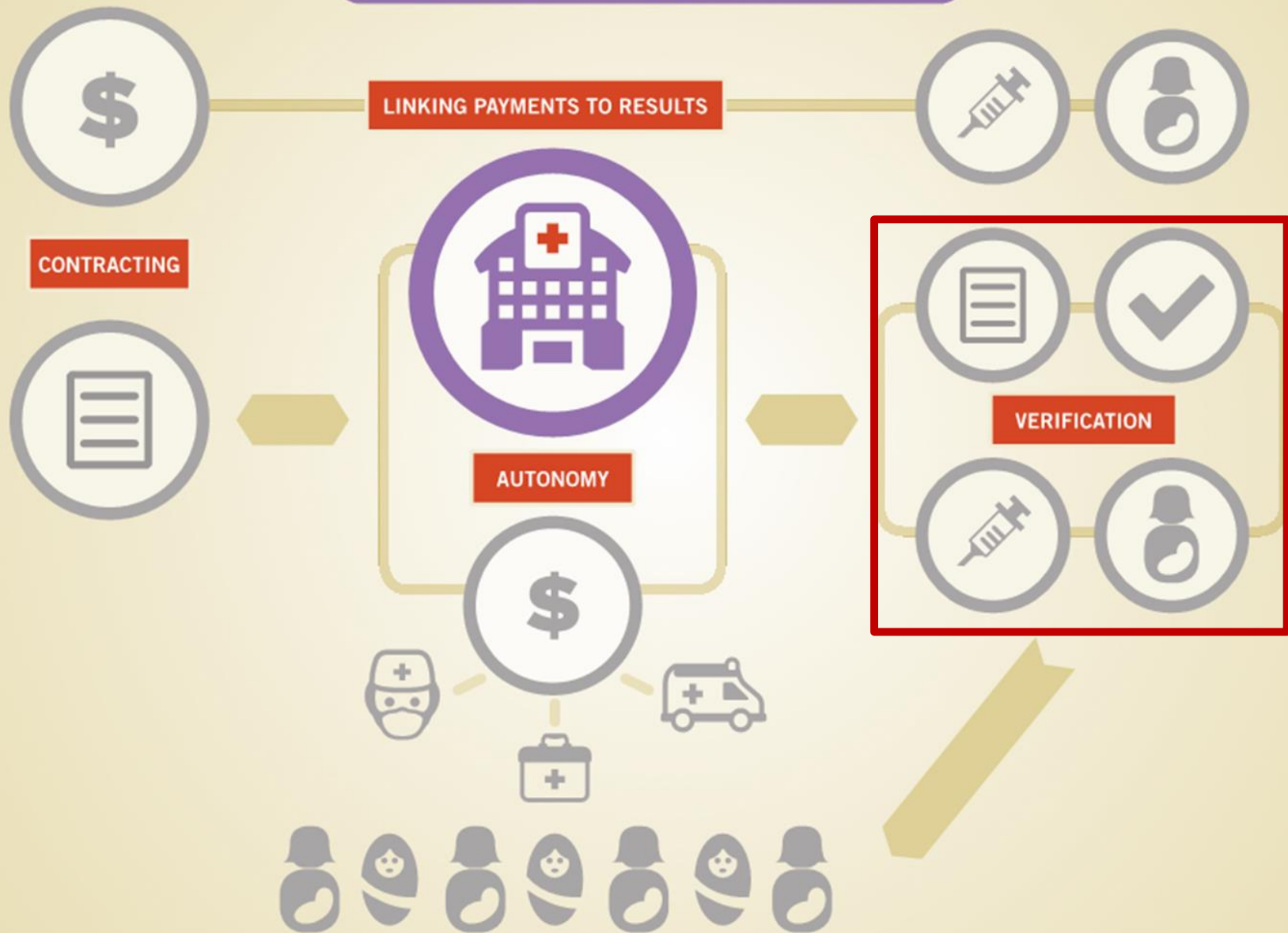
**Well defined, measurable results**

- RBF SMART indicators (able to objectively verify them)
- Quantity and/ or quality

**Incentivize desired behaviors (e.g., curative vs prevention for supply side, prenatal care for demand side)**



# RBF is a health system intervention

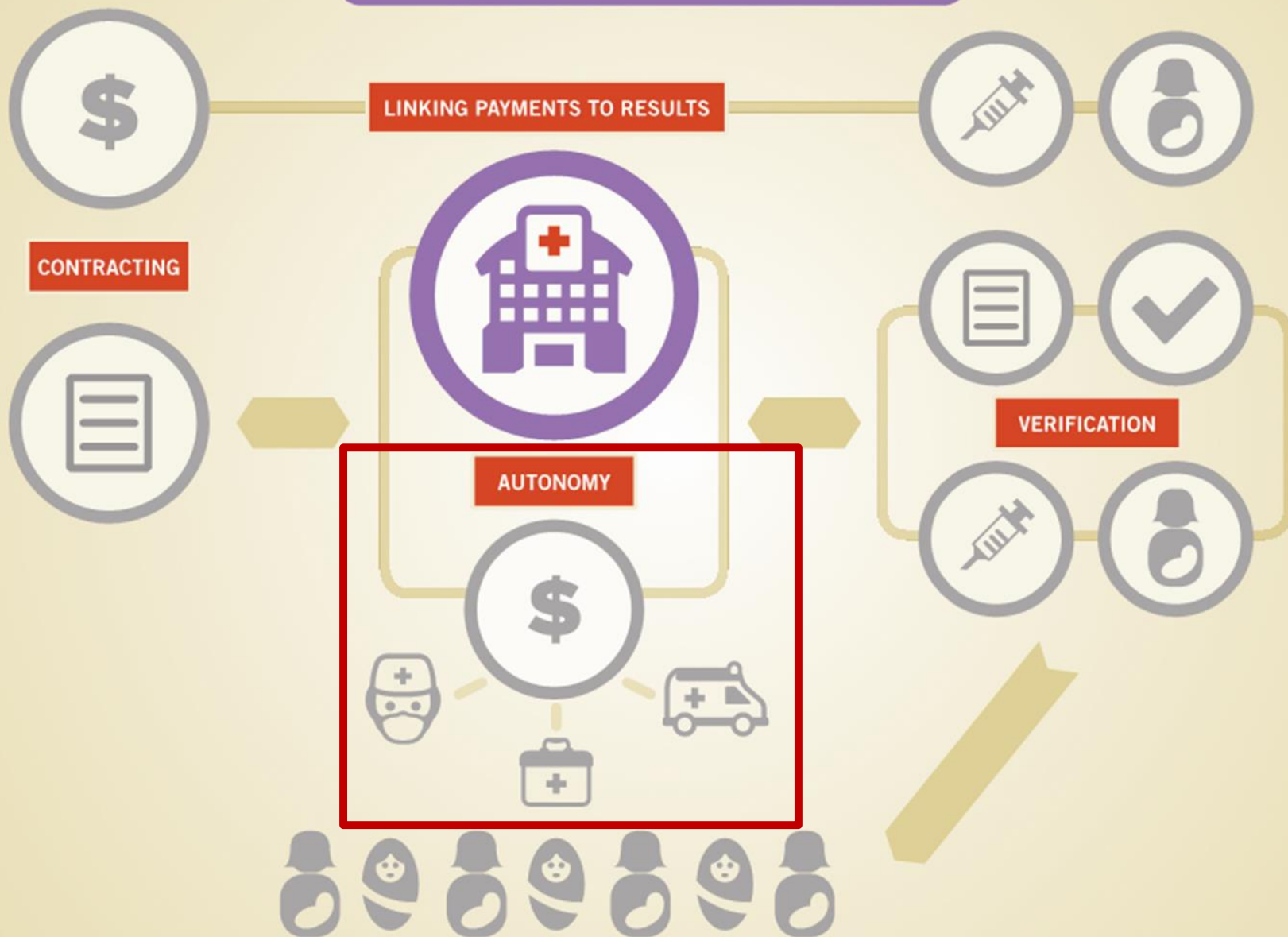


# Verification:

## Essential element of RBF implementation

- **Not to be confused with M&E**
- **Function linked to payment**
- **Donors and government acutely sensitive to potential for “over-payments” for inflated service reporting**
- **Avoid appearance of, or actual conflict of interest: provider has incentive to over report; separate actor must verify reporting**

# RBF is a health system intervention



# RBF fund flows

## Decision-making on resources allocation (e.g., HR)

- Use of RBF and non RBF funds

## Financial management/ fund flows

- Who pays? When? Who authorizes payment?

## Governance structures

- Transparency in use of funds, release of funds
- Monitoring of results and decision-making



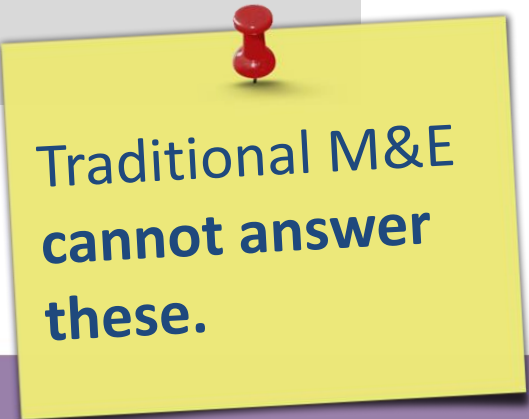
# Results

# An impact evaluation answers:

**What was the effect of the program on outcomes?**

**How much better off are the beneficiaries because of the program/policy?**

**How would outcomes change if one changed the program design?**



Traditional M&E cannot answer these.

# Another RBF example: Mexico's conditional cash transfer (CCT) program

- Mexico's human development program *Oportunidades* targets the poor with cash transfers conditional on health and education co-responsibilities.
- Health and nutrition conditions require:
  - periodic checkups by all household members;
  - growth monitoring for children under five years of age;
  - perinatal and postnatal care for pregnant women;
  - nutritional supplements for infants and pregnant women;
  - 'self-care' health education workshops for an adult in the household, preferably the mother.

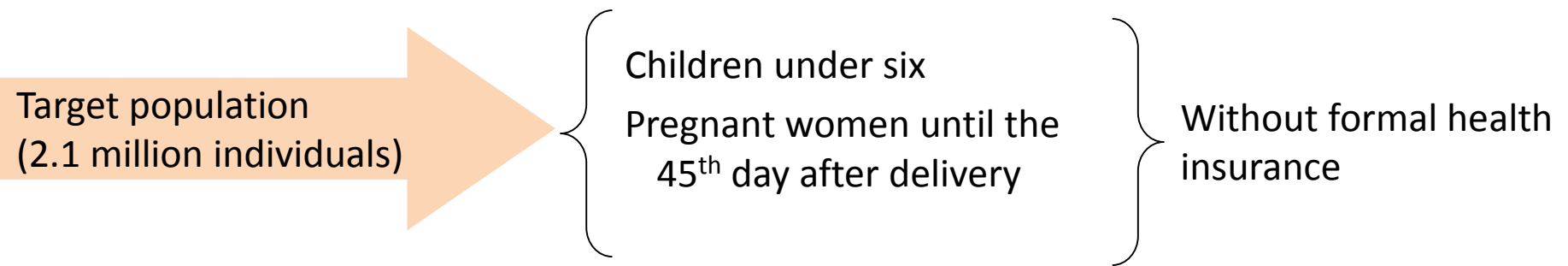
# Some promising results with RBF- Mexico's CCT program

- 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%).



# What is Plan Nacer?

- **Objective:** Improve health coverage and quality health care for its target population.



- **23 provinces and the Autonomous City of Buenos Aires**
- **7,800 public providers**
- **The program supplements the existing provincial budgets with additional resources using a performance-based transfers mechanism**
  - 1st Phase USD 136 million
  - 2nd Phase USD 300 million

# Impact of Plan Nacer in 2 Provinces

- **Early detection of pregnancy:**
  - In Misiones and Tucumán provinces, Plan Nacer led to the earlier detection of pregnancy, thus improving the timely delivery of prenatal care and the subsequent detection and treatment of high-risk deliveries.
- **Prenatal care:**
  - Quantity of prenatal care consultations increased by 0.5 check-ups (increase of 17.3 percent over the control group). First visits within 13 weeks increased 8.5 percent, and within 20 weeks by 17.6 percent, with better health outcomes for the newborn children. There are also indications of improvement in the quality of care.
- **Infant and neonate care:**
  - Increased birth weight, lower incidence of very low birth weight babies, and higher APGAR scores were reported which led to a decrease in early neonatal deaths.
  - Plan Nacer also significantly increased the probability of having a well-child checkup.

**Detection of pregnancy and the provision of prenatal care as well as care for infants and neonates improved.**



What are some of the lessons from RBF?

# Lessons for RBF design

- Skills and capabilities to perform required functions are essential
- Technical assistance needed
- Pre-pilot and pilots can help iron out the kinks
- Independent verification is key
- Monitor, monitor, monitor
- RBF is an evolution

# Health system focus on outputs and outcomes

- Accountability for results
- Autonomy for health facilities to make decisions
- Ensure appropriate institutional set up to support it (purchaser, verifier, etc.)
- Build capacity to support RBF and provide assistance for achieving results
- Transparency in governance
- Provide regular and significant incentives

Emerging results are promising;  
still more to learn and share



**Results-Based Financing for Health (RBF)**

**<http://www.rbfhealth.org/>**

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