RESULTS BASED FINANCING

STRENGTHENING HEALTH SYSTEMS THROUGH RBF

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Photo DR Congo, 2017, Ilvy Njiokiktjien

Cordaid BUILDING FLOURISHING COMMUNITIES

"Every day, about 800 women die due to complications during pregnancy and childbirth."

World Health Statistics 2018, World Health Organization

Most of these 800 deaths can be prevented because we have the knowledge and technology to do so in a simple and cheap way. However, due to health system failures these simple and affordable solutions are not delivered to many of the poorest women. Cordaid is determined to improve delivery of critical Sexual and Reproductive Health services to hard-to-reach people, amongst others by promoting Results Based Financing (RBF).

WHAT IS RBF?

RBF stands for Results Based Financing and aims at improving health services for the poorest and most vulnerable people, especially those in isolated, rural areas. The essence of RBF is a direct link between funding and results: Contrary to a traditional input financing system, healthcare providers receive their payments only after their output has been verified.
But RBF is more than just a change in the way healthcare providers are paid: it is a health system reform strategy that is built on many years of experience with health system strengthening. It introduces checks and balances, motivates staff, promotes entrepreneurship and involves private parties as well as communities.

Photo Uganda, 2015, Cordaid

WHY RBF?

Despite overall improvement in health status over the last decades, large populations, particularly in fragile contexts, are still deprived of adequate health services. This is not only due to a chronic underfunding of (public) healthcare, but also to failures in the organization of health systems and inefficient use of scarce resources. In many healthcare systems healthcare providers receive funding and inputs based on an annual budget plan with stringent line items. Central planning of inputs often leads to maldistribution and the rigidity of a line item budget does not allow local health facilities to allocate money to what is really needed according to their knowledge. Moreover, monitoring and accountability mechanisms focus on correct budgeting and financial reporting rather than providing accessible services of good quality.

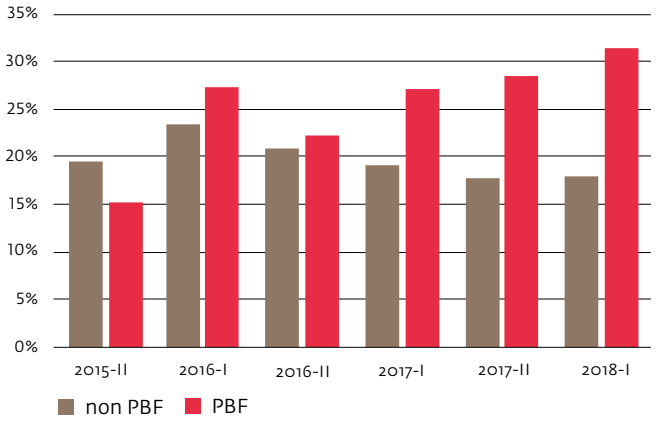
SOME RESULTS

RBF is having substantial impact on improving health indicators. Some highlights are:

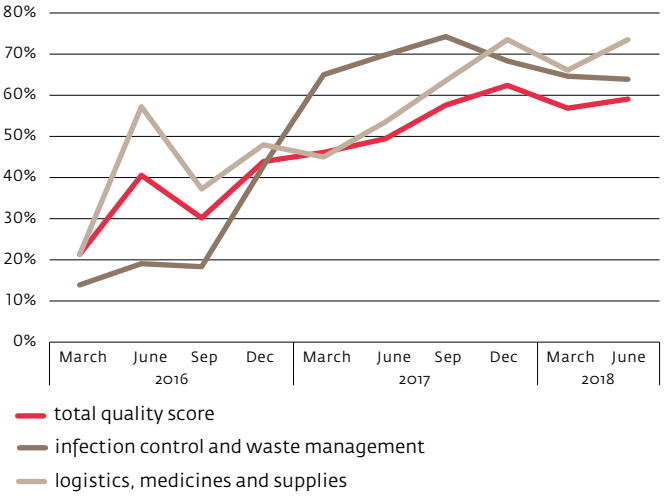
- In **Rwanda**, a World Bank impact study showed that the number of safe deliveries in health facilities had a 23% higher increase in RBF districts than in districts without RBF, while child preventive care visits increased a staggering 132% (Basinga, P. et. Lancet 2011; 377; 1421-28). In addition, out of pocket expenditures decreased by 62%, indicating that RBF makes health care more accessible for the poor.
- In the **Democratic Republic of Congo**, safe deliveries rose 97% in RBF facilities compared to non-RBF facilities while in **Burundi** this number increased between 100 and 600% in just 10 months of RBF implementation in 3 provinces.
- A review of the RBF program in **Zimbabwe** shows clear upward trends in RBF districts for antenatal care (ANC) and institutional deliveries. In control districts the number of services delivered decreased.
- In **Ethiopia**, over the course of three years, the reported number of pregnant women making antenatal care visits (ANC4) in participating health centers more than doubled (see graphic underneath).

RESULTS OF SHOWCASE PBF PROJECT IN BORANA ZONE, ETHIOPIA (2015 - 2018)

More pregnant women are making 4 anc visits



Increasing quality scores of the health centers



HOW DOES RESULTS BASED FINANCING WORK?
TURNING PROBLEMS INTO SOLUTIONS

PROBLEMS	SOLUTIONS
 **LOW JOB DEDICATION AND MOTIVATION** Health personnel often receive low salaries and have poor living and working conditions, causing absenteeism and low job dedication.	 **LINKING PAYMENT TO PERFORMANCE** RBF motivates health facilities to produce more and better services and thus receive additional income. In RBF facilities such additional income is, partly, used to improve living and working conditions as well as salaries.
 **NO CLEAR RESPONSIBILITIES, ACCOUNTABILITY AND EXPECTATIONS** For many healthcare workers it is not clear what is expected in terms of results. Furthermore, a clear division of tasks has not been made, for example, who is responsible for the availability of medicines in the hospital?	 **CONTRACTING** RBF is based on contract theory. Contracts specify which services are expected and of what quality. All actors that play a role in health service delivery can be contracted, making use of SMART indicators, so that their tasks and responsibilities are clear, and they will perform to expectation.
 **PLANS DO NOT MATCH LOCAL REALITY** Plans are made by central level managers who do not know the local situation sufficiently. Consequently, plans are not applicable and do not serve their purpose, leading to inefficient and ineffective use of scarce resources.	 **AUTONOMY FOR HEALTHCARE PROVIDERS** In line with decentralization policies, health facilities are encouraged to write their own action plans in line with local priorities and opportunities for improving health service delivery. Autonomy creates entrepreneurship and stimulates managers to find creative solutions.
 **NO CHECKS AND BALANCES** Regulation, purchase of services and actual delivery of services is often the responsibility of one and the same actor in the health system, for instance the Ministry of Health. With this comes the lack of checks and balances which is an important cause of inefficiencies within health systems.	 **SPLIT OF FUNCTIONS** A key concept in RBF is the "purchaser-provider split". An independent purchasing agent contracts service providers. Regulatory authorities only focus on policy and quality assurance (supervision). In recent RBF models payments to providers are made by a central fund holder, while the purchaser verifies and contracts service delivery at local level.
UNEQUAL ACCESS  Poor and vulnerable patients as well as patients in remote areas often find in hard to access and use quality health services. This inequity is seen to contribute to poor health outcomes. At the same time providing care to these patients in these areas is more costly.	 **EQUAL ACCESS BONUSES** In RBF services to poor and vulnerable patients are offered additional incentives, which allow them to address the specific needs of these communities and compensate for more demanding circumstances.
END-USER HAS NO POWER  Without an empowered community voice, health providers are not formally accountable to the community that they serve. This may cause inadequate response to the needs felt by the community.	 **END USER EMPOWERMENT** RBF demands the presence of a health facility committee, which has clear roles in oversight of the facility and in endorsing facility plans and allocation of financial resources. Moreover, RBF involves contracting community to conduct patient satisfaction surveys, which provide important feedback to service providers and also determine their quality of care scores.

CORDAID RBF SERVICES

Cordaid was the first organization to introduce Results Based Financing (RBF) in 2001 in sub-Saharan Africa. At present, Cordaid is involved in executing RBF programs in 10 countries. Our experts provide the following services:

- Program implementation: setting up contracting agencies, developing operating manuals, procedures, survey tools, verifications systems
- Technical assistance on program design, definition of indicators, subsidy levels, costing and verification
- Develop and conduct training
- Monitoring and mid-term reviews
- Program evaluations
- Data management

"After the start of RBF, health personnel became more motivated, working conditions improved and the hospitals and clinics started to function better. We can see real evidence that this strategy really works if we compare regions where RBF was introduced with regions without RBF."

Dr. Mwanza Nangunia Nash, Minister of Health, Sud-Kivu Province, DRC

Photo Ethiopia, 2015, Cordaid

ABOUT CORDAID

Cordaid works to end poverty and exclusion. We do this in the world's most fragile and conflict-affected areas as well as in the Netherlands. We engage local communities to rebuild trust and resilience and increase people's self-reliance. Our professionals provide humanitarian assistance and create opportunities to improve security, healthcare and education and stimulate inclusive economic growth. We are supported by 270,000 private donors in the Netherlands and by a worldwide partner network.

OUR NETWORKS

Caritas Internationalis

CIDSE together for global justice

CONCORD

medicusmundi international network health for all

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