PERFORMANCE BASED FINANCING -RWANDA
Piloted project in Ex-Cyangugu

Experience of Cordaid Rwanda and HDP 2002-2008

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OVERVIEW

- Why Cordaid and HDP??
- Introduction of the Rwanda case in Cyangugu province
- How does the PBF work in Cyangugu
- Purchaser?
- Provider?
- Monitoring and Evaluation
- Example of Indicators
- Results
- Strengths and weaknesses
- How to proceed.

Why Cordaid and HDP

- From 1994 until 2007, Cordaid was the implementing agency of this PBF project in Rwanda.
- HDP was founded in December 2006 by Cordaid Rwanda local staff
- The project was handed over to HDP by Cordaid Rwanda in january 2008.

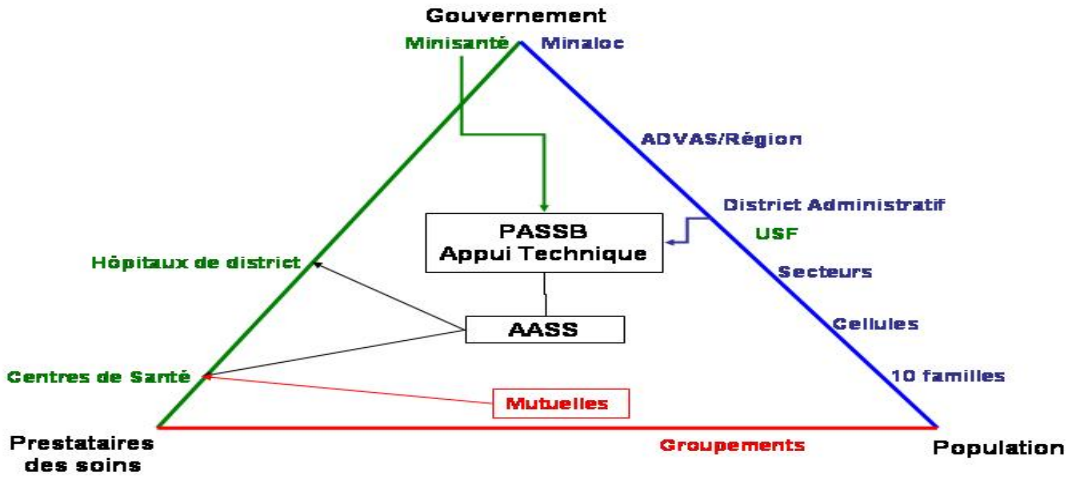
INTRODUCTION

- Cordaid Rwanda, Memisa at that time, started its operations as an implementing agency in Rwanda in august 1994
- Until earlier 2000, all actions were focused on rehabilitation of infrastructures and more generally on reconstruction of a district health system
- The experience in the field showed that despite the heavy investment done in the rehabilitation phase, health indicators only slightly improved

- Two studies were conducted (Oct 2000 and Jan 2002) to examine the reasons why there was a low utilization of health services
- Main conclusion from both studies was the discrepancy between size of the inputs and the resulting outputs
- A major recommendation from both studies was to change the financing of health services in order to make more monies available at the health facility level

How does the Cyangugu PBF work?

- The PBF in Cyangugu takes place in the following decentralization environment



- Main <u>principle</u>: the separation of functions; regulation, service provision and financing

- The organizational structure is as follows:

  - HF makes its business plan
  - If the plan is convincing it will lead to a contract between the fund holder and the HF
  - HMIS monthly reports are sent to ECD and Fund holder
  - ECD plans its monitoring and supervision and produce a report on the qualitative aspects of the services every 3 months (they also have a PBF contract with the fund holder for this activity)
  - Fund holder organizes his monitoring (with close attention on subsidized indicators) based on the HMIS report received and produces an invoice which it pays monthly
  - The community based organizations contracted by the fund holder, get samples of the verifications to be done in the community (cycle of 3 months) and produce a report (verifying patient contacts and documenting client satisfaction on the services)

- When no abnormalities are detected, payment is done, however when irregularities are documented, the relevant clause in the contract that stipulates sanctions is applied
- If indicators are improving as indicated in the business plan, the contract is renewed
- One separate quarterly meeting with all service providers, with all community based organizations and with the local health and administrative authorities

PURCHASER?

- In PBF Cyangugu, Cordaid Rwanda plays the role of fund holder.
- Main role of the fund holder:

1) coordinates and put together (basket) all subsidies from different partners, donors and Government;

2) Pays subsidies based on performance to individual Health facilities

Payment mode:

1) Every month based on the quantity produced by HF and verified by FH

2) Every quarter quality bonus based on the evaluation of ECD and local associations

SERVICE PROVIDERS?

- Health centers public or private
  - Health centers recognized in the HMIS (public and NGO/faith based)
  - Private dispensaries (with authorization from the health district team) subcontracted by those HC
- District Hospitals
  - Public and NGO/faith based

Monitoring and Evaluation

- Monitoring exists on three levels:
  - Monitoring and supervision of the PMA and PCA by **Health district team** which leads after 3 months to a quality bonus in favor of HF
  - Monitoring on health indicators subsidized by the Fund holder
  - Monitoring in the community among clients who used services for the confirmation of the figures which fund holder collected
- Evaluation is assured by the ministry of health represented in this case by the decentralized structures

Contracts

- In PBF Cyangugu, the Fund holder had contracts with 26 health centers, 4 district hospitals and 4 ECD
- The Health facilities had on their turn about 19 sub-contracts with private dispensaries

Exemples of Indicators and its cost in PBF Cyangugu in a health center

INDICATORS	COST in RWF
Consultations externes? English	150
Children fully immunized	1000
VAT2-5 Grossesses protegées?english	200
Bed net distribution	1000
Delivery in a HF	2000
Family planning(new acceptance)	1000

Some results PBF Cyangugu:

Indicators measured during household surveys in Cyangugu province 2003 and 2005	January 2003	October 2005	Differenc 2005 / 2003
Per capita out-of-pocket health expenditure per year	$ 9,05	$ 3,43	-62%
Average cost per OPD consultancy	$ 2,43	$ 1,56	-36%
% episodes with catastrophic consequences	2,5%	0,7%	-72%

Results 2nd part

Indicators measured during household surveys in Cyangugu province 2003 and 2005	January 2003	October 2005	Difference 2005 / 2003
Family planning coverage women 15-49 years	5,4%	11,6%	115%
Insecticide-treated bed net coverage (1 net per 1,5 persons)	5,6%	15,3%	173%
Institutional delivery conducted by a skilled person	25%	61%	144%
Respondents knowing the risk of HIV transmission through skin piercing objects	35%	58%	+23%

STRENGHTS

- Much improved levels of output and utilization
- Staff behavior changed with more commitment to their jobs
- Out of pocket expenditure of patients decreased considerably;
- More monies made available at the health facility level which is used for staff bonuses and other recurrent expenditures
- Government of Rwanda adopted this strategy in its national health policy and consequently fund it national wide.

Weaknesses

- Lack of funds to cover the whole PMA and PCA
- Poor linkage between Performance based financing using external funds and community health financing schemes;
- The coordination of activities between partners can be improved upon
- A Quality Assurance System needs to be developed

How to proceed?

- All PBF initiatives should work closely with local authorities in order to reinforce its sustainability
- Service providers are able to achieve national objectives if given opportunities and relevant means for this
- All PBF initiatives should find how to work together with the health insurance (“mutuelles” or community health insurance) in their intervention areas
- Increase emphasis on Quality Assurance

Developments of PBF in Rwanda

- PBF is a national strategy from 2005
- The gvt of Rwanda is investing in the health sector sing this mechanism from 2005
- The roll out plan of PBF on the national level is implemented from 2006
- Three level of implementation exists for the present scheme of PBF in the country: PBF on hospital level, health center level and community level.

THANK YOU FOR YOUR ATTENTION!