

Results-Based Financing for Community Health

An innovative, results-oriented approach to ensuring accountability, driving cost-effectiveness, and delivering impact for donors and governments

Introduction

Community health services have tremendous potential to reduce infant, child, and maternal mortality - central outcomes of the global development agenda.¹ However, despite its critical role in driving the attainment of universal health coverage and positive impact on other development indicators, funding for community health remains low.

Results-based financing (RBF) is a mechanism that links financing to pre-determined results, with payment made upon verification that the results have been delivered. When well designed, RBFs can significantly improve desired development outcomes by creating accountability, incentivizing cost-effectiveness, and maximizing impact. In this way, RBF mechanisms can help to crowd in more resources for community health from risk-averse government, bilateral and multilateral donors, driving progress towards universal health coverage².

¹ United Nations. 2018. "Sustainable Development Goal 3." <https://sustainabledevelopment.un.org/sdg3>

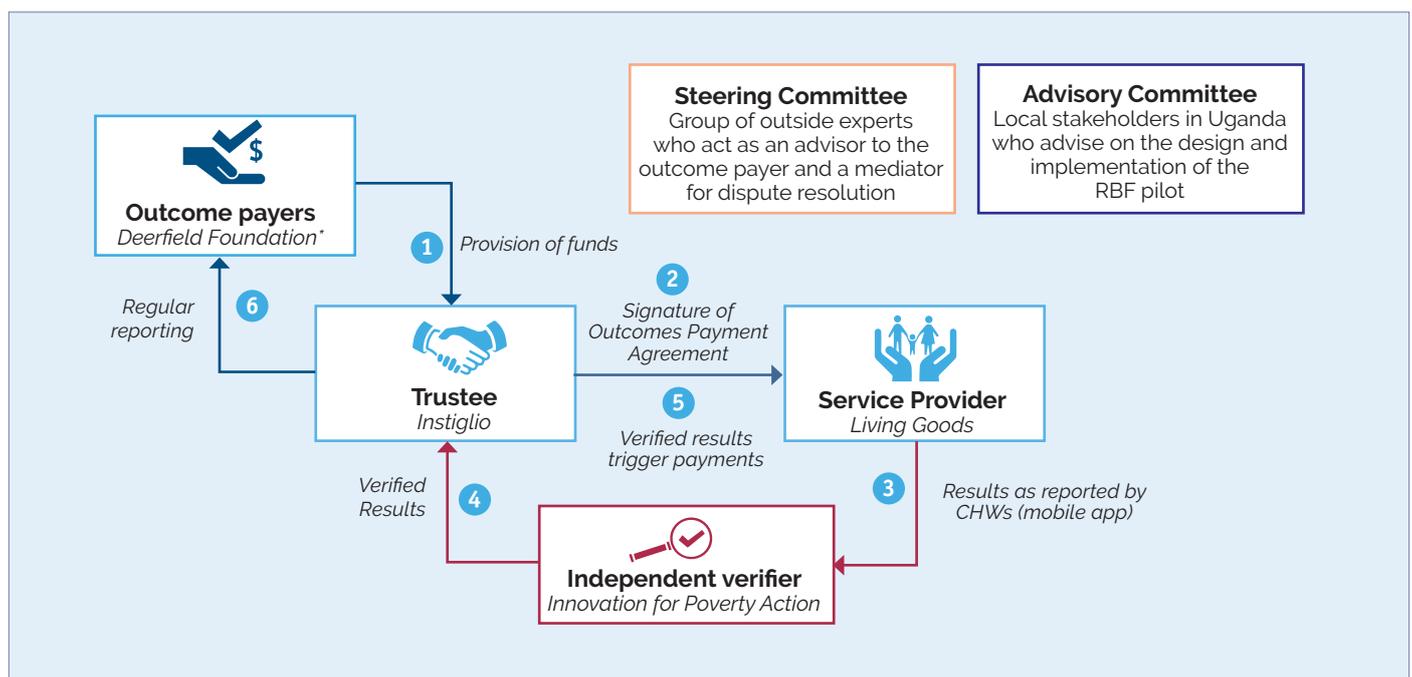
² World Bank. 2013. Africa Health Forum brief on Results-Based Financing for Health

Results-based financing approach

In June 2018, in partnership with the Government of Uganda (GoU) and other key stakeholders, **Living Goods co-designed the country's first RBF mechanism for community health**, a pilot funded by the Deerfield Foundation. Through the RBF, Living Goods is only paid for results that have been independently verified by Innovations for Poverty Action (IPA).

The pilot is aimed at **demonstrating a scalable model for contracting high-impact, cost-effective community health services** that Uganda's Ministry of Health (MoH), donors and other partners can adopt in future.

Unlike most other RBF programs that tie a portion of payments to achieving outcome and impact targets, Living Goods' RBF ties 100% of funding to results. The RBF pilot is thus much like an impact bond, except Living Goods, rather than an investor, bears the responsibility of raising working capital to deliver results.



By drawing attention to key health results, creating accountability in the system, and allowing community health implementers the flexibility to continue to innovate and improve their impact as services are scaled, this mechanism **buys down** risk in **community health investments** for bilateral and multilateral donors. It could also facilitate local governments to finance or contract out implementation of community health programs more effectively.

Payment metrics

For this program, payment metrics were informed by key criteria related to: impact on child mortality; alignment with GoU objectives; minimization of perverse incentives; objectivity and ease of measurement; and ability to ensure manageable control. The metrics are:

- 1  Number of visits community health workers (CHWs) make to pregnant women
- 2  Number of antenatal clinic visits completed by pregnant women in facilities following CHW visits³
- 3  Number of women delivering at health facilities following CHW visits
- 4  Number of postnatal visits by a CHW within 48 hours of birth
- 5  Number of postnatal visits by a CHW between 48 hours and one week after birth
- 6  Number of immunization and nutrition assessments for children under one
- 7  Number of assessments for malaria, pneumonia, and diarrhea for children under five
- 8  Number of follow-up visits by CHWs in person or via phone after referral to a health facility.

Scope and structure of the program

The Deerfield Foundation has committed \$400,000 in funding to Living Goods for results achieved in delivering community health services in Kyotera and Masaka districts in partnership with the GoU. Performance tracking is through real-time data collected via the **Smart Health** app, co-developed with Medic Mobile, that can be viewed on customized dashboards.

³ To ensure alignment with government and donor priorities, Living Goods has tweaked its performance dashboards to track for ANC visits and births at health facilities.

OVERVIEW OF THE PILOT PROJECT

 Country: Uganda	 Target population: 250,000
 Districts: Masaka and Kyotera	 Start date: June 16th, 2018
 No. of CHWs: 322	 Duration: 1 year

Guided by the eight metrics, IPA selects a random sample of results every two weeks for verification through phone calls, with household visits for beneficiaries who cannot be reached via phone. Approximately half the verifications are completed remotely, which helps keep verification costs low and ensures scalability. IPA also conducts a client satisfaction survey. The metrics in it could be tied to payments in the future.

Every quarter, IPA adjusts the performance reports to reflect only verified results, and payments to Living Goods are made based on pre-determined prices assigned to each result. This incentivizes cost-effective delivery of results and accurate reporting.

As trustee for the RBF pilot, Instiglio – a non-profit consulting firm – is responsible for receiving, holding in escrow, and disbursing payments hinged on implementation results as reported by IPA. An advisory committee chaired by the MoH, with participation from key donor and partner organizations, provides strategic guidance on the RBF design and implementation. A steering committee composed of independent experts provides project governance and acts as an advisor and mediator for dispute resolution.

Currently, there are no upside incentives for over-achieving targets, or penalties for unverified data, and the program does not include payments for some health areas such as family planning. Living Goods is looking into adding these aspects to future iterations of the design.

About Living Goods

Living Goods is a nonprofit organization that seeks to drive lasting impact in community health through innovative approaches delivered in partnership with government. By leveraging cutting-edge technology and innovative approaches to transform the delivery of essential healthcare, Living Goods works to save and improve lives in resource-constrained communities, particularly for mothers and children under the age of five years.

Living Goods supports networks of performance-driven community health workers from existing government pools to go door-to-door in their communities educating, assessing and treating families for critical health issues. Armed with life-saving medicines and a smart phone loaded with a robust diagnostic health application, Living Goods-supported CHWs are often the first point of contact for communities with the health system, and they manage referrals to nearby health facilities for complicated cases, and provide follow-up care.

Living Goods has more than a decade of experience strengthening high-impact and cost-effective community health programs in Kenya and Uganda.

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September 2018