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P4P Case Studies

PAYING FOR PERFORMANCE: THE REPRODUCTIVE OUTPUT BASED AID PROGRAM IN KENYA

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Inside

In Kenya, the non-governmental organization Marie Stopes Kenya (MSK) participates in a pay-for-performance scheme known as the Output-Based Approach (OBA) program. The program targets demand-side subsidized vouchers to poor women for a basic range of family planning and safe motherhood services and makes supply-side voucher reimbursements to accredited facilities, with the overall aim to reduce maternal and infant mortality. Although only MSK services within the OBA pilot areas are accredited under the program, MSK services outside the pilot areas have also benefited from MSK program participation – MSK has diversified its funding resources, expanded its focus of family planning services to incorporate a wider range of contraceptive methods, and strengthened marketing for family planning services at the community level. This case study provides an example of a voucher program from the viewpoint of an accredited health service providers (MSK) and offers lessons learned for service providers that are considering participation in a voucher program.

HEALTH SYSTEMS 20/20

ABOUT THE P4P CASE STUDIES SERIES

Pay-for-performance (P4P) is a strategy that links payment to results. Health sector stakeholders, from international donors to government and health system policymakers, program managers, and health care providers increasingly see P4P as an important complement to investing in inputs such as buildings, drugs, and training when working to strengthen health systems and achieve the Millennium Development Goals (MDGs) and other targets that represent better health status for people. By providing financial incentives that encourage work toward agreed-upon results, P4P helps solve challenges such as increasing the quality of, as well as access to and use of health services.

Many developing countries are piloting or scaling up P4P programs to meet MDGs and other health indicators. Each country's experience with P4P is different, but by sharing approaches and lessons learned, all stakeholders will better understand the processes and challenges involved in P4P program design, implementation, evaluation, and scale-up.

This Health System 20/20 case study series, which profiles maternal and child health-oriented P4P programs in countries in Africa, Asia, and the Americas, is intended to help those countries and donors already engaged in P4P to fine-tune their programs and those that are contemplating P4P to adopt such a program as part of their efforts to strengthen their health system and improve health outcomes.

Annexed to each case study are tools that the country used in its P4P program. The annexes appear in the electronic versions (CD-ROM and Health Systems 20/20 web site) of the case study.

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ACRONYMS

FP	Family Planning
GoK	Government of Kenya
IUCD	Intrauterine Contraceptive Device
KDHS	Kenya Demographic and Health Survey
KfW	Kreditanstalt fur Wiederaufbau/ German Development Bank
Ksh	Kenyan Shilling
MSK	Marie Stopes Kenya
NGO	Nongovernmental organization
OBA	Output-Based Approach
P4P	Pay for Performance
SM	Safe Motherhood

INTRODUCTION

What follows is a brief case study of the role of the nongovernmental organization (NGO) Marie Stopes Kenya (MSK) as a voucher service provider in the Kenyan pay-for-performance (P4P) scheme known as the Output-Based Approach (OBA) program. The aim of the P4P program, which operates on both the demand and supply sides, is to reduce maternal and infant mortality rates by increasing use of and access to quality reproductive health care services for poor women in traditionally underserved communities. On the demand side, subsidized vouchers are targeted to poor women to increase their access to high-quality core maternal health and family planning (FP) services. On the supply side, MSK facilities accept the vouchers, which they then submit for reimbursement at standardized rates for providing the covered services.

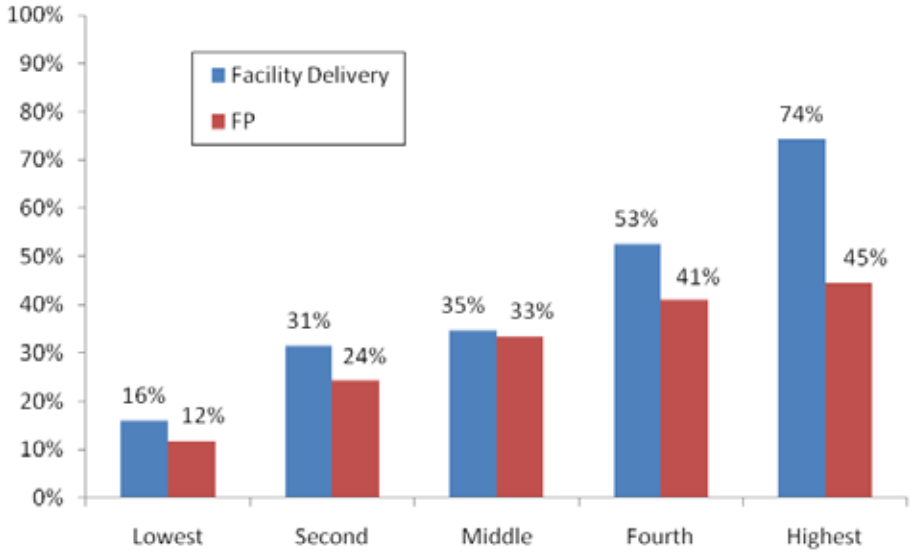
By offering subsidized vouchers for maternal and family planning services, the OBA program increases access to quality maternal and family planning services for underserved women in Kenya.

The OBA program has increased institutional deliveries and utilization of key maternal health and FP services. In addition, MSK has benefited from participation as a voucher service provider by increasing its funding base, expanding its focus of FP services to incorporate a wider range of contraceptive methods, and strengthening its marketing for FP services at the community level.

BACKGROUND

Overall, Kenya is currently not on track to reach international and national maternal and infant health targets including the Millennium Development Goals and national targets set out in strategy documents such as the National Health Sector Strategic Plan and the Kenya Health Policy Framework. Although over the past decade Kenya made progress in reducing key reproductive health indicators, this progress is not steady. For example, Kenya's total fertility rate decreased for some years but then increased to 4.9 in 2003 according to the Kenya Demographic and Health Survey (KDHS) (Central Bureau of Statistics and ORC Macro 2004). Equally of concern are maternal and infant health indicators. Kenya's maternal mortality rate was 560 per 100,000 live births in 2005 and the infant mortality rate was nearly 80 per 1,000 live births in 2006. The overall percentage of women delivering in a health facility was 41 percent (KDHS 2003), but looking at responses by wealth index demonstrates the variability across wealth categories – poor women are least likely to deliver at a health facility. These women also had the lowest use of modern FP (Figure 1). In addition, 25 percent of women of reproductive age reported unmet need for FP (KDHS 2003).

FIGURE 1. FACILITY DELIVERIES AND USE OF MODERN FAMILY PLANNING IN THREE YEARS PRECEDING THE KDHS 2003, BY WEALTH INDEX



Source: KDHS (2003)

MARIE STOPES KENYA

For more than 20 years, MSK has been helping to address these gaps in maternal and infant health. MSK became a locally registered NGO in Kenya in 1985 and since then has been providing a range of quality maternal health and FP services and information to the Kenyan population. MSK currently has a network of 26 clinics, which provide services that include medical consultations, comprehensive FP services, pre- and postnatal care, laboratory services, 24-hour maternity services, condom distribution, safe delivery services, voluntary counseling and testing, and prevention of mother-to-child transmission services. Four of the 26 MSK clinics are comprehensive obstetric care facilities. MSK clinics charge for services based on a sliding scale, determined by a clinic's location and the community's ability to pay. No client is turned away due to financial constraints. MSK also operates mobile outreach services through 15 mobile teams. Each mobile team is composed of four people: a doctor, nurse, care assistant, and driver. These outreach services are estimated to provide over half of all long-acting and permanent FP methods in Kenya. Table 1 summarizes the FP and safe motherhood (SM) services provided by MSK since the start of the OBA program.

TABLE 1. SERVICES PROVIDED BY MSK SINCE INITIATION OF THE OBA PROGRAM

Service	Number Provided
Antenatal services	340
Normal deliveries	3,477
Caesarian sections	604
Complicated deliveries	754
Bilateral tubal ligations	3,402
Vasectomies	59
Contraceptive implants	2,315
Intrauterine contraceptive devices	189

Two main sources of funding support MSK clinics and mobile outreach units: Marie Stopes International and the Kreditanstalt fur Wiederaufbau (KfW)/German Development Bank through the OBA program. The OBA voucher program is funded largely through the KfW through 2012, but the Government of Kenya (GoK) has contributed and is prioritizing increased and continued funding for the program. After 2012, financing will rely on the GoK and other partner buy-in.

P4P PROGRAM COVERAGE

The OBA program covers only specified SM and FP services in the five pilot sites (Figure 2). The pilot sites are three rural districts (Kisumu, Kitui, and Kiambu) and two informal settlements in Nairobi (Viwandani and Korogocho). The combined population of these five sites is approximately 3 million. In the pilot areas, MSK has one maternity clinic (in Kisumu) that was accredited as an OBA SM voucher provider in 2006. FP services under the OBA program are offered through the MSK mobile outreach units. Four of the 15 outreach units service the five pilot sites. These four units were accredited as OBA FP voucher service providers in 2007.

FIGURE 2. MAP OF KENYA WITH OBA PILOT AREAS MARKED (2 SITES IN NAIROBI, 1 SITE EACH IN KISUMU, KIAMBU, AND KITUI)

VOUCHER MANAGEMENT AGENCY

MSK entered into two contracts with the voucher management agency, PricewaterhouseCoopers, in order for the MSK maternity clinic in Kisumu and the four FP outreach units serving the pilot areas to be accredited as part of the OBA program. One contract is for the maternity clinic for SM services and one contract is for the outreach units for FP services. Contracts outline key responsibilities and standards for the OBA program. In addition to managing contracts with voucher server providers, the voucher management agency processes reimbursement claims and disburses reimbursements.

VOUCHER DISTRIBUTORS

The voucher management agency also manages voucher distributors who are located in OBA pilot communities and perform several functions in addition to selling SM and FP vouchers. Voucher distributers are trained in how to apply a standardized poverty assessment tool, adapted by Marie Stopes International for the Kenya context, to identify poor women who qualify for the OBA program. (See Annex A for the Poverty Grading Tool.) The poverty tool grades potential clients on criteria including housing, access to health sources, water sources and sanitation, daily income, and number of meals per day. As part of the poverty assessment, voucher distributors are expected to conduct home visits to verify the poverty grading tool responses. Originally, voucher distributors were paid based on the number of vouchers sold, but this contributed to fraud through selling vouchers to women who did not qualify for the program.

Voucher distributors are responsible for both the selling of SM and FP vouchers as well as the application of a standardized poverty assessment tool when considering new OBA clients for program assistance.

Currently the OBA program is transitioning to a system where voucher distributors are paid a monthly salary.

Voucher distributors are based in the communities that they serve, and they use a variety of approaches to disseminate information on the OBA program and to generate demand, including going door-to-door to explain what the program offers and eligibility requirements. The voucher distributors inform community members how and where to access SM and FP services. They inform the community of the location, date, and time that the mobile MSK FP outreach units will receive clients. The voucher distributors also communicate frequently with MSK outreach unit teams to inform them as to how many clients to expect and any other relevant issues that need to be discussed jointly regarding the vouchers.

In non-OBA districts that are covered by MSK FP outreach units, community health workers perform many of the same functions as the voucher distributors with the exception that they do not sell vouchers. The workers visit community members and disseminate information on FP methods and when and where services can be accessed. Although the community health workers do not receive salaries and are not employed by MSK, MSK does offer them financial incentives based on the number of clients they refer to MSK FP outreach services. MSK has noted an increase in dissemination efforts by the community health workers in non-OBA districts. In addition to the incentives provided to community health workers, MSK also provides incentives to the FP outreach teams if they exceed the targets for clients which are set by MSK per district.

TYPES OF VOUCHERS

MSK accepts two types of vouchers as part of the OBA program (Table 2): SM vouchers at 200 Kenyan shillings (Ksh) (US$2.50) and FP vouchers at 100 Ksh (US$1.25). MSK staff has noted that in general clients have an easier time paying for the SM voucher because of the extended period that the voucher covers, as compared to the FP voucher. If a client cannot pay the full voucher fee upfront, she and the voucher distributor sometimes make an informal arrangement to pay in installments. Once clients have purchased the voucher, they use it to pay their preferred accredited service provider to receive the services linked to the particular type of voucher. MSK notes that before the OBA program, there were about 30–40 deliveries per month at the MSK maternity clinic in Kisumu; after the introduction of the OBA program, deliveries increased to 100–140 deliveries per month.

TABLE 2. VOUCHERS INCLUDED IN THE OBA PROGRAM

Type	MSK Voucher Service Providers	Price to Purchase Voucher	Services Received
Family planning	Four MSK outreach units serving OBA sites	100 Ksh (US$1.25)	Covers several different contraceptive methods including bilateral tube ligation, vasectomy, hormone-based implants, and intrauterine contraceptive devices. Injectable and oral contraceptives are not included.
Safe motherhood	MSK maternity clinic in Kisumu	200 Ksh (US$2.50)	Includes four antenatal care visits, access to a qualified health worker during delivery, and six weeks of postnatal care.

Even with the MSK mobile units visiting many communities, some OBA voucher-eligible clients still must travel, and thus incur transport costs, to reach the units, and they do not have the funds to also purchase the FP voucher. The MSK mobile units do not turn away these clients. Instead, MSK purchases FP vouchers from voucher distributors for use by the qualified women. The percentage of women qualifying for the vouchers but unable to afford them varies by geographic area. In more rural areas with high levels of poverty, MSK notes that it buys almost all (approximately 95 percent) of the FP vouchers. To help remedy this issue, MSK has recommended that the OBA program consider lowering the FP voucher fee.

The OBA FP voucher covers several different contraceptive methods. Prior to participating in the OBA program, MSK focused most of its FP mobile outreach efforts on bilateral tube ligations. With the OBA program, MSK began to strengthen its offerings of other contraceptive methods such as hormone-based implants and intrauterine contraceptive devices (IUCDs). (It does not cover injectable or oral contraceptives.) This expanded focus now extends beyond the four mobile outreach units serving OBA pilot sites, positively impacting the MSK FP outreach units servicing non-OBA areas as well.

REIMBURSEMENT FOR VOUCHERS

MSK submits a monthly invoice, based on the FP and SM vouchers collected, to the voucher management agency. It takes approximately 30 days to process submitted invoices and receive the standardized reimbursement.

There are no specific guidelines on how service providers should use the funding they receive through the voucher reimbursements. Some use the funds to upgrade their facilities and expand and improve quality of services. For example, the MSK maternity clinic in Kisumu used the reimbursement funds to expand the clinic and increase the number of beds.

Table 3 summarizes the reimbursement rates for the FP and SM vouchers. As shown, Caesarian sections and other complicated deliveries are reimbursed at a much higher rate than normal deliveries. Despite the higher reimbursement rates, MSK has not seen any increase in complicated deliveries in its accredited clinic. MSK and other voucher service providers have noted that the standard reimbursement rate for IUCD insertion is low considering the skill required for the service. They have suggested that for the next phase of the OBA program, the reimbursement rate for IUCD insertion be reevaluated.

TABLE 3. REIMBURSEMENT RATES FOR SUBMITTED VOUCHERS

Voucher Type	Service	Ksh	US$
SM	Caesarian sections or other complicated delivery	21,000	$292
SM	Normal delivery	5,000	$70
FP	Surgical contraception	3,000	$42
FP	Implant	2,000	$28
FP	IUCD	1,000	$14
SM	ANC	1,000	$14

Reimbursement rates are the same for all voucher service providers regardless of whether the accredited voucher service provider is an NGO or a government clinic. MSK notes that NGO clinics often have additional operational costs, such as space rental, that accredited government clinics generally do not have and that can make the OBA program more attractive for government clinics to participate.

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