Targeting Resources and Efforts to the Poor: Implementing a Voucher Scheme in India

Presenter’s Name
Date

Photo credits: Suneeta Sharma, Futures Group
Low Use of FP/RH Services by the Poor

- Insufficient access to information
- Sociocultural barriers
- Inaccessibility of facilities
- Unresponsive health providers
- High direct and indirect costs of family planning/reproductive health services
Supply- and Demand-Side Strategies

To Reduce Barriers to FP/RCH Service Use:

• Supply side: reduce barriers to supply
  ▪ Create publicly owned supply models
  ▪ Contract out or subsidize private sector to create publicly financed supply

• Demand side: reduce barriers to consumption
  ▪ Provide information to help change behavior
  ▪ Provide purchasing power (vouchers)
  ▪ Provide incentives to change behavior (conditional cash transfer)
166 Million People in Uttar Pradesh

70 Districts
827 Blocks
97,928 Villages
704 Towns

59 Million Live in Poverty in UP

Context: Reproductive Health Scenario in UP

- Maternal mortality ratio (MMR) is highest in the country, at 517 per 100,000 live births.
- UP has the third highest infant mortality rate in India, at 73 per 1,000 live births.
- Its total fertility rate (TFR) is 3.9.
- Contraceptive prevalence rate (CPR) is increasing, but still low at 27% for modern methods.
- Unmet need for FP is 30% (15% for limiting; 15% for spacing).
- 9% of pregnant women receive full prenatal care.
- 81% of women deliver at home in unhygienic conditions.

Modern Method Use Is Much Lower among the Poor in UP

Overall modern method use in UP: 27%

Source: ITAP, RH Indicator Survey 2005
The Poor Tend to Use Institutional Delivery Services Less than the Better-Off

19% institutional deliveries in the state

Source: ITAP, RH Indicator Survey 2005
Most People Rely on Private Sector Health Services

Public and Private Health Expenditures in India and UP

Source: National Health Accounts 2006
The Poor Incur Substantial Expenses for RCH Services

Average Expenditures per Childbirth by Place of Delivery in UP and India (rupees)

<table>
<thead>
<tr>
<th></th>
<th>Gov’t</th>
<th>Private</th>
<th>Home</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rural</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UP</td>
<td>1,725</td>
<td>4,008</td>
<td>505</td>
<td>856</td>
</tr>
<tr>
<td>India</td>
<td>1,165</td>
<td>4,137</td>
<td>414</td>
<td>1,169</td>
</tr>
<tr>
<td><strong>Urban</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UP</td>
<td>1,688</td>
<td>4,361</td>
<td>643</td>
<td>1,851</td>
</tr>
<tr>
<td>India</td>
<td>994</td>
<td>5,480</td>
<td>552</td>
<td>2,806</td>
</tr>
</tbody>
</table>

Source: NSSO 2004
There Are Not Enough Medical Staff in Public Health Sector

23% of male and 19% of female medical officer positions are vacant.

Situational Analysis: Summing Up

• Use of FP methods and institutional facilities for deliveries is lowest among the poor.

• Per capita expenditures of UP government on health are very low.

• Out-of-pocket expenditures on RCH services in both government and private facilities are high.

• Health system imposes enormous barriers on the poor.

• Health expenditures are one of the major causes of poverty.
Voucher System Helps to **Purchase Outputs**, While Also Offering Beneficiaries a Choice of **Provider**

Photo credits: Photos 1, 2 — ©iStockphoto.com/Vikram Raghuvanshi Photography/Anantha Vardhan | Photo 3 — Suneeta Sharma, Futures Group
Advantages of Voucher System

- Addresses equity by targeting vulnerable groups
- Reduces price constraints
- Offers choice of providers
- Creates competition among providers
- Increases private sector capacity
- Improves quality and efficiency of services
- Achieves better outcomes
### Voucher System: Different Models Piloted

<table>
<thead>
<tr>
<th>Area</th>
<th>Agra</th>
<th>Kanpur City</th>
<th>Haridwar</th>
<th>Bokaro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage</td>
<td>Rural</td>
<td>Urban slums</td>
<td>Rural</td>
<td>Urban and rural</td>
</tr>
<tr>
<td>Voucher Management Unit</td>
<td>CMOs, PMU, NGOs</td>
<td>NGO</td>
<td>CMO, DM, NGO</td>
<td>NGO</td>
</tr>
<tr>
<td>Voucher distribution</td>
<td>NGOs through ASHAs</td>
<td>NGOs through CHVs</td>
<td>ANMs through ASHAs</td>
<td>NGOs through Sahiya</td>
</tr>
<tr>
<td>Services</td>
<td>MH, FP, RTI/STI</td>
<td>MH, FP, RTI/STI</td>
<td>MH, NH, FP</td>
<td>FP</td>
</tr>
<tr>
<td>No. of accredited hospitals</td>
<td>15</td>
<td>9</td>
<td>8</td>
<td>To be determined</td>
</tr>
<tr>
<td>Total population covered</td>
<td>1,067,987</td>
<td>561,445</td>
<td>451,743</td>
<td>To be determined</td>
</tr>
</tbody>
</table>

Note: CMO=chief medical officer; PMU=project management unit; NGO=nongovernmental organization; DM=district magistrate; ASHA=accredited social health activist; CHV=community health visitors; ANM=auxiliary nurse midwife; MH=maternal health; FP=family planning; RTI/STI=reproductive tract infection/sexually transmitted infection; and NH=nursing homes.

Objectives: Agra Voucher System

- Target below poverty line (BPL) population
- Improve service coverage and enhance demand
- Improve the quality of services
- Accredit private health facilities to provide services to BPL families
- Provide a choice of service providers
- Create and manage a voucher system for availing of predetermined RCH services
- Establish linkages with other stakeholders
Seven Rural Blocks Covered by Voucher System in Agra District

Population: 1.5 million

Primary Target Group
- Married women of reproductive age (15–49 yrs)
- Pregnant women
- Newborns up to 1 year old

Secondary Target Group
- Men for FP services provision
**Voucher System: Design**

- **Surveys/Studies**
  - Baseline survey in six blocks of Agra district
  - Mapping of private facility
  - Surveys of primary healthcare and community health centers (PHCs/CHCs)

- **Accreditation**
  - Preparation of quality standard guidelines for private nursing homes (PNHs)
  - Assessment and accreditation of PNHs

- **Contracts**
  - Price negotiations
  - Contractual agreements with PNHs and Agra Medical College
Partners: Roles and Responsibilities

- **Chief Medical Officer with the voucher management unit**
  - Manage overall scheme
  - Establish system for management/flow of vouchers
  - Establish financial system for reimbursement of funds to private providers

- **Medical college**
  - Establish quality standards and accredit nursing homes
  - Conduct training programs for staff of nursing homes on quality protocols and standards

- **Private Hospitals**
  - Provide package of services
  - Maintain information systems

- **NGOs**
  - Distribution of vouchers to ASHA and train them
  - Publicize the scheme through IEC activities
  - Back check select vouchers in the field

- **ASHAs**
  - Provide information to BPL families about facilities and benefits
  - Distribute vouchers

Photo Credits:
©iStockphoto.com/Bartosz Hadyniak
©iStockphoto.com/Vikram Raghuvanshi Photography
Voucher Implementation Structure

- Voucher Management Unit
  - Voucher Distribution
    - NGO Project Staff
    - Voucher Distribution
      - ASHA
  - Voucher Redemption
    - Private Nursing Homes
      - Payment for Services
        - BPL Families
      - Voucher Redemption
    - Voucher Redemption
      - BPL Families
## Voucher Package

<table>
<thead>
<tr>
<th>Voucher Type</th>
<th>Services Available</th>
<th>Negotiated Prices</th>
</tr>
</thead>
</table>
| ANC          | ANC check up (including diagnostic tests), TT injections, IFA tablets and nutrition advice | USD 0.63 per visit  
USD 5.63 for diagnostic check up                                                  |
| Deliveries   | Normal                                                                              | USD 37.5 inclusive of medicines, one day hospitalization charges and pediatrician visit |
|              | Complicated                                                                         | USD 87.5 inclusive of medicines, anesthetist, five/six days hospitalization charges and pediatrician visit |
|              | Ceasarean                                                                           | USD 125 inclusive of medicines, anesthetist, five/six days hospitalization charges and pediatrician visit |
| PNC          | Two post natal check ups, breastfeeding counseling and family planning counseling     | USD 0.63 per visit                                                               |
| Family Planning | Sterilisation, IUCD, condoms and pills                                               | USD 37.5 for sterilization  
USD 2.5 for IUCD insertion                                                          |
| RTI/STI      | Check up, treatment and partner counseling                                           | USD 3.75 per visit                                                               |
| Immunisation |                                                                                     | Free of cost with supplies from government                                         |

*Conversion rate 1 USD = 40 Rupees*
Designing Vouchers

- Holographic stickers and watermark used
- Eight-digit code to identify district and block
- Voucher logo, “Coupon Lao Sehat Pao”
Agra Scheme Communication Strategy

• **Objectives**
  - Create awareness about the scheme
  - Motivate beneficiaries for FP
  - Generate demand for high-quality RH
  - Maximize institutional deliveries

• **Needs Assessment**

• **Communication branding: SAMBHA**
  - Leaflets on services and addresses of the PNHs
  - Posters outlining services and their importance
  - Glow signs displayed at entrances of service delivery sites
Mechanisms for Quality Assurance

- Accreditation of PNHs
- Formation of a Project Advisory Group to review and guide implementation
- Oversight by NGOs
  - To see if services were availed of
  - Status of family and overall satisfaction with services
- Orientation and regular meetings with ASHAs
- Medical audit
- Client satisfaction survey
Voucher Launch by Principal Secretary on March 14, 2007

Photo credits: Health Policy Initiative/India office
## Performance of Voucher Scheme in Agra

<table>
<thead>
<tr>
<th>Service</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antenatal care check-ups</td>
<td>7,087</td>
</tr>
<tr>
<td>Deliveries</td>
<td>1,422</td>
</tr>
<tr>
<td>Postnatal care</td>
<td>750</td>
</tr>
<tr>
<td>Family planning</td>
<td>41 intrauterine devices, 177 female sterilizations</td>
</tr>
<tr>
<td>RTI/STI services</td>
<td>1,493</td>
</tr>
</tbody>
</table>


Photo credits: Health Policy Initiative, India
In Summary

The Voucher Scheme

- Provided excellent private sector services at deeply discounted rates
- Expanded services cost-effectively in light of understaffing at government facilities
- Relieved pressures on government in certain areas
- Enabled clients to save money
- Enabled poor clients to obtain services they otherwise would not have received

The UP government scaled up the Sowbhagyavati Scheme in Uttar Pradesh and accredited 150 private hospitals
Issues and Challenges

- Identifying people living in poverty
- Understanding equity issues at nursing homes
- Establishing linkages with blood banks
- Managing and monitoring supplies from government health systems
- Building commitment of political leaders
- Integration with government-launched maternity benefit scheme
- Changing mind sets of government health managers