

PURCHASING FAMILY PLANNING SERVICES

—
ATTAINING SUSTAINABLE FINANCING FOR
FAMILY PLANNING IN SUB-SAHARAN AFRICA

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WHAT DOES IT MEAN TO PURCHASE FAMILY PLANNING (FP) SERVICES?

Purchasing commodities	Purchasing facility-based services	Purchasing performance
<ul style="list-style-type: none">• Can be purchased by:<ul style="list-style-type: none">○ Governments○ Development partners○ Insurance schemes○ Individuals (out of pocket)• Includes supply chain costs	<ul style="list-style-type: none">• Long-acting reversible and permanent methods in particular• Requires commodities, human resources and facility resources• Includes counseling	<ul style="list-style-type: none">• Incentivizing provider effort/commitment to FP service delivery• Objective is to promote efficiency, expanded method availability, quality, and access

Purchasing other interventions

- Demand-generation
- Community-based extension services
- Monitoring and evaluation interventions

DEFINING FAMILY PLANNING PACKAGES FOR PURCHASE



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COMPONENTS OF ESSENTIAL PACKAGES OF FP SERVICES*

Intervention	Basic Package	Comprehensive Package
Counseling	<ul style="list-style-type: none"> • Pre-acceptance counseling • Follow-up counseling 	<ul style="list-style-type: none"> • Pre-acceptance counseling • Follow-up counseling
Short-acting methods	<ul style="list-style-type: none"> • Injectable contraceptives • Oral contraceptives • Male condoms • Emergency contraceptives 	<ul style="list-style-type: none"> • Injectable contraceptives • Oral contraceptives • Male condoms • Emergency contraceptives • Vaginal rings • Female condoms
Long-acting reversible methods	<ul style="list-style-type: none"> • Contraceptive implants • IUDs 	<ul style="list-style-type: none"> • Contraceptive implants • IUDs
Long-acting permanent methods	<ul style="list-style-type: none"> • Female sterilization 	<ul style="list-style-type: none"> • Female sterilization • Male sterilization

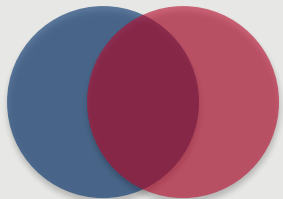
* Based on HP+ literature review and expert consultation – full report can be found at: <http://www.healthpolicyplus.com/pubs.cfm?get=7178>.

POTENTIAL AVENUES FOR SERVICE DELIVERY*



POTENTIAL MODES OF INTEGRATION*

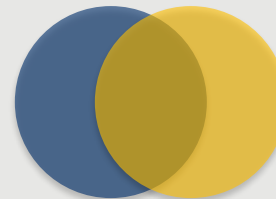
FP and maternal and child health services



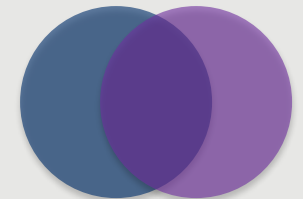
FP and youth-friendly services



FP and post-abortion care



FP and HIV services



- Decisions on service delivery and integration requirements will impact costs of providing family planning services and the payment methods and rates used.

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— STRATEGIC PURCHASING AND FAMILY PLANNING

- *What to purchase?*
- *Who is purchasing?*
- *Who to purchase from?*
- *How to purchase?*

PURCHASING FAMILY PLANNING SERVICES

What to purchase? (I)

Costs associated with delivering FP services

Commodities	Service delivery	Counselling	Shared costs/ overhead	Performance based
<ul style="list-style-type: none">- Condoms- Injectable contraceptives- Oral contraceptives- Implants- IUDs	<ul style="list-style-type: none">- Insertion/ removal- Surgical procedures- Medical supplies and consumables	<ul style="list-style-type: none">- Pre- acceptance on range of methods, risks, and side effects- Follow-up counseling	<ul style="list-style-type: none">- Utilities- Medical equipment- Infrastructure- Administration	<ul style="list-style-type: none">- Bonuses for: achieving quality, expanding range of methods offered, and reaching service delivery and counseling targets

- Efforts to increase government financing for FP usually focuses on taking on the cost of commodities, but must consider the other costs (often already implicitly funded) associated with effectively delivering FP services

PURCHASING FAMILY PLANNING SERVICES

What to purchase? (2)

Performance-Based Payments

- Paying for performance (P4P) can make purchasing FP services more efficient, and promote better access and higher quality
 - The purchaser must balance the **additional cost** of the rewards against the **expected improvements** in quality
- Key elements to consider in implementing P4P schemes include:

Measurement

- Establish reliable baselines
- Accurately measure and attribute changes in performance
- Verify results

Design

- Type and magnitude of reward
- Absolute vs relative improvements
- Facility vs individual performance
- Measurement and validation

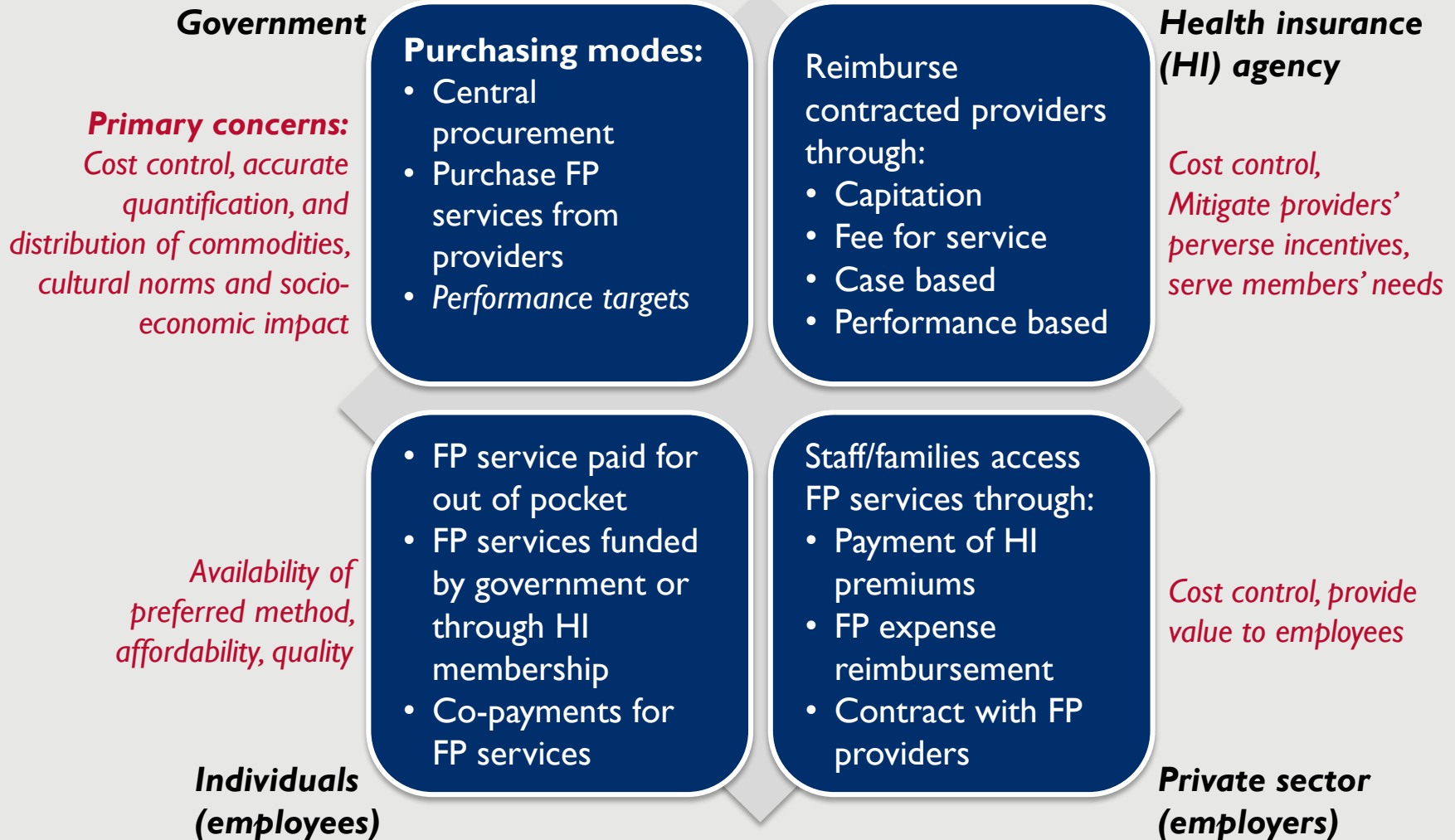
Broader impact

- Other quality measures not incentivized
- Provision of other health services
- Health workers eligible for P4P reward vs those excluded
- Patient selection incentives

PURCHASING FAMILY PLANNING SERVICES

Who is purchasing?

- **Domestic purchasers of FP services** use various modalities but have similar concerns



PURCHASING FAMILY PLANNING SERVICES

Who to purchase from? (1)

Provider type

Illustrative FP services purchased

Pharmacies

Non-surgical short-acting methods, some counseling services

Primary facilities

All short-acting and long-acting reversible methods, all counseling services

Referral facilities

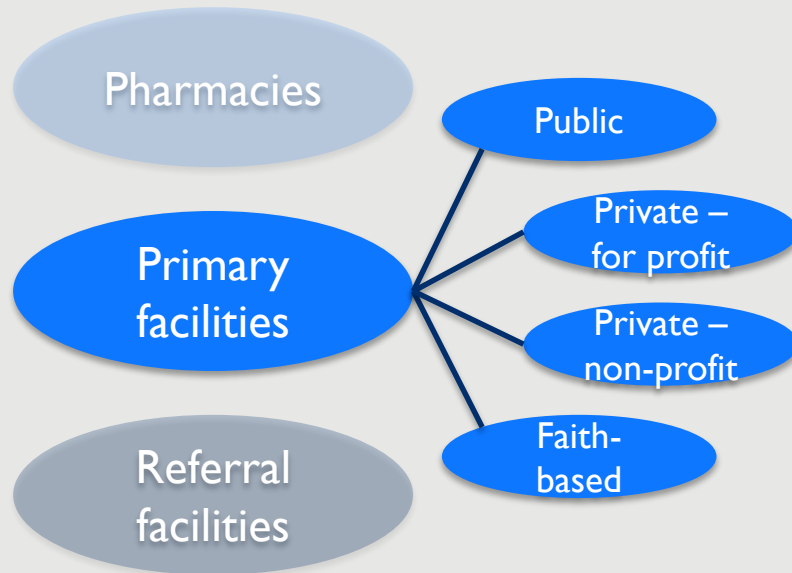
All long-acting reversible and permanent (surgical) methods, all counseling services

- Services can be purchased through **public, private** (profit and non-profit), or **faith based** providers

PURCHASING FAMILY PLANNING SERVICES

Who to purchase from? (2)

Provider type



Illustrative cost structure

Public facility

Private facility



Covered by general budget support

To be covered through purchasing arrangement

- **Adjust payment rates** to consider:

- General budget support that covers some public providers' costs
- Potentially higher marginal costs incurred by private providers on salaries and through smaller purchasing volumes

PURCHASING FAMILY PLANNING SERVICES

How to purchase?

Purchasing methods	Basis of payment	Impact on purchaser	Provider incentives
Budget line item	<i>Per expense category</i>	<ul style="list-style-type: none"> • Paying for inputs, not outputs or results 	<ul style="list-style-type: none"> • No incentive to improve efficiency or be responsive to clients' FP needs
Capitation	<i>Per enrolled individual</i>	<ul style="list-style-type: none"> • Costs are limited and predictable 	<ul style="list-style-type: none"> • Increase number of enrollees • Focus on commodity provision, not methods which require HR time and counseling • Increase referrals and promote long-acting FP methods
Fee for service	<i>Per service</i>	<ul style="list-style-type: none"> • Risk of cost escalation 	<ul style="list-style-type: none"> • Over-provide FP services, especially high-margin FP services
Per diem	<i>Per day</i>	<ul style="list-style-type: none"> • Risk of cost escalation 	<ul style="list-style-type: none"> • Promote surgical FP methods and lengthen inpatient stay
Case based (or diagnosis based)	<i>Per admission/ episode of care</i>	<ul style="list-style-type: none"> • One payment for entire episode of care • Can be administratively difficult to manage 	<ul style="list-style-type: none"> • Promote surgical FP methods • Reduce provision of ancillary services (i.e., counseling) • Shorten inpatient stays
Global budget	<i>Per period</i>	<ul style="list-style-type: none"> • Costs are limited and predictable 	<ul style="list-style-type: none"> • Greater budget flexibility (but may not prioritize FP services) • May "throttle" FP services later in period

— INTEGRATING FAMILY PLANNING INTO UNIVERSAL HEALTH COVERAGE SCHEMES



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ENSURING ACCESS TO FP SERVICES:

The “Four Ps” Matter

People

The financing stream is equitable; designed for high-priority groups such as the poor, vulnerable, and Adolescents.

Package

The benefits package explicitly includes choice of contraceptive methods, including short-term, long-term reversible, and permanent methods.

Provider

The financing stream is accessible to community-embedded, smaller facilities well-suited to the service offered (i.e., outpatient providers, midwives).

Payment

The payment approach—including differential case-based payments for long-term methods—mitigates provider bias to achieve genuine choice.

ENSURING ACCESS TO FP SERVICES: *The “Four Ps” Matter*

People

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Performance

Addressing the four Ps with a focus on measuring improvements in access, quality, and efficiency

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Payment

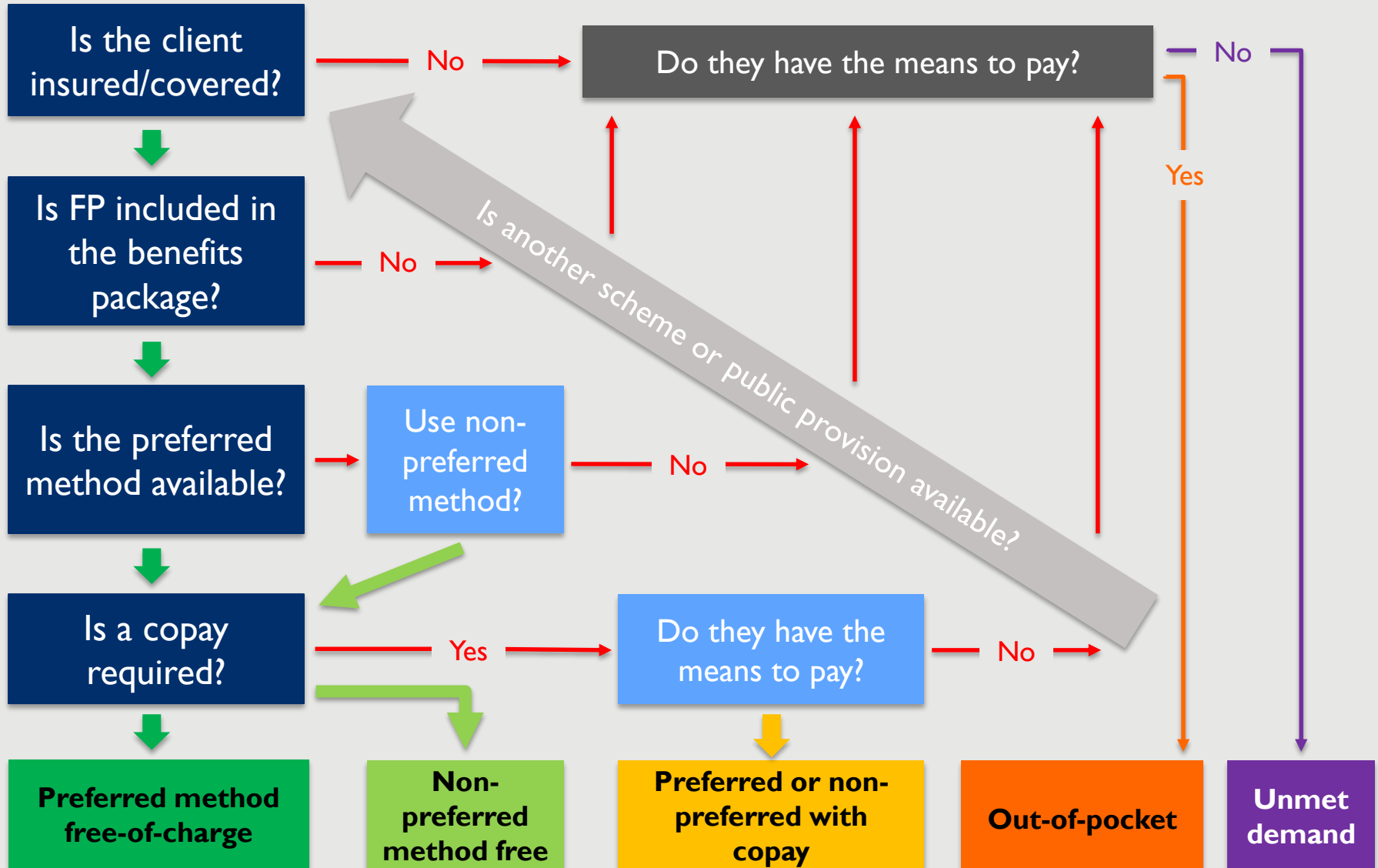
The payment approach—including potential case-based payments for long-term methods—mitigates provider bias to achieve genuine choice.

INSURANCE COVERAGE AND FP UPTAKE

- Formal inclusion of FP in the benefits packages of insurance schemes does not guarantee increased uptake of FP services
- To use insurance to deliver FP services it must:
 - Target **poor and informal sector populations**, for whom out of pocket expenditure on FP presents a significant financial barrier – **PEOPLE**
 - Include FP, either explicitly or implicitly, in the covered package of services, and provide a **broad range of services** (including short-acting, long-acting reversible, and permanent contraceptive methods) to ensure clients have access to a preferred method – **PACKAGE**
 - Ensure **sufficient and appropriate payments** are made for FP services (and commodities if they are purchased by providers) using the **right mix of payment methods** to ensure availability of quality FP services – **PAYMENT**
 - **Reduce non-financial barriers** to access, including those due to geography, cultural factors, and service quality, to ensure that couples can and do use their insurance to access their family planning services – **PROVIDER**

FP ACCESS THROUGH INSURANCE

Proposed HP+ flowchart



FAMILY PLANNING AS A SPECIAL CASE

Challenges to integrating FP into health financing schemes

- Family planning can be an **ongoing, predictable cost** to the purchaser—not a “**risk**” that can be priced actuarially and insured
 - BUT...inclusion of family planning **prevents downstream MNCH costs**, and may result in **aggregate cost savings** to insurers
 - HOWEVER...to providers, FP services may be a threat to future revenue through reimbursements for MNCH service provision—**incentives must be managed**
- **Socio-cultural barriers** limit inclusion of FP in national insurance schemes
 - Certain methods may be seen as more “acceptable” for a government-supported scheme
- FP is a government priority due to **positive socio-economic externalities**, but may not be of sufficient importance to insured individuals due to **cultural norms** or **knowledge gaps**

FAMILY PLANNING AS A *SPECIAL CASE*

Country examples



Dominican Republic

FP is included in public insurance for the poor; private insurance is more resistant to FP inclusion, possibly due to difficulty pricing these FP services actuarially.



Peru

Historical lack of rights-based FP reduced trust in public FP services. Though 70% of women of reproductive age have access to insurance, contraceptive prevalence rate among poor women is still low.



Guatemala

FP services are free and most depend on government facilities as insurance doesn't cover it. Indigenous women have a contraceptive prevalence rate 13 points lower than others.



Indonesia

FP services at the primary healthcare level are not in capitation; separate fee-for-service payments made; commodity procurement remains centralized for many methods.



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