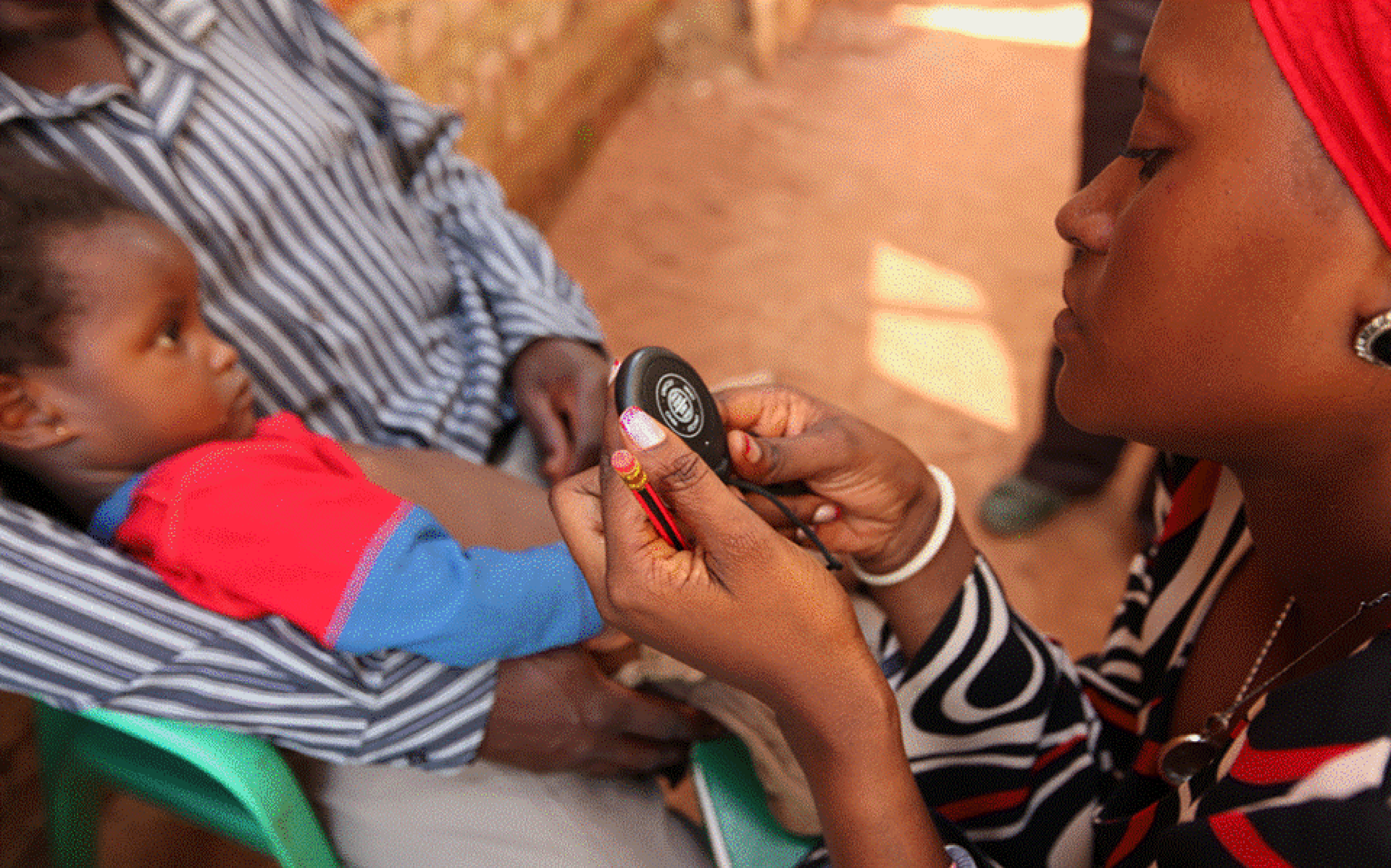


Financing Community Health: Briefing for the National Academies

December 2016

Financing Alliance for Health

OBJECTIVES OF THE SESSION

Discuss challenges for financing community health and transition strategies

Outline financing strategies that support a transition

Discuss potential ways the U.S. Government can better support the transition to domestic investment

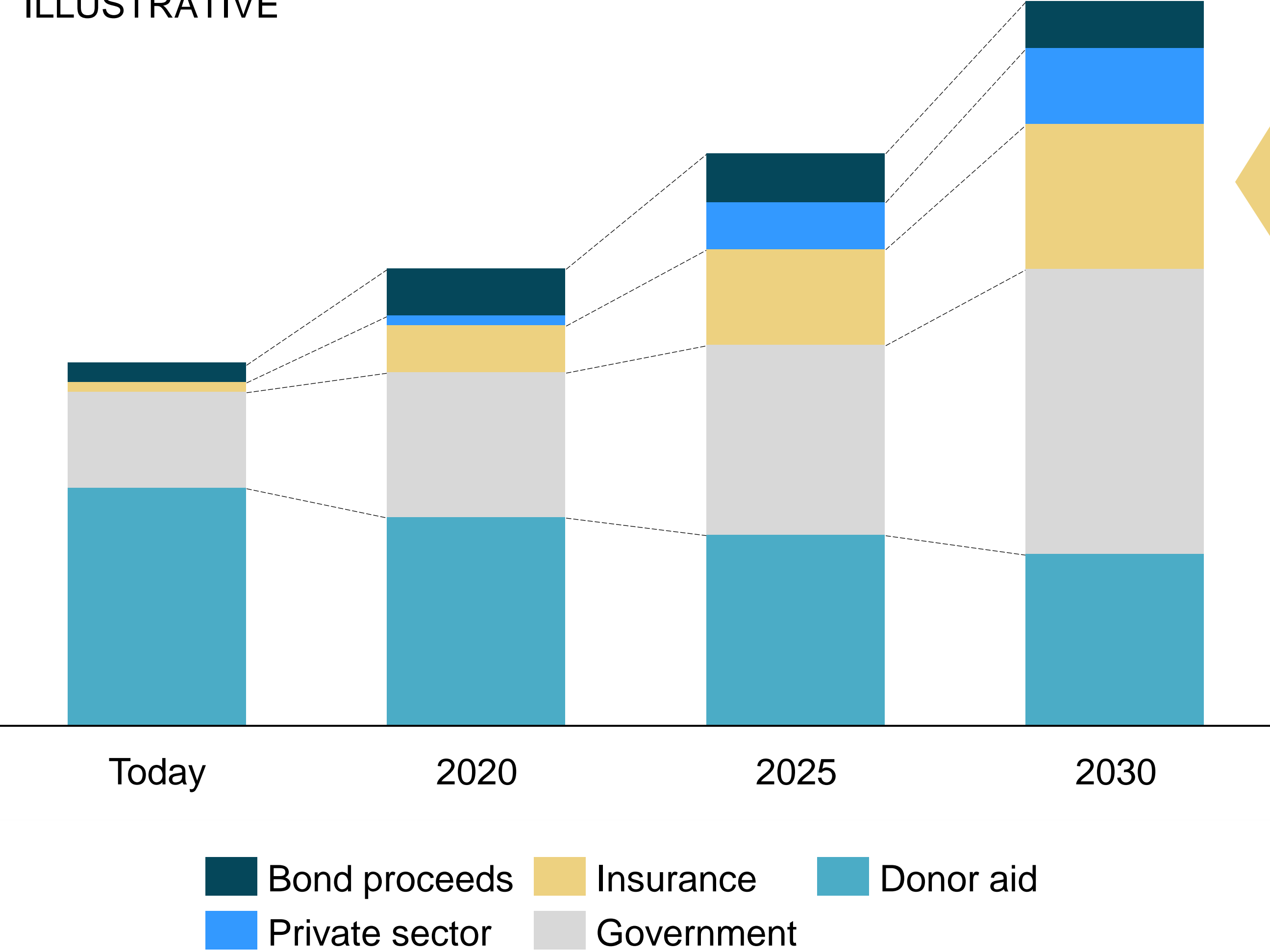
Discuss role of mobile health tools

BACKGROUND – SETTING THE STAGE ON HEALTH AND FINANCE

- **Health care** is a key sector in most African countries and under the Abuja Declaration, all African countries committed to spending 15% of their GDP on health – most countries today are far below that, however
- Aside from the protection of health, there is recognition that **health systems are critical to the economic and financial stability** of these countries – health is a driver of economic development
- Today, sub-Saharan African countries – where predominance of mortality continues to occur – rely on donor aid to fund critical health care infrastructure and disease interventions
- Countries now **face significant challenges (and opportunities)**
  - **Supply** of donor funding looks likely to decrease over time, given economic and political constraints
  - **Demand is increasing - more investments in health are required** to strengthen systems so they are more resilient
  - Meanwhile, additional "**innovative financing" mechanisms/instruments are emerging** – pay-for-performance, debt instruments, pledges, guarantees, etc., but are not yet 'mature'

MOST FORECASTS SHOW DONOR SPENDING LEVELING OFF OR DECLINING, WHILE DEMAND FOR SERVICES WILL INCREASE

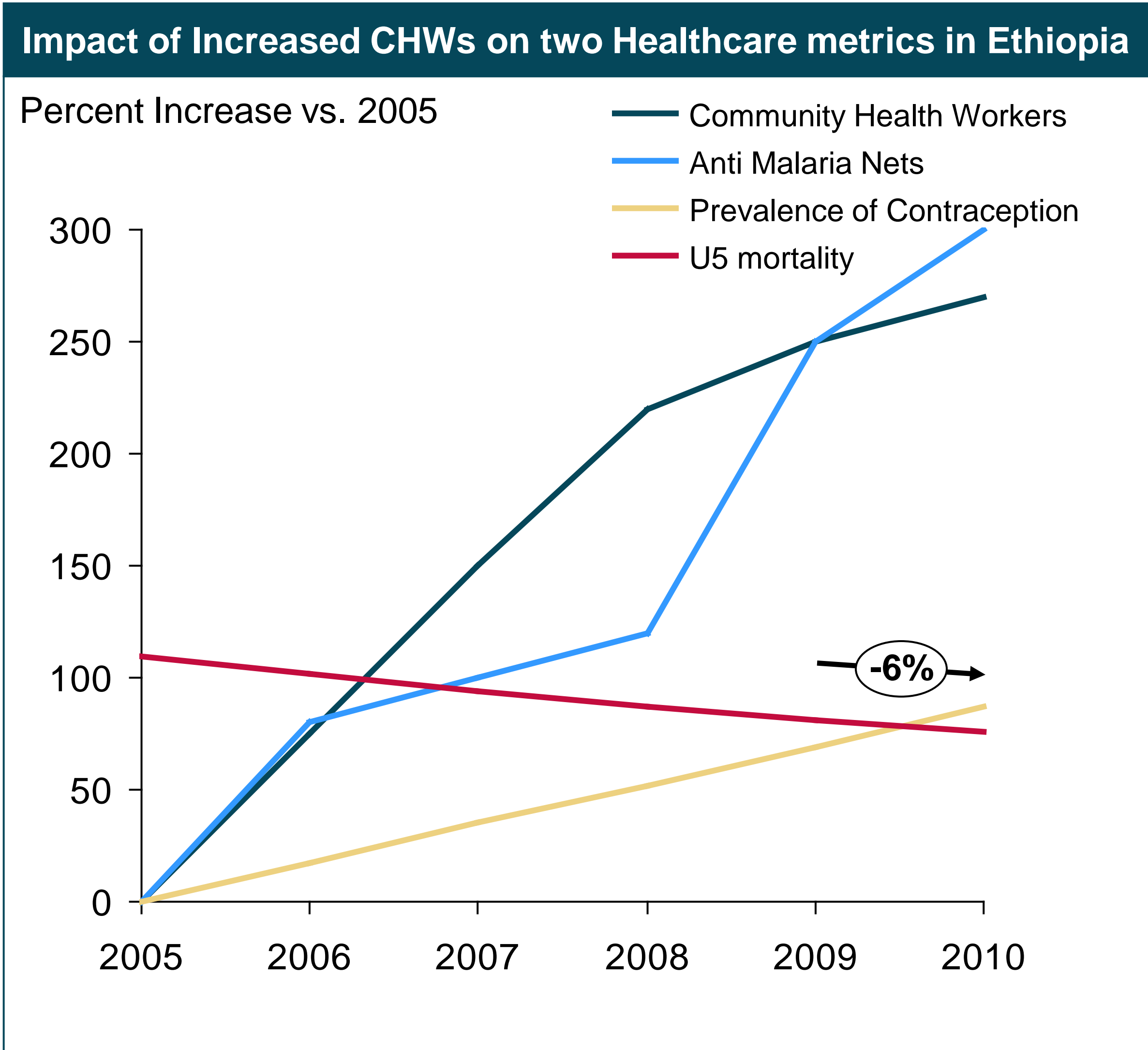
Increasing funding and transitioning toward financial self-sufficiency



Overall significant increase in funding for community health

- Increases in bond proceeds, revenue based models, government, and private sector
- Potential decrease in donor funding

MEANWHILE, STRONG CASE FOR INVESTING INTO COMMUNITY HEALTH – INCREASE IN COVERAGE OF KEY INTERVENTIONS– ETHIOPIAN EXAMPLE

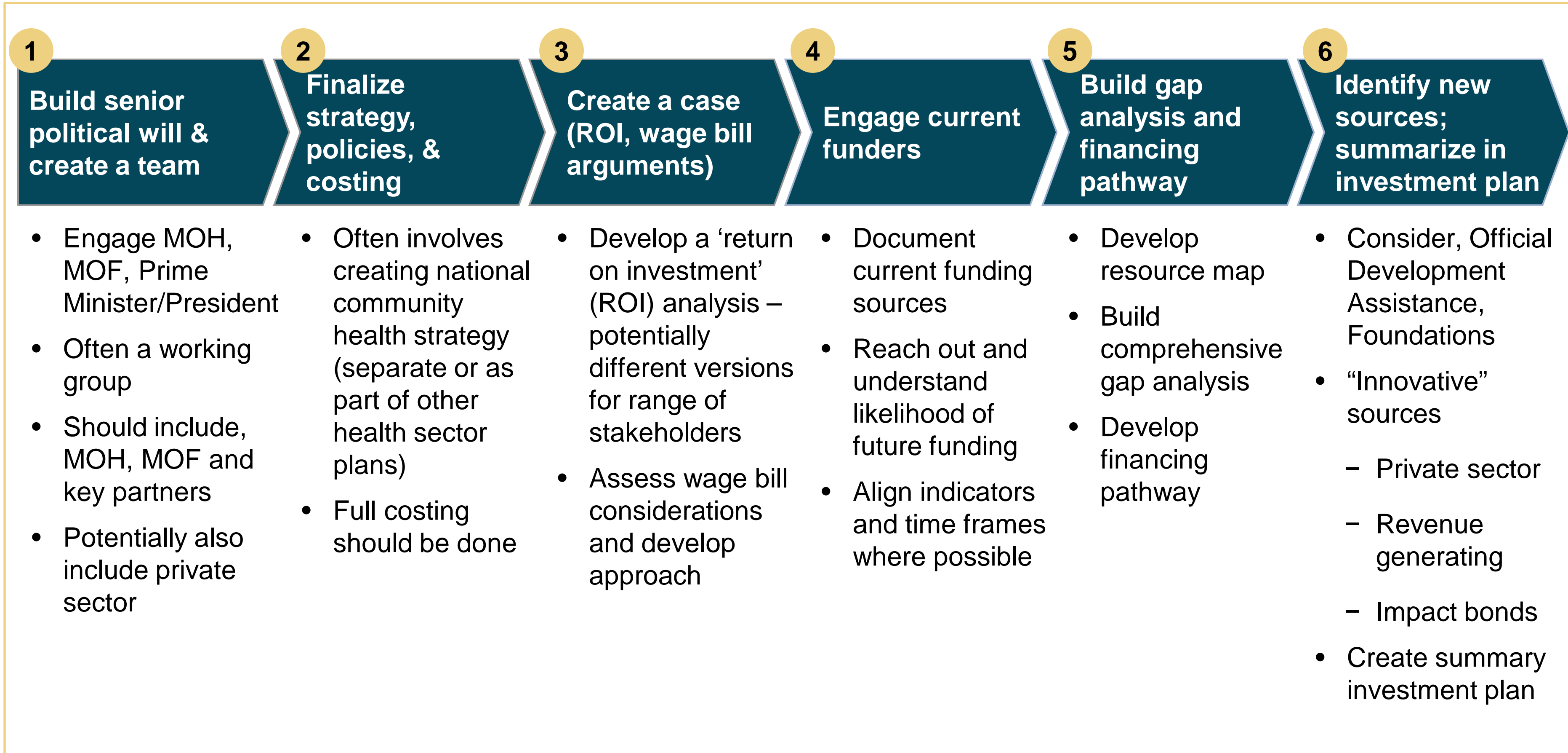


- The Ministry of Health in Ethiopia cites its Health Extension Program as a key enabler of broadening access to critical health services
- The government proactively utilized donor funding sources to scale its health extension worker program
- Program data indicate strong correlation between the scale-up of CHWs and the availability of health benefits like anti-malaria nets and the prevalence of contraception
- **As CHWs were scaled, mortality of children under five fell dramatically at 6% per year**

Source: Strengthening Primary Healthcare through Community Health Workers: Investment Case and Financing Recommendations, July 2015; Childmoratlity.org

COUNTRIES THAT 'OWN' THE FINANCE PROCESS ARE BEST POSITIONED FOR SUSTAINABILITY OF THEIR COMMUNITY HEALTH PROGRAMS

For Ministries of Health attempting to institutionalize and scale community health programs



Note: *Steps may happen in parallel or in a sequence different from that described above*

CREATING AN ROI CAN BE CRITICAL FOR BUILDING OWNERSHIP AND DRIVING INTERNAL AND DONOR INVESTMENT

Significant long-term economic return on investment from community health

1

2

3

4

…can return up to

$10

in the long-term

1. Productivity
2. Insurance
3. Employment

"It is becoming increasingly clear that community health worker programs **are a foundational and essential component of world-class health programmes**" - Perry & Hounton

Source: "Strengthening Primary Health Care through Community Health Workers: Investment Case and Financing Recommendations," July 2015. All references available in report endnotes.

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THERE ARE A RANGE OF TRADITIONAL AND 'INNOVATIVE' FINANCING SOURCES COUNTRIES CAN CONSIDER FOR SUPPORTING HEALTH

	Build comprehensive funding list (examples)	**Overview of support for community health (examples)**
Traditional Sources	Bilaterals: Canada, USAID, NORAD, JICA, SIDA, etc	• Programmatic and start-up funding (e.g. Canada's Catalytic Initiative)
	Multilaterals: World Bank, GAVI, Global Fund, etc.	• Health-systems strengthening (HSS) funding pools available from most multilaterals
	NGOs and UNICEF	• Have funding from independent, bilateral, and multilateral donors to invest into community health
	Government	• Some countries in Asia and SSA are making significant contributions to community health
New Sources (see next slides)	Global Financing Facility (GFF)	• Incentivizing investment into RMNCAH continuum
	Private sector	• Some companies are investing directly into primary care and especially community health to prevent and combat malaria and other diseases
	Revenue-generating models	• Use 'Avon-like' sales models to bring basic health commodities to vulnerable populations at subsidized prices
	Revenue bonds	• New structures in development intended to provide low-cost debt financing options
	Impact Bonds (domestic government/NGO)	• Social Impact Bonds and Development Impact Bonds in development to support RMNCAH

ADDITIONAL FUNDING STRATEGY: GLOBAL FINANCING FACILITY (GFF)

What is the GFF?

- **A financing platform in support of Every Woman Every Child 2.0: http://globalfinancingfacility.org/**
- It is a 'country driven financing partnership' to support reproductive, maternal, newborn, child, and adolescent health
- Focused on a targeted set of countries:
  - **Front runners:** DRC, Ethiopia, Kenya, and Tanzania
  - **Second wave**: Bangladesh, Cameroon, India, Liberia, Moz, Nigeria, Senegal, Uganda
- Allows countries to leverage their own resources and IDA funding toward more financing

How can it support community health costs?

- Front runner and second wave countries have been asked to produce an investment case that details proposed interventions and potential health gains
- Community health can be included as a priority within the GFF investment case

Key GFF touchpoints

- MOH lead for the GFF process
- World Bank country office and HQ teams also available
- GFF consultants are available in the front runner and second wave countries

ADDITIONAL FUNDING STRATEGY: PRIVATE SECTOR INVESTMENT INTO COMMUNITY HEALTH

	AngloGold Ashanti (AGA)	Ethiopian Sugar Company
Overview	• Malaria was significant problem to AGA; 24% incidence rate and 7.5K cases each month. AGA implemented integrated malaria control program and expanded to other treatment areas and total healthcare as well	• In response to widespread pneumo, malaria, and diarrhea, company first set up clinics and then preventative system that engaged nurses and other lower-skilled workers
Successes	• Saw 75% incidence reduction in 2 years; 90% reduction in labor and treatment costs, clear ROI. $1.5M in setup costs, worth the investment	• Reduction in costs with preventative model • Measurable reductions in morbidity and mortality • Company had better efficiency and productivity

ADDITIONAL FUNDING STRATEGY: REVENUE-GENERATING CHW MODELS

	Novartis: Arogya Parivar	Living Goods
Overview	• "Healthy Family" initiative trains women CHWs as Community Health Facilitators to educate rural communities in India about health/ sanitation, host health camps for diagnosis and treatment, and sell small packages of health products for a 10% commission (~$250/month). Cost to consumer is often under $1.25/wk. Offers 80 products	• Trains Community Health Promoters to work 2 hrs, 5 days/ wk to deliver health education and advocacy and sell products to 100 households each, for 10% below market price in Kenya and 30% below market in Uganda. Go through gov't training for iCCM, tied to MoH facilities and report up to CH Assistants, increasing their value
Successes	• Sustainable – broke even in **30 months**; expanded sales 25x since 2009. Reaches 33,000 villages and 42M people. Expanding to Kenya, Vietnam, Indonesia. Integrated into MoH structure in Kenya by having CHFs report to community health units and help Kenyan Community Health Assistants	• **Child mortality reduced by 25%** for an annual cost of $2 (Uganda results). Product costs are 100% recouped . MoH integration is successful – 50-80% of recruits are Kenyan CH volunteers. 17% profit margin for CHPs for part time work • **Recovers** 10-15% of total costs (including senior leaders, admin, finance); 30-40% of CHW + field costs

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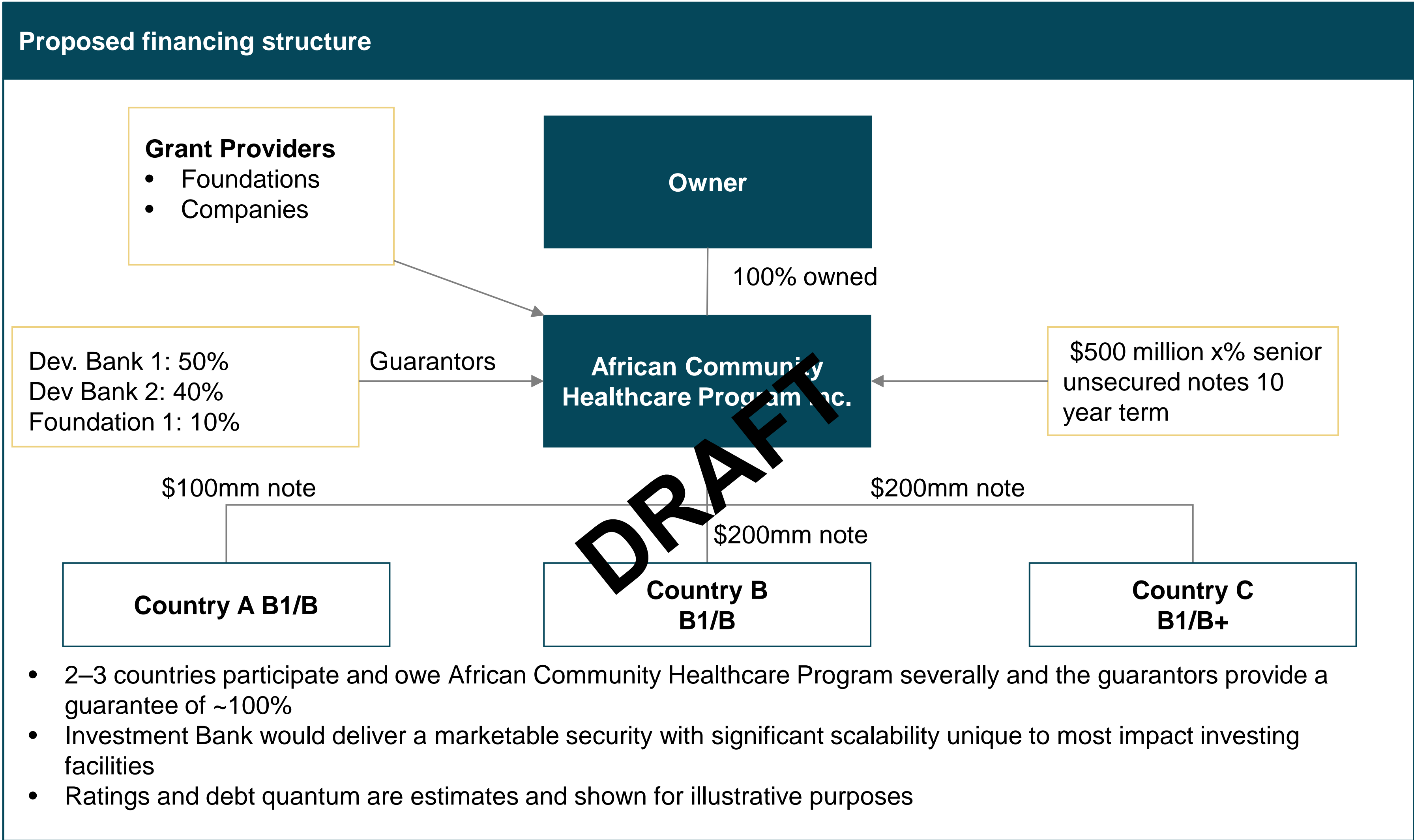
ADDITIONAL FUNDING STRATEGY: LARGE SCALE COMMUNITY HEALTH BOND



- 2–3 countries participate and owe African Community Healthcare Program severally and the guarantors provide a guarantee of ~100%
- Investment Bank would deliver a marketable security with significant scalability unique to most impact investing facilities
- Ratings and debt quantum are estimates and shown for illustrative purposes

Through group of co-guarantors and intermediary, African states could access the high yield market

GAVI, GLOBAL FUND, WB ETC. ARE ENCOURAGING COUNTRIES TO INCREASE DOMESTIC CONTRIBUTIONS - FINANCING ALLIANCE ALSO SUPPORTING THIS TRANSITION

A partnership to support governments in rapidly financing and scaling health delivery programs

Vision	• Act as a '**deal team**' that supports **governments** in building primary care health systems across Africa • Over time, such systems become financially self-sufficient
Value prop	• The Financing Alliance: – Acts as a **facilitator** between the worlds of finance and health in developing countries – A **thought leader** on how to sustainably finance integrated health systems – Partner with governments, NGOs, and investors to support health
Types of support	• **Engage with ministries on system design and financing:** plan design, model refinement & expansion, ROI advisory, financial advisory & execution • **Intellectual property/knowledge management:** case studies on financing pathways, documenting funding flows, south-south capacity building function • **Developing innovative financing products/modalities:** working with the finance sector to push the envelope on innovative sources of financing, crowding in private sector capital
Core partners	• **World Bank, UNICEF, UN Special Envoy's Office, Partners in Health, Last Mile Health, Clinton Health Access Initiative, Living Goods, Total Impact Advisors, USAID and others**

THE FINANCING ALLIANCE'S FOCUS IS ON COUNTRY ENGAGEMENT, KNOWLEDGE MANAGEMENT, AND INNOVATIVE FINANCING

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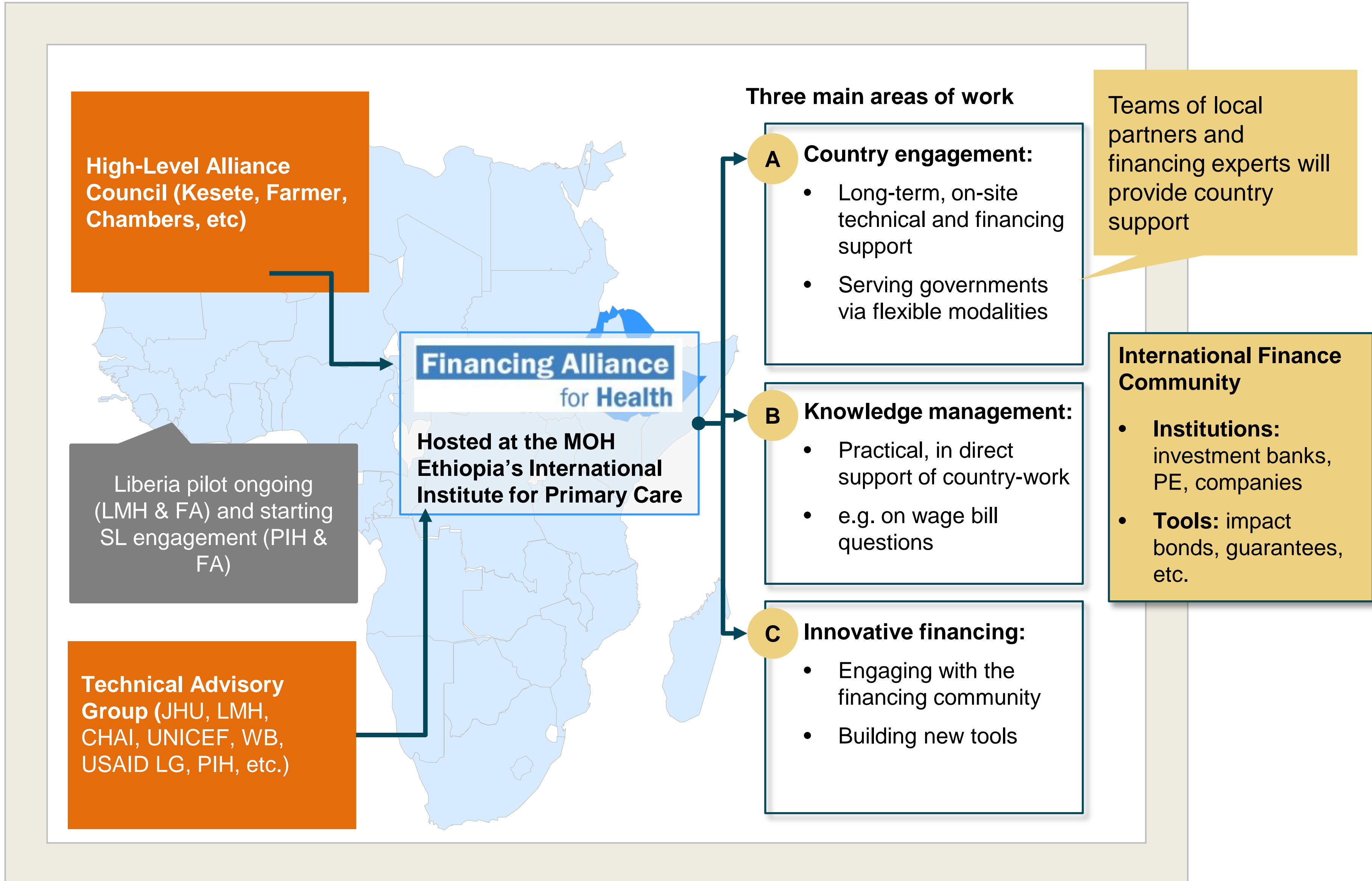

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WHAT CAN USG DO TO BETTER SUPPORT THIS TRANSITION?

Recommendations	Details/what this could mean
1 **Invest alongside existing financing mechanisms**	• Find additional opportunities to 'co-invest' alongside major funders like the Global Fund – e.g. by funding commodities for community health while GF supports training costs (iCCM Financing Task Team was able to leverage $250M from the GF for iCCM in 2013-2015, but much more is possible), or by supporting community health 'platform costs' alongside other commodity investments – tremendous leverage potential
2 **Create more flexibility for innovative finance**	• Allow DCA greater latitude to apply certain restrictions – e.g. limited ability to guarantee sovereigns, caps on total amount of risk guaranteed in a structure in which DCA participates – where the ultimate outcome will catalyze additional private sector resources and the capital markets • Encourage cooperation between USG development finance tools – DCA, OPIC, Global Development Lab – to maximize impact of USG funds
3 **Invest in capacity**	• Many governments are strapped for capacity in the community health and primary care teams– support capacity development at the ministry level and especially around planning and financing (including costing, gap analysis etc.) • Programs such as the Aspen Management Partnership, Global Health Corps, etc. are well positioned to help build capacity

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MOBILE HEALTH TOOLS CAN EXPAND ACCESS, IMPROVE QUALITY, DECREASE COSTS, BUT IMPACT DEPENDS ON HUMAN AND PHYSICAL INFRASTRUCTURE

EXAMPLES

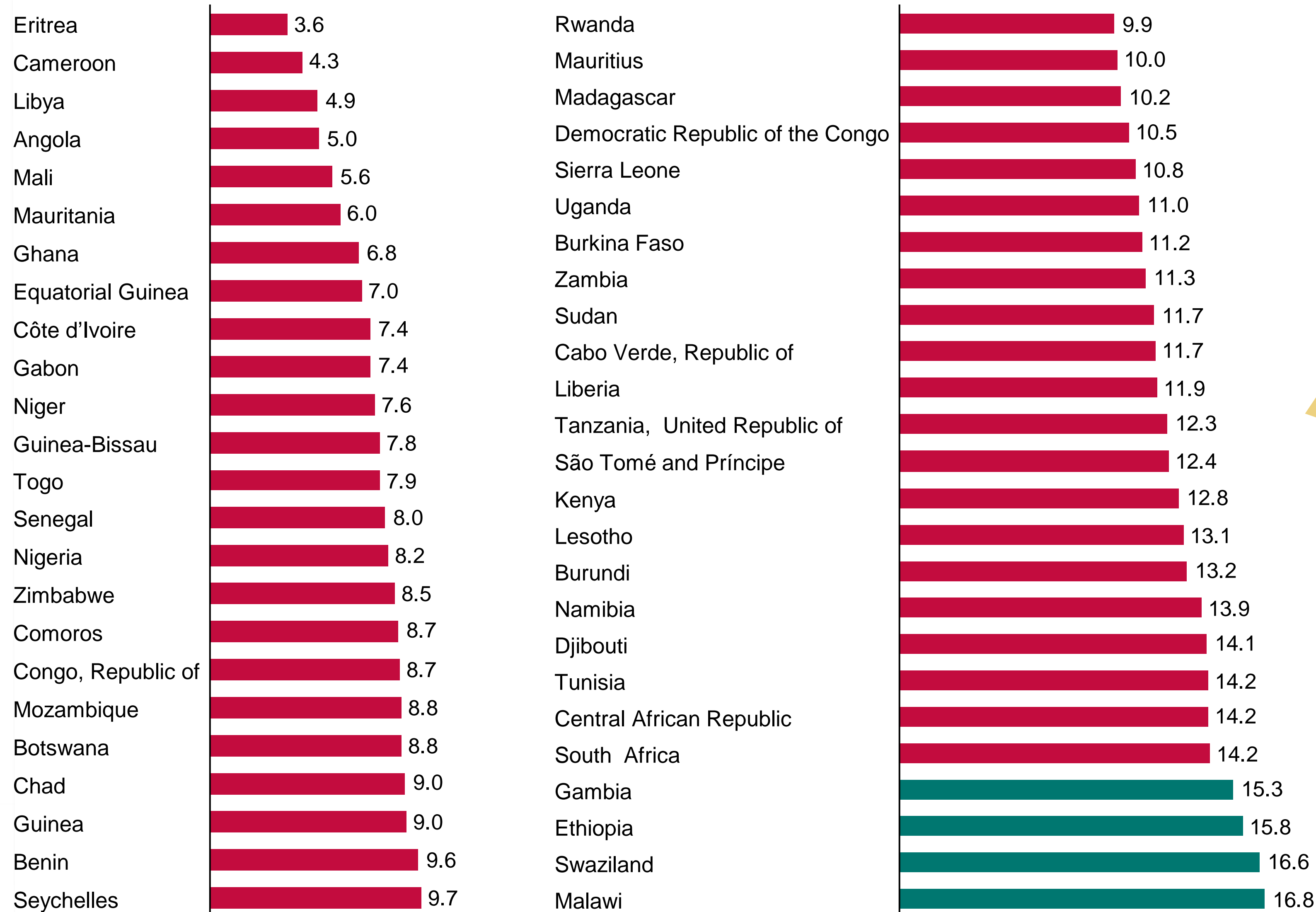
	Details	Impact/cost effectiveness
CommCare	• CommCare (www.commcarehq.org) is an open source mobile platform enabling nonprogrammers to build mobile applications for data collection, counseling, behavior change, and a variety of other functions • Hundreds of organizations have used CommCare to build mobile applications to support frontline workers – e.g. for tracking and supporting clients with checklists, SMS reminders	• Dimagi's model shows that the incremental cost per CHW for mHealth can be reduced by 50%+ when mHealth is expanded to include several disease programs, multiple CHW cadres, and vertical links to the other parts of the health system • Dimagi has compiled robust evidence base on impact, e.g. Bihar: # of women who attended at least three ANC visits was 73% higher among those being tracked by CommCare as compared to the control group; In Nigeria, CommCare increased the ANC visit quality score from 13.3 at baseline to 17.2 (out of 25) at endline
Medic Mobile	• Medic Mobile (https://medicmobile.org/) combines messaging, decision support, data gathering and management, and analytics • Tools are open source, free, and designed alongside programs working at the last mile	• Can enable high quality service delivery and monitoring, real-time data collection, efficient CHW support, enhanced supervision, etc. – In Kenya, program designed to improve reporting led to 97% on time reporting of weekly reports, saving an estimated $56,000 – In Malawi, CHWs were able to double # of TB cases they found

"mHealth can support data collection, processing, dashboard-making, decision support (e.g. through D-tree), continuing education, clinical flow and follow up, GPS tracking and mapping of trends/epidemics" – Dan Palazuelos, Senior Advisory on Policy, Partners in Health

APPENDIX

BUT COUNTRIES ARE FAR BELOW ABUJA SPENDING TARGET – NOT YET MAKING SUFFICIENT INVESTMENT INTO HEALTH

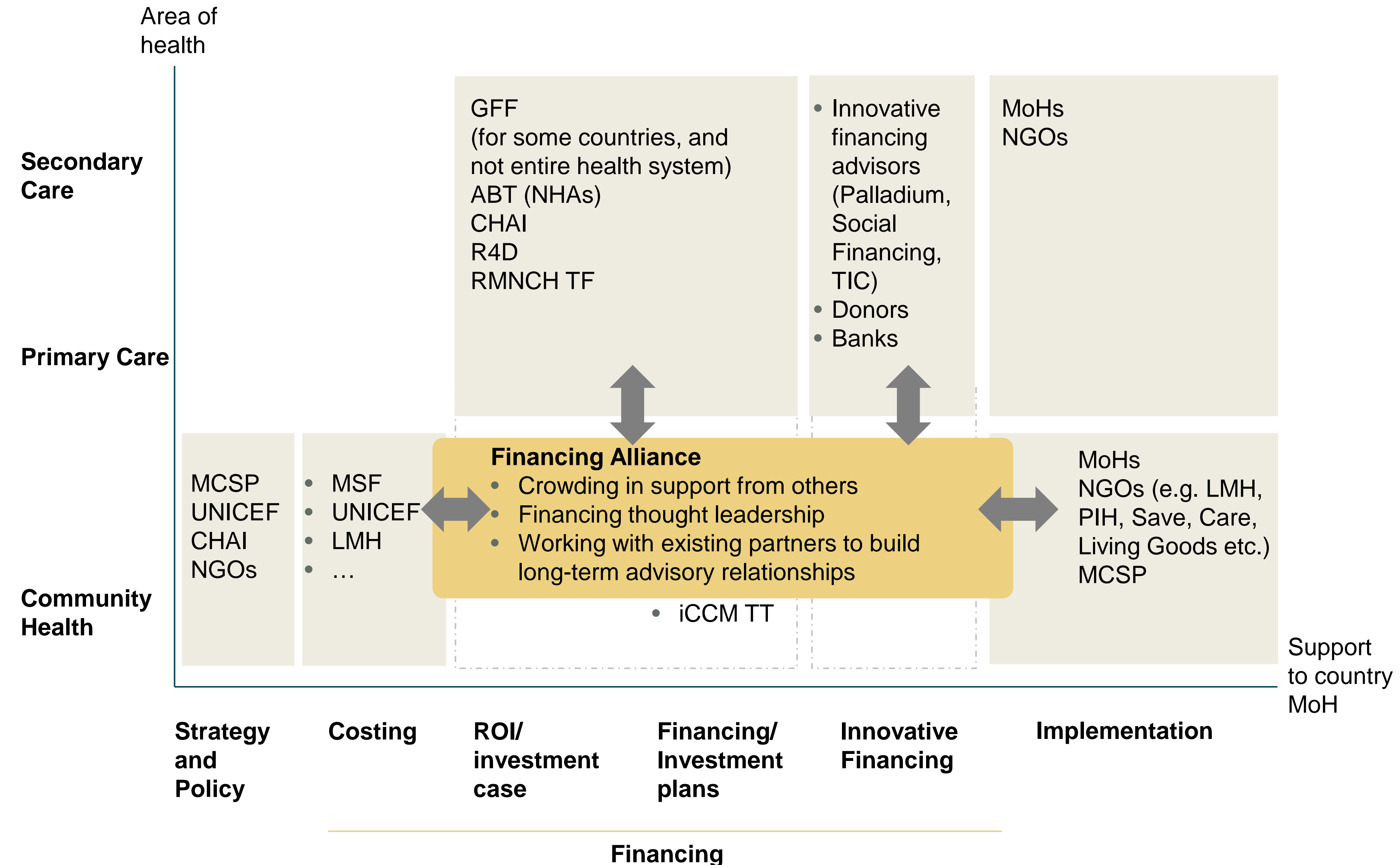
% of general government expenditure, 2014 data



Abuja target: pledge to allocate 15% of annual budget to improve health sector

Source: http://www.au.int/en/sites/default/files/documents/31331-doc-au_scorecard_-_final_english.pdf

THE FINANCING ALLIANCE WILL COMPLEMENT EXISTING SUPPORT TO COUNTRIES



EXAMPLE FINANCING ALLIANCE COUNTRY ENGAGEMENT: “LIBERIA PILOT”

Engagement ongoing

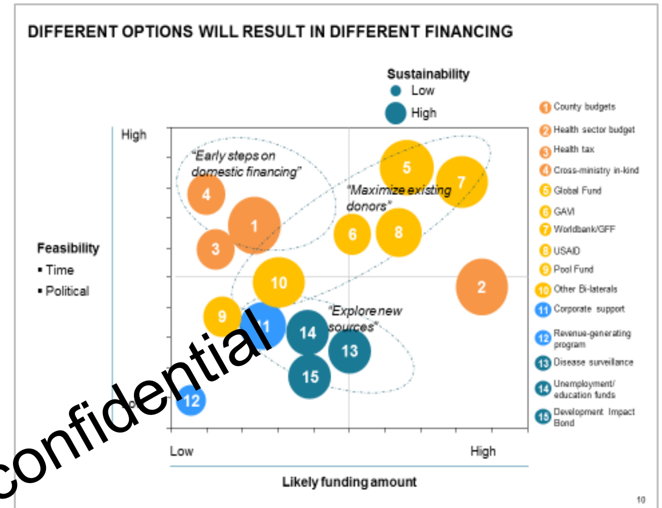
- 6 months effort with MoH Liberia on new CHW program
  - Analysis of costs/ROI
  - Review of financing gap and recommendations to address
  - Development of practical tools to support financing
- Delivered by FA team of 3 individuals and support from TAG
- LMH as strong local partner staffing 1 individual to the team and providing the ongoing link

Funding sources

THERE ARE MANY POTENTIAL SOURCES OF FINANCING FOR THE CHA PROGRAM

	Options
A Domestic funding	1 **County/Community health budgets**: Tap into county budgets; look at allocating funds toward CHA incentives
	2 **Health sector budget**: Advocate to increase IDA allocation to health, and then allocate to community health
	3 **Taxes:** Consider broader **corporate taxes on health** to increase revenue base and then allocate higher share of budget to health, and community health in particular
	4 **Cross-ministry synergies**: Explore use of other existing infrastructure to lower cost (e.g. vehicles etc)
B “Tra-ditional” donor[1]	5 **Global Fund:** Continue to include CHA platform in GF proposals (e.g. through iCCM as part of Malaria) and ensure long term commitments that remains at the same level in years 3-7 as now
	6 **Gavi:** Request CHA funding through the on-going HSS proposal and subsequent rounds of HSS funding
	7 **World Bank/GFF:** Tap into remaining Ebola funds and proactively position CHA as a disease surveillance and preparedness strategy
	8 **USAID**: Ensure PACS funding is spent against CHA program & implementers support CHA-related activities according to policy; access FARA results based financing for support of CHAs
	9 **Pool fund:** should the pool fund be replenished after 2017, include CHA program as a funding priority
	10 **Bi-laterals:** Further proactively pursue targeted bi-lateral funding, e.g. JICA, DFID, EU, etc.
C Private sector	11 **Corporate support**: Pro-actively use CR forum to engage corporations on financial and non-financial contributions. Access mining company community fund contributions through advocating with community health teams, and leverage telecom companies, for potential partnership
	12 **Revenue-generation through CHAs:** Explore provider/implementer of revenue-generating model
D “New” sources	13 **Disease surveillance, preparedness and global health security:** Advocate for remaining and new epidemics, disease surveillance, and preparedness funding to be allocated to CHA program, and include relevant stakeholders
	14 **Unemployment, education and economic growth:** Make a case to funders of employment and education programs, e.g. ADB
	15 **Philanthropic outcome funders:** Development impact bond focused on specific outcome targets

Prioritizing funding sources

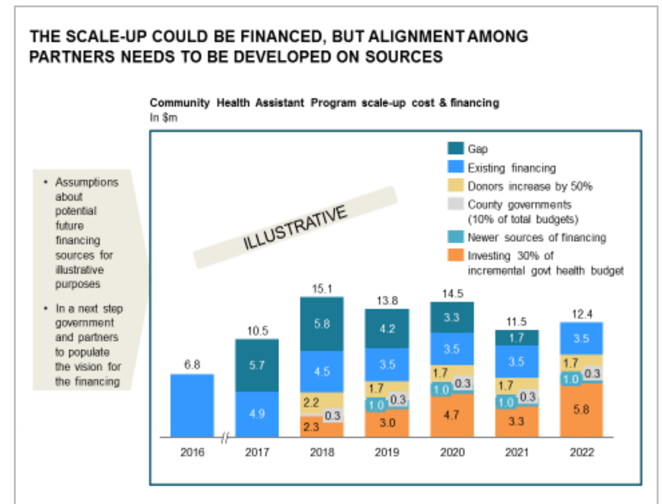


Overall recommendations (also on org)

SUMMARY OF OVERALL RECOMMENDATIONS

Recommendation	Rationale
1 **“Develop Roadmap”:** Develop a roadmap for how the CHA system is financed in the long-term, in particular developing a vision for how domestic financing can be increased over time	▪ Alignment on all stakeholders on overall direction and activities ▪ Allows for implementing a system that can be afforded in the long-term ▪ Can be used as advocacy tool
2 **“Support an enabling environment for financing”:** Assign clear roles and responsibilities, ensure capacity, develop a plan for future analyses, and identify coordination mechanisms	▪ MOH driving the CHA program costing and financing will ensure donors and other government partners fund the CHA system
3 **“Maximize existing donors”:** Maximize the existing donor base by prioritizing and putting forward CHW funding, and ensuring continuous funding (e.g. GF, WB, etc)	▪ Donors funding channels exist (in particular multi-lateral) and can be accessed relatively easily, provided MOH prioritizes CHA cost
4 **“Take early steps on domestic financing”:** Create a phased approach to increase GOL's financial support to the CHA program through the domestic budget, laying a foundation for sustainability	▪ Demonstrates the Government's commitment to the program and aligns GOL to long term vision ▪ Mobilizes donors to commit and cost share with the Government
5 **“Explore prioritized new funding sources”:** Invest research, pilot time and resources in evaluating new types of financing	▪ Newer and more innovative types of financing will require content-specific testing and evaluation

Encouraging a roadmap for domestic fin.



Preliminary and confidential