USAID’S PLANS FOR ADVANCING UNIVERSAL HEALTH COVERAGE IN BANGLADESH

Summary of the Co-Creation Workshop

March 2017

This publication was produced at the request of the United States Agency for International Development. It was prepared independently by Yasmin Ahmed, Peter Connell, and Pial Islam. The authors’ views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.
All photos were taken during the Co-creation Workshop. Credit: Rahman Corporation

This document is available online. Online documents can be located in the GH Pro website at http://ghpro.dexisonline.com/reports-publications. Documents are also made available through the Development Experience Clearinghouse (http://dec.usaid.gov). Additional information can be obtained from:

Global Health Program Cycle Improvement Project
1331 Pennsylvania Avenue NW, Suite 300
Washington, DC 20006
Phone: (202) 625-9444
Fax: (202) 517-9181
http://ghpro.dexisonline.com/reports-publications

This document was submitted by GH Pro to the United States Agency for International Development under USAID Contract No. AID-OAA-C-14-00067. GH Pro Assignment number: 325.
<table>
<thead>
<tr>
<th>ACRONYMS</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAA</td>
<td>Broad Agency Announcement</td>
</tr>
<tr>
<td>DfID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>EOI</td>
<td>Expressions of Interest</td>
</tr>
<tr>
<td>ESP</td>
<td>Essential Service Package</td>
</tr>
<tr>
<td>GOB</td>
<td>Government of Bangladesh</td>
</tr>
<tr>
<td>HIS</td>
<td>Health information system</td>
</tr>
<tr>
<td>HWF</td>
<td>Health workforce</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental organization</td>
</tr>
<tr>
<td>NHSDP</td>
<td>NGO Health Service Delivery Project, funded by USAID and DfID</td>
</tr>
<tr>
<td>OOPE</td>
<td>Out-of-pocket expenditure</td>
</tr>
<tr>
<td>PDSA</td>
<td>Plan, Do, Study, Act</td>
</tr>
<tr>
<td>QI</td>
<td>Quality improvement</td>
</tr>
<tr>
<td>UHC</td>
<td>Universal health coverage</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
</tbody>
</table>
BACKGROUND

United States Agency for International Development (USAID)/Bangladesh issued a Broad Agency Announcement (BAA) on October 18, 2016 seeking game-changing solutions to advancing universal health coverage (UHC) in Bangladesh. The purpose of the BAA is to utilize the Smiling Sun network of clinics to effectively introduce and expand UHC through innovative health financing approaches including, but not limited to, health insurance and payment linked to credit and/or performance. USAID has long-invested in the nationwide Smiling Sun network of 399 clinics, and recognizes the importance of leveraging this program to advance UHC in Bangladesh.

Achieving UHC is a critical priority in Bangladesh because:

- Out-of-pocket expenditure (OOPE) on health care continues to rise and was around 64% of total health expenditure in 2012 (up from around 57% in 2007), while the government’s share of the total dropped over the same period (from 36% to 26%).
- Development partners have made up some of the difference, but the level of investment is expected to decrease as Bangladesh’s economic growth continues.
- As a result, there is now an urgent need under the Government of Bangladesh’s (GOB) Health Care Financing Strategy 2012-2032 to:
  - Increase financial protection for the entire population, but particularly for the poor, for whom over-reliance on OOPE is especially inequitable and inefficient.
  - Raise the overall level of financing to the health sector.
  - Increase the efficiency with which health resources are used.

A specific aim is to halve OOPE’s share of total health expenditure by 2032 – by introducing a large measure of social health protection through innovative financing. USAID’s BAA is designed to contribute to these objectives.

WORKSHOP PROCESS

The BAA approach intends to co-create, co-design, co-invest, and collaborate on interventions that demonstrate the highest potential to dramatically improve health impacts by tackling key constraints within the existing non-governmental organization (NGO) health delivery and health financing sectors. Of the large number of companies and organizations that responded to the BAA with Expressions of Interest (EOIs), eight were selected to participate in a co-creation workshop on the basis of the innovative ideas and industry expertise contained in their EOIs. This highly participative mechanism brings together the selected applicants to co-design the new program that will help USAID to advance UHC.
The workshop was conducted over the period January 8-19, 2017. Invited participants included up to three representatives from the eight selected applicants, USAID, GOB, and development partner representatives, as well as selected technical resource persons. Five facilitation staff assisted in planning and managing the workshop and associated logistics. Attendance averaged 30-35 each day over the 10-day period. The first week focused on collating the facts which constitute the context for UHC in Bangladesh, agreeing on the vision and, through plenary and small group discussion, brainstorming the supporting elements needed to operationalize that vision. The second week focused on developing pathways to achieve the vision of UHC.

Next, those documents go back into the USAID procurement process and will result in one or more awards, which will transition USAID’s existing NGO-based network of Smiling Sun clinics into a strategic purchasing role aimed at moving Bangladesh closer to achieving UHC.

WORKSHOP DISCUSSIONS

OVERALL STRATEGY

There was consensus at the workshop that USAID’s strategy since the mid-1990s of supporting delivery of the Essential Service Package (ESP) through sub-grants to a family of NGOs will have to change radically in the context of UHC. NGO Health Service Delivery Project of USAID (NHSDP), the existing contract through December 2017, is meeting its current objectives of having a client base that is 40% drawn from the poor while also recovering approximately 40% of its Smiling Sun clinic operating costs. Without transitioning away from the historical sub-grant model, the near-term prospects for substantially improving sustainability are limited and therefore, the chances of being able to increase protection for the poor in the context of UHC are also constrained.

The precise components of any new strategy were the subject of intense discussion by the participants at the workshop as they examined the best technical solutions that can advance UHC. However, there was broad consensus on four themes within a new strategy:

- Strategic purchasing – The new program will transition USAID from funding NGOs who deliver ESP services to buying services from clinics that can meet targeted outcomes.
• Market of different possible sellers – While the new program will support the current network of Smiling Sun clinics, it will not be limited to currently existing NGO clinics but will also diversify towards a wider market of sellers who can support its new UHC objectives.

• Framework of published rates – Published rates will cover what clients have to pay under a range of new financing mechanisms as well as how much sellers are to be reimbursed under those mechanisms. Only sellers who can deliver quality services within those agreed rates will prosper in the long term.

• Specifically targeted clients – The rate schedule will be carefully calibrated to ensure pooling of funds so that more poor clients can be served than today, while attracting sufficient numbers of non-poor clients to achieve the cross-subsidization that can lead to sustainability in the long-term.

Within this broad strategy framework, workshop participants subsequently examined six aspects of the new USAID program’s health system that will need to be aligned with the framework.

**FINANCING MECHANISMS**

The BAA originally identified three health financing options for UHC: greater health insurance coverage, innovative financing of performance for results, and payment linked to credit for providers of health services. Before the workshop, and after due debate within USAID, these were subsequently reframed to provide additional guidance to the workshop participants:

• Performance-based financing and other forms of strategic purchasing – Health providers are, at least partially, funded based on their performance and ability to meet targets or undertake specific actions.

• Health insurance – Mechanisms that activate risk pooling by collecting and allocating funds to pay for the provision of a defined set of health services for beneficiaries.

• Equity fund – Pooled funds used to supplement income losses from providers when shifting focus from more-profitable services/customer segments to less-profitable ones.

It was made clear to the participants that the three options were not exhaustive: the participants were encouraged to identify other innovative financing options as they relate to UHC. The final selection of the financing options should also be viewed as a “quilt” – potentially a combination of varying options as they relate to various target customer segments or stages of the program or sources and purposes for certain forms of financing.

The participants were divided into three pre-determined groups for the break-out group discussions. Each group had no more than one participant from each of the participating organizations. The participants were provided with a template to capture their deliberations and present at the plenary. The template was an adaptation of the “business model canvas” and was intended to achieve two key objectives. First, it prompted participants to think about the big picture: although the session was on Health Financing, it got them to think beyond cost and revenue drivers, and take into consideration such factors as value proposition, customer segments, and risks. Second, it provided a consistent feedback format so that the various ideas from the groups were more easily comparable.
The participants presented the key messages from their group deliberations and most of the groups had elements of all three financing options in their proposals. However, some had a heavier focus on certain elements (e.g., equity funds) than others. Strategic purchasing was also quite evident across all three presentations. However, while most did include some element of health insurance (still a nascent concept in Bangladesh), for some it was an integral part of their proposals while for others it was only softly woven into other financing options.

GOVERNANCE AND MANAGEMENT

Small groups were asked to consider these topics within the traditional cascade of strategy, structure, systems, skills, and staffing, with the focus on structure and staffing. However, governance plans under the new program were clouded by lack of final consensus on the precise details of the underlying strategy: at least two major alternative pathways towards UHC were emerging at that stage.

The main points at issue included:

- **Legal entity** – The NHSDP project is in the process of forming a shell company, limited by guarantee under Bangladesh law, which the new program can inherit if it is needed to become USAID’s long-term legacy organization. While this new entity is probably going to be of immediate use, its exact role remains to be decided.

- **Owning vs affiliating service delivery partners** – The practicality and desirability of the new program owning its service delivery units remains debatable, especially if those units are existing NGO-operated Smiling Sun clinics.

- **Performing management functions in-house vs contracting-out** – It is clear that any insurance mechanism and claims management should be contracted-out, since such services exist in Bangladesh and are more likely to be cost-effective if bought from outside specialists. Whether purchasing of services and management of health equity funds should also be contracted-out is less obvious.

To the extent that a new entity is needed – e.g., for managing the service delivery and/or purchasing functions – then it was agreed that its Board should adopt a social mission blended with a commitment to sustainability. It was also agreed that the Board should be non-executive, kept as small as practicable, and should seek members with civil society, voluntarism, finance, legal, and medical skills. Management functions will include strategic purchasing alongside the more traditional departments. It is unclear whether these specifications will vary widely once the underlying strategy is finalized and the final choices on ownership and contracting-out have been made. There is also lingering uncertainty over whether the Smiling Sun brand and logo currently have adequate legal protection under Bangladesh law: this needs confirmation.
SERVICE DELIVERY
This session was designed to identify the gaps/opportunities in current service delivery and what will need to be done differently in the new program. The ESP, service delivery channels, health information systems (HIS), and health workforce (HWF) were selected for separate discussion. Participants were pre-assigned to one of the four groups so that none of the participating agencies had more than one participant in each group. The group discussions were followed by plenary presentations to develop consensus/further discussion on the topics.

During the session, services to be included in the ESP for the new program were defined. It was agreed that the NHSDP’s existing package of services would be offered, along with key additional elements from the GOB’s ESP for the next health sector program (2017-2021), which are aligned with the new program’s vision. These extensions to the ESP will be implemented in phases.

The present service delivery channels (static and satellite clinics and community service providers) will be retained, although the scale of their operations will change based upon a needs assessment. There was consensus to fully automate the present management information system so that client records follow the client from one service delivery point to another. Such a system will take advantage of existing national level interventions in the sector – e.g., smart registration cards being introduced by GOB nationally.

The discussions on HWF identified key challenges in retaining existing trained providers and attracting new talent, including the currently non-competitive salaries and limited opportunities for career progression.

The participants identified the need for further discussions in all four areas, addressing key questions on how to develop an effective referral system, undertake effective transition from the NHSDP to the proposed program, and finance digitization and automation of the HIS.

NETWORK DEVELOPMENT
Participants were asked to work initially in pairs at their plenary tables to discuss what an ideal service delivery network for UHC might look like and then consider how the existing Smiling Sun network would need to evolve to match that ideal and how long this might take. Groups were then asked to pool their ideas to build table-level consensus for sharing.

In line with developing a market of different possible sellers, there was consensus from the discussions that the new program should include not only primary but also secondary and tertiary service delivery units within its network. The latter two should be linked in through a formal referral system, which incorporates follow-up and appropriate recognition and preference given to referred clients by the receiving unit; this is lacking today. Network members should include not only NGOs but also public and commercial outlets, the latter to include pharmacies for reliable access to medications at reasonable prices. NGO members will continue to be prized for their community linkages: one lesson from the last 20 years is that this is where much of their client volume derives. While it was felt that GOB outlets will likely be reluctant to join the network, GOB contracting-out to partners within the new network should be actively explored and encouraged. There was less consensus over the feasibility of doing this.
There was agreement that delivery partners in the new network will have to be significantly more flexible and client-centric than today – e.g., with respect to opening hours – to satisfy the need to attract specifically targeted types of client. Given the many changes implicit in the new program, strategic purchasing should be launched first in a mixed urban location – not predominantly rural or slum – where the basic economics are more favorable and existing levels of competition are less intense. Once launched, there was significant uncertainty over the timeframe needed to perfect the details, but broad agreement that the new program should aim to have achieved full roll-out of the new network by at least the likely end of the next award in September 2022.

**QUALITY AND ACCREDITATION**

Two groups self-selected – based on their background and experience – to discuss simultaneously the issues surrounding quality and accreditation. The quality group participants highlighted that there are two important aspects of quality: technical and social. The Smiling Sun clinic network lends itself to a Quality Improvement (QI) approach through setting up standards and protocols and thereby improving technical quality. The social aspect, which deals with how clients “perceive” quality (e.g., respectful behavior, waiting times, etc.) will be more difficult to implement, being connected to issues like rewards and incentives for the providers. Making QI a continuous process with consistent auditing of technical and social aspects, effectively using electronic medical records, and developing an internal culture of “wanting to provide quality services” were suggested as the way forward. The importance of introducing generic drugs for controlling costs while ensuring that this is not perceived as a drop in quality was also discussed.

In the accreditation group, three different approaches to quality monitoring were identified – licensing, certification, and accreditation – and participants recommended certification as the best way forward in the current Bangladesh context, with accreditation as a longer term goal. Adopting the PDSA approach (plan, do, study, act) and building standards based on existing protocols were recommended. Developing quality monitoring by inclusion of ideas from a wider range of stakeholders, particularly the Ministry of Health and Family Welfare’s current initiatives on institutionalizing QI in the public sector, was suggested, along with creating a certification body with a scoring system for certifying clinics in the network. The participants emphasized the need for financial rewards/penalties and a system for recognizing both absolute performance levels achieved as well as progress in performance improvement. The need to identify a single/limited number of indicators, which would allow frequent and rigorous monitoring of quality outcomes in a strategic purchasing environment, was highlighted.
KNOWLEDGE AND AWARENESS

Participants worked in two self-selected groups to discuss the challenges and possible solutions in the area of UHC knowledge and awareness, with one group discussing issues from a client’s perspective and the other from the service providers’ perspective. Both groups identified priority areas in which information would need to be disseminated.

The first group identified three main priorities: client’s knowledge regarding entitlements under UHC, payment obligations, and duration of benefit from the payment. The participants emphasized the need for clear, transparent communication through word-of-mouth and other appropriate media, use of community leaders and other stakeholders in the communication process, and modeling of good quality, affordable services by all parts of the future service delivery network as important steps for generating knowledge and awareness. The priorities identified for service providers revolved around their likely changed roles and responsibilities under UHC, what resources would be available to support their extended role, job security, mechanics of pay-for-performance, and support of community/professional bodies for UHC.

In the plenary session that followed, participants highlighted the need for better knowledge and understanding of existing Smiling Sun clients and building marketing strategies on the basis of that understanding.

NEXT STEPS

The two concept notes produced during the workshop – both of high quality and proposing slightly different approaches to implementing UHC – will now be evaluated by USAID’s Peer and Scientific Review Board, comprising experts from USAID, partners, and/or outside parties. The Board may recommend whether to accept or reject the concept notes, request further information from the co-creation group responsible for preparing them, and decide on the potential implementing partners and resources. The accepted concept note(s) and associated recommendations will then pass through USAID’s procurement decision-making process, resulting in one or more awards that will replace the existing NHSDP project on or about October 1, 2017.