FINANCING HEALTH CARE
Through community-based health insurance and performance-based financing mechanisms

The PEPFAR/USAID-funded Program to Build Leadership and Accountability in Nigeria’s Health System (PLAN-Health), managed by Management Sciences for Health (MSH) is a five year project (2010 – 2015) aimed to strengthen the institutional capacity, leadership, and management skills of public sector institutions and civil society organizations for better HIV/AIDS and other health services delivery to vulnerable groups in Nigeria.
BACKGROUND

Community-Based Health Insurance (CBHI) is a way to improve equitable access to health services, sharing costs across members, and reducing the economic burden of health care on the poor. “Community-based” means that the households in a community pool their resources to finance a particular package of health services and are involved in the management of the scheme. Insurance can also be a way of rationalizing services, of reducing costs, improving quality of care, and improving efficiency.

CBHI can play a major role in improving health services in countries like Nigeria, including strengthening high-priority services like HIV and AIDS, TB, malaria, and childhood pneumonia, and diarrhea. Most health services, including those obtained by the poor, are paid for out-of-pocket and in many cases, prices are high. CBHI schemes of varying designs have been introduced across Sub-Saharan Africa, but with generally disappointing results.1 Poor support for CBHI has been repeatedly linked with failure to engage and account for the ‘real world’ needs of beneficiaries, lack of clear legislative and regulatory frameworks, inadequate financial support, and unrealistic enrollment requirements.2

Many of Nigeria’s CBHI schemes have also had limited success, suffering from low membership and issues such as regressive financing, a lack of involvement of scheme members, inadequate promotion, and inequitable service provision.3 Some of the schemes implemented in the country have been highly dependent on donor funding and have had sustainability issues. Achieving sustainability, both financially and institutionally, depends on proper regulation, financial support from government, and “ownership” or close involvement of the communities which they support.

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3 Chartered Consultants Limited (2013). Feasibility of Community-Based Health Insurance Scheme In Essien Udim LGA In Akwa Ibom State Of Nigeria.
CBHI IN AKWA IBOM STATE – A SUSTAINABLE WARD BASED AND OWNED MODEL

In August 2014, the Ukana West Ward II in Essien Udim Local Government Authority (LGA), with assistance from the local and Akwa Ibom state governments and the National Health Insurance Scheme (NHIS), launched a CBHI pilot scheme. The PEPFAR/USAID-funded Program to Build Leadership and Accountability in Nigeria’s Health System (PLAN-Health) Project provided technical assistance to help design and develop the Akwa Ibom scheme.

The “ward” model (see model below) is the first of its kind in Nigeria. The model is characterised by pooling resources at the ward level to support a community-owned Equity Fund at the LGA level. The scheme at the ward level aligns and directly engages with government’s Primary Health Care (PHC) structures, Village Development Committees (VDCs), and Ward Development Committees (WDCs). The scheme is indigenous, community-based, owned, funded, and operated. The Community Health Development Fund set up through support from PLAN-Health is intended to function as a conduit for obtaining and pooling subsidies to the scheme, paying for referrals, and eventually empowering the community members economically.
The model includes an independent functioning Board of Trustees (BoT) that is registered with the Corporate Affairs Commission (CAC) and has NGO status for the scheme. Community Health Fund BoT members are nominated from the community, with statutory members representing the state and local government.

PLAN-Health supported the development of tools and operating procedures, as well as governance and management structures for the CBHI scheme and the Fund. These include Standard Operating Procedures (SOPs) for the BoTs of the scheme and the Fund, a drug management system, and a data management system which captures enrollment, re-enrollment, and generates both health outcomes and management reports for the scheme. A clear Mandate of Actors was also developed and established to ensure that stakeholders adhere to their roles and responsibilities effectively for sustaining the scheme. In addition, the benefits package, membership rules, premiums, and provider payments were developed by PLAN-Health and the CBHI BoT.

The PLAN-Health Project is working to ensure that the CBHI scheme is institutionally, financially, and programmatically sustainable. To achieve this goal, the project is:

- Developing governance, leadership, and management practices, as well as the structures and systems to support the mission of the CBHI and help it consistently deliver quality services to the community it serves, while adapting to changing environments
- Building competent and motivated staff
- Working to include open participation of private healthcare providers
- Collating data on improved health outcomes associated with CBHIs
- Expanding systematized and documented tools, models, and approaches that encourage the consistent application of best practices
- Garnering high-level political interest and support that is rooted in the community itself

With continued targeted technical assistance for the CBHI scheme, PLAN-Health is focusing efforts to create a sustainable CBHI scheme in Akwa Ibom and aiming to replicate the model in other LGAs in Akwa Ibom, other states, and, ultimately, across Nigeria at large.
PERFORMANCE-BASED FINANCING (PBF) IN RIVERS STATE

Performance-based financing (PBF) is defined as “the transfer of money or material goods from a funder or other supporter to a recipient, conditional on the recipient taking a measurable action or achieving a predetermined performance target.”⁴ PBF can increase the use and quality of health services, stabilize or even decrease the costs of these services, help use limited resources effectively, and improve staff motivation and morale by providing incentives to increase staff retention.

The use of PBF mechanisms has led to the improved commitment and quality of service provision in multiple countries. In order to improve the quality of care of its CBHI program in Rivers State, the Shell Petroleum Development Company (SPDC) engaged with PLAN-Health to help design and deploy a PBF tool to serve as a platform to increase the quality of health services, improve effective utilization of limited resources, and improve staff motivation, ethics, leadership and governance systems.

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In early 2014, PLAN-Health started work with SPDC and other high level stakeholders to set up the PBF pilot in the Obio-Akpor LGA in Rivers State. The Obio-Akpor PBF Model, is distinctive in its implementation and funding. Unlike many PBF models that rely on external funding sources or the Ministry of Health, the primary source of funds for Obio-Akpor PBF is the health facilities themselves (Obio Cottage Hospital and Rumuokwurusi Model Primary Health Centre) through the Obio Cottage Foundation.

In March 2014, motivation contracts were signed with individual staff and a PBF quantity and quality verification was conducted for the period of April to June 2014. During that period, the Obio Cottage Hospital received an overall performance score of 46.4% and the Rumuokwurusi Model Primary Health Centre scored 57.2% - a significant increase from previous months before PBF was initiated. Subsequently, the first performance-based payments were paid to staff at the end of July 2014.
USING TECHNOLOGY TO ENHANCE CBHI

The lack of a unified data management system hampered the management of the Shell Petroleum Development Company enrollment records in Rivers State due to the flux in patient registration, resulting in the unavailability of timely and accurate client data, which led to increased client wait times while the staff completed administrative tasks (such as card issuing). The SPDC CBHI scheme could not give proper accounts of financial records for the CBHI (enrollee premiums and capitation payment) due to the lack of data coordination, therefore discouraging many community members from participating in the scheme and consequently lowering enrollment.

To address these challenges, PLAN-Health designed, developed, and deployed a web-based enrollment application system, called the Community Health Insurance Enrollment Authentication System (CHIEASY). This system provides comprehensive real-time information on CBHI clients and unifies all information into one data source to make enrollment easy and accurate. The system allows for efficient tracking of CBHI enrollment and payment of both premium and capitation, which improved the financial accountability of the CBHI and has restored people’s confidence in the scheme. The project noted a rapid increase in the enrollee base - from 556 people in April 2014 to 5656 people by December 2014 – after an SPDC-funded installation of the website and a public social mobilization campaign. Following this success, in 2015, PLAN-Health expanded the use of CHIEASY to the CBHI scheme in Akwa Ibom State.