

Performance-Based Financing

Fact Sheet



MSH expands access to high-quality, efficient health care services by providing incentives to providers and facilities, thus improving health system performance and management.

For more than a decade, MSH has designed, implemented, and supported performance-based financing of health programs to focus on investing in results rather than processes.

Performance-based financing (PBF) is a powerful means of increasing the quantity and quality of health services by providing incentives to suppliers to improve performance. In pursuit of the Millennium Development Goals and other important health initiatives, PBF can increase use and quality of health care services, stabilize or decrease costs of these services, help use limited resources effectively, and improve staff motivation and morale (a proven incentive for staff retention).

The MSH Approach

MSH manages performance-based grants and contracts and provides technical assistance to governments, private organizations, and funding agencies to develop and implement their own initiatives. These programs align with donor requirements and local circumstances and maximize synergy by sharing tools, approaches, and systems.

Building Health Programs

Since 1999, MSH has managed PBF programs in Haiti funded by the US Agency for International Development (USAID). Working through performance-based grants with the public sector and 27 private NGOs, the program supports 152 health facilities in all 10 of Haiti's departments. The supported facilities provide nearly half of Haiti's population with access to basic health services.

Scaling Up Services

In Ethiopia, MSH is using PBF as a strategy to expand HIV and tuberculosis testing and treatment services to 550 health centers nationwide.

Improving Access to Health Services

Through a long-term program in Guinea, MSH helped managers of *mutuelles* community health insurance funds and community members develop and implement performance-based agreements for local health insurance schemes. This assistance has improved access to and quality of services without increasing costs.

Using PBF in Rwanda to Combat the AIDS Epidemic

In Rwanda, MSH manages USAID's flagship PBF project to address HIV & AIDS. The project team worked with the Rwandan Ministry of Health in implementing PBF initiatives that fund services delivered through health centers and hospitals in most of the country's districts. The project contracted directly with 85 health facilities to finance HIV & AIDS and other services and with districts to monitor indicators of quality of care. The project developed a Web-based system to manage data and process PBF funds, including those from the World Bank, the Rwandan Government, and the Belgian Technical Cooperative Agency.



Where MSH Works or Recently Worked on PBF

Africa	Burundi, Ethiopia, Guinea, Kenya, Liberia, Madagascar, Malawi, Rwanda, South Africa, Southern Sudan, Uganda
Asia & Near East	Afghanistan, Philippines
Latin America & the Caribbean	Haiti, Nicaragua

New MSH Work in PBF

Liberia—MSH and Liberia's Ministry of Health and Social Welfare are introducing PBF in seven counties to rebuild access to health care after the country's civil war, build the capacity of local organizations and health facility staff to manage and lead health services, and create sustainable systems of local governance in health.

Southern Sudan—MSH is working with the Ministry of Health to align the efforts of key health services agencies in 12 counties and use PBF to scale up access to high-quality health services in the wake of Africa's longest-running civil war and continuing development challenges.

Uganda—MSH will help strengthen services for maternal, newborn, and child health; family planning and reproductive health; and child survival in 15 districts by managing performance-based grants to local organizations and results-oriented agreements with public sector staff at the district level.

RESULTS & PROGRESS

Social Services for AIDS Orphans in South Africa—Through capacity-building and performance-based grants to 23 community-based organizations, MSH helped more than 19,000 orphans and vulnerable children receive vital services and support in 2008.

Voluntary Counseling and HIV Testing in Rwanda—In nine months, the number of HIV tests administered in MSH-supported PBF testing sites increased by 155 percent, and the cost per test decreased by 53 percent.

Family Health in Afghanistan—Through MSH-managed performance-based grants to 29 nongovernmental organizations, 7 million people in 13 provinces gained access to basic health services.

Immunized Children in Haiti—Ninety-two percent of children in areas served by MSH-supported health facilities have been vaccinated with DTP3; WHO estimates the national average is 53 percent.

For additional information, go to www.msh.org, or contact John Pollock, Senior Fellow, at +1.617.250.9327, or at jpollock@msh.org.