



# Sustainable Performance-Based Financing to Improve Health Services in Lesotho

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## INTRODUCTION

### What is Performance-Based Financing or PBF?

Performance-based financing (PBF) is a mechanism by which health care providers and facilities receive monetary incentives after achieving specific performance criteria, which encourages them to become more efficient and responsive to their clients (Gergen et al., 2017).

### Why PBF in Lesotho?

To address the following issues:

- Low utilization of health facilities
- Low quality of services
- Poor referral system
- Undersupply of healthcare workers



### Project History & Goal

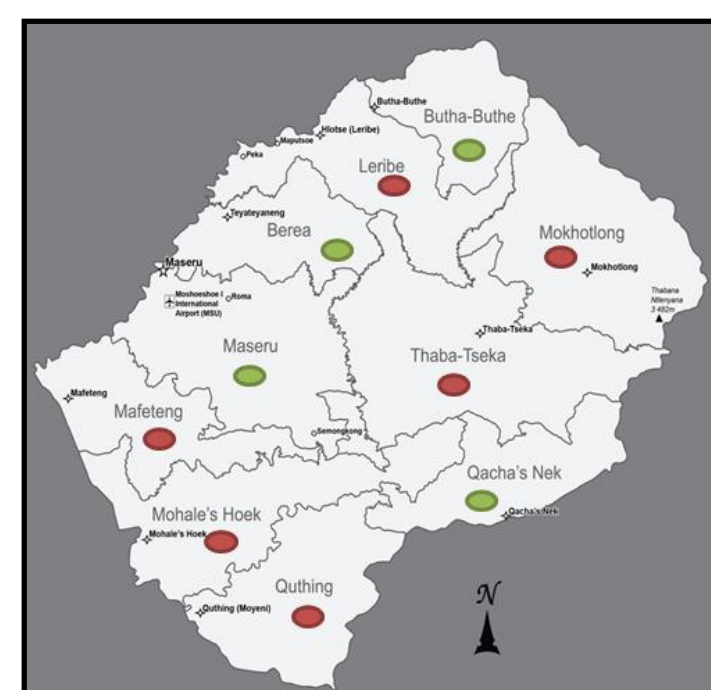
In 2014, the Ministry of Health (MoH) in Lesotho launched the project Health Sector Performance Enhancement (HSPE) to improve both:

1. The quantity of services in Health Centers (HC) and
2. The quality of care in HC and District Hospitals (DH)

HSPE is a **5-year project funded by the World Bank** through the MoH. Due to its success, it has been **scaled up to the entire country** in 2018.

### Project Scope

- **10 Districts** (4 new ones in green)
- Catchment population: **1,916,574**
- **156** health centers and **17** hospitals
- All government and faith-based facilities



## METHODS

To calculate monetary incentives for HC and DH, the following data is collected:

1. **Quarterly qualitative data** (quality score and clients satisfaction survey)
2. **Monthly quantitative data**

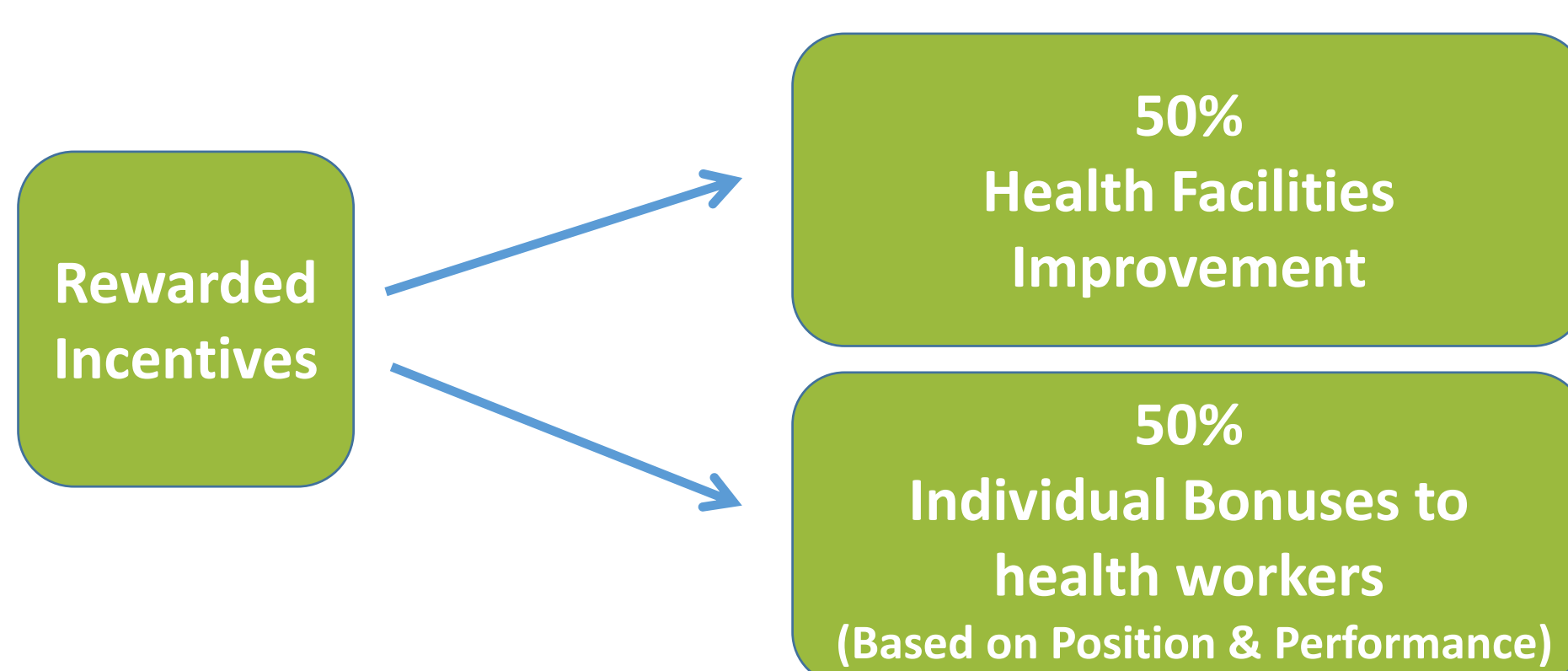
#### Qualitative Indicators

- General Management
- Environmental Health
- General Consultations
- Child Survival
- Family Planning
- STI/HIV/Tuberculosis
- Drugs Management
- Community Based Services

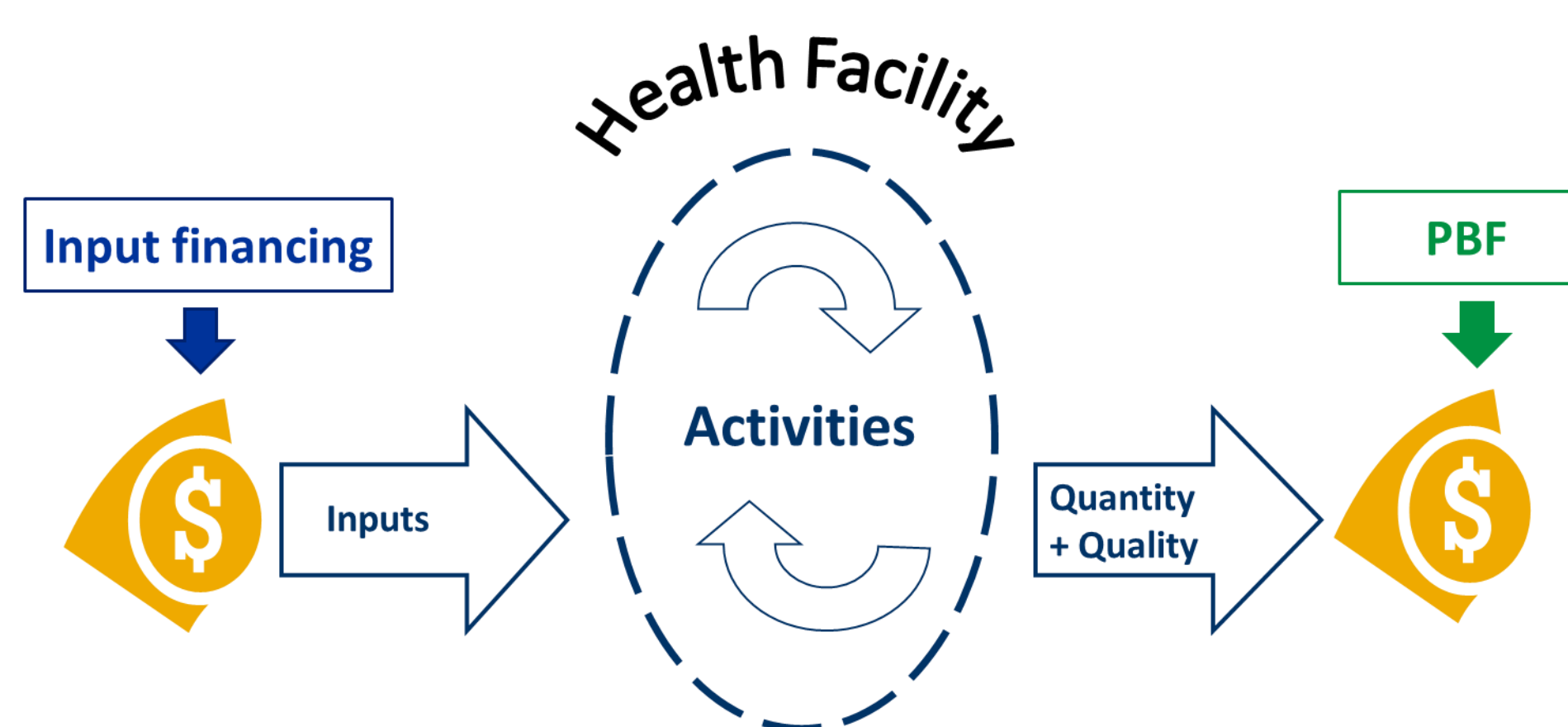
#### Quantitative Indicators

- Maternal and New-born Health
- Child Health
- Family Planning
- HIV/AIDS
- Tuberculosis

HC are paid based on 1, 2, and remoteness while DH earnings depend only on 1.



## RESULTS

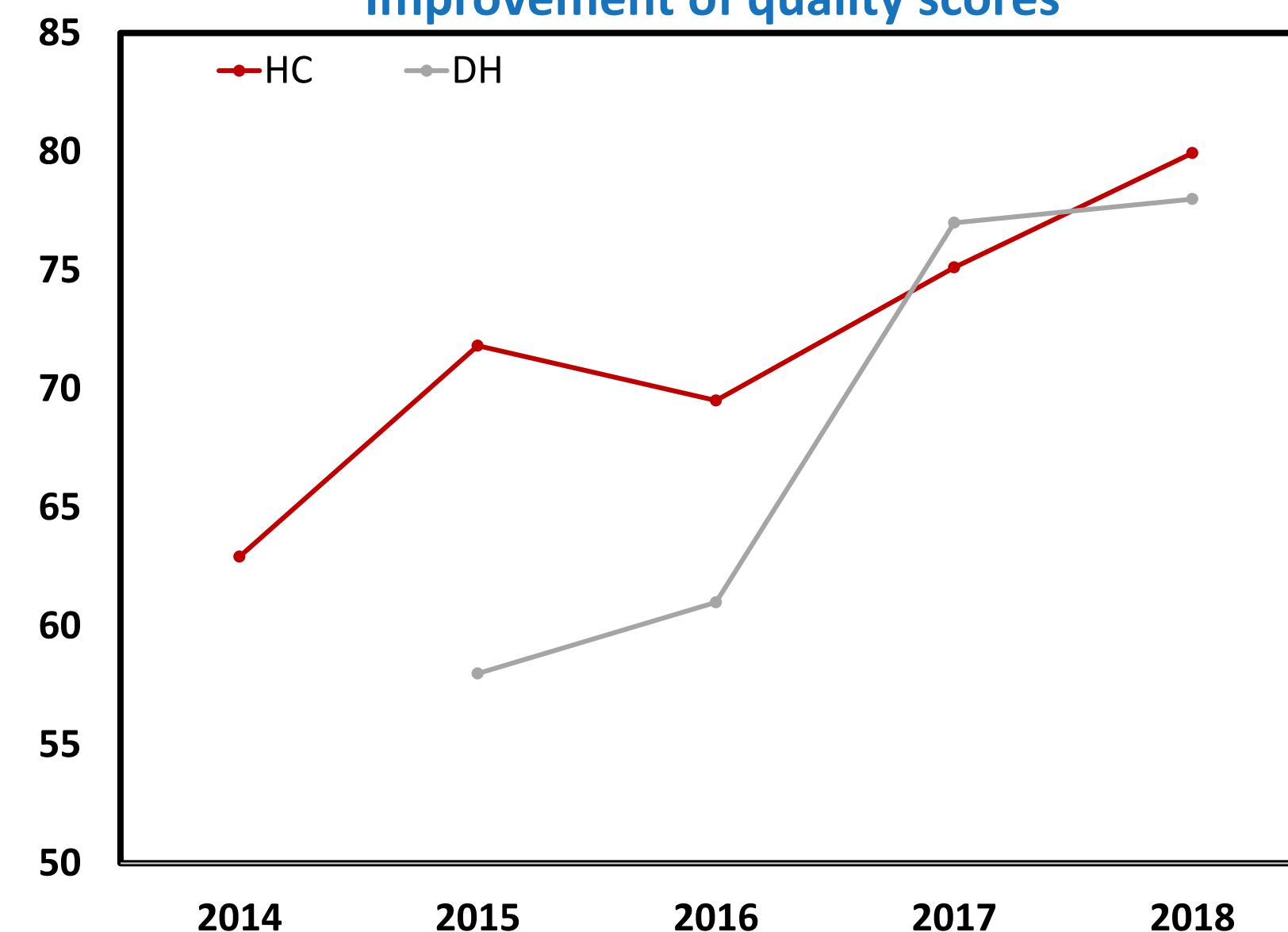


### PBF impact on health facilities:

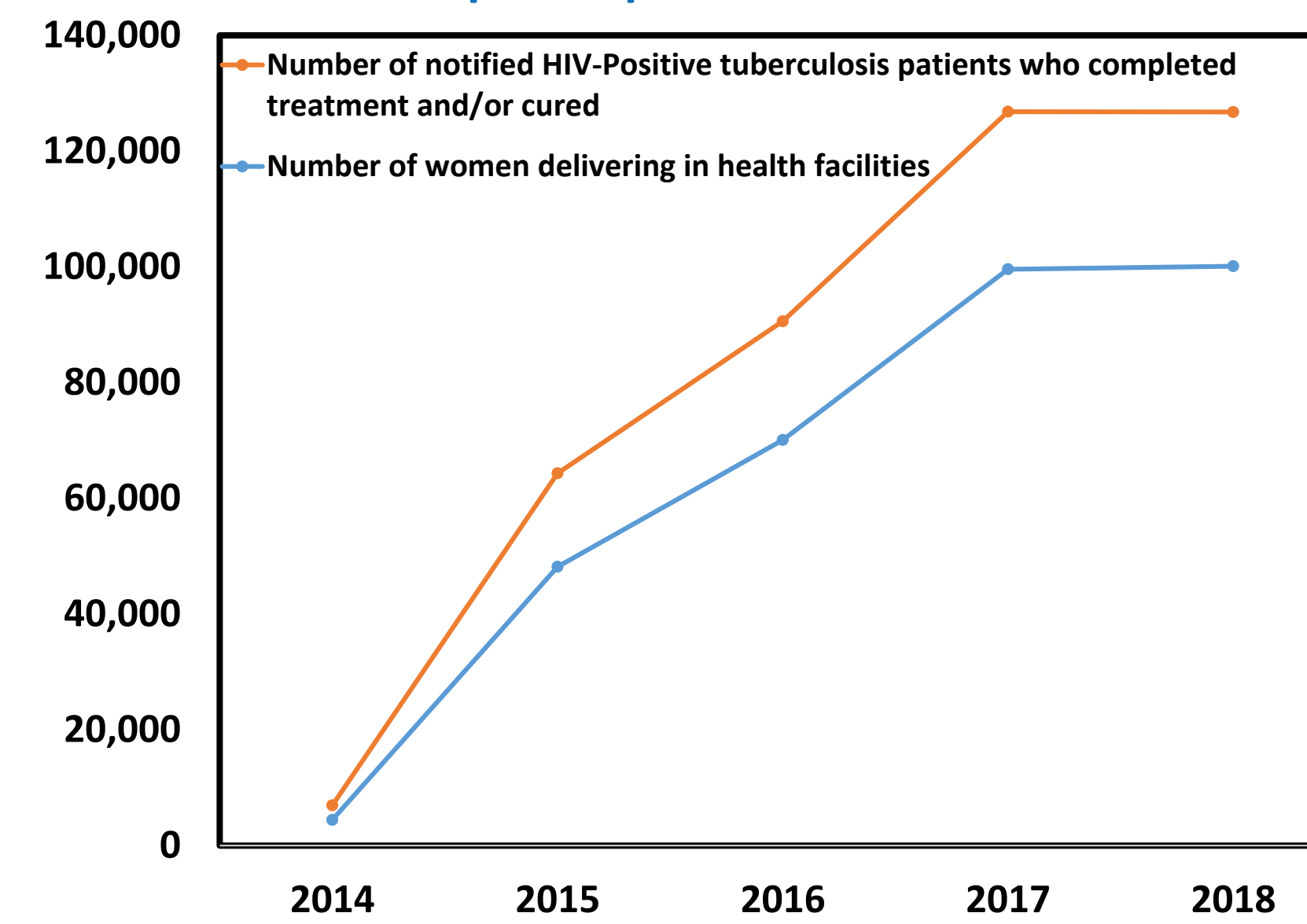
The PBF approach has shown **promising results**:

- Increased staff motivation and performance with bonus distribution.
- Improved staff ownership due to the enhancement of health facilities based on health workers priorities (business plan).
- Improved quality and quantity of care.
- Increased client satisfaction.

Improvement of quality scores

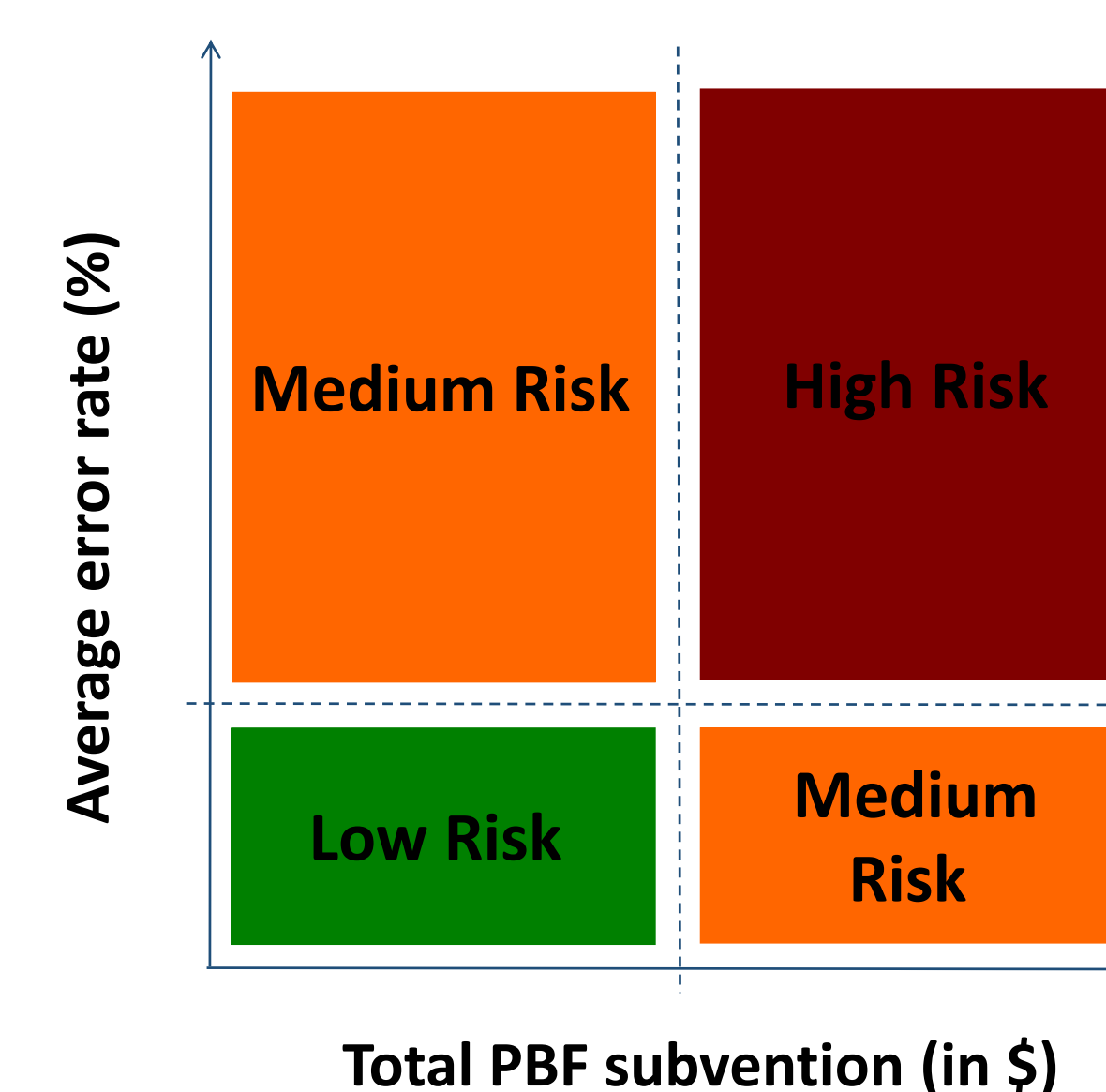
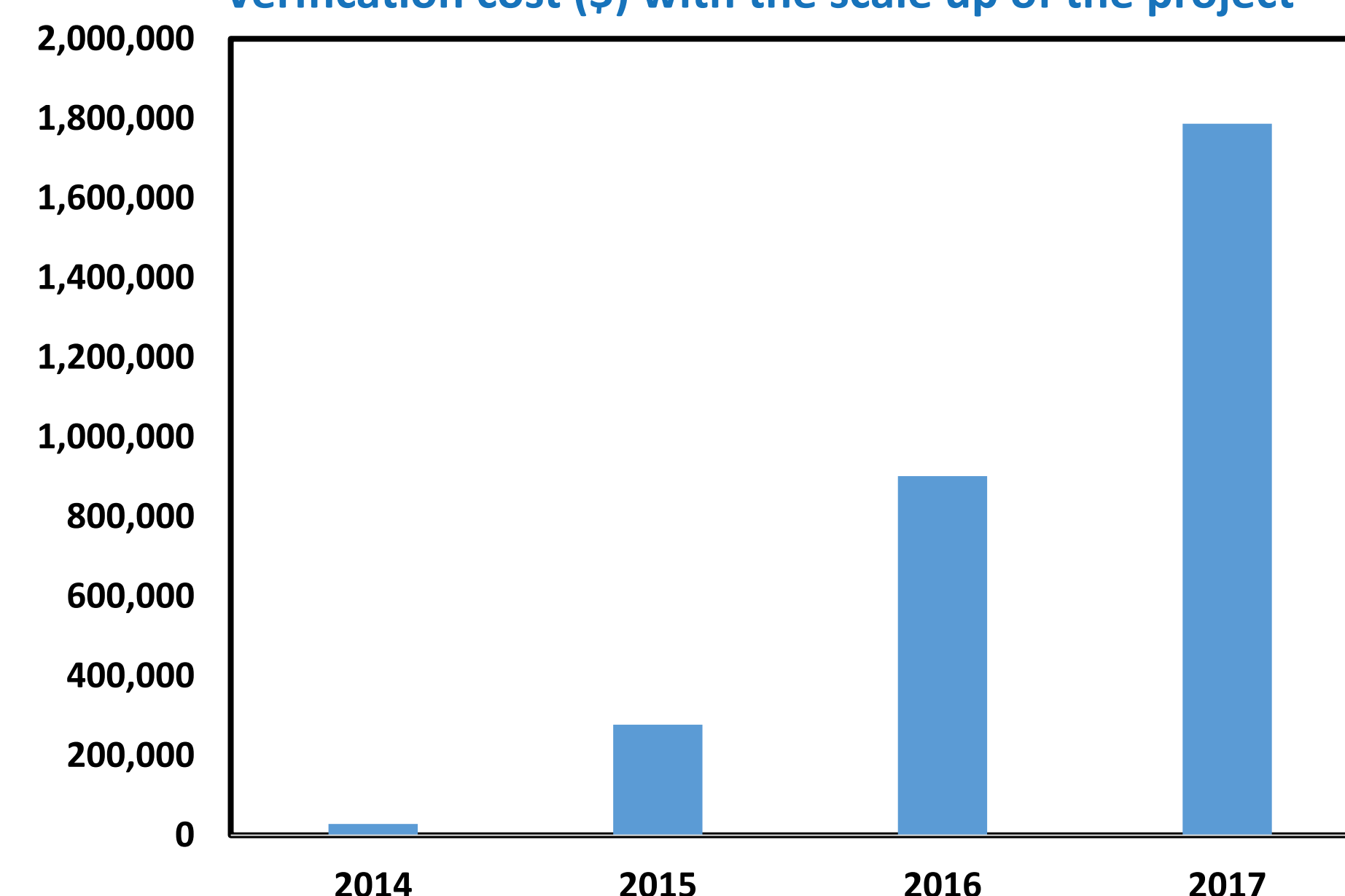


Example of quantitative indicators increase



- To reduce the risk of reporting inaccurate data by the facilities (manipulation of the system to receive financial rewards) a **systematic verification mechanism** is required. However, thorough verification systems can result in substantial operational costs as presented below (\$6,026 per facility).

Verification cost (\$) with the scale up of the project



- To ensure project sustainability, an optimal verification system is needed to ensure data reliability at a reasonable cost. Consequently, a feasibility study was conducted in April 2018 and demonstrated a **reduction in the verification cost through the adoption of an innovative approach called Risk-Based Verification (RBV)**.

- RBV applies different levels of verification to PBF payment requests based on the likelihood of fraud/error from a given health facility according to its history.
- Thus, facilities at higher risk and receiving larger incentives will be more frequently checked than the ones at lower risk and earning lower rewards, which will decrease the verification costs (see figure).
- **RBV effectiveness will be examined in 2 districts, Quthing and Leribe, in the coming year. If it is successful, it will be rolled out to the rest of the country.**



- Because the quality of care scores in all DH have improved significantly since the beginning of the project, the MoH and the University of Pretoria **revised the Quality Checklists at the DH level to ensure that the high scores truly reflect the quality of care provided to patients.**
- The revised checklists put greater emphasis on the **evaluation of health workers' clinical skills** such as essential steps in management of obstetrics emergencies.

## CONCLUSION & NEXT STEPS

- PBF implementation has **enhanced the quality and quantity of services** provided by health centers and hospitals in Lesotho.
- To reduce the high verification cost of PBF, **RBV effectiveness** will be examined in 2 districts in the coming year of the project.
- If RBV implementation is successful, it will be **scaled up** in the whole country.
- To ensure project **sustainability**, MCDI will **gradually transfer responsibilities to the Ministry of Health, and will train and mentor a local agency** in 2019.

## REFERENCES


Gergen J, Josephson E, Coe M, Ski S, Madhavan S, Bauhoff S. 2017. Quality of Care in Performance-Based Financing: how it is incorporated in 32 programs across 28 countries. *Global Health: Science and Practice*. 5(1):90–107.

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SIXTY-SEVENTH

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DIPHTHERIA:  
Why Is It Back?

2017

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2017

“There will be epidemics...”

2017

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as Yellow Fever spreads

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FDA B  
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Death Toll  
Growing as  
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Parasite as  
1,500  
Die of

2017

Success in Tests of Yellow  
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Cholera Epidemic  
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**Achieving an innovative and sustainable Performance-Based Financing program with the Introduction of Risk Based Verification and Skills Based Quality Assessments in Lesotho**

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**Abstract:**

In 2014, the Lesotho Ministry of Health (MoH) launched the Health Sector Performance Enhancement (HSPE) Project funded by the World Bank to improve maternal and newborn health by Performance-Based Financing. The project aims to enhance both the quantity of services in Health Centers (HC) and the quality of care in HC and District Hospitals (DH) by providing monetary incentives to health workers based on their performance. Due to the project’s success, it has been scaled up to all 10 districts in Lesotho since June 2018. The approach has shown promising results, notably increased staff motivation, added staff “ownership” of health services, as well as perceived quality of care and client satisfaction throughout the country. As an example, the average HC quality score increased from 71.4 in quarter 1 of 2017 to 81.7 in quarter 2 of 2018. However, questions remain regarding HSPE sustainability and real impact on critical maternal and child health indicators. Since the quality of care scores in all DH have improved considerably since the beginning of the project, the MoH and the University of Pretoria revised the Quality Checklists at DH level to ensure that the high scores truly reflect high quality of care provided to patients. The revised Checklists put greater emphasis on the evaluation of health workers’ clinical skills such as Essential Steps in Management of Obstetrics Emergencies and vignettes exercises. To further improve the project’s implementation and ensure its sustainability, a feasibility study was conducted in April 2018 and demonstrated a reduction in the high verification cost through the adoption of an innovative approach called Risk-Based Verification (RBV). This novel process applies different levels of verification to PBF payment request based on the likelihood of fraud and error in payment requests for a HC according to its history. Thus, HC at higher risk will be more frequently assessed than the ones at lower risk decreasing the periodicity and costs of verification. The RBV effectiveness and the impact of the revised Quality Checklists will be examined in the coming year of the project to ensure program success and sustainability.

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