Strengthening Governance for Improved Health Sector Performance

HFG Series: Advances in Health Finance & Governance

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About the Health Finance and Governance Project

The Health Finance and Governance (HFG) Project works to address some of the greatest challenges facing health systems today. Drawing on the latest research, the project implements strategies to help countries increase their domestic resources for health, manage those precious resources more effectively, and make wise purchasing decisions. The project also assists countries in developing robust governance systems to ensure that financial investments for health achieve their intended results.

With activities in more than 40 countries, HFG collaborates with health stakeholders to protect families from catastrophic health care costs, expand access to priority services – such as maternal and child health care – and ensure equitable population coverage through:

- Improving financing by mobilizing domestic resources, reducing financial barriers, expanding health insurance, and implementing provider payment systems;
- Enhancing governance for better health system management and greater accountability and transparency;
- Improving management and operations systems to advance the delivery and effectiveness of health care, for example, through mobile money and public financial management; and
- Advancing techniques to measure progress in health systems performance, especially around universal health coverage.

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To learn more, visit www.hfgproject.org

About this series

HFG’s Advances in Health Finance & Governance series is designed to highlight learning and lessons from the HFG project in nine core areas: domestic resource mobilization, strategic health purchasing, health financing strategies, expanding coverage through health insurance, financial data for decision making, governance, institutional capacity building, workforce and efficiency, and building understanding for universal health coverage.

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Employing Governance to Improve Health Sector Performance

Executive Summary

While the importance of governance in health systems is recognized, its contribution to improving health sector performance and outcomes is still under debate. USAID’s Health Finance and Governance (HFG) project supported country governments to both integrate governance in their health sector reform activities and improve specific aspects of health governance. This brief focuses on the lessons learned by HFG from implementation of health governance interventions for better health sector performance.

Key Lessons

1. **INCLUDE A GOVERNANCE PERSPECTIVE** to ensure success and sustainability of health systems reforms.

2. **ESTABLISH CLEAR INSTITUTIONAL ARRANGEMENTS** for governing quality of care in all national efforts to reach universal health coverage.

3. **LEAN INTO POLITICAL WILL** to enhance impact and sustainability of health systems reforms.

4. **FOSTER BOTTOM-UP ACCOUNTABILITY IN HEALTH SYSTEMS REFORMS** for sustainability and scale.
Introduction

The World Bank’s 2004 World Development Report, focusing on accountability structures and processes, highlights the link between governance and sectoral service delivery (World Bank 2004). Since then, there has been a growing recognition that governance interventions can contribute to service delivery improvements and that technical elements need to be accompanied by governance elements to strengthen public services (Wetterberg et al. 2016). Studies on social accountability (Holland et al. 2016), decentralization (Goryakin et al. 2017), audits (Avelino et al. 2013), and e-procurement (Sigulem 2009), among many others, demonstrate that, in the right contexts, investments in health governance reforms contribute to the access, quality and responsiveness of health services. There is growing evidence of governance’s influence in improving health sector performance; however, a global consensus on the need for more investment in health sector governance interventions is yet to be reached (Fryatt et al. 2017). In order to better understand how health governance interventions should be implemented in the context of health sector reforms, this brief focuses on the lessons learned from the portfolio of governance activities conducted under the Health Finance and Governance (HFG) project. It supplements the HFG Marshaling the Evidence for Health Governance report seriesa, which adds to the evidence that governance interventions improve health outcomes.

HFG’s foundational strategy for strengthening health governance was based on two assumptions: 1) that much of the demand would be for activities framed as health finance, human resources for health (HRH), and capacity building; and 2) that, in certain contexts, a core group of activities would focus specifically on addressing health governance challenges.

Based on the experience with previous centrally-funded health systems programming, HFG prepared for much of the work to address issues under the first assumption. HFG recognized that the successful design of these activities would need to integrate governance strategies and mechanisms. In HFG’s governance typology of activities, this set of activities was defined as “governance enhancing,” where applying a governance perspective to health system challenges would benefit activity design and implementation. In addition, HFG took on a growing portfolio of activities designed from the outset to respond to host country needs for improving specific aspects of health governance. In the HFG strategy, these activities are described as “governance focused.”

Framing Health Governance on the HFG Project

Health governance is defined as the “rules that govern the distribution of roles/responsibilities and the interactions among:

- beneficiaries/service users,
- political and government decision makers, and
- health service providers (public, private, nonprofit)

determine:

- health policies pursued,
- services provided,
- health resource allocation and use,
- distribution of costs,
- recipients of services and benefits, and
- health outcomes to be achieved.”

(Brinkerhof et al. 2008)

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a Marshaling the Evidence webpage: https://www.hfgproject.org/marshaling-evidence-health-governance
## Typology of HFG Project Governance Activities: Some Examples

<table>
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<th>GOVERNANCE ENHANCING</th>
<th>GOVERNANCE FOCUSED</th>
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<td>Accountability and transparency mechanisms integrated into health sector reforms: Benin, Botswana, Cameroon, Cote d’Ivoire, Dominican Republic, Haiti, Nigeria, Tanzania, Ukraine</td>
<td>Accountability self-assessment and audits to identify and recommend actions to address health system accountability gaps: Cote d’Ivoire, Guinea</td>
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<td>Governance framework and political economy analysis applied to health sector reforms: Ethiopia, Ghana, Haiti, India, Nigeria</td>
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<td>Building capacity of MOH to implement decentralization policy: DRC</td>
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A pediatrician examines an infant at St. Joseph’s Hospital in Ghaziabad, Uttar Pradesh, India.

Lessons Learned in Employing Governance to Improve Health Sector Performance

Lesson 1

Include a governance perspective to ensure success and sustainability of health systems reforms.

The link between governance and health can function at a number of levels, including public policies, legislation, and regulation affecting all sectors and the organizational effectiveness of health sector-governing institutions (Fryatt et al. 2017). Many of HFG’s activities aimed at tackling health finance and resource allocation challenges also integrated governance approaches such as accountability, transparency, and clear and effective institutional arrangements. This governance-enhancing approach achieved positive results in several countries.

One example is in Nigeria, where HFG supported interventions to improve domestic resource mobilization. One challenge was that while the 2014 National Health Act earmarked 1 percent of Nigeria’s Consolidated Revenue Fund to provide a basic package of health care to vulnerable people, subsequent national budgets did not actually allocate the funding. HFG helped the federal MOH and several state MOHs design and implement a strategic media engagement plan making legislators more accountable to the public to deliver on the Act’s promise. The Guardian, one of Nigeria’s most widely read newspapers, published a front-page story with the Senate President’s promise to get the earmark passed. State MOHs also worked to keep the story in the news. While the bill has not yet passed, the Senate returned the draft, non-earmarked bill and demanded that it be included. The senators now recognize the importance of obtaining the earmark for their constituents.

Additional challenges were noted in Nigeria at the state level where “low” expenditures for some health areas occurred due to funding being released to state MOHs too near the end of the financial year to be spent. One contributing factor is that legislators, who can influence state finances, had received no training or orientation around how to conduct financial
oversight of the health sector even though oversight is a core and funded function of the legislature. Therefore, HFG worked with state MOHs to facilitate discussions, with the legislative committees on both health and appropriation, around financial flows equipped with public expenditure review data highlighting these issues. As a result, in Bauchi State legislators put pressure on the governor after seeing extremely low disbursements of health infrastructure funding alongside evidence of deplorable conditions in many primary care centers. The following year (2016-17), the Bauchi State capital infrastructure expenditure increased from 3 to 19 percent of the budgeted allocation – still low, but an improvement indicative of improved legislative oversight.

Another example is HFG’s HRH work in Haiti, which integrated governance principles into a reform that enhanced its long-term viability. Four years after Haiti’s 2010 earthquake, the health sector remained fragile, human resources for health were inadequate, and the motivation of the existing health workforce was unknown. HFG worked with Haiti’s MOH to design, develop, and implement a new performance evaluation system for improved decision-making and institutional accountability. HFG assisted the MOH in developing appropriate job descriptions for all job categories and positions, reflecting stakeholder input and iterative sharing of lessons learned across directorates. This governance enhancing approach was central to employees and managers understanding key responsibilities and expectations for each job position, the importance of transparent evaluation of employee performance, and the accountability of each employee toward the effectiveness of the MOH as an institution. By using a stakeholder-centric approach and linking performance evaluation to institutional effectiveness, HFG incentivized stakeholders to buy into the reform. Further, HFG coordinated engagement with senior MOH leaders and the national Office of Management and Human Resources (OMHR) to ensure continued political will across actors. Doing so reinforced commitments to the reform and facilitated continual implementation progress, especially important given the government turnover – two administrations and three ministers of health – in the four years since the reform’s launch. At present, the performance evaluation system has been implemented in seven key MOH directorates. Further, HFG has engaged the MOH and OMHR to develop a performance evaluation scale-up plan for MOH-wide implementation. The scale-up plan has been included in the MOH’s draft National HRH Strategy and is expected to be a model for human resources reform across the government.

Lesson 2

Establish clear institutional arrangements for governing quality of care in all national efforts to reach universal health coverage (UHC).

With the emergence of new institutions and the evolution of existing ones to drive the UHC agenda, power is being redistributed and capacities shifted, potentially introducing challenges that could jeopardize accountability and quality of care. HFG identified promising practices on structuring institutional arrangements to govern quality in health care through three pieces of work: (1) engagement with country officials and the Joint Learning Network for Universal Health Coverage (JLN) (Tarantino et al. 2016), (2) an in-depth literature review across 25 countries (Cico et al. 2016) on institutional roles and relationships for quality, and (3) an ongoing qualitative research study on the institutional arrangements for linking health financing to the quality of care in Indonesia, the Philippines and Thailand. The existence of dedicated institutional structures and financial and human resources to support quality initiatives appears to make a difference in health outcomes.

Dedicated quality units were created in MOHs in four of the five countries (Cambodia, Zambia, Moldova, and Tanzania) that had the highest percent change in maternal and infant mortality rates between 2000 and 2013 (Cico et al. 2016). In the Philippines, HFG found that the lack of a coherent strategy for quality, exemplified by the absence of an office or bureau responsible for the quality of care, has in fact hindered the Department of Health’s ability to drive the quality agenda in the country.
Political resistance to institutional reforms can be significant (Savedoff and Gottret 2008), and the difficult change process may not always make clear the roles of different players in ensuring quality of services. A step-wise approach involves reviewing and identifying challenges with existing institutional arrangements for ensuring quality and responding to problems when they are detected. This requires consulting with stakeholders to improve arrangements, learning by doing, and clearly communicating changing arrangements to those providing and receiving services.

HFG has recently supported the Government of Indonesia (GOI) to take the first steps in strengthening the role of the purchaser, Badan Penyelenggara Jaminan Sosial-Kesehatan (BPJS-K) to develop a functional payment system that ensures access to quality care. The project helped facilitate a technical working group charged with identifying issues and challenges with institutional roles and relationships related to strategic purchasing under Jaminan Kesehatan Nasional (JKN), conducting a functional and regulatory review, and building the capacity of GOI stakeholders involved in the current JKN policy reform process. International experience has shown that countries that most effectively use strategic purchasing give the purchaser the responsibility for key purchasing functions, including developing provider payment systems, setting payment rates, contracting with providers, and monitoring quality. The review of these functions in Indonesia, however, revealed overlap between the MOH and BPJS-K in their responsibilities for provider monitoring and quality assurance, with the MOH retaining the ultimate authority. These unclear functional responsibilities have limited the country’s ability to leverage strategic purchasing to improve quality of care, highlighting the need for more effectively allocating purchasing functions among key institutions (Cashin et al. 2017).

Lesson 3
Lean into political will to enhance impact and sustainability.

Political will is defined as “support from political leaders that results in policy change” (Post et al. 2008, page 114). Where HFG engaged with host country counterparts willing to champion health governance reforms, activities had greater impact and were more sustainable. In contrast, in situations where there was an absence of initial political will, HFG pursued more narrowly defined activities and implemented them with a goal of generating support over time. HFG’s work in Cote d’Ivoire and Guinea provides examples of the former and latter cases, respectively. In both cases, HFG country teams worked with the office of inspector general (OIG) within the MOH – institutions that historically have been under-resourced, both in terms of operating and human capital. In both countries, HFG supported these units during a period of transformation, when their roles and functions were being reframed from ones more narrowly focused on audit and internal controls to ones more broadly addressing health governance.

HFG’s work in Cote d’Ivoire is an example of where strong political greatly enhanced project results. The HFG Accountability Self-Assessment tool was used to engage the MOH in assessing, acknowledging, and addressing critical accountability gaps. The self-assessment methodology used 31 accountability indicators categorized into six health system building blocks. Central to its success was the political will from the Minister of Health, who championed the effort and approved each of the indicators, checked on progress, and ensured that the process stayed on schedule. The OIG’s enthusiasm for the self-assessment methodology mitigated the resistance health programs often face in engaging on accountability issues. The effort has built local ownership, not only for the definition of accountability, but also for the action plan for addressing accountability gaps. The final self-assessment report identified some critical accountability gaps, particularly in the pharmaceutical supply chain and the oversight over program budgets and expenditures. Responding to MOH requests, HFG supported public presentations of the findings reflecting MOH willingness to
build broader understanding of the challenges and needs for reform. The MOH developed its own capacity building plan to address specific accountability gaps with a collection of indicators to use in monitoring progress. Even after HFG support for implementing the plan ended, the MOH continued to focus on building skills and systems for improving health sector governance, including integrating accountability initiatives into other activities focusing on HRH and health financing.

HFG’s work in Guinea shows how discrete interventions can begin to build political will for broader reform where will did not previously exist. HFG’s support to the MOH in Guinea contributed to the effort of rebuilding the post-Ebola health system, and the work with the OIG was one of several activities aimed at increasing trust and confidence in the public health sector. Other areas, which had political will from the outset, included working with Parliament and building strategic communications capacities. HFG went on to work with the OIG to develop a mission statement, vision, and strategic plan and then provided training in basic skills on audit and fraud detection, aligned to the new mandate of the unit. As a complement to training, HFG also designed field-based work, supporting OIG staff to apply their new health facility auditing skills in a practical, hands-on environment. The field work uncovered the significant fiduciary risks in the local health institutions related to a lack of appropriate training, limited staffing resulting in non-segregation of duties, and a lack of manuals and policies. The OIG now has a manual of inspection procedures to refer to, a capacity-building plan to keep its skills up to date, and is actively collaborating with the Finances Unit to improve financial transparency within the health system. To signal the new political will of supporting the OIG work, the MOH provided its office with additional resources: a vehicle for inspections, subsidies for fuel consumption, computers, and equipment for inspectors’ offices. A new senior position has also been created within the OIG to oversee operations.

In Ukraine, new analytical information systems developed by HFG allow hospital managers and health departments to view comprehensive patient statistics and, in turn, boost hospital performance, accountability, and transparency.

The HFG Accountability Self-Assessment tool helped engage the Cote d’Ivoire MOH in acknowledging and addressing accountability gaps. Key to its success was the political will from the Minister of Health, who championed the effort.
Lesson 4
Foster bottom-up accountability for sustainability and scale-up of health care reform.

Improving “long-route” or top-down accountability by holding policymakers more accountable for services and by better positioning them to influence quality and coverage of services can strengthen governance. Improving “short-route” or bottom-up accountability by customizing services to specific needs, by local users effectively monitoring providers, and by improving choice and participation can also strengthen governance (World Bank 2004; Fryatt et al. 2017). Sustainable results from social accountability interventions have greater chances of success when demand-side and supply-side interventions are pursued simultaneously in mutually reinforcing ways (Wetterberg et al. 2016). Incorporating formal citizen participation in policy and programming increases the chances for sustainable social accountability impacts at scale (Mennen et al. 2018).

HFG’s health governance activities most often addressed the national or provincial actors and institutions involved in defining and implementing health system standards, policies and procedures. Where HFG has engaged at a community or facility level, either directly or through research, the results have shown the opportunities for fostering bottom-up accountability for sustainability and scale-up. This work aligns with broader HFG efforts to promote civil society engagement in health finance and governance reform, including the development of Tools to Engage Civil Society in Health Finance and Governance: Guide for Practitioners (Kanthor et al. 2014) and an Entry Point Mapping Tool (Paraskeva 2014).

In Ethiopia, HFG continued longstanding USAID support for national health care financing reform by strengthening community-level health facility governing boards. The boards, constituted of facility staff, woreda health officials, and members of the community, provided oversight of revenues retained from facility operations. The boards enabled facilities to retain and reinvest client fees to improve quality services, including purchasing needed pharmaceuticals. HFG support included developing a training manual for new board members that included board procedures for revenue oversight. For example, in just the first four years of the health care financing being enacted, the Meshualekia Health Center in Kirkos sub-city of Addis Ababa collected nearly 4.6 million Ethiopian Birr (US$ 231,795) and, under board oversight, used most of it to improve quality of care for its over 52,000 clients. (HFG 2017).

In India, HFG conducted an assessment of a 2012-2015 civil society-led effort to monitor utilization and quality of maternal health services in three districts of Gujarat (George 2017). Civil society partners used social accountability tools to assess whether pregnant women were able to access maternal health entitlements. In addition to community-level awareness-raising efforts around available services, the civil society partners developed a checklist that graphically presented maternal health entitlements and services and used this tool to track prenatal and postpartum key services. The assessment found that the proportion of women delivering at facilities increased over time (from 33 to 53 percent) in Dahod and Panchmahal, the two more marginalized districts. Also, as a result of the community monitoring efforts, services such as antenatal care clinics were restarted and pregnant women involved in the community monitoring effort consistently received more priority interventions. These two activities offer examples that illustrate a role for community-level activities to promote internal and external levers of accountability. In Ethiopia, facility governing boards function as an internal accountability mechanism, helping to provide oversight of retained revenue and to prioritize investments that respond to facility and community needs.
Several dimensions of governance are involved in building and maintaining a strong health workforce. Here, student nurse Fritziène Thélémaque hones her skills in the critical care unit at Justinien University Hospital in Cap-Haïtien, Haiti.
and community needs. In India, the civil society monitoring serves as an external accountability mechanism, with groups tracking state performance in providing priority services and informing beneficiaries to access entitlements. These examples also highlight issues of sustainable scale-up of these initiatives.

**Conclusion**

HFG’s experience in supporting health sector reform through governance-enhancing and governance-focused activities in several countries highlights how health governance interventions can best be implemented to strengthen health systems with the aim of improving health sector performance and outcomes.

Low- and middle-income countries are increasingly interested in health systems reforms that strengthen their financing, human resources, and capacity to deliver high-quality services to their citizens. Technically sound reforms that embed governance from the design phase onward can reinforce priorities, catalyze implementation, strengthen country ownership, and have a higher chance of success and sustainability. As seen in Nigeria and Haiti, strengthening institutional arrangements, transparency and accountability mechanisms through stakeholder engagement and media can positively impact the progress and long-term viability of these reforms.

Appropriately structured institutional arrangements are essential to the success of UHC, especially when considering their potential impact on quality. Having a clear strategy for quality and dedicated institutional structures to support quality initiatives can help drive the quality agenda. Furthermore, as payer roles evolve under UHC, moving towards more autonomy and responsibility for using health financing levers, institutional arrangements for quality may shift. Political resistance to these shifting arrangements underscores the importance of step-wise approaches to strengthening the role of an independent payer.

Efforts to strengthen accountability and governance may confront networks of entrenched interests and therefore require significant political will to move forward.

In Ethiopia, facility governing boards are nationwide, are mandated, have a regulated role, and have ministry-level support. The India example is a small-scale external mechanism that, despite showing significant promise, has no guaranteed dedicated funding to scale up and be sustained.

Where political will existed from the outset, it enabled a more expansive and deeper set of activities. Where it did not, the HFG activities served to generate a broader foundation of support for future reforms. In both Guinea and Cote d’Ivoire, low capacity was a shared challenge, where OIG staff lacked skills in auditing and fraud detection. Building up from a core group of dedicated staff allowed both units to demonstrate utility and launch accountability efforts.

Where HFG has engaged at a community or facility level, either directly or through research, the results have shown the opportunities for fostering bottom-up accountability for sustainability and scale-up. The Ethiopia example highlights the importance of linking national policy reform with facility-level implementation.

**Technically sound reforms that embed governance from the design phase onward can reinforce priorities, catalyze implementation, strengthen country ownership, and increase the chances for success and sustainability.**

The intended gains from health care financing reform would not be possible without the focus on establishing and building capacity of facility governing boards. These new facility level accountability mechanisms supported the objective of reinvesting revenues to improve quality. Likewise in India, the community monitoring helped ensure key populations were able to access entitlements available through state health promotion programs.
References


