



RESULTS-BASED FINANCING AT THE WORLD BANK

Argentina: Plan Nacer

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PROJECT NAME: Provincial Maternal-Child Health Investment Project**TIME PERIOD:** Jun 2004–Dec 2012**LENDING INSTRUMENT:** Adaptable Program Loan (APL) phase 1 and 2**PROJECT ID:** P071025**TTL:** Rafael Cortez**RBF COMPONENT OR PROJECT:** Project**UNIT:** LCSHH**AMOUNT (USD):** \$435.8 million**PILOT (Y/N):** No

Characteristic	Description
RATIONALE	<ol style="list-style-type: none"> 1) Halt recent increases in the national rate of infant mortality and reduce the rate by 20% at the national level and by at least 30% in the participating northern provinces over a period of 10 years; and 2) Change the dynamic of financing and providing health services at the provincial level.
OBJECTIVE OF THE RBF	To contribute to the reduction of the infant and maternal mortality rate in the Borrower's territory, as well as to introduce changes in the incentive framework of health care providers in the Borrower's Participating Provinces, through the implementation of the Maternal & Child Health Insurance Program (MCHIP). MCHIP is built around performance and accountability mechanisms (e.g., annual performance agreements between Nation & Participating Provinces and between Participating Provinces and Health Care Providers), linking financing (flow of resources) to both, services delivered to the target population and the achievement of the MCHIP selected indicators (ten tracers).
BENEFICIARIES	Enrollment in the MCHIP has been successful under APL1 (P071025), on a voluntary basis, in the 9 participant provinces of the Northwest (NOA) and Northeast (NEA) Regions, to all uninsured children up to their sixth birthday, to all uninsured pregnant women, and to all uninsured mothers for up to 45 days past their date of delivery or miscarriage. APL2 (P095515), approved in November 2006, covers the same eligible populations in the remaining 15 provinces. As of September, 2009, 13 of the 15 provinces had joined Plan Nacer, and the remaining two are preparing to do so.
INTERVENTION	<p>A package of basic interventions (CPB – preventive and curative services -) is provided to the target population through authorized public and private providers.</p> <p>Conditions and interventions included in the CPB are:</p> <ul style="list-style-type: none"> • Prenatal, delivery, perinatal and postnatal care of the pregnant woman; • Neonatal care, immunization, nutrition and development, and treatment of disease for children under 6; • Visits to indigenous population lacking access to health care; sexual and reproductive health counseling, including treatment of sexually transmitted infections.
TYPE AND AMOUNT OF INCENTIVE PROVIDED	The estimated cost of the CPB is \$10 per capita-month. The national Ministry of Health (MOH) finances 50% of this cost, while the provincial MOHs cover the other 50%. For the purpose of the Project, the MOH finances \$5 of the cost of the CPB per capita, during the first three years. In the fourth year the MOH finances 70%, while the provincial MOHs cover the other 30%. Thereafter, the former finances 40% whereas the provincial MOHs cover the difference. Disbursement from the national to the provincial level is made on a capitation basis for each eligible beneficiary actually enrolled in the MCHIP.
PAYMENT RULES AND MECHANISM	The cash transfer is made in two installments: (a) 60% is disbursed immediately after the province sends the register with the enrollees each month and after such register has been certified by the auditing sub-unit of the national MCHIP Program in the PMU; and (b) 40% is disbursed periodically, about every 4 months, after verification and certification by the same unit that the province actually met the production targets for the 10 types of interventions selected as tracers of service production. Achieving the target for one tracer would entitle the province to receive up to 4% of the capitation payment: achieving all 10 targets would give up to the full 40%.

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INDICATORS AND TARGETS FOR RECEIVING PAYMENT	<p>Performance Objectives</p> <ul style="list-style-type: none"> • At least 50% of target population in each participating province; • Reduction of at least 30% in the infant mortality rate in the participating NOA and NEA provinces and at least 20% at national level at the end of 10 years; similar indicators for APL2; • Annual Performance Agreement. At least 50% of all participant provinces at the end of APL1 and APL2; • Authorized Providers. At least 50% of all authorized providers in each participating province; and • % of Tracer Targets achieved. At least 50% in each participant province at the end of APL1 and APL2. <p>The key health interventions (tracers) for cash flow adjustment for participating provinces are:</p> <ul style="list-style-type: none"> • Timely inclusion of eligible pregnant women in prenatal care services; • Effectiveness of early neonatal and delivery care; • Effectiveness of prenatal care and prevention of premature births; • Quality of prenatal and delivery care; • Medical auditing of maternal and infant deaths; • Immunization coverage; • Sexual and reproductive health care; • Well child care (1 year old or younger); • Well child care (1 to 6 years old); • Including indigenous population.
MONITORING AND VALIDATION PROCESS	<p>Indicators of program results track levels of coverage of the beneficiary population and the effectiveness of the services provided. Data on levels of coverage are based on baseline surveys, updated periodically, and reports from service providers. The PMU conducts periodic internal audits to verify the work performed by the providers and provinces through data bases cross check, while an independent agency of auditors completes this process through regular detailed reports monitoring the progress of the program.</p>
INSTITUTIONAL ARRANGEMENTS AND ROLES	<p>The project is implemented by the Ministry of Health, through its MCHIP management unit which serves as the specialized PMU and will continue as the “health service purchasing unit” after project completion. The PMU works with participating provinces which are directly responsible to purchase CPB services provided to beneficiaries by the public and private sectors. The Government and the Bank meet annually to review the experience of the previous year with the capitation system in general and about the capitation amount, the list of tracers and services include in the CPB, and decide on specific adjustments as appropriate.</p>
CONTRACTUAL ARRANGEMENTS	<ol style="list-style-type: none"> 1) Umbrella agreements between MOH and participating Provincial MOHs covering all permanent technical, financial, administrative and fiduciary aspects of provincial participation; 2) Annual performance agreements between MOH and participating provinces including annual targets for tracer conditions, enrollment targets, work programs and resource requirements; and 3) Performance agreements and contractual or quasi-contractual agreements between Provincial MOHs and authorized health care providers (public and private) covering the BPC, quality standards, payment mechanisms, expected results, reporting requirements and supervision and inspection.
EVALUATION STRATEGY AND RESULTS	<p>The Bank loan finances impact evaluations in participating provinces. The baseline survey for APL1 was completed and data collection for the APL2 baseline survey is done.</p>
STATUS REPORT	<p>Results to date have been excellent. Enrollment increased from 50,000 in January 2005 to about 1,031,000 in September 2009 for APL1 and APL 2. The program has been expanded to 13 additional provinces. It appears that the IMR among the targeted population under APL1 has declined faster than for the country as a whole.</p> <p>Implementation performance ratings: Satisfactory for both DO and IP in the June 2009 Implementation Status and Results Report (ISR).</p>