

PD-ARM-262

**A.I.D. EVALUATION SUMMARY - PART I**

1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.  
2. USE LETTER QUALITY TYPE, NOT "DOT MATRIX" TYPE.

**IDENTIFICATION DATA**

<b>A. Reporting A.I.D. Unit:</b> Mission or AID/W Office <u>USAID/BOLIVIA</u> (ES# <u>DP-05/95</u> )	<b>B. Was Evaluation Scheduled In Current FY Annual Evaluation Plan?</b> Yes <input type="checkbox"/> Slipped <input checked="" type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY <u>94</u> Q <u>1</u>	<b>C. Evaluation Timing</b> Interim <input checked="" type="checkbox"/> Final <input type="checkbox"/> ExPost <input type="checkbox"/> Other <input type="checkbox"/>
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**D. Activity or Activities Evaluated (List the following information for project(s) or program(s) evaluated; If not applicable, list title and date of the evaluation report.)**

Project No.	Project/Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (Mo / Yr)	Planned LOP Cost (000)	Amount Obligated To Date (000)
511-0607	SELF-FINANCING PRIMARY HEALTH CARE II (PROSALUD)	1991	5/96	\$6,500	\$6,500

**ACTIONS**

E. Action Decisions Approved By Mission or AID/W Office Director Action(s) Required	Name of Officer Responsible for Action	Date Action to be Completed
1) MODIFICATION OF THE PROJECT EOPS AND EXTENSION OF THE PROJECT.	-Elba Mercado, Project Manager -Robert Kahn, Evaluation Officer -Olivier Carduner, PD&I Dir.	10/31/95
2) TECHNICAL ASSISTANCE FOR ALTERNATIVE WAYS OF COST RECOVERY AND ESTABLISHMENT OF A COST-CENTER ACCOUNTING SYSTEM.	-Elba Mercado, Project Manager -PROSALUD Staff	12/30/95
3) DEVELOP NATIONAL BOARD.	-Project Manager & PROSALUD	12/30/95
4) DEVELOP A REPLICATION STRATEGY AND FRANCHISING GUIDELINES.	-Project Manager & PROSALUD	4/30/96

**APPROVALS**

F. Date Of Mission Or AID/W Office review Of Evaluation: \_\_\_\_\_ (Month) \_\_\_\_\_ (Day) \_\_\_\_\_ (Year)

**G. Approvals of Evaluation Summary And Action Decisions:**

	Project Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
Name (Typed)	ELBA MERCADO	CARLOS CUELLAR	ROBERT KAHN	LEWIS W. LUCKE
Signature	<i>Elba R. Mercado</i>	<i>Carlos Cuellar</i>	<i>Vigencia (Robert Kahn)</i>	<i>Lewis W. Lucke</i>
Date	7/14/95	7/24/95	11/13/95	11/13/95

## A B S T R A C T

### H. Evaluation Abstract (Do not exceed the space provided)

The goal of the Self-Financing Primary Health Care II project (91-96) is to improve the health of populations within poor urban and peri-urban areas of Bolivia through provision of MCH services. The purpose of the project (follow-on to the original 83-91 project) was to fund PROSALUD, the project's grantee, to replicate its Santa Cruz-based program in the cities of El Alto and La Paz while strengthening its program in Santa Cruz. This mid-term evaluation (3-4/95) was carried out by an outside evaluation team to assess progress in establishing services in El Alto/La Paz, identify the degree of sustainability or cost recovery and propose changes in future project designs and implementation strategies. Interviews and reviews of project documents, including comparing financial data and progress reports from the original project, were the basis for the findings and conclusions summarized below:

- PROSALUD is a patient-focused, MCH-centered delivery system distinguished by its capability to provide a high volume of quality services with high levels of efficiency, cost recovery and patient satisfaction. The program relies on open, well-documented and institutionalized management systems which foster data-based decision making, planning and monitoring. Its personnel system promotes the hiring of staff dedicated to supportive patient relations leading to high continuity in care.
- The Santa Cruz delivery model has been successfully replicated in El Alto/La Paz and as of 5/95 about 60% of cost recuperation, less the cost of the Management Support Unit (MSU), has been achieved. The planned level of service has not been reached due to a delay in acquiring the service facilities from collaborating donors. Therefore, it is not likely that the project will achieve the goal of 100% self-financing, exclusive of the MSU in La Paz and inclusive of the MSU in Santa Cruz, by the end of the project, 5/96.
- The End of Project Status (EOPS) indicators appear to be flawed. The degree of self-financing should not be the singular yardstick to assess PROSALUD's performance. PROSALUD is a major provider of health services in its own right, serving, for example, 95% of the new users of family planning in 93 in the El Alto/La Paz health districts and is more MCH oriented in terms of reaching children under age 5 than other providers including the National Secretariat of Health.

The most outstanding "lessons learned" are:

- Essential project inputs to meet project goals need to be made part of the funding package. Where, as in this project, the inputs for clinic construction were dependent on other entities, there must be an alternative strategy to acquire needed resources in a timely way written in Project Paper to cover instances when collaborating institutions fail to participate as planned.
- Selection for project sites should be commensurate with the objectives of the project. The selection of El Alto, one of the poorest communities in Bolivia, as the principal PHC site, jeopardizes the cost recovery goal of the project.
- Projects need to give attention to and be prepared to document the indirect benefits of their activities which, as in the case of this project, can be as great as the planned direct effects.

## C O S T S

### I. Evaluation Costs

Name	1. Evaluation Team	Affiliation	Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
LEE R. HOUGHEN		POPTech	28 P/D	\$40,000	-Project Funds -511-0568 RHSP Funds
JOHN L. FIEDLER		POPTech	28 P/D	\$26,000	
*	*		*	*	
2. Mission/Office Professional Staff Person-Days (Estimate) *			3. Borrower / Grantee Professional Staff Person-Days (Estimate) *		
4 P/D			56 P/D		

## A.I.D. EVALUATION SUMMARY - PART II

### S U M M A R Y

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)

Address the following items:

- |  |                             |
|--|-----------------------------|
| . Purpose of evaluation and methodology used     | . Principal recommendations |
| . Purpose of activity(ies) evaluated             | . Lessons learned           |
| . Findings and conclusions (relate to questions) |                             |

Mission or Office :

USAID/BOLIVIA

Date This Summary Prepared :

JUNE 30, 1995

Title and Date Of Full Evaluation Report:

SELF-FINANCING PHCII MID-TERM EVALUATION,  
JULY 1995

#### Purpose of the Activities Evaluated

The goal of the Self-financing Primary Health Care II project (511-0607) is to improve the health status of populations within the poor urban and peri-urban areas of Bolivia, with particular emphasis on reducing maternal and infant (0-1 years) mortality rates. The project's purpose is to improve access, quality of care and sustainability of health services provided to underserved populations in the cities of El Alto, La Paz and Santa Cruz. The project proposed to strengthen the health care network in Santa Cruz, created by the original project (511-0569) between 83-91, by establishing a referral hospital. Reference hospital services were to be added to the El Alto service area during the latter years of the project (if deemed appropriate), with the cost of hospital construction to be financed by a collaborating World Bank project. The current five-year project began in May 1991 and has a PACD of May 1996.

The project grantee, PROSALUD, a Bolivian private sector health provider, was established in May 1985 under the original project. The final evaluation of the original project documented PROSALUD's accomplishments and recommended that the PROSALUD PHC delivery model be replicated in other areas of Bolivia. This project funded the replication of the Santa Cruz model in the health regions covering the city of La Paz and its satellite city of El Alto. To assure the future of PROSALUD as a permanent private sector provider, PROSALUD was expected to reach: (a) 100% self-financing of the services provided in Santa Cruz including the regional Management Support Unit (MSU) and, (b) 100% self-financing for the services provided in El Alto/La Paz, exclusive of its MSU.

#### Purpose of Evaluation and Methodology Used

The purpose of the mid-term evaluation was to:

- Assess progress toward outputs
- Identify constraints to project implementation
- Identify Lessons Learned
- Assess progress towards sustainability, and
- Make recommendations for adjustment in project design and implementation strategy.

The evaluation was conducted in Bolivia between March 19 and April 5, 1995. Additional analysis of documents, data and writing was carried out in the United States through the first week of May, 1995. The evaluation methodology consisted of interviews and examination of project documents. Interviews were held with persons most involved in the project from the USAID Mission, National and Regional Offices of the Secretariat of Health, the Bolivian Medical College, collaborating health providers, and representatives from the municipalities of La Paz and Santa Cruz.

#### Findings and Conclusions

PROSALUD concluded its participation in the original project with 15 clinics in Santa Cruz and a delivery staff of 111 employees including clinic and MSU staff. At the time of the mid-term evaluation, April 1995, PROSALUD had a total of 269 employees and 49 risk-sharing adjunct staff in its operations in Santa Cruz and El Alto/La Paz. The organization had 27 facilities including 13 centers and a referral hospital in Santa Cruz and 9 centers (plus 4 under construction) in El Alto/La Paz. The program served a population of 120,000 in Santa Cruz and 127,000 in El Alto/La Paz for a total of 247,000 persons, nearly 4% of the population of Bolivia.

The major findings are:

1. PROSALUD is a patient-focused PHC-centered delivery system distinguished by its capability to provide a high volume of quality services with high levels of efficiency, self-financing and patient satisfaction.

## S U M M A R Y (Continued)

2. At all levels of the organization there is a high level of understanding and appreciation of the very close relationship between service delivery and financial performance. The PROSALUD monitoring, evaluation and planning system emphasizes and makes transparent the relationship between service delivery and financial performance, that is, the better quality of care, the higher volume of patients and resulting income generation--the basis of financial sustainability.

3. PROSALUD has become a major health care provider in its own right and makes a major social contribution to the communities it serves. By the end of the first quarter 1995, PROSALUD/La Paz was covering a population of 127,350 and had provided, in 1995, 217,536 services, two-thirds of which were preventive services and, therefore, free of charge. Since its inception, each year roughly 70% of all care provided by the PROSALUD La Paz network has been preventive (viz-a-viz curative) in nature. Sixty-five percent of all preventive services have been vaccinations to children and women.

4. Among the 12 non-vaccination services offered by PROSALUD/La Paz clinics, the fastest growing has been deliveries and family planning services. Births grew by more than 11-fold between the first quarter, 1992, and the fourth quarter, 1994. Family planning services, which were first offered at PROSALUD clinics in quarter 3, 1992, grew just under 11-fold since then to quarter 4, 1994. In 1993 PROSALUD clinics served 95% of the new users in family planning methods in the El Alto and La Paz health districts.

5. Service statistics show that PROSALUD is much more MCH-oriented than are other providers in the same health districts, including the NSH, by providing 42% of all outpatient consultations to children under the age of 5 in 1993 and 38% of the 1994 total.

6. Despite its achievements to date, PROSALUD is behind schedule in having the planned 19 El Alto/La Paz facilities online or nearing completion by the second quarter of 1995. The project had only nine facilities operating, with another four health centers under construction and scheduled to begin services in June 1995. The delay in establishing the full network of health centers is due to the lack of participation of other donors who had agreed to provide clinic facilities. The lack of clinic infrastructure has seriously affected the financial performance of the PROSALUD La Paz network and caused the project budget to be modified to pay for new clinic construction.

7. In the first quarter of 1995, only 61% of the nine El Alto/La Paz clinics' service delivery costs, excluding the La Paz MSU, had been recouped. It is highly unlikely that the La Paz network will be able to raise this level of cost recuperation to the end-of-project goal of 100%, exclusive of the MSU, by May 1996 when the project is scheduled to end.

8. The selection of El Alto, one of the poorest communities in Bolivia, as the principal project site jeopardizes the cost recovery objective of the project.

9. The costs of operating the La Paz MSU are substantial, more than twice as much as the costs of operating the nine health centers it supports. Whereas 55% of clinic expenditures were recovered in 1994, only 17% of the total costs of the La Paz operations were recovered when the costs of the MSU were included. The MSU proportion of total costs has been falling and should continue to fall the next few years. High MSU costs relative to total costs reflect the number of MSU staff needed for community and donor coordination during the start-up phase of the project, fulfilling donor reporting requirements, managing complementary grants and responding to opportunities for program expansion encouraged by the USAID Mission.

10. The presence of PROSALUD in the market place has had a noticeable indirect benefit equal to the stated direct objectives of the project. For example, the Grantee's presence in EL Alto has apparently caused a reduction of private provider charges for the same services and has motivated providers, in general, to improve services in an effort not to lose market share to PROSALUD.

### Principal Recommendations

1. While PROSALUD has established the referral hospital in Santa Cruz as called for in the project, it should not undertake the creation of a referral hospital as part of the La Paz regional network as proposed in the project outputs. Instead, it should pursue establishing a formal referral system with existing hospitals in the area.

2. In the opinion of the evaluation team, the EOPS of the project are fundamentally flawed and should be modified. The degree of self-financing should not be the singular yardstick used to measure PROSALUD's performance. The EOPS focuses far too narrowly on the financial aspects of PROSALUD's operations. Yet, as important as self-financing is to the survival of PROSALUD as an organization, clearly self-financing is not the only objective of the project; it is but a means to achieve the goal of improving the health of Bolivians. PROSALUD is very much aware of its rate of cost recovery, often foregoing staff salary increases to stay within budget.

## S U M M A R Y (Continued)

It is clear that the organization is making conscientious tradeoffs, such as, operating in the El Alto health district at a deficit to provide services to a needy population and offering free preventive services with high public benefit (immunizations for children), as compared to curative services with a fee, but with less social benefit. USAID should adjust the EOPS to be commensurate with the possibilities of cost recuperation of the geographical area assigned to PROSALUD and the degree of tradeoffs the Mission wishes to support.

3. To aid it in its effort to identify additional revenue over which to spread its MSUs and National Office fixed overhead costs, technical assistance should be provided to PROSALUD to conduct pre-feasibility analyses for the: (a) development of preferred provider organizations, (b) development of capitated systems and (c) selling of services. Discussions should be held with the private health insurance industry, the social security system and groups of private providers who may wish to replicate or franchise the PROSALUD delivery model in new areas of Bolivia. PROSALUD should be encouraged to continue its efforts to reduce its deficit by cross-subsidizing the cost of services in El Alto with clinics in La Paz located in more affluent neighborhoods.

4. PROSALUD should ensure that its accounting system establishes each of PROSALUD's major health care activities as a cost center capable of identifying the level of net revenue generated by each activity.

5. PROSALUD should establish a formal process to develop provider profiles (i.e. types of services, kinds of facilities, staff, coverage, operating hours and price of services) of those institutions that operate in PROSALUD's catchment area.

### Lessons Learned

1. All essential project inputs needs to be a part of the funding package in order that the project can achieve its objectives. The health centers that were to form the PROSALUD/La Paz network were provided by third parties outside of the control of the Grantee. When there is a dependancy on outside resources, there needs to be a stated strategy written into project documents which identifies the alternative source of funding to be accessed in a timely way so that the project can stay on schedule.

2. Selection of project site must be commensurate with the objectives of the project. For a project emphasizing "self-financing", the selection of El Alto--one of the poorest communities in Bolivia--as the principal site, jeopardizes the project's cost recovery goal.

3. Projects need to give more attention to and be prepared to document the indirect benefits of their activities which, as in the case of this project, were as great as the planned direct effects.

ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation Summary, always attach copy of full evaluation report, even if one was submitted earlier; attach studies, surveys, etc., from "on-going" evaluation, if relevant to the evaluation report.)

EVALUATION REPORT

COMMENTS

L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report :

THE EVALUATION TEAM CARRIED OUT THE STUDY IN A VERY PROFESSIONAL WAY. PROSALUD STAFF FOUND IT EXCELLENT AND VERY USEFUL FOR PROJECT IMPROVEMENT AND FOR THE ORGANIZATION IN GENERAL.

FINDINGS OF THE EVALUATION WILL BE USED IN DESIGNING AN AMENDMENT TO THE CURRENT PROJECT (511-0607) AND THE PROPOSAL FOR AN EXTENSION.