



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

*cm. Pope*  
PD-ABN-966  
XI

April 18, 1997

TO: See Distribution  
FROM: LAC/SPM, Susan Hill *SH*  
SUBJECT: LAC Regional - Health Priorities (598-0825):  
Health Sector Reform Initiative

An Issues Meeting has been scheduled for Wednesday, May 7, 1997, at 11:00 in Room 2248 NS to review proposals for implementation of the health sector reform portion of the LAC Regional health services strategic objective. Please submit issues to Susan Hill, LAC/SPM, Ext. 75246, or by E-Mail no later than COB Friday, May 2, 1997. A DAEC will be scheduled after the Issues Meeting, if needed.

The activity being reviewed is one of four initiatives which support the LAC Regional Strategic Objective of "more effective delivery of selected health services and policy interventions." The Pan American Health Organization (PAHO) and partners of the Global Bureau's Partnerships for Health Reform (PHR) and Data for Decision-Making (DDM) projects will jointly implement the health sector reform initiative. The other three initiatives (immunizations, maternal mortality, and integrated management of childhood illness) have already been approved by AA/LAC.

Attachments:

1. Strategic Objective Results Framework
2. Proposal from PAHO
3. Joint Proposal from PHR and DDM

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RESULTS FRAMEWORK: LAC/RSD HEALTH SERVICES OBJECTIVE

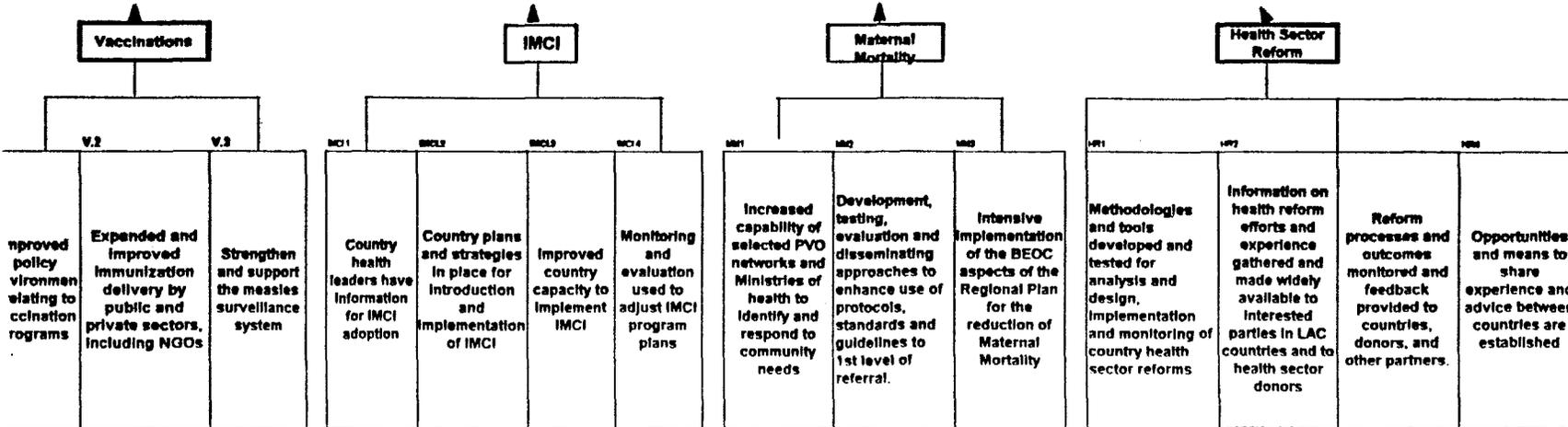
Agency Goal:

Stabilizing World Population and Protecting Human Health

LAC/RSD Strategic Objective:

More effective delivery of selected health services and policy interventions

Intermediate Results:



Time frame: 1996-2000  
Partners: PAHO

Time frame: 1997-2001  
Partners: PAHO and Basics

Time frame: 1997-2001  
Partners: PAHO, MotherCare, Quality Assurance Project

Time frame: 1997-2001  
Partners: PAHO, Partnership for Health Reform, Data Decision Making

**Critical Assumptions:**

- Host countries continue to honor their commitment to the implementation of the various resolutions of the Pan American Health Organization, as well as those of the World's Children Summit and the Summit of the Americas to reduce measles cases and deaths and to maintain high immunization coverage
- All partners collaborate in the implementation of their health programs, particularly those related to child survival and development
- Partners continue to participate in the Inter-Agency Coordinating Committees, both regionally and at the country level, to provide technical and financial support to activities related to national immunization programs and to the measles elimination initiative

**IMCI Critical Assumptions:**

- Decentralization that the process of decentralization is strengthened and/or continues
- Integrated Service Delivery: that integrated services model as opposed to vertical programs. Political commitment and resources (human and financial) will gradually be shifted from vertical programs towards providing service delivery through an integrated care model
- Sustainability that if IMCI is to be an effective approach for treating the sick child and counseling caretakers, the quality of care needs to be improved and sustained

**MM Critical Assumptions:**

- Political commitment continues for support of goals to reduce maternal mortality made by countries when approving the Regional Plan for the Reduction of Maternal Mortality, and the declarations from the World Summit for Children, the International Conference on Population and Development and the Summit of the Americas
- Use of modern contraception is maintained or increased in target countries
- Access to prenatal and clean delivery care in target countries is maintained or increased

**HR Critical Assumptions:**

- Government and non-government health providers, professional societies, university faculty willing to participate together in reform efforts
- In-country interested parties can mobilize political will to re-direct resources (time, personnel, and money) to reforms that increase equitable access to basic health services
- Donors continue to fund capital costs for country health reform design and implementation including technical assistance, studies, and systems design/implementation

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HEALTH PRIORITIES PROJECT:  
698-0826

PD-ABN-966

# **Health Sector Reform in the Americas: Equitable Access to Basic Health Services**

**A proposal from the Pan American Health Organization (PAHO)  
to the United States Agency for International Development (USAID)  
1997-2001**



**March 4, 1997**

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## 1. INTRODUCTION

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PAHO has been conducting an extensive technical cooperation program in support of the national processes of Health Sector Reform (HSR), in compliance with the mandates of the Summit of the Americas, held in Miami in 1994, and the Special Meeting on HSR, held during the XXXVIII Meeting of the Directing Council. A report of the activities implemented through 1995 and those programmed for the coming years was submitted to the XXXIX Meeting of the Directing Council and a Resolution on this issue was passed. Pursuant to the mandate of the XXXVIII Meeting of the Directing Council, the report has been submitted to the Hemispheric Summit in Santa Cruz de la Sierra, Bolivia, held in December 1996.

This program has been conducted bearing in mind Section 17 of the Action Plan approved by the 1994 Summit of the Americas, and Resolution CD38.R14 of the XXXVIII Meeting of the Directing Council on equitable access to basic health services. They reaffirmed HSR as a strategy for making health systems more equitable, efficient, and effective in response to the health needs of the population of the Americas; recognizing the efforts undertaken by countries in HSR and the bilateral and multilateral cooperation provided; the need for coordination for external support and respect for national autonomy; and the importance of exchanging experiences and report on the progress and problems of the national processes of HSR.

As a consequence of the mandate of interagency collaboration in support to HSR efforts in the countries of the Americas, USAID and PAHO have initiated discussions aimed at identifying areas of synergistic regional cooperation which take into account different partners that can contribute to the attainment of common objectives in this area. Therefore, the idea of a USAID funded project on "Equitable Access to Basic Health Services" executed by PAHO was discussed. This document constitutes the formal proposal of the aforementioned project.

The purpose of this five-year project is to provide regional support to national processes of health sector reform (HSR), aimed at providing more equitable access to basic health services in Latin America and the Caribbean.

PAHO member countries have indicated to PAHO's Secretariat that they want to see an intensified action of the Organization in support of the Health Sector Reform processes in the countries and have asked for prioritizing activities such as promoting dialogue for the reform among the multiple interested actors at both national and interagency level, monitoring national

reform processes, articulating key partners into an interamerican network to support the reform, providing technical cooperation to ongoing national reform processes and mobilizing resources for those purposes.

PAHO's Directing Council has requested the Secretariat to undertake this cooperation efforts both through its country programs and its regional technical cooperation programs. The present proposal consist of a series of regional actions in the areas of development of tools and methodologies, monitoring of health sector reform processes, gathering and dissemination of information, and networking and exchange of experiences which will support activities of the country programs in support of Health Sector Reform.

USAID resources and PAHO regular resources will be combined to potentiate the efforts in suport of the mandate of the Miami's Summit as far as Equitable Access to Health Services and provide support to the countries of Latin America and the Caribbean. PAHO's intergovernmental nature makes it a suitable institution to carry out this responsibility.

This proposal describes a five-year program of activities which PAHO proposes to carry out in close collaboration with the Partnerships for Health Reform (PHR) and Data for Decision-Making (DDM) projects in support of the LAC/RSD Health Services Strategic Objective 1:

*Sustainable country health sector reforms in effect (designed to increase equitable access to high quality, efficiently delivered basic health services).*

Target countries have been identified for this initiative. They receive more intensive attention (for example, technical assistance visits to follow-up a workshop introducing a new analysis technique) and monitoring (we report only their progress in our indicators tables) than other LAC countries. Non-target countries benefit from our initiatives--new technologies are shared with them, but we do not pay direct costs for their participation--attendance at workshops, for example. For this initiative, the target countries are all of the USAID presence countries with PHN strategic objectives: Bolivia, Ecuador, Peru, Paraguay, Brazil, Mexico, El Salvador, Guatemala, Honduras, Nicaragua, Dominican Republic, Jamaica, and Haiti.

To assess the degree of attainment of this Strategic Objective at the end of the period of the Regional Initiative the following indicator has been established.

**Indicator 1.0**

Target countries with changes in structure and functioning of health sector, that increase at least 3 of the following: efficiency, equity, quality, financial sustainability, and community participation.

The proposed PAHO activities will therefore contribute to the LAC Bureau's Intermediate Result Level 1:

*In-country capability to assess health sector problems, and to design, implement, and monitor reforms.*

Four indicators have been identified to determine progress towards this Intermediate Results Level 1, namely:

**Indicator 1.1**

Target countries that have an entity reasonable for Reform.

**Indicator 1.2**

Target countries that have an entity responsible for reform with access to analytical skills.

**Indicator 1.3**

Target countries that have an entity responsible for Reform with an enabling policy environment.

**Indicator 1.4**

Target countries that have an entity responsible for Reform with authority to direct human and financial resources to implement Reform.

## 1. INTRODUCTION

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The LAC Bureau has also established four Intermediate Results Level 3 (Regional) namely:

- IR 01** Methods and tools developed and tested for analysis, design, implementation, and monitoring of national HSR processes;
- IR 02** Technical information about HSR experiences, resources and experts retrieved, processed, and disseminated among national authorities, experts, and cooperation agencies;
- IR 03** National HSR processes and outcomes monitored with the corresponding feedback provided to countries, cooperation agencies, and other interested partners, and
- IR 04** Opportunities and means to share experience and advice between countries, cooperation agencies, and other interested parties on HSR, established and made operative.

Each of the PAHO proposed activities is presented under the Intermediate Result which it most directly relates, although in many cases activities would contribute to several results. A fifth area, that of program management and coordination, has also been included.

The indicators established for each of the four Intermediate Results can be found in their respective sections. All the indicators aforementioned have been developed jointly by personnel of the LAC and Global Bureau of USAID, PAHO, PHR, and DDM.

## 2. PROJECT ACTIVITIES

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### 2.1. Intermediate Result 01. Methodologies and tools developed, tested and disseminated for analysis and design, implementation and monitoring of country health sector reform.

**Indicator:**

Target countries using 50% of the methodologies and tools developed, tested and disseminated by this program.

#### 2.1.1. *Health Sector Analysis Framework*

The Miami's Summit (1994) and the Special Meeting on HSR (1995) stressed that plans and programs should be developed according to specific health situations and using mechanisms to be decided upon by each country. To achieve this, countries must assess the sector's main problems and particular determinants, its resources, and factors that can facilitate or difficult the Reform Processes. Conducting Health Sector Analyses allows for a systematic assessment of sectoral challenges, weaknesses, and strengths and constitutes a sound foundation for formulating Health Sector Reform Policies and Strategies. PAHO has done some preliminary work for producing a first draft of a "Guideline for Health Sector Analysis". As part of this project, work will be carried out to field test the instrument, to revise the "Guideline" and produce a final version, to disseminate it throughout the Region, and to conduct training seminars on a subregional basis for building national capacities to conduct this type of sectoral diagnostic work.

**Objectives:**

- a) test the first version of the "Guideline" in the field,
- b) revising, publishing and distributing the final version of the Guideline,
- c) disseminating the instrument and developing national capabilities to use it.

**Activities:**

- a) pilot testing in two countries,
- b) revising the Guideline based on results of the pilot test,

## 2. PROJECT ACTIVITIES

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- c) dissemination of revised Guideline to target and other countries,
- d) foster the use of the Guideline through three subregional workshops where at least three persons per country will be trained,
- e) monitoring the use of the Guideline in targeted countries.

### **Estimated time:**

- a) 9 to 12 months to develop the two pilot tests;
- b) 6 to 9 months to revise and disseminate to potential users,
- c) 12-18 months to develop three subregional training seminars,
- d) continuous monitoring of the use of the Guideline.

**Cost:** PAHO \$150,000 AID \$130,000 Total \$280,000

### **2.1.2. Framework for Detailed Implementation Plans of HSR and Master Plans of Investment**

Once the National Policies and Strategies for HSR have been formulated it is crucial to have a detailed Implementation Plan for HSR. A key element for the success of such plans is the specific component of investments that are necessary for advancing the HSR policies and strategies. As part of this project, work will be done in the elaboration of a Framework for formulating HSR Implementation Plans with emphasis in the component of Investments necessary for advancing HSP policies and strategies (Master Plans of Investment in support of HSR), in the pilot testing the instrument, and in building national capacities for conducting this type of work as part of HSR efforts.

### **Objectives:**

- a) strengthen national capabilities for formulating detailed implementation plans of HSR and master plans of investment in support to HSR,
- b) foster the consistency between health investments plans and HSR activities,
- c) support the mobilization of national and international resources in this direction.

**Activities:**

- a) development of a Framework for formulating Detailed Implementation Plan of HSR including investment components (Master Plans of Investment in Health, or MPIH)
- b) pilot testing in two target countries,
- c) revising the Framework based on results of the pilot test,
- d) dissemination of revised Framework to target and other countries,
- e) foster the use of the Framework through three subregional training workshops on formulation and implementation of MPIH, aimed to three high level professionals per country,
- f) monitoring the use of the Guideline in target countries.

**Estimated time:**

- a) 6 to 9 months to draft in headquarters, 6 to 9 months to test in two countries, and 3 months to publish and distribute the Framework,
- b) 18 to 24 months to develop at least three subregional workshops,
- c) one year to monitor the use of the Guideline.

**Cost:** PAHO \$120,000 AID \$180,000 Total \$300,000

**2.1.3. National Health Accounts**

Reliable and comparable statistics about national health expenditures and financing are hardly available in Latin America and the Caribbean (LAC). This gap not only affects health policy making and health care management at national level, but also limits the effectiveness of external cooperation in support of the former. PAHO, World Bank, HCFA, OECD, PHR/DDM, and IDRC are currently engaged in the development and application of methodologies for estimating national health accounts (NHA) and strengthening national capabilities in this field. USAID supported DDM project to apply one of these approaches for NHA in several LAC.

Despite their similarity, these initiatives have differences that may cause duplication of efforts and the risk of producing non-comparable results. To avoid that, those differences need to be worked out so that these activities can converge to the consolidation of a regional data base on NHA. A workshop has been carried out in November 1996, which has allowed the interested

## **2. PROJECT ACTIVITIES**

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agencies to work out the existing differences between their respective approaches and the countries each agency would be supporting for the application of the jointly developed NHA framework. PAHO, PHR and DDM have been having extensive consultation on the matter and have agreed on the following division of responsibilities.

- PAHO will organize at least two meetings of technical experts on NHA. The results of these meetings will feed directly into the technical content of the PHR-NHA Initiative workshops and country studies;
- PAHO and PHR propose that USAID include funds for two of the five NHA country studies in the Equitable Access to Basic Health Services Project grant to PAHO. PHR would conduct three country studies. The two PAHO country study teams would be full participants in the PHR-NHA Initiative, attending workshops and producing comparable data;
- Both PAHO and PHR country studies will follow the methodologies emerging from the technical expert meetings and the PHR-sponsored workshops;
- PHR will be responsible for organizing the regional NHA workshops, with technical input from PAHO and others;
- PAHO and PHR will be responsible for the costs of their respective country study teams and consultant participation in the PHR-sponsored workshops;
- Finally, PHR will be responsible for producing a final report on the five-country activity. PHR and PAHO will collaborate on disseminating that report and on additional dissemination of the NHA methodology to other LAC countries.

### **Objectives:**

- a) to reconcile the different NHA approaches within a commonly agreed regional framework,
- b) to conduct two NHA country studies.

### **Activities:**

- a) two meetings of technical experts on NHA for reviewing the results of the studies carried out through the initiatives promoted by PAHO and PHR/DDM, refining the framework agreed upon during the November 1996 workshop,
- b) conducting two NHA country studies in close collaboration with PHR/DDM,
- c) providing technical support to the country study team.

**Estimated time:**

- a) one year for the pilot studies,
- b) then the second workshop and,
- c) 6 months for the final phase with OECD.

**Cost:** PAHO \$30,000 AID \$120,000 Total \$150,000

- 2.2. Intermediate Result 02. Information on health reform efforts and experiences gathered and made available to interested parties in LAC countries and to health sector donors.**

**Indicator:**

Published and fugitive LAC health sector reform literature appropriately abstracted and accessible.

**2.2.1. *Clearing-House of Information on Health Sector Reform***

There is a growing, widespread interest in the Americas about health sector reform strategies, policies, instruments and results. Preliminary results of on-going reform initiatives as well as of the evaluation of more mature reform projects have been heavily demanded, since they are a basic input for reform initiatives somewhere else. Information about reform instruments and tools, as well as about institutional and individual expertise on the different areas involved in the reform, are also constantly requested by national authorities and international agencies. Unfortunately, most of this information is either unpublished or disseminated just in non-conventional literature, that has a limited, irregular circulation.

PAHO's activities in this component of the project consist in establishing a Clearing-house in its Headquarters in Washington for managing and sharing relevant HSR information (methods, tools, results of research projects, ongoing efforts, results of new initiative, evaluation of reform processes, etc.)

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PAHO's clearing-house will take advantage of the resources already available through the PAHO's Latin American and Caribbean Center for Health Scientific Information (BIREME) both in terms of literature data base, indexation of new literature and network of documentation centers throughout the Region.

PAHO's Latin American and Caribbean Center for Health Scientific Information (BIREME) located in Sao Paulo, Brazil, has established a network of libraries and documentation centers of Ministries of Health and universities throughout Latin America and the Caribbean. At the same time, BIREME has developed and maintained LILACS, the Latin American and Caribbean Health Science Literature data base. LILACS is prepared with the cooperation of more than 70 centers in 26 countries, which retrieve and process health related publications originated in the Region, according to guidelines of the U.S. National Library of Medicine. An updated version of LILACS is disseminated every quarter in a CD-ROM, that also includes other specialized databases prepared by BIREME in collaboration with other PAHO divisions.

BIREME and its network will retrieve and process the bibliographic information on HSR according to an ad hoc classification of headings compatible with LILACS. This classification will be adjusted to accommodate literature and the different topics of HSR. This literature will be added to the literature and information selected and abstracted by the clearing-house in Washington, D.C. and will be disseminated both physically and electronically to HSR actors and interested parties.

This component of PAHO's project will be developed in close collaboration with PHR efforts of connectivity to support networking and information dissemination.

### Objectives:

- a) to retrieve, select, and index both conventional and non-conventional literature and technical information about HSR,
- b) to disseminate it to relevant actors (policy makers, health managers and researchers) interested in or involved with HSR in the region.

**Activities:**

- a) the majority of existing bibliographic information systems on this issue connected,
- b) LILACS expanded and adjusted to properly accommodate literature on HSR,
- c) the great majority of the policy makers, health care providers and managers, researchers, NGO's and cooperation agencies receiving the relevant literature and information through electronic means, when available.

**Estimated time:** this component will be carried out for 5 years within the framework of the project.

**Cost:** PAHO \$150,000 AID \$150,000 Total \$300,000

**2.2.2. Dissemination of Information**

This component of the project will produce a periodic bulletin containing general information and special reports on HSR. A variety of topics and activities taking place simultaneously in many countries will be covered. It will be a form of actively disseminating information about HSR and the development of this project among the institutions and individuals involved in its implementation, as well as other interested parties.

PAHO will publish this report in consultation with USAID, DDM, and PHR. The budget of the activity includes all the costs of publishing, printing, and dissemination expenses.

**Objectives:**

To disseminate information about HSR and this project's implementation among interested parties.

**Activities:**

To produce a periodic bulleting during the five years of the project. This bulletin will contain findings of the studies supported by the project, reviews of on-going initiatives, summaries of outstanding issues reported in the literature, and news interesting people involved.

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### Estimated time:

- a) first issue prepared and distributed before the end of 1997, to readership of about 1,000 authorities and experts on HSR,
- b) this component will be carried out for 5 years within the framework of the project.

**Cost:** PAHO \$100,000 AID \$75,000 Total \$175,000

### 2.3. Intermediate Result 03. Reforms processes and outcomes monitored and feedback provided to countries, donors and other partners.

#### Indicator:

Target countries for which data is available analyzed, and reported by PAHO to country program managers, donors, and other partners for principal indicators of health sector reform process and outcomes.

#### 2.3.1. *Monitoring HSR*

During the Special Meeting on HSR, participants stressed the necessity of a regional framework for the health sector reform process, and discussed PAHO's role in monitoring and evaluating national plans and programs, as well as in strengthening a regional network to support hemispheric cooperation in this topic. Many countries of the region require support for HSR monitoring. This involves the development of technically appropriate and politically acceptable tools and, people able to use them in a way which fulfills the objectives of effective monitoring.

This component of the project will concentrate in developing a framework for monitoring HSR based on five guiding principles of the HSR processes in the Region: a) equity, b) effectiveness and quality, c) efficiency, d) financial sustainability, and e) community participation and intersectoral action. For each of them a set of operational variables and their corresponding indicators will be identified and structured as to provide the basis for a qualitative analysis of the degree of progress of the Reform Efforts.

In order to monitor HSR and obtain valuable information useful for providing feedback to HSR processes, it is necessary to select and correlate relevant related data of the health sector's socioeconomic and political context; demographic and epidemiological trends; health services coverage, demand and supply; public and private health services allocation and resources; health expenditure distribution and tendencies, and quantitative and qualitative health services activity. This has to be done on a national (comparing same data along time), subnational (comparing same data among regions), and on an international (comparing the data of different countries) basis. This information should be easily accessible to health authorities, professionals, NGO's, researchers, consultants, and academicians in the countries. A core data-base for monitoring HSR is the logical follow up of the framework for health sector analysis (section 2.1.1.) and it gives the background data for monitoring HSR processes and outcomes (section 2.3.1. and 2.3.2.). PAHO's initiative in this field will be articulated with the ongoing efforts funded with PAHO's core budget to produce a standard set of basic indicators for the Reform and with the initiative promoted by OECD for its member countries for the purposes of comparability and joint dissemination.

The results of the monitoring exercises done with this Framework will allow PAHO's secretariat to report to governing bodies - or other regional bodies - on progress made and difficulties faced while implementing HSR, as the Miami Summit has stated.

**Objectives:**

- a) have a Framework composed by a set of variables and indicators and criteria for analysis which will serve to monitor national HSR process and outcomes;
- b) prepare, discuss and disseminate Regional HSR progress reports to the public based on periodic application of the Framework for monitoring HSR at the country level,
- c) provide feedback to HSR process.
- d) develop and disseminate the core-data base for HSR monitoring,
- e) maintain the data base current,
- f) promote its use for policymakers in order to support efforts for, and monitor the outcomes of HSR process.

**Activities:**

- a) develop a Framework for monitoring HSR based on guiding principles, variables

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- and indicators of HSR,
- b) design ways of presenting HSR process and outcomes to public and media,
  - c) pilot testing in four target countries,
  - d) revising the methodology based on the results of the pilot test,
  - e) dissemination of revised methodology to target countries and other countries and potential users,
  - f) fostering the use of the Framework through three subregional training workshops for at least three high level professionals from each country,
  - g) monitoring the use of the methodology in target countries.
  - h) have the final version of a core data base structure ready at the end of the first year,
  - i) at the end of the project, at least three persons per country trained in collecting and actualizing country data,
  - j) all the Ministries of Health (and other public and private related institutions and agencies) using the core-data base,
  - k) information gathering from all the countries of the Region,
  - l) data analysis of the periodic information gathered,
  - m) periodic reporting to the countries, to PAHO's governing bodies, to other international organizations on health sector reform and its impact.

### Estimated time:

- a) 6 months for the first version of the guideline, 6 months to test it in two countries, and 3 months to prepare, publish, and distribute the final version;
- b) 18 months for the three workshops, upon the completion of the first year.
- c) one year to test the use of methodology in six target countries.
- d) 1 year to prepare and disseminate the first version of the core data base structure, and 2 more years to prepare and disseminate the final version;
- e) once the first version is completed, 1 year to develop three subregional workshops to train at least two persons per country in collecting and actualizing country data;
- f) 1 to 2 years to have the first version and 3 years to have the final version used by all potential users.

**Cost:**            PAHO \$275,000    AID \$285,000    Total \$560,000

**2.3.2. *Monitoring Equitable Access to Basic Health Services***

The title of item 17 of the Miami's Summit Action Plan was "Equitable Access to Basic Health Services". This was also the central issue at the Special Meeting on HSR held in Washington, D.C. in September 1995. Considerable sectors of the population in the Region lack regular access to basic health services, both in rural and urban areas. This component of the project will develop a Framework that will allow countries to specifically determine and report: i) location, number and characteristics of these populations; ii) type of barriers that hinder access to health services and programs (i.e. geographical, financial, cultural, etc); iii) where appropriate, the result of previous efforts to cope with this problem. This will help to design specific responses in terms of appropriate services and programs needed in each case.

**Objectives:**

- a) properly characterize populations that lack regular access to basic health services and,
- b) provide elements for targeting health services and programs to the needy populations.

**Activities:**

- a) developing a methodology for assessing inequities in health services access at national and subnational levels,
- b) pilot testing in two target countries,
- c) revising the methodology based on results of pilot test,
- d) dissemination of revised methodology to target countries and other countries and potential users,
- e) fostering both the use of the methodology and the implications in terms of orienting services and programs through three subregional workshops aimed at at least three high level professionals per country,
- f) monitoring the use of the methodology in target countries.

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### **Estimated time:**

- a) 6 months for the first version of the guideline, 6 months to develop two country tests, and 6 months to prepare, publish, and distribute the final version,
- b) 18 months for the implementation of the three workshops aforementioned,
- c) one year for monitoring the use of methodology in target countries.

**Cost:** PAHO \$150,000 AID \$150,000 Total \$300,000

### **2.4. Intermediate Result 04. Opportunities and means to share experience and advice between countries are established.**

#### **Indicators:**

The number of target countries with electronic networks of public and private members.

The number of target countries hosting and sending participants on study tours and/or sub-regional topical meetings.

#### **2.4.1. *Networking of Countries and Agencies in Support to HSR***

The Summit of the Americas called for the creation of an inter-american network to strengthen national capabilities for implementing HSR. PAHO's Directing Council, having discussed this issue in the Special Meeting on Health Sector Reform of 1995, asked PAHO's Director to coordinate the implementation of the network with the governments and agencies, as a mechanism for facilitating information exchange on HSR. The network will be a logic complement of the clearing-house mentioned in activity 2.2.2 above.

This component of the project will aimed at organizing regional and subregional exchanges of projects, experiences and processes of HSR by organizing meetings with the involved national actors in which a systematic exchange of national experiences can take place.

The results of the assessment study that PHR will conduct for identifying key actors to be linked and determine what mechanisms could be used to connect them will serve as the basis for establishing the strategy of linkages and for targeting the relevant audiences that could benefit from the efforts of the Clearing-house on Health Sector Reform.

PHR will support PAHO in this effort by providing health sector reform materials produced by USAID to be included in the clearing-house and by connecting all USAID missions and counterpart to this Initiative.

**Objective:**

Fostering of a functional inter-american network of institutions and individuals interested in HSR in the Americas.

**Activities:**

- a) periodic regional and subregional fora for exchange of ideas, information and experience,
- b) fostering of exchange among members of the network including electronic communication,

**Estimated time:**

- a) 1 year for promotion of the network,
- b) the next following four years will be devoted to sustain the activities of the network,

**Cost:** PAHO \$50,000 AID \$150,000 Total \$200,000

**2.4.2. Exchange of Experiences**

One of the most fruitful ways of promoting HSR exchange of information and experiences is the personal contact and discussions between relevant people involved. A successful modality of work to attain this is the organization of visits of people involved in national processes to other relevant countries to study the HSR process in the field.

## 2. PROJECT ACTIVITIES

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### **Objective:**

To enhance contact between policymakers and high level professionals and exchange of experiences in this field on a subregional basis.

### **Activities:**

- a) five visits of a selected group of policy makers and high level professionals to a relevant country with experiences of HSR process of the same subregion per year during the five years.

### **Estimated time:**

The first Seminar to be developed before november 1997 and the first visit before december 1997.

**Cost:**            PAHO \$150,000    AID \$150,000    Total \$300,000

**2.5. Program Management and Coordination.**

USAID funds from the proposed grant will finance one Technical Officer in Health Sector Reform (Regional Advisor) at PAHO Headquarters, in Washington, D.C., to oversee the technical implementation of the project, and a project administrator to support the overall management of the project, both under the supervision of the Director of the Division of Health Systems and Services and of the Coordinator of the Health Services Organization and Management Program. Appointment of personnel financed by this grant will be made according to PAHO personnel rules and regulations. Candidates for these USAID funded positions will be mutually agreed upon by PAHO and USAID/LAC. (Post descriptions attached).

PAHO will also assign to the implementation of the project two Regional Advisors on a part-time basis (50% of time each), as well as two full time office assistants. Consultants will be hired to implement project activities when needed.

The principal means of general coordination with PHR and DDM for PAHO will be through their respective program managers, currently John Holley for PHR, Tom Bossert for DDM and Daniel Lopez Acuña for PAHO. They will meet frequently (i.e. once a month or so during the first year) to define the project's work plan and review its results. In addition PAHO personnel working on technical activities will be in regular contact with PHR and DDM personnel in order to maintain a technical interchange. PAHO and PHR/DDM will continuously exchange information and advice to assure the best possible coordination and complementarity in the implementation of the respective activities of the project.

PAHO coordination with the LAC Bureau will be done primarily through the LAC Health Reform Specialist.

A mid-term evaluation will take place during the third year for documenting progress and impediments of the project, as well as a final evaluation for the project as a whole and for the specific activities under the responsibility of each executing agent.

**Cost:** PAHO \$282,670 AID \$376,850 Total \$659,520

### 3. BUDGET

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The total cost of the project is US\$5,252,800. This grant proposal requests a contribution of US\$2,450,000 from USAID to finance part of it. PAHO funds will be used to finance the remaining balance (US\$2,802,800). The grant funds will be executed by PAHO. Table A and B present the financial summary of the proposed budget for USAID and PAHO contributions for the period 1 April 1997 to 31 December 2001. The Tables show the funds distributed by activities that need to be implemented for the attainment of the expected results outlined in the Results Package for the Initiative.

**ANNEX A**  
**INDICATORS**

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2

**STRATEGIC OBJECTIVE PERFORMANCE  
LAC/RSD HEALTH SERVICES STRATEGIC OBJECTIVE**

<b>LAC Regional</b>				
<b>STRATEGIC OBJECTIVE NO. 1 Sustainable country health sector reforms in effect (designed to increase equitable access to high quality, efficiently delivered basic health services).</b>				
<b>SO Indicator: Target countries with changes in structure and functioning of health sector, that increase at least 3 of the following: efficiency, equity, quality, financial sustainability, and community participation.</b>				
<b>Unit: Number/proportion</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports (using information from PHR, DDM and other sources)</b>	<b>Baseline</b>	<b>1996</b>	-----	tbd
<p><b>Comments: -Target countries are the USAID presence countries with PHN objectives: Bolivia, Ecuador, Peru, Paraguay, Brazil, Mexico, El Salvador, Guatemala, Honduras, Nicaragua, Dominican Republic, Jamaica, and Haiti.</b></p> <p><b>-Examples of changes in structure and functioning are: changes in the relationship between public and private institutions, between local and national institutions, and the separation of provision of services, financing services, and regulation and normative functions.</b></p> <p><b>-Baseline and annual target values for indicators to be provided to USAID by PAHO within 2 months of grant signing.</b></p>		<b>1997</b>	tbd	
		<b>1998</b>	tbd	
		<b>1999</b>	tbd	
		<b>2000</b>	tbd	
	<b>Target</b>	<b>2001</b>	<b>13</b>	

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<b>LAC Regional</b>				
<b>Intermediate Result Level 1 No. 1: In-country capability to assess health sector problems and to design, implement and monitor reforms.</b>				
<b>IR Indicator: 1.1: Target countries that have an entity responsible for reform.</b>				
<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports (using information from PHR, DDM and other sources)</b>	<b>Baseline</b>	<b>1996</b>	-----	tbd
<b>Comments: Baseline to be reported as part of results package development.</b>		<b>1997</b>	tbd	
		<b>1998</b>	tbd	
		<b>1999</b>	tbd	
		<b>2000</b>	tbd	
	<b>Target</b>	<b>2001</b>	13	
<b>Intermediate Result Level 1 No. 1: In-country capability to assess health sector problems and to design, implement and monitor reforms.</b>				
<b>IR Indicator 1.2: Target countries that have an entity responsible for reform with access to analytical skills.</b>				
<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports (using information from PHR, DDM and other sources)</b>	<b>Baseline</b>	<b>1995</b>	-----	tbd
<b>Comments:</b>		<b>1996</b>	tbd	
		<b>1997</b>	tbd	
		<b>1998</b>	tbd	
		<b>1999</b>	tbd	
		<b>2000</b>	tbd	
	<b>Target</b>	<b>2001</b>	13	

<b>Intermediate Result Level 1 No. 1: In-country capability to assess health sector problems and to design, implement and monitor reforms.</b>				
<b>IR Indicator 1.3: Target countries that have an entity responsible for reform with an enabling policy environment.</b>				
<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports (using information from PHR, DDM and other sources)</b>	<b>Baseline</b>	<b>1995</b>	-----	tbd
<b>Comments:</b>		1996	tbd	
		1997	tbd	
		1998	tbd	
		1999	tbd	
		2000	tbd	
		<b>Target</b>	<b>2001</b>	<b>13</b>

<b>Intermediate Result Level 1 No. 1: In-country capability to assess health sector problems and to design, implement and monitor reforms.</b>				
<b>IR Indicator 1.4: Target countries that have an entity responsible for reform with authority to direct human and financial resources to implement reforms.</b>				
<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports (using information from PHR, DDM and other sources)</b>	<b>Baseline</b>	<b>1995</b>	-----	tbd
<b>Comments:</b>		1996	tbd	
		1997	tbd	
		1998	tbd	
		1999	tbd	
		2000	tbd	
		<b>Target</b>	<b>2001</b>	

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<b>LAC Regional</b>				
<b>Sub-Intermediate Result Level 3 No.1 :Methodologies and Tools developed, tested and disseminated for analysis and design, implementation and monitoring of country health sector reforms .</b>				
<b>SIR Indicator: 1.1: Target countries using 50% of the methodologies and tools developed, tested and disseminated by this program.</b>				
<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports (using information from PHR, DDM and other sources)</b>	<b>Baseline</b>	<b>1996</b>	-----	tbd
<b>Comments: The denominator for a country will not include methodologies and tools inappropriate for that country.  Level 2 is country level not part of the initiative and therefore no indicators</b>		<b>1997</b>	tbd	
		<b>1998</b>	tbd	
		<b>1999</b>	tbd	
		<b>2000</b>	tbd	
	<b>Target</b>	<b>2001</b>	13	
<b>LAC Regional</b>				
<b>Sub-Intermediate Result Level 3 No. 2: Information on health reform efforts and experiences gathered and made available to interested parties in LAC countries and to health sector donors.</b>				
<b>SIR Indicator 2.1: New titles in the BIREME/LILACS collections of published and fugitive LAC health sector reform literature appropriately abstracted and accessible.</b>				
<b>Unit: Number</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source:PAHO Reports</b>	<b>Baseline</b>	<b>1996</b>	-----	TBD
<b>Comments:</b>		<b>1997</b>	tbd	
		<b>1998</b>	tbd	
		<b>1999</b>	tbd	
		<b>2000</b>	tbd	
	<b>Target</b>	<b>2001</b>	tbd	

<b>LAC Regional</b>				
<b>Sub-Intermediate Result Level 3 No. 3: Reform processes and outcomes monitored and feedback provided to countries, donors and other partners.</b>				
<b>SIR Indicator 3.1: Target countries for which data on principal indicators of health sector reform process and outcomes are analyzed and reported by PAHO to country program managers, donors, and other partners.</b>				
<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports (using information from PHR, DDM and other sources)</b>	<b>Baseline</b>	<b>(year)</b>	<b>-----</b>	<b>tbd</b>
<b>Comments:</b>		1996	tbd	
		1997	tbd	
		1998	tbd	
		1999	tbd	
		2000	tbd	
	<b>Target</b>	<b>2001</b>	<b>tbd</b>	

<b>LAC Regional</b>				
<b>Sub-Intermediate Result Level 3 No. 4: Opportunities and means to share experience and advice between countries are established.</b>				
<b>Indicator 4.1.: Target countries with electronic networks of public and private members.</b>				
<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO (using information from PHR, DDM and other sources)</b>	<b>Baseline</b>	<b>(year)</b>	<b>-----</b>	<b>tbd</b>
<b>Comments:</b>		1996	tbd	
		1997	tbd	
		1998	tbd	
		1999	tbd	
		2000	tbd	
	<b>Target</b>	<b>2001</b>	<b>13</b>	

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**Sub-Intermediate Result Level 3 No. 4: Opportunities and means to share experience and advice between countries are established.**

**SIR Indicator 4.2: Target countries hosting and/or sending participants on study tours and/or sub-regional topical meetings sponsored by this initiative.**

<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO (using information from PHR, DDM and other sources)</b>	<b>Baseline</b>	<b>(Year)</b>	-----	tbd
<b>Comments:</b>		1996	tbd	
		1997	tbd	
		1998	tbd	
		1999	tbd	
		2000	tbd	
	<b>Target</b>	2001	13	

**ANNEX B**

**TABLE A**

**COST COMPONENTS BY  
INTERMEDIATE RESULTS**

**FIVE YEAR CONSOLIDATED BUDGET**

**I. METHO & TOOLS**

<b>A. PERSONNEL</b>	<b>PAHO</b>	<b>AID</b>	<b>TOTAL</b>
1 Division Director (1 x 2% x 60 months)	15,120.00	...	15,120.00
1 Program Coordinator (1 x 5% x 60 months)	31,150.00	...	31,150.00
1 Program Coordinator (1 x 5% x 60 months)	31,150.00	...	31,150.00
1 Regional Advisor (1 x 20% of time x 60 months)	...	119,000.00	119,000.00
1 Regional Advisor (1 x 15% of time x 60 months)	89,250.00	...	89,250.00
1 Regional Advisor (1 x 25% x 60 months)	148,750.00	...	148,750.00
1 Project Administrator (1 x 15% of time x 60 months)	...	59,417.00	59,417.00
1 Office Assistant (1 x 25% of time x 60 months)	59,100.00	...	59,100.00
<b>Sub-Total</b>	<b>374,520.00</b>	<b>178,417.00</b>	<b>552,937.00</b>
<b>B. ACTIVITIES</b>			
<b>1. HSA</b>			
To organize and support 2 pilot tests of the framework; drafting, testing, and preparing final version for publishing and distributing, 3 subregional meetings for national personnel training.	150,000.00	130,000.00	280,000.00
<b>2. Investment in HSR</b>			
To organize and support 2 pilot tests; drafting, testing, and preparing final version for publishing and distributing; 3 subregional meetings for national personnel training.	120,000.00	180,000.00	300,000.00
<b>3. NHA Framework</b>			
To organize and support 1 workshop and to consolidate the regional data base.	30,000.00	120,000.00	150,000.00
<b>Sub-Total</b>	<b>300,000.00</b>	<b>430,000.00</b>	<b>730,000.00</b>
<b>TOTAL</b>	<b>674,520.00</b>	<b>608,417.00</b>	<b>1,282,937.00</b>

## II. INFORMATION

A. PERSONNEL	PAHO	AID	TOTAL
1 Division Director (1 x 2% x 60 months)	15,120.00	...	15,120.00
1 Program Coordinator (1 x 5% x 60 months)	31,150.00	...	31,150.00
1 Regional Advisor (1 x 25% of time x 60 months)	...	148,750.00	148,750.00
1 Regional Advisor (1 x 15% x 60 months)	89,250.00	...	89,250.00
1 Regional Advisor (1 x 25% of time x 60 months)	148,750.00	...	148,750.00
1 Project Administrator (1 x 15% of time x 60 months)	...	59,417.00	59,417.00
1 Office Assistant (1 x 25% of time x 60 months)	59,100.00	...	59,100.00
<b>Sub-Total</b>	<b>343,370.00</b>	<b>208,167.00</b>	<b>551,537.00</b>
<b>B. ACTIVITIES</b>			
<b>1. Clearing House</b>			
Existing bibliographic systems connected and majority of users receiving information.	150,000.00	150,000.00	300,000.00
<b>2. Dissemination of Information</b>			
At least two reports per year for five years.	100,000.00	75,000.00	175,000.00
<b>Sub-Total</b>	<b>250,000.00</b>	<b>225,000.00</b>	<b>475,000.00</b>
<b>TOTAL II</b>	<b>593,370.00</b>	<b>433,167.00</b>	<b>1,026,537.00</b>

### III. MONITORING

A. PERSONNEL	PAHO	AID	TOTAL
1 Division Director (1 x 2% x 60 months)	15,120.00	...	15,120.00
1 Program Coordinator (1 x 5% x 60 months)	31,150.00	...	31,150.00
1 Regional Advisor (1 x 25% of time x 60 months)	...	148,750.00	148,750.00
1 Regional Advisor (1 x 15% x 60 months)	89,250.00		89,250.00
1 Regional Advisor (1 x 25% of time x 60 months)	148,750.00	...	148,750.00
1 Project Administrator (1 x 15% of time x 60 months)	...	59,417.00	59,417.00
1 Office Assistant (1 x 25% of time x 60 months)	59,100.00	...	59,100.00
Sub-Total	343,370.00	208,167.00	551,537.00
<b>B. ACTIVITIES</b>			
<b>1. Monitoring HSR</b>			
To organize and support 2 pilot tests; drafting, testing, and preparing final version for publishing and distributing; to organize and support 3 subregional workshops for national personnel training. Technical support to prepare and disseminate core data base.	275,000.00	285,000.00	560,000.00
<b>2. Monitoring Equitable Access to Health Services</b>			
To organize and support 2 pilot tests; drafting, testing, and preparing final version for publishing and distributing; to organize and support 3 subregional workshops for national personnel training.	150,000.00	150,000.00	300,000.00
Sub-Total	425,000.00	435,000.00	860,000.00
<b>TOTAL III</b>	<b>768,370.00</b>	<b>643,167.00</b>	<b>1,411,537.00</b>

**IV. SHARING (NETWORKING)**

<b>A. PERSONNEL</b>	<b>PAHO</b>	<b>AID</b>	<b>TOTAL</b>
1 Division Director (1 x 2% x 60 months)	15,120.00	...	15,120.00
1 Program Coordinator (1 x 5% x 60 months)	31,150.00	...	31,150.00
1 Regional Advisor (1 x 15% of time x 60 months)	...	89,250.00	89,250.00
1 Regional Advisor (1 x 15% of time x 60 months)	89,250.00	...	89,250.00
1 Regional Advisor (1 x 15% of time x 60 months)	89,250.00	...	89,250.00
1 Project Administrator (1 x 15% of time x 60 months)	...	59,417.00	59,417.00
1 Office Assistant (1 x 25% of time x 60 months)	59,100.00	...	59,100.00
<b>Sub-Total</b>	<b>283,870.00</b>	<b>148,667.00</b>	<b>432,537.00</b>
<b>B. ACTIVITIES</b>			
<b>1. Networking</b>			
To organize and support the implementation of subregional networks as a part of the regional one.	50,000.00	150,000.00	200,000.00
<b>2. Exchange of Experiences</b>			
One seminar and one visit per year.	150,000.00	150,000.00	300,000.00
<b>Sub-Total</b>	<b>200,000.00</b>	<b>300,000.00</b>	<b>500,000.00</b>
<b>TOTAL IV</b>	<b>483,870.00</b>	<b>448,667.00</b>	<b>932,537.00</b>

V. COORDINATION AND EVALUATION

A. ACTIVITIES	PAHO	AID	TOTAL
1 Division Director (1 x 2% x 60 months)	15,120.00	...	15,120.00
1 Program Coordinator (1 x 5% x 60 months)	31,150.00	...	31,150.00
Regional Advisor (1 x 15% x 60 months)	...	89,250.00	89,250.00
Project Administrator (1 x 40% x 60 months)	...	158,445.00	158,445.00
Office Assistant	236,400.00	...	236,400.00
Telephone and Mailing Expenses	...	26,287.00	26,287.00
Supplies and Equipment	...	42,600.00	42,600.00
<b>TOTAL V</b>	<b>282,670.00</b>	<b>316,582.00</b>	<b>599,252.00</b>

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**Equitable Access to Basic Health Services  
 Cost Components by Intermediate Results  
 Five Year Consolidated Budget**

**SUMMARY**

<b>COMPONENTS</b>	<b>PAHO</b>	<b>AID</b>	<b>TOTAL</b>
<b>I</b>	674,520.00	608,417.00	1,282,937.00
<b>II</b>	593,370.00	433,167.00	1,026,537.00
<b>III</b>	768,370.00	643,167.00	1,411,537.00
<b>IV</b>	483,870.00	448,667.00	932,537.00
<b>V</b>	282,670.00	316,582.00	599,252.00
<b>TOTAL</b>	<b>2,802,800.00</b>	<b>2,450,000.00 *</b>	<b>5,252,800.00</b>

(\*) In this amount all program support costs (overhead, 13%) are included.

**ANNEX C**

**TABLE B**

**DISTRIBUTION OF BUDGET BY COMPONENTS AND  
BY YEAR FOR USAID AND PAHO FUNDS  
BY LEVEL OF INTERMEDIATE RESULTS**

**(IN THOUSANDS OF DOLLARS)**

**I.DEVELOPMENT OF METHODS AND TOOLS. INTERMEDIATE RESULT**

PERSONNEL	YEAR ONE			YEAR TWO			YEAR THREE			YEAR FOUR			YEAR FIVE			TOTAL		
	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL
D. Director (1 x 2% x 60)	...	3.04	3.04	...	3.02	3.02	...	3.02	3.02	...	3.02	3.02	...	3.02	3.02	0.00	15.12	15.12
P. Coordinator (1 x 5% x 60)	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	0.00	31.15	31.15
P. Coordinator (1 x 5% x 60)	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	0.00	31.15	31.15
R. Advisor (1 x 15% x 60)	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	0.00	89.25	89.25
R. Advisor (1 x 20% x 60)	23.80	...	23.80	23.80	...	23.80	23.80	...	23.80	23.80	...	23.80	23.80	...	23.80	119.00	0.00	119.00
R. Advisor (1 x 25% x 60)	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	0.00	148.75	148.75
P. Administrator (1 x 15% x 60)	11.89	...	11.89	11.88	...	11.88	11.88	...	11.88	11.88	...	11.88	11.88	...	11.88	59.41	0.00	59.41
O. Assistant (1 x 25% x 60)	...	11.82	11.82	...	11.82	11.82	...	11.82	11.82	...	11.82	11.82	...	11.82	11.82	0.00	59.10	59.10
<b>Subtotal</b>	<b>35.69</b>	<b>74.92</b>	<b>110.61</b>	<b>35.68</b>	<b>74.90</b>	<b>110.58</b>	<b>35.68</b>	<b>74.90</b>	<b>110.58</b>	<b>35.68</b>	<b>74.90</b>	<b>110.58</b>	<b>35.68</b>	<b>74.90</b>	<b>110.58</b>	<b>178.41</b>	<b>374.52</b>	<b>552.93</b>
<b>ACTIVITIES</b>																		
HSA	52.00	55.00	107.00	26.00	30.00	56.00	26.00	30.00	56.00	26.00	30.00	56.00	...	5.00	5.00	130.00	150.00	280.00
Invst.	72.00	43.00	115.00	36.00	24.00	60.00	36.00	24.00	60.00	36.00	24.00	60.00	...	5.00	5.00	180.00	120.00	300.00
NHA	120.00	30.00	150.00	...	...	0.00	...	...	0.00	...	...	0.00	...	...	...	120.00	30.00	150.00
<b>Subtotal</b>	<b>244.00</b>	<b>128.00</b>	<b>372.00</b>	<b>62.00</b>	<b>54.00</b>	<b>116.00</b>	<b>62.00</b>	<b>54.00</b>	<b>116.00</b>	<b>62.00</b>	<b>54.00</b>	<b>116.00</b>	<b>0.00</b>	<b>10.00</b>	<b>10.00</b>	<b>430.00</b>	<b>300.00</b>	<b>730.00</b>
<b>TOTAL</b>	<b>279.69</b>	<b>202.92</b>	<b>482.61</b>	<b>97.68</b>	<b>128.90</b>	<b>226.58</b>	<b>97.68</b>	<b>128.90</b>	<b>226.58</b>	<b>97.68</b>	<b>128.90</b>	<b>226.58</b>	<b>35.68</b>	<b>84.90</b>	<b>120.58</b>	<b>608.41</b>	<b>674.52</b>	<b>1,282.93</b>

**II. INFORMATION. INTERMEDIATE RESULT II**

PERSONNEL	YEAR ONE			YEAR TWO			YEAR THREE			YEAR FOUR			YEAR FIVE			TOTAL		
	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL
D. Director (1 x 2% x 60)	...	3.04	3.04	...	3.02	3.02	...	3.02	3.02	...	3.02	3.02	...	3.02	3.02	0.00	15.12	15.12
P. Coordinator (1 x 5% x 60)	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	0.00	31.15	31.15
R. Advisor (1 x 15% x 60)	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	0.00	89.25	89.25
R. Advisor (1 x 25% x 60)	29.75	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	...	29.75	148.75	0.00	148.75
R. Advisor (1 x 25% x 60)	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	0.00	148.75	148.75
P. Administrator (1 x 15% x 60)	11.89	...	11.89	11.88	...	11.88	11.88	...	11.88	11.88	...	11.88	11.88	...	11.88	59.41	0.00	59.41
O. Assistant (1 x 25% x 60)	...	11.82	11.82	...	11.82	11.82	...	11.82	11.82	...	11.82	11.82	...	11.82	11.82	0.00	59.10	59.10
<b>Subtotal</b>	<b>41.64</b>	<b>68.69</b>	<b>110.33</b>	41.63	68.67	110.30	41.63	68.67	110.30	41.63	68.67	110.30	<b>41.63</b>	<b>68.67</b>	<b>110.30</b>	<b>208.16</b>	<b>343.37</b>	<b>551.53</b>
<b>ACTIVITIES</b>																		
Clring. House	30.00	30.00	60.00	30.00	30.00	60.00	30.00	30.00	60.00	30.00	30.00	60.00	30.00	30.00	60.00	150.00	150.00	300.00
Dis. of Info.	15.00	20.00	35.00	15.00	20.00	35.00	15.00	20.00	35.00	15.00	20.00	35.00	15.00	20.00	35.00	75.00	100.00	175.00
<b>Subtotal</b>	<b>45.00</b>	<b>50.00</b>	<b>95.00</b>	<b>225.00</b>	<b>250.00</b>	<b>475.00</b>												
<b>TOTAL</b>	<b>86.64</b>	<b>118.69</b>	<b>205.33</b>	<b>86.63</b>	<b>118.67</b>	<b>205.30</b>	<b>433.16</b>	<b>593.37</b>	<b>1,026.53</b>									

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**III. MONITORING AND FEEDBACKING HSR PROCESSES AND OUTCOMES. INTERMEDIATE RESULT**

PERSONNEL	YEAR ONE			YEAR TWO			YEAR THREE			YEAR FOUR			YEAR FIVE			TOTAL		
	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL
D. Director (1 x 2% x 60)	...	3.04	3.04	...	3.02	3.02	...	3.02	3.02	...	3.02	3.02	...	3.02	3.02	0.00	15.12	15.12
P. Coordinator (1 x 5% x 60)	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	0.00	31.15	31.15
R. Advisor (1 x 15% x 60)	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	0.00	89.25	89.25
R. Advisor (1 x 25% x 60)	29.75	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	...	29.75	148.75	0.00	148.75
R. Advisor (1 x 25% x 60)	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	...	29.75	29.75	0.00	148.75	148.75
P. Administrator (1 x 15% x 60)	11.89	...	11.89	11.88	...	11.88	11.88	...	11.88	11.88	...	11.88	11.88	...	11.88	59.41	0.00	59.41
O. Assistant (1 x 25% x 60)	...	11.82	11.82	...	11.82	11.82	...	11.82	11.82	...	11.82	11.82	...	11.82	11.82	0.00	59.10	59.10
<b>Subtotal</b>	<b>41.64</b>	<b>68.69</b>	<b>110.33</b>	<b>41.63</b>	<b>68.67</b>	<b>110.30</b>	<b>41.63</b>	<b>68.67</b>	<b>110.30</b>	<b>41.63</b>	<b>68.67</b>	<b>110.30</b>	<b>41.63</b>	<b>68.67</b>	<b>110.30</b>	<b>208.16</b>	<b>343.37</b>	<b>551.53</b>
<b>ACTIVITIES</b>																		
Monitoring HSR	87.00	80.00	167.00	57.00	55.00	112.00	57.00	55.00	112.00	57.00	55.00	112.00	27.00	30.00	57.00	285.00	275.00	560.00
Monitoring EAHS	60.00	55.00	115.00	30.00	30.00	60.00	30.00	30.00	60.00	30.00	30.00	60.00	...	5.00	5.00	150.00	150.00	300.00
<b>Subtotal</b>	<b>147.00</b>	<b>135.00</b>	<b>282.00</b>	<b>87.00</b>	<b>85.00</b>	<b>172.00</b>	<b>87.00</b>	<b>85.00</b>	<b>172.00</b>	<b>87.00</b>	<b>85.00</b>	<b>172.00</b>	<b>27.00</b>	<b>35.00</b>	<b>62.00</b>	<b>435.00</b>	<b>425.00</b>	<b>860.00</b>
<b>TOTAL</b>	<b>188.64</b>	<b>203.69</b>	<b>392.33</b>	<b>128.63</b>	<b>153.67</b>	<b>282.30</b>	<b>128.63</b>	<b>153.67</b>	<b>282.30</b>	<b>128.63</b>	<b>153.67</b>	<b>282.30</b>	<b>68.63</b>	<b>103.67</b>	<b>172.30</b>	<b>643.16</b>	<b>768.37</b>	<b>1,411.53</b>

**IV. OPPORTUNITIES AND MEANS TO SHARE. INTERMEDIATE RESULT**

PERSONNEL	YEAR ONE			YEAR TWO			YEAR THREE			YEAR FOUR			YEAR FIVE			TOTAL		
	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL
D. Director (1 x 2% x 60)	...	3.04	3.04	...	3.02	3.02	...	3.02	3.02	...	3.02	3.02	...	3.02	3.02	0.00	15.12	15.12
P. Coordinator (1 x 5% x 60)	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	0.00	31.15	31.15
R. Advisor (1 x 15% x 60)	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	0.00	89.25	89.25
R. Advisor (1 x 15% x 60)	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	89.25	0.00	89.25
R. Advisor (1 x 15% x 60)	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	0.00	89.25	89.25
P. Administrator (1 x 15% x 60)	11.89	...	11.89	11.88	...	11.88	11.88	...	11.88	11.88	...	11.88	11.88	...	11.88	59.41	0.00	59.41
O. Assistant (1 x 25% x 60)	...	11.82	11.82	...	11.82	11.82	...	11.82	11.82	...	11.82	11.82	...	11.82	11.82	0.00	59.10	59.10
<b>Subtotal</b>	<b>29.74</b>	<b>56.79</b>	<b>86.53</b>	<b>29.73</b>	<b>56.77</b>	<b>86.50</b>	29.73	56.77	86.50	29.73	56.77	86.50	29.73	56.77	86.50	<b>148.66</b>	<b>283.87</b>	<b>432.53</b>
<b>ACTIVITIES</b>																		
Networking	30.00	10.00	40.00	30.00	10.00	40.00	30.00	10.00	40.00	30.00	10.00	40.00	30.00	10.00	40.00	150.00	50.00	200.00
Exchange of Experiences	30.00	30.00	60.00	30.00	30.00	60.00	30.00	30.00	60.00	30.00	30.00	60.00	30.00	30.00	60.00	150.00	150.00	300.00
<b>Subtotal</b>	<b>60.00</b>	<b>40.00</b>	<b>100.00</b>	60.00	40.00	100.00	60.00	40.00	100.00	60.00	40.00	100.00	60.00	40.00	100.00	<b>300.00</b>	<b>200.00</b>	<b>500.00</b>
<b>TOTAL</b>	<b>89.74</b>	<b>96.79</b>	<b>186.53</b>	<b>89.73</b>	<b>96.77</b>	<b>186.50</b>	89.73	96.77	186.50	89.73	96.77	186.50	89.73	96.77	186.50	<b>448.66</b>	<b>483.87</b>	<b>932.53</b>

**V. PROJECT MANAGEMENT AND COORDINATION.**

ACTIVITIES	YEAR ONE			YEAR TWO			YEAR THREE			YEAR FOUR			YEAR FIVE			TOTAL		
	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL
D. Director (1 x 2% x 60)	...	3.04	3.04	...	3.02	3.02	...	3.02	3.02	...	3.02	3.02	...	3.02	3.02	0.00	15.12	15.12
P. Coordinator (1 x 5% x 60)	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	...	6.23	6.23	0.00	31.15	31.15
R. Advisor (1 x 15% x 60)	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	17.85	...	17.85	89.25	0.00	89.25
P. Administrator (1 x 40% x 60)	31.72	...	31.72	31.68	...	31.68	31.68	...	31.68	31.68	...	31.68	31.68	...	31.68	158.44	0.00	158.44
O. Assistant (1 x 100% x 60)	...	47.28	47.28	...	47.28	47.28	...	47.28	47.28	...	47.28	47.28	...	47.28	47.28	0.00	236.40	236.40
Telephone and Mailing Expenses	5.25	...	5.25	5.25	...	5.25	5.25	...	5.25	5.25	...	5.25	5.28	...	5.28	26.28	0.00	26.28
Supplies and Equipment	8.52	...	8.52	8.52	...	8.52	8.52	...	8.52	8.52	...	8.52	8.53	...	8.53	42.61	0.00	42.61
Subtotal	63.34	56.55	119.89	63.30	56.53	119.83	63.30	56.53	119.83	63.30	56.53	119.83	63.34	56.53	119.87	316.58	282.67	599.25
<b>TOTAL</b>	<b>63.34</b>	<b>56.55</b>	<b>119.89</b>	<b>63.30</b>	<b>56.53</b>	<b>119.83</b>	<b>63.30</b>	<b>56.53</b>	<b>119.83</b>	<b>63.30</b>	<b>56.53</b>	<b>119.83</b>	<b>63.34</b>	<b>56.53</b>	<b>119.87</b>	<b>316.58</b>	<b>282.67</b>	<b>599.25</b>

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**BUDGET SUMMARY BY YEAR FOR USAID AND PAHO FUNDS**

	YEAR ONE			YEAR TWO			YEAR THREE			YEAR FOUR			YEAR FIVE			TOTAL		
	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL	AID	PAHO	TOTAL
Person'l	198.28	325.64	523.92	198.23	325.54	523.77	198.20	325.54	523.74	198.20	325.54	523.74	198.20	325.54	523.74	991.11	1,627.80	2,618.91
Result I	244.00	128.00	372.00	62.00	54.00	116.00	62.00	54.00	116.00	62.00	54.00	116.00	0.00	10.00	10.00	430.00	300.00	730.00
Result II	45.00	50.00	95.00	45.00	50.00	95.00	45.00	50.00	95.00	45.00	50.00	95.00	45.00	50.00	95.00	225.00	250.00	475.00
Result III	147.00	135.00	282.00	87.00	85.00	172.00	87.00	85.00	172.00	87.00	85.00	172.00	27.00	35.00	62.00	435.00	425.00	860.00
Result IV	60.00	40.00	100.00	60.00	40.00	100.00	60.00	40.00	100.00	60.00	40.00	100.00	60.00	40.00	100.00	300.00	200.00	500.00
Coord.	13.77	0.00	13.77	13.77	0.00	13.77	13.77	0.00	13.77	13.78	0.00	13.78	13.80	0.00	13.80	68.89	0.00	68.89
<b>Total</b>	<b>708.05</b>	<b>678.64</b>	<b>1,386.69</b>	<b>466.00</b>	<b>554.54</b>	<b>1,020.54</b>	<b>465.97</b>	<b>554.54</b>	<b>1,020.51</b>	<b>465.98</b>	<b>554.54</b>	<b>1,020.52</b>	<b>344.00</b>	<b>460.54</b>	<b>804.54</b>	<b>2,450.00</b>	<b>2,802.80</b>	<b>5,252.80</b>

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**ANNEX D**

**POST DESCRIPTIONS**

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## POST DESCRIPTION

**Post title:**

### PROJECT ADMINISTRATOR

**Duty station:**

Washington DC

**Minimum requirements:**

Bachelor's degree in one of the social sciences, with specialization in public administration.

**Experience:**

A combination of seven years of national and international experience in the management of technical cooperation programs and activities, project design, evaluation and technical/administrative reporting. Experience should include direct responsibilities for financial, administrative and managerial supervision and reporting to donor agencies of bilateral/multilateral technical cooperation projects, preferably in the health area.

**Languages:**

Very good knowledge of English and Spanish.

**Duties:**

- a) Monitoring the execution of the approved program of work of the AID funded project "Equitable Access to Health Services" ensuring its consistency with goals and intermediate results, in close coordination with all project partners, specifically USAID, PHR (Partnerships for Health Reform) and DDM (Data for Decision-Making);
- b) Consulting and communicating with the USAID/Washington Project Officer on all matters relating to implementation of project;
- c) Developing annual project work plans with accompanying budget for each project component. Coordinating the preparation and evaluation of PAHO's Annual Program Budget (APB) and Four-month Work Plan (PTC) of the components of the project.
- d) Maintaining liaison with personnel, budget and finance, procurement and other PAHO units as necessary to assure timely execution of project work plans.
- e) Preparing periodic and special reports as required by donor agency as well as providing information that is required to facilitate managerial and operational control and the evaluation of the project, its progress and the implementation of corrective measures.

- f) Maintaining budgetary control and record of financial execution of the project in close coordination with the Budget and Finance Department of PAHO.
- g) Performing other related duties, as assigned.

## POST DESCRIPTION

**Post Title:**

**TECHNICAL OFFICER IN SECTOR REFORM (REGIONAL ADVISOR)**

**Duty Station:**

Washington, D.C.

**Minimum requirements:**

Medical Degree from a recognized university and graduate studies to the Master's level in health services administration, including training in medical care organization and delivery.

**Experience:**

At national level: Seven years' responsible experience in fields of personal health services administration and medical and hospital care organization and delivery, including experience in social security health care services, organization and delivery. Experience in development of health care projects.

At international level: At least two years' experience as international advisor in the fields of health care organization services and delivery care and development health project of an international nature.

**Language:**

Very good knowledge of English and Spanish.

**Duties:**

- a) At regional level, collaborating with the governments in formulating their health care, which will serve as frame of reference for the programming, organizing and delivery of personal health services, with the final aim of universal coverage;
- b) Promoting and supporting within the above intercountries' program component the coordination of activities between Ministries of Health and Social Security Institutions and other National Health Institutions in the provision of medical services, in accordance with specific policies of the country concerned;
- c) Stimulating and collaborating in the development of medical care services for undeserved population groups emphasizing in equity of universal access to the health and its services.

- d) Advising, within the framework of the Health Services Delivery Program, health authorities of the countries on the planning, organization, administration and putting into service of medical care units in accordance with the plans of the governments involved;
- e) Responsible to oversee the technical implementation of health sector reform process, specially for those projects financed by extra-budgetary resources.
- f) Performing other related duties as assigned.

XD-ABN-966-A

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**Partnerships for  
Health Reform  
(PHR) Project**

**Proposed Activities  
of Partnerships for  
Health Reform  
(PHR) & Data for  
Decision-Making  
(DDM) for the LAC  
Bureau's "Equitable  
Access" Initiative**

*February 5, 1997*



**Partnerships  
for Health  
Reform**

Abt Associates Inc. ■ 4800 Montgomery Lane, Suite 600  
Bethesda, Maryland 20814 ■ Tel: 301/913-0500 ■ Fax: 301/652-3916

*In collaboration with:*

Development Associates, Inc. ■ Harvard School of Public Health ■  
Howard University International Affairs Center ■ University Research Corporation

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# Proposed Activities for Partnerships for Health Reform (PHR) & Data for Decision-Making (DDM) for the LAC Bureau's "Equitable Access" Initiative

**Contract No.:** HRN-5974-C-00-5024-00  
**Project No.:** 936-5974.13  
**Submitted to:** Health Policy and Sector Reform Division  
Office of Health and Nutrition  
Center for Population, Health and Nutrition  
Bureau for Global Programs, Field Support and Research  
and  
Population, Health and Nutrition Team  
Office for Regional Sustainable Development  
Bureau for Latin America and the Caribbean  
  
United States Agency for International Development

February 5, 1997

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## Introduction

Following is a brief description of a program of activities which the PHR and DDM projects propose to carry out in close collaboration with each other and with the PanAmerican Health Organization (PAHO) in support of the LAC/RSD Strategic Objective 2:

*Sustainable country health sector reforms in effect (designed to increase equitable access to high quality, efficiently delivered basic health services).*

The proposed PHR and DDM activities will contribute to the LAC Bureau's Intermediate Result Level 1:

*In-country capability to assess health sector problems, and to design, implement, and monitor reforms.*

The LAC Bureau has established four Intermediate Results which are treated individually below.<sup>1</sup> Each of the PHR and DDM proposed activities is presented under the Intermediate Objective to which it most directly relates, although in many cases activities would contribute to several objectives. A fifth component, that of program management, has also been included. Indicators established for the four Intermediate Results can be found in their respective sections.

The success of this Initiative in supporting SO 2 will be measured in part by indicators developed in a collaborative effort by personnel of the LAC and Global Bureaus, PAHO and PHR. These indicators, provided in Annex C, are summarized as follows:

- Indicator 1.0:** Target countries with changes in structure and functioning of the health sector, that increase at least three of the following: efficiency, equity, quality, financial sustainability, and community participation.
- Indicator 1.1:** Target countries that have an entity responsible for reform.
- Indicator 1.2:** Target countries that have an entity responsible for reform with access to analytical skills.
- Indicator 1.3:** Target countries that have an entity responsible for reform with an enabling policy environment.

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<sup>1</sup> Note that the numbering of the Intermediate Results differs from the original framework in order to facilitate the presentation of activities.

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**Indicator 1.4:** Target countries that have an entity responsible for reform with authority to direct human and financial resources to implement reforms.

Annex A provides preliminary budget estimates. These estimates, particularly those for the latter years of the program, will be refined as activities are further planned. It should be noted that implementing this proposed program would require additional obligations to the PHR and DDM projects. To facilitate the Bureau's financial planning, the budget is shown by project, activity, and proposed fiscal year of obligation.

All of the activities proposed for this Initiative will be developed in coordination with activities carried out through USAID missions, other Bureaus, other CA's, and other donor agencies such as the InterAmerican Development Bank and the World Bank.

Target countries have been identified for this initiative. They receive more intensive attention (for example, technical assistance visits to follow-up a workshop introducing a new analysis technique) and monitoring (we report only their progress in our indicators tables) than other LAC countries. Non-target countries benefit from our initiatives--new technologies are shared with them, but we do not pay direct costs for their participation--attendance at workshops, for example. For this initiative, the target countries are all of the USAID presence countries with PHN strategic objectives: Bolivia, Ecuador, Peru, Paraguay, Brazil, Mexico, El Salvador, Guatemala, Honduras, Nicaragua, Dominican Republic, Jamaica, and Haiti.

It should be noted that all activities will be regional in nature, although many activities will also contribute to specific country programs.

## **1.0 Methodologies and Tools**

**Intermediate Result 1.0:** Methodologies and tools developed and tested for analysis and design, implementation and monitoring of country health sector reforms

**Indicator 1.0:** Target countries using 50% of the methodologies and tools developed, tested and disseminated by this program.

### **1.1 National Health Accounts (NHA)**

At the present time, policy makers in LAC countries must often make major decisions about strategies, the allocation of financial and human resources, regulation of the private sector, and other issues based on an incomplete and distorted picture of current health sector financing and activities. Information on private sector financing and services is particularly deficient. Further, the lack of uniform definitions and

measurements among countries prevents cross-country comparisons which would help to identify where and why some countries are achieving better results from their health investments than others.

Despite the importance of having accurate estimates of health financing flows, few countries outside the Organization for Economic Cooperation and Development (OECD) (where they have proven very useful) have developed the capacity to produce national health accounts (NHA). Now, however, the awareness of the need for such estimates has risen sharply. At the same time, health planners at the Harvard School of Public Health (HSPH)<sup>2</sup> and elsewhere have developed methodological tools that permit attainment of reasonable NHA estimates with limited expenditures of time and financial resources.

With LAC Bureau support, we propose that a PHR team work with counterparts from five Latin American countries first to develop a common accounting and data collection framework, and then pilot test it, in collaboration with PAHO (as explained below), to produce National Health Accounts for their countries. Analyses of these data will facilitate comparative studies among countries. PHR will work in partnership with and provide training and technical assistance to groups in each participating LAC country. PHR expects to carry out this activity in close collaboration with a regional institution with experience on NHA and which can also help to disseminate results and methodology throughout the region. HSPH software to facilitate the preparation of NHA (developed earlier with USAID assistance under DDM) will be translated into Spanish, refined, tested, and made available to others.

Following completion of the technical work, PHR plans to disseminate results through one or more regional conferences that a regional institution will sponsor. Visits might also be made to selected LAC countries for the purpose of stimulating the establishment of a NHA system and helping to get it started. Funds to carry out such visits have been included in the PHR budget for years 3 and 4.

PHR will provide reports and other written descriptions of the tools and methodologies as well as the actual findings at the implementation test sites. Later, if appropriate, such reports and other materials may be incorporated into other PHR dissemination efforts such as those suggested in sections 2.0 and 4.2 below.

In implementing this activity, PHR plans to collaborate with PAHO through the development of technical methodologies, workshop participation, and technical support to country study teams. In particular, PAHO and PHR have agreed to the following division of responsibilities:

- ▲ PAHO will organize at least two meetings of technical experts on NHA. The results of these meetings will feed directly into the technical content of the PHR-NHA Initiative workshops and country studies;

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<sup>2</sup> A member of the PHR Team.

- ▲ PAHO and PHR propose that USAID include funds for two of the five NHA country studies in the Equitable Access to Basic Health Services Project grant to PAHO. PHR would conduct three country studies. The two PAHO country study teams would be full participants in the PHR-NHA Initiative, attending workshops and producing comparable data;
- ▲ Both PAHO and PHR country studies will follow the methodologies emerging from the technical expert meetings and the PHR-sponsored workshops;
- ▲ PHR will be responsible for organizing the regional NHA workshops, with technical input from PAHO and others;
- ▲ PAHO and PHR will be responsible for the costs of their respective country study teams and consultant participation in the PHR-sponsored workshops;
- ▲ Finally, PHR will be responsible for producing a final report on the five-country activity. PHR and PAHO will collaborate on disseminating that report and on additional dissemination of the NHA methodology to other LAC countries.

These activities allow for PAHO's substantive participation in the network, while still ensuring that the comparable methodology of NHA is utilized in every country study.

The PHR-NHA activities have been initiated and will require approximately one year to complete. The proposed budget is \$500,000.

## **1.2 Decentralization**

Latin American governments have traditionally sought to finance and provide health care through the public sector, creating Ministries of Health in which decision-making was highly centralized. A number of governments are now moving toward decentralization of health sector management and services, although new policies and structures and intermediate goals (e.g., to relieve pressure on central government finances; to allow local leaders and consumers more of a voice in determining what services are provided; to reduce the role of government as a service provider) vary widely. There has been little effort to document the effect of changes that are being introduced on equity, efficiency, quality, sustainability and participation. Knowledge of the effect of changes on these intermediate outcomes will allow us to know how decentralization can be expected to impact on child and maternal mortality, fertility, the spread of HIV/AIDS and other STDs, as well as other important health sector objectives.

DDM would take the lead in designing and carrying out consistently implemented empirical studies to assess the impact of existing decentralization experiments in three or four Latin American countries. Likely candidates would

include Chile, Colombia, Bolivia, Paraguay and Nicaragua. Work could begin in early 1997. A final workshop at the end of 1997 to present results could include participants from USAID presence countries with PHN programs in the LAC region; other countries would be invited to participate at their own expense.

PAHO is currently organizing a regional meeting on decentralization and health systems to be held in Valdivia, Chile in March of 1997. DDM representatives will make every effort to participate in this meeting. Also, the results of the meeting will be taken into account when implementing this study.

The studies would contribute to the development of the following tools and methodologies:

- ▲ A rapid assessment tool for assessing the characteristics and degree of decentralization for monitoring implementation processes.
- ▲ A methodology for defining and evaluating the decentralization process and impact that can be applied comparatively for lessons learned.
- ▲ Specific guidelines or manuals designed to maximize the effectiveness of decentralization mechanisms such as block grants; earmarked taxes; intergovernmental transfers; norms and standards; and others.
- ▲ This study will also support PAHO's efforts to develop an effective monitoring system and indicators for progress in health reform by developing and testing indicators and data collection mechanisms related to decentralization which would then be incorporated into the monitoring system.

This component is considered high priority as there is considerable consensus on its importance, and DDM is prepared to begin work in the near future. The estimated cost is \$350,000.

### **1.3 The Transformation of Government's Role**

Although the reforms being undertaken in the region differ, almost all of them entail significant changes in the role played by Ministries of Health. In many cases, the reforms call for transforming Ministries from centralized institutions that finance and operate national health care delivery systems to institutions that provide financing, establish an environment that encourages appropriate provider and consumer behavior, and carry out certain regulatory functions. However, little is known about how to transform old institutions to perform new roles, or what their structure should be.

Furthermore, while the health reform processes in many countries are obligating Ministries of Health to shift roles, there is considerable resistance to doing so. This in part is due to a lack of clarity about the new functions individuals are expected to

are potential and relevant areas of study from which methodologies and tools could be usefully developed.

- ▲ Alternative Approaches to Extending Access to Care
- ▲ Alternative Financing Mechanisms, including
  - ▲ Private Health Insurance
  - ▲ Hospital Autonomy and Privatization
  - ▲ HMO's and Alternative Forms of Managed Care
  - ▲ Provider Payment Mechanisms.
- ▲ The Process of Health Reform
- ▲ Quality, Cost and Financing

PHR will develop work plans and budgets for each additional methodology to be developed. The total estimated cost is \$700,000.

## **2.0 Information and Dissemination**

**Intermediate Result 2.0: Information on health reform efforts and experience gathered and made widely available to interested parties in LAC countries and to health sector donors**

**Indicator 2.0:** New titles in the BIREME/LILACS collections of published and fugitive LAC health sector reform literature appropriately abstracted and accessible.

### **2.1 Information and Dissemination**

The proposed PHR and DDM activities are designed to generate reliable information on the region's health reform efforts and experience and to disseminate that information effectively. Both projects regularly distribute reports and other publications to their respective lists of contacts in the region and around the world. All materials will be translated into Spanish, and selected materials will be translated into Portuguese and French. Access to all documents will be provided electronically through PHR's home page and other on-line mechanisms as described below.

PHR plans to disseminate findings from the applied research through journal articles, research papers and briefs, and conference presentations. Abstracts, summaries of findings, and complete documents will be provided to online library services such as the BIREME/PAHO health information system and POPLINE (funded by the Office of Population and managed by the Center for Communications Programs at Johns Hopkins School of Public Health) for dissemination to subscribers. PHR will also occasionally publish and post "information briefs" that compile sources of information on specific topics of health policy. The briefs will also be used to describe ongoing PHR and DDM activities in the region in relation to the LAC Bureau

Initiative. It is anticipated that PHR will also provide assistance to PAHO in indexing and cataloging new health reform literature to be included in PAHO's clearinghouse.

As part of the feasibility study for dissemination and connectivity proposed in section 4.2, PHR will explore the possibility of preparing and producing a CD-ROM that compiles and cross-references the studies, tools and data sets generated under this four-year LAC Initiative for distribution to libraries, research institutions, and training centers around the region. PHR estimates that this activity which would occur at the end of this program, would cost approximately \$50,000.

The estimated total cost for the entire activity is \$150,000.

### **3.0 Monitoring and Feedback**

**Intermediate Result 3.0: Reform processes and outcomes monitored and feedback provided to countries, donors, and other partners.**

**Indicator 3.0:** Target countries for which data is available analyzed, and reported by PAHO to country program managers donors, and other partners for principal indicators of health sector reform process and outcomes.

#### **3.1 Monitoring and Feedback**

All of the various components described above supporting IR 1.0 will involve the development of tools and methodologies which focus on various aspects of health reform. In each case, specific indicators will be developed and tested. As PAHO is expected to take the lead in monitoring health reform in the region and as these indicators will contribute to that effort, PHR will seek PAHO's active participation in the development of these indicators. The various Result Indicators described in this document were, in fact, developed in collaboration with PAHO.

Complimentary to this work for the LAC Bureau, PHR has been asked by USAID's Global Bureau to develop indicators which can be used for effectively measuring the progress of health reform in USAID priority countries. These indicators might focus on coverage, efficiency, quality, equity, sustainability, community participation and related areas. Similar efforts are underway among other donors, including PAHO under this Initiative. PHR expects to collaborate very closely with PAHO and the other donors to help evolve a set of indicators which are efficient and reliable. These indicators and the mechanisms utilized to collect and analyze them could be incorporated into the general health reform monitoring system mandated to PAHO.

The indicator development Initiative of PHR will also include an attempt to design indicators and mechanisms to help USAID Bureaus and missions to chart progress toward fulfillment of their own Strategic Objectives and Results Packages. In this case, PHR would provide specific assistance to the LAC Bureau to develop and implement methodologies for measuring progress toward its Strategic Objectives, including this "Equity Initiative".

The total estimated cost for this activity is \$200,000.

#### **4.0 Sharing Between Countries and Institutions**

**Intermediate Result 4.0: Opportunities and means to share experience and advice between countries are established.**

**Indicator 4.0:** The Number of target countries with electronic networks of public and private members

##### **4.1 Creation of a LAC Health Reform Research Network**

There exist a number of institutions in Latin America capable of carrying out high quality research related to health reform.<sup>4</sup> These institutions have accumulated considerable knowledge and experience in relation to the various countries of the regions, the problems and challenges of health reform, research methodology, and local research capabilities in each country.

Most of those institutions, however, are based in countries which are relatively advanced in terms of health care reform, and which are no longer the focus of USAID activities. On the other hand, throughout the region there exist a number of local institutions which could benefit from collaboration with more experienced groups, further developing the institutional capacity to carry out such research in the future.

To enhance the quality of the research efforts of this Initiative, the capacity of local research institutions, and provide valuable information related to health care reform, we propose creation of a network of leading LAC researchers and think-tanks working on health reform issues which could be linked to key institutions in the U.S. also working on similar issues. Together they would in turn develop the capacity of additional local research groups in carrying out studies related to health care reform.

This network would be a small group representing the most highly recognized LAC and U.S. policy research organizations and leading scholars who are currently contributing to the field of health reform. It would be convened approximately twice a year to review proposals, suggest research design parameters and methodologies,

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<sup>4</sup> Such institutions include the Mexican Health Foundation (FUNDSALUD), FEDESARROLLO in Colombia, the University of the West Indies and others.

identify and perhaps help arrange appropriate research sites and opportunities, suggest local collaborators. It would also informally monitor and review the research and development of tools and methodologies of the various components suggested in support of IR 1.0. It would also participate in the dissemination of both knowledge with respect to the reform efforts, as well as the tools and methodologies.

This network is likely to overlap the Interamerican Network of Health Economists and Financial Specialists (REDEFS), drawing on the expertise of some members to help other members.

The Network would be organized initially by the DDM project. At least one senior staff member from PAHO will be incorporated in and participate as an observer in meetings of the Network.

Network members may also have a role in carrying out specific activities within the Initiative agenda. Rather than simply do the research themselves, however, their role is envisioned as providing institutional capacity support through technical assistance and technology transfer to local less-developed health reform research groups.

It should be noted that while DDM is expected to take the lead on this activity, funds have also been budgeted for PHR in order that activities continue past the present termination date of the DDM in September, 1998.

We consider this activity an enhancement to the quality of the other components. Nevertheless, since various other groups exist which could possibly serve a similar although not identical function, we would assign it a lower priority should funding be limited.

As the role of the Network is to enhance the quality of research carried out by the Initiative, and to provide institutional strengthening to local research groups, no funds have been budgeted to cover additional areas of research. A total of \$175,000 has been budgeted to support the biannual meetings and communications of the Network itself, of which \$150,000 could be implemented through DDM and \$25,000 through PHR. Any additional Network activities would need to be charged to the other program components.

#### **4.2 Connectivity to Support Networking and Information Dissemination**

With so many institutions and individuals actively engaged in the study and implementation of health reform in countries of the LAC region, new communications technologies have already and can be further exploited to promote sharing of experiences and dialogue on health reform throughout the region. The worldwide web, the Internet, and the CD-ROM provide opportunities to increase swifter and greater access to information in an efficient and cost-effective manner.

PHR's mandate from USAID's Global Bureau to develop and carry out a connectivity Initiative as part of its dissemination strategy places it in excellent position to support assessment, training, and networking activities in the LAC region. In addition to its materials development and conference management capabilities, PHR could devote a section of its home page to the LAC region and set up links to the home pages of PAHO, USAID, and the DDM Project and to those existing among regional and national institutions. Information about ongoing research activities, abstracts and findings, forthcoming workshops, conferences, and publications can all be posted as they develop. On-line bulletin boards, listservs for information-sharing among specialized groups, and even chat lines or video-conferencing (where available) can be used to reduce time and travel costs.

Furthermore, PHR dissemination and connectivity staff and consultants with experience in the region and Spanish-speaking ability can offer technical support and training, if necessary, to institutions and users in the region on the use of the Internet, the Web, and other technologies to access and publish information and manage their own information-sharing networks.

Many of the analytical tools described in sections above could also be distributed via on-line means or in CD-ROM format for those countries where the telecommunications infrastructure, and therefore easy access to the Internet, is weak or limited. Using a combination of CD-ROM and the Internet, interactive multi-media content could be developed for distance training in the use of a particular tool or methodology developed under this proposal, perhaps in collaboration with regional training institutions.

PAHO is proposing to establish a clearinghouse for managing and sharing relevant health sector reform information and results of ongoing projects. PHR proposes to support PAHO in this effort by providing health sector reform materials produced by USAID to be included in this clearinghouse and to connect all USAID missions and counterparts to this Initiative.

In order to develop a plan that avoids duplication of existing electronic communication channels already within the region and among international institutions, PHR, with PAHO as an active participant, proposes to carry out an assessment study, identify key players in the region, identify information gaps, and survey the interested institutions and intended user audiences for either on-line networking and/or on-line reference services. This assessment would attempt to identify who are the key actors of the region to be "connected" and determine what mechanisms could be used to connect them.

An immediate outcome of this assessment will be an inventory or catalogue of existing on-line networks and information sources relevant to health reform in the region. PHR, with PAHO input, will then develop a strategy to support this proposal's networking activities, including focus, content, and products. An additional outcome

will be the development of a plan for improving linkages among specified groups throughout the region involved with health care reform. These include linkages to data bases managed by donor agencies, governments, and other institutions; and networks to support research in areas related to health reform. It is our intention that expansion of an electronic network should enhance the work of existing health reform networks.

In this effort, much remains to be decided, which is the purpose of the assessment. PHR will carry out the assessment, in full collaboration from PAHO which will provide a technical person to devote time to this activity. The assessment will survey target audiences of USAID Missions, suitable public and private counterparts, and members of regional networks using a simple one-page questionnaire distributed via mail, telephone, interviews and E-mail. It will also involve some travel to countries in the region and research on telecommunication capacities and existing resources. PHR, working in consultation with PAHO, will submit a scope of work for this assessment to USAID no later than mid-February, 1997. Preliminary planning, initial meetings with PAHO, and the one-page "client questionnaire" have been done to date.

The responsibilities for implementing the recommendations of the assessment will be included as part of the assessment. Those recommendations will have to be considered in light of their budgetary implications and value to the Initiative and the health reform process in the region. PHR's involvement in follow-up activities will also be determined at that time.

The connectivity component is estimated to cost a total of \$260,000.

#### **4.3 Technical Support to Sub-regional Health Reform Groups**

In order to share experience and information more effectively, a number of sub-regional country groups on health have emerged. They include the Andean Health Reform Group, the Amazonian Group, the Cono Sur Group, REDEFS, and others, and may prove to be effective vehicles for both linking country programs and efforts to the regional activities of the Initiative, as well as be excellent mechanisms for dissemination. In any case, the links between the various countries in each sub-regional group already exist, and meetings and activities do occur with greater or less frequency.

An example is the Andean Health Reform Technical Group which is an outgrowth of a legal mandate,<sup>5</sup> and is supported by funds from each of the six Andean Pact countries. It has a structure with a secretariat and a president based in Lima, Peru. Representatives of each of the countries are typically high-level technical personnel

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<sup>5</sup> The Convenio Hipólito Unanue which emerged as part of the Acuerdo de Cartagena, a summit meeting of the Presidents of six Andean Pact countries: Venezuela, Colombia, Ecuador, Peru, Bolivia, and Chile.

who attend periodic meetings and coordinate activities in their own countries, but who typically have other responsibilities as well.

One of the activities of the Andean Health Reform Technical Group is to carry out research on topics of common interest. Each country is assigned responsibility for coordinating efforts on one or two topics. Themes currently selected include pharmaceuticals, the organization of health services, modules of primary health care, maternal child health, and drug addiction.

Health reform is also a specific topic, and a group of technical personnel recently met on this theme in Quito as a prelude to the annual Andean Health Ministers Conference. Information with respect to advances in health reform in each country was tabulated and presented at the Ministers Conference.<sup>6</sup> The effort earned a mandate from the Andean Health Ministers to continue their efforts. The Ministers are scheduled to meet quarterly to discuss advances and to consider publishing a bulletin.

At this point in time, it is not clear exactly how the Initiative could effectively be linked with and support this or any other sub-regional group. It is clear that the potential exists to utilize and support this structure as both local and sub-regional collaboration for other Initiative components such as those suggested in section 1.0. Members of such groups might also be incorporated into the Regional Research Network and could certainly be an excellent channel for connectivity and dissemination.

Recent evidence from Central America suggests that USAID health officers may wish PHR assistance in preparing them to dialogue on health reform issues with their ministerial counterparts and with these sub-regional groups. In order that they be well-informed with regard to the trends and the latest technologies in the region, PHR training activities may be planned to help them enhance their skills. Such activities would most likely include sub-regional workshops as a continuing education strategy.

PHR proposes to utilize a health reform expert assigned to LAC activities (See section 5.0) to explore the potential for collaborating with these sub-regional groups on activities of mutual interest. This will require that this person and other PHR personnel establish regular contact with key technical personnel involved in health reform throughout the region and attend selected regional meetings. Assuming initial explorations prove fruitful, PHR will develop a plan suggesting how the LAC Bureau might utilize and support these existing organizations to enhance health reform efforts. This will be done in coordination with PAHO which is largely responsible for the creation of many of these regional groups.

Providing support to the sub-regional groups will cost an estimated \$365,000.

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<sup>6</sup> The Secretariat for this particular effort was a USAID-supported research institute in Ecuador called CEPAR, which is coincidentally an active PHR counterpart group on country health reform in Ecuador.

#### **4.4 Study Tours**

**Indicator 4.1:** The number of target countries hosting and sending participants on study tours and/or sub-regional topical meetings.

To facilitate learning from the experiences of other countries, PHR and DDM propose to arrange study tours for LAC participants. These trips will permit participants to observe the functioning of alternative financing and delivery systems, including hospital management, private health insurance, managed care and other innovations currently under consideration. Study tours might include trips to other LAC countries, as well as to the U.S. and other OECD countries. Priority would be given to visits that support other Initiative components.

A total of \$150,000 has been budgeted for the study tours.

#### **5.0 Program Management and Monitoring**

Most of the activities previously mentioned will require considerable planning and management. In nearly all cases, an annual up-date, including proposals and budgets will be required as well. PHR will support this effort by providing a Technical Officer who is a health reform specialist for this Initiative. This person will be responsible for the planning, implementation and monitoring of all program activities implemented by PHR, for reporting on those activities to the LAC Bureau and for the coordination of those activities with DDM and PAHO. The health reform specialist will also contribute to the technical work carried out. PHR will also provide needed administrative support staff to ensure the efficient recruitment of needed consultants, travel arrangements, the production and dissemination of documents and logistical support.

The total cost of program management and monitoring, including related travel, would be approximately \$250,000 per year. These costs have been largely distributed among the various Intermediate Results. We consider this component to be critical to the success of the others, and thus is high priority for continued funding. FY '95 funds will cover this component for a minimum of two years.

##### **5.1 Internal PHR Management**

The health reform specialist mentioned in the previous section would be the person directly responsible for managing the LAC Bureau regional activities. Nevertheless, we propose that this person form an integral part of the PHR team, and that other PHR technical staff also provide support to the managerial and implementation aspects of the program. The PHR Technical Officer responsible for Latin America would share some of the management and coordination activities ensuring that all components move ahead smoothly and that they are coordinated with

PHR activities financed by Missions and the Global Bureau and with other donors. This PHR staff support will be particularly important due to the considerable amount of travel likely to be required of the LAC health reform expert.

Both PHR Technical Officers assigned to the Latin American region are backed up by operational and administrative personnel working as a team, as well as the PHR management team. Activities and information are widely and systematically shared through Team Planning Meetings, activity meetings and briefings, and shared communications.

## **5.2 Coordination Between PHR and the DDM Projects**

Although this proposal is submitted jointly by PHR and DDM, each Project will be responsible for separate activities, and will be required to report to different USAID COTR's, and eventually be evaluated separately. Administratively, the Projects are entirely separate.

On the other hand, the principal institutional contractor of the DDM Project, The Harvard School for Public Health, is also an institutional contractor of PHR which facilitates greatly the coordination, and eventually the transition of responsibilities for selected activities from DDM to PHR. Indeed, DDM/HSPH staff could be made available under PHR to continue activities initiated under DDM.

Given the fact that DDM is based in Boston, and thus less accessible to coordination meetings with the LAC Bureau or to meetings with PAHO and other donors, PHR agrees to a policy of keeping DDM informed of all Initiative developments. PHR, however, is not in a position to fully represent DDM to the LAC Bureau or PAHO, which will be done by DDM directly when necessary.

Communications between the two Projects is consistent and clear. Demonstration of the level of collaboration is the fact that this proposal is submitted jointly, and fully vetted by both Projects.

## **5.3 Coordination with the LAC Bureau**

The LAC Bureau field support funds for PHR and DDM activities under this initiative will be managed by G/PHN/HN/HPSR. PHR coordination of LAC Bureau activities will be done primarily by the LAC Health Reform Specialist and the PHR LAC Technical Officer, through G/PHN<sup>7</sup>. In order to insure close coordination for all activities and to keep all groups apprised of results and plans, PHR and DDM will encourage meetings with the LAC Bureau, G/PHN, and PAHO at least quarterly to review all Initiative activities.

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<sup>7</sup>As a matter of convenience, in many cases PHR or DDM staff will discuss program activities directly with LAC/W and mission staff, or provide copies of documents to them at the same time they go to the COTR.

#### **5.4 Coordination with PAHO**

The principal means of general coordination with PAHO for both PHR and DDM will be through their respective program managers, currently Daniel Lopez-Acuña for PAHO, John Holley for PHR, and Tom Bossert for DDM. They will meet frequently, probably at least once per month during the first year. In addition, PHR and DDM personnel working on technical activities will be in regular contact with PAHO personnel in order to maintain a technical interchange. Copies of appropriate PHR and DDM reports and Initiative documents will also be distributed to PAHO.

#### **5.5 Reporting**

PHR and DDM will report to their respective Global Bureau COTRs on activities in this initiative as part of ongoing reporting requirements for their contract and cooperative agreement, respectively. Information concerning this initiative will be copied to LAC/RSD-PHN.

**Annex A: Preliminary Budget Estimates**

Preliminary Budget Estimates for PHR and DDM Activities with the USAID LAC Bureau

09-Jan-97

SOURCE OF FUNDS:	Year 1 FY '95		Year 2 FY '96		Year 3 FY '97		Year 4 - 5 FY '98 - 99		TOTALS	
	PHR	DDM	PHR	DDM	PHR	DDM	PHR	DDM	PHR	DDM
<i>Strategic Objectives and Proposed Activities</i>										
<b>1.0 Methodologies/Tools</b>										
1.1 National Health Accounts	400,000	-	50,000	-	50,000	-	-	-	500,000	0
1.2 Decentralization		200,000		150,000						350,000
1.3 Transformation of Government's Role						350,000				350,000
1.4 Other Methodologies/Tools	290,000		160,000		140,000		110,000		700,000	0
PHR Technical Support	90,000		85,000		112,500		112,500		400,000	0
<b>Subtotal</b>	<b>780,000</b>	<b>200,000</b>	<b>295,000</b>	<b>150,000</b>	<b>302,500</b>	<b>350,000</b>	<b>222,500</b>	<b>0</b>	<b>1,600,000</b>	<b>700,000</b>
<b>2.0 Information</b>										
2.1 Information and Dissemination		50,000			50,000		50,000		100,000	50,000
PHR Technical Support	20,000		5,000		25,000		25,000		75,000	0
<b>Subtotal</b>	<b>20,000</b>	<b>50,000</b>	<b>5,000</b>	<b>0</b>	<b>75,000</b>	<b>0</b>	<b>75,000</b>	<b>0</b>	<b>175,000</b>	<b>50,000</b>
<b>3.0 Monitoring/Feedback</b>										
PHR Technical Support	40,000		40,000		60,000		60,000		200,000	0
<b>Subtotal</b>	<b>40,000</b>		<b>40,000</b>		<b>60,000</b>		<b>60,000</b>		<b>200,000</b>	<b>0</b>
<b>4.0 Sharing Between Countries and Institutions</b>										
4.1 Creation of LAC Health Reform Research Network		50,000	-	50,000	-	50,000	50,000	-	50,000	150,000
4.2 Connectivity Through Internet	50,000		50,000	-	100,000	-	100,000	-	300,000	0
4.3 Technical Support to Subregional Reform Group	80,000		50,000	-	150,000	-	150,000	-	430,000	0
4.4 Study Tours	60,000		60,000	-	60,000	-	-	-	180,000	0
PHR Technical Support	30,000		7,500		37,500		37,000		112,000	0
<b>Subtotal</b>	<b>220,000</b>	<b>50,000</b>	<b>167,500</b>	<b>50,000</b>	<b>347,500</b>	<b>50,000</b>	<b>337,000</b>	<b>0</b>	<b>1,072,000</b>	<b>150,000</b>
<b>5.0 Program Management &amp; Monitoring</b>										
PHR Technical Support	40,000	0	10,000	0	50,000	0	50,000	0	150,000	0
<b>Subtotal</b>	<b>40,000</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>150,000</b>	<b>0</b>
<b>TOTAL</b>	<b>1,100,000</b>	<b>300,000</b>	<b>517,500</b>	<b>200,000</b>	<b>835,000</b>	<b>400,000</b>	<b>744,500</b>	<b>0</b>	<b>3,197,000</b>	<b>900,000</b>

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**Annex B: Other Topics to be Considered for Intermediate Result 1.0**

## **Other Topics to be Considered for Intermediate Result 1.0**

In addition to the three specific topics mentioned in section 1, the following are possible areas for which methodologies and tools could be produced:

### **1. Alternative Approaches to Extending Access to Care**

Among the most significant issues facing each of the countries of the region is the challenge of how to extend coverage to under-served populations. Strategies to expand coverage have important implications in terms of equity, cost-effectiveness and quality. Many Latin American countries are progressing rapidly in their health reform efforts. To this end, Colombia, Chile, Bolivia, and Costa Rica represent distinct approaches, with other countries offering lessons in specific areas and interventions. There is great interest throughout the region in learning from the experience of others.

PAHO is attempting to stimulate policy reform toward expanding coverage and is developing indicators to measure progress in each country. This effort is also a part of the "Equitable Access" Initiative, and would complement and support proposed PHR activities which are focused on the impacts and factors affecting the success of health care delivery and financing strategies. The tools and methodologies developed and tested in the process of carrying out this component would contribute to the monitoring system which PAHO will be implementing.

PHR proposes that a comparative analysis be conducted in 3 or 4 countries to assess the implications of various existing innovative strategies to enhance coverage, equity and sustainability. Examples of possible study components are the social sector legal reform mechanisms enacted in Bolivia; the Seguridad Social Campesino system in Ecuador; the block grant system in Peru; "Iguales Médicas" in the Dominican Republic; and fee-for-service coverage for low-income populations such as PROSALUD in Bolivia. The Research Network proposed in section 4.1 could assist in identifying the appropriate models for study, as well as the methodologies to be employed.

In all cases, the focus would be on identifying those factors which contribute to or limit the impact of each strategy on coverage, equity, and sustainability. PHR and PAHO would ensure the wide dissemination of results to other interested countries just embarking on the health reform process.

The tools and methodologies to be developed and tested would depend to a certain degree on the specific study components selected, but could include:

- ▲ Methodologies and instruments for assessing the extent of primary care coverage in relation to different care delivery and financing models.
- ▲ Computerized simulation models for predicting the effect of health care delivery and financing models on coverage.

- ▲ Equity and sustainability criteria and guidance for assessing the feasibility of adopting the various models in other settings based on identification of factors affecting success in the countries studied.

## 2. Alternative Financing Mechanisms

Many Latin American countries are considering alternative financing mechanisms. Topics about which health planners are seeking additional information and tools include:

- ▲ Private health insurance
- ▲ Hospital autonomy and privatization
- ▲ HMO's and alternative forms of managed care
- ▲ Provider payment mechanisms

With the assistance of the Research Network described in section 4.1, PHR could create a plan to identify and carry out research in at least one of these areas. The need for such studies clearly exists, but priorities must be established to reflect the most pressing interests, gaps in knowledge, and the availability of funding.

The specific tools and methodologies to be developed and utilized would depend on the area of study. Examples, however, might include

- ▲ Tools and simple simulation models to suggest the effect of insurance coverage and/or managed care on the extension of coverage and equity.
- ▲ Rapid assessment tools to assist countries to determine actuarial estimates of insurance coverage.
- ▲ Methodologies for conducting feasibility studies for different models of managed care.

## 3. The Process of Health Reform

The importance and complexity of the political process in the formulation of health policy reform has been recently pointed out. "Policy reform is inevitably political because it seeks to change who gets valued goods in society. Five specific reasons can be proposed to explain the political dimensions of policy reform: 1) the reform represents a selection of values that express a particular view of the good society; 2) reform has distinct distributional consequences in the allocation of both benefits and harms; 3) reform promotes competition among groups that seek to influence the distributional consequences; 4) the enactment or non-enactment of reform is often associated with regular political events or with political crises; and 5) reform can have significant consequences for a regime's political stability or longevity."<sup>8</sup>

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<sup>8</sup> "The Politics of Health Sector Reform in Developing Countries: Three Cases of Pharmaceutical Policy" by Michael R. Reich, in *Health Sector Reform in Developing Countries - Making Health Development Sustainable*, ed. Peter Berman, Department of Population and International Health, Harvard School of Public Health, Boston, Massachusetts, 1995, pg. 62.

Regardless of the apparent utility of reform strategies in terms of improved health care, equity, or quality, unless they are able to gain political acceptance, they may never be implemented. Initial studies of the reform process suggest that there are certain conditions and strategies which may prove either beneficial or disastrous to the successful introduction of health reform. The parameters of those characteristics are, however, not yet well understood, but could prove to be critical in achieving lasting health care reform.

Worldwide experience suggests that implementing changes in health systems is always a difficult process. Latin America presents an array of experience with the process of reform, but little is known about why reform has moved ahead in some countries and been stifled in others. A systematic study could be carried out comparing the experiences of several countries that have implemented some form of reform (Chile and Colombia), those that are in the process of initiating health reforms (e.g., Argentina, Bolivia, Peru, and El Salvador), and those which have attempted Initiatives which appear to have stalled (Mexico). This study could yield important lessons about the process of decision-making, conditions that are favorable and unfavorable to successful reform, the success of alternative political strategies, and reform packages more likely to be executed.

Tools and methodologies which we anticipate would result from this effort include:

- ▲ A modification of the political mapping tools specifically designed for assessing health reform stakeholders in Latin America - with case studies to demonstrate specific lessons.
- ▲ Guidelines on identifying key opportunities and obstacles to adopting and implementing health reform, with suggestions for taking advantage of opportunities and overcoming obstacles.

The proposed Health Research Network (see Section 4.1) would play an important role in identifying the appropriate countries to utilize as case studies, and would most likely help in designing the studies as well as the analytical tools and methodologies to be employed. Representatives from the sub-regional health reform groups will also likely be involved in this effort (See Section 4.2).

#### 4. Quality, Cost and Financing.

One of the principal objectives of health reform is the provision of higher quality, more cost-effective services. Activities carried out by the HFS and Quality Assurance Projects suggest that there exists a complex relationship between cost and quality. Key links which have been identified include poor quality and increased costs through mismanagement, poor resource utilization and ineffective treatments; consumer perceptions of quality and the willingness to pay for services, thus producing funds to sustain or make further improvements in quality; quality enhancing incentives and disincentives from possibilities of increased fee revenues;

costs and cost-savings from improving quality and encouraging user payments; the effect of quality on staff morale, teamwork, and productivity.

The PHR literature review for its Applied Research Agenda identified the need to know more about a number of issues including:

- ▲ Which administrative and clinical activities are particularly affected by the relationship between costs and quality.
- ▲ The costs of poor quality within these activities.
- ▲ The costs of improving quality for these programs.
- ▲ The benefits and cost-effectiveness of quality improvement strategies and activities.
- ▲ The potential for income generation resulting from quality assurance interventions.

Answers to these issues have tremendous implications for cost-savings, financing reforms, and service improvement throughout the world. Additional studies are required to test various quality improvement strategies in a variety of settings to further refine our understanding of their effectiveness, and to disseminate results.

As part of its Major Applied Research program, PHR expects to initiate comparative research in several countries on these issues later this year. Since the design and much of the field work for this research will be funded by USAID's Global Bureau, the opportunity exists to extend this research and to give it a particular focus in the LAC region. For this reason, we propose that the same methodology could be applied to at least two countries in Latin America, after which a regional conference on Cost and Quality could be held to disseminate findings.

Appropriate research questions would be refined, and local sites identified in which there is interest in carrying out the research. Such sites must also be representative in the sense that the results of the interventions are generalizable not only to the country, but also internationally. The proposed Regional Research Network could help identify and arrange such sites, as could participation of the sub-regional technical health reform groups. Local institutions could be trained and supported to assist teams in the selected institutions to plan and carry out the actual interventions.

In addition to enhancing our understanding with regard to the relationship between cost and financing and quality, two distinct types of products could be expected from this effort. The first is the further development and application of quality assurance strategies, tools and methodologies. The second involves the knowledge, tools and procedures generated from the individual interventions themselves. The findings and methodologies from such interventions can usually be disseminated and utilized in other similar institutions locally, but may also be of

utility elsewhere as well. These might include improved fee collection procedures; mechanisms for reducing patient waiting time; and methods for reducing vaccine wastage.

**Annex C: Strategic Objective Performance LAC/RSD Health Services Strategic Objective**

**Strategic Objective Performance  
LAC/RSD Health Services Strategic Objective**

<b>LAC Regional</b>				
<b>STRATEGIC OBJECTIVE NO. 1 Sustainable country health sector reforms in effect (designed to increase equitable access to high quality, efficiently delivered basic health services).</b>				
<b>Indicator 1.0: Target countries with changes in structure and functioning of health sector, that increase at least 3 of the following: efficiency, equity, financial sustainability, and community participation.</b>				
<b>Unit: Number/proportion</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports</b>	<b>Baseline</b>	1996	-----	tbd
<p><b>Comments: -Target countries are the USAID presence countries with PHN objectives: Bolivia, Ecuador, Peru, Paraguay, Brazil, Mexico, El Salvador, Guatemala, Honduras, Nicaragua, Dominican Republic, Jamaica, and Haiti.</b></p> <p><b>-Examples of changes in structure and functioning are: changes in the relationship between public and private institutions, between local and national institutions, and the separation of provision of services, financing services, and regulation and normative functions.</b></p> <p><b>-Baseline and annual target values for indicators to be provided to USAID by PAHO within 2 months of grant signing.</b></p>		1997	0	
		1998	0	
		1999	tbd	
		2000	tbd	
	<b>Target</b>	2001	13	

2

<b>LAC Regional</b>				
<b>Intermediate Result Level 1 No. 1: In-country capability to assess health sector problems and to design, implement and monitor reforms.</b>				
<b>Indicator: 1.1: Target countries that have an entity responsible for reform.</b>				
<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports</b>	<b>Baseline</b>	1996	-----	tbd
<b>Comments: Baseline to be reported as part of results package development.</b>		1997	tbd	
		1998	tbd	
		1999	tbd	
		2000	tbd	
	<b>Target</b>	2001	13	
<b>Intermediate Result Level 1 No. 1: In-country capability to assess health sector problems and to design, implement and monitor reforms.</b>				
<b>Indicator 1.2: Target countries that have an entity responsible for reform with access to analytical skills.</b>				
<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports</b>	<b>Baseline</b>	1995	-----	tbd
<b>Comments:</b>		1996	tbd	
		1997	tbd	
		1998	tbd	
		1999	tbd	
		2000	tbd	
	<b>Target</b>	2001	13	

**Intermediate Result Level 1 No. 1: In-country capability to assess health sector problems and to design, implement and monitor reforms.**

**Indicator 1.3: Target countries that have an entity responsible for reform with an enabling policy environment.**

Unit: Number/percent		Year	Planned	Actual
Source: PAHO Reports	Baseline	1995	-----	tbd
Comments:		1996	tbd	
		1997	tbd	
		1998	tbd	
		1999	tbd	
		2000	tbd	
	Target	2001	13	

**Intermediate Result Level 1 No. 1: In-country capability to assess health sector problems and to design, implement and monitor reforms.**

**Indicator 1.4: Target countries that have an entity responsible for reform with authority to direct human and financial resources to implement reforms.**

Unit: Number/percent		Year	Planned	Actual
Source: PAHO Reports	Baseline	1995	-----	tbd
Comments:		1996	tbd	
		1997	tbd	
		1998	tbd	
		1999	tbd	
		2000	tbd	
	Target	2001		

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<b>LAC Regional</b>				
<b>Intermediate Result Level 3 No.1: Methodologies and tools developed, tested and disseminated for analysis and design, implementation and monitoring of country health sector reforms.</b>				
<b>Indicator: 2.1: Target countries using 50% of the methodologies and tools developed, tested and disseminated by this program.</b>				
<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports</b>	<b>Baseline</b>	<b>1996</b>	-----	tbd
<b>Comments: The denominator for a country will not include methodologies and tools inappropriate for that country.  Level 2 is country level not part of the initiative and therefore no indicators</b>		<b>1997</b>	tbd	
		<b>1998</b>	tbd	
		<b>1999</b>	tbd	
		<b>2000</b>	tbd	
	<b>Target</b>	<b>2001</b>	13	
<b>LAC Regional</b>				
<b>Intermediate Result Level 3 No. 2: Information on health reform efforts and experiences gathered and made available to interested parties in LAC countries and to health sector donors.</b>				
<b>Indicator 2.0: New titles in the BIREME/LILACS collections of published and fugitive LAC health sector reform literature appropriately abstracted and accessible.</b>				
<b>Unit: Number</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports</b>	<b>Baseline</b>	<b>1996</b>	-----	TBD
<b>Comments:</b>		<b>1997</b>	tbd	
		<b>1998</b>	tbd	
		<b>1999</b>	tbd	
		<b>2000</b>	tbd	
	<b>Target</b>	<b>2001</b>	tbd	

**LAC Regional**

**Intermediate Result Level 3 No. 3: Reforms processes and outcomes monitored and feedback provided to countries, donors and other partners.**

**Indicator 3.1: Target countries for which data is available analyzed, and reported by PAHO to country program managers donors, and other partners for principal indicators of health sector reform process and outcomes.**

<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO Reports</b>	<b>Baseline</b>	<b>(year)</b>	<b>-----</b>	<b>tbd</b>
<b>Comments:</b>		1996	tbd	
		1997	tbd	
		1998	tbd	
		1999	tbd	
		2000	tbd	
		<b>Target</b>	2001	tbd

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<b>LAC Regional</b>				
<b>Intermediate Result Level 3 No. 4: Opportunities and means to share experience and advice between countries are established.</b>				
<b>Indicator 4.0: The Number of target countries with electronic networks of public and private members.</b>				
<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO</b>	<b>Baseline</b>	<b>(year)</b>	<b>-----</b>	<b>tbd</b>
<b>Comments:</b>		1996	tbd	
		1997	tbd	
		1998	tbd	
		1999	tbd	
		2000	tbd	
	<b>Target</b>	<b>2001</b>	<b>13</b>	
<b>Intermediate Result Level 3 No. 4: Opportunities and means to share experience and advice between countries are established.</b>				
<b>Indicator 4.1: The number of target countries hosting and sending participants on study tours and/or sub-regional topical meetings.</b>				
<b>Unit: Number/percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PAHO</b>	<b>Baseline</b>	<b>(Year)</b>	<b>-----</b>	<b>tbd</b>
<b>Comments:</b>		1996	tbd	
		1997	tbd	
		1998	tbd	
		1999	tbd	
		2000	tbd	
	<b>Target</b>	<b>2001</b>	<b>13</b>	