

Africa Unit

Marie Stopes Tanzania
Enhancement of Financial Sustainability through an Improved
Cost Recovery Strategy
Management Development Plan (MDP)

Family Planning Management Development (FPMD)
Project Number: 936-3055
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Office of Population, USAID

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**MANAGEMENT SCIENCES FOR HEALTH
FAMILY PLANNING MANAGEMENT DEVELOPMENT
FPMD PROJECT**

MARIE STOPES TANZANIA

**ENHANCEMENT OF FINANCIAL SUSTAINABILITY
THROUGH AN IMPROVED
COST RECOVERY STRATEGY**

MANAGEMENT DEVELOPMENT PLAN (MDP)

**FAMILY PLANNING MANAGEMENT DEVELOPMENT PROJECT (FPMD)
COOPERATIVE AGREEMENT No.: CCP-3055-A-00-5000-00
MANAGEMENT SCIENCES FOR HEALTH
400 CENTER STREET
NEWTON, MA 02158**

MANAGEMENT DEVELOPMENT PLAN (MDP)

I BACKGROUND

Marie Stopes Tanzania (MST) currently operates seven facilities (3 hospitals and 4 clinics) in Tanzania, with plans to expand to 30 or more by the year 2000. Five of the facilities are located in Dar es Salaam, one in Zanzibar and one in Arusha. In 1996, these facilities provided services to 119,188 clients, many who are among the poorest segments of the population. According to MST reports, the income to cost ratio during this period ranged from 7% at a newly opened facility to 129% at the hospital which has been in operation since 1991. Overall, the combined average ratio for facilities was 91%. Through its strategic planning process, Marie Stopes International (MSI) has identified a strategy for sustaining clinics in light of changing funding scenarios from donors worldwide, by seeking to make clinics high volume, low cost providers of a full range of family planning, MCH/obstetric and curative health services. Prior to expanding the Tanzania program, MST is interested in receiving assistance to make their facilities more financially sustainable and at the same time, to improve the efficiency and effectiveness of how health services are provided. USAID/Tanzania has agreed that MSH/FPMD project staff should assist MST in achieving these goals.

II GOALS AND OBJECTIVES OF MSH/FPMD TECHNICAL ASSISTANCE CONSULTANCY

In support of MST efforts to improve the financial sustainability of their program, FPMD consultants will work with MST to improve their cost recovery strategy, in the broad context of overall financial performance and operating efficiency of the facilities. It is MSH/FPMD's approach to look at financial performance in the overall framework of financial and organizational sustainability, cost recovery being one of the strategies in that process.

Goals(Results):

FPMD consultants will work with Mary Stopes/Tanzania staff to improve financial performance and operating efficiency of the facilities through the application of MSH/FPMD's Clinic Cost/Revenue Analysis tool. The technical assistance to and collaboration with MST will result in Marie Stopes' staff having both the skills and tools to:

- examine and analyze their financial performance in the context of the broad range of factors that constitute financial sustainability and operating efficiency.
- improve their existing Cost Recovery Strategy and to take the necessary action to implement the new strategy and to perform future cost analysis.

Objectives (Intermediate Results):

- ☐ A detailed baseline of financial and programmatic information for each clinic, including operating costs, service volumes by service types, the type and quantity of staff utilized to deliver services, and average time spent delivering each type of service.
- ☐ A comprehensive set of recommendations to MST for further consideration to improve financial sustainability.

III ACTIVITIES TO BE PERFORMED DURING THE CONSULTANCY

1. Prior to traveling to Tanzania, review documentation about the Marie Stopes program (e.g., a description of the program and the administrative structure, the financial planning and review process, current financial performance of the facilities, etc.).
2. On the way to Tanzania, pay a courtesy visit to Marie Stopes International in London to discuss MSH approach to technical assistance in general and to explore opportunities to collaborate with Marie Stopes International in the broader sense of international collaboration in development. A second visit to MSI to discuss details of the technical collaboration between MSH/FPMD and MST, will be coordinated by the Director of MST. Details and timing of such a visit would be discussed during the first visit of the MSH/FPMD team to Tanzania.
3.
 - a. Meet with USAID and Marie Stopes staff in Tanzania to review the purpose and objectives of the consultancy, and jointly develop a detailed draft plan for the next four months which will be reviewed at the end of the first TA visit and revised if necessary. This introduction will include an explanation of MSH/FPMD's methodology which will include a demonstration of the Clinic Cost/Revenue Analysis tool (CORE).
 - b. Jointly with the MST staff select team members or counterpart(s) to work closely with the MSH/FPMD team. During the process of these technical assistance visits, MSH/FPMD consultants will train and coach these counterparts in the use of the cost revenue analysis process and in the implementation of financial sustainability strategies in Marie Stopes' program and facilities.
 - c. Jointly with the MST staff, develop benchmarks and end of consultancy status indicators to demonstrate that goals and objectives (results and intermediate results) have been accomplished. These indicators will be included in the work plan for the MSH/FPMD consultants.
4. Visit MST facilities currently operating (except for Zanzibar) and meet with key MST staff at headquarters to collect information on the current costs of delivering health services, the fee structure, the type and manner of costs collected, the level of funding from income generation/cost sharing activities, the type and quantity of staff utilized to deliver services, identify service configurations, service types and service volumes, input for time and staff standards and other relevant factors. Selection of facilities will be done in consultation with MST and should include both urban and rural settings.
5. Work with Marie Stopes facility and headquarters/Tanzania staff to verify the information collected during the assessment process, explain MSH/FPMD's methodology using the CORE instrument and make modifications to the instrument as necessary to ensure that the instrument captures the MST situation, including classification of variable, fixed and central support costs, the development of standard costs for current services offered, current levels of cost recovery and productivity and financial performance indicators.
6. Convene a meeting of all key MST staff from each facility and headquarters to review the findings of the assessment and to use this information to make preliminary decisions on a portfolio of general strategies to consider to improve financial sustainability and associated performance indicators.
7. Using the general strategies developed and the CORE instrument, work with individual clinic staff to further develop detailed strategies for improving financial self sufficiency along with an associated plan

for implementation of these strategies.

8. Discuss next steps with the MST Director and staff. This discussion should include but will not be limited to the following topics:
 - a. A workplan for Marie Stopes staff to be implemented in the period between the first and second consultancy visit.
 - b. A scope of work for the second consultancy visit, based on activities outlined in part III of this MDP, make modifications and/or changes to these activities as deemed necessary following the first consultancy visit.
 - c. Organization of a dissemination workshop for other NGOs and Government Departments.
 - d. Develop a scope of work for additional collaboration between Marie Stopes and MSH/FPMD if deemed necessary.

IV APPROACH AND METHODOLOGY OF THE TECHNICAL ASSISTANCE CONSULTANCY

MSH/FPMD's definition of sustainability consists of three interrelated components; program sustainability, organizational sustainability and financial sustainability. While this assignment is focussed on enhancing the financial sustainability of the MST programs, it is MSH/FPMD's intent work closely with the Mary Stopes staff, and especially with staff counterparts designated by MST during this assignment. As a result of such close collaboration and on-the-job skill transfer, Mary Stopes staff will have the skills and tools to design and implement new financial sustainability strategies in the future, further enhancing the organizational sustainability component of the MST program.

To achieve this "process" objective, it is proposed that this intervention will consist of two visits over a four month period. The first visit will consist of an assessment and collection of cost, service, and revenue information. The second visit will consist of two phases. The first phase will verify and refine the process of information identification and collection process conducted during the first visit and during the interim period between the two visits. The second phase, which will focus on analyzing data for decision making, will specifically assess current efficiency and cost recovery levels, define service packages, set prices, and forecast or model future scenarios.

It is proposed that the first consultancy visit will take place from April 14 - 25, 1997. The tentative dates for the subsequent consultancy are 21 July - 4 August; the Dissemination Workshop is scheduled for 29 or 30 July. These dates will be confirmed with the MSI staff and USAID/Tanzania.

V PROPOSED CONSULTANTS

Stephen Sacca

Stephen Sacca is a Senior Program Associate with MSH's Health Financing Program, responsible for providing

technical support and training in the areas of strategic planning, health financing and sustainability. This includes assisting in the development of strategies for sustaining health programs and expanding access to health care through government, private and NGO initiatives. Specific areas of interest encompass strategy development and strategic planning, budgeting and cost recovery, the private sector and management training.

In collaboration with FPMD staff, Mr. Sacca has developed a sustainability planning process to assist Family Planning NGOs in Bangladesh to develop long-term strategies for continuing the delivery of family planning services. In Romania, Mr. Sacca was part of a team to assess the managerial, financial and marketing environment of an NGO delivering Family Planning services. The information obtained from the assessment was input into a Cost Recovery Planning Model to analyse the current financial performance of facilities and to project the potential future financial situation of each clinic by modifying certain cost and income variables.

Mr. Sacca spent July and August 1996 in Tanzania conducting a facility and community based survey to ascertain whether equity of access to health services was maintained in the Tanzanian health system after the institution of user fees.

Mr. Sacca earned his M.S. in Management from the Sloan School of Management at MIT, where his thesis topic was *A Step Closer to "Health for All by the Year 2000" - A critical analysis of the Potential for Replicating a Self-Financing Primary Health Care Delivery System Based on the PROSALUD Experience in Bolivia.*

Sallie Craig Huber

Sallie Craig Huber has made a career of over two decades in Population and Reproductive Health, with special expertise in program planning and evaluation and in the management of services. Since October of 1995, she has served as Director of the Technical Unit of the Family Planning Management Development (FPMD) Project and served two years prior to that as a consultant to the FPMD Project during which time, she has carried out in-depth country evaluations of FPMD work in Bangladesh and Kenya.

Ms. Huber has significant experience in strategic program and policy planning; project development and management; management training; and research and analysis. Consulting assignments, prior to joining MSH included the development of a strategic plan with the Centro de Orientación par Adolescents in Mexico City, a program review of the Public Welfare Foundation's population funding initiative, and the development of techniques for projecting caseload, cost, and income and for setting fees in Colombian multi-service women's health clinics. She also developed and AIDS prevention plan for National AIDS Program in Liberia, a strategic management plan for the Inter-African Committee Against Harmful Traditional Practices, a managerial and organizational development plan for the Teaching Hospitals Organization in Egypt, and a strategic plan for the Family Planning Association and the NGO sector in Jordan. In addition, Ms. Huber has served as team leader for the following strategic and policy planning projects: the public sector component of a USAID-funded Nigerian family planning project; development of a national plan for community-based distribution of contraceptives in Kenya; needs assessments of sterilization program in the Philippines, Nigeria, and Turkey; and UNFPA missions to examine contraceptive needs and logistics management in the Philippines and Zimbabwe.

Her evaluation experience includes undertaking evaluation of USAID bilateral population projects in Bangladesh and Zimbabwe, USAID's Asia/Near East Bureau's Regional Population Project, and the USAID Office of Health grant to National (U.S.) Council for International Health. She served as team leader for the USAID Population Sector Review and for the evaluation of a Maternal and Child Health Extension of USAID's bilateral Bangladesh Population Project, as well as for the USAID Population Sectoral Assessment in Zimbabwe. She was the technical advisor for the Public Sector Component of the USAID-funded Family Health Services Project in Nigeria.

She has worked throughout Africa, Asia, the Near East and, to a limited extent, Latin America, but she has in-depth experience in Nigeria, Kenya, Zimbabwe, Bangladesh, and the Philippines. Her long-term overseas

experience includes more than four years in Bangladesh as the Population and Women's Program Advisor at the USAID Mission and in London with the headquarters office of the International Planned Parenthood Federation.

Before becoming an independent consultant in 1985, Ms. Huber served as Director of Special Projects for the Population Crisis Committee (1980-1984) and in various positions at Johns Hopkins, George Washington, and Emory Universities in addition to the international assignments noted above.

VI PROPOSED LEVEL OF EFFORT

LEVEL OF EFFORT (LOE) (First Trip)	STEPHEN SACCA	SALLIE CRAIG HUBER	LOCAL CONSULTANT (IF DEEMED NECESSARY)
Prep time Boston	2 days	2 days	n/a
Travel days	3 days	3 days	n/a
Field work	12 days	12 days	8 days
Report/debriefing	2 days	2 days	2 days
Total LOE (1st trip)	19 days	19 days	10 days
LEVEL OF EFFORT (LOE) (Second Trip)	STEPHEN SACCA	SALLIE CRAIG HUBER	LOCAL CONSULTANT (IF DEEMED NECESSARY)
Prep time Boston	1 day	1 day	n/a
Travel days	2 days	2 days	n/a
Field work	14 days	14 days	6 days
Report/debriefing	2 days	2 days	2 days
Total LOE (2ndtrip)	19 days	19 days	8 days

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VII BUDGET CONSIDERATIONS

LEVEL OF EFFORT (LOE) (First Trip)	STEPHEN SACCA	PAUL FISHSTEIN OR ALISON ELLIS	LOCAL CONSULTANT
Prep time Boston	2 days	2 days	2 days
Travel days	3 days	3 days	n/a
Field work	12 days	12 days	8 days
Report writing	2 days	2 days	2 days
Total LOE (1st trip)	19 days	19 days	12 days
TRAVEL			
Airfare	one RT	one RT	n/a
Per diem: Travel/transit Dar es Salaam outside Dar	3 days 8 days 6 days	3 days 8 days 6 days	8 days 6 days
TRANSPORTATION			
Airport transfer -Boston	approximately \$100	<i>Check w Paul and/or Alison</i>	n/a
Airport transfer Dar es Salaam	approximately \$15	approximately \$15	
Local transport Dar es Salaam	9 days @ approximately \$15/day	9 days @ approximately \$15/day	9 days @ approximately \$15/day
Car rental for Clinic visits	10 days @ approximately \$200 per day (inclusive of driver allowance, mileage, fuel, etc.)		
OTHER DIRECT COSTS			
Airport taxes, Visas Immunization/Meds			n/a

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BUDGET CONSIDERATIONS (second trip)

LEVEL OF EFFORT (LOE) (Second Trip)	STEPHEN SACCA	PAUL FISHSTEIN OR ALISON ELLIS	LOCAL CONSULTANT
Prep time Boston	2 days	2 days	2 days
Travel days	2 days	2 days	n/a
Field work	14 days	14 days	12 days
Report writing	2 days	2 days	2 days
Total LOE(2ndtrip)	19 days	19 days	15 days
TRAVEL			
Airfare	one RT	one RT	n/a
Per diem: Travel/transit Dar es Salaam outside Dar	2 days 9 days 7 days	2 days 9 days 7 days	9 days 7 days
TRANSPORTATION			
Airport transfer -Boston	approximately \$100	<i>Check w Paul and/or Alison</i>	n/a
Airport transfer Dar es Salaam	approximately \$ 15	approximately \$15	
Local transport Dar es Salaam	9 days @ \$15/day	9 days @ \$15/day	9 days @ \$15/day
Car rental for Clinic visits	14 days @ approximately \$200 per day (inclusive of driver allowance, mileage, fuel, etc.)		
OTHER DIRECT			
Dissemination workshop	number of participants etc. tbd.		
Airport taxes, Visas			n/a

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BUDGET CONSIDERATIONS (third trip)

LEVEL OF EFFORT (LOE) (Third Trip)	STEPHEN SACCA	PAUL FISHSTEIN OR ALISON ELLIS	LOCAL CONSULTANT
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Prep time Boston	2 days	2 days	2 days
Travel days	3 days	3 days	n/a
Field work	12 days	12 days	8 days
Report writing	2 days	2 days	2 days
Total LOE(3rd trip)	19 days	19 days	12 days
TRAVEL			
Airfare	one RT	one RT	n/a
Per diem: Travel/transit Dar es Salaam outside Dar	3 days 8 days 6 days	3 days 8 days 6 days	8 days 6 days
TRANSPORTATION			
Airport transfer -Boston	approximately \$100	<i>Check w Paul and/or Alison</i>	n/a
Airport transfer Dar es Salaam	approximately \$50	approximately \$50	
Local transport Dar es Salaam	9 days @ approximately \$15/day	9 days @ approximately \$15/day	9 days @ approximately \$15/day
Car rental for Clinic visits	10 days @ approximately \$200 per day (inclusive of driver allowance, mileage, fuel, etc.)		
OTHER DIRECT COSTS			
Airport taxes, Visas Immunization/Meds			n/a