POLICY ISSUES REGARDING IMPLEMENTATION OF SERVICE LEVEL AGREEMENTS(SLA) IN MALAWI

Healthcare Financing Summit

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Background of SLAs

- CHAM/MOH MOU signed on 9th December 2002.
- Aim of MOU is to increase equitable access to basic health care services by rural poor Malawians
- It covers a number of areas including:
  - Gov. support towards Health workers salaries(100%)
  - Secondment of Tutors in CHAM training Colleges
  - Provision of essential medicines to CHAM health facilities
  - Student scholarships for Nurses , Clinical Officers & Medical Assistants

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Background of SLAs

- In 2004 MoH and partners developed EHP/POW/SWAp 2004-2010.
- EHP stated that health services should be delivered free at the point of delivery.
- SWAp has technical working groups (TWGs).

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Background of SLAs

- The SRH TWG had Save-motherhood (SM) subcommittee.
- SM subcommittee implemented recommendations of SM Initiative Project with Dowa as dummy district.
- One of the recommendations was to turn CHAM facilities as EHP centres.

Background of SLAs

- Therefore Service Level Agreements (SLA) were piloted in Dowa district in 2005.
- SLAs Task Force was formed in 2005 to direct implementation of SLAs chaired by Dowa DHO with CHAM as secretariat.
- SLA Task Force came up with documents necessary for implementation of SLAs.

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Background of SLAs

- Dowa piloted SLAs focussed on ANC and Delivery part of safe motherhood programme.
- Results of the SLAs pilot were presented at 2005 SWAp mid year review.
- DHMTs started SLAs learning visits in Dowa district.

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Background of SLAs

- Then PPP TWG was formed in 2007 from SLA Task Force.
- All SLA issues were handled through PPP TWG with MOH/GTZ were co-chairs and CHAM secretariat (uniform prices)
- Uniform prices were presented at MOH Senior management and agreed.

Background of SLAs

- Lilongwe DHMT signed the first formal SLA agreement with Nkhoma hospital soon after visiting Dowa SLA pilot sites.

- Then all other districts copied the good SLA practice with full or selective EHP.

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SLA DEVELOPMENT PROCESS

- In 2008,CHAM carried out a mid term evaluation of SLA implementation.
- In 2010, CHAM and MOH with support from GIZ conducted SLA costing study.
- 2012, CHAM and MOH developed SLA procedure guidelines with support from SHOPS.

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HOW SLAs ARE IMPLEMENTED

- SLAs are implemented as partial or full EHP

- Agreements are done at district level with CHAM Secretariat, Secretary for Health as witnesses to the contract

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Context of SLAs

- Based on fee for service, Fees are priced and paid separately by a third party(government)
- Done at District level based on need for equitable access to health services
- 75 of 172 (36%) of CHAM health facilities have SLAs

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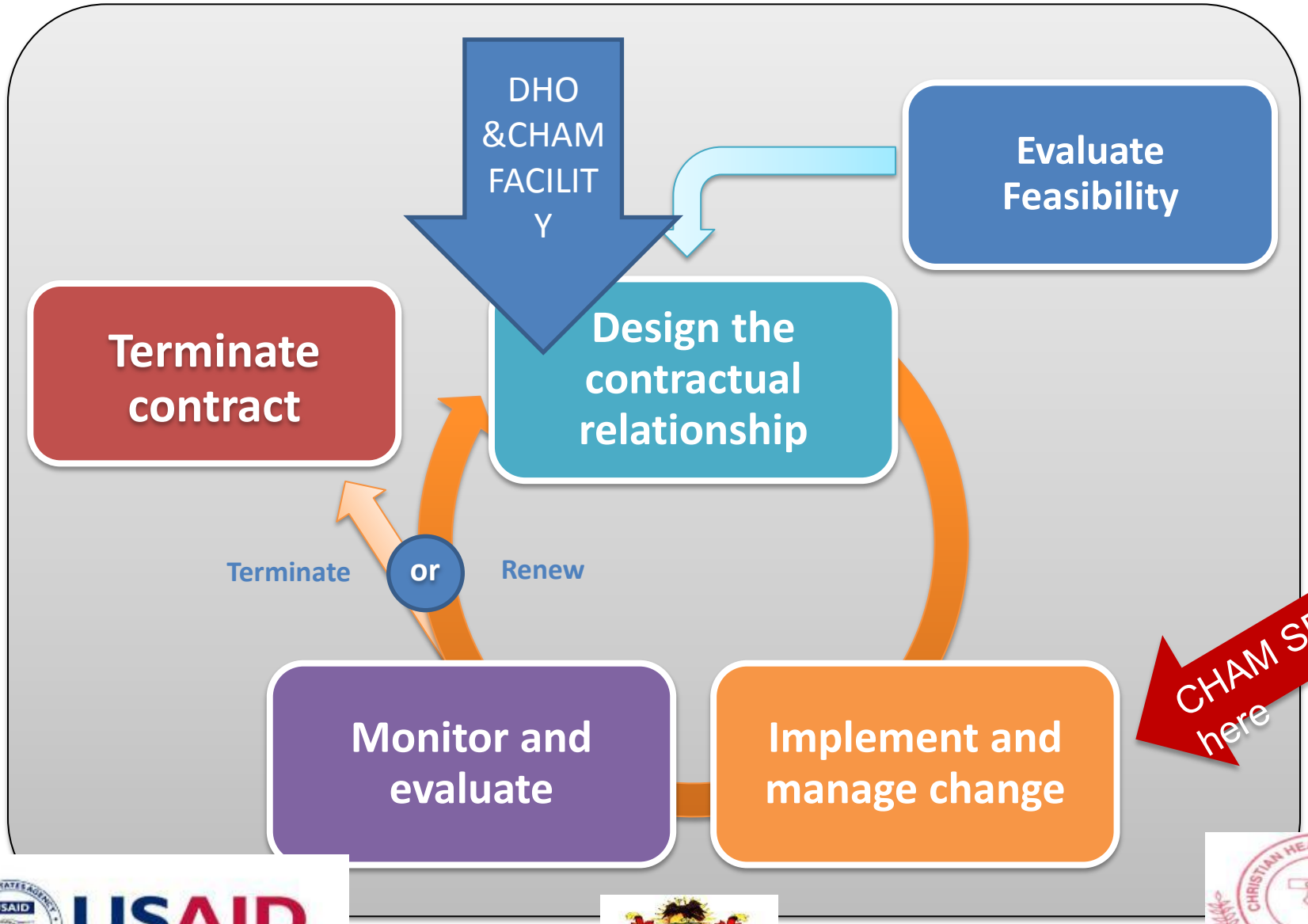
How the Contracts are done



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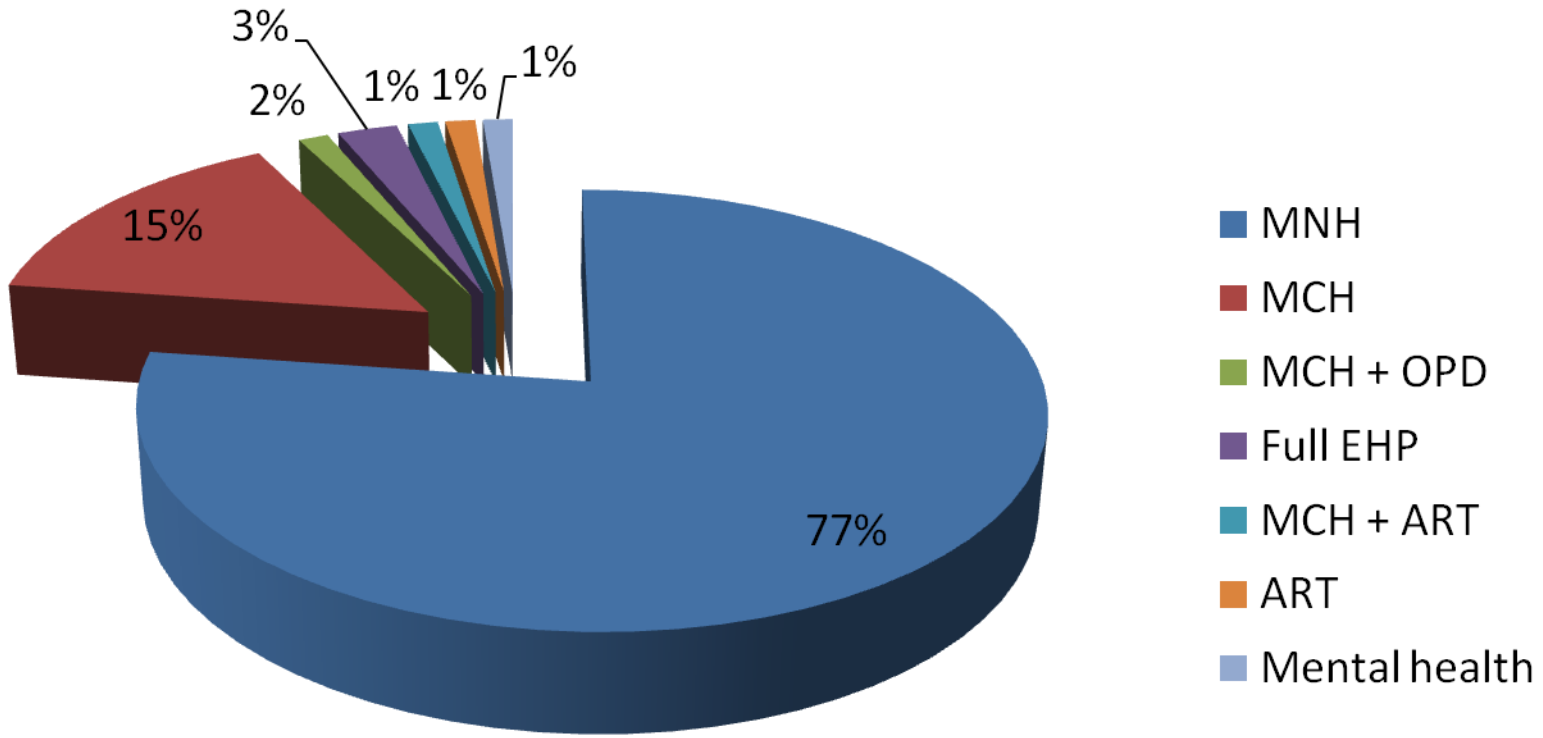
Payment Method

- All are Fee for service-based contractual agreement
- CHAM health facility and DHO agree on the price and conditions for service delivery based on catchment area's population
- Contracts are then signed and copies sent to Ministry Head quarters and CHAM Secretariat for records, and monitoring performance
- CHAM health facility renders services and claims payment from District Health Office(Ministry of Health)

Results of Service Level Agreements by Service Coverage



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KEY LESSONS

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Lessons Learnt

1. In sufficient budget allocation for SLAs
2. Pricing of services not evidence based
3. Lack of clarity for addressing non- payment.
5. Lack of performance monitoring mechanisms resulting in delayed renewals of contracts and
6. Trust between two parties suffered from lack of clarity. Real danger of terminating SLAs.

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SLA Service Delivery Challenges

1. Congestion due to increased number of patients accessing free services resulting in overcrowding

2. Compromise on the available infrastructure

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Challenges at Service Delivery

3. Compromise in the available Human resources and equipment
4. Delayed Payments
5. Compromise on quality of services delivered

Efforts to address the problem

- GIZ costing study in 2010- to address overcharging issues
- SHOPS Private Sector Assessment in 2011: this highlighted weaknesses in MOU and SLAs
- 2012 CHAM and MOH with support from SHOPs worked on SLA guidelines, and started the process of reviewing the MOU

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CURRENT STATUS

- The developed SLA guidelines have been disseminated to all participating facilities
- Finalisation of revised MOU still pending
- SLA cost tracking study underway targeting Public and CHAM facilities with support from SHOPS
- Resistance in full implementation of the new SLA guidelines

Causes of Concern

- Limited engagement of participating CHAM facilities DHOs in the revisions of SLA prices and development of guidelines
- New revised prices not accepted by some especially those who had already gone beyond through their personal negotiations.
- No dedicated budgetary allocation for SLAs
- Legal framework still not in place to enforce payment s

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POLICY ISSUES

ACTORS:

- DHOs- these are budget holders and the ones paying out but have had limited involvement in decisions regarding SLA pricing and guidelines

- Hospitals: are beneficiaries to SLAs but have not been fully involved in coming up with prices for the services they provide under SLAs
- Community: No involvement at all regarding SLA policy yet they are beneficiaries

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Policy issues …….

- Political y driven
- Standardization of the prices disadvantaging other Actors
- Macroeconomic factors such as inflation affecting budgets and devaluation affecting prices

Policy issues……

Process

- Inadequacy of consultations
- Facility mapping or assessment was not there initially – Now done by SHOPS
- Development of guidelines need to be evidence based
- SLA indicators not in CMERD

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Policy Issues

Legal issues

- Loose contracts – not legally binding hence problems with non payment
- SLA contracts need to be monitored from PPP desk which has just been put in place
- Contracts initiation , renewal and obligations are at the mercy of DEC and DHO

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FUTURE FOR SLAS

- Are SLAs viable for universal health coverage?
- need a lot of improvements
- The current performance is dependent on individual DHOs and not systems or offices and CHAM hospital Management
- SLAs are not a priority in the budget - they are not ring- face hence difficult to hold DHOs accountable

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FUTURE OF SLAs

- SLAs should become a contract entered into with District Assembly as controlling officers as opposed to DHOs
- Performance of SLAs be monitored by DEC
- Upfront payment modalities be explored
- Since implementing SLAs is a risk , DHOs should insure the SLA contract so that the insurance can cover the delayed payments or non payment issues

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We need

- **To study the perceptions of DHOs and CHAM health management teams with regard to implementation of the New SLA guidelines: Bottle necks and Lessons**

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Conclusions

- SLAs good for improving access and addressing Universal Health Coverage

  BUT

- We need to address key lessons learnt and challenges

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The SLA Technical Committee would like to acknowledge :

- CHAM management
- MOH Planning and SWAP Secretariat
- SHOP Chief of Party and his Team
- GIZ & all who have participated in SLAs

Thank you for your attention

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