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# Reaching Maternal and Child Health Clients through Contracts with Private Health Care Providers in Malawi

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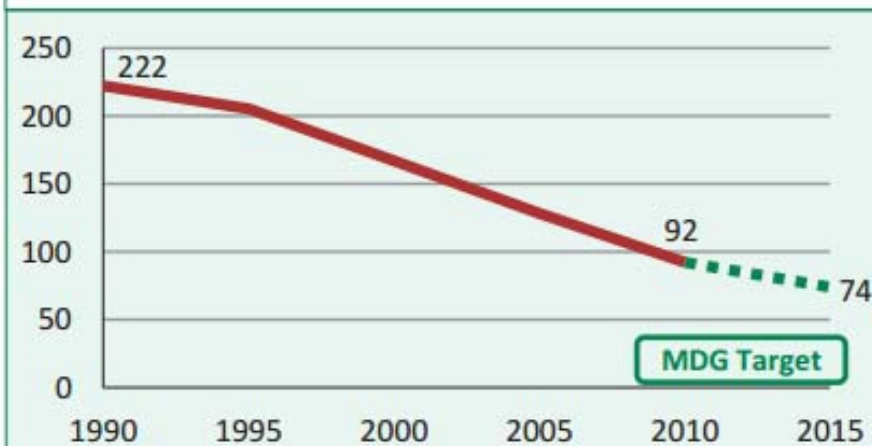
**SHOPS is funded by the U.S. Agency for International Development.**  
**Abt Associates leads the project in collaboration with**  
Banyan Global  
Jhpiego  
Marie Stopes International  
Monitor Group  
O'Hanlon Health Consulting



# Challenges to MCH access

## Under-five mortality rate

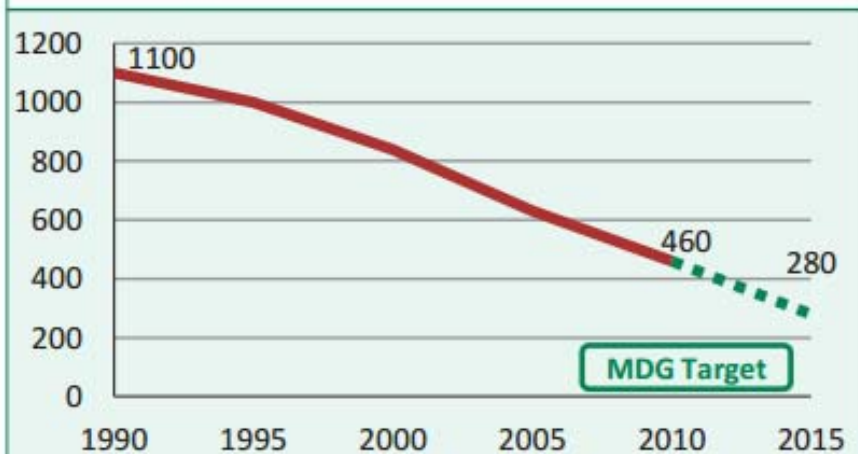
Deaths per 1,000 live births



Source: IGME 2011

## Maternal mortality ratio

Deaths per 100,000 live births



Source: MMEIG 2012

Note: MDG target calculated by Countdown to 2015

- Poor transport and lack of accessibility
- Weak supply chain
- Lack resources and staff
- Local and cultural barriers
- Economic landscape

# Christian Health Association of Malawi



- 37% of health care service delivery.
- 90% of the facilities are in rural and hard to reach areas.
- Patients are charged user fees.
- 47% of all human resources for health are trained in CHAM training institutions.
- CHAM donors include numerous church groups and international donors

# CHAM's MOU with the Malawi Government

- Health worker salaries
- Tutors in CHAM training colleges
- Essential commodities (zinc, vaccines, ORS, MRDT, and HIV tests)
- Scholarships for health workers
- Service Level Agreements

# SHOPS Focus in Malawi

Rebuilding partnerships between MOH and CHAM facilities

Other examples of SHOPS Malawi activities:

- Establishing PPP unit
- Identifying all private health providers in Malawi
- Improving operations of social franchises delivering FP
- Revising M&E tools for health regulatory boards
- Organizing and strengthening the professional associations

# CHAM's Service Level Agreements



- 75 of 172 of CHAM facilities have SLAs
- Reimbursed on fee-for-service basis
- Negotiated on a case-by-case basis.
- MNCH, 2 facilities delivering a full EHP

# Key Challenges Facing SLAs

- Pricing was based on insufficient evidence
  - Insufficient budget allocation for SLAs
  - Lack of clear policy and implementation guidelines on SLAs
  - Lack of performance monitoring
  - Lack of transparency
-



*“The relationship between CHAM and MOH was not good and the SLA was at risk of being completely dismantled. This would leave gaps in areas where there was no other access to health care for people.”*

Mafase Sesani, CHAM

# Design of SHOPS Interventions

## INTERVENTION

Pricing of services were based on insufficient evidence

Insufficient budget allocation for SLAs

- 1. Delivered New Evidence on Cost

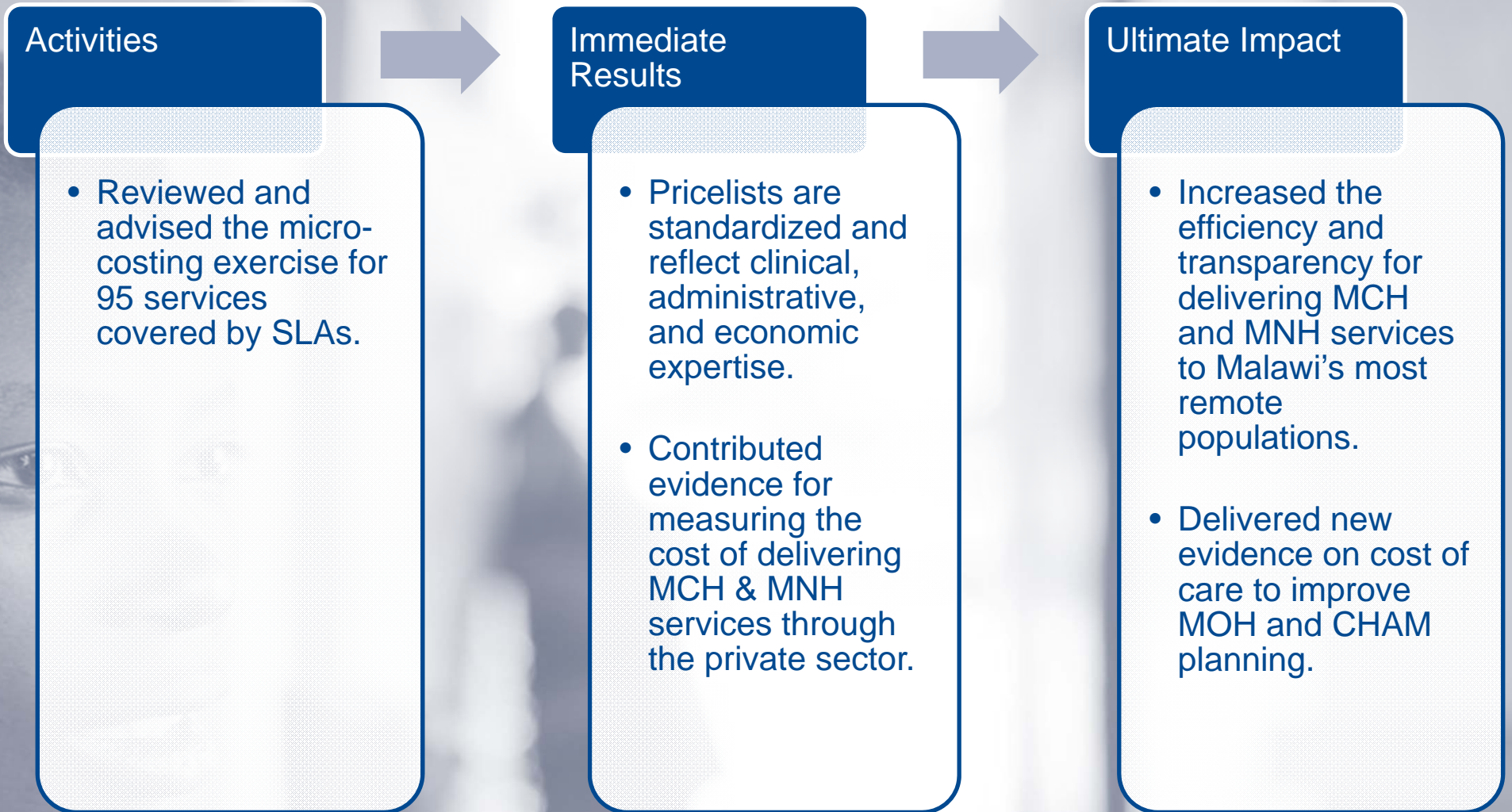
Lack of clear policy and implementation guidelines on SLAs

Lack of performance monitoring

Lack of transparency

- 2. Facilitated National Reform Effort

# Intervention 1: Delivered New Evidence on Cost of Delivering SLAs



# Example Micro-Costing Table: Vaginal Delivery

VAGINAL DELIVERY		Private		CMS	
Description	Nr	Unit cost	Cost / item	Unit cost	Cost / item
<b>Pharmacy cost</b>					
Aprons, disposable (per apron)	2	367.17	734.33	319.28	638.55
Chlorhexedine(500ml) (Savlon)	0.2	937.64	187.53	815.34	163.07
cord ligature	0.01	1,283.31	12.83	1,115.92	11.16
Cotton Wool	0.2	1,400.90	280.18	1,218.17	243.63
Gauze Squares	0.2	733.32	146.66	637.67	127.53
Masks, disposable	1	15.17	15.17	13.19	13.19
Oxytocin 10 IU/ml, injection 1 ml	1	101.15	101.15	87.95	87.95
Gloves, disposable pair	6	111.26	667.58	96.75	580.50
Gloves, surgeons, sterile	4	166.89	667.58	145.13	580.50
Paracetamol(500mg)	18	1.67	30.04	1.45	26.12
Suction Catheter	0.4	318.62	127.45	277.06	110.82
Syringe 5cc	1	75.86	75.86	65.97	65.97
<b>Other materials</b>					
Overhead Cost	1	1100.74	1100.74	1100.74	1100.74
Stationery	1	183.47	183.47	183.47	183.47
HR Cost (Non PE)	1	248.40	248.40	248.4	248.40
<b>Total cost of intervention</b>			<b>4,578.97</b>		<b>4,181.62</b>
<b>Total agreed cost (averaged)</b>			<b>4,380.29</b>		



## Intervention 2: Facilitated National Reform Effort

### Activity

- Facilitated workshops in 5 regions to 69 facilities and their partner zonal and district representatives on key issues in contracting out.

### Immediate Results

- Led to reforms captured in the SLA Framework Policy.

### Ultimate Impact

- Implemented new democratic processes for solving issues related to past SLAs.

# Reforms captured in Aug 2012 MOH Circular

SLA Guidelines Version 1, 2012-2015



**MINISTRY OF HEALTH  
AND  
CHRISTIAN HEALTH ASSOCIATION OF  
MALAWI (CHAM)  
REVISED SERVICE LEVEL AGREEMENT  
(SLA) GUIDELINES  
2012-2015**

The Secretary for Health

Name: .....

Date: .....

Signature:.....

The Executive Director of CHAM Secretariat

Name:.....

Date: .....

Signature:.....

- Instituted criteria for initiating SLAs
- Standardized process for implementing SLAs
- Standardized price list and service definitions
- Instituted a governance structure and M&E framework for monitoring SLA performance
- Delivered a template agreement
- Created informed champions

# Implications for further reform

- Since Aug 2012, only 67 SLAs are active
  - Evidence suggests that there is a general under-prescription of care which can be due to various factors such as:
    - Lack of adequate supply chain
    - Variations in adherence to standards
  - Implementation requires resources and continuous monitoring
-

A photograph of a woman with dark skin and short hair, looking out of a window. The background is blurred, showing a person standing outside. The text "LESSONS FOR FUTURE CONTRACTING EFFORTS" is overlaid in blue, bold, sans-serif font.

# LESSONS FOR FUTURE CONTRACTING EFFORTS



# Lessons

- Contracting the private sector has the potential to overcome MCH challenges
- The use of SLAs requires transparency and negotiation
- An unbiased 3<sup>rd</sup> party helps in brokering relationships

# THANK YOU

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