



Masterclass:

The Essentials of Contracting to Provide Family Planning and Reproductive Health Services

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*Global Workshop on Social Franchising
Accra, Ghana*



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QUIZ: Contracting basics

1. Which of these entities might purchase services from private providers?
 - a) Government
 - b) Private Employers
 - c) Private Insurance Companies
 - d) Donors
 - e) All of the above





QUIZ: Contracting basics

ANSWER

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QUIZ: Contracting basics

2. Why might private providers contract with governments?
 - a) Expand their client base
 - b) Improve their legal expertise
 - c) Tap into new revenue streams
 - d) A and C
 - e) All of the above





QUIZ: Contracting basics

ANSWER

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 - d) A and C
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Contracts can help providers gain new clients and access additional, stable sources of funding to expand their practices and service offerings.





QUIZ: Contracting basics

3. Why might a government contract a private provider to deliver FP services?
 - a) Increase the number of service delivery sites in underserved areas
 - b) Help government avoid controversial or culturally sensitive issues
 - c) Improve efficiency in the health system
 - d) All of the above





QUIZ: Contracting basics

ANSWER

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QUIZ: Contracting, UHC, and FP

4. Three common dimensions of UHC include:
- a) Financial protection, facilities included, payment mechanisms
 - b) Payment mechanisms, health management information systems, services covered
 - c) Population covered, financial protection, services covered
 - d) Population covered, financial protection, facilities included





QUIZ: Contracting, UHC, and FP

ANSWER

4. Three common dimensions of UHC include:
- a) Financial protection, facilities included, payment mechanisms
 - b) Payment mechanisms, health management information systems, services covered
 - c) Population covered, financial protection, services covered**
 - d) Population covered, financial protection, facilities included

UHC focuses on increasing the number of people able to access a greater range of services with increased financial protection.





QUIZ: Contracting, UHC, and FP

5. Insurance programs that support achieving UHC always include benefits for FP.

True or False?





QUIZ: Contracting, UHC, and FP

ANSWER

5. Insurance programs that support achieving UHC always include benefits for FP.

True or False?

False. *Benefits are often limited, and may focus on inpatient services*





QUIZ: Contracting, UHC, and FP

6. Purchasers might face challenges contracting with private providers because:
- a) Private sector is large and fragmented
 - b) Providers are accredited
 - c) Purchasers lack sufficient resources to pay private providers enough to cover their costs and make a reasonable return
 - d) A and C
 - e) All of the above





QUIZ: Contracting, UHC, and FP

ANSWER

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QUIZ: Contracting, UHC, and FP

7. Government contracting with private sector may support UHC by:
- a) Encouraging efficient use of financing resources
 - b) Establishing a range of services that each provider must offer
 - c) Expanding access to subsidies and reducing financial barriers for underserved groups
 - d) Increasing the number of health facilities delivering covered services
 - e) All of the above





QUIZ: Contracting, UHC, and FP

ANSWER

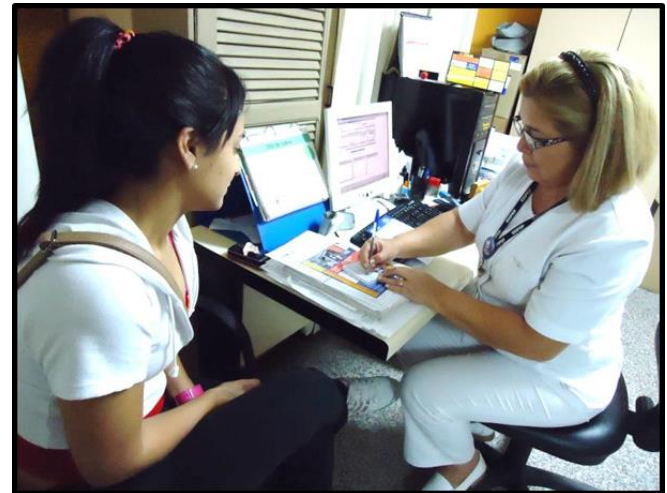
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Session agenda

- Overview of SHOPS contracting lifecycle
- Group activity on contracting
- Wrap up





Session Objectives



- Articulate how contracting supports objectives of purchasers and providers
- Understand contracting lifecycle
- Identify obstacles/solutions to create and sustain contracts for FP services
- Know where to go for additional resources



Contracting within the health sector

Contracts are legal instruments that set forth obligations, rights, and duties of the partners involved.

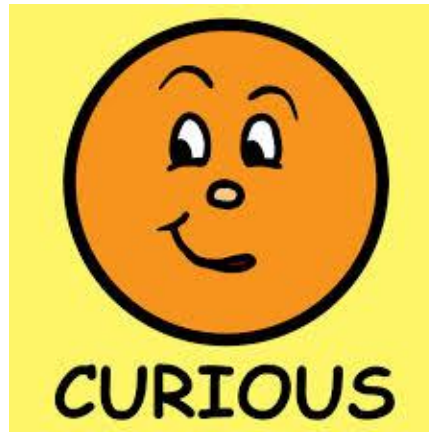
- Specify “gives and gets”
- Examples: service agreement, lease, grant, franchising
- Focus today: service agreements (purchaser and provider)





Why contract?

- What motivates a government purchaser of health care to contract with a health provider?



- What motivates a private provider to contract with a government purchaser?



Objectives of purchasers (e.g. government)

- Improve access, relieve pressure on public facilities
- Harness private sector expertise and resources
- Improve efficiency
- Avoid controversial, culturally sensitive issues





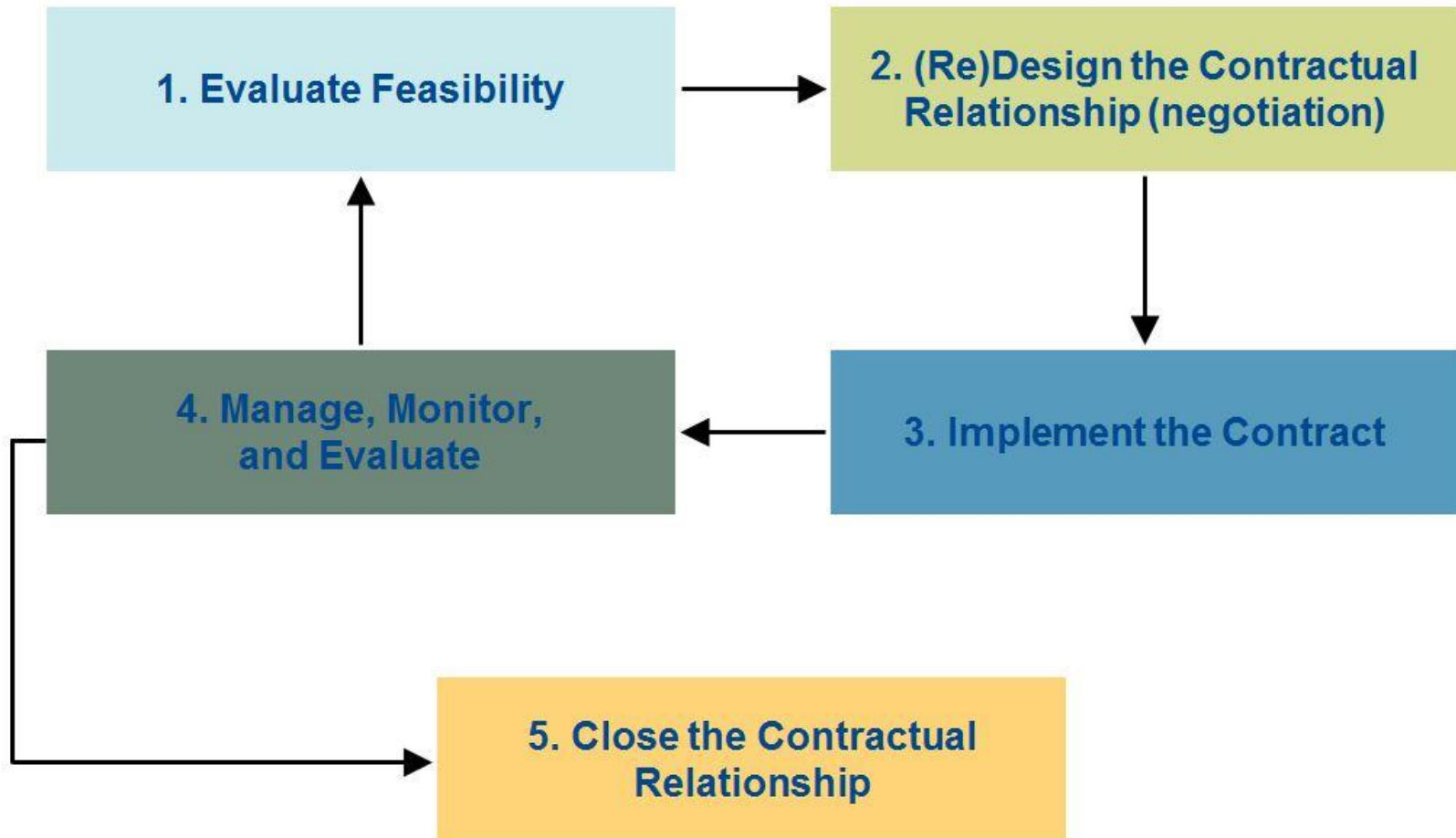
Objectives of providers

- Increase revenue; establish regular income source
- Expand and maintain client base
- Increase operating efficiency
- Fulfill social mission





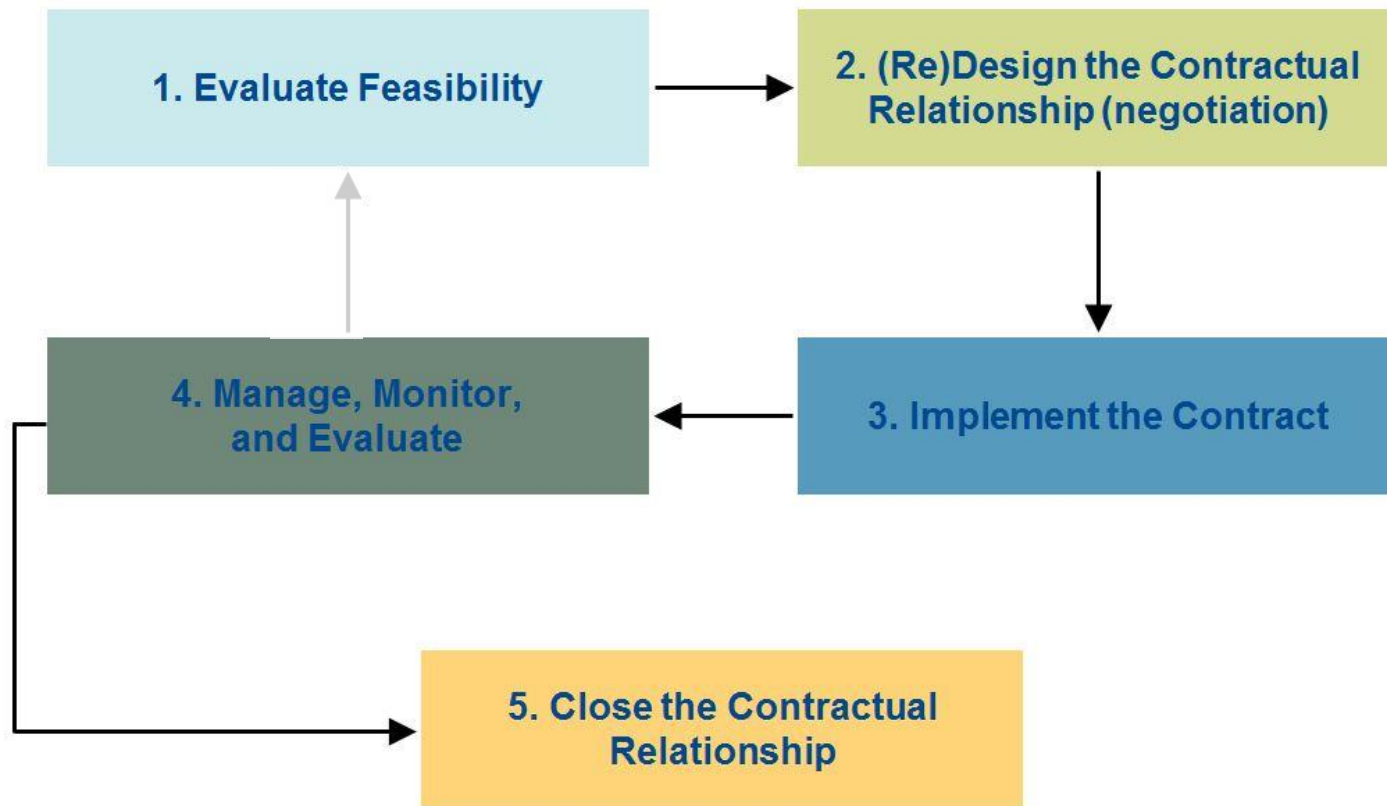
The Contracting Lifecycle





The Contracting Lifecycle

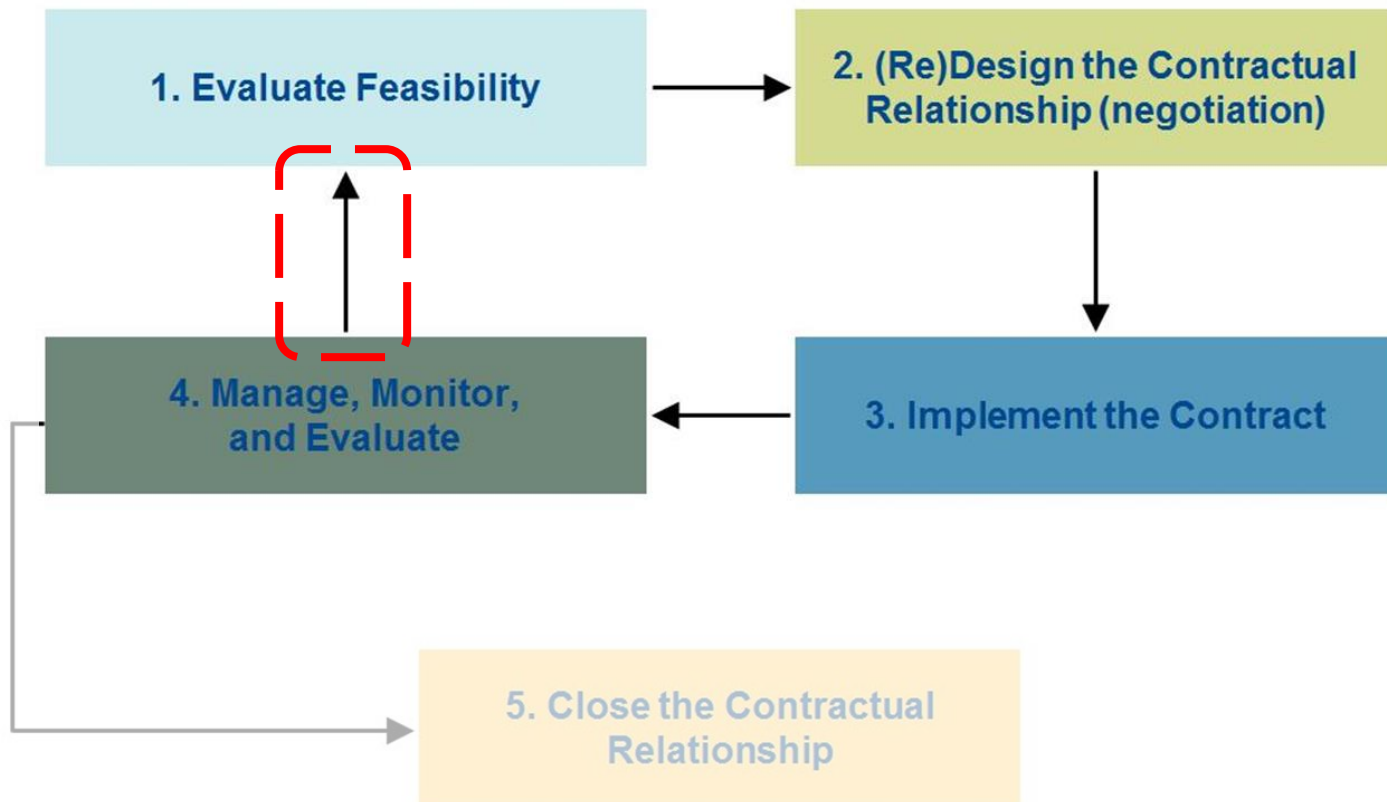
Contracts can follow a “one cycle” pathway





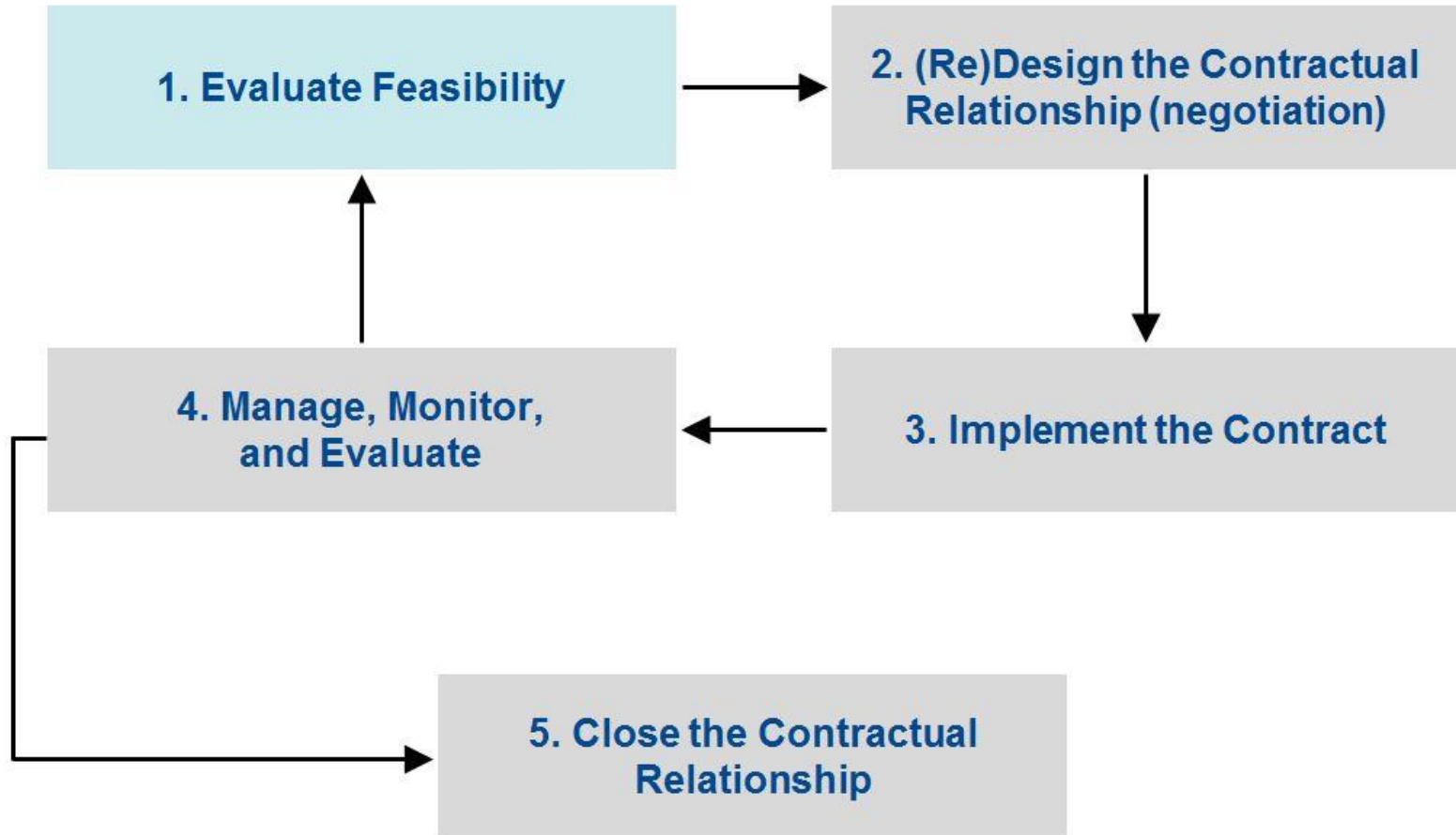
The Contracting Lifecycle

...or a repeating cycle





Stage One: Evaluate Feasibility



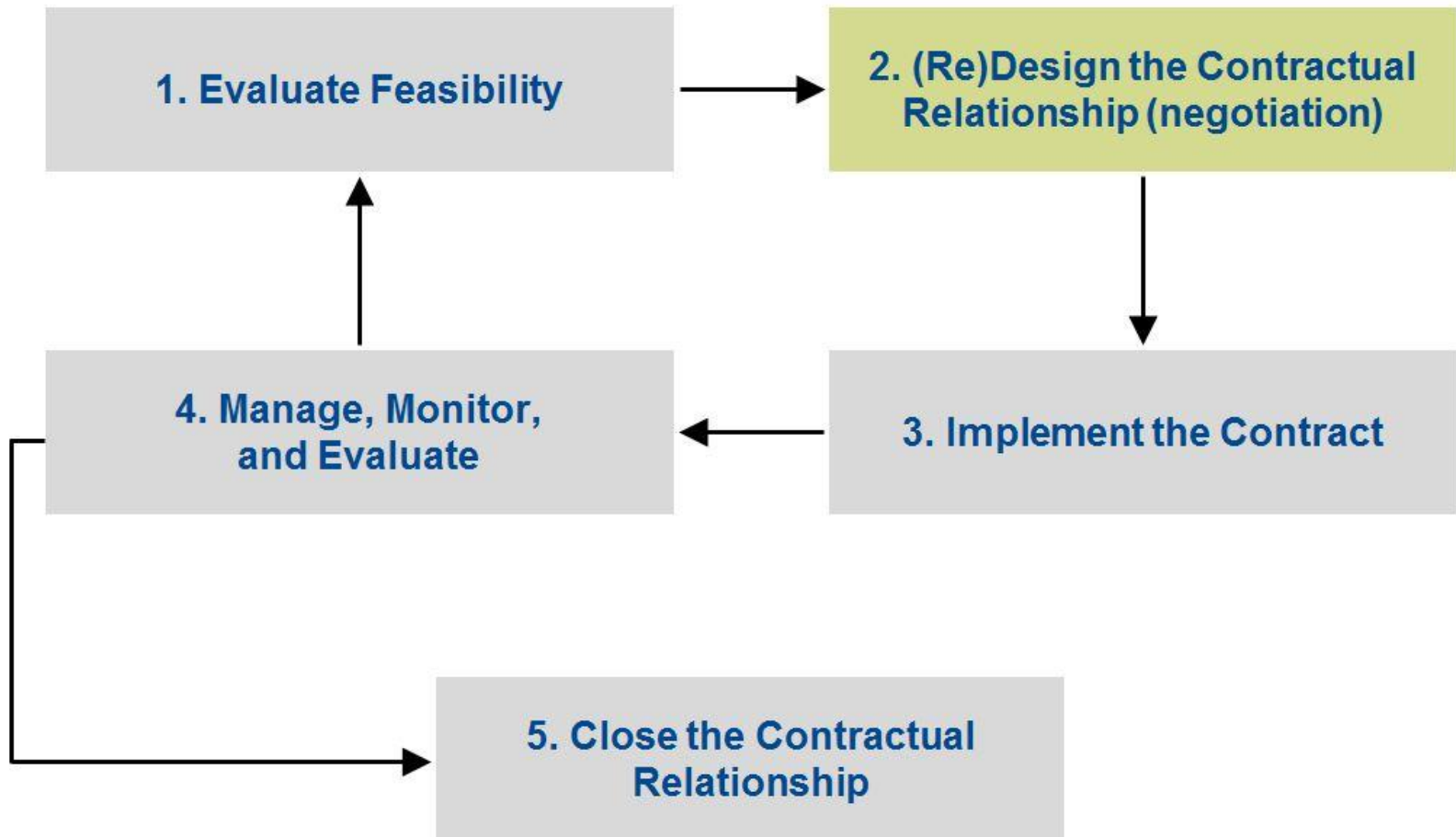


Stage One: Evaluate Feasibility

- Assess internal, external environment
- Analyze strengths, weaknesses, opportunities, and threats
- Understand payment mechanisms
 - Fixed rates, results-based, or capitation are replacing grants, input-based, cost-based agreements



Stage Two: (Re)Design the Contractual Relationship





Stage Two: (Re)Design the Contractual Relationship

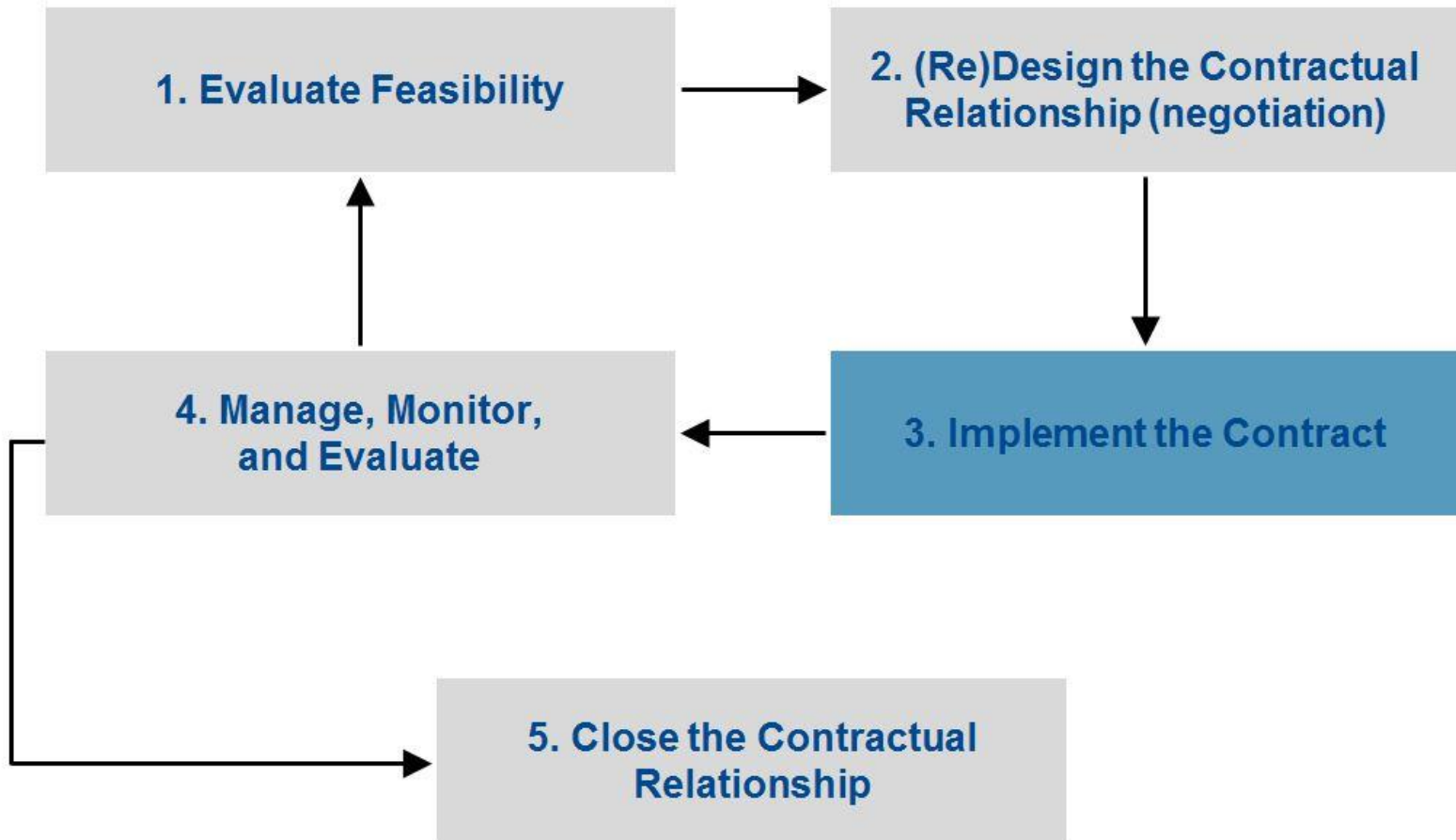
Stage Two focuses on negotiation

- Payment mechanism and rates
- Covered services (including LA/PM)
- Monitoring and reporting
- Accreditation (quality)
- Dispute resolution
- Termination terms





Stage Three: Implement the Contract





Stage Three: Implement the Contract

FP service providers need to

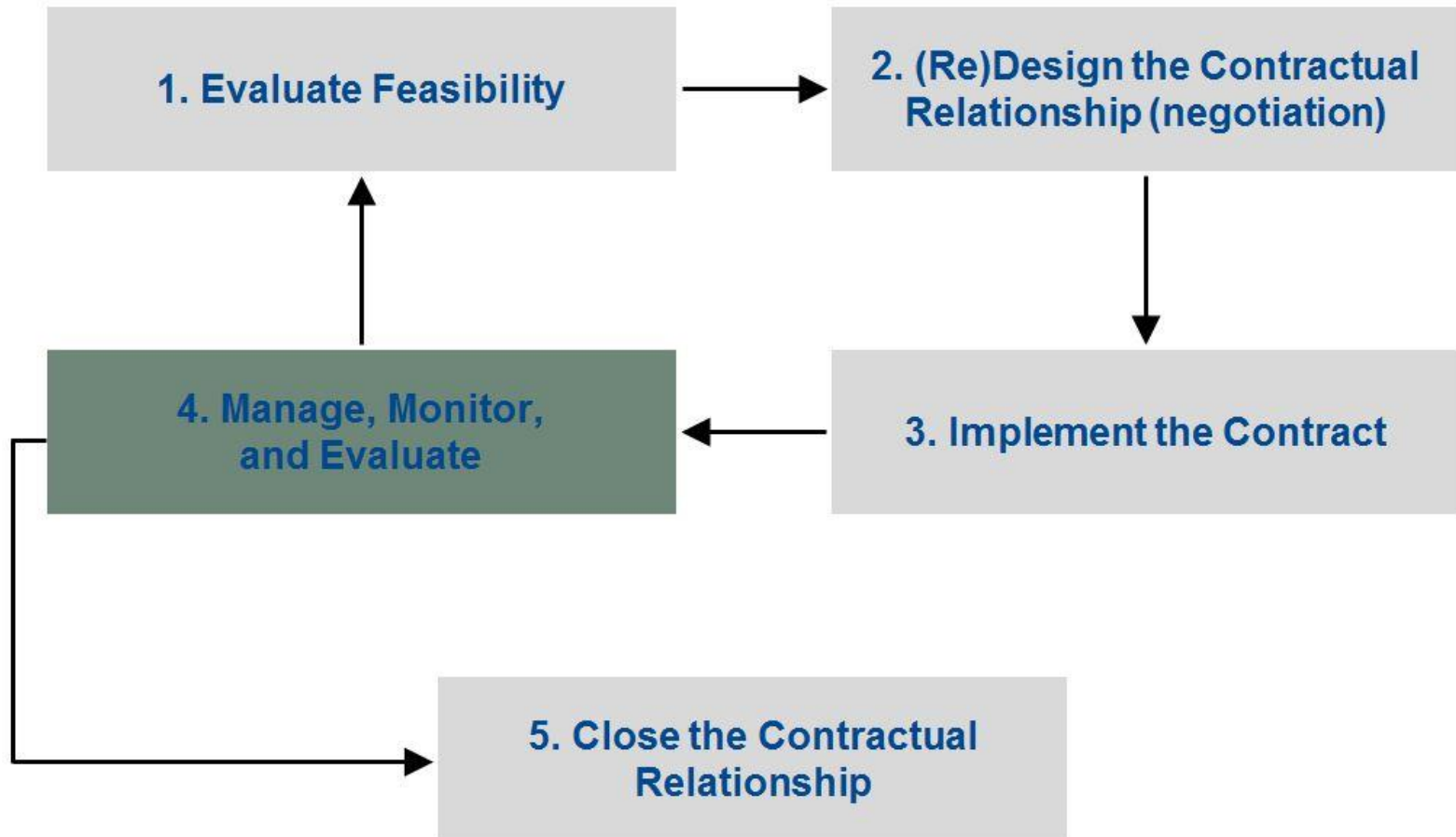
- Train staff for new roles and procedures
- Ensure adequate resources
 - Staff
 - Supplies
 - Equipment
 - Educational materials



Relationship management is key!



Stage Four: Manage, Monitor, Evaluate





Stage Four: Manage, Monitor, Evaluate

Purchasers and providers will monitor:

- Volume, quality, efficiency, cost, client feedback

Providers should additionally monitor:

- Timeliness, accuracy of payments
- Profitability





Stage Four: Manage, Monitor, Evaluate

Providers should establish procedures to track indicators and prepare for audits:

- Clinical, utilization indicators
 - % of target population reached
 - # of FP services provided
 - # of women counseled on FP
 - # of adverse FP incidents
 - # of CYPs





Stage Four: Manage, Monitor, Evaluate

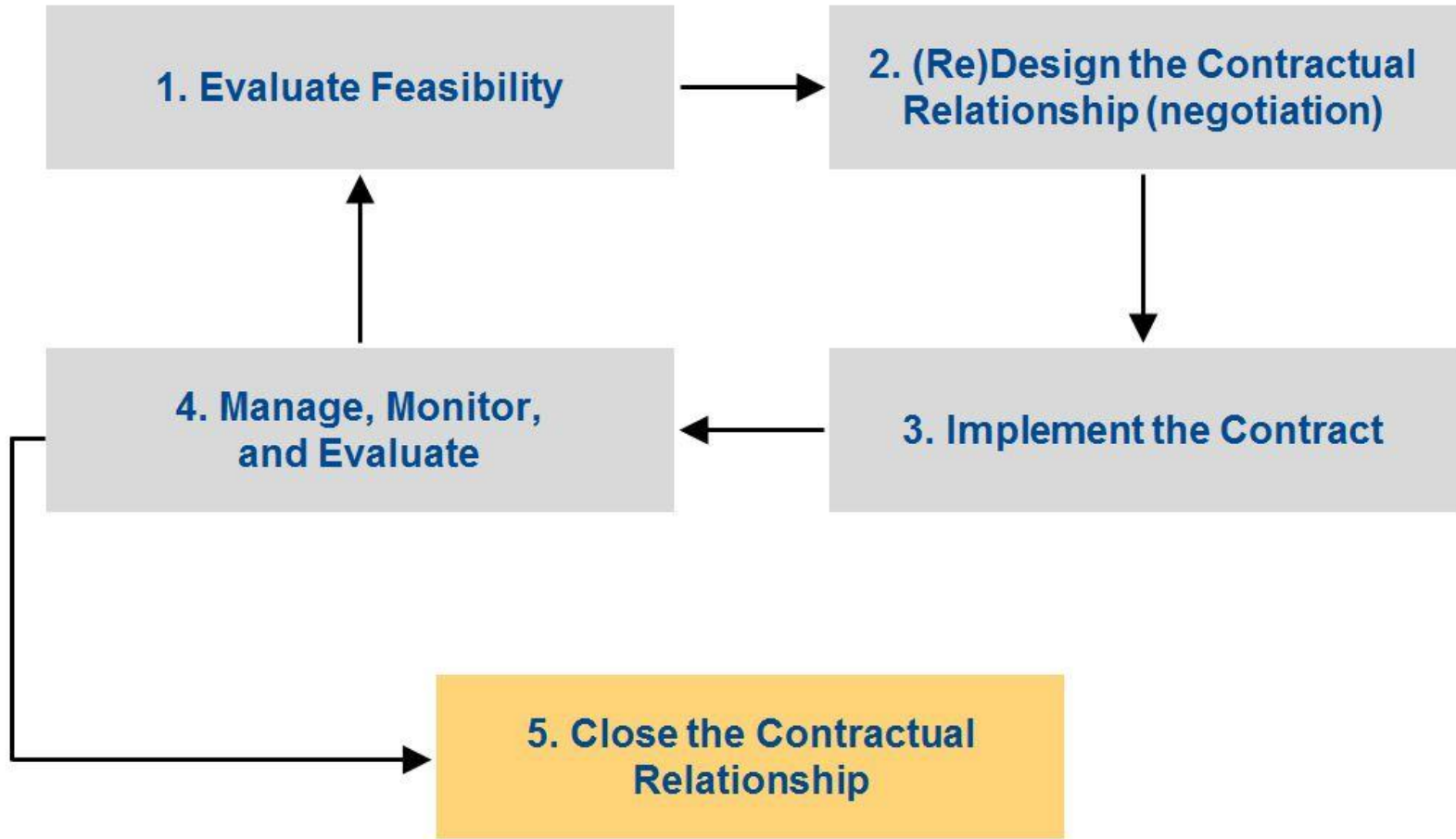
Providers should establish procedures to track indicators and prepare for audits:

- Non-clinical indicators
 - Client satisfaction
 - Costs
 - Timeliness of reports





Stage Five: Close the Contractual Relationship





Stage Five: Close the Contractual Relationship

Contracts can end in two ways:

- *Closure*: Contract ends as planned
- *Termination*: Action taken to end contract before its full performance (unplanned)



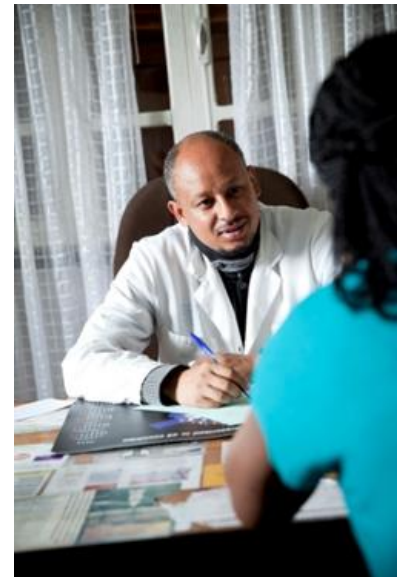
NOTE: Providers should understand their obligations under termination, including length of time to continue service delivery.



Stage Five: Close the Contractual Relationship

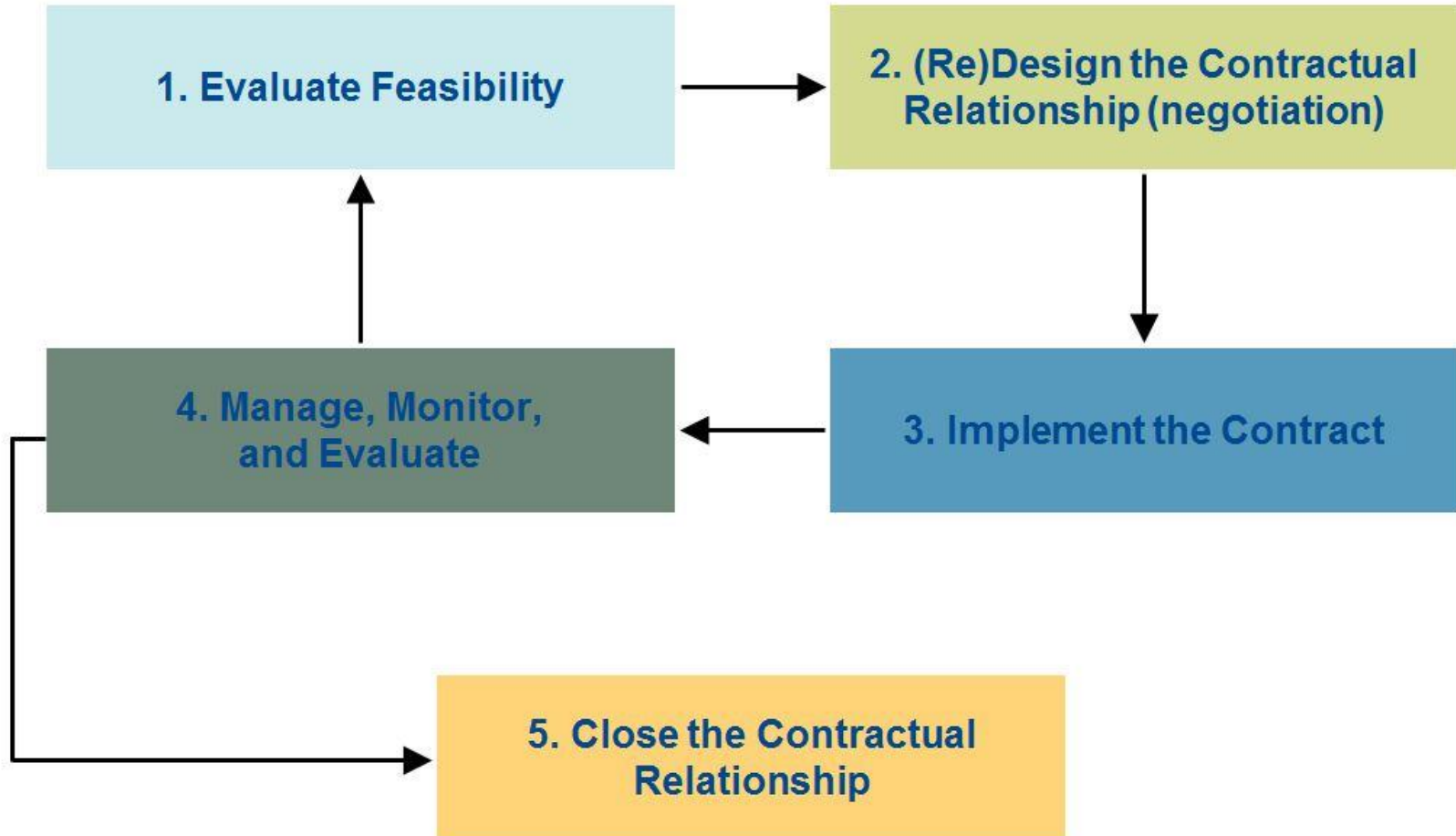
Tips to avoid/manage termination:

- Establish a formal dispute resolution process
- Stay on top of (outstanding) payments
- Maintain cash reserves
- Establish late fee provisions in contract, and ability to suspend services





The Contracting Lifecycle





Small group work

Case study:

- Takes place in country of Maryland
- Involves the Ministry of Health and the Health Association of Maryland



Instructions:

30 minutes

- Read case study provided on tables
- Discuss based on prompts
- Prepare brief response to question

20 minutes

- Groups report out



Group report out





Key Takeaways

- Trend toward contracting for FP services to access patients and revenue streams
- Success in contracting occurs at all stages of the contracting lifecycle.
- Variety of skills needed to succeed under contracting
- Invest in relationships
- It's a learning process!





SHOPS Plus has resources on contracting

- Published 2 primers on contracting for FP/RH
 - One for policymakers, donors
 - One for providers



- online FAQ tool to complement primers at: <https://www.shopsplusproject.org/contractingfaq>
- eLearning course at USAID Global Health eLearning Center: <https://www.globalhealthlearning.org/course/contracting-family-planning-and-reproductive-health-services>

Thank you!



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Wrap up

- Reflect on your own country/market (2-3 min).
Note on card:
 - Your country
 - Stage of contracting lifecycle your organization is in
 - What are key needs to advance contracting efforts?
- Post your comments



- Extra slides



Contracting to Provide Family Planning and Reproductive Health Services

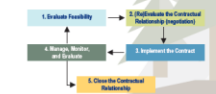
Jeanna Hubz, Abt Associates

Background

- Donors and governments are shifting from direct funding of FFRHR services to purchasing them through contracts, vouchers, or direct service agreements. This trend presents new opportunities for private providers to contract with public and private purchasers.
- New contracting opportunities increasingly rely on innovative provider payment mechanisms such as performance-based payments, package pricing or member-based payments (e.g., capitation), replacing traditional approaches such as fee-for-service and equal-based payments.
- Increased global commitment to address universal health coverage is fueling interest in public-private partnerships. Skills across the contracting lifecycle are essential for these partnerships to succeed.
- Contracts follow a predictable cycle that may occur once or repeat multiple times.

Contracting Lifecycle

- Stage 1**
Providers take a stock of potential contracting opportunities, analyze internal and external conditions, and decide which opportunities to pursue.
- Stage 2**
Providers and purchasers negotiate and agree upon contract terms, including scope of services, payment method and rates, performance standards and reporting requirements.
- Stage 3**
The contract becomes operational.
- Stage 4**
Contract performance is monitored against clinical and non-clinical metrics, with focus on volume, quality, and efficiency (costs may be included).
- Stage 5**
Contracts can end according to a date specified in the contract, or they can be terminated earlier. Terminations can be by mutual agreement but they usually occur when one party takes action due to dissatisfaction with the other party's performance.



Contact Jeanna Hubz at jeanna_hubz@abtaff.com with questions or comments

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