Knowledge Brief

WORLD BANK GROUP
Health, Nutrition & Population

Health, Nutrition and Population Global Practice

Lessons Learned through the Health Program for Results in Costa Rica

Micaela Mussini, Ana Maria Lara, Ana Lucia Rosado Valenzuela, Ashley Sheffel, Laura Di Giorgio

August 2023

KEY MESSAGES:

- The Program for Results (PforR) is one of the three financial instruments available at the World Bank, which differs from other instruments by focusing on the achievement of specific results.
- Costa Rica was one of the first countries in the Latin American and Caribbean region to choose this type of financing, through the *"Programa Por Resultados Para El Fortalecimiento Del Seguro Universal De Salud En Costa Rica",* approved in 2016 and still being implemented.
- The choice of the PforR instrument to support the implementation of the *Strategic Agenda for the Strengthening of Health Insurance* by the Costa Rican Social Security Fund, in retrospect, was a very wise decision. The analysis of the reasons for success serves as a basis for the implementation of this instrument by other countries.
- The PforR in Costa Rica promoted the achievement of critical and complex health sector reforms and results, such as the implementation of integrated health networks, the digitalization of the health system through the Single Digital Health Record (EDUS), and the reduction of waiting lists, among others.
- The continuation of the reforms initiated by the PforR will be of great importance in order to continue to achieve the potential gains in efficiency and quality of care that they imply.

Introduction

The Program for Results (PforR) is one of the three financial instruments available at the World Bank, which complements financing for investment projects and development policy operations. This type of financing began to be offered by the World Bank in 2012. It is an instrument with program-oriented characteristics, in which governments seek to improve the use of general public expenditures or improve their performance using their own processes and institutions. The PforR focus on the achievement of specific results and not on *inputs* or *processes*, aiming to promote the sustainable development of countries and to improve the efficiency and effectiveness of expenditures.

Costa Rica was one of the first countries in the Latin America and Caribbean region to choose this type of financing to support the implementation of the *Strategic Agenda for Strengthening Health Insurance* by the Costa Rican Social Security Fund (CCSS, for its name in Spanish, Caja Costarricense de Seguro Social). The *"Results-Based Program for Strengthening Universal Health Insurance in Costa Rica"* was approved by the World Bank's Board of Executive Directors in February 2016, with an original duration of six years and with the aim of improving the availability and quality of the universal health insurance system, as well as improving the institutional efficiency of the CCSS. (1)

During its implementation, the PforR has implemented critical and complex reforms to the health sector, with implications for the quality and equity of care and the efficiency of the health sector in Costa Rica, such as (i) implementation of integrated health networks, (ii) a reform of resource allocation in the CCSS for both primary health care units and hospitals, (iii) the digitalization of the health system through the Single

Digital Health Record (EDUS). Other notable achievements of the PforR are the improvement in the management of non-communicable diseases and the reduction of waiting lists for priority procedures through the shift of major surgeries from inpatient to outpatient care. (1)

This knowledge report, part of a larger series of knowledge reports developed by the World Bank, seeks to describe the main reasons for success, challenges and key lessons learned during the design and implementation of this PforR, with the objective of providing a roadmap for other projects in Costa Rica and other countries interested in implementing similar programs.

Background

The CCSS is the administrator of Costa Rica's public health insurance system and is the country's largest health care provider. With the exception of a small set of health services covering occupational injuries, the CCSS is the sole public provider of health services at all levels of care and is also responsible for the collection and pooling of public health insurance revenues. Costa Rica's health insurance model provides truly universal coverage and has many strengths. Health insurance provides health services to the entire population, as the percentage of the population with formal insurance is around 95 percent. CCSS services are used by the majority of the population at substantially high rates in all income groups. (2)

In Costa Rica, all public health services are provided under the management of the CCSS, opening opportunities for efficiency gains in the public sector. Despite its strengths, around 2016, the system was experiencing some challenges that prompted the need to promote several changes in order to respond to multiple public health challenges in a financially sustainable manner.(2)

An evaluation conducted by the CCSS, between 2014-2016, identified three priority areas that needed to be addressed. First, health care delivery had not fully adapted to the changing needs of the Costa Rican population, given its aging and the increase in non-communicable diseases (NCDs). Second, the CCSS required more effective institutional capacity to manage an increasingly complex system faced with new needs. Third, it was necessary to improve and modernize financial management within the CCSS to allocate resources more efficiently and equitably, i.e., based on the needs of the population rather than on historical values. (1)

In this context, to improve efficiency, equity and quality of care, the CCSS decided to present a comprehensive program in its *Strategic Agenda for Strengthening Health Insurance* (*SASHI*). This agenda included three priority areas: (i) strengthening the health care model to better integrate primary health care (PHC) with secondary level care in a given catchment area and provider network to improve prevention, early diagnosis and timely management of NCDs and ensure more efficient use of health care resources; (ii) improving the institutional management of the CCSS while increasing accountability and responsiveness to users; and (iii) adopting international best practices relevant to Costa Rica to improve the financial management of health insurance. (1)

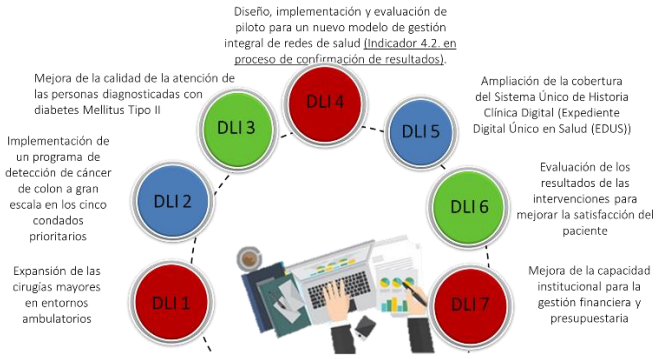
The PforR in Costa Rica was created to support the implementation of SASHI originally for the six-year duration of the program, comprised in the period 2016-2022. (1) The PforR was restructured in 2022, to add an additional 20 months to implementation, due to implementation challenges caused by the COVID-19 health emergency and the institutional data hack in May 2022. (3)

Characteristics of the Results-Based Program

In general terms, the PforR offered by the World Bank are characterized by:

- to finance specific development program expenses;
- disbursed based on the achievement of key results under these programs;
- using and, in some cases, improving program systems to ensure that funds are used appropriately; and
- strengthen institutional capacity for the program to achieve the expected results (3).

Thus, PforRs have defined expenditures, activities and results that seek to promote the sustainable development of countries in accordance with their own systems. PforR funding is disbursed against the achievement and verification of results specified as disbursement-linked indicators (*DLIs*). Such disbursements are not dependent on or attributable to individual transactions or expenditures, which greatly differentiates PforR from other types of financial instruments offered by the World Bank, such as Investment Project Financing, where disbursements are made on the basis of specific eligible expenditures. To enable the program to begin implementation, the Bank and the counterpart may agree to disburse a portion of the PforR financing funds as an advance for DLIs that have not yet been achieved. (4)



Disbursement Indicators (DLIs) of the *"Program by Results for the Strengthening of Universal Health Insurance in Costa Rica".*

In the specific case of the PforR for Costa Rica, the project's development objectives were defined as: (i) to improve the timely supply and quality of health services and (ii) to improve the institutional efficiency of the CCSS. Based on these development objectives, the PforR has 7 DLIs (see Figure 1). In turn, each DLI is made up of between two and three sub-indicators (milestones). Thus, each time the target associated with a sub-indicator is achieved, the country can request payment of the associated amount from the Bank, after completing a verification report by an independent verification institution. (1)

Implementation of the Program for Results

In operational terms, the CCSS was defined as the PforR implementer, as it is the sole executing agency of SASHI. In accordance with the characteristics of the financing instrument, the PforR was implemented using the institutional arrangements of the CCSS, in line with SASHI guidelines and priorities. The CCSS Board of Directors, which is the highest hierarchical body of the institution, oversees the overall implementation of SASHI, while selected members of the CCSS Management Departments support the implementation according to the specific area of Program implementation. In turn, a project team, composed of CCSS staff, was formed within the CCSS for the overall coordination of the PforR. Since the loan agreement is signed with the Ministry of Finance (MH), a subsidiary implementation agreement was signed between the MH and the CCSS to guarantee the flow of funds and the implementation of PforR activities (1).

EVIDENCE OF THE SUCCESS OF THE IMPLEMENTATION OF THE PROGRAM FOR RESULTS IN COSTA RICA

The PforR has achieved substantial and critical changes for the positive transformation of CCSS service delivery. Some of the major achievements referenced in the DLIs are as follows:

- **Single Digital Health Record (EDUS):** In just three years, the EDUS was installed at all levels of care, covering even remote areas without electricity or internet connectivity in the country. Costa Rica has one of the most comprehensive electronic health records in Latin America, becoming a cornerstone and innovator in guaranteeing the right to universal health coverage and improving the quality, effectiveness and efficiency of health services.
- **The Integrated Family Record System (SIFF):** The digitization of family records into the Integrated Family Record System has potentiated the benefits for the direct users of the tool, for the operation and administration of the CCSS, as well as for institutions of social interest in the country for the priority follow-up of vulnerable populations. The integration of data collection through electronic tablets has allowed the georeferencing of the country's households, an important step that will generate information on

the concentration of epidemiological profiles and risk maps by communities, and will facilitate the management of future epidemics and natural disasters.

- **Major Outpatient Surgeries:** The CCSS progressively increased the percentage of major outpatient surgeries in six selected procedures, to more than 43% of the major surgeries performed in these procedures in the system. With the increase in major outpatient surgeries, Costa Rica reduced waiting list times for other major surgeries by 60%, improving one of the main issues that plague Costa Ricans.
- **Satisfaction surveys:** CCSS satisfaction surveys make visible and improve users' perceptions regarding inpatient and outpatient services. They have been successfully applied for five consecutive years, including during the COVID-19 pandemic. The application of the surveys has increased the staff's interest in knowing the users' perception of the service. Now, the services of different units can be improved and compared based on quality dimensions, improvement plans focused on patient priorities are developed, and satisfaction data from indigenous populations are made visible.
- **Preventive and health promotion activities**: The PforR promoted preventive and health promotion activities, which led to improved control rates of non-communicable diseases. For example, a massive colorectal cancer screening program was implemented in five priority cantons in the North Central Region; an increase in the percentage of individuals diagnosed with type 2 diabetes with optimal clinical control from 39% (2014) to 45.7% (2021), and an increase in the percentage of individuals diagnosed with hypertension with optimal clinical control from 62% (2013) to 65.7% (2020) was achieved.
- **Integrated Health Networks:** The implementation of an Integrated Health Services Network (IHSN) model was initiated as a pilot in the Huetar Atlántica Region, resulting in the provision of more coordinated and better quality services to the population, and better utilization of resources. This model is based on the primary health care strategy, which seeks to strengthen the first level of care and integrate with specialized care as and when required by the needs of the population. The positive results of the implementation of the network are reflected in the CCSS initiative to extend the implementation of the model to the rest of the country.

In addition to these specific successes, the CCSS staff in charge of planning, implementation, and achievement of DLIs recognizes that the arrival of the PforR catalyzed the processes of these improvements in the institution and boosted the political will to achieve them. For example, through initial discussions with the Bank and its team of health experts, priority issues for improving CCSS services were identified and placed on the institutional agenda. At the same time, the joint follow-up and active communication between the two parties has been a great incentive to address barriers to the implementation and timely compliance with the DLIs. Some managers of the interventions covered by the PforR even refer to the fact that without the arrival of the PforR, these institutional breakthroughs would not have been possible.

FACILITATORS

In retrospect, the choice of the PforR as the financing instrument chosen to support the CCSS in the implementation of SASHI was a very wise decision. Some of the most important factors that acted as facilitators are the following:

Existence of a comprehensive strategic program owned by the implementing institution: The CCSS had already developed and had full ownership of the comprehensive program designed to improve the health insurance model that was supported by the PforR, the SASHI. Thus, there was a commitment on the part of the implementing institution (the CCSS) to achieve the indicators agreed upon in the PforR, as there was prior agreement at the institutional level regarding their importance.

Emphasis on results: The CCSS sought, through SASHI, to shift the emphasis from managing program inputs to managing program results and risks. The fact that the funding provided by the PforR functions as an additional operating budget for the CCSS, by disbursing against results at specific times, provides the necessary incentives to achieve results. This, in turn, contributed to improved accountability and cultural change in the organization itself.

Existence of robust national systems: The PforR allowed the Government to use its own national systems in the implementation of the PforR in support of SASHI. World Bank assessments (technical, fiduciary, and environmental and social), conducted during project preparation, confirmed the capacity of the national systems to successfully implement the operation.

Technical assistance from the World Bank and global experience: The PforR was accompanied by technical assistance from the World Bank and exchanges with experts from other countries to support the design and implementation of complex strategic reforms. The combination of financial incentives, with ad-hoc technical assistance provided by the Bank, has made it possible to overcome technical challenges encountered in the path of reforms to achieve the program's objectives.

CHALLENGES ENCOUNTERED AND SOLUTIONS APPLIED

While there is no doubt about the success of the PforR implementation, some factors that acted as challenges in this process are the following:

Difficulties in allocating budget and verifying the scope of process indicators: The emphasis on results meant that compliance with a DLI did not necessarily reflect the implementation of all key processes for the institutionalization of certain changes.

Difficulty in accessing data: There were political challenges in sharing CCSS data with the Bank. This held back the progress of the technical advice provided in the context of the PforR and the achievement of certain relevant reforms related to improving the institutional efficiency of the CCSS. It is relevant for future engagements to work proactively with the CCSS and the Ministry of Health (MOH), to improve the governance of health data with data protection guarantees, which would make the entities feel comfortable sharing data with the Bank.

THE ROAD AHEAD

As mentioned above, the PforR in Costa Rica initiated very relevant reforms in the Costa Rican health sector. Among them, the design of integrated health networks and the reform in the allocation of resources to hospitals and health centers within the CCSS, both of which were initially implemented as pilots by the PforR. The continuation of these reforms will be of great importance to continue to achieve their benefits and generate enormous gains in efficiency and quality of care.

The PforR also led to a change in the CCSS's mentality, focusing on improving care and the need to measure and act based on results. This continues to inform the Institution about the planned reforms, and at the same time, has made it possible to facilitate new agreements and achieve better communication with the MH, an indispensable actor to guarantee the continuity of the projects promoted by the PforR, once it ends.

References

1. World Bank. Project Evaluation Document. Programa por Resultados Para El Fortalecimiento Del Seguro Universal De Salud En Costa Rica Program-for-Results. 2016.
2. Pacheco Jimenez, JF; Alvarado-Prado, R. Health System Financing in Costa Rica. Experiences and options from international evidence. 2022
3. World Bank. Project Restructuring Document - Programa por Resultados Para El Fortalecimiento Del Seguro Universal De Salud En Costa Rica - P148435. 2022.
4. World Bank. Bank Policy Program-for-Results Financing. 2022

The World Bank's Health, Nutrition and Population Knowledge Briefs are a quick reference on key aspects of specific HNP-related topics that summarize new findings and information. They can highlight a problem and key interventions that have proven effective in improving health, or disseminate new knowledge and lessons learned from the regions.

For more information on the topic, visit: www.worldbank.org/health.

Generous funding support for this series of Knowledge Briefs was made possible by The Access Accelerated Trust Fund.