



PLAN NACER: HEALTH INSURANCE FOR THE POOR IN ARGENTINA

Results-based financing secures health insurance and services for the poor

IBRD Results

SYNOPSIS

Drawing upon IBRD funding and expertise since 2002, Argentina has delivered health insurance and secure access to health services to more than one million uninsured pregnant women and children, and has helped drive immunization rates up to 94 percent.

Challenge

Despite a decade of sweeping health care reforms and high per capita health spending, Argentina entered the 21st century with nearly one-third of its population lacking secure access to basic health care. Out-of-pocket spending was high, costing poor families more than 9 percent of household income on average. When economic crisis struck in 2001, poverty rates shot up, more than half of low-income households lost their health insurance, and health outcomes deteriorated sharply among the poor. Infant and maternal mortality in particular halted their long decline and began to rise again. Results were worst in the country's poorest provinces.

Results

The IBRD-supported “Plan Nacer” (maternal and child) health insurance program began in 2004 and has contributed to the following results:

- More than one million previously uninsured pregnant women and children now have basic health insurance and secure access to services.
- The share of expectant mothers in the poorest northern provinces who receive pre-natal consultations by week 20 has risen to 52 percent from 3 percent.
- National immunization rates have reached 94 percent.

- Infant mortality began to decline again and has fallen 20 percent since 2002 (to 13.3 per 1,000), with the fastest improvement occurring in the poorest provinces.

Beyond these outcome and coverage results, the program has positively altered the relationship between citizens and the state, and between provinces and the national government, in the realm of health. By moving from a traditional system based on inputs and fixed budgets to one geared around **outputs and results**, Plan Nacer has **given beneficiaries more influence on service providers**, enhanced **transparency**, increased **accountability of all actors in the system**, and improved **public performance** and productivity.

Approach

Plan Nacer is a free, voluntary, public insurance program that covers uninsured mothers during pregnancy and up to 45 days after delivery, as well as children under the age of six. By focusing on the most vulnerable populations, it directly addresses a root cause of inequities in health. It includes three main design features: an explicit menu of benefits; disbursements linked to achieving agreed targets; and independent external audits to verify service delivery and quality.

The Plan Nacer program is a salient example of the “**health systems strengthening**” approach. Rather than funding more facilities and physical inputs or adjusting existing in-

insurance mechanisms, all of which had failed to adequately address the health problems of the poor, Argentina realized it would need to change the operating culture of its health system, in particular by incorporating **performance incentives** at all levels. At the government's request, IBRD assembled a rapid, sequenced package of support beginning in 2002. **Analytic work** first diagnosed the main causes of the inequity and inefficiencies in the health system and identified options to better meet the needs of the poor. This work highlighted the central role of the provinces in health services, the advantages of linking finance to performance, the need to strengthen public services in areas of particular concern to the poor (especially sexual and reproductive health), and the importance of strengthening federal capacity to make and enforce health policy. The findings of these studies informed **policy discussions** between IBRD and the government, based on evidence and helped to inform the government's thinking as it designed the reforms. IBRD then provided a **policy-based loan** (Provincial Maternal Child Health Sector Adjustment Loan, 2003) to support the institutional changes that would form the foundation for the reforms. These included the adoption of a federal health plan, strengthening the council where federal and provincial health authorities coordinate, the creation of provincial management units, and a public information system, and development of a system to identify and enroll the uninsured.

With these foundations in place, IBRD approved a \$135.8 million **investment loan** in 2004 to support the roll-out of the program into the nine poorest provinces. This loan was expected to be the first of three phases working toward nationwide coverage, but ultimately the program proved so successful that it was accelerated to reach the country's remaining 14 provinces with the support of a second loan (for \$300 million) in 2006. Besides project finance, both loans have embodied **substantial technical support** and sustained dialogue by IBRD staff and management. For instance, the projects have financed several studies relevant to strengthening the leadership and oversight roles of the health ministry, as well as impact evaluation analyses, staff training, and fiduciary technical assistance.

The program has created a “**cascade of incentives**” carefully tailored to encourage each level of the health system



to take the right steps to improve coverage, quality, and results. Legally-binding management agreements between the National Ministry of Health and the provincial governments, and between provincial governments and healthcare providers, outline their respective roles and responsibilities and hold parties accountable as follows:

- **The National Ministry of Health:** (i) provides funds to the provinces against enrolment progress and attainment of each of ten targets, which include both coverage and quality measures; (ii) sets the basic quality standards for service delivery; and (iii) supervises the provinces' compliance with standards and accountability.
- **The provincial governments:** (i) identify the target population; (ii) enroll members into the program; (iii) contract health service providers to deliver the basic package of services; and (iv) establish Provincial Insurance Units to manage the Program.

➤ Healthcare **providers** provide a specified package of cost-effective activities, while increasing quality to attract the beneficiary population. Provincial units reimburse the providers on a fee-for-service basis, which the providers can then invest as they see fit to improve productivity and quality.

Targets are negotiated annually with each province. This is crucial because it allows a province with a weaker health system to aim for a less ambitious target than better-off provinces. Accomplishment of each target is all-or-nothing, so the province has a strong incentive to reach as many as possible. If a target is not met, there is no payment for it. IBRD funds are provided only upon verification that targets have been met. By late 2009, most program **goals had been reached or exceeded**.

In addition to financial incentives, **innovative auditing approaches** are incorporated. Internal audits verify the work performed, while independent external auditors provide detailed reports to the National Ministry of Health every four months. The feedback from the audits and management reports is used to correct any mismanagement, break bottlenecks, and improve the program's functioning.

The program informs and **empowers beneficiaries** by making their satisfaction integral to the incentives of service providers. If beneficiaries do not use the services, providers are not paid. Beneficiaries are also informed and encouraged through public awareness campaigns, including cards that describe user rights, information from health care providers, user satisfaction surveys, education on monitoring children's health, mass communication by radio and other media, and promotion by health agents. Unlike prior services, Plan Nacer services are explicitly characterized as rights. This creates a dimension of **social accountability** to complement the more formal accountability provisions under the program.

The new mechanisms in Plan Nacer have locked in many important institutional changes and extended them beyond the scope of the program to other parts of the health sector. The availability of **detailed and reliable clinical and program data** has been important in monitoring and evaluation. Effective participation and active **communication**

between national and provincial governments have made policy-making and program implementation more efficient compared to other traditional programs, while enhancing accountability and transparency. Insurance-based billing and reimbursements have not only extended services to the poor, but have enhanced **governance and financial independence** of health care providers compared to others not enrolled in the program. The results-based financing led by the National Health Ministry has improved its **stewardship and governance** of provincial governments in health. All of these changes were funded by just over \$50 million in annual investment by IBRD.

Next Steps

IBRD continues to support Argentina in its efforts to achieve the Millennium Development Goals and its own national health goals. It is now supporting efforts to update and improve the basic health package and to expand Plan Nacer to cover other population groups and services. The World Bank has also provided technical assistance to enhance the Health Ministry's leadership and management capacity.

Although many challenges persist, the program has achieved significantly better health service outcomes and major institutional improvements. Since these services directly influence maternal and child health, the program has also likely contributed to improved health outcomes. A rigorous impact evaluation is still underway, but recent data analysis for one province (of 400,000 consultations provided by the public health care facilities from 2007 to 2008) shows that being a Plan Nacer beneficiary is associated with a 0.6 centimeter increase in height in children younger than 12 months. This is preliminary evidence that the Plan has had a large effect on child development.

In the future the program will build on this success by (i) strengthening financial sustainability when larger contributions from the provinces become necessary; (ii) strengthening the links between primary health care centers and hospitals; (iii) including more complex health activities in the service package; (iv) developing further incentive mechanisms at the health facility level; and, finally, (v) improving



health indicators to monitor results under the national monitoring system. The next phase of IBRD lending will support all of these processes.

Good Practices Developed/ Replicated

The Plan Nacer program has demonstrated that reducing inequities in access and use of healthcare, enhancing accountability of public services, and improving the effectiveness of social financing is possible through programs with defined services, outcome-based funding, and a focus on target populations. Argentina has already applied this approach to essential public health functions (with a US\$220 million IBRD loan), and the model has been adapted with IBRD support for use in health or other social services by

a number of other countries in the region: the Dominican Republic, El Salvador, Guatemala, Honduras (pending), Panama, and Peru (pending). Outside the region, Argentina has also shared this model with Egypt, South Africa, Turkey, Ukraine, among other countries.

LEARN MORE

MULTIMEDIA

Explanation of program with interviews (in Spanish with English subtitles)

http://www.youtube.com/worldbank#p/a/u/2/GAyF-jtnz_4

Explaining the plan nacer project:

<http://www.youtube.com/watch?v=UvB7Kcjq1NY&translated=1>

<http://www.youtube.com/watch?v=0JerZom6efY&translated=1>

A short ad encouraging use of the system (using iconic Argentine football imagery):

<http://www.youtube.com/watch?v=oriLLjBgwww&feature=related>

Provincial health ministry messages

<http://www.youtube.com/watch?v=bmVPEs8SJXA&feature=related>

http://www.youtube.com/watch?v=_sF81FsYuX8&feature=related