

The PPP with CHAM

CHAM

Outline

- PPP and objectives
- CHAM situation vs SLA impact
- Clearing debts
- SLA way forward
- Conclusion

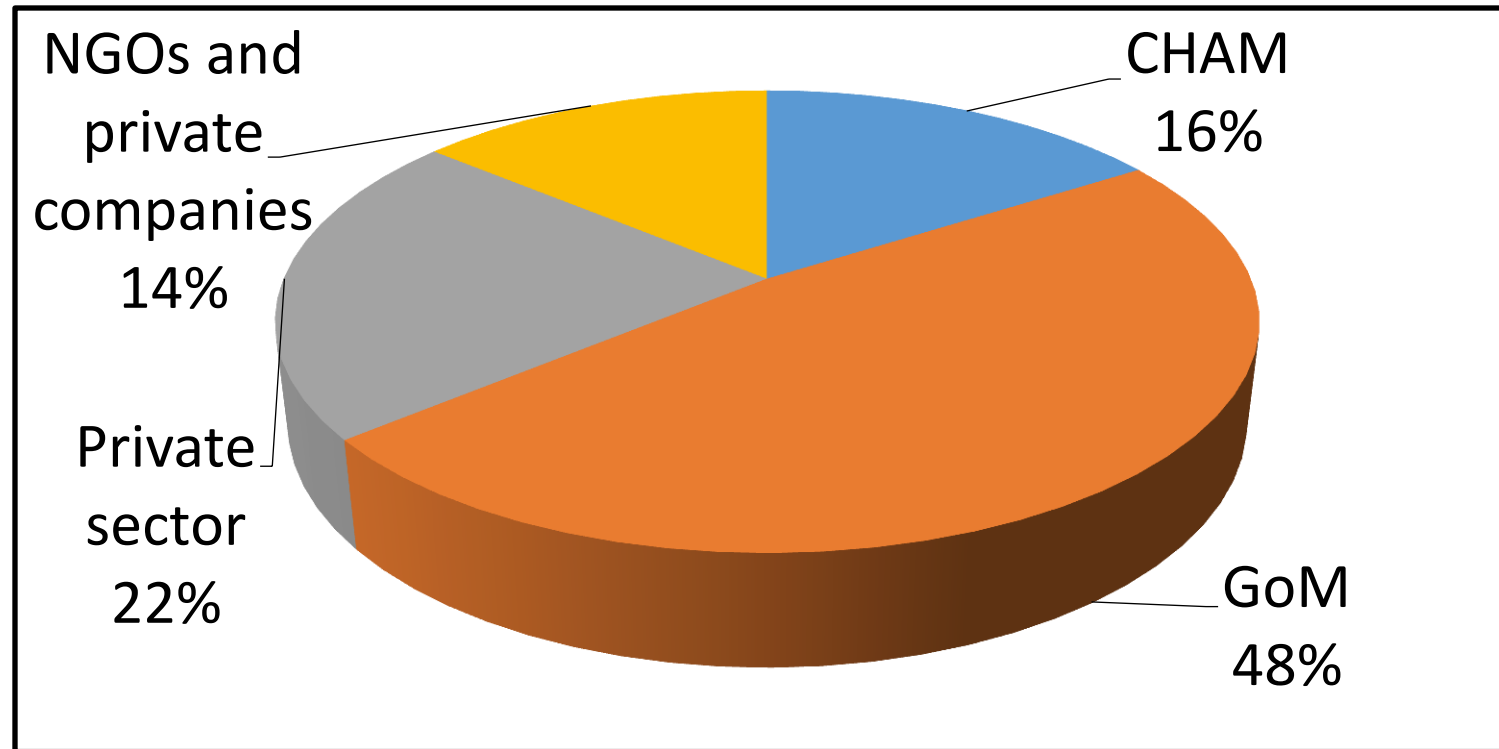
Public Private Partnership (PPP)

- Government of Malawi introduced PPPs arrangements to improve effectiveness and efficiency of financing
- PPP arrangements are governed by the 2010 PPP Act.
- In response to the 2010 PPP Act, MOH developed a PPP Strategy, which is managed through a PPP Unit within the Department of Planning and Policy Development (DPPD).
- PPP committee was formed

Objectives of health PPPs

- Improve access to health services esp. to underserved
- Create cost savings for the MoH and improve efficiency of health services
- Align private health sector investment and activities to national health priorities
- Encourage a greater role of private sector in health
- Foster complementarity and coordination of resources in health sector

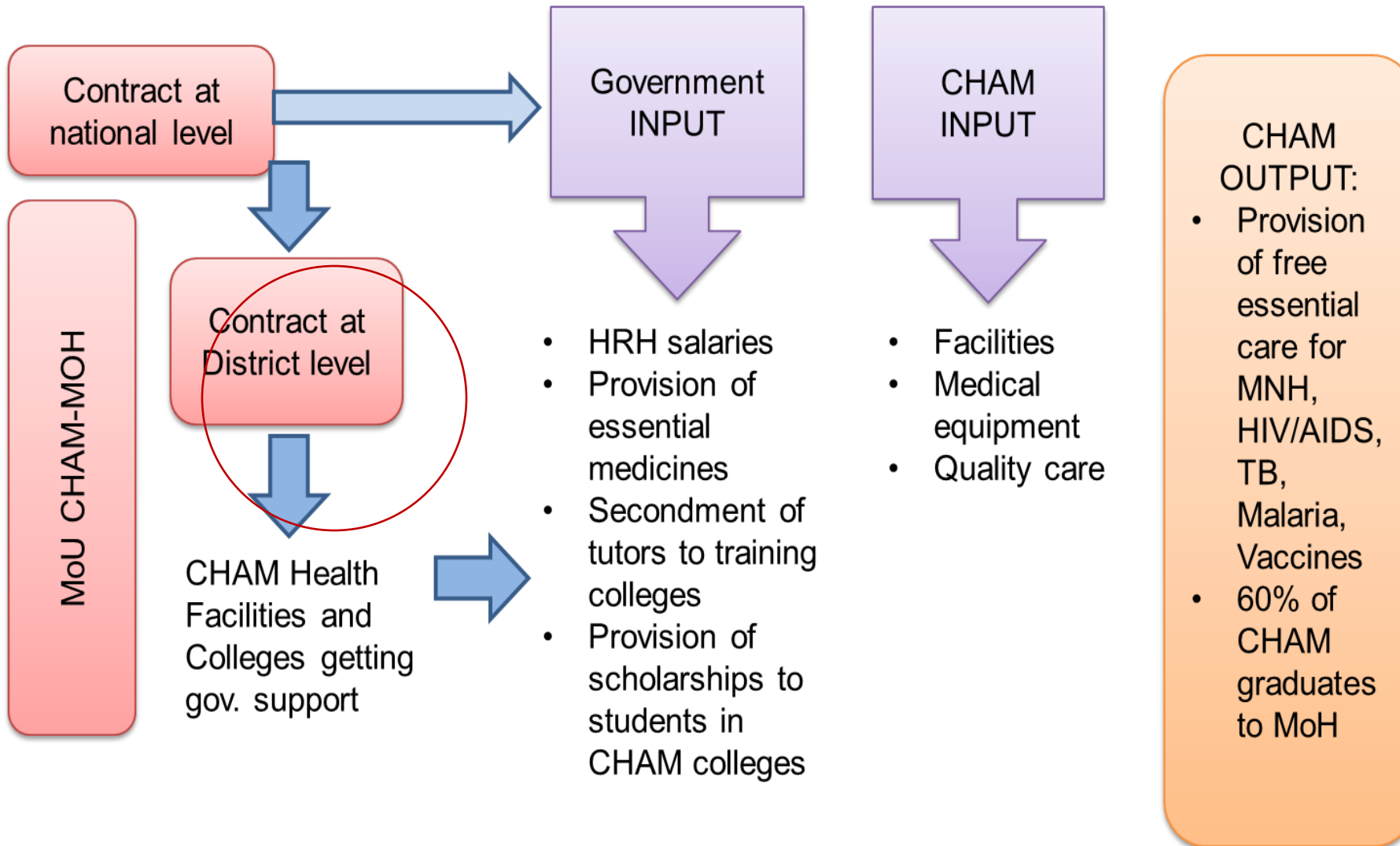
CHAM contribution - Health facilities availability options



→ CHAM = significant provider of health services, especially in underserved areas.

→ CHAM owns a large share of hospitals in Malawi (40 CHAM hospitals vs. 51 Government hospitals).

MOH – CHAM Relations in the old MOU



SLA Impact

- SLAs have significant impact on service access and use (outpatients/admissions ratio)

Average per facility per year:	OPD 11/12 until 13/14	Admissions 11/12 until 13/14	Ratio OPD/Adm.
CHAM with SLA	9,300	1,942	4,7
CHAM no SLA	8,916	485	18,3
Government	28,932	1,512	19,1

SLA impact

- Substantial difference in ANC and SBA where active SLAs

Facility	Indicator	Annual Average <u>without</u> SLA	Annual Average <u>with</u> SLA
Mzambazi HC	ANC first trimester	4	35
	ANC total visits	1400	2100
	Live births	22	33
Koche HC	SBA deliveries	67	115
Malamulo HC	SBA deliveries	49	132
Pirimiti HC	SBA deliveries	62	154
	ANC total visits	442	633



New MOU

The new MOU between CHAM and Ministry of Health (MoH) was implemented from 01st July, 2016.

Implementation of the SLA's under this arrangement has not yet fully started.

The major initiatives taken so far include;

- Review of SLA guidelines, Contract template and performance indicators.
- Clearing of Outstanding SLA debts Progress

SLA Implementation status



Total number of CHAM facilities in the new MOU	175
Number of CHAM facilities eligible for SLA in new programme	121
Total number of facilities with SLA (active, suspended and terminated)	80
Number with active SLA	54
Number of SLA's suspended	23
Number of SLA's terminated	3
Number of SLA facilities on ADRS	10
Number with active SLA's but not signed officially	3



Clearing of Outstanding SLA debts Progress

- Payment of SLA debts predating June 2015
 - Debts were estimated at **MK296 million**.
 - No single payment has been made yet.
 - MoH is still committed & are sourcing funds to settle this debt.
 - Initially requested for a waiver from ADB to use the remaining SLA funds- response was negative



Clearing of Outstanding SLA debts Progress

- Payment of SLA debts invoices from **June 2015-February 2016**.
 - Debts were estimated at MK126 million
 - Invoices submitted amounted MK 217.242 million
 - Currently paid MK166,340,947.34 (77%) with ADB funds.
 - Remaining with MK50.901 million (23%).
 - payment process started in January, 2016 and still in progress
 - However, there is a break in payment since May, 2016
 - *The funds in the Operating cost account have to be replenished.*
 - *MoH was liquidating the account and has requested for more funds.*



Clearing of Outstanding SLA debts Progress

- Challenges experienced in the process
 - Delayed payment of the invoices
 - Missing invoices
 - Wrong payee
 - General church names dominating the invoices
 - Delayed collection of the issued cheques by facilities



Payment of March to June, 2016 SLA invoices

- These will be paid centrally by MoH - using ADB/HSJF remaining funds.
- CHAM secretariat is consolidating and will submit to MoH for payments.
- However, the payment process will require at least 35 days for the first payment to be effected by MoH.
 - The challenges of delayed payments may resurface due to the lengthy process.
- *To curtail the process, A request was made to MoH that CHAM handle the payments of the March to June, 2016 invoices as well.*
 - *Response was positive.*



July 2016 onwards

- CHAM will do monthly consolidation of invoices and submit to HSJF/MOH after verification by Fiscal Agent
- One Cheque will be written to CHAM which will transfer funds into individual facilities' bank accounts.
- New SLA ceilings are almost complete and will be submitted to MOH/HSJF for approval before DHO and facilities sign new MOU
- CHAM proposed setting up SLA management unit to MOH/HSJF- *apparently waiting for response*

Conclusion & Way forward

- The program is estimated to benefit an estimated population of 2,679,860 people under CHAM facilities catchment area.
- However some of the anticipated challenges in rolling out this new programme includes;
 - Lack of interest to engage in SLA's by the facilities and DHO's .
 - Due to accumulation of SLA debts in the old programme,
 - Uncertainty of SLA funds allocated to districts
 - Sustainability of donor funding.