

ABOUT THE NEWSLETTER...

The idea for *Reform in Motion* was conceived from the need to produce an information bulletin for the Latin America and Caribbean Regional Health Sector Reform Initiative (the "Initiative"). **The newsletter is published by the Pan American Health Organization (PAHO) in consultation with the other "Partners" of the Initiative, namely, the United States Agency for International Development (USAID), Partnerships for Health Reform (PHR), Data for Decision Making (DDM), and Family Planning Management Development (FPMD).**

The purpose of the Initiative is to provide regional support to national processes of health sector reform (HSR), with the aim of promoting equitable access to basic health services in Latin America and the Caribbean (LAC). The newsletter supports this goal by actively disseminating information about HSR and the development of the Initiative, by helping to raise the profile of country sector reform to diverse audiences, and by promoting networking among institutions and individuals engaged in health reform.

The title *Reform in Motion* reflects the concept that reform is a dynamic process that is continually evolving. The contents are organized into six sections to highlight the multiple dimensions of the work of the Initiative. The *Editor's Page* contains editorial and invited commentaries pertinent to the Initiative. The *Feature Section* gives prominence to topics of special interest in health sector reform. *Health Reform Toolbox* demonstrates the usefulness of tools and methodologies developed by the Partners. *Spotlight on Initiative Activities* gives an account of events that address important issues in sector reform. *Country Chronicle* focuses on specific reform related activities in LAC countries. Finally, the *Resource Guide* provides information about resources and services that can be accessed and used by interested parties.

We hope you will find the newsletter both informative and interesting and we look forward to your support and feedback. ♦

REFORM IN MOTION

A Bulletin for the Dissemination of Information on Health Sector Reform in Latin America and the Caribbean

EDITORIAL: RE-ENGINEERING HEALTH SYSTEMS—AN AGENDA FOR CHANGE

In the Region of the Americas, the term *health sector reform* has been used to describe a process aimed at introducing substantive changes into various health sector functions, in order to increase equity in health benefits, efficiency in management and effectiveness in implementation, thereby meeting the health needs of the population.

The countries of the Americas have identified five guiding principles for the reform process: equity, efficiency, quality, sustainability, and social participation. All bring objectives that help to determine the direction of planned or current reforms.

Over the past decade, countries throughout Latin America and the Caribbean have been introducing reforms in the health sector, but the nature of the reforms is highly diverse, and significant variations have been observed in the dynamics and contents of the incorporated changes. These changes can profoundly influence how basic health services are provided and who receives them, and countries are pursuing the development of systematic mechanisms for analyzing the processes and evaluating their consequences.

As the 20th century draws to a close, many countries in the Region continue to face similar problems with inequitable access to basic

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Photo: Closing ceremony of the Sub-regional Andean Forum on Health Sector Reform, Bolivia, 5-6 July, 1999. From left to right: Dr. Daniel López-Acuña, Director, Division of Health Systems and Services Development, PAHO; Dr. Armando López Scavino, PAHO Representative (Acting), Bolivia; Dr. Freddy Terrazas, Prefect, Santa Cruz de la Sierra, Bolivia; Dr. Guillermo Cuentas Yañez, Minister, Ministry of Health and Social Security, Bolivia; Dr. José Heinicke Bruno, Vice Minister of Health, Bolivia; Ms. Karen Cavanaugh, Health Systems Advisor and LAC HSR Initiative Coordinator, USAID.

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HEALTH SECTOR REFORM AND PAYMENT MECHANISMS

The identification and implementation of payment mechanisms to institutional providers constitute a major component of the processes of reform that are taking place in the health sector in the Americas. Certain sets of incentives and levels of financial risk are implied in each mechanism of payment. These are factors that determine provider behavior and therefore affect final outcomes. These mechanisms have a direct impact on the performance of health systems and services, not only in terms of achieving some of the declared objectives of sector reform, but also the goals of efficiency, quality and the possibility of cost containment.

FINANCING BY ANNUAL BUDGETS

The majority of public hospitals in Latin America and the Caribbean are financed by annual budgets that are centrally determined. Establishments financed in this manner do not have incentives to become more efficient, control costs or improve quality. There are no rewards for functioning effectively, nor are there penalties for deficient management.

FEE-FOR-SERVICE PAYMENTS

Choosing a fee-for-service payment mechanism for hospital reimbursement also has its advantages and disadvantages. If payments generated are more than what is needed to cover costs, hospitals do not have incentives to control costs or eliminate unnecessary services. Under this type of regimen, we can expect to see a profuse and drastic escalation of diagnostic services, compared to regimens with other payment mechanisms. We can also predict that the total expenditure for medical care will increase.

PAYMENT BY PROCEDURE

The option of a system of payment by procedure has strong incentives for controlling costs and improving efficiency. A global payment is made to the hospital for treating a patient with a specific procedure. The payment covers the days of hospitalization, operating room time, the physician, the nurse, laboratory services, medicines, diagnostic tests and hospital administrative costs. This form of payment generates strong incentives for becoming more efficient because the hospital can keep any surplus. It turns out to be especially effective in environments where indi-

vidual physicians who work in hospitals can be compensated for their performance. There are huge incentives to control costs, but few incentives to promote ambulatory care or to innovate by developing new procedures for treating a given diagnosis.

PER-DIEM PAYMENTS

The alternative of paying hospitals a fixed amount per day can lead to an escalation of costs and to the inappropriate use of resources. The first days of any hospital stay are generally the most expensive and hospitals might recuperate costs by leaving patients hospitalized longer than necessary.

DIAGNOSIS-RELATED PAYMENTS

Endorsing payments related to specific diagnoses can generate strong incentives for cost control and for improving efficiency. Hospitals receive a total amount for treating a patient with a specific diagnosis. Similar to the payment mechanism based on procedures, the diagnosis-related payment mechanism covers all the services that the patient needs while he/she is in the hospital. In addition, diagnosis-related payments encourage hospitals to develop more cost-effective procedures for dealing with specific diagnoses.

Finally, what needs to be emphasized is a concept that is fundamental to the development of provider payment mechanisms that can contribute to the achievement of specific objectives of health sector reform. Both the quantity and the quality of services are affected by ways in which providers are compensated. Therefore, changes in payment mechanisms can have a significant impact on the incentives created within a health system. ♦

DECENTRALIZATION STUDIES:

"DECISION SPACE" AND PERFORMANCE

Decentralization is a major part of many new policies of health reform but the crucial elements of effective decentralization are still poorly understood.

direction of Thomas Bossert, has developed a unique approach to the evaluation of decentralization of health systems. This approach, called the Decision-Space Approach, focuses on defining the range of choice (narrow to wide) over a specified series of functions (financing, service organization, human resources, targeting and governance) that are allowed to local decision-makers (*see Table*). It attempts to determine the kinds of innovative choices that local officials make within this formal authority and then to evaluate the performance of the decentralized system. For instance, if a local government adds its own resources to the health system, do these new resources improve the equity, efficiency, quality and financial soundness of the local system?

Using this approach, the Project has chosen local teams of researchers in Chile, Bolivia and Colombia to implement applied research evaluations of these important experiences in decentralization. Each system is significantly different. The "decision space" allowed to local decision-makers varies from country to country and changes across time. For example, in Bolivia, local municipalities are allowed to decide how much of the central government funding is to be allocated to the health sector, while in Chile they have no choice over central funds but can apply locally generated taxes to health. It is also important to note that Chilean "decision space" over human resources was greater in the 1980s than in the mid to late 1990s, after a new law restricted hiring, firing and salary choices.

Preliminary findings from these studies suggest that decentralization has not produced significant changes in performance—it is not the panacea that advocates have claimed nor is it the disaster that detractors suggest. However, there are some key lessons that are important for the design and implementation of decentralization. Inequalities of spending among municipalities can be modified by the development of equalization funds like the Municipal Common Fund in Chile. In Bolivia, where there is less ability to enforce the rules of decentralization, better performance at the local level is the result of individual initiatives of particularly motivated officials. Municipalities without this leadership tend to suffer. This suggests that the institutional capacity of the state may condition the effectiveness of decentralization and that more attention to control and monitoring needs to accompany decentralization in states with weak enforcement capacity.

When the studies are completed, seminars will be held in each country to present the findings. An international seminar to present a synthesis report on all three countries is planned for Washington D.C. Guidelines for policy choices about decentralization and for implementing country assessments based on the decision-space approach will be developed. In addition, case materials will be prepared for a book on teaching decentralization. The approach was published as an article in *Social Science and Medicine* and is being incorporated in the World Bank Flagship Course in Health Reform. ♦

As part of the LAC Initiative for Health Sector Reform, the Data for Decision Making Project at the Harvard School of Public Health, under the

the evaluation of

Functions	Range of Choice		
	Narrow	Moderate	Wide
Finance			
Sources of Revenue			→
Allocation of Expenditures			→
Income from Fees and Contracts			→
Service Organization			
Hospital Autonomy			→
Insurance Plans			→
Payment Mechanisms			→
Contracts with Private Providers			→
Required Programs/Norms			→
Human Resources			
Salaries			→
Contracts			→
Civil Service			→
Access Rules			
Targeting			→
Governance Rules			
Facility Boards			→
Health Offices			→
Community Participation			→

THE LAC NETWORK FOR NATIONAL HEALTH ACCOUNTS

Newspapers from around the world frequently report strikes by health care providers, shortages of ambulances, or stories about people unable to obtain health care. Although governments try in earnest to resolve these issues, the underlying problems affecting national health systems are highly complex. Lack of accurate information on health sector financial resources further complicates the situation. Partnerships for Health Reform (PHR) and the Pan American Health Organization (PAHO) have introduced National Health Accounts (NHA) as an analytic tool to obtain this type of financial information and disseminate it to LAC technical teams and policymakers.

NHAs gather national health financing and expenditure data about public and private health services, map the way financial resources for health are generated and spent, track expenditure flows, and link the sources of funds to service providers and end users. This information is indispensable for policymakers who determine resource allocation in the health sector.

While individual countries have addressed these issues on their own, there are significant benefits from cross-country collaboration in the development of NHAs. Between April 1997 and July 1998, PHR and PAHO brought together technical teams from eight countries to form the LAC/NHA network. Three regional workshops provided these teams with the opportunity to learn about the NHA methodology, formulate a regional conceptual framework, establish comparable definitions and data sources, and collaborate in solving problems encountered when developing their individual accounts. The countries involved were Bolivia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, and Peru. Technical representatives from Haiti, Jamaica and Honduras attended the third regional workshop to familiarize themselves with the NHA methodology and learn how to use NHA data.

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ILLUSTRATIVE RESULTS FROM NHA ANALYSES IN LAC NETWORK COUNTRIES

Bolivia: Households constituted 31% of total spending. The bulk (91%) of this expenditure was managed by households, and a large share of it (59%) was spent on pharmaceuticals. This indicates unmet needs for pharmaceuticals at government and social security facilities where drugs are dispensed free of charge, along with medical services.

Ecuador: While overall health spending was divided evenly among primary (33%), secondary (30%), and tertiary (37%) care, household spending was heavily biased towards primary (43%) and secondary (51%) care.

El Salvador: Households were the largest contributors (53%) to national health spending and 40% of household spending came from families living in poverty.

Another PHR/PAHO collaboration in 1999 brought international donors, regional policymakers and technical staff from eleven LAC countries to a seminar in El Salvador. This seminar focused on national efforts to institutionalize NHA, as well as the need to increase the policy relevance of NHA results, incorporate them into policy formulations, and communicate them effectively to policymakers within the LAC region. Participants highlighted the usefulness and benefits of

NHAs for health sector planning, as well as the necessity of addressing the specific technical needs of national NHA teams as they continue to implement NHAs in their respective countries. ♦

STRENGTHENING ORGANIZATIONAL CAPACITY TO PARTICIPATE IN HEALTH SECTOR REFORM: USING THE MANAGEMENT AND ORGANIZATIONAL SUSTAINABILITY TOOL (MOST)

HISTORY

Based on the Institutional Development Framework developed by FPMD, MOST is comprised of key management components and the corresponding characteristics of their stages of development. MOST helps organizations focus on the actual characteristics of their management, identify strategies for improvement, and set priorities for their management development efforts.

MOST has been used in Brazil, Eritrea, Haiti, Paraguay, Tanzania, the United States and Zambia in family planning organizations, public sector service delivery sites, community based organizations, non-governmental organizations (NGOs) and HIV/AIDS programs. As a result of these experiences, the original instrument has been successfully modified to fit a given context.

STRUCTURE

- Three to four day workshop with an external facilitator.
- Approximately 12-25 participants comprised of a cross-section of staff and board members of varying levels of responsibility (senior staff, central level staff, service providers, etc.).

One of the strategies of the LAC Health Sector Reform Initiative is to strengthen the capacity of organizations to meet the challenges of health reform by improving management practices and systems. In order to support this strategy, the LAC HSR Initiative has disseminated and applied the Management and Organizational Sustainability Tool (MOST), through the Family Planning Management Development Project (FPMD) of Management Sciences for Health (MSH). The MOST package is designed to facilitate management self-assessments and to support development of management improvement strategies.

PROCESS

- Individual and collective experiences are shared as a first step.
- Consensus is then created.
- End products are a snapshot of the current management status of their organization and an action plan for ongoing management development.

BENEFITS

- Provides a framework and starting point for an organizational discussion regarding management practices.
- Open process validates contributions of each participant.
- Participants are encouraged to express their views, and to listen carefully to their colleagues.
- Seeks consensus on where the organization stands in the key management areas, where it should be, and how to get there. ♦

HEALTH SYSTEMS AND SERVICES PROFILES & THE MONITORING AND EVALUATION OF HEALTH SECTOR REFORM

The capacity to monitor and provide feedback on health sector reform processes is a critical component of the LAC HSR Initiative. To accomplish this, PAHO developed a framework to collect relevant country data and to evaluate the progress of reform efforts in LAC. This framework now forms the basis for monitoring sector reform within the “Country Profiles on Health Systems and Services.”

The Profiles are prepared according to guidelines that make them objective, concise and easy to update. Both content and format are designed to facilitate their use by decision-makers at the national or sub-national levels, and for international comparisons. Each Profile systematically describes and analyzes the structure and dynamics of the national health services system, including reforms that have been introduced. Only topics considered essential for constructing the Profiles are included. Detailed analyses of other subjects are left up to the discretion of the countries using the Profiles.

Since October 1997, when the first version of the framework was drafted, the methodology had been revised and applied to all Initiative target countries, as well as other countries in the Region, to establish a baseline for monitoring reforms. Updated versions have subsequently been produced – with 18 country profiles already completed between August 1998 and July 1999, and accessible through the web, in English and either Spanish or Portuguese. A comprehensive review of the guidelines for preparing the Country Profiles is planned for the end of 1999. These revisions represent ongoing collaboration between professionals from PAHO and their national counterparts to track substantive changes within the health sector.

LESSONS LEARNED FROM MONITORING THE DYNAMICS AND CONTENTS OF REFORM PROCESSES

BENEFITS

- Data that might otherwise be lost or remain fragmented is systematically captured.
- The information compiled facilitates discussions on Health Sector Reform (HSR) in multidisciplinary settings and allows in-depth evaluations of HSR in many countries.
- Country Profiles are accessed and found to be helpful by different audiences.

FUTURE NEEDS

- Analyze information at the regional level.
- Increase involvement of national counterparts.
- Develop in-depth analysis of particular issues.

PRELIMINARY RESULTS FROM EVALUATION OF AVAILABLE DATA ON REFORM OUTCOMES

POSITIVE TRENDS

- Diminishing the gap in coverage of some basic health services.
- Introducing more efficient mechanisms for allocating resources.
- Increasing social participation at different levels of the health system.

NEGATIVE TRENDS

- Absence of substantial impact on improving inequities in resource distribution.
- Lack of evidence that reforms have increased effectiveness and quality in public health facilities.
- No apparent correlation with furthering social legitimacy and financial sustainability in existing health programs.

ONGOING REQUIREMENT

- Enhance availability of information on equitable access and utilization of health services.

As reform processes continue to make headway in the Region and more Profiles are completed, conclusions could change. An integrated process of application, feedback and revision of this tool helps to maintain up-to-date profiles that are useful to health authorities, professionals, consultants, NGOs, researchers and academicians in the countries. ♦

Spotlight on Initiative Activities

TECHNICAL ADVISORY AND CONSULTATIVE MEETINGS

TECHNICAL ADVISORY GROUP (TAG) ADVOCATED GREATER “SOUTH-TO-SOUTH” (LAC-BASED) EXCHANGES AND WORKING MORE WITH LOCAL INSTITUTIONS.

A group of international experts met with LAC Initiative steering committee members in Virginia in April 1999, to provide feedback on how the Initiative can plan its activities to most effectively support regional reform processes. TAG members endorsed a number of strategies for strengthening regional capacity building including:

- Working in partnership with LAC training centers to develop an “intensive course” on health sector reform.
- Collaborating with LAC research institutions to conduct studies on priority topics.
- Organizing more study tours for target countries to share reform experiences.
- Using case studies and regional workshops to develop and disseminate tools.

EXPERT CONSULTATIVE MEETINGS PROVIDED VALUABLE FEEDBACK TO ENRICH THE FRAMEWORK FOR MONITORING HEALTH SECTOR REFORM PROCESSES.

Experts from LAC countries, international agencies and academic institutions met in Washington D.C. in May 1998 and in April 1999, to review the indicators and variables used in the methodology. Their contributions were used to assist in the following:

- Describing and analyzing the *dynamics* of reform, i.e., the characteristics of different phases in the reform process and the principal actors involved.
- Monitoring the *contents* of reform, including the various strategies designed and actions taken with respect to key areas of the health reform process.
- Evaluating the *results* of reform, or the extent to which the reform process can improve equity, efficiency, quality, sustainability and social participation. ♦

REGIONAL/SUB-REGIONAL FORUMS AND WORKSHOPS

A SUB-REGIONAL ANDEAN FORUM ON HEALTH SECTOR REFORM FOCUSED ON THE CHALLENGES TO GOVERNMENTS POSED BY THE EMERGENCE OF NEW TRENDS AND PLAYERS IN THE HEALTH SECTOR.

High level national delegates from Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela gathered in Santa Cruz, Bolivia in July 1999 to share experiences and exchange ideas. Participants analyzed the situations in their own countries and proposed agendas for action in the following areas:

- The role of the State and the separation of functions in financing, insurance and health services provision.
- The steering role of Ministries of Health and the need to strengthen regulatory capacity and exercise leadership in essential public health functions.
- The problems of providing universal coverage with different health insurance models.
- The monitoring of the processes of health sector reform.

A REGIONAL FORUM ON PROVIDER PAYMENT MECHANISMS EXAMINED THE IMPACT OF ECONOMIC INCENTIVES ON PROVIDER BEHAVIOR AND SERVICE DELIVERY.

Representatives of institutions that have to deal with the dynamics of the relationship between payers and providers of health services spent two days in Lima, Peru in November 1998 to review the current thinking on payment methods. They proposed a simple analytical model for characterizing different types of payment systems for physicians and hospitals, using the following criteria to evaluate each mechanism:

- Unit of payment
- Characteristics and foreseeable effects
- Basic economic incentive
- Relation to efficiency
- Distribution of financial risks
- Relation to quality
- Possibilities for public action

REGIONAL TECHNICAL WORKSHOPS ADDRESSED THE NEED FOR STRATEGIES TO ENSURE THE SUSTAINABILITY OF NATIONAL HEALTH ACCOUNTS IN LAC COUNTRIES.

National Health Account (NHA) teams from participating countries attended two workshops—one in the Dominican Republic in June 1998, and the other in El Salvador in May 1999—to articulate and develop plans for the successful continuation of NHA activities. Two foci of activities were targeted:

- Institutionalization of national health accounts that would enable LAC countries to develop long term capability for implementing NHA activities on a systematic and regular basis.
- Linking national health accounts to the policy process to demonstrate how NHAs have the potential to inform policymakers on key policy issues and hence ensure viability. ♦



Photo: Delegates from Initiative countries listening to a Study Tour lecture on the Health Sector Reform Process in the San Miguelito Region of Panama.

STUDY TOURS

ANALYSIS OF HOSPITAL AUTONOMY AND REGIONAL DECENTRALIZATION IN PANAMA: A STUDY OF THE SAN MIGUELITO PROJECT

PAHO led two study groups to Panama—the first group made up of delegates from Bolivia, Dominican Republic and Nicaragua went in March 1999; the second group from El Salvador, Honduras and Jamaica went in May 1999.

Participants visited different sites within the San Miguelito Health Region, which lies in the metropolitan area of Panama City. Sites visited included the Ministry of Health, the San Miguel Arcángel Hospital, the San Miguelito Health Center, polyclinics and health promotion centers. Lessons learned included:

- The importance of political consensus in the success of reform projects as demonstrated by the strategic partnership between the Ministry of Health and the Social Security Institute.
- Accomplishments and problems encountered with the separation of the financing, purchasing and provision of health services.
- Benefits associated with increased management autonomy of the public hospital, strengthening of primary care services, and increased community participation in health matters.

ANALYSIS OF THE ADMINISTRATIVE, FINANCIAL AND MANAGEMENT ASPECTS OF HOSPITAL REFORM IN COLOMBIA: LEARNING FROM COLOMBIA'S EXPERIENCE

PHR led two study tours to Colombia—Bolivia, Dominican Republic, Ecuador, Guatemala and Paraguay participated in February 1999; El Salvador, Honduras, Nicaragua and Peru participated in April 1999.

Participants visited eight hospitals in Bogotá and Medellín and achieved three principal objectives:

- Gaining a solid understanding of the Colombia hospital reform experience.
- Using this knowledge to implement new hospital reform policies and programs in their countries.
- Creating a network for continued collaboration with LAC Region professionals working in health sector reform. ♦



Photo: Study Tour participants learn about the standardization of procedures for hospital room cleaning services from staff at Hospital Pablo Tobón Uribe, Medellín, Colombia.

Country Chronicle

COUNTRY HITS & BYTES

An Analysis of Visits to the Clearinghouse by Initiative Target Countries

WHO IS VISITING THE CLEARINGHOUSE?

Between February 1998 and August 1999, at least 68% of hits originated from international sites that spanned the globe from Canada to New Zealand, including countries in Central & South America, the Caribbean, Europe, Africa, the Middle East and Asia. Among country-specific hits, 11 out of the 13 Initiative target countries were among the top 50 users, with Mexico registered as the heaviest user by far. Figure 1A shows the number of hits registered by each of the target countries.

Given the variations in population size between countries, a weighted average was developed. Figure 1B shows access by the average number of hits per one million of population. With these adjusted figures, the Dominican Republic took the lead, with Nicaragua a distant second, followed closely by Mexico and Peru.

WHERE ARE THE CLEARINGHOUSE VISITS DIRECTED?

Spanish language pages were more frequently accessed and accounted for nearly 78% of the total number of page hits. The Spanish Thesaurus received the greatest number of hits. (See Figure 2 on next page.)

Of the country profiles, *html* was the format most frequently used. As of January 1999, the *pdf* format was introduced as an option for viewing files. It remains to be seen which medium will turn out to be more popular over the long run.

WHEN IS THE CLEARINGHOUSE BEING VISITED?

A fairly consistent utilization pattern registered across months, days and hours, with an overall growth trend in utilization from 1998 to 1999. Peak access registered in October/November 1998 and March/April 1999. Access averaged 630 hits per day during weekdays and around 425 hits on the weekends. The pattern of access appeared fairly steady throughout the month, with the exception of noticeably fewer hits on the last day of the month. Peak hours of access clustered between 12 noon and 9 p.m. (Eastern Standard Time). (See Figure 3 on next page.)

Since the Web site was launched in February 1998, nearly 300,000 page hits have been recorded and total bytes transferred have exceeded 2.3 billion. Average hits per day have increased by 52% and bytes transferred have increased by 220% over the last six months.

Figure 1A: Web Site Access by Number of Hits

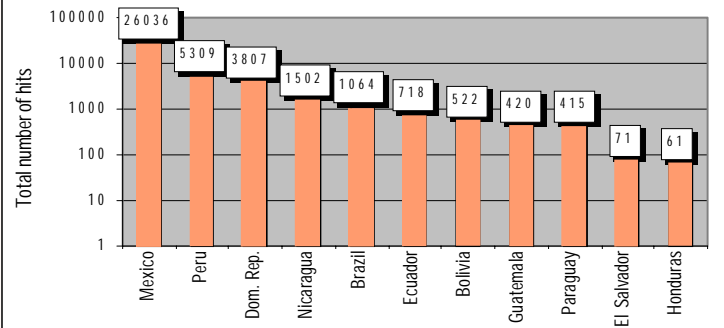
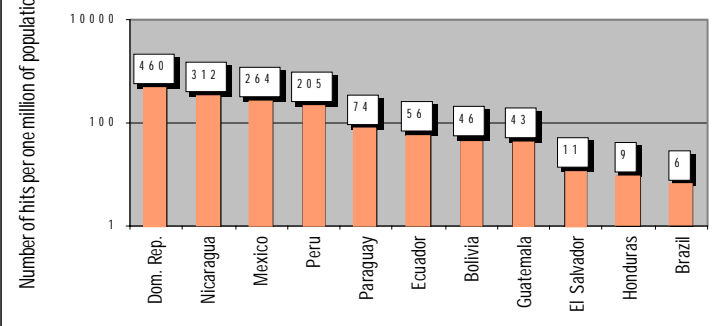


Figure 1B: Web Site Access: Adjusted for Population Size



HOW IS THIS INFORMATION GOING TO HELP US?

Our aim is to continue to improve information dissemination in support of Health Sector Reform in the Region of the Americas. In the coming months, we hope that through such means as increased user feedback and further in-depth monitoring, the Clearinghouse can be refined and enhanced. For those who are already using our Web site, your input on current and future information needs will allow us to make the necessary improvements. As for those who are not regular visitors to the Clearinghouse, we want to find ways to heighten your level of interest. You can help us by browsing through our Clearinghouse at <http://www.americas.health-sector-reform.org> and sending us your comments. ♦

BOLIVIA: AN INNOVATIVE APPROACH FOR SAVING MOTHERS AND CHILDREN

The Bolivian National Insurance for Mothers and Children (SNMN) was created in mid-1996 to reduce maternal and child mortality by increasing utilization of formal health services. The program provides key maternal and child health services free-of-charge, thereby eliminating economic barriers to health care.

Two U.S. Agency for International Development (USAID) funded projects—Partnerships for Health Reform (PHR) and Data for Decision Making (DDM)—assisted the Bolivian Ministry of Health and Social Provision (MOH) in carrying out an evaluation of SNMN as it completed its second year. Findings and recommendations are as follows:

PROGRAM SUCCESSES

- Promotion efforts about the program were generally successful.
- Utilization of formal maternal and child health services rose markedly, especially for institutional deliveries and pneumonia in children under five.
- Utilization was highest among the poor and relatively high for adolescents.
- The rise in utilization has led to greater use of the existing public health infrastructure.

High maternal and child mortality have been two of the most persistent health problems confronting Bolivia over the past several decades. The maternal mortality rate is 371 per 100,000 live births. Infant mortality rates are equally worrisome at 83 infant deaths per 1,000 live births.

- Primary level facilities now have greater control over funds and are better able to fulfill their specific needs for drugs and supplies.

CHALLENGES AND RECOMMENDATIONS

- Increase in client numbers has decreased health worker motivation. *Recommendation:* Establish incentive systems that reward providers for efficiency and quality care.
- Reimbursement rates do not cover actual costs of facilities. *Recommendation:* Adopt a cost accounting system to generate information for monitoring performance, promoting efficiency and reassessing reimbursement rates.
- Free services encourage patients to seek care at higher level facilities. *Recommendation:* Establish a referral system that provides incentives for clients to seek services initially at primary care facilities.
- Reimbursements are delayed and insufficient. *Recommendation:* Streamline administrative process to reduce costs and speed up reimbursements.
- Substantial changes in utilization rates and patterns are affecting central and municipal funding requirements and the public-private mix. *Recommendation:* Establish ongoing monitoring system for utilization, quality, capacity and public-private mix. ♦

Figure 2: Type of Information Accessed

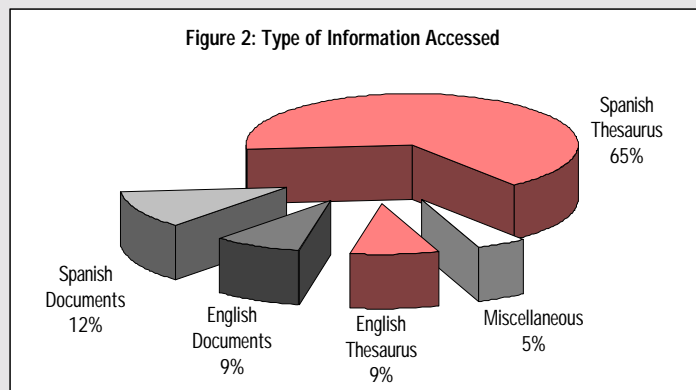
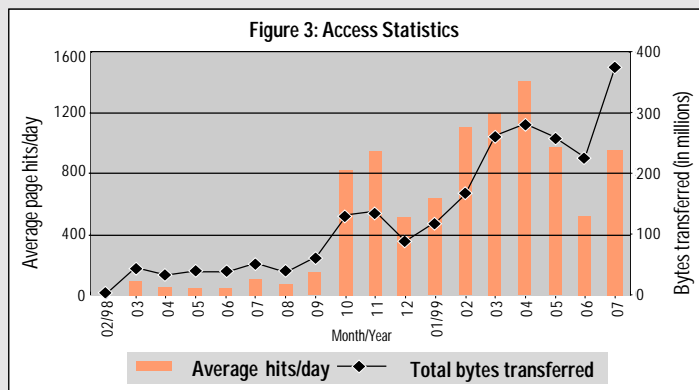


Figure 3: Access Statistics



Resource Guide

CLEARINGHOUSE ON HEALTH SECTOR REFORM

WHAT IS THE CLEARINGHOUSE?

- It is a focal access point for information about health sector reform in Latin America and the Caribbean (LAC).
- It serves the information gathering and dissemination objectives of the Latin America and Caribbean Regional Health Sector Reform Initiative (LAC HSR).
- It encourages communication and networking among stakeholders in support of regional HSR processes.
- It uses the World Wide Web to provide a wide range of resources to all interested individuals and organizations, including policymakers, national authorities, health sector donors and country program managers, as well as experts and researchers working in the field.
- It is regularly updated to incorporate new information and evolves in response to user feedback.

WHAT TYPES OF RESOURCES DOES THE CLEARINGHOUSE OFFER?

- The *HSR Bulletin Board* includes a calendar of events relevant to HSR, updates on LAC HSR developments, and reports of Initiative activities.
- The *Network of Key Actors in Health Sector Reform* is a dynamic database that facilitates interaction and exchange of information among people working in the area of HSR.
- The *Grey Literature Cyber Library* allows online searching of a large bibliographic database on HSR literature that emphasizes unpublished materials, with the help of a specially created thesaurus on HSR.
- *Country Information on Health Sector Reform* presents profiles of health systems and services in LAC countries, including data collected for monitoring HSR processes and outcomes.

*Definitions:

BIREME	Latin American and Caribbean Center on Health Sciences Information
DeCS	The Spanish version of the U.S. NLM's MeSH® that includes a new category for Public Health (SP) prepared by BIREME and the subcategory SP7 created under the Initiative and dedicated exclusively to HSR
LILACS	Latin American and Caribbean Health Sciences Literature Database

Visit the Clearinghouse at the LAC HSR Web site at <http://www.americas.health-sector-reform.org>.



- *National Health Sector Reform Policies* contain official documents from government sources.
- The *LAC HSR Initiative Product Inventory* showcases tools and publications produced by the Initiative. ♦

THESAURUS ON HEALTH SECTOR REFORM AND GREY LITERATURE DATABASE

WHAT ARE THE RESOURCES?

- The thesaurus is a specific indexing vocabulary for health sector reform processes.
- The database consists of selected references to relevant materials from the Region, including materials that are unpublished and are in limited circulation.

WHAT ARE THE KEY FEATURES AND BENEFITS?

- Close linkage with BIREME* and its network of libraries and documentation centers of Ministries of Health and Universities throughout the LAC Region fosters a wide resource and dissemination base.
- Incorporation into the Public Health Category of the DeCS* system with the LILACS* methodology ensures compliance with international documentation standards.
- Ongoing consultation with technical experts encourages responsiveness to changing trends in the development of HSR strategies.
- Use of vocabulary control and standardization techniques promotes sensitivity to special linguistic features of the Region.

WHAT ARE THEY USED FOR?

- As a dynamic guide for searching broader, narrower and related terms, and for clarifying ambiguous descriptors.
- As the basic source of descriptors for indexers and cataloguers to ensure consistency in subject analysis throughout the grey literature database.

- As a conceptual reference to guide the selection, collection, indexing and analysis of documentation on health sector reform processes.

HOW CAN THE INFORMATION BE OBTAINED?

- The electronic format is accessible in both Spanish and English on the Initiative Web site and can be downloaded.
- Regularly updated versions are also available in CD-ROM produced by BIREME. ♦

NETWORK OF KEY ACTORS IN HEALTH SECTOR REFORM

WHAT IS THE NEW ONLINE NETWORKING SERVICE?

An exciting new addition to the Clearinghouse is the Network of Key Actors in Health Sector Reform. This database is designed to facilitate interaction and exchange of information amongst persons working in the area of health sector reform. It is designed to allow individuals to sign up online by filling out a short registration form which, in addition to asking for contact information, allows registrants to specify the countries as well as the areas of reform they are working on. Searches may be done according to areas of reform, country, organization, name, or any combination of these or other fields.

WHAT ARE THE BENEFITS?

Although it is not yet finalized, we hope you can use this database to expand your circle of contacts in the arena of health sector reform. For example, those who are actively involved in health sector reform in the LAC Region will be invited to register as members and provided with private passwords that may be used to update contact information as needed at a future time. However, anyone interested in the topic of health sector reform can enter the Web site to do searches without having to be registered as key actors first. For instance, you may identify individuals working in your area of interest in a particular country and find out something about what they are doing. You can also note their contact information such as an e-mail address which you can link to directly from the database.

WHEN WILL IT BE READY?

We are in the final stages of completion and we hope that the online registration process will be accessible as early as October 1999. The search engine is currently being tested and is expected to be ready for utilization in December 1999. ♦



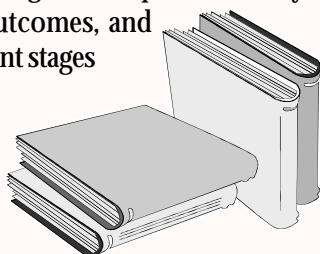
PUBLICATIONS OF THE REGIONAL INITIATIVE ON HEALTH SECTOR REFORM IN LATIN AMERICA AND THE CARIBBEAN

WHY PRODUCE A PUBLICATION SERIES?

Besides providing a mechanism for actively disseminating important findings and developments produced as a result of the Initiative, the publications serve as a kind of legacy of the Partners' contributions.

WHAT ARE THE PUBLICATIONS ABOUT?

These publications cover a wide range of topics. These include descriptions of methodologies, comparative analyses, conference highlights, study outcomes, and other reports produced at different stages of the Initiative.



WHO ARE THE PUBLICATIONS FOR?

Most of the publications are disseminated in a "technical report" format that should be useful to public/private sector professionals and consultants, academic institutions and research centers. In addition, special editions contain more detailed analyses and technical information that may appeal to a broader audience such as national policymakers and high-level government authorities.

HOW ARE THE PUBLICATIONS AVAILABLE?

Publications are available in print and electronically in English and/or Spanish. The electronic versions can be viewed in PDF and downloaded from the Initiative Web site. The printed versions can be obtained from the respective publishing Partners. ♦

health services, lack of coordination between sectors and institutions, and inadequate financial resources. In addition, demographic and epidemiological trends, technological innovations and cultural changes—all underscore the need to restructure health services and reorient institutional roles. A comprehensive process of reform would require the development of new professional and institutional capabilities, the elaboration of necessary legal instruments, as well as the formulation of well designed master plans for health investment.

The dawn of the next millennium brings both a challenge and an opportunity for establishing new partnerships and strengthening commitments to support health reform through analysis, monitoring, training, and other strategic activities for building capacity. Now is the time to foster more collaborations among governments, technical cooperation organizations and financial institutions to support informed decision-making on health policy and management, health financing, health services improvement, decentralization, and institutional development. ♦



Photo: Closing ceremony of the Regional Meeting on National Health Accounts, El Salvador, 17-20 May, 1999. From left to right: Dr. Pedro Crocco, Advisor on Health Sector Reform, PAHO; Dr. Horacio Toro, PAHO Representative, El Salvador; Representative from Ministry of Health of El Salvador; Dr. Baudilio López, USAID Project Officer, Guatemala.



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