Example of a Contracting Plan (or Manual) Strengthening Primary Health Care Services in Country X

A. Background

Challenges. The Government of Country X (GOX) has committed itself to dramatically improving the health and well-being of Country X. Achieving this improvement will require, among other things, a strengthened primary health care system that can deliver high-impact preventive, curative, and promotive services. These services, if of sufficient quality and reach, will help reduce child and maternal mortality, contain the spread of infectious diseases, and reduce other threats to good health. Currently, the primary health care system faces a number of important challenges including (1) low use of primary health care centers (PHCCs) for curative and promotive services, (2) low coverage of preventive services, (3) inconsistent and often poor quality of care, (4) frequent absenteeism of staff and a shortage of staff in remote areas, and (5) inequitable coverage of services so that the poor and those living in remote rural areas have limited access.

Basic Approach. In response to these challenges, the GOX is interested in undertaking public-private partnerships (PPPs). The current proposal for a PPP envisages an area/community-based approach for delivering primary health care (PHC) services in PHCCs and their surrounding catchment areas. The basic approach for the PPP is (1) the private sector partner of the GOX (hereafter referred to as the "Partner") is accountable for achieving tangible results (described below) in delivering a package of PHC services; (2) in order for the Partner to achieve the expected results, the GOX will provide it adequate and timely financial resources; (3) careful monitoring and evaluation will be carried out so that the GOX can be confident it is getting value for its money; (4) both parties will focus on outputs and outcomes more than inputs and processes, which means that the GOX will specify what results should be achieved and services delivered but that the Partner will be given latitude on how to implement those services; (5) the Partner will be provided with sufficient managerial autonomy so it can flexibly respond to local conditions and introduce innovations aimed at improving service delivery; and (6) an explicit agreement will facilitate the relationship between the GOX and the Partner by making roles and responsibilities explicit.

Consultations with Stakeholders. Initial consultations have already been carried out with the existing government health workers, local government officials, members of the communities, and 15 different nongovernmental organizations (NGOs). This plan tries to address their expressed concerns, and a series of meetings will be held with stakeholders in which it will be discussed before being finalized.

B. Objectives and Indicators of Success

Objectives. This PPP project aims at achieving the following objectives:

1. Significantly strengthen PHC in PHCCs and their associated catchment areas to ensure the widespread delivery of a standard package of preventive, curative, and promotive services that will help improve the health and well-being of Country X.
2. Dramatically improve the coverage and use of services, quality of care, and equity of access to services by geographical areas, income levels, and women and children.
3. Ensure that patients and communities are increasingly involved and satisfied with the publicly financed health services and facilitate the community's participation in the design, delivery, and evaluation of health services.

Indicators of Success. Achievement of those objectives will be assessed by the indicators and targets described in table A.1. By the end of the four-year period covered by this PPP, it is expected that significant progress will have been made toward the targets in table A.1. These targets may be revised as data become available and are meant to be indicative rather than exact. What will matter is significant progress along these parameters.

Table A.1 Key Performance Indicators and Targets

Indicator	*Baseline*[a]	*Approximate target*	*Means of measuring indicator*
Number of consultations per person per year provided by the PHCC and its outreach activities	0.3	1.0	HHS and HMIS
Contraceptive prevalence rate: percentage of couples of reproductive age currently using a modern family planning method	9%	15%	HHS
TB case detection rate (number of sputum-positive cases detected as percentage of target based on estimated prevalence, that is, case finding)	26%	45%	HFA and HMIS
Proportion of children 6 to 59 months who have received vitamin A supplement within last 6 months	36%	55%	HHS and HMIS
Vaccination: measles immunization coverage before 12 months of age	28%	50%	HHS and HMIS
Coverage of antenatal care: percentage of all pregnant women receiving at least one antenatal care visit from a skilled provider	22%	50%	HHS and HMIS
Proportion of births attended by skilled attendants (includes institutional delivery but excludes trained traditional birth attendants)	14%	25%	HHS and HMIS
Score out of 100 on an index of quality of care as judged by third party, which includes provider knowledge and patient satisfaction	46	70	HFA
Improved equity: ratio of poorest to richest income quintiles (based on asset index) on number of consultations	0.42	0.60	HHS

Monitoring and Evaluation. The achievement of the above indicators and the objectives listed in part B will be assessed through baseline and follow-up assessments using the following methodologies:

1. **Household surveys.** The government will use the results of a special household survey to assess, for example, coverage of services, use of family planning, and use of services by the poor.
2. **Health facility assessments.** These assessments will be conducted by third parties and will examine, for example, the quality of care and TB treatment success rates. The Partner will provide unimpeded access to any of its PHCCs for such purposes.
3. **Health management information system.** Examination of the HMIS data will be done jointly by the GOX and the Partner.
4. **Monitoring visits.** Unannounced visits by the district and/or provincial health offi cials will also be conducted to guide, support, and supervise implementation.

D. Scope of Services

Rapidly Ensuring Delivery of a Package of Primary Health Care Services. The Partner will be responsible for ensuring the delivery of a package of standard primary health care (PHC) services, including (1) maternal and child immunization; (2) prenatal, obstetric, and postpartum care; (3) family planning services, including all modern methods (injectables, intrauterine contraceptive devices, condoms, pills, and referral for voluntary surgical contraception) and including family planning operations (no-scalpel vasectomies and tubectomies); (4) diagnosis and treatment of major infectious diseases, including tuberculosis, malaria, and kala-azar; (5) basic curative services normally available at PHCCs; (6) nutritional support, including improving micronutrient deficiencies (vitamin A, iron, iodine), therapeutic feeding, and breast-feeding promotion; (7) participating in special health activities such as national immunization days and other types of campaigns; and (8) carrying out public health functions, such as disease surveillance and recognition/response to epidemics. The Partner will be responsible for managing all aspects of PHC services.

Following National Guidelines and Ensuring Quality of Care.
In carrying out the services described above, the Partner will comply with the current national technical guidelines (such as for TB and expanded program on immunization [EPI]) and those that are developed during the life of the agreement. The Partner will also be responsible for ensuring high quality of care more generally through quality assurance mechanisms appropriate for rural areas.
Staffi ng PHCCs. The Partner will mobilize an adequate number of skilled health workers to deliver the package of primary health care services in their PHCCs and the associated catchment areas. The Partner may recruit additional health workers if necessary. The Partner will ensure that there is a fully trained and certified doctor, preferably a woman doctor, working in the PHCC and its catchment area.
Capacity Building. The Partner will be responsible for ensuring that its health workers have the necessary skills to deliver services and will be accountable for training and supervising its health workers. The capacity of its health workers will be judged by their knowledge and the quality of the patient-provider interaction as determined by the third-party health facility assessments.

Procurement of Drugs, Supplies, and Basic Equipment. The Partner will be responsible for the procurement of essential drugs (those on the GOX's essential drug list, although the Partner may procure additional drugs if it feels this is appropriate) and supplies of acceptable quality from reputable suppliers. The Partner will be able to access the rate lists for drugs established by the GOX. It is the responsibility of the Partner to ensure the quality of the drugs in PHCCs, which may be tested on a random basis during the health facility assessments. The Partner will also be responsible for ensuring the presence of basic equipment (for example, examining tables and stethoscopes) and furniture needed for its PHCCs. The Partner will provide the provincial and district governments with lists of equipment and furniture procured under the agreement along with location and unique identifying number of each.

Linkages with Health Workers. Existing health workers will continue to be paid by the GOX, and the Partner will work closely with them to improve health services. The Partner, at its sole discretion, may provide performance bonuses to health workers that it believes are doing a particularly good job in strengthening services.

Communications. The Partner will ensure that each PHCC has the ability to communicate, by radio or telephone, with the nearest first-referral hospital.

Recording and Reporting. The Partner will have to implement the standard recording and reporting system, including the monthly HMIS reports. Other reporting requirements are detailed in section G.
Medicolegal Cases. The Partner will refer all medicolegal cases to the closest appropriate GOX facility. However, it should provide all necessary first aid to the patient prior to transfer.
Health Care Waste Management. The Partner will be responsible for properly implementing health care waste management procedures in keeping with the rules and regulations of the GOX.
Refurbishment of Facilities and Outreach. The Partner may use part of the funds it receives to refurbish the PHCCs in the districts in which it works. It may also purchase or rent a vehicle for provision of mobile services.

E. Location and Duration of Services
The above mentioned services will be delivered to the entire population in District _____ . The services will be provided over four years beginning _____.

F. Data, Services, and Facilities Provided by the CMU
The contract management unit (CMU), on behalf of the GOX, will provide the Partner with the following inputs: (1) relevant available information about facilities, health care status of population, results of surveys and special studies, and other factors; (2) use of the PHCCs in the listed districts at nominal rent; (3) copies of standard reporting and recording forms; (4) access to government training courses; (5) existing technical guidelines and new ones developed during the agreement period; (6) an inventory of the buildings provided to the Partner; and (7) technical assistance when needed for special services or campaigns.

G. Reporting Requirements
The Partner will provide the CMU and the concerned provincial health departments quarterly reports related to activities undertaken in fulfillment of this agreement. The report will include the following sections: (1) progress made against achieving the objectives of the agreement; (2) problems encountered and solutions undertaken; (3) relations with stakeholders, such as community institutions, the community, and other NGOs operating in the district; (4) a financial statement limited to simple line-item expenditures (remuneration, capital costs, nonremuneration recurrent costs); and (5) a summary of HMIS results with analysis. Such reports will be furnished within one month of the end of the calendar quarter (that is, by January 31, April 30, July 31, and October 31 of each year).

H. Authority and Responsibilities of the Government
The CMU and the provincial health departments have the authority to perform the following:

1. Visit any Partner-managed facility at their sole discretion at any time and to obtain such relevant information as to allow proper support, guidance, and monitoring of the Partner and its staff

2. Convene a meeting with the management of the Partner to discuss and resolve issues related to the agreement and its implementation

3. Ensure that the conditions of the agreement are met by the Partner

4. Ensure that the GOX's facilities are properly maintained throughout the period covered by this agreement

5. Terminate the agreement in keeping with the specific provisions of part L if the Partner fails to meet the conditions of the agreement

6. Take other actions short of termination (also described in part L) to ensure that the services covered by this agreement are being properly implemented

7. Consult with the local village councils and directly with communities regarding the implementation of services covered by this agreement

8. Review the quarterly report of the Partner and provide feedback to the Partner and the GOX.

The government has the following responsibility:

1. Paying the Partner in a timely manner
2. Not subjecting the Partner to excessive and unnecessary bureaucratic procedures
3. Resolving quickly such reasonable complaints brought by the Partner that the latter feels interferes with its performance under this agreement
4. Paying the remuneration and emoluments of existing government staff, in a timely fashion.

I. Authority and Responsibilities of the Partner
The Partner will have the following authority:

1. It will enjoy sole discretion in the procurement of drugs, supplies, equipment, furniture, and other resources needed to meet obligations under this agreement.

2. It will also enjoy sole discretion in the use of resources purchased or provided under the agreement. (However, the Partner will not refuse reasonable requests for the use of such resources by the GOX officials for implementing important health-related services, such as the use of the facility during emergencies or immunization days.)

3. It may raise voluntary contributions in kind or cash from the community (not patients; that is, no user charges are permitted) or from outside the community for delivering health services.

4. It will enjoy sole discretion over the hiring, fi ring, posting, remuneration, and customary managerial prerogatives over staff recruited by the Partner. The staff recruited by the Partner shall have no claims against the CMU, the GOX, or local governments.

5. For existing GOX health workers, the Partner may provide performance bonuses in a manner it considers appropriate and at its own discretion so long as the criteria and process are clear and written. It may ask district health officials to transfer health workers that it feels are not working properly or who are actively interfering with the Partner's work under the agreement.

The Partner will be responsible for the following:

1. Ensuring the proper maintenance and repair of government physical assets provided to it, as well as physical assets procured with funds provided under the agreement
2. Cooperating with any monitoring and evaluation process authorized by the CMU
3. Resolving quickly such deficiencies that are reasonably pointed out by the CMU
4. Ensuring government resources are used efficiently for delivery of health care services.

J. Financial Management and Payment

Financial Management. The Partner will maintain a separate set of accounts for the funds received under this agreement and will maintain those funds in a separate bank account. The Partner will also provide an annual, independently audited financial report to the CMU and/or its representatives. Such an audit report will be furnished within three months of the end of the fiscal year. The cost of the audit will be borne by the Partner out of the funds it receives under this agreement. The Partner will also provide the CMU with a list of equipment and furniture procured with funds provided under the agreement.

Payment. It is understood that this is a lump-sum contract based on performance and not on the reimbursement of specific expenditures. The Partner will be paid the amount of [US$ ____] upon signing this agreement as a mobilization advance. The total annual payment to the Partner will be [US$____]. Payments to the Partner will be made within two weeks of receipt of an acceptable quarterly report and will be equal to one-quarter of the annual payment mentioned above. There is no other requirement on the Partner before payment is affected.

Performance Bonuses. According to the annual health facility assessment, the Partner will be paid a performance bonus of 2 percent of the contract amount if its score on the quality-of-care index improves by 10 points from its previous highest score or has achieved a score of 85 percent. When the midterm household survey results are available, the Partner will receive a bonus worth 5 percent of the contract amount if it has achieved the targets on four of the nine indicators listed in table AA.1. When the endline household survey results are available, the Partner will receive a bonus worth 3 percent of the contract amount if it has achieved the targets on seven of the nine indicators listed in the table.

K. Settlement of Disputes

The parties to this agreement will use their best efforts to settle amicably all disputes arising out of or in connection with this agreement or its interpretation. The Partner may bring to the attention of the CMU any serious complaint that it feels interferes with accomplishment of the objectives and services described in this agreement. Any dispute between the parties as to matters arising pursuant to this agreement that cannot be settled amicably within 30 days after receipt by one party of the other party's request for such amicable settlement may be submitted by either party for settlement in accordance with the following provisions:

1. First, referral to an arbitrator appointed by the Secretary of Health of the GOX. To encourage reasonableness in disputes that are primarily monetary, the arbitrator will use "swing arbitration," that is, both parties will state their "most reasonable offer," and the committee can accept only one or the other. To discourage frivolous referrals, the arbitrator can assess costs against the losing party.

2. If the dispute has not been resolved to the parties' satisfaction, either party may refer it to a committee comprising two members of the provincial government, two members from the NGO community (not involved in the dispute), and one member from the federal government. The findings of the committee shall be binding.

L. Sanctions and Termination

Sanctions. The government may, at its sole discretion, (1) insist on a meeting with the senior management of the Partner regarding any failures to meet the conditions of the agreement; (2) write directly to the board of directors of the Partner and expect a specific written reply

to its concerns; (3) ask for the replacement of field-level managers of the Partner, although it is understood that this will not be requested in a frivolous manner; (4) bar the Partner from receiving further contracts; and (5) make public the results of independent assessments of the Partner's performance.

Termination of the Agreement by the Government. The GOX may terminate this agreement, by not less than 30 days' written notice of termination to the Partner to be given after the occurrence of any of the events specified below, but in keeping with part K, regarding the settlement of disputes:

1. If the Partner does not remedy a failure in the performance of its obligations under the agreement, within 30 days after being notified or within any further period as the government may have subsequently approved in writing

2. If the Partner becomes insolvent or bankrupt

3. If, as the result of force majeure, the Partner is unable to perform a material portion of the services for a period of not less than 60 days

4. If the Partner, in the judgment of the government, has engaged in corrupt or fraudulent practices in competing for or in executing the contract. "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution. "Fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of the agreement.

Termination of the Agreement by the Partner. The Partner may terminate this agreement, by not less than 30 days' written notice to the government, such notice to be given after the occurrence of any of the events specified below, but in keeping with part K, regarding the settlement of disputes:

1. If the government fails to pay any monies due to the Partner pursuant to this agreement and not subject to dispute within 45 days after receiving written notice from the Partner that such payment is overdue

2. If, as the result of force majeure, the Partner is unable to perform a material portion of the services for a period of not less than 60 days.

_____
Signed and dated by:
on behalf of the Contract Management Unit

_____
Signed and dated by:
on behalf of the Partner

_____
Signed and dated by:
on behalf of the Provincial Health Department