HEALTH FINANCING WORKING PAPER NO. 15

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LESSONS FROM ARGENTINA'S PROGRAMA SUMAR

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The opinions expressed in this document are exclusively those of the authors.

EXECUTIVE SUMMARY

This paper presents a case study of the implementation of Programa Sumar, which was developed by the federal Ministry of Health (MOH) of Argentina beginning in 2004. Detailed evidence based on first-hand experience is analysed to outline the key design features and achievements of Programa Sumar and to then explore the critical features of the implementation process.

Argentina is a federation with 23 autonomous provinces, the Autonomous City of Buenos Aires, and more than 2000 municipalities. The public health system is decentralized; it is managed by provinces, with the responsibility for primary care often devolved to the municipalities. A profound economic crisis in 2001 brought about a significant increase in unemployment and many families lost their formal health coverage. In response, the federal MOH launched a set of policies that were part of the Federal Health Plan (2004-2007) in order to strenghthen the public health system that mainly covered the population lacking formal health insurance. Plan Nacer (renamed Programa Sumar in 2012) was one of those key policies implemented by the Federal MOH aiming at improving the effective health coverage of the most vulnerable population groups through a results-based financing (RBF) strategy. Specifically, the federal MOH implemented additional conditional budget transfers linked to results to strengthen the strategic purchasing function in all provinces in order to improve the coverage of a package of prioritized preventive health services, with the ultimate objective of reducing morbidity and mortality. These additional conditional transfers follow a capitation logic on the following basis:

1. Enrolment of the target population in the Program with provision of an essential health service in the last 12 months (60% of the capitation payment); and
2. Attainment of prioritized results relating to health outcomes and outputs (40% of the capitation payment).

Transferred funds can be used only by provincial ministries of health to purchase health services for an explicit package from public providers for the enrolled population. Since 2009, provinces also are obliged to co-finance a predefined share (15%) of the capitation transfers from their own resources.

Using the additional conditional funds, provinces pay public providers through fee-for-service for the defined package. These fee-for-service payments, which come on top of budget allocations to providers aim to incentivize both increased quantity and quality of prioritized services at the provider level.

The programme specifically set out to contribute to the development of the strategic purchasing function within each provincial MOH. The programme allows providers to decide how to use the remuneration they receive for providing services included in the health service package.

The programme has shown that transfers linked to results can become powerful drivers of health system transformation. By investing less than 1% of the average annual provincial health budgets for the capitation transfers, Programa Sumar has made significant contributions to the improvement of both the organizational performance of the health system and health outcomes between its inception in 2004 and 2018. Programa Sumar has also helped strengthen

the stewardship function of the federal MOH and improved coordination with subnational governments

Although Programa Sumar has made great contributions to the government health sector, important challenges remain. A better understanding of the strategic purpose of the programme is needed among provincial ministries of health, as well as improved coordination with provincial budgetary policies. The support of the World Bank has been key to initiating and sustaining the process of change, however, true institutionalization requires the country to ensure effective financing mechanisms, including public financial management systems, are in place that can support programme implementation using domestic revenues.

The programme can continue to evolve by incorporating into the health service package secondary prevention services for noncommunicable diseases, which cause some 80% of the burden of disease in the country. This will require carefully revising the provider payment mechanism to create appropriate incentives to encourage integrated and continuous care. The federal MOH and the provinces should also consider incorporating changes in the way hospitals are paid by introducing strategic purchasing at this level.

In conclusion, Programa Sumar has shown that it is possible to reconcile the immediate needs of the poor, while introducing ambitious innovations in the health financing system of a federal country through conditional budget transfers based on the idea of results-based-financing. As such, this analysis provides important lessons for other countries working to implement health financing reforms in highly devolved or federal settings and, more specifically, in designing intergovernmental transfers to improve the performance and capacities of subnational jurisdictions.

ABBREVIATIONS

GDP	Gross domestic product
IMR	Infant Mortality Rate
IT	Information technology
MMR	Maternal Mortality Rate
MOH	Ministry of Health
MOF	Ministry of Economy and Public Finances of Argentina
NSSI	National Social Security Insurance
PAMI	Institute of Social Services for Retirees and Pensioners
PIP	Production and Investment Plan
PSSI	Provincial Social Security Insurance
PPP	Purchasing Power Parity
RBF	Results-based financing
UHC	Universal Health Coverage

1. INTRODUCTION

Efforts to achieve universal health coverage (UHC) have become increasingly important to government agendas, with a range of initiatives promoted and analysed over the past decade. However, the pursuit of UHC in countries where decision-making powers in the health sector are devolved (i.e. shared between federal and sub-national levels) has received little attention. One critical aspect relates to the the role of intergovernmental[1] transfers in enabling a central or federal government to make fund allocation conditional on achieving health outcomes, i.e. linking conditional transfers to results along the logic of results-based financing (RBF).[2] While there is a body of literature on the design of RBF mechanisms to establish appropriate provider-level incentives through payment mechanisms, conditional transfers based on a RBF logic in federal or devolved contexts are much less documented and understood.

Relevant policy questions include:

- What are common policy and implementation challenges related to health financing reforms in federal or devolved contexts and how can they be by placing conditions on decision-making and resource allocation?

This paper presents a case study on Programa Sumar, which was introduced by the federal Ministry of Health (MOH) of Argentina beginning in 2004 (initially called Plan Nacer). Programa Sumar aimed to develop the strategic purchasing function in all 23 provinces of the country and the Autonomous City of Buenos Aires in order to improve effective coverage of a package of prioritized health services, and ultimately to contribute to reduce morbidity and mortality rates. The paper analyses and discusses detailed evidence based on first-hand implementation experience. This analysis provides important lessons for other countries that seek to implement health financing reforms in highly devolved or federal settings and, more specifically, design intergovernmental conditional transfers linked to results to improve the performance subnational jurisdictions and health providers.

Argentina is a middle-income country in which decision-making powers are shared