

Uttarakhand Health System Development Project

Project ID N. P148531

Overview of Proposed UKHSDP Project:

The proposed UKHSDP objective is to support Uttarakhand in improving the access to and quality of health services, and providing health financial risk protection.

Specifically, the project would focus on improving access to health services for the predominantly remote population of the state, through strengthening public and private health-delivery systems; promoting greater stewardship and managerial capacity in the state directorate; improving information systems; augmenting monitoring and research; and extending coverage of RSBY beyond hospitalization to include primary healthcare services.

A key area that the project intends to support is the development of innovative mechanisms for Uttarakhand to engage with private health care providers, expanding their role in meeting the unmet access needs of the state's population. A greater involvement of the private sector would create additional human resource availability for the public health system as a whole, while also providing an opportunity to redeploy existing public staff in a more efficient and effective manner.

The project will be implemented over six years, wherein the first year will be a 'startup year' with a focus on commencing the revised design of Public-Private Partnership (PPP) service delivery, setting up its performance measurement system and undertaking evidence-based design of the integrated networked model, the health helpline system and RSBY primary care packages. This will be concurrent with strengthening the state's capacity to implement the project. The initial rollout of the innovations in years 1 and 2 will be undertaken in a limited geographical area, with a scale-up planned by year 4.

Project Components

The project will have two components: a) Innovations in engaging the private sector (for integrated service delivery and for health financing), and b) Stewardship and system improvement. A description of the activities under the two project components is provided below.

Component 1. Innovations in engaging the private sector (total amount: US\$80 million, including IDA US\$ 64 million and GoUK US\$ 16 million): Innovations in engaging the private sector would finance engagement with the private sector in the delivery of healthcare services as well as in healthcare financing. This component will expand access to services by creating integrated, technology-enabled health system architecture with enhanced focus and availability of primary care, emergency care and necessary referral services (See Figure 1 in Annex 2 for more details). It will also expand financial protection by defining a benefit package of primary care services for child and adolescent care and for the management of non-communicable diseases. Component 1 includes two sub-components:

- Sub-component 1.1: Innovations in integrated delivery of healthcare services (primary, referral and emergency care) (total amount: US\$47.66 million):** The objective of this sub-component is to improve access to an integrated network of primary care, referral services and emergency care in the state by engaging the private sector (see Figure 2 in Annex 2). The Bank's support will focus on: (i) supporting the development of a conducive regulatory, policy and institutional environment to support ongoing and new PPPs; (ii) reviewing and restructuring ongoing PPPs for community health centers (CHCs) and mobile health vans; (iii) supporting the development of new PPPs as integrated networks of mobile health vans, outsourced CHCs as well as government-run CHCs, and specialist services and defined clinical and diagnostic services at the district hospitals. This will initially be taken up in 2-4 selected districts and backed up by the development of an information network promoting a patient centric health system, which would help patients navigate across different levels of care across public and private providers, as well as create linkages to financing entities such as RSBY/MSBY. The component will also finance a toll-free Health Helpline to help the patient navigate through the health system and access appropriate health facilities as per their location and medical need, receive and track patient grievances, undertake collection of patient feedback, support the health facilities in the state through various telemedicine services, together enabling a technology-enabled integration and coordination of services offered by the health system.
- Sub-component 1.2: Innovations in Healthcare Financing (total amount: US\$32.34 million):** This sub-component will support the expansion of primary care coverage into the state's health insurance programs (RSBY and MSBY) by designing, implementing and evaluating benefit packages around childhood and adolescent health as well as case management of NCDs in primary care settings, purchasing care from public as well as private providers.

This component will support the state with evidence and global knowledge to make key decisions on the specifics of expanded benefit packages, provider payment mechanisms, payment rates, provider empanelment criteria (including the balance between access, quality and other provider characteristics), and interface with the existing hospital coverage. It will finance the costs of an implementation support agency, as well as reimburse the claims paid for primary care services and, subsequently, finance the competitively determined premium paid for the primary care coverage provided under the state's health insurance programs.

Achieving this expansion will need to begin by addressing bottlenecks facing the current implementation of RSBY, addressing enrolment challenges as well as shortcomings on the supply side. The state's expansion of RSBY into primary care will also be necessarily phased. Expanded packages will be piloted in a small number of districts. The first-phase coverage expansion will start with child health services, with a plan to expand in the next phase to non-communicable diseases.

Component 2. Stewardship and system improvement (total amount: US\$45 million, including IDA US\$ 36 million and GoUK US\$ 9 million): This component will strengthen the government's capacity to engage effectively with the private sector, and therefore, to enable the government to provide effective stewardship to improve the quality of services in the entire health system and particularly in its capacity to effectively pursue the innovations being planned under this project. The component will focus on strengthening the institutional structures for stewardship and service delivery and augmenting the state's human resource capacity, so that the necessary skillsets required for effective implementation of the project and the state's health programs are available. The strengthened capacity will serve beyond the activities of this project, as it will contribute to the government's stewardship role for the health system as a whole. It will support research and evidence generation, use of evidence for strategic planning, and improved information systems for data generation and management, including timely feedback to providers. An independent monitoring and verification agency would also be hired to support the state in field-level monitoring and performance validation of the contracted entities. It will also support Facilities Assessment as well as contracting of agencies on a turnkey basis to support the attainment of NABH quality standards in identified public health facilities in the state. Finally, the component will promote a multidisciplinary approach that will strengthen the ability of the health system to respond to seasonal and context-specific needs. For instance, specific activities under the project would include detailed planning for the potential redeployment of mobile health vans as trauma and medical relief centers in case of natural disasters, in close coordination with the disaster response mechanisms being strengthened under an existing Bank-financed project. Project management costs will also be financed from this component.