

## Innovation in targeting of social protection funds in Pakistan

### 1. Name of the project:

Heartfile's Health Equity financing pilot project  
(brand name to be coined later)

### 2. Description of the project:

**Rationale:** in a poverty perpetuating and precipitating context, economic shocks involving catastrophic spending are the most common risks facing households in Pakistan. "Spending catastrophically" means spending of critical savings, selling assets, relinquishing basic needs and/or borrowing in order to finance healthcare through out-of-pocket payments. Two thirds of the households recently surveyed in Pakistan reported that they had been affected by one or more health shocks and had spent catastrophically during the last 3 years. Since the breadwinners of most of these poor households are in the non-formally employed sector, there are difficulties in using insurance as a means of protecting them against the risks of economic health shocks. The other feasible option to protect against catastrophic spending is to enable cash transfers from a "social protection" or "health equity fund". Pakistan's existing social protection mechanisms for health have a very small envelope and suffer from a number of deficiencies, including abuse and patronage in targeting, unpredictability of coverage and lack of transparency in the use of resources.

**Approach adopted:** this project involves an IT-supported, automated demand side health financing instrument that can be accessed by local health care workers to seek urgent support for those running the risk of spending catastrophically. The pilot is envisaged to enable efficient, timely and well targeted cash transfers to protect the poor against catastrophic spending on health and has the potential to limit abuse. In addition, a seed "Health Equity Fund" has also been established as a means of resourcing cash transfers.

Software for the technology platform is currently being developed. Once deployed, the custom made technology platform will enable pre-determined health providers to send requests to Heartfile (the clearing house), who will then ascertain eligibility, verify requests and subsequently authorize cash transfers to underwrite the cost of healthcare.

### 4. What is innovative about this project?

This system has been designed to eliminate duplication and abuse; additionally, it will reduce opportunities for patronage because of the reliance on multiple checks to ascertain eligibility as opposed to reliance on one criterion as is currently being done in the country's system. In comparison with other social protection systems established by the private sector in the country, this system will provide better visibility to donors; it will be configured to ensure that donors have the ability to view the use of their funds on a transaction basis and have the ability to instruct the demand specific use of their funds; the system will also enable donors to have full view of the administrative costs incurred and above a certain category, will enable them

to request for audit of any transaction or demand processing. The platform will be interoperable with other systems such as patient administration, billing, inventory management and payment gateways. *We are unaware of technology having been deployed to protect against catastrophic spending on healthcare in this way.*

## **5. Evidence of results and impact:**

The pilot project will be evaluated in a case-control, quasi experimental evaluation model. In the **intervention site** a *health equity fund* and a *technology platform* will be made available for use by Medical workers, who will seek urgent support on behalf of a patient in a situation where the person runs the risk of spending catastrophically on health. In a **control site** patients will seek social protection assistance through the existing channels. The following indicators are being used for assessment:

Equity

- Number of poor protected from catastrophic expenditure

Fair financing

- Number of assisted patients protected against catastrophic expenditure in the intervention site

Responsiveness

- Number of the patients who were *satisfied* with the system in the intervention site
  - i. Reduction in time to secure social protection assistance
  - ii. Decrease in resources required to get approvals

## **6. Costs associated with the execution of the pilot project:**

The total cost of the project is US \$439,000.

This project is being supported by the Rockefeller foundation and is in partnership with the Clinton Global Initiative.

## **7. Contact information.**

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*Heartfile is a health sector, civil society think tank in Pakistan. This project enables the agency to build further on its role as a policy research agency in Pakistan. This project will also serve the organizational objective—“developing innovations in the health sector and contributing to knowledge in the areas of health policy and public health planning for low resource settings”—which has to do with sharing of experiences globally.*