

## SUBSIDIZING MATERNAL HEALTH SERVICES COST TO IMPROVE UTILIZATION

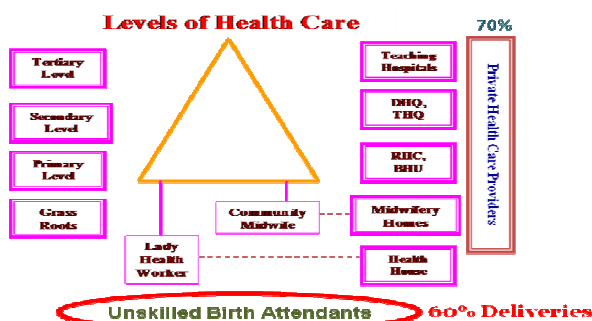
*Improving access and utilization of reproductive health services through a financing mechanism by subsidizing the price of these services with vouchers distributed to target population groups*

### Background

Pakistan has one of the highest maternal mortality rates in the world, with estimates varying from 227 to 785<sup>1</sup> deaths per 100,000 births. More than 15,000 women die each year due to complications during pregnancy and childbirth. Despite the existence of an extensive health service network, the utilization of a formal health care facility for delivery is extremely low. Almost 65% of women deliver at home and less than half receive any postnatal care. Much of this burden is due to ineffective care for the reproductive health needs of women and children.

### Pakistan – Situation of Maternal Health

- Population – 167 million
- Women of reproductive age – about 43 million
- Maternal mortality ratio – 276/100,000 live births
- Coverage along continuum of care:
  - CPR (Modern Method) – 22%
  - Antenatal Coverage – 61%
  - Birth by Skill Attendant – 39%
  - Postnatal Care – 33%
  - Exclusive Breast Feeding – 37%



A range of factors contribute to the low levels of utilization of maternal health services. 57% consider it unnecessary to deliver in a medical facility. Culturally traditional birth attendants (TBA) have been responsible for assisting women to give birth at home. 38% consider that delivering a baby at a maternity home or hospital as too expensive and in comparison the costs associated with the utilization of TBA

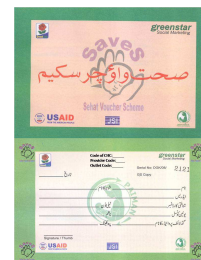
at home is low. For 47% cost associated with treatment is one of the barriers to seeking care for a pregnancy-related complication.

### A Demand Side Strategy

An important element that determines the opportunity to access maternal health services among women is the cost of services. Lowering the “social” and “psychological” costs of utilizing trained providers without lowering the “monetary” cost of services is likely to be only partially successful. A demand side strategy lowers the “monetary” cost of services to households.

### “Voucher for Health” – A small scale pilot

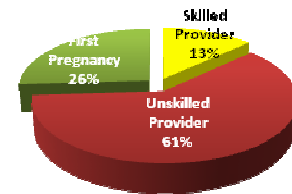
To improve access and utilization of services a one year “**Voucher for Health**” pilot was launched in September 2008 under USAID funded PAIMAN (Pakistan Initiative for Mothers and Newborns) project in six Union Councils of DG Khan city of Punjab and implemented by Greenstar Social marketing Pakistan (Guarantee) Limited.



<sup>1</sup> Pakistan Demographic and Health Survey 2006-07;

**Methodology:**

Twenty private sector providers signed up for this pilot. Beneficiaries were 1,999 pregnant women in their second or third trimester, with an average household income less than US\$80.00 and a history of home based deliveries by a TBA. A set of nine vouchers was sold at a subsidized rate of US\$1.2.



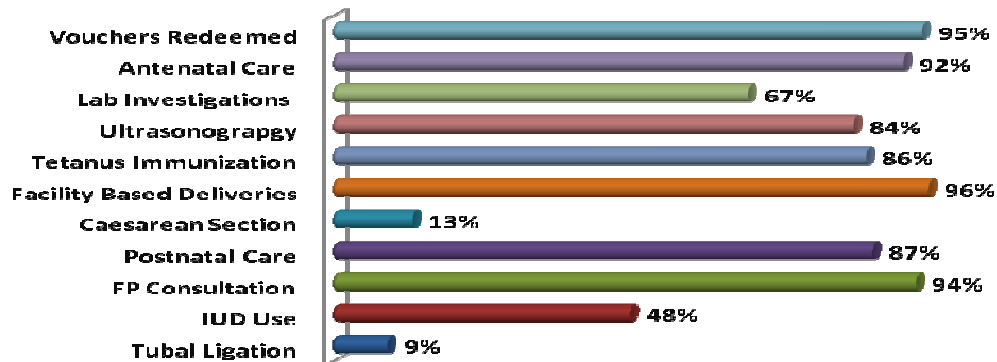
**Who conducted last delivery**



The services offered by the providers against these vouchers included three antenatal visits, two tetanus toxoid injections, ultra-sonography, blood test, normal delivery or caesarean section, postnatal visit and family planning consultation and service. To prevent malpractice, every voucher was coded.

Women received free of cost services worth US\$44.00 for normal delivery and US\$121.00 for caesarean section. Providers were compensated on monthly basis after verification of each returned voucher.

**Results:**



**Lesson Learned and Way Forward**

This initiative has increased use of health services by target populations, engage private sector, and improved quality of service by providers. As health care sector and donors gear up to scale vouchers initiative by developing a system for accrediting key facilities to be able to accept vouchers in return for service. It is important to treat this innovation with caution considering relative risk of fund leakage under both supply and demand systems. However it is reasonable that cost is not considered in light of the benefits

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