Innovative investment options for health workforce education and training

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Webinar Outline

- Introduction to CapacityPlus and SHOPS
- Overview of financing for health workforce education
- Private sector financing through student loans
- An approach to strategic investment: Nigeria case study
CapacityPlus
Serving Health Workers, Saving Lives

USAID global project dedicated to human resources for health (HRH)

Led by IntraHealth International with Abt Associates, IMA World Health, Liverpool Associates in Tropical Health (LATH), Training Resources Group (TRG)

Leader in Innovations and Cost Savings

Catalyze systems-wide change

www.capacityplus.org
SHOPS Project
Strengthening Health Outcomes through the Private Sector

USAID’s flagship initiative for private sector health in 20+ countries

Harnessing the private sector to improve health through:

- Behavior change communication
- Health financing
- mHealth
- NGO sustainability
- Pharmaceutical partnerships
- Policy
- Provider access to finance
- Provider networks
- Quality improvement


www.SHOPSproject.org
### Selected health service access challenges: Sub-Saharan Africa

<table>
<thead>
<tr>
<th>Service Delivery Area</th>
<th>Access Challenges: Sub-Saharan Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Family Planning</strong></td>
<td>Å Only 26% of women age 15 to 49 are using any method of contraception</td>
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<td></td>
<td>Å Estimated unmet need for contraception of 25%</td>
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<tr>
<td><strong>HIV/AIDS</strong></td>
<td>Å Only 37% of people living with HIV are receiving ART</td>
</tr>
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<td></td>
<td>Å 210,000 new HIV infections among children in 2013</td>
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<tr>
<td><strong>Maternal and Child Health</strong></td>
<td>Å Fewer than 50% of births in the region are attended by a skilled health worker</td>
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</tbody>
</table>
Central role of the health workforce

WHO Health System Building Blocks

- Leadership & Governance
- Information
- Medical Products & Technology
- ACCESS
- COVERAGE
- QUALITY
- SAFETY
Health workforce barriers to access and coverage of quality services

- **Deficit** of 7.2 million doctors, nurses, and midwives globally
- **Imbalanced distribution** of workers (urban/rural, north/south)
- **Poor skills mix** - numbers and types of workers poorly aligned with service delivery needs

Source: Crisp N, Chen L (NEMJ, 2014)
Health workforce production challenges

- **Limited production capacity aggravated by migration** - Globally 1 million doctors, nurses, and midwives produced per year

- **Weak links** between education and health systems/services

- **High training cost** (e.g. 1.8x higher than humanities) with lengthy time requirements (3 to 6 years)

- **Poor investment** - less than 2% of total global health spending
Thousands of potential students turned away

Applicants and enrollment at selected health training institutions in Ghana, 2008

Major investments are needed

Typical sources of financing

- In Africa, most education costs are born by the government (MOH and/or MOE), with support from development partners, NGOs, and some tuition.

- In the US, the majority of revenues are from endowments, donations, research grants, service delivery, federal and state funding, and about 3.5% from tuition.

Source: Preker et al., 2008
Rapidly expanding private sector role

Growth in number of new medical schools in sub-Saharan Africa


Growth in the number of medical schools in India

Source: Sabde et al. BMC Medical Education 2014 14:266

Growth in the annual intake of medical schools in India
Diversifying funding sources, including:

- Alumni
- Diaspora
- Diverting existing financial streams
- Donations and endowments
- Gifts-in-kind
- Health insurance funds
- Local development funds
- Private foundations
- Religious institutions
- Research
- Tiered tuition

www.capacityplus.org/innovative-financing-options-preservice-education
Two important investment aims

**Easing the financial burden for students** – through scholarships and loans that can be linked to service requirements after graduation (Sarah Dominis)

**Building institutional capacity** – through the development of teachers and infrastructure; and procurement of equipment and materials (Heather Ross)
Webinar format

- Presentations followed by Q&A sessions

- Write questions and comments in the chat window

- We will do our best to address these during Q&A sessions
Financing Medical Education through the Private Sector

Sarah Dominis
Abt Associates

April 14, 2015

SHOPS is funded by the U.S. Agency for International Development.
Abt Associates leads the project in collaboration with:
Banyan Global
Jhpiego
Marie Stopes International
Monitor Group
O’Hanlon Health Consulting
Challenge

- Traditionally government is sole funder of medical education in SSA
- Dramatic increase in HW numbers needed
- Public funding and training institutions at capacity

Can the private sector help??
Objectives

ÅAre student loans a feasible method for financing PSE?
ÅWhat elements need to be in place for student loans to succeed?
ÅWhat are the features of a viable financial product?
ÅWhere do government subsidies end and private financing begin?
## Analytic Framework

<table>
<thead>
<tr>
<th>Demand</th>
<th>Supply</th>
<th>Policy Environment</th>
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</thead>
<tbody>
<tr>
<td>How are students currently financing?</td>
<td>What types of financing programs are available?</td>
<td>What is the gov’s policy on higher education?</td>
</tr>
<tr>
<td>What is students’ willingness to borrow?</td>
<td>Are banks interested in offering student loans?</td>
<td>Has policy caused any distortion in market in terms of willingness to pay?</td>
</tr>
<tr>
<td>How much, for what, and what terms would students borrow?</td>
<td>What is total cost of borrowing?</td>
<td>What is gov policy for education financing?</td>
</tr>
<tr>
<td>What is students’ capacity to repay loans?</td>
<td>What is the role of schools in financing?</td>
<td>What is gov’s attitude toward private medical training institutions?</td>
</tr>
</tbody>
</table>
Malawi Situation

- 90% of CHAM students receive government scholarships
- A lot of uncertainty around government financing
Malawi Study Question

How feasible is it to introduce school loans as an alternative source of financing?
Malawi Findings

- Strong demand for medical training and need for financing
- 89% students indicate willing to take loan with 20% income deduction over 5 years
- Numerous barriers to uptake
- Current loan recovery in student loan program is 0.41 percent due to persistent culture of non-repayment and entitlement to free education
Rwanda Situation

ÅGovernment provides tuition assistance to 70% of medical students
ÅAdditional student loan program for living expenses
  ÅRepayment has been below 5%
ÅDuring study government policy changed, drastically reducing funding for HE
Rwanda Study Question

What type of cost-sharing student loan is feasible and affordable?
Rwanda Findings

Market rate loans not affordable under any scenario

For affordability, two loan scenarios would work—both requiring government subsidy
## Rwanda Affordable Financing Scenarios

<table>
<thead>
<tr>
<th>Scenario One</th>
<th>Year</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
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<tbody>
<tr>
<td>Financing</td>
<td></td>
<td>Self-financing or government scholarship</td>
<td></td>
<td></td>
<td></td>
<td>Full tuition loan</td>
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<table>
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<tr>
<th>Scenario Two</th>
<th>Year</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
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<tr>
<td>Financing</td>
<td>Tuition loan (25%)</td>
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<tr>
<td></td>
<td>Self-financing or government scholarship (75%)</td>
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</tbody>
</table>
Tanzania
Tanzania Situation

ÅGov makes tuition payments directly to private medical training institutions and directly to students for associated expenses
  ÅNot for mid-level diploma or certificate PMTIs
  ÅNot adequate to cover tuition
ÅSeveral PMTIs having affordability issues
Å42% repayment rate on loans
Can SHOPS help banks develop student loan products?
Tanzania Findings

- Banks didn't want to loan to students; only parents
- Salary loan product (already in portfolio)
  - Discontinued; not profitable
- Parent's savings as collateral for loan
  - Bank was slow in marketing to parents; wanted SHOPS to design marketing campaign
  - Considered not profitable?
Recommendations
Loan Environment

- Change the culture of repayment
  - Clear and consistent government rules and policies on financing
  - Base repayment plans on graduate's earnings
  - Give a grace period after graduation for stabilization
  - Use banks and collection agencies to manage loans

- Government subsidies and guarantees to attract banks (must be profitable)
Increase Demand

- Recognize bank loans are a significant shift from status quo
- Ensure loans terms reduce risk (and perceived risks) for students
  - Loans in modest amounts (portion of tuition and related costs)
  - Subsidized interest rates (not market rate)
  - Income-contingent loans/grace period
  - Market to parents, not just students
Citation:

Available at: www.shopsproject.org
Questions

Please continue to write your questions in the chat window.

We will invite presenters to answer between two and three questions as time allows.
Investing in the Next Generation in Nigeria

Preservice Education Support

Heather Ross, Technical Advisor
April 14, 2015
Bottlenecks and Best Buys
Objective

Assess the capacity of an educational institution to produce a larger number of qualified health workers; identify bottlenecks to scale up and propose best buys to mitigate them.
Methods: Internal OR External

Nine Thematic Areas

- Educators
- Students
- Management
- Infrastructure
- Curriculum
- Materials & Equipment
- Clinical Practice
- Quality Assurance
- Partnership & Exchange

Goals of Institution
Guide for Applying the Bottlenecks and Best Buys Approach

Bottlenecks and Best Buys in Nigeria
NKST College of Health Technology and School of Basic Midwifery, Mkar; School of Health Technology, Gboko
College of Health Technology and School of Post-basic Midwifery, Calabar
School of Nursing and School of Basic Midwifery, Makurdi
School of Nursing and School of Basic Midwifery, Sokoto
School of Health Technology, Ningi
School of Health Technology, Agasha
Usman Danfodio University Teaching Hospital, Sokoto
College of Health Technology, Gwadabawa
College of Health Technology, Yaba
School of Health Technology, Alushi
School of Health Technology, Keffi
College of Health Technology and School of Basic Midwifery, Mkar; School of Health Technology, Gboko
College of Health Technology and School of Basic Midwifery, Makurdi
School of Health Technology, Agasha
Usman Danfodio University Teaching Hospital, Sokoto
College of Nursing and Midwifery, Sokoto
Sultan Abdurrahman College of Health Technology, Gwadabawa
School of Health Technology, LUTH, Lagos
Bottlenecks

- “Unreliable” secondary schooling
  - Overenrollment & weeding
- Understocked labs & libraries
- Deficient demonstration rooms
- Outdated curricula
- Effectively no CPD for tutors
- Student financial difficulties
Only some who pass national exams will practice primary health care in Nigeria. Many move to other health care jobs or are lost to migration, employment outside the health sector, or unemployment.
Investing in Midwives and Community Health Extension Workers (CHEWs)
Training of Tutors

- Clinical skills (FP, MNCH, HIV/AIDS & other illnesses)
- Computer-assisted pedagogy
Demonstration Equipment, Teaching Aids, and Textbooks

- Mannequins for hands-on practice
- Up-to-date textbooks
- Flowcharts and graphical aids – Family planning, prevention of mother-to-child Transmission of HIV, etc.
- Practice equipment
Scholarships and Bursaries

- 2,065 final-year students:
- 50% of tuition, plus qualification examination fees
- Chosen based upon:
  - Financial need (socioeconomic status)
  - Rural origin
  - Stated intent to remain in Nigeria
  - Geographic representation
Total Direct Costs

- Scholarships & Bursaries: $1,200,000.00
- Educational Materials: $400,000.00
- Training of Tutors: $0.00

Cost per student reached

- Scholarships & Bursaries: $600.00
- Educational Materials: $100.00
- Training of Tutors: $0.00
Results
Scholarship and Bursary Effectiveness

Students who received scholarships were 9-17% more likely to pass national qualifying examinations than their same-school peers.

Schools report increased applications in year after scholarships awarded.

“After the first scholarship; the school recorded the best ever result from council exams, students passed with good grades in credits and Distinctions”

- Director Nursing Services SMOH Bauchi.
Institutional support effectiveness

Includes both material support (texts, equipment, learning aids) and training of tutors

- Evaluation currently ongoing; March 2015 examinations scoring in process
- Skills from the Training of Tutors continued by those teachers to 294 students in 2013 – double that in 2014
- More than 500 CHEW students and 800 midwifery students using teaching aids/year
- Reports of local health workers using school libraries
“The school scored 100% [on the national examinations]; this is attributed to the support from the materials.”

- Health Coordinator
  Catholic Archdiocese
  Jos
Program Reach (5 years)
Summary of Support

Areas of Investment
- Training of Tutors
- Teaching and learning equipment and materials
- Scholarships to final-year students

Direct Costs
- Total investment: Approx. 1.8 Million USD
- Scholarships per student: Approx. 627 USD
- Institutional support per student: 230 USD

Benefits – SCHOLARSHIPS in 2013 ALONE
- Average increase in exam pass rates: 9.1% (CHEW); 17% (midwife)
- Additional health workers today: 291
- Evaluation of institutional support & 2014 program ongoing
The CapacityPlus Partnership

IntraHealth International, Inc. (lead partner)
Abt Associates
IMA World Health
Liverpool Associates In Tropical Health (LATH)
Training Resources Group, Inc. (TRG)
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www.capacityplus.org    www.shopsproject.org

Thank You!