FAIRMED’s (FM) Output Based AID (OBA): 6 years of providing Leprosy services in India

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Background

• FM is one among the 9 ILEP (International Federation of Anti-Leprosy Associations) members in India that has been providing Leprosy services for over 5 decades.
• Currently, FM supports 6 Leprosy hospitals across 4 states in India.
• Raising funds to support Leprosy control work in India is increasingly becoming a challenge as its considered an emerging market.
• Additionally, donors are enquiring about where and how their resources are being utilized.
• FM was keen to develop a scientific base to support Leprosy services through our NGO supported hospitals.
• While on one hand the focus was to develop a scientific base, there was an equal emphasis on ‘quality of service’ being provided to the patient, which is predominantly a free service in FM supported NGO hospitals in India.
Methods-1

**List of FM supported OBA Hospitals**

- Emmaus Swiss Leprosy Hospital, (ESLP) Andhra Pradesh
- GRETNALTES, Andhra Pradesh
- Hubli Hospital for the Handicapped (HHH), Karnataka
- Rural India Self Development Trust (RISDT), Andhra Pradesh
- Sacred Heart Leprosy Hospital (SHLC), Tamil Nadu

**Diagram-1: Process**

1. **Step-1**
   - RISDT Hospital was the first to kick start this exercise in 2006.

2. **Step-2**
   - GRETNALTES later joined RISDT in 2008.

3. **Step-3**
   - Finally, HHH, SHLC, and ESLP joined RISDT and GRETNALTES in 2010.
Methods-2

• A team consisting of a Consultant (cost accountant), members from the finance and program (technical) department from FM’s central office as well as from the hospitals were identified.
• The OBA exercise was undertaken in collaboration with the North Western University of Health Science, Switzerland.
• A ToR was developed for the team and the first task of the team was to identify key services provided by FM supported NGO hospitals.
• The team visited all the 5 hospitals and conducted time motion studies to understand the key components that contribute to the cost per service.
• Cost per service was derived based on all key components that contributed in providing the service.
• Hospital budgets were developed based on the cost derived from the OBA exercise.
• Quarterly quality circle (QC) meetings per quarter along with annual visits to each hospital for the last 6 years were undertaken to monitor the costs.
• Based on which benchmarking of cost per service was undertaken to standardize the costs.
<table>
<thead>
<tr>
<th>Code</th>
<th>Service</th>
<th>Cost in 2013 (INR)</th>
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<tbody>
<tr>
<td>IP₀</td>
<td>General</td>
<td>1,431.00</td>
</tr>
<tr>
<td>IP₁</td>
<td>Reaction</td>
<td>3,079.00</td>
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<tr>
<td>IP₂</td>
<td>Simple Ulcer</td>
<td>2,301.00</td>
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<tr>
<td>IP₃</td>
<td>Complicated Ulcer</td>
<td>5,098.00</td>
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<td>IP₄</td>
<td>Septic Ulcer</td>
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<tr>
<td>IP₅</td>
<td>Foot Reconstruction</td>
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<td>IP₆</td>
<td>Hand Reconstruction</td>
<td>9,736.00</td>
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<tr>
<td>IP₇</td>
<td>Eye Surgery</td>
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<tr>
<td>OP₀</td>
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<tr>
<td>OP₁</td>
<td>Ulcer</td>
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<tr>
<td>OP₂</td>
<td>Reaction</td>
<td>313.00</td>
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<tr>
<td>Direct Cost</td>
<td>Indirect Cost</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>---------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Staff Salaries (Medical personnel)</td>
<td>Staff salaries (Administrative staff)</td>
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</tr>
<tr>
<td>Medical services including surgeries, medicines, and other consumables</td>
<td>Maintenance Cost</td>
<td></td>
</tr>
<tr>
<td>Physiotherapy</td>
<td>Repair &amp; Utilities</td>
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</tr>
<tr>
<td>Laboratory</td>
<td>Office expenses</td>
<td></td>
</tr>
<tr>
<td>MCR Footwear</td>
<td>Public Relations</td>
<td></td>
</tr>
<tr>
<td>Food, clothing, &amp; linen</td>
<td>Health Education</td>
<td></td>
</tr>
</tbody>
</table>
Hospital Information System (HIS)

• A web based HIS was developed for FM supported OBA hospitals in India.
• Capacity building was provided to all data entry operators of the hospitals.
• Data of patients attending FM supported NGO hospitals were being entered on real time basis.
• Advanced analysis along with report generation by HIS allowed Project Directors to make informed decisions.
• Budgeting was being finalized based on the total number of patients that were being provided services.
• Weighted quartile-3 (Q-3) costs were identified and shared with the hospitals.
• Grants were being advanced per quarter based on the actual number of patients being provided services.
• FM’s HIS is accepted as a oral presentation at the ILC-Brussels 2013.
Monitoring

• Monitoring was being done by both finance and technical teams along with the cost consultant of FM India office.
• The respective teams would visit the hospitals to ascertain the rigor of the developed costs.
• Once the rigor was established the benchmarking of the costs was undertaken per service across all hospitals.
• The Northwestern University of Health Sciences were undertaking specific operations research that also provided FM with specific inputs on the OBA exercise.
• Financial safeguard measures such as ‘bail out’ budget packages as well as scope for applying for supplementary budgets were factored in.
Quality Circle (QC) Meetings

- Quarterly QC meetings were held with all OBA partners for the last 6 years.
- It was intended to share and learn from each other's experience.
- Technical and financial highlights were shared with all partners.
- Inputs regarding service delivery, quality control, and collaboration with district Leprosy control society was discussed.
- These meetings also facilitated in determining common decisions that subsequently formed institutional OBA norms.

Photo-1: Quality Circle Meeting (Aug ‘13)
Conclusion

**Strengths**

- Scientifically developed costing currently available for Leprosy worldwide.
- It accurately facilitates in program planning and budgeting.
- It facilitates in budget forecasting and allocation of resources.
- It informs and influences India’s National Leprosy Eradication Program.

**Limitations**

- It works on assumptions and for optimum application all assumptions should be fulfilled.
- It should also incorporate assumptions regarding exigencies.
Thank you