

NHM Conditionalities Framework

Introduction:

Conditionalities Framework under National Health Mission is a result-based funding process in which the States performing well on the select indicators get more budgetary support based on selected outcomes, outputs and process indicators verified through various data sources and State reports. The framework gives the States a chance to earn incentives through performance-based funding which has been increased from 10% to 20% of the total allocation under flexi pools of NHM within the existing State pools.

The framework for 2018-19 was based on 7 key indicators while 75% full immunization coverage in case of EAG, North-Eastern (NE) and Hill states and 80% for rest of the States and UTs was used as a qualifying criterion for the States to claim the incentives.

Implementation of the practice

- The Framework is conveyed to the States at the beginning of financial year which gives them one year to improve their performance. In September-October, mid-term assessment is conveyed to the States to provide a status of their performance and scope for improvement.
- Five pools made in proportion to the NHM funds allocated are: 1) EAG 2) Non-EAG 3) North East 4) Hilly States 5) UTs.
- Based on the final assessment, States in each pool are incentivised or penalized and the funds left in the pool were distributed among /as NHM Budget among States in the pool to avoid more funding to better performing States and maintain equity in the distribution of funds.
- Methodology: The indicators and their formulas along with incentive/penalty score have been detailed below

<p>1. Improving Incremental performance based on NITI Aayog Report</p>	<p>Differential Score of state/ UT = (Composite Index Score in 2017-18) - (Composite index score in 2015-16)</p> <p>Incentive/ Penalty Points = (Differential score/ Highest or Lowest Composite Index Score achieved) *40/- 40</p> <p><i>*40 for states scoring more than 0 and -40 for states/ UTs scoring less than 0 as differential score</i></p>
<p>2. Operationalizing Health and Wellness Centres (HWC)</p>	<p>Operational HWC as % of total SC = (No. of Operational HWC*/Total functional Sub Centres*) *100</p> <p><i>*(as on 31st March 2019)</i></p> <p>Incentive/ Penalty Points =</p> <ul style="list-style-type: none"> • 20 points if percent of operational HWC is $\geq 10\%$ • 0 points if percent of operational HWC is $< 10\%$ and $\geq 7.5\%$ • -20 points if percent of operational HWC is $< 7.5\%$
<p>3. Implementing Human Resource Information System (HRIS)</p>	<p>The assessment gave +10 to -10 points for HRIS operationalization and +5 to -5 points for synchronization with HMIS</p> <p>Incentive/ Penalty Points =</p> <p>Availability of facility wise integrated line-listing of all HR (regular and contractual) Yes: +3 or No: -3</p> <p>Salary invoice for both regular and contractual HR generated through HRIS: +4 to -4 • Yes: +4 or No: -4</p>

	<p>Transfer orders for both regular and contractual Human resource generated by HRIS: +3 to -3 Yes: +3 or No: -3 HRIS data to match with HMIS reporting: +5 to -5 Yes: +5 or No: -5</p>
4. Grading of District Hospitals	<p>Based on the findings of “The Health of our Hospitals” study conducted by NITI Aayog, States were to be given assessed based on the percentage of districts hospitals who have at least eight fully functional specialties as per IPHS. Since the report was not published, 10 points were given to each State.</p>
5. Mental Health Services in Districts as per framework	<p>Percent districts covered under Mental Health program = (No. of districts where Mental Health Program is functional/No. of districts approved under Mental Health Program) * 100</p> <p>Incentive/ Penalty Points =</p> <ul style="list-style-type: none"> • 5 points if $\geq 75\%$ of the districts covered • 3 points if $\geq 50\%$ districts in Non-EAG and $\geq 40\%$ districts in EAG states covered • 3 points if $< 50\%$ districts in Non-EAG and $< 40\%$ districts in EAG states covered • -5 points if $< 40\%$ districts in Non EAG and $< 30\%$ districts in EAG states covered
6. Screening of 30+ population for Non-Communicable Diseases	<p>Percent of 30 plus population screened for NCDs = (No. of persons screened for NCDs/Total population to be screened) *100</p> <p>Incentive/ Penalty Points =</p> <ul style="list-style-type: none"> • 5 points if $\geq 15\%$ of 30 plus population screened for NCDs • 3 points if $\geq 7\%$ and $< 15\%$ of 30 plus population screened for NCDs • -3 points if $< 3\%$ and $\geq 2\%$ of 30 plus population screened for NCDs • -5 points if $< 2\%$ of 30 plus population screened for NCDs
7. Rating of PHCs (both Urban and rural) on their functionality	<p>Percent of PHCs rated 3 stars or more = (Number of PHCs rated 3 stars or more/Total PHCs) *100</p> <p>Incentive/ Penalty Points =</p> <ul style="list-style-type: none"> • 5 points if $\geq 75\%$ of PHCs in Non-EAG and $\geq 60\%$ of PHCs in EAG states having 3 or more stars • 2 points if $< 75\%$ and $\geq 50\%$ of PHCs in Non-EAG, $< 60\%$ and $\geq 40\%$ of PHCs in EAG states having 3 or more stars • 0 points if $< 50\%$ and $\geq 40\%$ of PHCs in Non-EAG, $< 40\%$ and $\geq 30\%$ of PHCs in EAG states having 3 or more stars • -5 points if $< 40\%$ of PHCs in Non-EAG, $< 30\%$ of PHCs in EAG states having 3 or more stars

Results of practice

- The performance-based funding has enhanced accountability and generated positive actions by the States. The States investing and demonstrating improved performance in the health sector are benefitted with increased incentives.
- It has also ensured that funds from high focus states and other weaker group of States, because of the penalty, do not go to better-performing states and disturb the equity in fund distribution.

Lessons Learnt

The conditionalities framework introduces a good amount of competition and aims to increase co-operation among the States by matching the good practices from other States for scaling up of a program.

Conclusions

A similar practice like the conditionalities framework can be adopted by other Sectors implementing CSS for encouraging competition and accountability in the States.

Further Reading

<https://nhm.gov.in/WriteReadData/l892s/50923145171570520489.pdf>