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# HFG VIETNAM FINAL REPORT



*USAID's Health Finance and Governance (HFG) project helps to improve health in developing countries by expanding people's access to health care. Led by Abt Associates, the project team works with partner countries to increase their domestic resources for health, manage those precious resources more effectively, and make wise purchasing decisions.*



# ABOUT THE HEALTH FINANCE AND GOVERNANCE PROJECT 2012-2018

The Health Finance and Governance (HFG) Project works to address some of the greatest challenges facing health systems today. Drawing on the latest research, the project implements strategies to help countries increase their domestic resources for health, manage those precious resources more effectively, and make wise purchasing decisions. The project also assists countries in developing robust governance systems to ensure that financial investments for health achieve their intended results.

With activities in more than 40 countries, HFG collaborates with health stakeholders to protect families from catastrophic health care costs, expand access to priority services – such as maternal and child health care – and ensure equitable population coverage through:

- Improving financing by mobilizing domestic resources, reducing financial barriers, expanding health insurance, and implementing provider payment systems;
- Enhancing governance for better health system management and greater accountability and transparency;

- Improving management and operations systems to advance the delivery and effectiveness of health care, for example, through mobile money and public financial management; and
- Advancing techniques to measure progress in health systems performance, especially around universal health coverage.

The HFG project (2012-2018) is funded by the U.S. Agency for International Development (USAID) and is led by Abt Associates in collaboration with Avenir Health, Broad Branch Associates, Development Alternatives Inc., the Johns Hopkins Bloomberg School of Public Health, Results for Development Institute, RTI International, and Training Resources Group, Inc.

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To learn more, visit [www.hfgproject.org](http://www.hfgproject.org)

## HFG'S COMPREHENSIVE TECHNICAL SUPPORT TO THE FINANCING TRANSITION OF THE HIV RESPONSE

Establishing social health insurance (SHI) as the primary financing mechanism for the HIV response

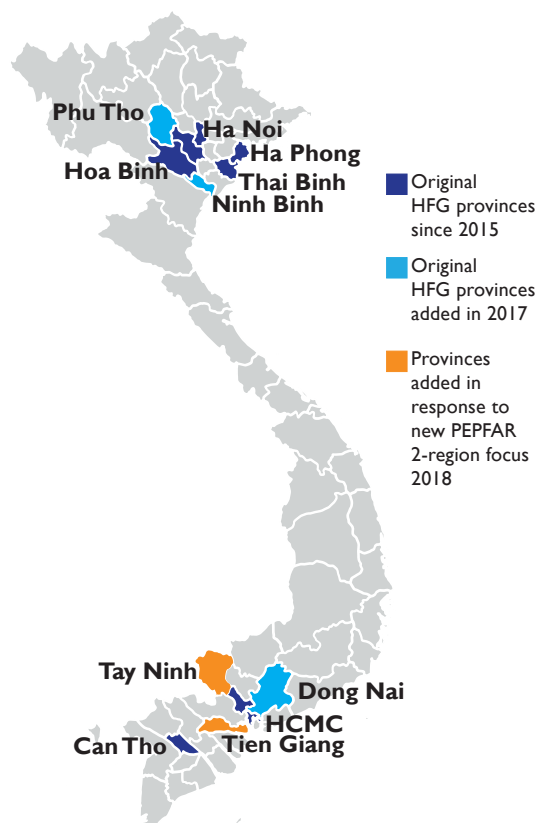
Integration of outpatient clinics

Increased PLHIV and service coverage of SHI

**SUCCESSFUL TRANSITION**

Advancing financial sustainability for PLHIV, providers, and SHI

Centralized ARV procurement



# HFG OVERVIEW IN VIETNAM



## CHALLENGES

USAID's Health Finance and Governance (HFG) project began its work in Vietnam in 2014. At that time, all aspects of the country's HIV response—prevention, treatment, and care—depended overwhelmingly (>70%) on international donor funding (Ministry of Health 2018), primarily from the President's Emergency Plan for AIDS Relief (PEPFAR) and the Global Fund. However, with Vietnam's graduation to middle-income country status and evidence that the HIV epidemic was slowing in terms of the number of new infections, donors began to reduce their support and inform the Government of Vietnam (GVN) about timelines for withdrawal from the country.

With these projected declines in donor funding, the GVN had a pressing need to develop sustainable financing for a seamless continuation of HIV programs. A principal challenge was to ensure continuous antiretroviral treatment (ART) for the ~130,000 existing patients and to further expand treatment coverage to achieve epidemic control through treatment as

prevention. Consequently, increasing domestic resource mobilization for the HIV response became an overarching goal for the GVN.

The GVN had, by 2014, decided that the country's social health insurance (SHI) scheme would be the primary financing mechanism and method of domestic resource mobilization as donors withdrew, but the feasibility and sustainability of this strategy had not been established and key dimensions of the transition remained largely unplanned. These included conversion of donor-funded (funded primarily by PEPFAR and the Global Fund) HIV outpatient clinics (OPCs) to the public health system with SHI coverage and reimbursement for services; centralized procurement of antiretroviral (ARV) drugs to replace donor-funded mechanisms; increased SHI coverage of people living with HIV (PLHIV) and expansion of HIV services covered by SHI; and measures to ensure the sustainability of the transitioned HIV response for patients, providers, and the SHI fund.



## CHANGE

HFG became the primary provider of technical assistance to the GVN on the financing transition of the country's HIV response. The project worked closely with USAID and the Ministry of Health (MOH), Vietnam Social Security (VSS), and other key government agencies to design and deliver a portfolio of technical support at the central level and in nine provinces. This support has helped Vietnam to advance toward a timely and successful financing transition.

HFG assisted the GVN to make significant progress in all five elements that comprise a comprehensive transitional strategy (see graphic on the previous page): confirmation of the GVN's choice of SHI as the primary financing mechanism; full integration of treatment facilities into SHI;

full SHI coverage among PLHIV and expansion of HIV services covered by SHI; preparation of the government apparatus for centralized procurement of ARV drugs; and sustainability of the transitioned HIV response for PLHIV, providers, and the SHI fund.

These HFG contributions, produced in 2014–2015, helped demonstrate the feasibility of, and solidify the GVN's commitment to, SHI as the primary financing mechanism for the transitioned HIV response. For the remainder of the project, HFG provided technical support to the GVN at the central level and in nine provinces to implement the key elements for successful transition of HIV services in Vietnam.

## DEMONSTRATING THE FEASIBILITY OF SHI AS THE PRIMARY FINANCING MECHANISM FOR A TRANSITIONED HIV RESPONSE

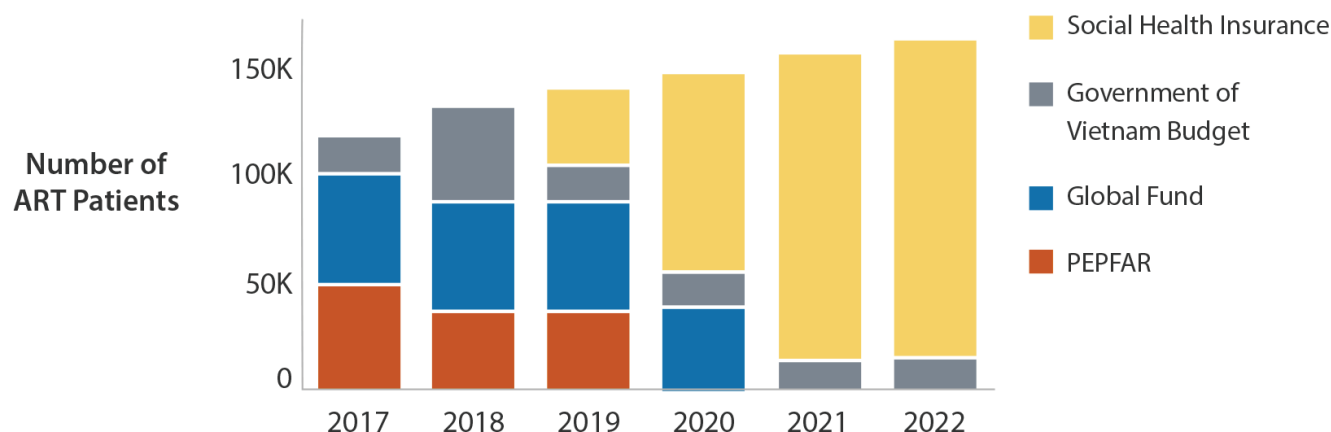
The HFG project developed critical evidence to solidify the GVN's choice of SHI as the primary financing mechanism for HIV services. In cooperation with the MOH and the Vietnam

Administration for HIV/AIDS Control (VAAC), HFG identified and answered three major questions on the feasibility of SHI for funding the HIV response, as shown in the table below.

| Questions on Transitioning the HIV Response  | How HFG Answered   |
|--|--|
| Can the SHI fund afford to cover HIV services?   | HFG developed an SHI liability model, which showed that the SHI fund could easily absorb the projected costs of covering HIV services.   |
| How will the parallel system of donor-funded HIV outpatient clinics be systematically integrated into the public health system and SHI scheme? | HFG developed a standardized, step-wise approach to OPC integration, demonstrating that it was feasible for the VAAC and provinces to integrate OPCs into SHI and enable future reimbursement of their services. |
| What mechanisms can the GVN use for centralized procurement of ARV drugs?  | HFG produced a report on options for a central procurement unit and procedures for centralized bidding to procure ARVs.  |

## PROJECTED FUNDING FOR ART COVERAGE IN VIETNAM

### ART Coverage by Funding Source



*“I highly appreciate the support from HFG on providing HIV services and getting reimbursement through the SHI system. Together with the on-site technical assistance - visits to facilities, HFG supported the Department of Health and the Provincial HIV/AIDS Center in organizing an OPC integration sharing workshop for all facilities on March 2017, then follow-up technical assistance support to individual facilities.”*

*~ Ngo Thi Hong, Head of Care and Treatment, Ninh Binh Provincial HIV/AIDS Center*



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## MAKING A DIFFERENCE



### RESULT AREA I

**More than 80 percent of the HIV OPCs in nine provinces integrated into the public health system and SHI scheme**

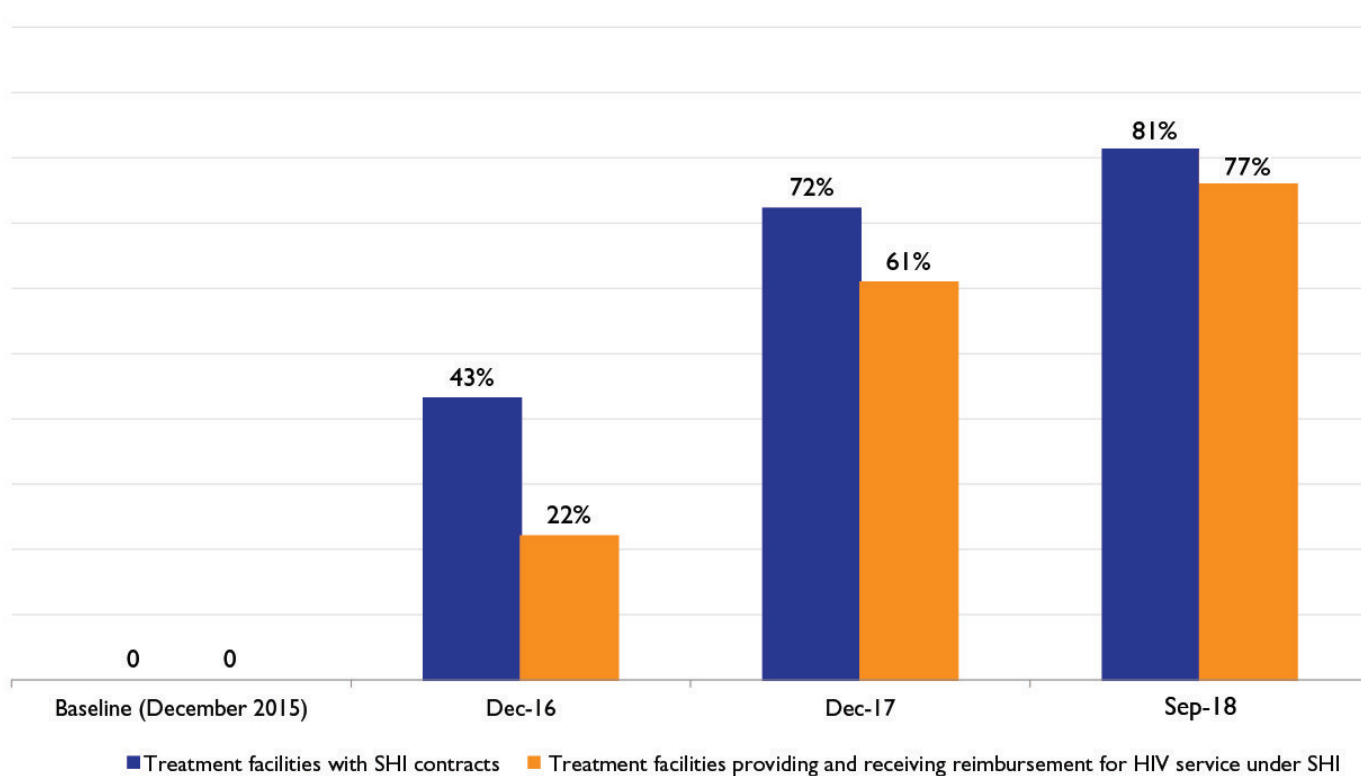
HFG provided technical assistance on OPC integration to the MOH and nine provinces, enabling the provinces to achieve full integration of more than 80 percent of their treatment facilities by September 2018. As a result of this effort, delivery of ART and related services is being shifted from donor-funded OPCs to an integrated system of clinics in provincial and district hospitals and district and commune health centers, with reimbursement through SHI. Among the nine HFG-supported provinces are Hanoi and Ho Chi Minh City, the two provinces with the highest HIV burden. More than 51,000 ART patients (~46% of the total in Vietnam) at 118 facilities will benefit from OPC integration in HFG's nine provinces.

The legal requirement that only services provided in curative settings qualify for SHI reimbursement posed a major challenge in the beginning for the integration of HIV treatment into SHI, because

most HIV patients were being served in single-function facilities—mainly donor-funded OPCs—that were part of the preventive medicine system. HFG supported VAAC, VSS, and MOH to overcome this obstacle and assisted provincial departments of health and treatment facilities to achieve the key integration steps for SHI contracting and reimbursement of HIV services. This involved enabling single-function facilities to qualify for SHI contracts and reimbursement or assisting with transfer of their patients to qualified clinics.

HFG also provided technical assistance at the national level, including development of an OPC integration monitoring tool and ongoing assessment of transition progress. The project devised a national dashboard of key integration progress indicators, which helped VAAC monitor and update OPC integration progress and identify provinces and facilities in need of additional support.

## STRONG PROGRESS OF OPC INTEGRATION IN NINE HFG-SUPPORTED PROVINCES



*“Now I totally believe that I have enough knowledge and skills and I am confident to provide counseling for PLHIV regarding ARV treatment and sustainable financing support for PLHIV through SHI.”*

*~ Nguyen The Anh (center), Director of Qua Lac Commune Health Station, Nho Quan District, after participating in a training*



## RESULT AREA 2

### More than two-fold increase in SHI coverage of PLHIV and expansion of HIV services covered by SHI

For SHI to be an effective financing mechanism for the HIV response, it is imperative that PLHIV be enrolled and that SHI cover a comprehensive set of HIV services. The HFG project supported the GVN in meeting these requirements.

#### **Increasing enrollment of PLHIV in SHI**

At the start of HFG’s work in Vietnam, only about 40 percent of ART patients were enrolled in SHI. We helped increase that coverage to 81 percent in the nine HFG provinces.

The GVN’s Decision 2188 of November 2016 stated that provincial funding be used to provide free SHI cards to all PLHIV, but many challenges stood in the way of achieving 100 percent coverage. These included budget shortages in some provinces, difficulties in reaching un-enrolled PLHIV in communities, lack of understanding

among some PLHIV about the procedures and advantages of SHI enrollment, and PLHIV’s fear of losing confidentiality by enrolling in SHI and the resulting potential for stigmatization and discrimination in their families and communities and in integrated treatment facilities.

HFG’s technical assistance enabled the nine supported provinces to tackle these challenges and achieve solid progress on SHI enrollment of PLHIV. Our support included classification and listing of PLHIV’s SHI status; advocacy for provincial support for SHI premiums; and collaboration with USAID’s Healthy Markets project to increase SHI enrollment among key populations through print materials, social media messages, and training of counselors for PLHIV in community-based organizations and community health facilities.

## Expanding the HIV services covered by SHI

HFG also provided the GVN with technical support and evidence for expansion of SHI-covered HIV services, another key element in successful transition of the HIV response. PLHIV may be reluctant to enroll in SHI if they are not certain that all HIV services will be covered. In fact, viral load testing is only gradually coming under SHI in 2018 and, pursuant to revised GVN policy, ARV drugs will remain free to all patients in all treatment facilities through support from international donors and Vietnam's National Target Program until the end of 2018 and will come under SHI in about 190 facilities in January 2019. PEPFAR drug stocks and Global Fund support will continue to support free ARVs in many facilities in 2019 and for a few years beyond. ARVs and viral load testing are the most costly components of HIV treatment.

As a step toward increased service coverage, HFG supported the MOH to develop a basic health service package that included a comprehensive set of HIV services to be paid for by health insurance. This contributed to improving the accessibility, affordability, and quality of care provided by devolving important service elements, including dispensing of ARV medications, to the commune

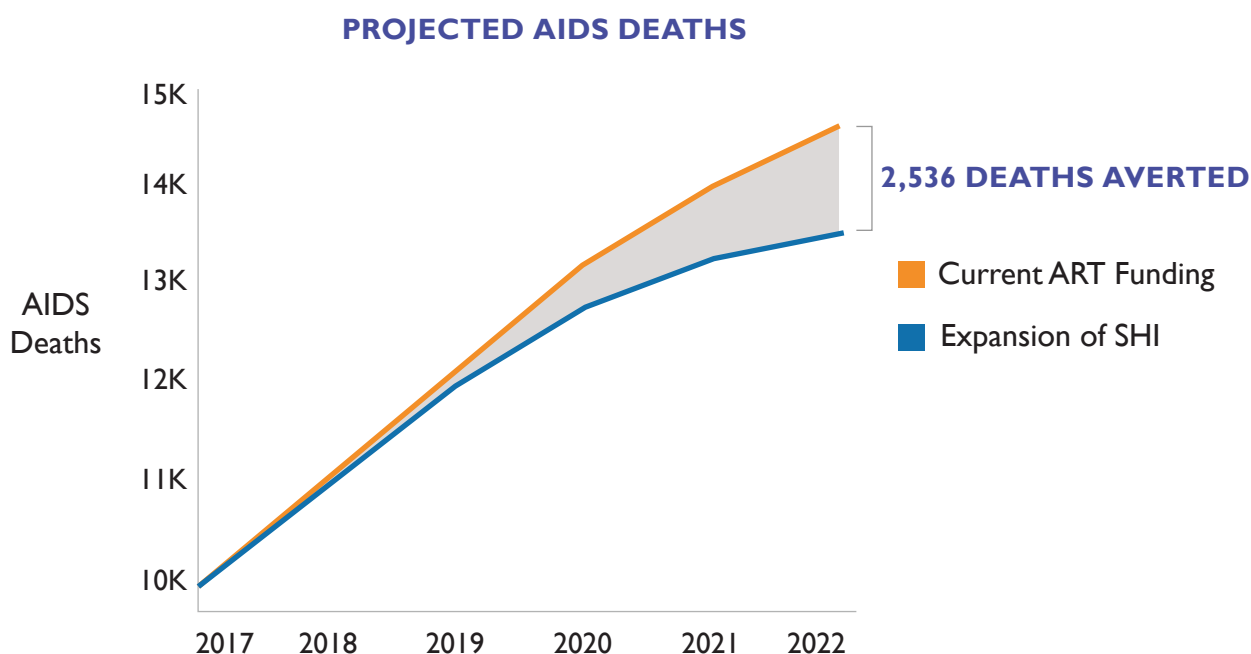
level, as required by Circular No 39/2017/TT-BYT, October 18, 2017, which HFG helped draft.

## Supporting inclusion of preventive services in SHI

Prevention is a critical part of the overall HIV response, but Vietnam's Law on Health Insurance restricts coverage to curative services; coverage of preventive and addiction treatment services is prohibited. Preventive and addiction treatment services currently depend on donors and the National Target Program on Health, but donors are reducing their support and the budget for the National Target Program's budget for such services has been cut.

HFG is working to bring preventive services under SHI. We are supporting the MOH to conduct an assessment of three years of implementation of the current SHI law and make recommendations for revising the Law on Health Insurance in 2019. HFG also supported the development of evidence to advocate for inclusion of selected HIV prevention services in the revised SHI law, including a review of international evidence of the economic benefits of these interventions and cost estimates for their implementation and coverage by SHI in Vietnam.

### DEATHS AVERTED DUE TO INCREASED SHI COVERAGE





HIV patients pick up their medications at a pharmacy. Even though ARV drugs will not come under SHI until January 2019, facilities in Ninh Binh are requiring patients to present their SHI cards to ensure readiness for the transition.

@HFG, Image by Linh Pham



### RESULT AREA 3

## The Government of Vietnam prepared for centralized procurement of ARV drugs

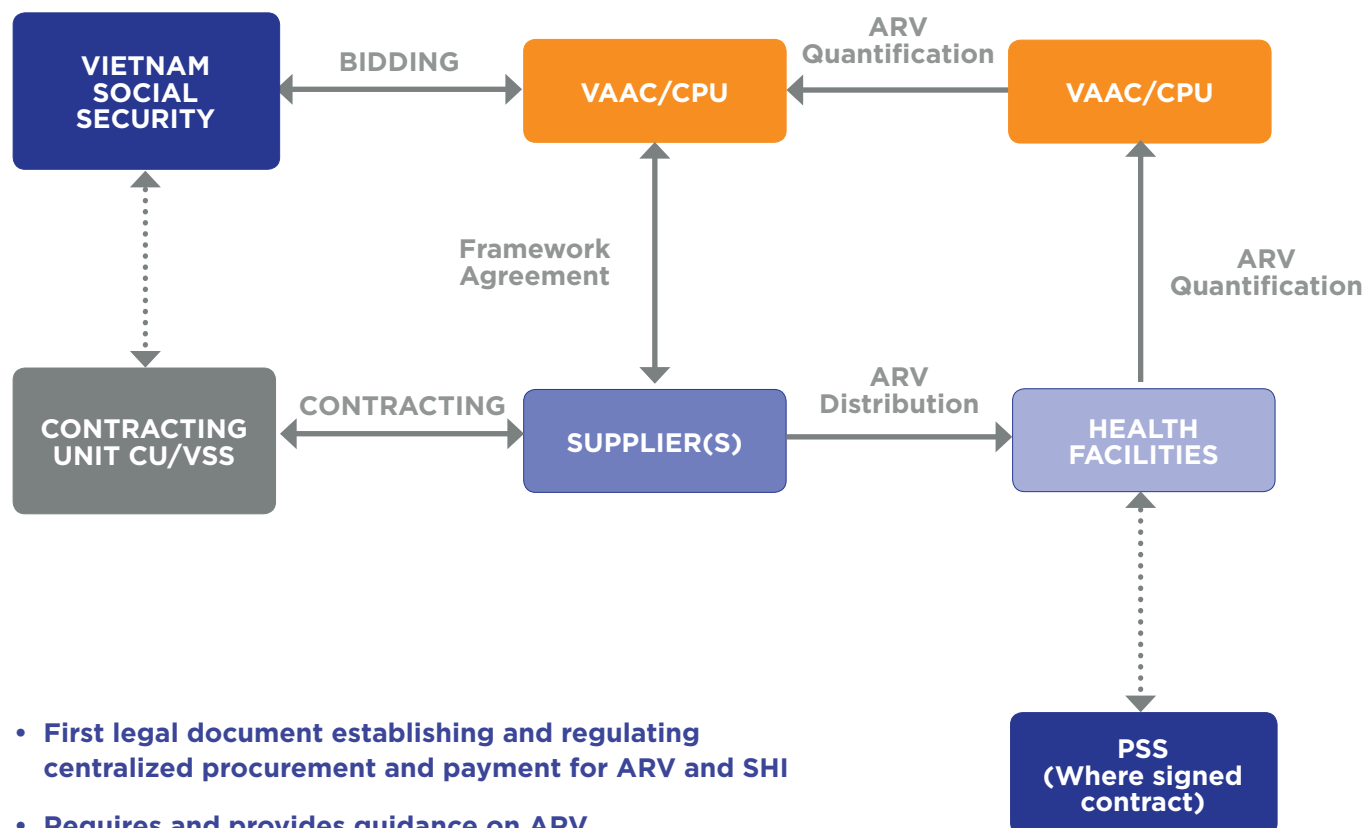
To sustain HIV treatment in the wake of declining donor funding, the GVN must cover about 26 percent of the ARV drugs in 2019 through SHI and direct budget support, increasing to almost 60 percent in 2020 and to 100 percent when the Global Fund phases out a few years later. HFG's support—including development of required legal documents and technical assistance on bidding procedures and monitoring of fund flows—helped the GVN advance toward government-led, centralized procurement of ARV drugs.

Procurement of ARV drugs will require the largest share of GVN expenditures on HIV services as the government takes responsibility for the HIV response. HFG advocated for ARV

procurement through SHI funds and supported resolution of administrative and legal challenges, such as the need to designate a centralized procurement unit at the MOH, establish the legal basis for centralized ARV procurement, and define the relationship between VAAC and VSS and their responsibilities for fund flows and the ARV supply chain.

A major obstacle was that SHI was designed to provide reimbursement after services were delivered rather than to advance funding before service delivery. HFG provided the GVN with policy options for, and evidence on, the viability of using the SHI fund to advance payment for centralized procurement of ARVs and clear

## FLOW OF FUNDS REQUIRED BY CIRCULAR 28 FOR CENTRALIZED ARV PROCUREMENT



procedures for quantification, reimbursement, and liquidation. This support, in turn, informed the GVN's development and promulgation of key legal documents, which HFG helped draft, including Decision 2188 (November 15, 2016) and Circular 28/2017/TT-BYT (June 26, 2017). Circular 28 provided for advance payment for ARV drugs from the SHI fund.

In July 2017, the GVN announced that the MOH's Central Procurement Unit would manage

procurement of ARVs and delayed the coverage of ARVs by SHI until January 2019. To help address these changes, HFG supported VAAC to revise Circular 28 and built the capacity of the Central Procurement Unit and provincial stakeholders. Additionally, we are assisting GVN agencies in monitoring the flow of funds for ARV procurement and settlement, while the USAID Global Health Supply Chain-Procurement and Supply Management (PSM) project takes the lead on the supply chain and flow of ARV drugs.

*“I must say that without the SHI card, I might have died already... I sometimes got serious illnesses for which I needed to be admitted to hospital. Thanks to the SHI card, my life has been saved until this moment. As I am from a poor household, SHI has covered... almost 100 percent of my treatment..”*

*~ An ART patient from Ninh Binh province*



## RESULT AREA 4

### Sustainability of the HIV response advanced for PLHIV, providers, and the SHI fund

Successful transition of the HIV response requires that the new arrangements be financially sustainable for all stakeholders: PLHIV, health providers, and the SHI scheme itself. The HFG project provided technical assistance and tools to help Vietnam move toward a sustainable response.

#### ***Sustainable services for PLHIV***

To have SHI cover their HIV services, PLHIV need to enroll and pay the required SHI premium and the established copayments for services. Vietnam's Law on Health Insurance fully exempts from premiums and copayments only those certified as “poor” or falling into certain other designated groups who are covered by certain special funds or provincial budgets; the “near-poor” must pay a copayment of 5 percent of the cost of the covered service, and all others must pay the full premium and a 20 percent copayment. HFG's analysis showed that

existing subsidies would protect an estimated 26 percent of the economically disadvantaged PLHIV on treatment. A large number of patients, especially people who use drugs and members of other key populations, although not officially poor, would face economic hardship if confronted with a lifetime of payments for their treatment. This hardship might negatively affect care seeking behavior, treatment retention, and adherence, which could reduce Vietnam's chances of reaching its stated 90-90-95 goals and controlling the HIV epidemic through treatment as prevention. To address this coverage gap, we assisted the MOH in developing Circular 28 (June 29, 2017), which formed the legal basis for universal free access to SHI for PLHIV and subsidies for copayments related to ART.

However, financial protection of patients, in turn, depends on provinces allocating budget from funds



for the poor, funds for HIV and other dangerous diseases, and other special funds to support premiums and co-payments. HFG helped VAAC design and test a replicable model of guidelines and procedures for subsidizing premiums and ART copayments for all PLHIV in need of financial aid in four provinces. HFG also helped the pilot provinces to advocate for provincial funding of the subsidies. Where provincial funding falls short of the need, the difference will be made up from Global Fund Catalytic Funds or PEPFAR performance-based incentive payments. As the subsidies are implemented in 2019, Abt Associates, which implemented the HFG project globally, will provide intensive technical assistance to provincial and facility staff and carefully monitor the model's implementation. Positive evidence from this monitoring could be used to urge provinces to assume full financial support of the subsidies and other provinces to adopt the model.

### ***Sustainable financing for HIV service providers***

HFG's support in this area began with helping facilities obtain SHI contracts and qualify for reimbursement under SHI. We subsequently provided technical support to VSS to harmonize information systems that will ensure prompt and efficient reimbursement to facilities for their HIV services and avoid duplicate reimbursement for ARV drugs and other abuses of SHI.

### ***Sustainability of the SHI fund for HIV services coverage***

HFG developed tools and evidence to support the sustainability of the SHI fund's coverage of the full range of HIV services, and built the GVN's capacity to employ these tools independently in future. With our support, the MOH developed National Health Accounts to track health expenditures for 2013–2015, with a separate sub-analysis to track HIV expenditures. This provided a retrospective analysis of trends in HIV expenditures from all sources, including donors, to provide estimates of HIV financing needs ahead of the transition to SHI as the primary mechanism for funding the HIV response.

We further advanced the GVN's awareness and understanding of future financing needs through updated estimates of HIV liability for the SHI fund during 2018–2020, when the full transition to SHI takes effect. Our projection model revealed that even with the addition of ARV drugs and viral load testing, HIV-related service costs would represent less than 1 percent of the total liabilities for the SHI fund during 2018–2020. This analysis has helped to convince the MOH and VSS of the feasibility and future sustainability of SHI coverage for HIV services.

# LOOKING FORWARD



## SUSTAINABILITY

The HFG project contributed to the continuation and sustainability of the transition to a GVN-funded and -operated HIV response in several ways. We transferred the skills and tools used to develop evidence of sustainability, including the National Health Accounts and SHI projection models, to the GVN for use in future financial planning of HIV programs and advocacy for increased domestic resource mobilization at the central and provincial levels. We carried out the handover through written manuals and guidelines, hands-on training, and user-friendly software.

Building on our success and experiences in nine provinces, we adapted our work plan to incorporate several additional provinces listed in PEPFAR's new two-region focus. We have included in the pilot of the ARV copayment subsidy model the Tien Giang and Tay Ninh provinces, which are home to more than 3,000 HIV patients and belong

to PEPFAR's Ho Chi Minh City metropolitan region. The two new PEPFAR regions have more than half of all PLHIV in Vietnam and a regional strategy of intensive case finding, enrollment in ART, and coverage for the full range of HIV services through SHI. HFG's support to provinces across Vietnam is strengthening the country's efforts to achieve its 90-90-95 goals by the year 2020 and, ultimately, control the HIV epidemic.

Although many challenges to the HIV transition in Vietnam have been overcome, several remain. The table below lists the continuing challenges and activities needed in four key areas to strengthen Vietnam's HIV response. Abt Associates will address many of these challenges and carry out many of the needed activities under a recently awarded two-year bilateral contract with USAID, called the Sustainable Financing for HIV Activity (SFHA).



## 1. Final and full integration of HIV OPCs into the public health system and the SHI scheme

### Continuing challenges:

- Global Fund-supported facilities are still offering free services, which may prevent newly contracted SHI facilities from attracting patients.
- Some preventive medicine center-based OPCs do not yet have SHI contracts.
- Some facilities with SHI contracts are not yet obtaining reimbursement through SHI.

### Technical support needed:

- OPC integration assistance to facilities without VSS contracts and SHI reimbursement.
- Continuing training and capacity building of VSS, Provincial Social Security, and facilities on SHI enrollment, claim, and reimbursement processes.
- Continued improvement of VSS information systems for reimbursement tracking and patient management.
- Expansion of technical assistance to new provinces in PEPFAR's two-region focus, including Tay Ninh and Tien Giang

## 2. Expansion of HIV services covered under SHI

### Continuing challenges:

- Procurement and availability of ARVs through SHI must be timed to avoid any supply gaps that could cause patients to lose treatment.
- The Law on Health Insurance prohibits coverage of any prevention or addiction treatment services.

### Technical support needed:

- Continued technical assistance and capacity-building support to the Central Procurement Unit, the MOH, and provinces on ARV centralized procurement.

- Development of annually updated ARV quantification and budgeting for centralized ARV procurement
- Continued monitoring of the flows of money for ARV procurement, distribution, and liquidation.
- Completion of the assessment of the Law on Health Insurance and recommendations for its revision in 2020.
- Evidence and advocacy to support SHI coverage of HIV prevention and addiction treatment in the revised Law on Health Insurance.

## 3. Expansion of SHI coverage of PLHIV

### Continuing challenges:

- Gaps in SHI coverage remain, particularly among key populations, migrant workers, and undocumented residents.
- Some HIV patients may endure financial hardship through out-of-pocket expenditure as they move from free-of-charge OPCs to public health facilities.

### Technical support needed:

- Continued training of HIV counselors on enrollment in SHI and ART
- Development of consistent and universally implemented solutions to problems of PLHIV lacking the required ID papers for SHI or ART enrollment and their referral across provinces and levels of facilities
- Scale up of SHI premium and ARV copayment subsidies to ensure equitable and sustainable PLHIV access to treatment and other HIV services

## 4. Financing strategies beyond SHI

- Exploration of and advocacy for innovative financing strategies for HIV services, including performance-based incentives, health promotion funds supported by "sin taxes" on alcohol and tobacco, and contracting with civil society organizations for outreach, case management, and treatment support services



## LESSONS LEARNED

The HFG project focused rigorously on capturing and documenting the lessons learned over the course of the project's implementation. Our health financing and governance experts published a paper on the lessons from the project's implementation experience in Vietnam (Todini et al. 2018). Excerpts from the paper, summarizing the project's learning in Vietnam, are presented below.

**Working within national policy.** A main source of delay in supporting the GVN's policy on HIV financing was the lack of clarity on policy objectives related to the ongoing health financing reform efforts. Working with the MOH and VSS, we found that framing the discussion on HIV under the umbrella of universal health coverage allowed us to provide effective technical assistance.

**Having clear understanding of the different stakeholders' objectives.** HFG focused on increasing domestic resource mobilization for the HIV response through SHI. Sticking to this goal made all decision-making at the project level much easier, and progress accelerated once PEPFAR started providing deadlines and clear estimates of decreasing funding.

**Delivering evidence in simple and understandable ways.** HFG produced a number of studies and documents. Delivery of this information in a language that was accessible for decision makers led to acceptance of the SHI mechanism for HIV and the definition of an SHI benefit package to include HIV services.

**Recognizing that the need for evidence is cyclical, not linear.** It may be tempting to see the inputs of evidence and technical assistance as we view medical interventions: a shot of National Health Accounts, a few pills of international experience, an intravenous dose of health financing via PowerPoint presentations, and the "patients" will be cured of their weak capacity, lack of knowledge, and blurred long-term vision. In reality, our work alone cannot "fix" weak health systems. In order to have real, long-term impact, it has to be part of a continuous cycle of evidence-based evaluation, decision-making, action, and reevaluation.

**Being flexible, learning, and adapting.** A key to our success was using an "opportunistic" approach to technical assistance. Designing activities and getting them approved requires time; often, the approaches, topics, and models of assistance can quickly become obsolete and lose relevance in the eyes of the target audience. Keeping the program flexible, to respond quickly to the shifts and sudden changes due to governmental politics and moving targets, is invaluable.

**Targeting key decision makers at all levels.** Political commitment from the top is necessary but not sufficient. Champions at all levels are needed, but not all of them will be useful or fully engaged. In a situation defined by constrained resources, the implementer should focus on targeting the right people for advocacy, capacity building, and partnership. HFG relied on a systematic and ongoing analysis of individual stakeholders and their potential roles as positive influencers.



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