Lessons Learned Document

Thematic Area	Costing, Cost-effectiveness and Financing
Description	This Lessons Learned document reviews the evidence on the cost-effectiveness of iCCM programmes.
Organizations documenting Lessons Learned	Management Sciences for Health (MSH)

Background

Despite the reported success of iCCM in several low-income settings, many countries have yet to implement or expand iCCM, partly due to a lack of evidence around the cost-effectiveness of iCCM programmes. A clear understanding of cost-effectiveness, and what drives it, is needed for countries to maximize the use of scarce resources. Cost Effectiveness Analysis (CEA) is a type of economic evaluation that examines both the costs and health outcomes of alternative intervention strategies. It compares the cost of an intervention to its effectiveness as measured in natural health outcomes (e.g., "cases prevented" or "years of life saved"). For example, a CEA could compare the cost of successfully treating a child with pneumonia in the community with the cost of doing the same at a health facility.

Assumptions that iCCM programmes must be inexpensive because CHWs are often volunteers may not take into account the need for the significant supervision and logistical support structures. On the other hand, perceptions that iCCM programmes are too expensive because of high investment costs may not consider the eventual decrease in treatment costs due to economies of scale and the savings from shifting services from facilities to the community level. These issues can be clarified through the use of cost-effectiveness analysis when planning or evaluating an iCCM programme. *This is a companion paper to the Lessons Learned Paper on Costing prepared under the same thematic area.*

Process for documentation

Through the USAID-funded TRAction project, Management Sciences for Health (MSH) developed the iCCM Costing and Financing Tool and applied it in Malawi, Rwanda and Senegal. With funding from the Bill & Melinda Gates Foundation, the tool was further applied in Cameroon, the Democratic Republic of Congo (DRC), Ethiopia, Sierra Leone, South Sudan, Uganda and Zambia. Through the process of the tool development and its application in these ten countries, MSH collected and documented a number of lessons learned about cost-effectiveness in iCCM programmes.

Strategies that worked well

The following strategies were identified as those that tended to improve the cost effectiveness of iCCM programmes.

- The most cost-effective iCCM programmes were those implementing strategies that resulted in a **high number of iCCM treatments per beneficiary**.
- Among the most important strategies was investing enough in the health system to ensure **minimal disruptions to drug supply**. This was seen as especially important in countries which

reported that low utilization was related to stock-outs of key medicines. *See related lessons in the Supply Chain Lessons Learned document.*

- Programmes that invested in **demand generation activities** and addressed care-seeking behavior tended to show higher levels of utilization of iCCM services, ultimately increasing cost-effectiveness. These programmes also had strong supervision structures, often with **supervisors working full-time**.

Strategies that did not work well

The following strategies were identified as those that tended to hinder the cost effectiveness of iCCM programmes.

- **Strategies that did not guarantee a continuous supply of drugs** resulted in low utilization, making the programme less cost-effective, especially where the costs of supervision and management were relatively high. In many countries, frequent drug stock-outs led to a lack of confidence in CHWs, and people were less likely to use iCCM services even when drugs were available.
- iCCM programmes with funding from both NGOs and government often had high management costs, with numerous staff performing duplicate roles. These high management costs would need to be reduced to be sustainable if the programme were to be handed over entirely to the government. However, the quality and utilization of iCCM services could be negatively affected as a result.
- **High attrition rates of CHWs** in some countries resulted in significant additional expenditure on identifying, training and deploying replacement CHWs. iCCM programmes where CHWs were not provided adequate supervision, recognition and incentives tended to suffer from higher attrition. There were also issues with CHWs being recruited to work at health centers instead of remaining in their communities.
- **Financing policies that did not consider patients' ability to pay**, and charged user fees, generally resulted in lower utilization of iCCM services, particularly in countries where free or subsidized child health services are available at facilities. Also, policies that expected the communities themselves to finance the start-up costs of iCCM programmes (such as building health huts) were often unsuccessful.

Lessons Learned

- **iCCM programmes must be well-utilized to be cost-effective.** iCCM programmes have certain level of fixed costs, including training, equipment, supervision, management, procurement, transport and storage of supplies, record-keeping and reporting and sometimes salaries. To be cost-effective these fixed costs must be shared over a high volume of services. The programme must therefore be well utilized, otherwise it may not be worth the investment.
- **An iCCM programme will generally require investment in the health system.** An iCCM programme may be established because the primary health system is weak. But without support from that health system, in particular for supervision and supply chain management, utilization may be low and the programme will not be cost-effective. The supporting health system must also, therefore, be adequately funded.
- **More evidence on cost-effectiveness of iCCM programmes is needed.** A review of the existing literature shows a clear need for more evidence on the cost-effectiveness of iCCM programmes. iCCM programme implementers and researchers should build on the findings from this iCCM Evidence Review Symposium to assess the cost-effectiveness of different iCCM models; of iCCM programmes in comparison with other community-based programmes; and of other levels of service delivery, to ensure that value for money is maximized.