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Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 25-Apr-2018 | Report No:

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BASIC INFORMATION

A. Basic Program Data

Country	Project ID	Parent Project ID (if any)	Program Name
India	P166373		Tamil Nadu Health System Reform Project
Region	Estimated Appraisal Date	Estimated Board Date	Does this operation have an IPF component?
SOUTH ASIA	07-Jan-2019	22-Mar-2019	No
Financing Instrument	Borrower(s)	Implementing Agency	Practice Area (Lead)
Program-for-Results Financing	Government of India	Tamil Nadu Health Systems Project	Health, Nutrition & Population

Proposed Program Development Objective(s)

To improve quality of care and the management of NCDs and injuries, especially for the poor, in Tamil Nadu.

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	500.00
Total Operation Cost	413.20
Total Program Cost	413.20
Total Financing	413.20
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	287.00
World Bank Lending	287.00
Total Government Contribution	126.20

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B. Introduction and Context

Country Context

India – a country of 1.3 billion – is in a phase of overcoming past under-performance. Health and nutrition outcomes lag behind regional and global comparators, and national averages mask significant variation across states. Inefficient and inequitable health financing is illustrated by low government health spending and high household out-of-pocket spending. However, there is a growing political commitment to the health and nutrition agendas. There has also been a redefinition of Indian federalism with the 14th Finance Commission that has increased the focus on state performance. For example, even for Centrally-Sponsored Schemes, states are to have a greater share of fiscal responsibility for implementation. With a backdrop of increasing urbanization paired with demographic and epidemiologic transition, India is in a changing landscape with respect to health and nutrition.

Tamil Nadu is the sixth largest Indian state in terms of population (about 72 million inhabitants) and the eleventh largest in terms of land area. It is also among the most urbanized states with 49% of its population living in urban areas. Tamil Nadu is the second largest economy after Maharashtra and has experienced steady economic growth (7.4% growth rate for 2012). Poverty has declined considerably in the state and has been estimated to be around 12% in 2012 according to World Bank estimates.

Sectoral (or multi-sectoral) and Institutional Context of the Program

Tamil Nadu ranks among the high-performing states in India with respect to human development, attaining 3rd rank on the Human Development Index among all states in India (2014). This achievement is reflected in high literacy (80%) and vastly improved health outcomes. Infant and under-five mortality has been on the decline and is lower than the India average, though still four times higher than Kerala. Improvements in health outcomes have followed high coverage of many health services such as near universal coverage of skilled deliveries. The Government of Tamil Nadu (GoTN) has made a concerted effort to strengthen public sector service delivery, which has been reflected in Tamil Nadu's 3rd rank among states on the NITI Aayog Health Index (2018). The GoTN has made great strides in steady strengthening of the health system, including improved data systems, establishment of Comprehensive Emergency Obstetric Care Centers and provision of emergency transport services to access care.

Quality of Care: While Tamil Nadu has made substantial strides in increasing health service *utilization*, it continues to face challenges in *quality* of health services. Provision of full antenatal care (ANC) and age-appropriate vaccinations remain low (45% and 43%, respectively). Postnatal care for the mother within two days of delivery is provided for only 74% of women despite 99% of deliveries taking place in health facilities. The rate of Caesarean Sections should be between 5% and 15% – Tamil Nadu's rate of 34% suggests overuse of the procedure for non-emergency situations. Nearly all women who use modern methods of contraception opt for sterilization, and the lack of diversity in the methods being used reflects possible quality of care challenges related to family planning counselling and provision of a range of services. Clinical and service quality issues were cited as reasons behind non-use of public health facilities among the 37% of households who generally do not use them. Reasons included poor clinical quality of care, long wait times, inconvenient facility timings, and the absence of health staff in the facilities.

Non-Communicable Diseases and Injuries: Tamil Nadu has been undergoing demographic and epidemiological transitions. This has resulted in an aging population and its burden of disease shifting from maternal, reproductive and child health and communicable diseases to non-communicable diseases (NCDs) and injuries. Cardiovascular disease (CVD), diabetes and other NCDs are the top causes of disability-adjusted life years (DALYs) in Tamil Nadu (ICRM, PHFI & IHME, 2017).

There is also persistently high incidence of self-harm, which remains the 3rd top cause of DALYs and indicates a need to address mental health. Almost one-third of the adult population is overweight, and 12% of women and 10% of men have hypertension (NFHS-4). In 2016, CVD, diabetes and cancer were the leading cause of death for individuals aged >40 years, while suicide and violence, cardiovascular disease and transport injuries were the leading causes among those aged 15-39 (ICMR, PHFI & IHME, 2017). Tamil Nadu has one of the highest rates of road traffic injuries in India. While screening for NCDs has been taken up by the government, significant gaps remain in prevention, screening, treatment and follow up. For example, only 20% of women are screened for cancer.

Equity: At the aggregate level, Tamil Nadu performs well on health indicators relative to other states in India; however, the disaggregated data reveal poorer health outcomes, access to and utilization of health services among urban poor, those living in select districts, and tribal populations, reflecting socioeconomic, geographic and ethnic disadvantages. For example, contraceptive prevalence rate varies from 23% in Virudhunagar to 65% in Coimbatore. At the state level, vaccination coverage is 70%; however, this varies from 39% in Nagapattinam to 93% in Tirippur. Out-of-pocket spending represents 77% of total health expenditures in the state with 13% of households encountering catastrophic expenditures and spending more than 25% of their total household expenditures on health.

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Relationship to CAS/CPF

The proposed project will contribute to achievement of the Country Partnership Framework goals through the "Investing in Human Capital" Focus Area by improving health service delivery and health financing. Tamil Nadu has served as a role model for other states in India on how to establish the basics of a functioning health system. With a "middle-income health agenda" focused on NCDs, quality and equity issues, the project will offer lessons learned for how other states will need to transform their health systems to tackle the demographic and epidemiological transitions in the future.

Rationale for Bank Engagement and Choice of Financing Instrument

The Tamil Nadu Health Systems Project (TNHSP) – a US$210 million project (2005-2015) –contributed to significant improvements in maternal and child health services and enabled the GoTN to pilot several initiatives to address the growing burden of NCDs. In addition, TNHSP strengthened state-level capacity of pharmaceuticals and medical supplies procurement, repair and maintenance of medical equipment. The Tamil Nadu Medical Services Corporation – the GoTN's procurement agency – continues to use World Bank procurement procedures. The proposed engagement in Tamil Nadu provides an opportunity for the World Bank to engage on a more advanced agenda and a systems-based approach for improving health service delivery beyond the basics. There is a clear need to shift from paying for inputs to results. Using a Program-for-Results (P4R) instrument will focus on results through better alignment of expenditures and incentives with results. In addition, as the P4R uses government fiduciary systems, it will allow the government flexibility in planning and implementation and improve efficiency and alignment of expenditures and incentives with results. As states in India are increasingly moving toward results-based financing approaches, this is a good opportunity for GoTN to focus on results and further strengthen capacity on results monitoring and fiduciary systems.

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

To improve quality of care and the management of NCDs and injuries, especially for the poor, in Tamil Nadu.

PDO Level Results Areas

1. Quality of care
2. Non-communicable diseases and injuries
3. Equity

D. Program Description

PforR Program Boundary

The proposed TNHSRP will support the GoTN overcome the challenges described above. It will aim to establish advanced quality assurance systems, improve the management of NCDs and injuries and close equity gaps. It will do so by recalibrating public service delivery for NCD management and support institutions to build capacity to endogenously change as needed. The PforR program boundary will be finalized during project preparation in discussion with the GoTN, but the three primary results areas are listed below with possible specific interventions proposed. The technical assessments will help determine specifically which levels of care (primary, secondary and/or tertiary), aspects of quality of care and dimensions of equity will be included in the government program.

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Results Area #1: Quality of Care

- Accreditation of health facilities
- Establishing quality assurance mechanisms
- Addressing key gaps in the health system to improve quality (e.g. information and data system, skills)

Results Area #2: Non-Communicable Diseases and Injuries

- Prevention, treatment and follow up for priority NCDs and their risk factors (e.g. hypertension, diabetes, cancers)
- Mental health
- Trauma care

Results Area #3: Equity

- Reduce the inequities in access to and use of health services (e.g. diagnostic services for disadvantaged women, improving patient transportation services)
    - Urban-rural disadvantage
    - Urban poor disadvantage
    - Regional disadvantage (inter-district variability)

E. Initial Environmental and Social Screening

The proposed project will be implemented throughout the state of Tamil Nadu, which is largely tropical and comprising of over 100 river sub-basins. More than one-quarter (27%) of households in Tamil Nadu have household heads who belong to a scheduled caste, 69 percent belong to other backward class (OBC), and 2 percent belong to scheduled tribes.

At this stage, specific healthcare facilities that will be involved in quality improvements, screening of NCDs and addressing injuries are not known. Most healthcare facilities in the State are reasonably developed and were beneficiaries of a previous health systems project and an additional financing by the World Bank. Healthcare facilities are largely urban, peri-urban and rural and are already established. At this stage, the project does not envisage building new healthcare

facilities, but this will be confirmed during project preparation. An Environmental and Social Systems Assessment (ESSA) against OP/BP 9.00 core principles and key planning elements shall be undertaken. At the initial environmental and social screening stage, the risks and impacts of the proposed project seem manageable, partially due to the prior experience of the borrower with the Bank's environmental and social safeguards. In the previous project, which was an Investment Project Financing loan, implemented by the same agency as in this proposed project, two safeguard polices were triggered - Environmental Assessment and Indigenous Peoples. The Borrower handled both well and complied with all Bank requirements. Biomedical waste management had improved in line with the plan that had been developed. Through a consultative process, a Tribal Development Plan had been developed and implemented resulting in high levels of utilization and satisfaction with service quality and delivery.

During ESSA due consideration would be given to cultural appropriateness of, and equitable access to, program benefits, giving special attention to the rights and interests of Indigenous Peoples and to the needs or concerns of vulnerable groups. The project is not likely to cause any displacement or exacerbating any social conflict or involves any post-conflict areas, or areas subject to territorial disputes. However, this will be confirmed during project preparation.

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During ESSA, the state's bio-medical waste management (BMWM) capacity will be assessed to identify any potential adverse risks and impacts, and the project will address any institutional capacity gaps identified through the ESSA. During the implementation of the previous project, the BMWM improved considerably in the state, and the proposed project will build on the existing system. The ESSA would specifically assess the capacity and practice of BMWM management in the state with reference to the *Bio-Medical Waste Management (Amendment) Rules 2018* that were recently amended on March 16, 2018. Based on the findings, the ESSA will formulate measures for inclusion in the overall Program Action Plan to enhance environmental and social management and outcomes in a manner agreed on with the borrower during implementation.

Tentative target date for preparing the Appraisal Stage PID: Sep 14, 2018

Time frame for launching and completing the safeguard-related studies that may be needed: 4 months

Environmental and Social Safeguards Specialists on the Team
Sangeeta Kumari, Senior Social Development Specialist
Anupam Joshi, Senior Environmental Specialist
Dushyant Kumar, Environmental Safeguards Consultant

Safeguard Policies	Triggered?	Explanation (Optional)
Projects on International Waterways OP/BP 7.50	No	The project is not on any international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project does not include any disputed areas.

CONTACT POINT

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Borrower/Client/Recipient

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Implementing Agency :	Tamil Nadu Health Systems Project		
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