Investing $1 in CHWs…

...can return up to $10 in the long term

1. Productivity
2. Insurance
3. Employment
AGENDA

- Components of the broader ‘case’ for investing in community health
- How to calculate the economic ROI
WHY IS IT IMPORTANT TO ‘MAKE THE CASE’ FOR FURTHER INVESTMENT INTO COMMUNITY HEALTH?

Community health investments can be significant . . .

- **Massive investment needed**: a national CHW program can require significant up-front investment and long term recurring costs
- A report from the One Million Community Health Worker Campaign estimated that **$3.1B is needed annually** for sub-Saharan Africa’s community health programs

. . . and case must be made to internal and external donors

- **Governments**: not all national governments are prioritizing community health and primary care when planning their budgets
- **Global funding mechanisms**: Global Fund, GAVI, the World Bank, and others have ability to support community health systems, but ‘case’ must be clearly made
- **Philanthropic donors**: foundations (e.g. Gates, CIFF) may be interested in supporting community health, but many require quantifications of increased coverage, decreases in mortality and morbidity, etc.

At the 2014 integrated Community Case Management (iCCM) Evidence Symposium, countries said that a **lack of financing** was one of the primary limitations to expanding the size and scale of community health programs

WE HAVE IDENTIFIED “FOUR PILLARS” OF THE CASE FOR INVESTMENT IN CHWS

Investing in community health workers makes sense:

1. Requirement to achieve critical global health objectives
2. Significant long term economic return on investment
3. Short-term cost savings to finance system scale-up
4. Further benefits to society

What do you see as the benefits of investing in community health in your country?

The evidence shows that programmes using outreach workers that visit homes and provide preventative and curative services...are effective in rapidly increasing coverage and reducing mortality” - Perry & Hounton

CASE FOR INVESTMENT (2/3)

Significant long term economic return on investment

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“It is becoming increasingly clear that community health worker programmes are a foundational and essential component of world-class health programmes” - Perry & Hounton

### Short-term cost savings and other benefits

**Short-term cost savings**

CHWs have been shown to deliver higher value for money than facility-based care across a number of services:

1. Vaccinations
2. Neonatal care
3. Family planning
4. Malaria
5. Community Management of Acute Malnutrition (CMAM)
6. HIV
7. Tuberculosis

**Societal benefits**

CHWs deliver further benefits to society:

1. Empowering women
2. Reducing costs for patients
3. Enabling governments to conduct civil registration and gather vital statistics (CRVS)
4. Enabling further service delivery at the community level
5. Promoting strong, empowered communities

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• Components of the broader ‘case’ for investing in community health

• How to calculate the economic ROI
## Suggested Approach for Calculating the Return on Investment from Community Health (Health and Econ Gains)

<table>
<thead>
<tr>
<th>Steps</th>
<th>Cost</th>
<th>Health and econ. benefits</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculate total cost of community health program (CHW incentives, supplies costs, training, supervision, transport, etc.) – per year</td>
<td>Calculate increases in coverage from CHW expansion and potential additional lives saved&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Compare total yearly cost to ‘run rate’ annual benefit and find ratio: e.g. 10:1, 5:1, etc. – this is the CHW program ROI</td>
</tr>
<tr>
<td>2</td>
<td>Calculate increases in coverage from CHW expansion and potential additional lives saved&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>Productivity:</strong> multiply expected lives saved by expected future economic output of each life saved (using GDP per capita, growth rate, etc.)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td><strong>Productivity:</strong> multiply expected lives saved by expected future economic output of each life saved (using GDP per capita, growth rate, etc.)</td>
<td><strong>Insurance:</strong> calculate economic potential of health care crisis and degree to which CHW may help offset</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td><strong>Insurance:</strong> calculate economic potential of health care crisis and degree to which CHW may help offset</td>
<td><strong>Employment:</strong> use economic multiplier to show how spending on CHWs will have additional positive impact on GDP</td>
<td>Compare this ROI to analysis of other potential programs to guide investment and allocation decisions</td>
</tr>
<tr>
<td>5</td>
<td><strong>Employment:</strong> use economic multiplier to show how spending on CHWs will have additional positive impact on GDP</td>
<td>Calculate total economic value and determine an annual ‘run rate’ benefit</td>
<td></td>
</tr>
</tbody>
</table>

The ROI in this context is defined as the *run-rate economic benefits compared with the run-rate cost*. Note that this is only one way to calculate an ROI – the metrics and methodology will depend on your target audience and stakeholders.


All references available in report endnotes. Detailed calculation steps, assumptions, etc available

<sup>1</sup> Using a lives saved calculation does not factor in improvements in morbidity, so understates the actual health benefits.
Would you be interested in calculating an ROI for your country?

<table>
<thead>
<tr>
<th>Cost</th>
<th>Health and econ. benefits</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Estimated cost of $3,000 per CHW per year (based on 1mCHW Campaign estimate)</td>
<td>• ~300,000 additional lives saved each year</td>
<td>• $22B / $2B = 10:1</td>
</tr>
<tr>
<td>• 734,000 incremental CHWs needed</td>
<td>• <strong>Productivity</strong>: each life has $65,000 in economic value based on GDP, earnings, etc. - $19B per year gain</td>
<td></td>
</tr>
<tr>
<td>• $2.2B cost per year</td>
<td>• <strong>Insurance</strong>: $700M per year gain</td>
<td></td>
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<tr>
<td></td>
<td>• <strong>Employment</strong>: $1.6B per year gain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• <strong>Total</strong>: $22B per year gain</td>
<td></td>
</tr>
<tr>
<td><strong>Country X</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Estimated cost of $2,000 per CHW per year</td>
<td>• ~6,000 additional lives saved each year</td>
<td>• $343M/30M = 11:1</td>
</tr>
<tr>
<td>• 15,000 additional CHWs required</td>
<td>• <strong>Productivity</strong>: each life has $50,000 in economic value - $307M per year</td>
<td></td>
</tr>
<tr>
<td>• $30M cost per year</td>
<td>• <strong>Insurance</strong>: $15M at run rate</td>
<td></td>
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<tr>
<td></td>
<td>• <strong>Employment</strong>: $21 M at run rate</td>
<td></td>
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<tr>
<td></td>
<td>• <strong>Total</strong>: $343M per year gain</td>
<td></td>
</tr>
</tbody>
</table>

If possible, may also want to do an Internal Rate of Return (IRR) / Net Present Value Analysis

## How to use it

- **Internally to guide health allocation decisions**—e.g. positioning the return in discussion with other programmatic areas in the health sector (when prioritizing budgets)

- Advocacy documents to make the case:
  - To Minister of Health
  - To Minister of Finance
  - To physicians and nurse unions/organizations
  - Externally, to donors/investors
  - To corporate sector - making the case to the business sector to invest in programs near their corporate operations

## Important limitations

- **Benefits tied to 10 guiding principles from CHW Investment Case and country context:**
  - increases in coverage determine lives saved; coverage driven by program strength; productivity gains linked to country’s GDP

- **Long term horizon of the return:**
  - while returns are high, they will take time to materialize (benefits calculated at year five/full scale)

- **Beneficiary of the return:**
  - depending on the country context, it may make sense to think about who the beneficiaries are of a healthier population and find a way to encourage investment into the community health program

- **Limited comparisons available:**
  - e.g. one might challenge what the ROI on primary care is
The Malaria community has made an effective ‘case’ about the health and economic benefits of eradicating malaria – and has seen funding increase from $960M in 2005 to $2.5B in 2014.

Available: http://endmalaria2040.org/
SUPPORT IS AVAILABLE FROM GLOBAL GROUPS, INCLUDING THE NEWLY-FORMED FINANCING ALLIANCE

| Vision & value prop | • The Financing Alliance supports governments in building resilient community health systems across Africa that also, over time, become financially self-sufficient through innovative financing ‘mixes’ and modalities  
  • It is a unique, multi-sector partnership (UNICEF, UNSEO, WB, LMH, PIH, USAID, LG, CHAI, JHU) committed to partnering with governments |
| Types of support | • Country engagement on system design and financing  
  • Intellectual property/knowledge management  
  • Developing innovative financing products/modalities |
| Tools available | • See financing curriculum for more detail, tools include:  
  • Costing tool (from UNICEF)  
  • ROI template  
  • Gap analysis and resource mapping  
  • Financing pathway |
| Who do I contact? | • Jerome Pfaffman, UNICEF: Jpfaffmann@unicef.org  
  • Claire Qureshi, Office of the UN Special Envoy: cquareshi@healthenvoy.org  
  • Henry Perry, Johns Hopkins University: hperry2@jhu.edu |

Source: “Strengthening Primary Health Care through Community Health Workers: Investment Case and Financing Recommendations,” July 2015. All references available in report endnotes. Detailed calculation steps, assumptions, etc available