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USAID'S ADVANCING UNIVERSAL HEALTH COVERAGE (AUHC) ACTIVITY IN BANGLADESH

October 2017- December 2023

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Cover photo: Former U.S. Ambassador Earl R. Miller attends infant polio vaccination at the Advanced SHN Clinic in Sylhet.

CONTENTS

ACRONYMS

ANC	Antenatal Care
AUAFP	Accelerating Universal Access to Family Planning
AUHC	Advancing Universal Health Coverage
BDT	Bangladeshi Taka
CHW	Community Health Workers
CEO	Chief Executive Officer
CLA	Collaborating, Learning and Adapting
CM	Clinic Manager
CNCP	Children in Need of Care and Protection
COM	Clinic Operations Manual
CoP	Chief of Party
CRO	Client Relations Officer
CS	Caesarean Section
CSP	Community Service Providers
CYP	Couple Years of Protection
DCOP	Deputy Chief of Party
DGFP	Directorate General of Family Planning
DHIS2	District Health Information System 2
DHS	Digital Healthcare Solutions
DIS	Development Information Solutions
DOTS	Directly Observed Treatment, Short course
DQA	Data Quality Assessment
DTC	District Technical Committee
EMR	Electronic Medical Record
EPI	Expanded Program on Immunization
ERD	Economic Relations Division
FPRH	Family Planning and Reproductive Health
GHD	Global Health Division
GMP	Growth Monitoring Practice
GoB	Government of Bangladesh
HMIS	Health Management Information System
HRIS	Human Resources Information System
IFA	Iron-Folic Acid
IR	Intermediate Result
IUD	Intrauterine Device
IYCF	Infant and Young Child Feeding
KII	Key Informant Interview
LARC	Long-Acting Reversible Contraception
LOE	Level of Effort
MCH	Maternal and Child Health
MEL	Monitoring, Evaluation and Learning
MERL	Monitoring, Evaluation, Research, and Learning
MHI	Micro Health Insurance

MIS	Management Information System
MNCSP	Maternal and Newborn Care Strengthening Project
MNCH	Maternal, Newborn and Child Health
MNHQI	Maternal and Newborn Health Quality Improvement
MoHFW	Ministry of Health and Family Welfare
MoU	Memorandum of Understanding
MPDSR	Maternal and Perinatal Death Surveillance and Response
MR	Menstrual Regulations
NGO	Non-Governmental Organization
NTP	National Tuberculosis Programme
NUPAS	Non-U.S. Organization Pre-Award Survey
NVD	Normal Vaginal Delivery
OGSB	Obstetrical and Gynecological Society of Bangladesh
OIG	Office of the Inspector General
OPD	Outpatient Department
OPHNE	Office of the Population, Health, Nutrition, and Education
ORT	Oral Rehydration Therapy
OT	Operation Theatre
PAC	Post Abortion Care
PDCA	Plan-Do-Check-Act
P&L	Profit and Loss
PMP	Performance Monitoring Plan
PMU	Project Management Unit
PNC	Postnatal Care
PPFP	Postpartum Family Planning
PPIUD	Postpartum Intrauterine Contraceptive Device
QMS	Quality Management System
QMT	Quality Management Team
SBCC	Social Behavior Change Communications
SDG	Sustainable Development Goals
SDQA	Service Delivery and Quality Assurance
SDS	Service Delivery Specialists
SHN	Surjer Hashi Network
SOPs	Standard Operating Procedures
SQPS	Services Quality and Policy Strategy
SRS	Software Requirement Specification
TB	Tuberculosis
ToT	Training of Trainers
UHC	Universal Health Coverage
UNICEF	United National Children's Fund
USG	Ultrasonogram
USAID	United States Agency for International Development
WHO	World Health Organization
WTP	Willingness to Pay

EXECUTIVE SUMMARY

Advancing Universal Health Coverage (AUHC) Activity, a six-year research and development project, successfully transitioned 369 smiling sun clinics managed by 25 Bangladeshi NGOs into the Surjer Hashi Network (SHN), a single not-for-profit private company. Through this transformation, the healthcare network was effectively converted into a sustainable social enterprise, ensuring greater efficiency and long-term viability.

KEY IMPLEMENTATION STRATEGIES AND PROGRAMMATIC SHIFTS

The decision to rapidly transfer all clinics from 25 different NGOs to SHN was a defining moment in AUHC's implementation. Originally, a gradual transition was planned under which clinics would be evaluated to move from their NGOs to a single platform based on their readiness. This approach was ultimately abandoned in response to collective opposition from the NGOs toward the centralization approach and the potential risk of political fall-out. In response, AUHC fast-tracked the operationalization of the new entity, allocating resources to company registration, licensing, establishing a Board and governance system, and establishing key policies and operational systems. After SHN was launched in April 2018. AUHC engaged the newly onboarded SHN management team in a series of strategy workshops conducted between August 2018 and March 2019 to define SHN's business model through rigorous review and analysis of data generated through a comprehensive healthcare market landscape study conducted by AUHC, along with a desk review of historical clinic data. This process led to the identification of key strategies for SHN to implement, and areas for AUHC to provide direct technical assistance in years 2-4 of the project. AUHC and SHN agreed on a set of strategic initiatives grouped under three broad objectives: 1) Improve Service Offerings; 2) Protect and Grow Revenue; and 3) Systems Strengthening.

One of the decisions made through the strategy workshops was to optimize the network for resource efficiency (infrastructure, HR, outreach), which was a pre-condition for revenue growth, quality improvement, financial viability, and systems-standardization. In May 2019, AUHC conducted a rigorous evaluation of performance in terms of service utilization and financial viability for the 369 clinics in the network and their associated outreach channels – satellite clinics and community service providers (CSPs). This analysis, conducted in two phases over almost a year, led USAID, AUHC and SHN to conclude that a majority (nearly two-thirds) of the then existing static clinics of SHN were not sustainable in the long run due to low utilization within the community. In lieu of a gradual transition process where low-performing clinics could improve their way into the network, AUHC pivoted to a more expedient optimization of the network. By July 2020, AUHC reduced the number of static clinics from 369 to 134. Priority was given to clinics in urban areas to align with USAID's strategy of strengthening Bangladesh's urban health sector, though some rural clinics (N = 21) remained in the network as they were serving either hard-to-reach (e.g., wet-land, hill

tracts, island communities) or vulnerable populations (e.g., the coastal belt areas) that lacked access to the government health system.

In August 2021 (Year 5), USAID officially notified SHN and GOB of their decision to end funding support to the Surjer Hashi Network by the end of the AUHC activity. This decision, albeit a surprise to SHN, aligned well with USAID Bangladesh Health Strategy 2022-2027, which underscores that Bangladesh has significantly improved health status over the past two decades, but some indicators lag, and systemic gaps remain. It adds that as the country aims to graduate from Least Developed Country (LDC) status in 2026 and become an upper-middle-income country by 2031, USAID will focus on catalytic interventions, and shift programming away from direct service delivery and towards health systems strengthening. This decision sparked reactions from SHN management and its board, who promptly requested USAID to continue funding for a couple more years. At the same time, SHN approached the MOHFW of the GOB for funding support in the face of discontinued funding from USAID after Sept 2022. Aligning with USAID's decision, AUHC continued its strategic shift of priorities with a greater focus on SHN's operational autonomy and financial sustainability. AUHC pivoted its technical support to identify alternative funding options to enable SHN to fill the remaining funding gap without USAID support.

Meanwhile, in January 2022 (Year 5) USAID further discussed their strategic approach with the SHN board and management, to fund interventions that would result in a more robust and sustainable financing model for the private sector to deliver quality primary health services to the poor. In alignment with this strategic approach, in May to June 2022, USAID started discussing one additional year of financial support to SHN through a milestone-based funding mechanism, shifting from a reimbursement of costs to cover the financial gaps of SHN to a financial reward proportional to the achievement of set quarterly targets/milestones. AUHC worked with the SHN management and the board in navigating through this shift. In year 6, AUHC managed SHN under a performance-based funding agreement, allowing complete autonomy to the SHN management to conduct their business and achieve their dual mission of achieving social impact and ensuring financial viability, independently from a donor-funded project.

RESULTS FROM MAJOR INITIATIVES

In Q4 of Year 3, AUCH executed the network optimization plans. While this effort was underway, AUHC worked with SHN to adopt measures for revenue protection and growth within the network. Some of these measures – 1) Standardized minimum pricing (pro-poor pricing), and 2) Revised discount policy for financial protection of the poorest of the poor (see Section 3: Result 1 for details) – stood out as clear choices for SHN to protect their service revenue by tackling the issues of arbitrary pricing and indiscriminate use of free and subsidized provision of services. Simultaneously, AUHC implemented systems for financial management and health information management that enabled monitoring and tracking of service utilization and revenue performance of clinics in the network. AUHC established an incubator team in charge of testing innovations, who implemented a profit-and-loss-based (P&L) financial management system in the clinics and the SHN HQ, to help SHN measure cost recovery at 4 different levels a)

product, b) clinic, c) region, and d) network level. The P&L Statement was designed to include all the expenses and revenue generated from products and services sales, discount, or free service cost for serving the poorest of the poor in the network. Also, the Electronic Medical Record (EMR)-based health information system was rolled out to the entire network, allowing further reconciliation of revenue with service utilization. Other initiatives, such as optimizing SHN's portfolio of drugs and OTC (over the counter) products and standardizing suppliers (see section 3: Key Achievements, Result1 for details), further strengthened SHN's systems in year 2 and contributed to protecting and growing revenue in this network. Through a detailed analysis of drugs and OTC products data from clinics in SHN, AUHC helped SHN streamline its portfolio of products, standardize suppliers, and negotiate better prices, resulting in a 6% increase in SHN's profit margin from sales of drugs and OTC products in a year.

To improve service offerings, AUHC provided hands-on support to SHN to redefine clinic typology, standardize its portfolio of services by the new typology, and operationalize the new typology. After network optimization, throughout years 3-5, AUHC worked with SHN teams to implement the revised typology of clinics by standardizing protocols, checklists, and job aids for services, fulfilling technical staff positions and training all clinics staff with standardized operating procedures for each type of clinic. During this period, SHN recruited 526 healthcare professionals, including doctors, nurses, and lab technicians. 95 clinics were refurbished through updates to their lab, doctors' chamber, and operation theatre (OT) equipment, and more than 200 modern USG machines and lab analyzers were installed in clinics.

After investing in clinic readiness, AUHC focused its efforts on improving quality of care by strengthening systems for continuous quality improvement (CQI) throughout the network. During year 5-6, AUHC provided targeted technical assistance to the SHN service delivery team, headed by the Chief of Clinical Services, to develop a comprehensive quality policy and strategy (QPS) for the network. At the end of year 5, SHN adopted the QPS (see Text Box-1, under Section 3, Result 2 for details), implemented a ToT (training of trainers) program, and established a quality management system (QMS) operationalized through the service delivery team that received mentoring from AUHC. SHN QPS is articulated around the three functions of quality management, adapted from the Juran trilogy[1]: define (through quality design/planning), measure (through quality assurance and quality control) and improve (through quality improvement). In year 6, under the performance-based funding mechanism, AUHC introduced quarterly self-assessments of SHN's QMS maturity based on a self-assessment framework. At the end of Q4 (July-Sept 2023) SHN's QMS maturity score, verified and validated by the third-party entity – Consiglieri private limited – had increased from 69 at 92[2] out of 100. AUHC identified 'quality improvement' as a priority for improvement within SHN's QMS functions, and intensified efforts to introduce an improvement model (see section 2, Result 2 for details), using a proven methodology used by the Ministry of Health and Family Welfare and its Quality

[1] More About the Juran Trilogy | Juran Institute,

[2] The maturity score reflect performance against 26 standards covering the three functions of the QMS, with an emphasis on the establishment of functional QI teams which counted for half of the total score.

Improvement Secretariat. The model was implemented to improve the quality of ANC (antenatal care) services in 62 clinics and VD (vaginal delivery) services in 28 SHN clinics. With guidance from seven (7) AUHC-trained Quality Improvement (QI) coaches and service delivery specialists, 160 service providers formed QI teams in 80 clinics. After one year, the quality of ANC visits, measured as compliance with all 26 standards, increased from 0% to 70% and the quality of deliveries, measured as compliance with all 10 standards, increased from 0% to 85%.

While service improvement initiatives were underway, AUHC and SHN worked together to improve clients' volume and their perception and experience of services delivered from the SHN static clinics, both drivers of financial viability. To cater to working population and male clients, 52 clinics implemented extended operating hours for outpatient services, despite no significant increase to service utilization. AUHC also facilitated strategic relocation of 35 clinics to enhance accessibility and increase customer footfall. Moreover, the project orchestrated the relocation of 38 pharmacies to prime locations, either adjacent to their associated clinic or nearby (instead of being inside the clinic), resulting in a significant uptick in service utilization and revenue generation by reaching out to the general population and not simply the clients of SHN. To enhance clients' experience at the clinics, AUHC supported SHN to implement a triaging model in all clinics that reduced clients' average waiting time by 45 minutes. Finally, AUHC helped SHN institute a client feedback mechanism through routine exit interviews of clients. By the end of AUHC, SHN was conducting 20 monthly client exit interviews in 80 clinics and was expanding it to the rest of the clinics of the network. From previous surveys, clients' satisfaction was already high but reached and remained at 99% through the exit interviews.

Efforts were also taken to understand SHN's perception within the community. AUHC commissioned a third party to conduct a brand perception study to generate insights about clients' perception of SHN's service offerings and gauge 'top of mind' awareness of the 'Surjer Hashi' brand among the target clientele. Although the Surjer Hashi brand continues to enjoy historical or ambient awareness, the brand perception study revealed a declining trend in brand visibility. In the backdrop of all the transitions and changes that this network had been through over the last six years, it was a very useful exercise that clearly indicated the need for boosting the brand's visibility by publicizing the modern and evolving Surjer Hashi clinics. AUHC conceptualized, funded, and implemented an outdoor advertising campaign (See Section 3, Result 2 for details) centered on 38 advanced clinics across 29 districts of the country. In total, nearly a thousand different outdoor branding items were created under this initiative. Billboards were strategically placed at major crossroads and highway junctions, while streetlight pole signs, directionals signs, and wall-paintings were installed along entryways to clinics. Messaging focused on new offerings at Surjer Hashi, but also touched on the brand's 25-year legacy of delivering essential health services and building empathetic relationships with communities. Because the brand refresh activities took place in the last months of the AUHC activity, we do not have the results on change of client footfall or service utilization as a result of this.

Empowering people in the Surjer Hashi Network with opportunities for continuous professional development and updating their skills will be critical for future success of this healthcare enterprise. AUHC delivered more than 8,000 SHN staff training contacts in various areas of clinical services, quality improvement and measurement, client relationship and counselling, and corporate systems like financial management, EMR, QMS etc. To develop sustainable training capacity, AUHC developed a network of trainers through several 'training of trainers' workshops. In Year 5, AUHC digitized all relevant SOPs, guidelines, and learning aids and housed them in a digital library, which later became the starting point for the development of an e-Learning platform. In year 6, AUHC launched an e-learning platform branded as 'Chorcha' (https://chorcha.shnnetwork.org) for continuous professional development (CPD) of SHN staff and health workers. Developed in Bangla with a focus on self-paced learning using audio-visual modules, this platform (See Section 2, Result 2 for more details) allows trainees to self-assess and obtain certification upon completion.

FINANCIAL SUSTAINABILITY OF SHN: WAY FORWARD

AUHC was able to place SHN on a solid pathway towards financial sustainability. Its cost recovery improved from 35% in 2019 to 76.6% in 2023. With funding commitment from the GOB to address their budget gap for two more years, SHN is optimistic that they will be able to become fully viable by 2025. In the final year of the project, SHN demonstrated agility and capacity to go for accelerated growth, by improving their network cost recovery by 19% and increasing the aggregate cost recovery of top performing 35 clinics by 25% to reach 112% aggregate cost recovery rate. At project close[3], 54 SHN clinics collectively reached 100% cost recovery level and were contributing 76% of the network's total revenue. Recognizing that investing on growth driven by high performing clinics- is a solid pathway for SHN to become a viable network, in year 5 AUHC recommended to SHN to consider restructuring their business model and legal structure to be able to receive private investment and capital to nurture and manage the high performing clinics under a for-profit subsidiary of the Surjer Hashi Network Company. Although SHN could not agree to this at that point, going forward investment will be critical for SHN in fueling growth to achieve full cost recovery. While GOB funding will help them make ends meet, SHN will have to aggressively go after alternate sources of funds for investment.

By recalibrating the network with a predominant urban focus, AUHC has been able to invigorate growth potential for SHN, as there is significant unmet demand for quality healthcare services at affordable prices among the urban middle income demographic in Bangladesh. The network optimization and subsequent investment in clinics under the AUHC Activity, in terms of modernizing majority of the clinics in the network, will have to be capitalized on by positioning SHN to cater to the urban middle income segments. AUHC had already initiated the market repositioning journey for SHN by implementing a major outdoor branding campaign centered on the 38 Advanced clinics in the

[3] SHN's Q4 report, delivered under the fixed price (milestone based) subcontract with Chemonics International Inc.

network. This journey will have to be continued with further initiatives in reinforcing brand visibility and promoting Surjer Hashi clinics and services to the urban population.

Under milestone-based funding implemented in year 6, AUHC was able to catalyze SHN's commitment and efforts in introducing a comprehensive quality policy and strategy (QPS) for continuous quality improvement (CQI) in the network. SHN management and service delivery teams followed this through with year-long efforts in implementing a quality management system, and a model for quality improvement. Although milestone-based payment mechanism clearly incentivized SHN's commitment and efforts in implementing a QMS, it may have been sufficiently entrenched and benefitted SHN for them to stay committed and allocate resources to further mature this system. Evidence of commitment to a quality policy and strategy, operationalized through a functioning QMS, can become a compelling differentiation statement for SHN to set themselves apart from the competition.

SECTION 2

GOALS AND OBJECTIVES

To support USAID's development objective to improve health and human capital in Bangladesh, the Advancing Universal Health Coverage (AUHC) Activity developed a sustainable, gender-sensitive, and pro-poor social enterprise – the Surjer Hashi Network – to advance progress toward universal health coverage. AUHC activity initially set out with a focus on five primary results:

1. Develop and implement a program to transform the Smiling Sun network into a centrally managed, sustainable private social enterprise
2. Adopt proven innovative approaches to create new strategies to expand access to and uptake of essential service packages
3. Develop and implement sustainable financial systems to facilitate expanded coverage and ensure equitable access to health services
4. Improve the quality of care
5. Improve program strategies drawn from lessons learned (crosscutting)

By the final year (Y6), AUHC result framework was adjusted to reflect a stronger focus on the sustainability of SHN after the end of the Activity and to inform a performance-based contractual mechanism:

1. Improved sustainability of the Surjer Hashi Network
2. Increased utilization and quality of essential primary healthcare services
3. Essential health services rendered to hard-to-reach areas through Green Hill.

The results framework for the AUHC project has been revised on a few occasions throughout the life of the project, primarily in response to shifting priorities, updated understanding of Surjer Hashi clinics' operations and financial viability, and goals for the future of SHN. At the end of year 2, USAID adjusted the scope of the project in response to project priorities following the accelerated transition of clinics under the Surjer Hashi Network. This adjustment to the results framework preserved the original five objectives of the results framework while adjusting the intermediate results of the third objective to actualize the redirection of AUHC's scope of work from donor/subsidy dependence to sustainability while maintaining the pro-poor focus.

In year 4, USAID and AUHC reviewed the performance indicators of the AUHC activity and further revised the results framework to sharpen the result statements and reconsolidate the intermediate results. Result 2 was rephrased as 'increased utilization of essential services', broken down into two IRs on improved and equitable access. Other results remained the same, but a few IRs were dropped that were deemed either redundant or lacked measurability.

In Y5, USAID made the decision to extend the AUHC project for an additional year to provide strategic and technical support to SHN in their pathway to improved financial sustainability, service utilization and quality of care. The results framework was again

adjusted to its final version, in which the original five objectives were scaled down to the three outlined below in the new results framework for the sixth and final year of the project.

Table 1. AUHC Results Framework

Development Objective (Bangladesh CDCS): Enhanced Opportunities for an Inclusive, Healthy, Educated Society and a Robust Economy		
AUHC Objective: Affordable quality health coverage advanced through sustainable nationwide private healthcare network		
Result 1	Result 2	Result 3
Improved sustainability of the Surjer Hashi Network	Increased utilization and quality of essential primary healthcare services	Essential health services rendered to hard-to-reach areas through Green Hill
1.1 Increased cost-recovery of SHN through improved capacity to grow revenue and efficiently manage resources	2.1: Improved quality of and access to essential healthcare services	3.1: Essential healthcare services provided to Smiling Sun clinics in Chattogram Hill Tracts
1.2 Diversification of funding and new partnerships to close financing gaps	2.2: Improved customer experience and satisfaction with SHN services	

SECTION 3

KEY ACHIEVEMENTS

OVERVIEW

Under USAID's AUHC activity, the Surjer Hashi clinics went through a transformation journey (depicted in the graphic below) of merging under a single platform, the Surjer Hashi Network (SHN) enterprise. This involved bringing 369 clinics from the management of 25 different NGOs under a single platform, updating SHN business model, optimizing the network through a reduction in scale, installing (digital) systems for improved centralized management, designing and implementing a comprehensive quality management system, enhancing financial sustainability through revenue protection and resource efficiency, and accelerating financial performance catalyzed by a performance-based funding mechanism. In the end, SHN was in the driving seat steering its journey towards self-reliance in anticipation of withdrawal of USAID funding support.

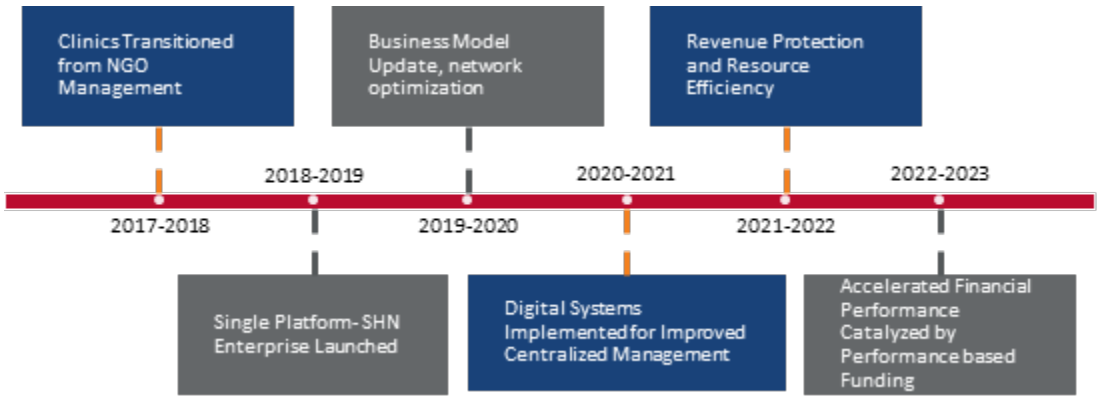


Figure 1. Key Milestones in AUHC's Journey

AUHC revisited the business model of SHN to reinvigorate service delivery and balance (pro-poor) health impact with financial sustainability. This reflection process also examined the clinics' typology, including service portfolio, infrastructure, manpower, and equipment required by each category. From this, clinics were reclassified into three types of facilities –Advanced, Basic with NVD (normal vaginal delivery) and Basic – each with a specific scope of care and services. The operating model was also standardized for community outreach mechanisms such as satellite clinics and community service providers (CSPs). Simultaneously, together with SHN, AUHC conducted a detailed performance analysis of all the 369 clinics and their associated satellite spots (~10,000) and CSPs (N=7500) acquired under the enterprise. The purpose of the performance analysis, better known as 'Network Optimization', was to 1) determine how well the SHN clinics were meeting the needs of their target population; 2) optimize service coverage; and 3) project financial sustainability through their cost-recovery performance. This analysis, conducted in two phases over a year, led USAID and the

AUHC implementing partners to conclude that a majority (nearly two-thirds) of the then existing static clinics of SHN were not sustainable in the long run because of their low utilization levels within their communities. Eventually, the Surjer Hashi network in Bangladesh was reconfigured with 134 static clinics – 38 Advanced, 15 Basic with NVD, and 81 Basic clinics – across 54 districts in Bangladesh (see Figure 2 - Map showing Geographic Coverage of SHN Clinics). 113 of these 134 clinics are in urban areas- reflecting a deliberate strategic consideration of AUHC and USAID, among other criteria applied in screening clinics to be included in this network. In tandem, number of satellite spots decreased to 4500 to follow the new size and shape of the network, and almost two-thirds of the CSPs were terminated.

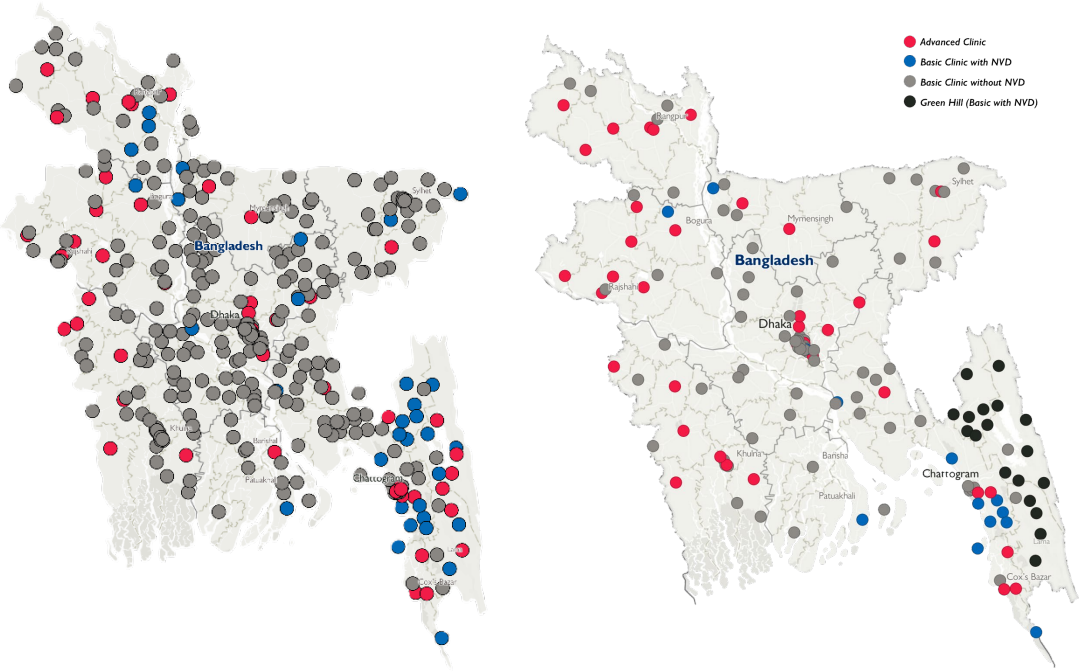


Figure 2. SHN coverage before AUHC inception (left) and after Network Optimization (right)

RESULT 1: IMPROVED SUSTAINABILITY OF THE SURJUR HASHI NETWORK

The financial sustainability of SHN depends on its capacity to recover its costs by providing clinical services, selling medicines and consumer healthcare products. This is measured through a cost-recovery rate (CRR) that divides the revenues by the costs and is expressed as a percentage. Throughout the AUHC activity, particularly from year 1 through year 5, the AUHC Incubator (See Section 8: Management and Compliance, for details of the AUHC incubator) provided strategic business support to SHN based on business analytics, prototyping and testing interventions for revenue protection, growth, and resource-efficiency. At inception of the project, the CRR of the 369 clinics was at 35% and it was predicted and understood that SHN would not achieve 100% cost

recovery level in just five years and that other sources of funds/capital would be critical for SHN to become financially sustainable in the absence of USAID funding support.

1.1 Increased cost-recovery of SHN through improved capacity to grow revenue and efficiently manage resources.

AUHC acquired a network of 369 SH clinics and maintained all of them within the network for the first two years. After SHN was launched in year 2, annual (Oct 2018-Sept 2019) the network-level cost recovery (which includes expenses from SHN headquarters) was recorded at 35%, while the clinics on their own (N=369) recovered only 37% of their combined operating costs.

AUHC started implementing the Network Optimization (discussed above) decisions in October 2019 and eventually brought the network down to 134 clinics by June 2020. Before network optimization, during the July-Sept 2019 quarter, the network-level CRR was at 41.78% (N=369 clinics). Right after Network Optimization (N=134 Clinics), network level CRR for the July-Sept 2020 quarter moved to 57.95%. Between these two periods, the network's 48% decrease in operations costs offset the 25% decrease in revenue. Later, year 4 (Oct 2020-Sept 2021) marked the first full year of the optimized network, which saw a network-level CRR of 58%.

In year 5, SHN's cost recovery averaged at 59.3%, however, in the last quarter (July-Sept 2021) the cost recovery rate rose to 64.43%, primarily because of two changes: 1) HR optimization and other cost-containment measures implemented at clinics; and 2) a 10-12% increase in service prices. The cost containment measures were initiated in Aug-Sept 2022 and continued through the next few months. As a result, SHN's network operations cost continued to decrease and stabilized in the second quarter (April-Jun 2023) of FY23 to mark a sharp 24% decrease in cost compared to the same quarter (April-June 2022) in 2021. Between these quarters, revenue also declined by almost 10%, and cost recovery settled at 68%. The immediate effects of price increase most likely contributed to a decrease in service utilization and revenue. However, SHN finished the last quarter (July-Sept 2023) of FY23 (the last year of AUHC) at 76.6% cost recovery rate, marking a 16% decrease in cost and 7% increase in revenue compared to the April-Jun 2022 quarter before the cost-containment measures and increase in service fees were implemented. Figure 3 shows the evolution of SHN expenditures and net revenue and their effects on the CRR.

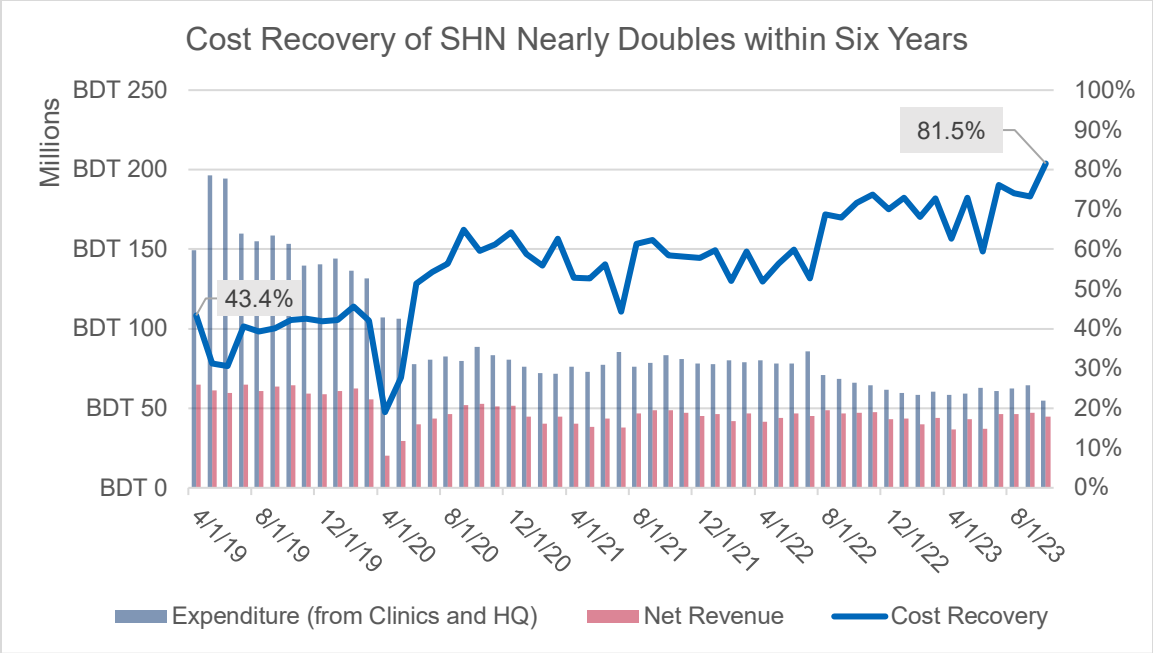


Figure 3. Cost Recovery of SHN

Apart from measures to optimize resource efficiency, as demonstrated in the analyses above, AUHC implemented a couple of strategic measures to protect and grow revenue. In year 1-2, through the process of SHN business strategy development, AUHC was able to define SHN's approach to financial sustainability and initiated several strategic activities for SHN to embark on its sustainability journey. AUHC proposed a revenue generation model based on minimum and standardized pricing and a discount strategy for the poorest clients and summarized (as discussed below) that these two revenue protection measures can potentially result in significant growth in revenue in the short-term (1-2 years). The model was further extended to include the potential effects of several other growth strategies that were later prototyped and implemented (at varying scales), like extending clinic hours to offer services in the evening, introducing specialist doctors (pediatricians, gynecologists, eye specialists etc.) and optimizing drugs and OTC (over the counter) products portfolio and centralizing procurement.

Pro-poor pricing

Following a business strategy workshop in March 2019, AUHC and SHN agreed to establish minimum standard price for SHN services and products as fees varied widely between clinics. Introducing a minimum standard price for the SHN's service portfolio was the logical first step to reach a more standardized pro-poor pricing across the network. This, in combination with standardized services, would then allow SHN to track the impact of pricing on client uptake and utilization of services as well as on its revenue. AUHC recommended a two-pronged pricing strategy that included setting up a

minimum standard price at first at 30-40% below market and then pursuing a Quintile 2[4] target price (variable pricing), which could still be 20-30 percent below the market price.

The minimum standard pricing, initiated by the AUHC Incubator team, was an internal benchmarking exercise. The AUHC team, jointly SHN, collected and analyzed price list data from 367 clinics using ranges, percentiles, modes and median prices by clinic type, clinic location (urban and rural), and regions (Dhaka, Khulna, Mymensingh, Bogura, Chattogram and Sylhet). All the services in the price lists were divided into four categories: consultation, screening, and counselling services (by both Paramedic & Doctor); diagnostic services (lab & imaging); delivery (normal delivery, home delivery, & Cesarean); and others.

The recommended price points were more oriented towards standardization. For example, the recommended fee for doctor's consultation was [redacted] for urban areas and [redacted] for rural areas. At these prices, 94 percent of the urban clinics and 91 percent of the rural clinics would standardize their minimum price. The remainder of the clinics will continue charging their current fees, which are above the minimum price.

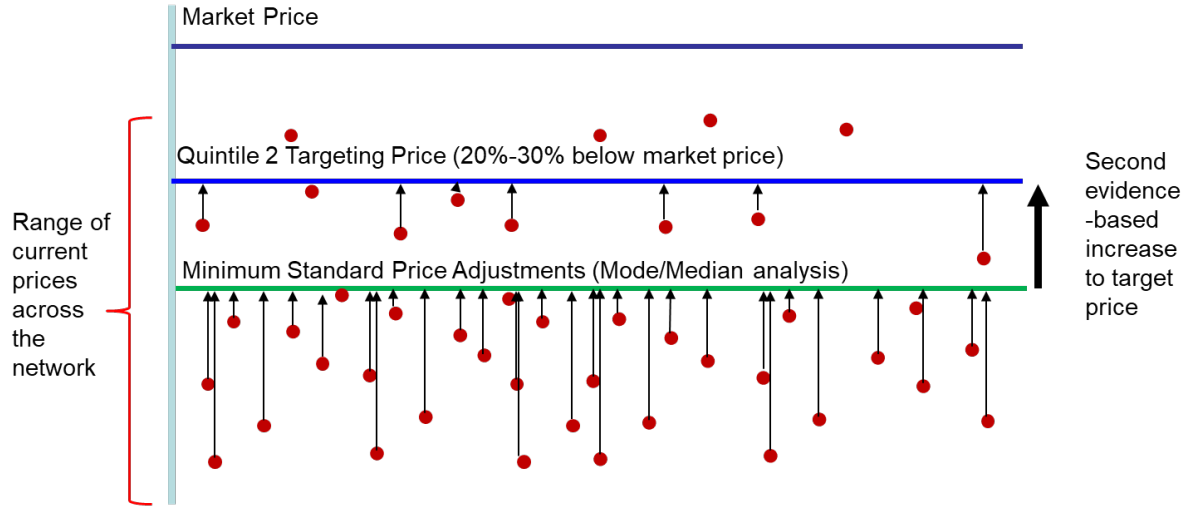


Figure 4. Benchmarking Pricing Strategy for SHN

Discount policy

The network's subsidy (discount) policy for the poorest clients was adjusted based on a thorough review of existing practices in the network inherited from the NGO-led service delivery model. This review examined poverty benchmarking practices used for determining discount to the poorest of the poor and the poor and found that the criteria that had been used by clinics neither were consistent with poverty trends in

[4] Demographic and Health Surveys (DHS) use a wealth index as a composite measure of a household's cumulative living standard. It categorizes households into 5 wealth quintiles, to show how health differs between the poor and wealthy. Quintile 2 encompasses the second fifth (from 21% to 40%) of the population. These individuals or households have slightly more wealth than those in the first quintile but are still relatively economically disadvantaged.

Bangladesh, nor were they aligned with any poverty identification mechanism used by GoB agencies. The report concluded that the criteria for identification of poverty by SHN was very general and vague with no corresponding tools or guidance to ensure consistency in how the criteria were interpreted or applied. Given the lack of clearly defined criteria, standardized processes, and a lack of systematic monitoring over the process, there had been a large number of discretionary decisions – primarily by clinic counselors –on the poverty status of a client.

AUHC concluded that with prices set for the majority of SHN clients in Quintile 2 through Quintile 5, the subsidy/discount policy can be an exception to ensure that the potential clients from Quintile 1 are also able to access SHN services. This meant a realignment of various discount cards that had been in practice in the network for decades. In Q4 of year 2, AUHC worked alongside SHN to roll out the new discount policy. As per the new discount policy only LA (Least Advantaged, poorest of the poor) card holders and any GoB social safety net beneficiaries would receive discount at SHN clinics. Any exception to the policy or request for discount from the HBC card holders (health benefit card holders, for the poor) or FCC (family care card, for the able to pay) card holders would need higher (regional or HQ) level approval and detailed justification from clinic managers. To track and control the new discount policy AUHC developed a discount tracker. The discount tracker established accountability of clinic managers for taking the decisions to exercise their discretionary authority to offer discounts to anyone other than the poorest of the poor. As a result of these measures, the proportion of services discounted to patients went from 9% to 3% by September 2023.

Streamlined procurement of drugs and over the counter (OTC) products in SHN
AUHC implemented this initiative with the objective to optimize the portfolio of products, negotiate better prices and terms across a standardized set of suppliers, and streamline procurement of drugs and over the counter (OTC) products in SHN. In year 2 (2019) AUHC conducted a detailed analysis of financial performance of drugs and OTC products portfolio of SHN and concluded that the existing approach to procurement, management, and sales of pharmaceutical products, was not optimizing the revenue and profitability potential that it could. Data showed that SHN had over 6,000 different items or Stock Keeping Units (SKUs) of drugs to deal with, while only 1,088 of these SKUs sourced from 22 suppliers were being regularly sold. Furthermore, 80 percent of the revenue from sales of drugs was contributed by only 163 items sourced from 13 suppliers. This confirmed that SHN was not taking advantage of its trade volume and scale to negotiate better prices, better delivery schedule, and payment terms with drug suppliers. Based on this analysis, AUHC developed a priority (by revenue and volume) list of generic drug categories. Then working with SHN, AUHC developed a shortlist of suppliers and selected up to three suppliers per category of drugs based on best price and other terms. By October 2019, SHN began purchasing drugs and commodities with a streamlined portfolio of products from standardized suppliers based on newly negotiated prices. Over the year, this led to 6% increase in SHN's margin on sales of drugs and OTC products, as found out through an assessment the AUHC incubator team conducted in December 2020. However, this may not have

had remarkable impact on SHN's cost recovery rate as drugs and OTC products sales contribute less than 5% of the network's total income.

1.2 Diversification of funding and new partnerships to close financing gap

AUHC made many attempts to help SHN mobilize funds and diversify its resources from external sources, however, SHN's showed a lack of interest in pursuing funding from private and philanthropic foundations, investors, and other market-based actors. During years 4 and 5, AUHC engaged in detailed deliberations with the SHN management and the board of directors to explore possible alternative funding options for SHN to fill the then projected US$4 million annual funding gap in the absence of USAID support. AUHC proposed a combination of measures to the SHN Board, including the option of pursuing private capital. The proposed approaches would entail reforming SHN's legal structure, separating clinics into strategic groups to sustain the clinics that are currently performing sub-optimally, and looking at a hybrid business model. The SHN Board was not in favor of reforms that would require changes to its legal and governance structure . Instead, SHN's leadership opted to pursue the path of relying on GoB and donor funding for its continuity over private capital or other funding options.

SHN's position with regards to alternate sources of funding was further clarified and cemented during the design of the year 6 milestones for performance-based funding to SHN. In May 2022 USAID proposed to provide strategic business support to SHN for one more year through AUHC by introducing a performance-based payment mechanism based on specific and measurable milestones. Among10 others, AUHC proposed two specific milestones to incentivize SHN's efforts for diversifying their funding sources by exploring 1) opportunities from the GOB, and 2) through other private and institutional donors and foundations. SHN's management and board decided to prioritize funding from the GOB and refused to take on any targets related to strategic partnerships and/or securing funding from sources other than the Government of Bangladesh (GoB). As a result, AUHC's technical support initiated in year 5, through specialized firms/consultants to enhance SHN's organizational capacity for exploring and pursuing opportunities in these areas, was discontinued in year 6.

By the end of AUHC activity, SHN's annual funding gap had narrowed down to approx. US$2 million (1 USD=BDT 115), due to stringent cost containment measures including staffing optimization implemented in low performing clinics, and enhanced profitability of the top performing clinics in the network. With USAID's facilitation, in August 2023 a multi-party MOU was signed among USAID, ERD and MOHFW of the GoB, and SHN that expressed the willingness of all the parties to work together to support SHN to transition to a sustainable entity that would support the Bangladeshi people into the future. Through this MOU, MOHFW and ERD expressed their intent to fund SHN for two years, FY 23-24 to FY 24-25 from the annual national health budget of the GOB. In September 2023, SHN received a firm commitment of funding from MOHFW and the

ERD of the GoB of [redacted] for FY23-24. Earlier in FY 22-23, SHN had received a special grant of [redacted] (approximately [redacted]) from the MOHFW.

AUHC recognized that SHN being a very new social enterprise needed to focus on consolidating its financial health and generate a track record before approaching the formal financial sector, and in the meantime could approach alternate financial services market characterized by impact investing and venture capital. AUHC took the lead in developing a partnership strategy. that provided information and insights into what the potential areas for partnerships were, which partner segments SHN could target, mutual value envisioned with potential partner segments. The strategy identified sectors SHN could target in mobilizing resources and funds, that included the financial (alternate) services market, information and communication technologies, large national and multinational companies, corporate foundations (CSR, philanthropy), government, institutional (bilateral) donors and individuals (personal giving). AUHC explored opportunities for strategic partnerships (Further details under Section 5, Resource Optimization) to help SHN introduce new revenue generating products/services like eye care, consumer healthcare products; expand and scale existing services like lab services and develop alternate channels of service delivery using technology solutions like tele-medicine and financial technology (FinTech) based service offerings. An independent mid-term evaluation of the AUHC activity commissioned by USAID and conducted by Icddr,B, reported (Sept 2021) that " AUHC made a commendable effort to explore these partnerships. The net was cast wide; the AUHC looked at medical laboratories, pharmaceuticals, fast-moving consumer goods (FMCGs) companies and mobile financial services (MFSs). Partners were identified and agreements were signed with a few of these. Additionally, financial projections were made to forecast revenue streams from these partnerships in both the short and long term. The design of these private sector partnerships, therefore, was reasonably good. However, challenges emerged in structuring and implementation, leading to a poor contribution to financial sustainability."

In year 5, AUHC initiated targeted measures to build SHN's capacity in tracking and pursuing opportunities for mobilizing funds from external sources. AUHC contracted a local firm, Inspira, with proven experience and track record of researching and exploring fund raising and partnership options. Inspira over their two months of engagement with SHN conducted a thorough scoping of potential donors/funders in the Bangladesh market that are relevant for SHN. Through this exercise, Inspira proposed possible funding streams for SHN to pursue alternate funding that included- in-kind donations, thematic area/sub-sector specific funding, funds for capacity building, impact fund/investment and individual giving. Inspira separately looked at corporate social responsibility investment options and provided SHN with a list of local and multi-national businesses that are likely to present alignment with SHN's mission and hence opportunities for engagement with SHN. Inspira also developed two generic pitch decks for SHN targeted to private sector and development sector partners/funders. AUHC also engaged an international consultant to help SHN track and pursue relevant opportunities available through international development initiatives and corporate philanthropy in the global marketplace. The consultant developed an opportunity

pipeline for SHN and recommended broad based measures for institutional capacity strengthening of SHN to effectively pursue the identified opportunities. However, as discussed above, SHN was not able to prioritize working on the measures and initiatives recommended by Inspira and the international consultant.

As a parallel initiative, AUHC developed an impact investment roadmap outlining the key requirements, challenges, immediate next steps, and proposed longer-term journey to attracting investment. A detailed slide deck including the roadmap was provided to the SHN leadership and USAID. AUHC also produced and shared a database of potential investors/ funders appropriate for SHN, interested in impact and other forms of investment in the private healthcare space in Bangladesh. AUHC worked on creating opportunities for SHN to gain exposures to health innovations and investment options and connect with the emerging private healthcare eco-system actors that include health tech start-ups, incubators and venture capital platforms, financing institutions and institutional donors/investors. To complement these efforts, AUHC worked with LightCastle Partners to organize a webinar[5] on the Bangladesh healthcare sector and investment. The webinar was attended by representatives from Startup Bangladesh Limited (the first and only flagship venture capital fund of ICT Division sponsored by the Bangladesh Government), budding startups (Praava Health, DhakaCast, AmarLab, and CMED), SHN and USAID. During the discussion, the participants acknowledged that while donor funding has been a pillar of the healthcare sector's transformation in the past, significant gaps remain in the funding landscape. One solution to closing this gap is blended finance, which strategically uses public or philanthropic resources to mobilize new private capital for development outcomes. Globally, blended finance has proven to be immensely successful and offers the benefits of increased funds, better sustainability, incentivized inventions, and the development of local markets.

RESULT 2: INCREASED UTILIZATION AND QUALITY OF ESSENTIAL PRIMARY HEALTHCARE SERVICES

2.1: Improved quality of and access to essential healthcare services

AUHC took an approach to augmenting Surjer Hashi clinics value propositions to its target clientele by first improving the service delivery system and then refreshing the brand perception and realigning its positioning to reflect the urban focus of the network.

Improving SHN's Service Delivery System.
The first step in the process was reviewing the clinic typology and standardizing service offerings. AUHC and SHN decided to redefine clinic typology to include two main types of clinics in the network- Advanced and Basic clinics. However, later the Basic Clinics were further differentiated into Basic with NVD (normal vaginal delivery), and Basic (without NVD). Aligned with the essential services package of the GOB, AUHC standardized portfolio of services for each type, and redefined human resources, equipment, and facility readiness criteria. After network optimization, throughout years 3-5, AUHC worked with SHN teams to implement the revised typology of clinics by

[5] https://www.lightcastlebd.com/insights/2022/09/taking-the-bangladesh-health-sector-into-the-future/

standardizing protocols, checklists, and job aids for services; fulfilling technical staff positions and training all clinics staff on clinic operations manuals; and providing systems for continuous quality improvement. During this period, SHN recruited 526 healthcare professionals, including doctors, nurses, and lab technicians. More than 8,000 SHN staff training contacts were delivered in counseling, infection prevention, electronic medical record, COVID-19, financial management, quality assurance, quality improvement, management information system (MIS), minimum standard pricing, customer centered services, partograph, crisis baby management, management leadership, safe delivery, emergency management, comprehensive newborn care package, tuberculosis, syndromic case management of RTI/STI and the process of referral. SHN's facility readiness improved remarkably since 95 clinics were refurbished through updates to reception and waiting area, doctors' chamber, and OT equipment, together with installation of 200 modern USG machines, and lab analyzers in 97 clinics in this network.

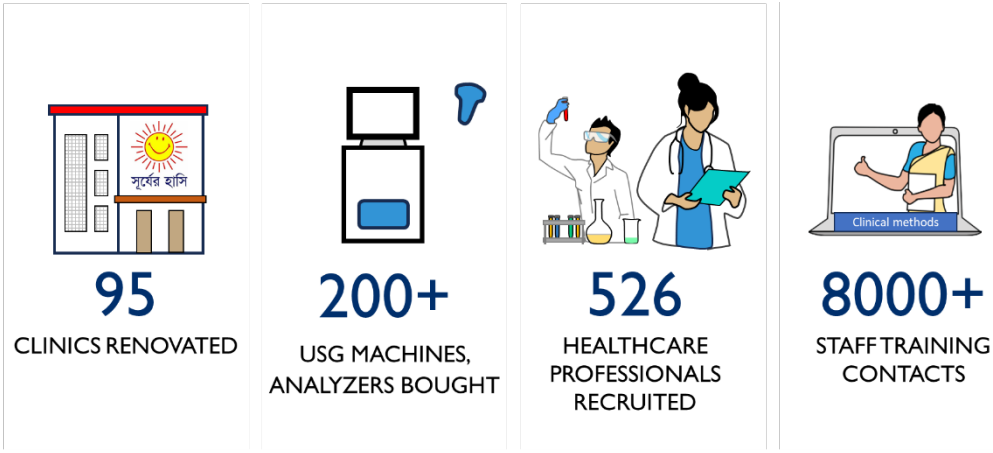


Figure 5. Service standardization and Improvement

AUHC developed and implemented an HMIS in the entire network, connected to an EMR system to allow individual patient's data recording and monitoring. The Health Management Information Systems (HMIS) is built on the District Health Information Software 2 (DHIS2) platform, an open-source software that the DGHS of the MOHFW also uses for national health data management. It standardizes data inputs, collection, organization, analytics, and data storage across clinics by synchronizing individual client data from the EMR. AUHC also introduced a mobile-based application (app) for quality measurement: the QIS is a tablet-based Android system with 19 checklists developed for SHN supervisors to measure quality and report the score. The app helps SHN to systematically monitor care and service quality parameters and recommend interventions for improving performance across the entire SHN.

Service quality has been a priority for SHN and the AUHC team since the beginning of the Activity. Initially, SHN addressed quality through a traditional approach that combined clinical training, standards development, and supervision of service providers. This approach evolved towards the development of a comprehensive quality policy and strategy which was operationalized through the establishment of a quality management system for all levels and a balanced focus between quality assurance and quality improvement. In year 5, SHN developed its quality policy and Strategy, expressed its management's commitment to implementing a quality management system in the network (see text box). AUHC helped SHN design its quality improvement approach and facilitated the introduction of the MPDSR based adverse event management system and supported specific MNCH QI initiatives.

TEXT BOX 1: SHN QUALITY POLICY AND STRATEGY (SQPS) was developed over a five-month period (April to September 2022) and is articulated around the three functions of quality management, adapted from the Juran trilogy1 (Figure 1): define (through quality design/planning), measure (through quality assurance and quality control) and improve (through quality improvement).

The SQPS describes SHN quality management system, which is operated by a 12-member Quality Management Team (QMT) with broad representation of SHN stakeholders. The QMT meets quarterly to assess the functionality and performance of the QMS, using a maturity assessment tool (QMS-MAT) developed jointly by SHN and AUHC. The QMS-MAT expresses 37 standards of structure, functionality (process-focused), and performance (result-focused) organized around the three quality management functions described above. Each standard is assigned a score on a scale from 1 (not met) to 3 (fully met), which allows calculating a maturity index that can be tracked to evaluate progress. During QMT meetings, the team develops an action-based improvement plan to meet the standards. The QMS has been documented in a publication and will be available on Chemonics' website in March 2024.

SHN implemented quality improvement initiatives focused on antenatal care (ANC) services and vaginal deliveries (VD) to address service quality issues identified during supervision visits and to build the capacity of clinic staff to lead their own improvement efforts with coaching support from their supervisors. SHN used the Improvement Model (Figure 6), a proven methodology used by the ministry of Health and Family Welfare and its Quality Improvement Secretariat. In June 2022, SHN conducted baseline quality assessments for ANC and VD by having 15 clinics randomly sample and review their patients' medical records over the last three months. Both assessments were limited by the inconsistent and poor documentation in medical records, a quality issue in and by itself. For example, only 7% of ANC patients had obstetrical examination results recorded and 20% of patients had the screening tests results available. For VD services, documentation was only available for vital signs (44%) and P/V examination (45%). None of the patients received services according to all 26 ANC standards or all 10 VD standards. After analyzing the causes of variations in their care processes, clinics made changes that lead to 70% of ANC patients receiving services according to all 26 standards and 80% of VD patients receiving services according to all 10 standards. The QI work has been documented in a publication available online (insert the weblink here). The QI

Figure 6. Improvement Model

system included a simple tool to measure the functionality of QI teams (QITs), for use by the teams themselves and their coaches. A functionality score on a scale from zero to seven allows identifying the problems that QITs have implementing the steps of the improvement model and the coaching support that they need.

Training in clinical services, orientation and refresher on clinic operations and other corporate systems, like HMIS, HRIS, accounting software or QMS – are of vital importance for SHN in maintaining a competent workforce and providing quality services. For a vast network employing more than 2500 staff, a sustainable training management system is critical. To develop sustainable training capacity, AUHC developed a network of trainers through several training of trainers' workshops. By the end of the AUHC Activity, an e-learning platform branded as 'Chorcha' (https://chorcha.shnnetwork.org) for continuous professional development (CPD) was developed in Bangla with a focus on self-paced learning using audio-visual modules, allowing trainees to self-assess and obtain certification upon completion. Eighteen topics have been identified and developed into training modules: 11 of these topics relate to SHN core operations and 7 are government guidelines and standard operating procedures in critical clinical service areas, as in safe delivery and risk management, labor room protocol, family planning counseling, family nutrition counseling, CNCP, family planning method – IUD, and infection prevention and control.

Realigning Surjer Hashi (SH) Branding.

In year 5, AUHC conducted a brand perception study to generate insights for refreshing and strengthening the visibility of the 'Surjer Hashi' (SH) brand by revisiting the awareness, perception, and expectations of clients from Surjer Hashi clinics and their services. The study concluded that Surjer Hashi enjoys high brand awareness, but such awareness results from historical marketing communication efforts. Consequently, most non-users perceived Surjer Hashi as it used to be, not as it has become (since the transition to a social enterprise regime). The SH brand still retains a perceived image characterized by 'subsidized', 'NGO-run', or 'for rural or poor people'; this discourages able-to-pay, urban clients from associating with SHN. AUHC engaged and provided guidance to a local firm, Innovision Consulting, to develop and present key brand perceptions and recommendations to SHN. It highlighted to SHN the need to reposition the brand away from its historical 'for-the-poor' image and develop an aspirational identity to appeal to the urban middle class.

To boost brand visibility and publicize the modern and evolving Surjer Hashi clinics, AUHC conceptualized, funded, and implemented an outdoor advertising campaign.

Messaging centered on new offerings from Surjer Hashi, but also touched upon the brand's 25-year legacy of providing essential health services and empathetic relationships with communities. All advanced clinics across were equipped with strategically placed billboards, awareness signages, and clinic premises were also upgraded with modern LED signs. In consultation with clinic teams, directional signage, roadside banners, and wall-paintings were used in high-traffic zones and approach roads in surrounding areas. In total, a thousand different outdoor branding items were provided under this initiative.

Figure 7 'Surjer Hashi' Brand Refresh Initiative

Service Utilization Trend in the SHN.

Surjer Hashi clinics' service utilization, particularly in the rural areas, have been declining for decades. MEASURE EVALUATION[6] commissioned by USAID compared trends in service usage in USAID's Smiling Sun (now branded as "Surjer Hashi") project areas with non-project areas over 1998-2017 and concluded that family planning (FP) and antenatal care (ANC) services use have been declining in rural areas. The same evaluation measured changes in market share and concluded that during 2014-2017, market share of Smiling Sun specifically in FP and ANC decreased in rural areas between 8-11%, while private sector market share (including pharmacy, shops) has been on the rise.

In year 1 (Oct 2017-Sept 2018) of the AUHC activity, Chemonics reported 49.2 million service contacts provided by the network of 369 static clinics, including each of their satellite clinics and community service providers (CSPs). In addition to overcoming geographic barriers to healthcare access, satellite clinics and CSPs were designed to bring more clients into the SHN network through community outreach. It is important to note how the composition of service contacts by channels (as in static clinics, satellites and CSPs) of service delivery changed under the AUHC activity following strategic decisions that were implemented to arrive at a sustainable healthcare network. In year 1, static clinics (N=369) provided only 21% of the service contacts, while satellite spots (N=10,000) and CSPs (N= 7000+) contributed 38% and 41% of the service contacts, respectively.

During July-Sept 2020, the first quarter after network optimization, 134 static clinics contributed to 50.7% of the total service contacts, while satellite spots (N=4500) and CSPs (N=2500) provided 37.3% and 12% of the total service contacts of that quarter respectively. In year 4 (Oct 2020-Sept 2021) which marks the first full year of the optimized network, 7.37 million service contacts were provided by SHN. This decrease is the result of the network optimization and closing of clinics (by nearly two thirds), satellite clinics and the termination of CSP positions.

Over the life course of the AUHC activity, SHN encountered notable fluctuations in service utilization. The chart below breaks out service contacts by the top five service categories offered by SHN clinics. To control for the impact of the optimization of the network that took place in 2020, only records from the current 134 clinics were included and any service contacts relating to administrative fees or add-on services were excluded from the dataset. These adjustments did not change the overall trend in service utilization.

[6] Implemented (2014-2019) by Carolina Population Center, University of North Carolina at Chapel Hill in partnership with ICF International; John Snow Inc.; Management Sciences for Health; Palladium; and Tulane University.

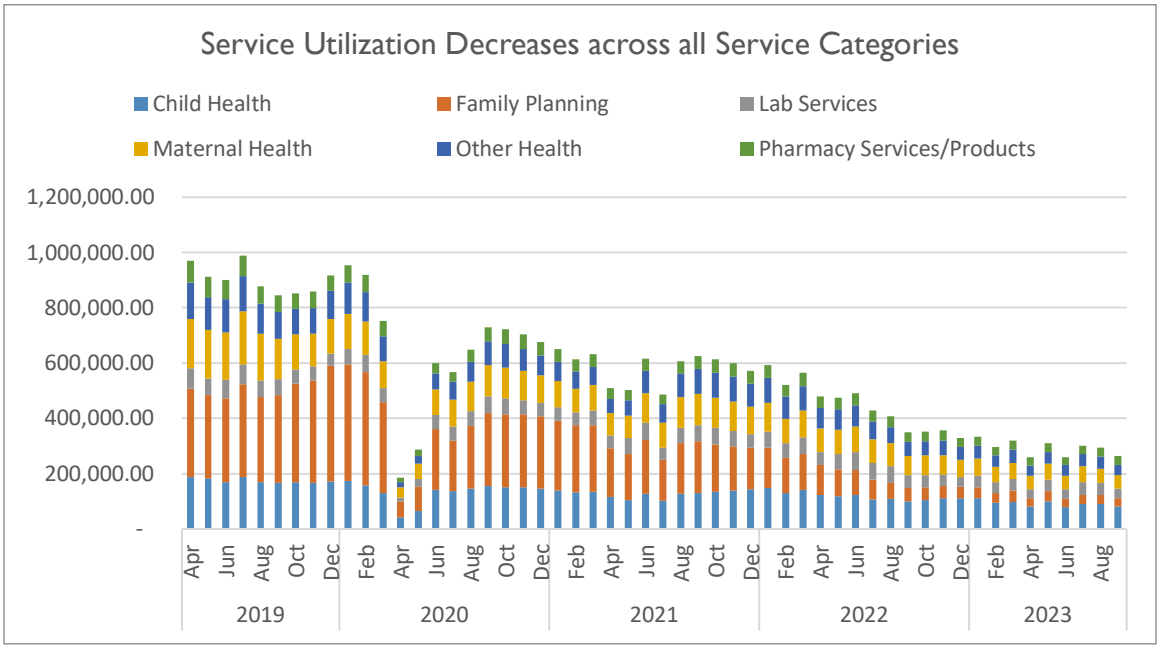


Figure 8. Service Utilization Trends Across all Service Categories

From 2020 to 2021, SHN experienced an overall decline in service contacts, primarily driven by a reduction in services provided to the "Poor" demographic, amounting to a decrease of 0.8 million contacts. This decline offset the increase in services delivered to those "Able to Pay," which saw a rise of 0.17 million from the previous year. Much of the decrease in service utilization can be attributed to declines in Family Planning services, despite increases in Lab Services and Maternal Health. Notably, the decrease in service contacts provided through community service providers (CSPs) accounted for a significant portion of the overall decline. This shift away from CSPs and Satellite clinics towards Static clinics was a contributing factor, as CSPs received financial incentives for each client they brought in, leading to an alarmingly high number of cesarean sections (CS) conducted across SHN's advanced clinics (39% of all deliveries were via CS in 2020).

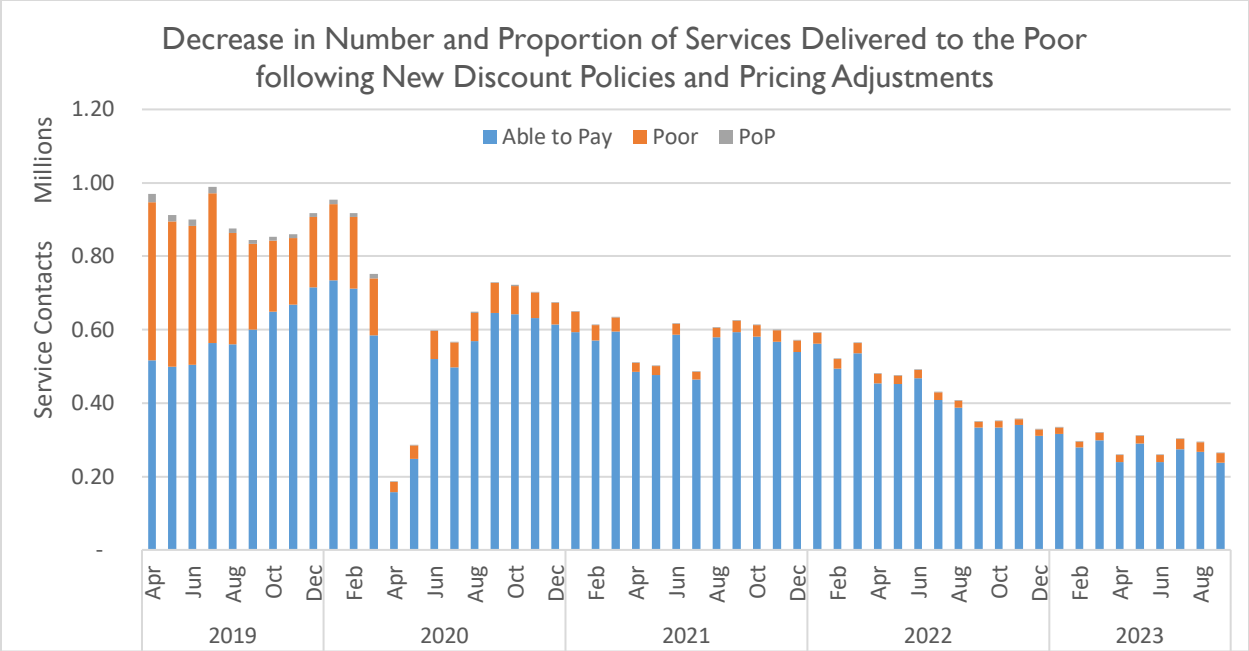


Figure 9. Trends in Service Utilization Among the Poor

From 2021-2022, lower utilization of satellite clinics was the main contributor to an overall decrease in service contacts. CSP contacts also continued to decline. The effects of the COVID-19 pandemic on clinic activity are made evident by the sharp decline in service contacts in April/June 2020 as clinics were forced to close or limit the number of patients they could treat. Following the initial outbreak, service contacts continued to decline across the network.

Between 2022 and 2023, SHN's decision to further scale back outreach through satellites was responsible for reducing service contacts by 1,538,478, accounting for nearly 70% year on year decrease in service contacts. The strategic choice that underpinned this decision was to focus on facility-based service delivery and reduce the cost-inefficiencies entailed in outreach-based operations.

Was there any change in the epidemiology and the seasonal variations encountered with diarrheal diseases and respiratory infections in children?

IR 2.2: Improved customer experience and satisfaction with SHN services

AUHC supported SHN in implementing measures to *reduce client waiting time* throughout SHN's clinic network. The measures included the following-

I. Reduce waiting time during registration by triaging – segregating the client and arranging sitting for old and new clients separately in the waiting area providing serial token (green, yellow, and red), and assigning additional workforce during rush hours to streamline the registration process.

II. Managing the client experience – guiding the clients in the clinic to receive service from different service delivery points and informing the clients of the expected time to deliver services.
III. Prioritizing handling emergencies
IV. Servicing laboratory clients while they wait for other services.
V. Providing additional workforce for EPI services during EPI days.

The SHN service delivery team tested the triaging model in 25 SHN clinics in Dhaka city, and conducted as assessment of the results to conclude that the average waiting time in these clinics was reduced from 75 minutes to 30 minutes. The model was replicated in all the SHN clinics.

AUHC helped SHN institute a *client feedback mechanism* through routine exit interviews of clients. AUHC assisted SHN to develop the exit interview questionnaire to measure client satisfaction through a comprehensive scoring system based on customer experience of reception, cleanliness, hygiene, attitude of staff, communication, competency of service provider, equipment of the facility, lab services, pharmacy etc. As expressed in their quality policy, SHN set a target of conducting an average of 20 client exit interviews per month in each clinic (1 per day). By the end of AUHC, SHN was conducting 10 monthly client exit interviews in 80 clinics and was expanding it to the rest of the clinics of the network. AUHC further assisted SHN to develop an Excel-based summary sheet for clinics to summarize the results of the client exit interviews so that SHN can generate insights/ideas or improvement. The questionnaire itself was redesigned several times to ask more specific questions and to receive useful answers from clients on changes that they would value. The proportion of clients who expressed satisfaction on a Likert scale remained over 99%.

RESULT 3: ESSENTIAL HEALTH SERVICES RENDERED TO HARD-TO-REACH AREAS THROUGH GREEN-HILL

Since inception, USAID's AUHC activity has been supporting GreenHill, an NGO based in the Chattagram Hill Tracts (CHT) to provide health services through 18 Surjer Hashi clinics in Rangamati, Khagrachhari and Bandarban districts. The clinics are known as Midway Homes providing primary healthcare services, including normal vaginal delivery to the ethnic and hard-to-reach CHT community. Apart from 18 static clinics, with AUHC's support Green Hill mobilized 36 satellite teams to conduct satellite sessions in 205 spots. Two types of community cadres were engaged in mobilizing the communities, community health workers, CHW (N=54) and community service providers, CSPs (N=153). In collaboration with civil surgeons' offices, GreenHill clinics supported the DGHS of the MOHFW in extending the GOB's EPI activities, particularly Vitamin A and immunization campaigns, to the remote areas in the CHT. Main services offered from these clinics include normal vaginal delivery (NVD), essential newborn care (ENC), antenatal care (ANC), postnatal care- (PNC), short-term FP methods and limited curative care (LCC). Over the life of the AUHC project, these clinics including their satellites generated more than 1 million service contacts in family planning, maternal health services and essential newborn care, including 51,941 ANCs and 6,347 safe NVDs.

In the last two years (FY 21-FY 23) of the project, AUHC provided targeted support to GreenHill to facilitate expansion of service coverage among the hard-to-reach CHT population and supported the local NGO in implementing systemic changes for improving quality of care.

3.1 **Facilitate expansion of health service coverage to the hard-to-reach**

To support expansion of health service coverage, AUHC's technical assistance team worked with Green Hill to first develop clinic profiles for each of the 18 Green Hill clinics, which would later be used to develop and implement a client acquisition plan. These clinic profiles were developed during this year taking into account clinic-specific demographics and service provider information, and included information about health facilities provided by government and other private organizations (both local and international NGOs and for-profit organizations), detailed information about the villages where the clinics are located, available transportation, referral centers, religious and education institutions (formal and non-formal) in the area, pharmacies in the area, orphanages, other individuals in the vicinity who provide health services, traditional birth attendants, and other relevant stakeholders. Once clinic profiles were developed for all 18 clinics, a one-year clinic-specific client acquisition plan was also developed based on the SWOT analysis and information from the clinic profile.

Subsequently, AUHC provided technical support in the implementation of the client acquisition plans and conducted rigorous field visits to work in person with the clinics and identify, and quickly resolve challenges. Based on these activities, the Green Hill clinics have now included schools, religious education institutions, orphanages, and other local organizations under their regular service coverage. Some specific outreach activities conducted under the client acquisition plan included:

- Engagement with 450 Parakormi (young girl leaders nominated by UNDP who provide awareness to communities on health, sanitation, and hygiene) developed by UNDP, and reach a population of 180,982.
- Engagement with 465 Karbari, who are the community social leaders, and reach a population of 185,461.
- Connected with religious leaders of 235 Religious institutions who are now promoting health service as well as referring clients to clinics.

- MoU's with 259 Schools and 44,923 students, allowing them to receive regular health check-ups through clinics at a discounted price.
- MoU's signed with 22 Orphanages, responsible for 2595 orphans in the CHT region. Under this activity these orphans will receive free health check-up and prescriptions through the clinics.
- 16 Static Clinic Support Groups have been established, which are now referring clients to clinic from their communities.
- Established relationships with 67 Transport Owner Associations to facilitate easier client transportation from hard-to-reach areas.
- Frequent engagement with Government health, family planning and other departments at District and Upazila level by regularly attending meetings for better coordination.
- More frequent and regular engagement with local and international NGOs at District and Upazila level for better coordination to ensure access to the people living in hard-to-reach areas.
- Clinic teams have established a communication channel with the law enforcement agencies at the local level (Army, BGB, Fire Brigade and Police) to get their support in transportation of the client to the tertiary level health facility in case of emergencies, especially during late hours in the night.

As exhibited in the chart below, between FY 21 and FY 22, these activities led to a 15% increase in limited curative care (LCC) services (which include treatment of minor

TEXT BOX 2: PROMOTING ACCESS TO MODERN CONTRACEPTIVES AMONG HARD-TO-REACH ETHNIC POPULATION IN THE CHATTOGRAM HILL TRACTS

Availability and quality of family planning (FP) services are a challenge in the hard-to-reach Chattogram Hill Tracts (CHT) of Bangladesh comprised of a largely tribal population that primarily resides in remote areas far from healthcare centers. According to the 2017-18 Bangladesh Demographic and Health Survey, this area has one of the highest rates of unmet FP need in the country (18%, compared to the national rate of 12%). Government-led health services are limited as there are few health facilities, communication challenges and low health workforce retention. Further, the different cultures and languages of the ethnic population in CHT also pose obstacles in health service delivery, including misconceptions about FP risks, lack of FP knowledge among men, and other local beliefs and norms toward FP.

To address these challenges, USAID's AUHC Activity coordinated with local government and NGOs to pilot a comprehensive FP program in the CHT to provide quality, affordable basic FP services and a referral system for a full range of FP services. AUHC worked with a local NGO, Green Hill, to operate 18 CHT primary care clinics and institute a multistakeholder engagement model including traditional leaders, elected representatives, hill district authority, and the health administration. The model included regular satellite health camps in the community, community health cadre outreach visits, and prescription/delivery of FP commodities.

The FP program supported 18 clinics and 18 satellite teams to conduct sessions in 86 locations covering almost 18% of the CHT population. AUHC approached the Ministry of Health and Family Welfare (MOHFW) and secured district technical committee (DTC) approval in March 2020 to officially launch FP activities in CHT areas, a milestone for FP collaboration with the health administration. The FP department supported the program's expansion by identifying 58,764 eligible couples in need of FP services, particularly in areas with vacant government FP cadre positions. Key services included FP counselling to adolescents and women; distribution of government modern methods (e.g. pills, condoms, and injectable methods) free of cost; referrals for Long Acting Reversable Contraception (LARCs, e.g. Implanon and IUD); door-to-door FP counselling and commodity distribution; awareness camps engaging local leaders, elites, and female elected representatives; and coordination with a local nonprofit Social Marketing Company for uninterrupted supply of private sector FP commodities. AUHC instituted a MIS to capture service contacts and revenue data and reported progress in monthly coordination meetings led by the health and family planning department.

These efforts reached nearly one million adolescents and women for family planning and maternal health services. From 2018 to 2021, uptake of birth control pills in CHT increased 93%, condom uptake increased 274%, injectable uptake increased 226%, and FP counseling services increased by 72%. The data evidenced an upward trend in the uptake of these methods despite the COVID-19 pandemic.

ailments as in fever, cough, cold and other services not included under maternal health, child health and family planning) an 11% growth in family planning services, 3% in child

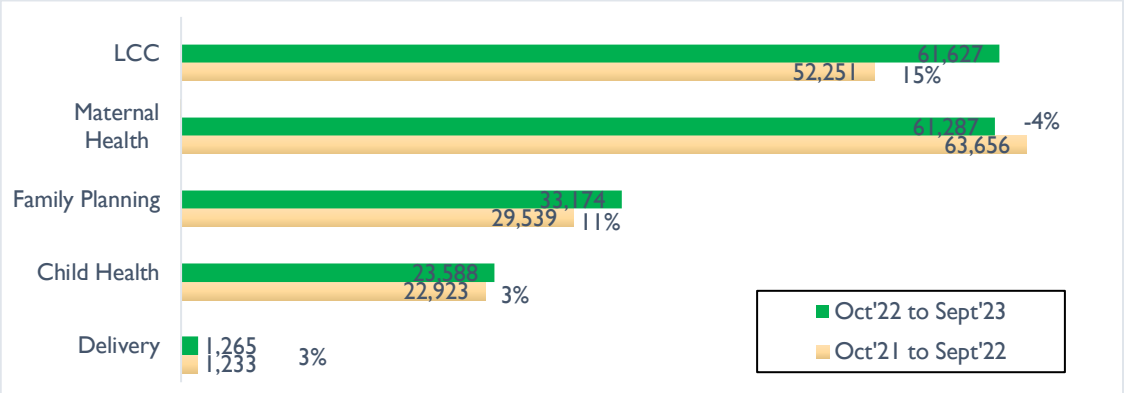


Figure 10. Service Statistics of GH clinics, FY 22,23

health services, and 3% in normal vaginal delivery services. In the middle of 2023, CHT faced excessive rainfall that caused blockade due to landslides and floods, that resulted in a drop in maternal health services.

3.2 **Assist Green Hill in improving quality of services offered through Smiling Sun clinics**

AUHC supported Green Hill to adopt a continuous quality improvement approach using the MNHQI bundles to enhance the quality of Antenatal care (ANC) and Vaginal Delivery (VD) services in the remote regions of Chittagong Hill tracks, where access to private and government healthcare services is limited. At the project end, of the 18 clinics, 13 worked on both ANC and VD bundles, 4 worked on only ANC bundle, and 1 clinic worked on only VD bundle.

MNHQI Bundle Name	Number of Clinics
Only Q-ANC bundle	4
Only Q-VD bundle	1
Both Q-ANC and Q-VD bundles	13
Total	18

AUHC helped Green Hill NGO's MIS officers and clinic staff understand the model, identify the problems together, measure the performance using audit tools, record the change ideas, and test them MIS officers of GH have been providing support to the service providers and monitoring them closely.

SECTION 4

LESSONS LEARNED AND RECOMMENDATIONS FOR SHN

The shift from program (NGO driven) mind-set to enterprise mindset is yet to be realized by SHN

AUHC's main goal was to establish SHN based on accountability to communities by providing relevant services of consistently good quality and addressing financial viability to become sustainable in the long run. The NGO-mindset wherein clinics provided free and subsidized services to the poor did not promote a sense of accountability and sustainability (financial viability) has never been a primary focus.

In creating a healthcare social enterprise with a focus on primary healthcare and a pro-poor mandate, there was no playbook. To navigate this uncharted territory, throughout the journey, AUHC collaborated with the SHN senior management and its board to make sure that they own the decisions and commit their resources to implementing those decisions. Although SHN came a long way in transforming the network from a program to an enterprise by instituting profit and loss based financial management, neither SHN senior management nor the Board were open to market- based solutions to their long-term business model and funding challenges, despite AUHC laying out several options. For example, AUHC's efforts to identify funding opportunities for SHN would have required SHN to consider reforms to their existing legal, operational and governance structure and status, stepping out of their 'comfort zone' of pursuing inward-looking solutions and embracing strategic partnerships to realizing full potentials of the network. SHN management and the Board of directors were not amenable to these change ideas. As a result, currently the GOB remains SHN's only source of external funding to cover its financial revenue gap, which makes its business model risky and vulnerable to any unforeseen changes in the political dynamics of the country.

AUHC observed a lack of clear and consistent communication of the organization's goals and principles from leadership to all levels of the network. Additionally, there was a need to empower local leadership and teams to effectively execute these priorities. For example, quality of care is embodied in SHN's slogan and communicated to its clients as a commitment of the brand, while historically there has not been any systematic approach to institutionalizing a culture of quality in the network. AUHC introduced a quality management system in the later years of the project based on a quality policy and strategy (QPS) signed off by the CEO of SHN. But the QPS is not well communicated and understood by staff at all levels, and it is difficult to predict if the management will continue to dedicate adequate attention and resources to mentor and monitor the clinic leadership and teams beyond the AUHC activity for further maturity of the QMS. To support the continuous commitment of SHN to its QMS, AUHC

developed its self-assessment tool, which will keep senior management engaged in continuous quality improvement.

The transition from 80% cost recovery level to self-reliance will require targeted investment for revenue growth

Moving from 35% to nearly 80% cost recovery level is a remarkable achievement, but if they want to become fully financially sustainable in the next few years, SHN will have to keep improving its cost-efficiency while optimizing revenue through price adjustments and service volume. There are no quick wins or big gains on the horizon, as SHN has already implemented major cost-containment measures and realized significant cost reductions. SHN's success in the future will mainly depend on how well the network grows its revenue and mobilize resources externally. While SHN is fortunate that they have a 2-year runway with funding secured from the GOB, they will need to invest in creating new sources of revenue and find the investment to do so. SHN will have to explore strategic partnerships to mobilize resources externally to engage in innovations and service portfolio expansion. To continue serving people who are experiencing poverty, SHN will need to find a third-party payer (including strategic purchasing) and/or insurance-based financing model to sustainably serve the poor without compromising on their overall financial viability. AUHC made significant efforts to introduce an insurance model targeted to the low-income segment of SHN clients through market-based (e.g. with companies - Milvik, Pragati) partnerships, that SHN did not want to pursue. They cannot, for much longer, stay averse to strategic partnerships, and alternate sources of investment/ capital.

Focus needed on protecting and growing customer base

The brand perception study conducted by AUHC revealed that SHN's customer-base is ageing fast; existing female clients are 31 years old on average. Female customers aged 40+ years reported diminished need for SHN services, which likely contributes to their high dropout or discontinuation rates.[7] High ANC to delivery drop-out is clearly an issue of retention. SHN needs to prioritize the 3Rs (recruitment, retention, and referral) to protect and grow its customer base. In year 6, SHN was able to increase its registered (through the EMR) client base by 20%, mainly by organizing health camps providing free services to the underserved communities. While health camps are a good technique to attract new clients into the network, a comprehensive approach is needed to nurture and grow its client base.

AUHC recommended that SHN would need to focus on providing continuum of care to its target clients, particularly to women who are central to its service offerings. They will need to cast a wider net of recruiting adolescents and young adults and provide them with a wholistic range of services from adolescence to motherhood through parenthood. This will require service improvements and expansion based on clients'

[7] During Oct 2022- Sept 2023 23% of the pregnant women who had attended at least two ANCs at the SHN Advanced clinics delivered at those facilities.

insights and insights-driven social and behavior change communications at individual and community levels. Forging strategic partnerships with public and private sector partners can facilitate service portfolio expansion. Historically, this network benefitted from their strong role in supporting the GOB to extend FP and EPI services across the country catering to a large population base. In recent years, this role of SHN had diminished as a result of fewer clinics working under local level agreements (District Technical Committee approval) with the DGFP. SHN, backed by the MOU signed recently with the MOHFW and the ERD, is now in a better position to negotiate with the GOB a stronger and sustainable role to maximize their coverage across the underserved urban population.

Finally, empowering clinic level leadership with decision autonomy will be key to fostering innovations as they are, from their vantage point, appropriately placed for accessing insights of the clients, testing, and implementing any new ideas.

Milestone based funding delivered results, but could be utilized more effectively

An important lesson learned is that last year's milestone-based contract between SHN and AUHC created incentives for SHN and its Board to make cost-efficiency decisions that contributed to an increase in the CRR. These decisions could have been made before, as AUHC had suggested, but the cost-reimbursement contractual mechanism of the first five years comforted the status quo. What could have been done differently, are the following-

- A smooth transition mechanism with a decreasing proportion of cost-reimbursement by AUHC/USAID over time, before shifting to a milestone-based performance financing mechanism.
- If a result-based financing mechanism is the chosen option, then it is important to inform the recipient in advance, long before the end of the last year, and to continue this mechanism until full CRR is achieved, over a 3-year period to consolidate the foundation for sustainability and optimize the return on investment of USAID.

SECTION 5

ALIGNMENT WITH USAID BANGLADESH HEALTH STRATEGY

HEALTH SYSTEM STRENGTHENING

[8]Forty percent of Bangladesh's population lives in urban areas. Providing quality, equitable health care to urbanites is key to achieving UHC. The national government does not comprehensively provide urban primary healthcare, leaving the responsibility to local governments (Municipalities and City Corporations). This has resulted in a significant gap in urban areas' health coverage. Through AUHC, USAID made a strategic investment to strengthen the urban health system of Bangladesh by positioning the SH clinics as a financially viable healthcare network with significant urban footprint. AUHC achieved USAID's goal of transforming the smiling sun network from an NGO delivered subsidized healthcare delivery model into a financially sustainable private enterprize model. The project successfully transitioned the clinics network from NGOs to the private entity -Surjer Hashi Network (SHN) and recalibrated the network with a focus on providing quality healthcare to the underserved urban population. AUHC was able to improve the cost recovery rate of the network from 35% to 76.6% at project close and left the network on a trajectory of business growth to ensure full financial sustainability in 2-3 years. Furthermore, with USAID's support SHN was able to secure commitment of the GOB for continuation of funding support for two more years. We believe that USAID's AUHC activity has made a major contribution to the urban primary healthcare system of Bangladesh, by paving the way for SHN to sustainably collaborate with the GOB in delivering essential health services to the people of Bangladesh. AUHC's approach to strengthening SHN's service delivery system has been successful in creating models for strengthening private primary healthcare system in Bangladesh, through implementation of the HMIS, QMS and QI approach, and e-Learning platform for skills and professional development of the health workers, among others.

STRENGTHENING HEALTH SYSTEM'S RESILIENCE

AUHC supported the Surjer Hashi Network to remain flexible, adapt and strengthen the national health system's response to shocks and stresses arising out of Covid-19 pandemic and recurrent floods in Bangladesh. During the COVID-19 pandemic, SHN worked hand in hand with the GoB to provide continued healthcare services safely while other private clinics were closed or offering limited services. At the request of the local health administration, SHN also kept EPI centers active to maintain child vaccination coverage – while implementing social distancing and careful infection

[8]USAID Bangladesh's Health Strategy 2022-2027

prevention measures to protect staff and clients. SHN's advanced clinics and basic clinics continued with the provision of normal vaginal deliveries (NVDs) throughout the pandemic and offered delivery services to clients when many of the private and non-governmental organization facilities were not operating. Infection prevention measures, including handwashing and social distancing, adopted by SHN clinics through extensive support of the AUHC team, were exemplary for the health sector in Bangladesh. Using standard design, guidelines, and training, AUHC facilitated online training on handwashing and crowd management (social distancing) for 286 SHN and Greenhill staff who in turn trained 1,867 clinical staff. AUHC also facilitated online training for 766 SHN staff from 59 clinics on infection prevention and integration of infection prevention in maternal and child health and other critical service delivery during the COVID-19 pandemic. To overcome travel restrictions, the AUHC service delivery and quality of care team introduced online supportive supervision to support 38 Advanced clinics and 15 Basic clinics with NVD. AUHC also led a new service delivery channel by opening phone lines for remote consultations with paramedics and doctors. In the first 20–25 days of the COVID-19 pandemic more than 18,000 clients received phone consultations.

In June 2022, eleven clinics managed by Surjer Hashi Network (SHN) under the Advancing Universal Health Coverage (AUHC) were impacted by catastrophic flooding in Bangladesh. The flash floods were caused by excessive rainfall and adversely affected more than 4 million people in the districts of Sylhet, Sunamganj, Moulvibazar, Habiganj, Netrakona, Jamalpur and Chattogram. Clinic staff did not let the dangerous floods impact their ability to provide health services in their catchment areas. SHN staff adapted quickly to the changing environment and ensured that pregnant women and populations at risk were safe as the flooding worsened. SHN's staff not only looked out for their patients but did everything they could to protect their clinic's equipment from the rising water.

EQUITY

AUHC has supported the Surjer Hashi Network to implement pro-poor strategies that includes a pricing policy to benchmark prices at a lower level than the competitive market, a discount policy that allows free/subsidized access to service by clients experiencing poverty. SHN's service portfolio has a strong focus on family planning, reproductive health, and maternal health services. SHN is also a strong collaborator of the GOB in extending the child vaccination program. The transformation of SHN clinics into a private healthcare network has introduced new challenges for SHN in providing affordable access to the poor, necessitating new strategies for targeting the poor. That said, with a stable and steady state of the network, SHN is now able to rethink its strategies for sustainably expanding access to services for the poor and the underserved urban population. The ongoing collaboration with the MOHFW of the GOB is an important milestone for SHN in improving their targeting and service coverage among those that are most in need.

RESOURCE OPTIMIZATION

Resource optimization was front and center in AUHC's approach to developing SHN into a sustainable social enterprise. Network optimization, along with revising clinic typology and standardizing clinic operations was geared towards optimizing resources available to the network internally. AUHC made all out efforts to create opportunities for SHN to effectively engage with public, private and market actors to optimize resources. AUHC adapted existing protocol and standards approved by the MOHFW of the GOB and collaborated with other USAID implementing partners in MNCH (MaMoni), Social Behavior Change Communications (Ujjiban) and Nutrition (BNNC) to standardize SHN's clinical services. AUHC collaborated with the USAID's AUAFP (Advancing Universal Access to Family Planning) Activity to train SHN clinic staff in family planning -counseling, IUD, and implant. AUHC engaged with the Obstetrical and Gynecological Society of Bangladesh (OGSB) to develop guidance and protocol for applying indications for CS (c-section) decision making to curb high rate of c-section delivery at SHN Advanced clinics by reducing the incidence of medically unnecessary C-Sections.

AUHC actively and systematically explored partnership opportunities for SHN to help them mobilize resources externally, as well as optimize resource utilization. A few examples of partnership initiatives that AUHC facilitated would include the following-

- Service Expansion through **Praava Health** and **Medipath** Labs to provide a wider range of lab services to SHN clients through outsourcing arrangement with Praava and Medi path's sample collection logistics and lab facilities.

- Increased client satisfaction and retention by distributing free baby products from **Marico** among the SHN ANC patients. Besides in-kind contribution through products for free distribution, Marico paid SHN [redacted] per sample (free) distribution.

- Introduced eye care services at the SHN network with **DOT Glasses** to provide sustainable solutions to vision problems with low-cost adjustable eyeglasses targeted towards the low-income population.

- SHN and **BRAC** Urban Development Program (UDP) started working under an MOU with the objective to provide affordable delivery services to the low-income clients of the BRAC UDP at the Surjer Hashi Clinics.

- SHN provided primary healthcare services during evening hours to the extreme poor beneficiaries of EHD (The Essential Healthcare for Disadvantaged in Bangladesh) project of **Concern Worldwide** in the coastal belt (Barishal, Khulna and Chandpur).

ADAPTIVE MANAGEMENT

The AUHC project worked through complex and volatile contexts with continually shifting needs, barriers and drivers of change. We needed to continually adapt to

changing context and challenges and realign program strategies as the network of 'Surjer Hashi' clinics transitioned from the NGOs to a single entity, went through complex change management to become reconsolidated under centralized management and to stay relevant to the changing healthcare landscape and needs of the communities. (please see the management section for further details of the adaptive management approach and practice deployed by AUHC throughout the project life)

LOCALIZATION:

Surjer Hashi Network is a localization success story, compelling evidence of USAID's commitment to locally led sustainable development. USAID's AUHC Activity has created and strengthened Surjer Hashi Network (SHN), an enterprize registered in Bangladesh and governed by respected Bangladeshi leaders from academia, private sector, public sector, and international development. The project has empowered SHN to become sustainable by reducing their reliance on donors and external funding. With USAID support, SHN was able to secure funding commitment from the GoB to support them in the last miles of their journey to self-reliance.

We have also promoted local (clinic) level planning, and voices of the clinic managers to ensure that SHN's central plans draw upon and strengthen local capacities and resources and remain accountable to local communities. From time-to-time AUHC conducted pause and reflect meetings with 134 clinic managers to gain from their experience and insights in implementing interventions and strategies, to be able to inform SHN's plans. These exercises have revealed insights and opinions of clinic level local leaders that SHN needed to hear. For example, clinic managers were appreciative of the efforts that the SHN leadership made in the recent past to connect with them through town-hall meetings, however they had also shared that they wanted to be further engaged in planning processes to be able to provide constructive feedback and inputs to local and central level planning.

WOMEN'S EMPOWERMENT

SHN stands out with nearly 80% of its service providers being women, comprising a diverse range of professionals including doctors, paramedics, medical assistants, health workers, lab technicians, and labor room attendants. This deliberate gender parity underscores SHN's commitment to inclusive services, with a particular focus on reaching women, adolescents, and children. In 2020 alone, an impressive 83% of all service contacts were provided to women and children. Currently, the gender ratio within SHN staff stands at 70:30, highlighting the organization's dedication to fostering a supportive and gender-balanced work environment while simultaneously ensuring equitable healthcare access for all demographics.

AUHC made deliberate efforts to promote women's leadership in the Surjer Hashi Network. In honor of International Women's Day 2023, AUHC collaborated with SHN to recognize five top-performing female clinic managers who have made tremendous contributions to the Surjer Hashi Network and have worked to empower women leaders in the healthcare sector of Bangladesh. Within SHN, 16% of clinics have female

SHN Clinic Mangers: Sultana Begum (Sylhet Clinic), Afansa Khatun (Bagerhat Clinic), Rowshon Ara Khatum (Manikdi Clinic), Rikta Roy (Jatrabari Clinic) Rebecca Sultana (Tajhat Clinic)

clinic managers, which is the topmost position within a clinic. Therefore, the prevalence of women is not proportionally represented in leadership roles. These female clinic managers have become instrumental leaders in their communities, persevered through cultural barriers, made tremendous contributions to achieving cost-recovery targets, implemented client retention strategies, and continue to inspire women to progress in their careers. AUHC showcased these clinic managers to exemplify what it means to affect positive change and serve as role models for their colleagues, clients, community, and inspire other female leaders in Bangladesh. There are many more examples of female dedication, perseverance, and achievement within the SHN network, and the number of females leaders continues to grow.

SECTION 6

COLLABORATION WITH USAID IMPLEMENTING PARTNERS

AUHC has forged robust strategic partnerships with USAID implementing partners and the Government of Bangladesh (GoB), particularly in critical areas such as health service delivery, systems strengthening, health information management systems, and social and behavior change communication (SBCC). This collaborative effort aimed to realize the expected outcomes of AUHC and SHN, ultimately aligning with the Government's universal health coverage agenda and the intermediate results outlined in USAID DO3: Health Status Improved. Through close collaboration with USAID implementing partners MaMoni MNCSP, ACTB, AUAFP, SMS and Ujjiban, AUHC spearheaded initiatives to advance service delivery and drive quality improvement efforts within the SHN network.

In the first two years of the project, the ***USAID MaMoni Maternal and Newborn Care Strengthening Project (MNCSP)*** provided AUHC with technical assistance in developing SHN's service guidelines on maternal health, child health, family planning, and newborn care. These projects also closely collaborated on observing the technical capacity of SHN's clinic service providers for practicing these guidelines, making joint field visits to clinics in Manikganj to further refine training guidance and documentation. The following year (Year 3), AUHC adopted the job aids, flip charts, and messages on ANC, delivery, PNC, and nutrition developed in partnership with MaMoni.

Notably, in Year 4, MaMoni embarked on a significant initiative to bolster the quality of maternal and child healthcare services provided by government health facilities through the implementation of the maternal and newborn health quality improvement (MNHQI) model. Recognizing the analogous services offered by SHN clinics, AUHC joined forces with MaMoni to extend the MNHQI model to SHN clinics, marking a pivotal collaboration. Facilitated by MaMoni's technical team, a comprehensive Training of Trainers (ToT) session on the MNHQI PDCA (plan-do-check-act) methodology was conducted for clinic managers, doctors, and service delivery specialists from five SHN clinics, setting the stage for enhanced quality of care. Building upon this foundation, in Year 5, MaMoni provided invaluable support to introduce quality improvement bundles designed to elevate the standard of care and services across SHN clinics. AUHC diligently gathered and disseminated key insights and learnings gleaned from these clinics, fostering a culture of shared knowledge and continuous improvement within the SHN network. Emphasizing sustainability, the responsibility for expanding the Quality Improvement (QI) collaboration to 20 clinics, and subsequently to the entire network, was seamlessly transitioned to SHN.

AUHC collaborated with the **AUAFP project** on several occasions. We incorporated AUAFP's technical input in the SHN counseling assessment that AUHC conducted in Year 2. AUAFP project staff were engaged in the training of trainers from SHN on

counseling training in June 2019. In Y3, AUHC provided SHN's adolescent health data to USAID and AUAFP that was used in the national adolescent health strategy dissemination and adolescent conference 2020. AUHC also installed a live satellite clinic session in the dissemination program where the honorable minister was present as chief guest. From time to time, facilitated by AUHC SHN clinic service providers were trained in FP methods like IUD, Implant through the GOB training provision supported by the AUAFP project. Furthermore, AUHC participated in implementation partner meetings organized by AUAFP on family planning service delivery coordination during the COVID-19 pandemic. The objective was to strengthen partnership among implementation partners for stock-taking and providing uninterrupted family planning services for the population of Bangladesh during COVID-19.

AUHC helped SHN to partner with the **Social Marketing Company** (SMC) in accessing their family planning contraceptives, nutrition, and health and hygiene products. We also collaborated with SMC to learn more about their community service agent (CSA) model in reviewing operating model of SHN's community service providers with a view to adopting an entrepreneurship model for their sustainability and improved utilization in the network.

Collaborating closely with the ***USAID Ujjiban Project***, AUHC played a pivotal role in developing SBCC materials tailored for SHN clinics and effectively utilized their digital resources to enhance the training of SHN health workers. During Year 4, Ujjiban furthered its support by liaising with the National Nutrition Services (NNS) of the MOHFW, thereby aiding SHN in the crucial task of updating the GMP card utilized in clinics, ensuring the delivery of optimal maternal and child healthcare services.

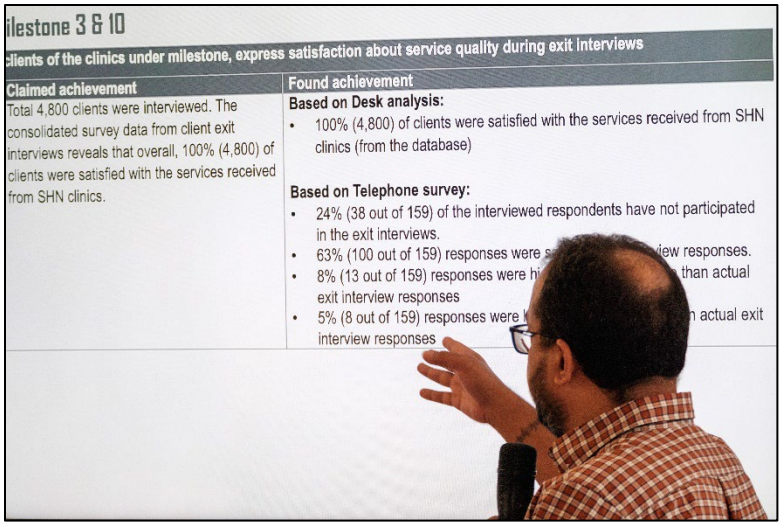
Under the guidance of AUHC, the ***Alliance for Combating TB (ACTB),*** spearheading icddr,b-led flagship TB initiatives, conducted comprehensive training sessions for 75 SHN health workers, focusing on TB referral services. Furthermore, ACTB facilitated SHN's access to specialized training for lab technologists from two clinics, Adabor and Hazaribagh, equipping them with the skills to effectively operate GeneXpert machines installed within their respective facilities. Additionally, ACTB extended its support to SHN at the community level, actively raising awareness and mobilizing efforts to identify potential TB cases through verbal screening and diagnosis, thereby strengthening the fight against tuberculosis.

SECTION 7

SUCCESS STORIES

Transforming Healthcare in Bangladesh: The Success Story of SHN's Journey with Performance-Based Financing

Overview. In recent years, financial incentive schemes to improve the performance of a system, such as performance or results-based financing (PBF/RBF)) has emerged as a transformative tool, particularly in low- and middle-income countries, like Bangladesh. The World Health Organization (WHO) defines PBF as a mechanism where financial incentives are directed to healthcare providers based on achieving pre-determined performance targets but the concept can be extended to the overall system performance. In Bangladesh, this innovative approach took center stage in Year 6 of the USAID Advancing Universal Health Coverage (AUHC) activity, where a pivotal shift occurred from the systematic subsidization/reimbursement of the financial gaps during the first five years, towards a payment mechanism based on SHN achieving 10 specific milestones addressing drivers of utilization, quality and financial sustainability.



AUHC partnered with SHN to design and support the implementation of a performance-based financing mechanism, as a catalyst for accelerating SHN's journey towards financial sustainability and improved health outcomes. Through a fixed-price subcontract, capped at [redacted] and awarded based on performance, SHN committed to achieving the ten milestones (see table below) aimed at enhancing financial sustainability through measures of cost reduction and revenue generation across its network of 134 clinics spread across 54 districts of Bangladesh.

On a quarterly basis, SHN reported on their performance against the set targets, which was validated by a third party contracted by AUHC, Consiglieri Private Limited. This validation process facilitated the rigorous assessment of milestone achievements, enhancing accountability and transparency and promoted productive discussions to address any difference in assessment results. Critical to SHN success was AUHC's provision of targeted technical assistance to support SHN in the achievement of the milestones through a combination of institutional capacity building (such as managing quality improvement initiatives and developing a business plan) and developing self-

assessment mechanisms (such as to measure the maturity of SHN quality management system and the functionality of their QI teams).

Achievements. The following table shows the progress against the milestones:

Year 6 Milestones	Q1	Q2	Q3	Q4
Milestone 1: Timely submission of SHN Business Plan, mid-year review, and Board Meeting minutes.	✓	✓		
Milestone 2: Timely submission of quarterly finance and technical reports.	✓	✓	✓	✓
Milestone 3: 60% of clinics (N=80) conduct 20 client exit interviews per month/clinic according to SHN quality policy.	100%	100%	100%	100%
Milestone 4: Increased network level cost recovery (against baseline of 57.5% during Apr-Jun 2022 quarter) by 10 percentage points to achieve a total network recovery level of 67.5% (excluding USAID milestone payment and other donor revenue as income)	74.2%	73.74%	67.93%	76.63%
Milestone 5: Top 35 SHN clinics reach an aggregate 100% or higher cost recovery (against baseline of 87% during Apr-Jun 2022 quarter)	111.74%	112.40%	105.05%	112.22%
Milestone 6: Secure multi-year funding commitment from the GOB				✓
Milestone 7: Total client volume increased by 15% over the year, compared to the baseline of August 31, 2022, of registered unique clients.	5.71%	11.46%	15.55%	20.04%
Milestones 8: A functional quality management system (QMS), as defined through SHN's quality and safety policy and a maturity score of 90.	69	72	73	92
Milestones 9: 40% of pregnant women attending two ANC at SHN advanced clinics also deliver at those facilities (current baseline 21% as per EMR data).	22%	23%	24%	23.05%
Milestones 10: 80% clients of the clinics under milestone, express satisfaction about service quality during exit interviews.	99.6%	99.89%	100%	100%

Overall, year 6 was a good year for SHN who achieved all but one of the 10 milestones by the end of the FY. Milestone 9 was a challenge as SHN has little control over the choice of an ANC client to deliver in the same facility (advanced clinic).

Lessons Learned. One of the key lessons learned from implementing the RBF mechanism within SHN was its effectiveness in empowering and motivating senior management and the Board to make critical decisions aimed at enhancing the cost-efficiency of the enterprise, including measures such as workforce reduction. Additionally, the RBF mechanism fostered a culture of self-assessment and equipped staff with the necessary skills to evaluate their performance regularly. This culture of self-assessment has become institutionalized within the daily operations and management of the network, highlighting the importance of ongoing evaluation and improvement processes in achieving organizational goals. Learnings from this experience can benefit the health system of Bangladesh beyond just SHN by informing the design of a RBF component of a health system, applicable to both public and private entities.

Limitations. While the RBF mechanism implemented added complexity and required significant effort from network staff and their measurement systems, its focus on short-term goals tied to a single donor-funded project may have limited its effectiveness in addressing broader performance indicators within the SHN HMIS. Moreover, RBF mechanisms tend to prioritize a few performance indicators over others, potentially overlooking important aspects of performance. Additionally, the reliance on self-assessment, particularly when linked to financial incentives, can lead to overestimation of performance, as observed during the initial phase of implementation. Although discrepancies between self-assessed and third-party validated scores diminished over time with the development of standardized measurement approaches and enhanced skills, this highlights the need for careful consideration of evaluation methodologies within RBF frameworks.

SUCCESS STORIES

Pioneering Sustainable Healthcare: Celebrating the Legacy of USAID's AUHC Activity in Bangladesh

On October 31, 2023, in Dhaka, the culmination of USAID's Advancing Universal Health Coverage (AUHC) activity was commemorated with the "Rise of the Smiling Sun" event at the Lakeshore Hotel, Dhaka. The occasion convened a diverse array of stakeholders, including experts from the Ministry of Health, INGOs, and development organizations, along with representatives from corporations with robust health and CSR programs.

Photo: AUHC Chief of Party, Parvez Mohammed Asheque shares key project achievements during the

Aligned with the theme "Illuminating Pathways to Sustainable Healthcare," the event provided a platform for speakers and panelists to illuminate the pivotal role of private healthcare networks in delivering primary healthcare in Bangladesh. Parvez Mohammed Asheque, Chief of Party of USAID's AUHC activity, shared insights into the project's journey of consolidating nearly 400 NGO-run Surjer Hashi clinics into the centralized social enterprise, Surjer Hashi Network (SHN). Shaila Purvin, CEO of SHN, delved into the challenges and achievements in steering the network towards financial sustainability and fostering growth through strategic partnerships.

Panel discussions, themed "Private Healthcare Sector Challenges and Opportunities in Contributing to UHC in Bangladesh," facilitated a robust exchange of ideas among industry leaders, including Moin Chowdhury (Managing Director, Grameen Kalyan), Kishwar Imdad (Country Director, Marie Stopes), and Dr. Syeda Naushin Parnini (Director Research, Health Economics Unit, MoHFW). They highlighted the critical role of public-private partnerships in enhancing health service delivery and advancing Universal Health Coverage commitments.

Noteworthy technological initiatives introduced by AUHC, such as electronic medical record (EMR) systems and the Chorcha E-Learning platform, were showcased during the event. These innovations aimed to enhance patient care and capacity-building within the healthcare workforce, underscoring AUHC's commitment to leveraging technology for sustainable healthcare solutions.

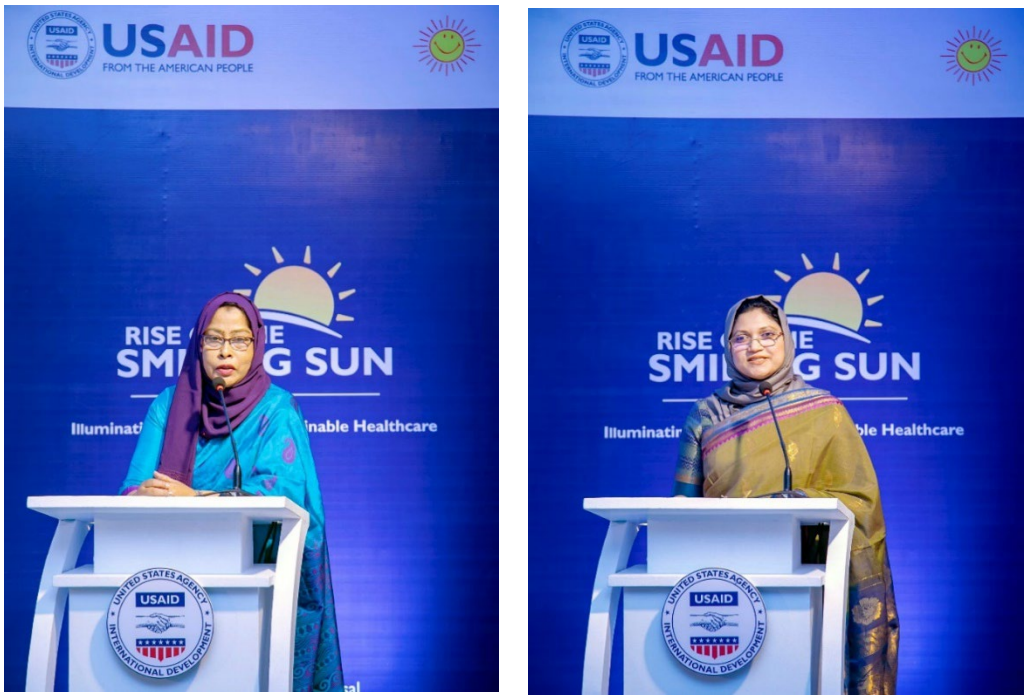


Photo: Prof. Rubina Hamid (left) and Dr. Farhana Akhter (right) delivering their closing remarks

In closing remarks, Prof. Rubina Hamid (Chairperson, SHN) and Dr. Farhana Akhter (Project Management Specialist, USAID Bangladesh) commended the achievements of the AUHC project and its transformative impact on healthcare accessibility in Bangladesh. Prof. Rubina expressed gratitude to USAID for their longstanding support in establishing SHN as a cornerstone of the nation's health system, reaffirming the network's commitment to serving underserved communities. Dr. Farhana outlined USAID's evolving development priorities, emphasizing a shift towards resilient health systems that deliver quality, equitable healthcare services as Bangladesh progresses towards upper-middle-income status.

The journey of Surjer Hashi Network, from its inception in 1997 to its evolution into a self-reliant social enterprise under USAID's AUHC project, stands as a testament to the power of collaboration and innovation in pioneering sustainable healthcare solutions. Even after the AUHC project closed in December 2023, stakeholders will continue to reflect on the transformative impact of their collective efforts and look ahead to a future marked by continued progress and innovation in healthcare delivery across Bangladesh.

SECTION 8

MANAGEMENT AND COMPLIANCE

The management structure and approach of the AUHC activity had to remain dynamic and adaptive to programmatic shifts and consequent changes in implementation strategies over the life of the 6-year period.

By design, the AUHC activity started with an operator-incubator model, predicated on the assumptions that the project will have to engage hands-on with the clinics during the process of transition from NGOs to a single entity, and simultaneously incubate and place necessary structures and processes to set up the new entity, the Surjer Hashi Network (SHN) to take over clinic operations. Chemonics acted as the operator, and its consortium partner ThinkWell LLC led the incubator function with Population Services International (PSI). PSI was specifically tasked with HMIS (health management information system) and responsible for providing technical assistance in marketing and QA/QI for the clinical services network. The operator structure included finance and ops team, NGO transition team, and a MEL team, and the incubator was focusing on strategic business, systems, QA/QI, due-diligence, and MEL coordination functions. The COP, assisted by a Chemonics home office director of compliance and business conduct (short-term) and the DCOP, directly provided oversight to the operator function, and supervised an Incubator director, a local professional employed under ThinkWell LLC. The AUHC start-up organogram had a head count of 56 staff.

Rapid transfer of clinics from NGOs to SHN had far reaching effects on AUHC program strategy and management.

The original design of the project assumed a gradual transition of clinics from NGOs, based on their readiness to move to the new enterprise to be assessed through a due-diligence process. The idea was to support the readiness of clinics with targeted investment and technical assistance before they were transitioned to the new entity, SHN. USAID and the consortium partners, during the process of consultations and negotiations with the NGOs, determined that the idea of gradual transfer of clinics from NGOs to SHN was not feasible given the collective position and sentiments of the NGOs against the approach and its political fall-out. The decision to transfer all the 381[9] clinics from 25 different NGOs to SHN

> *"The clinic management transition was originally envisioned to begin in the middle of Year 3, but, at USAID's request, AUHC accelerated the transition timeline and completed it at the end of March 2019 (in Year 2)"*
>
> **- AUHC YEAR 2 ANNUAL REPORT**

[9] There were originally 399 Smiling Sun clinics. Eighteen (18) were in the Chattogram Hill Tracts (CHT) and were directly funded by AUHC via a grant to Green Hill. Twelve clinics were retained by the NGOs who were managing them. The remaining 369 clinics were transferred to SHN for oversight and management. AUHC eventually funded a total of 387 (369 +18) clinics.

rapidly, and then start the rebuilding task- was a major shift in programmatic strategy and management approach of AUHC. A few major effects of this decision were the following:

- Allocation of resources were intensified to execute the rapid transfer. The NGO transition team was bolstered, on the other hand due-diligence function of the incubator was downplayed since readiness (including compliance to legal and USAID requirements) was no longer a pre-condition for a clinic to move to SHN. Since SHN was just formed and not yet ready to operate clinics, by the end of year 1 a local partner of the consortium, AdDin was engaged to provisionally manage 79 clinics acquired from 4 local NGOs alleged with gross violations of business conduct and ethics.
- AUHC had to fast-track the operationalization of the new entity, allocating resources to company registration, licensing, establishing a functioning board, developing a board governance system, as well as establishing key policies and operational systems. AUHC on-boarded a third-party HR and pay-roll management firm to manage the transition of close to 6000 clinic staff from 24[10] NGOs to the SHN enterprise.
- AUHC became overwhelmed with compliance challenges after clinics transitioned from NGOs to SHN by Q2 of year2, specifically a nearly steady stream of investigations into financial misconduct on the part of clinic managers stemming from practices that in many cases began prior to the start of AUHC. This necessitated the addition of a compliance monitoring unit (CMU) to the AUHC team in Q4 of year 2.
- Financial sustainability of SHN was AUHC's main mandate, that would not have been realized with a network of 369 clinics that were collectively recovering only 35% of the total operating expenses through clinics revenue. AUHC eventually had to apply a rigorous process of screening, known as 'network optimization,' to decide on the size and shape of a feasible network. 108 clinics that SHN decided to shut down were later (starting from year 3) returned to 14 local NGOs after the network optimization exercise concluded.
- AUHC also needed to significantly upscale data quality assurance drive in SH clinics in the initial years of the AUHC project. The AUHC MERL team identified significant data inconsistency in recording, reporting and data management systems by clinics. The team conducted 62 data quality visits in AUHC year 2 alone, conducted a deeper error mapping exercise in 29 clinics that indicated an

TEXT BOX 3: THE AUHC COMPLIANCE MONITORING UNIT (CMU) comprised of four teams of two members each – one program auditor and one financial auditor. The CMU audited all SHN clinics and Green Hill clinics in the CHT, for compliance with all required subcontract, USAID, and Government of Bangladesh regulations during their operations. Program auditors used a comprehensive checklist that reviewed each clinic's adherence to licensing, branding, infrastructure, FP, data quality, clinical guideline, training and staff development, and pharmacy requirements. Financial auditor checklists reviewed compliance with procurement, HR, and financial management policies and regulations. AUHC and SHN met routinely to review the CMU reports.

[10] 1 of the 25 NGOs ended up not transferring any clinics to AUHC.

estimated 13.8 percent data inaccuracy at the network level. Pressing on that, AUHC bolstered the MERL team in year 3 to institutionalize the data quality improvement culture in SHN by providing on-the-job orientation, required tools and guidelines.

AUHC reorganized after SHN was set up and ready to take control of clinics operation.

AUHC maintained USAID funding support to Surjer Hashi clinics during the process of transition to SHN by a combination of Fixed Award Amount (FAA) grants and adjustment of accumulated program income with the NGOs. After SHN was formed, staffed and foundational systems and processes (like financial management, procurement, HR) were in place, AUHC executed a 6-month FAA grant with SHN to help the start-up. Eventually all clinics moved under SHN's management by March 2019, after which a cost-reimbursement (no fee) sub-contract was introduced with SHN to provide funding support for operations of all 369 clinics in the then Surjer Hashi network. Another 18 clinics in the Chattogram Hill Tracts (CHT) managed under GreenHill, were supported with Grant under AUHC. SHN was initially organized with a regional management structure of nine (09) regional teams reporting to the SHN HQ responsible for portfolio of clinics distributed by nine geographic regions of the country. Such elaborate structure was deemed needed for the nascent enterprise to reorganize clinics under one platform. However, this structure was later reviewed in the context of the optimized network and in the spirit of strengthening centralized management of SHN. In the meantime, AUHC realigned its management approach by transitioning roles to SHN that it earlier played as the operator. The NGO transition team dissolved, and some of the staff were reabsorbed into the AUHC CMU while the transition team leader moved to a permanent senior management position with SHN. Starting in year 3, The AUHC service delivery team under PSI /ThinkWell that consisted of regional QA/QI managers were discontinued, and AUHC initiated the process of restructuring SHN's service delivery function to take over the roles of AUHC QA/QI managers.

The network optimization exercise reshaped both AUHC and SHN management structure.

A steady state of SHN was found only after the network optimization was fully implemented by July 2020, when the network moved from 369 to 134 static clinics. In view of the reduced network size, USAID decreased the overall AUHC budget by [redacted] that marked a significant decrease in USAID funding for years 4 and 5 of the AUHC activity. At this point, the operator-incubator model was no longer relevant with SHN gaining the autonomy to operate the network, and AUHC shifting implementation of most activities over to SHN. However, ThinkWell led incubator support in business analytics, strategy and business development were still needed for SHN, while AUHC determined that PSI's role in providing branding and marketing, regular quality monitoring and assurance functions were to transition to SHN. In year 4, AUHC pivoted to a much leaner structure with a head count of 30 staff organized under Ops and Finance; MEL; Systems (HMIS mainly); Service Improvement, Innovation and Expansion; and a Social Enterprise Incubator leading on Business Analytics, Strategy and Strategic Initiatives. Some particularly noteworthy changes made were the marked

leaning down of the finance and operations team – specifically the removal of the compliance monitoring unit – as responsibilities for compliance monitoring shifted over to SHN. AUHC's service delivery and quality assurance & improvement teams were merged and consolidated downward as SHN assumed the prime responsibility for this area. Simultaneously, SHN headquarters also consolidated its management team from 89 positions to 38 and removed the regional structure. The new structure within the SHN head office was geared to provide centralized oversight for clinic management, service delivery and quality improvement functions. A new team headed by a Chief of Clinical Services, with six Service Delivery Specialists, was therefore introduced to lead implementation of quality assurance, innovations, and improvements within the clinic network. AUHC's role in QA/QI became limited to providing technical leadership through a senior director at the Chemonics GHD, and training and mentoring support to the SHN service delivery team through the in-country service/quality improvement team.

The shift to a performance-based funding mechanism to accelerate SHN's journey towards sustainability.

In Q3 of Year 5, when AUHC was preparing for responsible closing of partner contracts, including SHN sub-contract, asset and intellectual property transfer, USAID initiated the discussion of a costed extension of the AUHC activity to support SHN for one additional year. In coordination with USAID, AUHC designed and negotiated a list of performance targets for SHN to pursue under a proposed milestone based fixed price sub-contract with Chemonics. Hence in Year 6, USAID's AUHC activity pivoted to a new role in developing SHN as a sustainable, pro-poor and inclusive social enterprise, predicated on USAID's strategic goal of creating a robust and sustainable financing model for the private sector to deliver quality primary health services to the poor, a shift away from subsidizing direct service delivery. SHN agreed to take on ten (10) milestones to achieve in this performance period, that were developed into a fixed price sub-contract capped at [redacted] to be awarded based on performance. In addition to the financial incentives, AUHC provided targeted technical assistance to help the enterprise address institutional capacity-needs in areas critical for them to be successful in this mission.

Aligned to the year 6 objectives, AUHC further scaled down its staffing to 12 members primarily focused on managing the performance-based programming, while providing targeted technical assistance to SHN in the areas of business performance, quality management, knowledge management and marketing communications. The role of AUHC's Ops and Finance team vis-à-vis SHN shifted to implementing a new contractual mechanism with simpler fiscal processes on the one hand, yet supporting a rigorous performance-based monitoring, verification, and validation system on the other. Thinkwell was no longer involved in this extension phase. AUHC technical advisors, under technical guidance of Chemonics GHD senior director, directly provided quality management and assurance support to SHN, while short term consultants/firms were engaged to develop an e-learning platform, implement 'Surjer Hashi' brand refresh and communications activities, and provide strategy and business planning support to SHN.

AUHC leadership engaged extensively in ensuring technical support to the third validation/verification agency to gain access to objectively verifiable performance data and evidence, review and determine progress and engage with SHN to reach consensus on results. AUHC organized verification/validation workshop at the end of each quarter to facilitate presentation of results to SHN and discussions with the SHN teams to conclude on SHN's performance against the contractual milestones for award of financial incentives. AUHC submitted detailed reports of third-party verification / validation of SHN's performance for each quarter to the AUHC COR for concurrence before payments were made.

Compliance

AUHC leadership sought to ensure that the project maintained compliance with USAID rules and regulations and the terms of the contract. This proved to be a significant challenge throughout the life of the project, primarily due to a steady stream of cases of financial and procurement misconduct that had been committed in Smiling Sun clinics, many of which predated the start of the AUHC project but were not uncovered until AUHC began to examine clinic records and initiate the transition of NGO-operated clinics to the newly established Surjer Hashi Network. The transition in particular seemed to instigate misconduct reporting, clinic staff took the opportunity of the change in management to report fraud, abuse, and other concerns.

From the volume of cases, it became apparent to AUHC that these types of misconduct were a widespread issue in the Smiling Sun clinics. Several steps were taken to address this issue:

- AUHC shifted its compliance approach from one of supportive supervision of SHN, to one more focused on oversight and enforcement. In Year 2, AUHC launched the Compliance Monitoring Unit (CMU), which comprised four teams of program auditors and financial auditors, who conducted thorough audits in SHN and Green hill clinics to ensure compliance with all required subcontract, grant, USAID, and GoB regulations.
- AUHC sought to foster a strong culture of compliance within the newly created Surjer Hashi Network. In addition to establishing Director of Compliance position within SHN, AUHC also helped to establish a reporting and whistleblower system, and sensitized it to all clinic staff to ensure staff knew how to report misconduct and felt they could do so without fear of retaliation.
- All misconduct that was reported or uncovered by the CMU was reported to Chemonics' Office of Business Conduct (OBC), who collaborated with AUHC staff to ensure that investigations were conducted, and appropriate measures taken to address the issues. The OBC also prepared reports that were submitted to the Office of Inspector General, and that Chemonics diligently met its obligations to report cases.
- AUHC conducted financial audits of SHN at the network level, separate from CMU audits at the clinics level.

Most cases were reported and uncovered leading up to the transition of clinics to SHN, and in the couple of years after the transition. Numbers of misconduct cases declined

significantly in Years 4 and 5 of the project. With the transition from a cost reimbursement subcontract to a fixed price subcontract with SHN in Year 6, there was a significant shift in compliance monitoring of SHN, as the AUHC project was no longer responsible for reviewing SHN's financial and procurement documentation in detail, only that SHN adhere to the terms of the subcontract. AUHC did continue to investigate and address business conduct concerns that were reported, but the limited cases identified later in the project were found to be unsubstantiated.

AUHC also sought to ensure compliance with family planning regulations. In Year 1 of the project, a FP compliance committee was formed to ensure that all health service delivery through Surjer Hashi clinics was compliant with all family planning compliance regulations and policies. AUHC utilized clinic data and various monitoring checklists to monitor FP service delivery, as well as supervisory visits by AUHC staff. AUHC also ensured that all AUHC staff, as well as SHN headquarters and regional staff, received annual training through completion of two e-learning courses on Family Planning Legislative and Policy Requirements, and Protecting Life in Global Health Assistance. Once the CMU was established in Year 2 of the project, they also began to incorporate FP guideline reviews into their program audit checklists for clinic audits. The CMU also conducted phone interviews with FP acceptors to confirm they were not unduly influenced in their decision in FP choices.

Environmental compliance was monitored throughout the course of the project as well. Each year of implementation, the majority of approved work plan activities did not have potential for adverse environmental impact. Of the few which did, no adverse environmental impact was noted. AUHC confirmed this through program audits, quality assurance and improvement team visits, and SHN reporting. In the final year of the program, two activities in particular were identified as having potential adverse impacts:

- Supporting marketing communications and branding initiatives of SHN
- Operational closeout of the AUHC project

For the former activity, AUHC supported design and installation of various types of outdoor branding at SHN clinics. No adverse impacts were reported from this activity, and this was further verified by subcontractor reporting, photo and video evidence of the installations, and evidence that all required licenses for these installations had been obtained and local law observed. The most significant environmental concern for AUHC closeout was disposition of project assets and property. The vast majority of functional property was provided to key partners and subawardees under the AUHC project, SHN and Green Hill. For property that was identified to be in poor condition and unusable, AUHC ensured that it was disposed of in an environmentally sound manner. In particular, for various IT equipment, AUHC procured services from a local vendor to destroy the items in accordance with local law.

Project Closeout

The AUHC team and Chemonics home-office support began planning for project closeout up to a year prior to the end date of the project. A detailed closeout plan was formally submitted to USAID on June 27, 2023, which included an overall summary of

required closeout activities, timelines for demobilization tasks, and an updated AUHC inventory tracker. Closeout activities were overseen by two closeout specialists from the Chemonics home-office who traveled to Dhaka in November and December 2023, as well as the AUHC operations team.

Overall, the AUHC project continued key technical activities closer to the end date of the project than may be typical. The fixed price subcontract with the Surjer Hashi Network continued through November 2023. While SHN's milestones tracked performance through September 2023, further time was built in to allow for preparation of SHN's final deliverables. AUHC then worked with subcontractor Consiglieri to verify the data and results presented, and a final validation workshop was held on November 21, 2023. Similarly, the grant with Green Hill also concluded in November 2023, as AUHC continued to fund operations of GH's health clinics through October 2023, and conducted an in-kind procurement of medical equipment and supplies which was delivered in November. Other key activities and subcontracts which were concluded in the final months for the design and installation of outdoor branding at SHN clinics, and the creation on a new e-learning platform for SHN.

Because of the continuation of these key technical activities, AUHC extended the end dates of its local personnel into November and December 2023. As part of closeout, all staff were notified of their employment end dates, finalized their deliverables and key work activities, and separated from the project. Throughout the final year of the project, AUHC leadership encouraged all employees to utilize their leave time, and maintained a leave tracker. Chemonics sought USAID approval for payout of unused leave, in accordance with USAID regulations and Bangladeshi labor law.

Another key closeout activity was disposition of AUHC's property and assets. In consultation with the AUHC COR, AUHC recommended that all non-expendable assets be transferred to AUHC's local partner organizations SHN and Green Hill. This was in keeping with the spirit of the project's activities to improve the operation and sustainability of these organizations. With USAID approval of this plan, all items were delivered to SHN and Green Hill, and any damaged or unusable property was destroyed in an environmentally compliant manner. With all property and assets disposed of, the AUHC project office was vacated on November 30, 2023.

In addition to operational closeout activities, AUHC held an end of project legacy event in Dhaka on October 31, 2023. This event convened participants from USAID, SHN, AUHC, Government of Bangladesh, and the private sector to celebrate the successes of the AUHC project, particularly in advancing the sustainability of the Surjer Hashi Network, as well as to reflect upon the challenges and opportunities faced by similar private healthcare enterprises.

SECTION 9

PERFORMANCE MONITORING PLAN

As explained in previous sections, through the AUHC activity Surjer Hashi clinics network evolved into its current size and shape, where it maintains 134 static clinics, 1500 satellite spots and 675 CSPs. The strategic choice to strengthen static clinic-based service delivery and scale down outreach has, over the years, resulted in 85% decrease in satellitte spots and 96% decrease in number of CSPs. In year 1 (2017-18) of AUHC, satellite spots and CSPs would generate more than two-thirds of service contacts for SHN. From 2019-2020, reduction in number of CSPs has resulted in significant drop in FP service contacts, as they were mainly distributing free FP commodities received from the GoB. At the same time, decrease in satellite spots was also responsible for drop in FP service contacts, but more importantly contributed to a decreased level of ANC service contacts and services offered to treat minor ailments like cold, flue, fever etc. Among other reasons, these changes have had the most impact on AUHC performance in several standard indicators within the PMP.

In year 6, USAID's support to SHN shifted from providing service delivery support to incentivizing steps toward achieving financial sustainability through milestones-based performance. The purpose of the shift was to allow greater autonomy for the enterprise in shaping the future of its business and move away from dependence on USAID funding and technical support. Various initiatives have been implemented to strive toward this ultimate goal of financial sustainability, despite some coming at the expense of service utilization levels over the lifespan of the AUHC project. For instance, SHN's decision to scale back outreach channels such as satellite clinics and CSPs as a cost-saving mechanism was one of the chief factors in the overall decline in service utilization levels.

By Y6, the SHN and GH provided 3,992,393 service contacts through 152 clinics which was almost 36 % lower than the previous year. By the end of the project, SHN and GH surpassed their goal by 24% with 4.34 million clients served across 152 clinics. This achievement as due largely to the 20% increase in new clients that were seen by the end of Y6 in comparison to the previous year. In Y6, including the three months following the Y6 reporting period (October, November, and December), AUHC continued its prioritization of establishing SHN as a financially sustainable network of healthcare facilities while maintaining a strategic focus on quality of care.

Table 1 below reports on AUHC's overall performance against its most recent indicators from Y6 based on achievement of SHN and Green Hill Clinics (N=152). The SI# column has been color coded (Green, Yellow, and Red) to indicate progress status-reaching or exceeding 85% is indicated by the color Green, progress between 70% to 85% is represented in Yellow, and progress below 70% is marked with the color Red.

TABLE 1: PERFORMANCE INDICATOR TABLE FOR AUHC END OF PROJECT REPORTING

Sl	Indicator	Baseline Year	Baseline for 134 Clinics[11]	Y1	Y2	Y3	Y4	Y5	Y6	Y7[12]	Life of Project	
											Target	Achievement
USAID Standard Indicators												
1	Number of women giving birth in a health facility receiving USG support	2018	NA	45,186	35,178	25,750	25,083	25,748	22,028	3,688	0.182M	.116M
2	Number of ANC service contacts provided by SH clinics	2017	1.981M	2.064M	1.187M	0.422M	0.285M	0.254M	0.171	3,745	6.102M	4.383M
3	Overall facility utilization rate in areas implementing quality improvement (QI) supported by USAID	2020	NA	NA	NA	0	24%	21%	14%	NA	36%	36%
4	Number of pregnant women reached with nutrition specific interventions through USG supported programs	2017	0.660M	0.660M	0.702M	0.440M	0,183M	0.150	90,000	15,000	2.241M	0.713M
5	Number of USG assisted community health workers (CHWs) providing family planning information, referrals and/or services	2018	NA	NA	NA	NA	1,145	476	675	642	675	675

[11] SHN maintains a network of 134 clinics since July 2020
[12] Y7 includes on two months- October and November 2023

Sl	Indicator	Baseline Year	Baseline for 134 Clinics[11]	Y1	Y2	Y3	Y4	Y5	Y6	Y7[12]	Life of Project	
											Target	Achievement
6	Number of newborns who received postnatal care within two days of childbirth in USG supported programs	2018	0.324M	0.324M	0.162M	44,404	29,969	25,838	20,404	3,291	0.962M	0.610M
7	Number of children under five (0-59 months) reached by nutrition-specific interventions through USG-supported programs	2018	0.26M	0.261M	0.165M	81,453	70,073	77,568	55,665	8,625	0.974M	0.719M
8	Number of children who received their first doses of measles containing vaccine MCVI by 12 months in USG assisted programs	2020	76,201	NA	NA	NA	0.118M	0.110M	91,901	14,431	0.980M	0.334M
9	Number of diarrheal cases treated among children under 5 years of age	2017	2.408M	2.324M	1.339M	0.403M	3,803	11,253	6,336	851	6.618M	4.087M
10	Number of cases of child pneumonia treated in USG assisted programs	2017	0.277M	0.288M	0.128M	16,209	3,745	2,191	1,011	96	0.744M	0.439M
11	Estimated potential beneficiary population for maternal, newborn and child survival program: number of live births	2020	NA	NA	NA	0.184M	0.184M	0.184M	18,210	29,580	0.233M	0.233M
12	CYP provided in USG supported programs	2018	1.05M	1.05M	1.02M	0.53M	0.199M	0.104M	0.0074M	4409.9	3.57M	2.91M

SI	Indicator	Baseline Year	Baseline for 134 Clinics[11]	Y1	Y2	Y3	Y4	Y5	Y6	Y7[12]	Life of Project	
											Target	Achievement
13	Percent of USG-assisted service delivery sites providing family planning (FP) counseling or services	2017	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
14	Number of women giving births who received uterotonics (misoprostol/ oxytocin) in the third stage of labor (or immediately after birth) through USG supported programs	2018	37,210	19,329	13,463	12,328	13,732	11,314	1741	0.102M	71,907	19,329
15	Number of newborns not breathing at birth who were resuscitated in USG supported programs	2018	5,696	NA	1,600	446	478	1,513	1,636	275	11,027	5,948
Custom Indicators												
16	Number of clients served through SHN	2021	1.6M	NA	NA	0.183M	1.652M	1.568M	0.940M	NA*	3.51M	4.34M
17	SHN network level cost recovery	2019	33%	NA	NA	37.72%	54%	57%	73.19%	NA*	65%	61%
18	Percentage of pregnant women attending at two ANCs at SHN Advanced clinics also delivers at those facilities	2022	21.30%	NA	NA	NA	NA	NA	[13]23.05%	NA*	40%	23.05%

[13] Per third party verification report of Nov 27, 2023, hence different from what was provisionally reported in the Y6 annual report

Sl	Indicator	Baseline Year	Baseline for 134 Clinics[11]	Y1	Y2	Y3	Y4	Y5	Y6	Y7[12]	Life of Project	
											Target	Achievement
19	Percentage of SHN clients expressing satisfaction with the services received.	2022	NA	NA	NA	NA	NA	NA	100%	NA*	80%	100%
20	Number of children aged 6-59 months who received Vitamin A in SH clinics	2018	1.840M	1.840M	2.232M	1.037M	0.549M	0.439M	0.372M	NA*	7.854M	6.468M
21	Aggregated cost recovery rate for top 35 SHN clinics	2022	82%	NA	NA	NA	NA	NA	[14]112.22%	NA*	100%	112.22%
22	Amount of alternative funds secured by SHN	NA	NA	NA	NA	NA	NA	NA	[redacted]	NA*	[redacted]	[redacted]
23	Percentage of QMS functionality score achieved by SHN	2023	NA	NA	NA	NA	NA	NA	[16]92.0%	NA*	90%	92%
24	Number of learning dissemination sessions held	2020	0	4	12	7	8	4	5	NA*	18	40
*Only Reporting Standard Indicators												

[14] Per SHN's Q4 report submitted on Nov 2, 2023, and later verified by third party, hence could not be reflected in the Y6 annual report
[15] SHN produced the evidence of their 70m grant commitment from the GOB in November 2023, hence it was not reflected in the Y6 annual report
[16] Per third party verification report of Nov 27, 2023, hence, could not be reflected in Y6 annual report.

ANNEX A. FINANCIAL REPORT

AUHC EXPENDITURES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7 QUARTER 1*	LIFE-OF-PROJECT**
Salaries	[redacted]							
Fringe Benefits	[redacted]							
Overhead	[redacted]							
Travel & Transportation	[redacted]							
Allowances	[redacted]							
Other Direct Costs	[redacted]							
Equipment, Vehicles, and Freight	[redacted]							
Training	[redacted]							
Subcontracts	[redacted]							
SHN***	[redacted]							
Grants	[redacted]							
G&A	[redacted]							
Subtotal	[redacted]							
Fixed Fee	[redacted]							
Total	[redacted]							

*As of time of report submission, final costs for Year 7 have not been fully invoiced to USAID. The figures provided represent costs incurred during this period of the project.
**Please note that the figures provided for Life-of-Project are not final. In addition to the final costs for Year 7 (see above note), subsequent changes to Chemonics' NICRA may result in additional adjustments, particularly for calendar year 2023, for which provisional rates have not yet been established.
***To better represent total spending on the AUHC project that has been dedicated to support of the Surjer Hashi Network, we have provided a separate line item for SHN. Through the life of the project, SHN has been funded through a grant, as well as two separate subcontract mechanisms, the costs of which have been totaled here. The Subcontracts and Grants line items represent all non-SHN costs in those respective categories.

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