

The Gap Between the Performance Reporting of Innovative Health Service Organizations and Impact Investing Standards

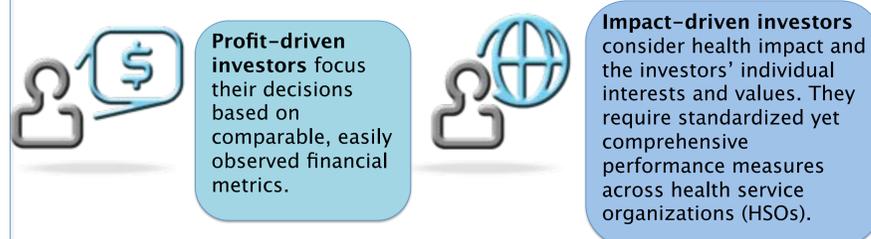
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BACKGROUND

Impact investment is a promising approach to financing health care innovations in low-resource settings. A recent survey of 99 current impact investors identified inadequate impact measurement practices and absence of a common way to talk about impact investing among the top challenges to the growth of the impact investing industry.¹

Impact investors can be divided into two groups:



OBJECTIVES

To identify the gap between the health performance measures of interest to investors and the reporting practices of HSOs in low- and middle-income countries.

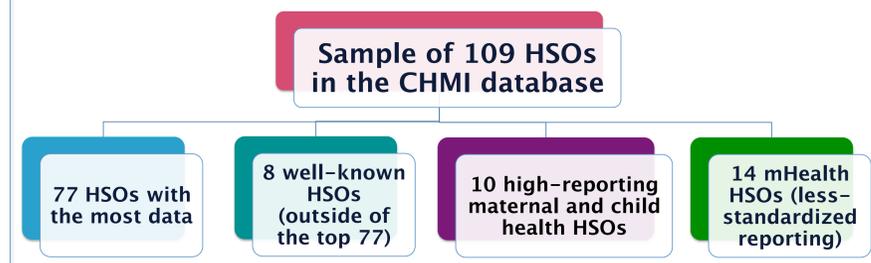
METHODS

The level of performance reporting currently employed by HSOs were determined by compiling available data from 109 organizations profiled in the Center for Health Market Innovations (CHMI) database using the Toronto Health Organization Performance Evaluation (T-HOPE) framework.

The T-HOPE framework was built upon best-practice guidelines in performance measurement in health, and contains 14 performance indicator categories that are credible, feasible, and comparable.

T-HOPE Framework			
Domain	Performance Indicator Categories		
Health Status	Population Coverage	Health Output	Health Outcome
Health Access	Affordability	Availability	Pro-poor targeting
Operations & Delivery	Clinical Quality	Management Quality	User Satisfaction
	Human Resources Supply	Political Support	Financial Management
	Economic Efficiency	Non-Economic Efficiency	

A purposive sample of 109 HSOs was constructed to capture the level of publicly available data by a diverse set of organizations. Data extraction from the 109 HSOs was completed from the CHMI database and complemented with online research of publicly available information.



METHODS (cont'd)



We reviewed the impact measurement strategies of three organizations determined to be the major impact-driven investors in health:

- The Bill & Melinda Gates Foundation
- Acumen Fund
- Bamboo Finance

Other funds and grant agencies also focused on the health sector, however, due to their relatively broad investment focus, no particular strategy for the health sector was found.

RESULTS

Organization	Metrics Used to Measure Impact of Investee HSOs
Gates Foundation	Guide to Actionable Measurement – Inputs, Activities, Outputs, Outcomes, Impacts ²
Acumen Fund	Financial, Operational, and Social Metrics – Counting Outputs and exploring the linkages between those Outputs and Health Outcomes ³
Bamboo Finance	Impact Management System – Mission & Impact Goals, Activities & Internal Processes, Output, Impact ⁴

Common T-HOPE Metrics

The common metrics that all three organizations value that are profiled in the T-HOPE framework include the following:

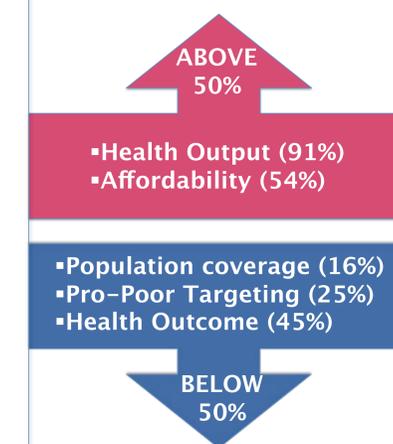
- **Affordability, Population Coverage, and Pro-Poor Targeting:** All three organizations value the activities and operational processes that the investee HSOs employ to reach their customer base by ensuring improvements in these areas.
- **Health Output:** A key metric that represents the productivity of the HSOs, which is highly valued by all three investor organizations.
- **Health Impact:** A broadly defined term that represents the impact that the HSOs were able to create in their representative communities as reflected by improved health and change in behaviours.

HSO Performance Reporting

Levels of reporting from 109 HSOs studied using T-HOPE framework revealed the following reporting frequencies (% of HSOs reporting data) under each individual performance indicator category:

Indicator Category	Frequency of Reporting
Population Coverage	16%
Health Output	91%
Health Outcome	45%
Affordability	54%
Availability	28%
Pro-Poor Targeting	25%
Clinical Quality	29%
Management Quality	32%
User Satisfaction	29%
Economic Efficiency	20%
Non-Economic Efficiency	12%
Human Resources Supply	57%
Political Support	39%
Financial Management	83%

DISCUSSION



These findings may represent the current understanding of HSOs in terms of managing their performance data:

- HSOs understand that it is important to measure and report on their Health Output and Affordability of their services.
- HSOs in resource-constrained settings may lack the ability to gather and manage the more complex data required to measure Population Coverage, Pro-Poor Targeting and Health Outcome.

This analysis focuses on publicly available data, and it is possible that some of these other measures are reported confidentially to the funders and not broadly disseminated.

CONCLUSION

- Impact investors want to understand the health impact and organizational sustainability of potential investees.
- To understand how HSOs are performing, it is necessary to have a standardized, comparable set of metrics that are credible and feasible for HSOs to report.
- Some performance measures that impact investors require are not widely reported, and practical and useful performance measures, such as those found in the T-HOPE framework, could be developed, along with support for HSOs to gather and manage data.
- Performance reporting can and should be raised to a level that attracts a bigger volume of impact investors and investment capital.



REFERENCES

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