Follow the Money: Making the Most of Limited Health Resources

Why Track Health Resources?

Worldwide, health systems are being asked to do more with less. In many countries, donor funds have stagnated or are declining. Donor funding for health in Namibia , for example, dropped 47 percent between 2009 and 2013. This sharp decline could have broad implications for the health sector—particularly Namibia's HIV and AIDS response which relies heavily on donor resources.

New and emerging threats, such as Zika and Ebola, are also testing weak and fragile health systems, such as those in Guinea and Liberia. And costly non-communicable diseases, like diabetes and cancers, are on the rise in low- and middle-income countries (LMICs).

With the end of the MDGs and start of the new SDGS, momentum is growing for countries around the world to pursue Universal Health Coverage (UHC) reforms and to expand affordable access to health care services, without risk of financial hardship, while facing real resource constraints in the aftermath of the global economic crisis.

In short, countries need to make their limited health resources go a long way.

It is a financing challenge as well as a governance one. Countries cannot manage what they cannot measure. Countries need to measure their health spending – know where the money comes from, how much is spent and where, and how it can be spent more efficiently and equitably.

Improving a country's health system performance and health outcomes in the face of real resource constraints will require policymakers to make informed, data-based health financing decisions, rigorously monitor health performance, and exercise accountability and stewardship. But that is not easy, especially in LMICs where information systems are yet to be equipped to provide the information needed on a regular basis.

What Can Countries Do?

Policymakers can influence public and private health spending to improve efficiency, quality, equity, and expand access to life-saving health services. To succeed, however, governments need evidence around their health financing landscape. More and more, policymakers are appreciating the value of health resource tracking –that is, a range of methods, data collection initiatives, and estimation tools aimed at measuring the flow of funds to and through the health system.

Health Accounts (HA) is particularly useful. Health Accounts is a finance tool used to generate the evidence needed to inform health financing policy and track whether or not policies are working as intended. Health Accounts measures the "financial pulse" of national health systems by examining the total health spending in a country – including public, private, household, and donor expenditures. Health Accounts also track the amount of funds and their flow from one health care actor to another, such as the distribution of funds from the Ministry of Health to each government health provider.

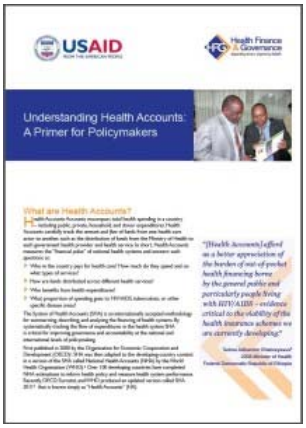
According to the World Health Organization (WHO), Health Accounts answer three important questions around raising revenue for health, managing and pooling resources, and purchasing services:

- What kinds of health care goods and services are consumed?
- Which health care providers deliver these goods and services?
- Which financing scheme pays for these goods and services?

The Health Accounts methodology organizes and tabulates health spending data – from donors, NGOs, insurance providers, households - in a series of two-dimensional tables that show the flow of funds from one category to another through the entire system. But the flows can be very complex. Health systems are complicated and entail numerous types of categories and health fund transfers.

USAID's Health Finance and Governance (HFG) project supports countries in two ways – training country staff to produce their own Health Accounts and working with ministries of health and other health sector actors to use the data to advocate for bigger health budgets and fund priorities. To be most effective, Health Accounts should be country-owned, funded, and institutionalized in an organization such as the Ministry of Health.

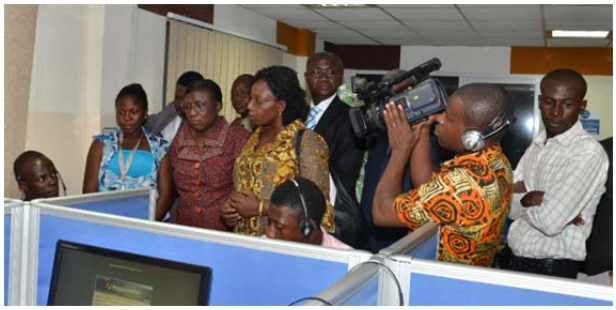
The HFG project supports countries to institutionalize their Health Accounts so they are produced regularly and efficiently, and are a useful tool for policymakers. The HFG resource tracking team has worked with county counterparts in eight countries to complete their Health Accounts - Barbados, Benin, Burundi, Haiti, India's Haryana State, Namibia, St. Vincent and the Grenadines. Four more HA are in progress in Bangladesh, Botswana, Ethiopia, and Zambia.



HFG has also worked with regional institutions like the University of West-Indies and the Post-Graduate Institute of Medical Education and Research in Chandigarh, India to improve their capacity in producing Health Accounts, so they can become regional leaders in production. The HFG team uses a variety of interactive training methods to build the skills and capacity of country teams to produce, disseminate and use Health Accounts data effectively. In addition, HFG trains participants to use the Health Accounts Production Tool (HAPT) software to facilitate the production process.

How can Countries Use Health Accounts?

Health Accounts provide a wealth of health spending data that can be used to negotiate increased financing for health, to highlight opportunities for greater pooling of health resources to reduce catastrophic spending, to inform efficiency discussions and to benchmark against other countries or global initiatives.



In combination with health indicators, wealth quintile data and costing information, they can help answer important policy-related questions around the financing burden on households for accessing healthcare, whether spending is aligned with national priorities including the national disease burden and the effectiveness of insurance schemes and other health reforms in improving financial access to care. For example, what is the level of OOP spending? Is health spending sufficient to achieve national targets? How much is spent on health prevention and promotion vs. curative care?

The information obtained after analyzing Health Accounts data can be then used to make better resource allocation decisions, change the status of priority areas, increase the government investment in health, monitor progress toward spending goals, or hold stakeholders accountable.

Burundi

The HFG project has worked closely with Burundi's Health Accounts team to build their capacity to use Health Accounts and the SHA 2011 framework. The team is housed in the Planning Unit of the Ministry of Health and Fight against HIV/AIDS (MSPLS). As a result, MSPLS now has the expertise to produce Health Accounts going forward with minimal external assistance.

According to the most recent round Health Accounts, the average household out-of-pocket (OOP) spending was US$ 29 in 2013. A recent survey of agricultural workers showed that more than 80% of the rural population could not afford to pay more than US$16 per year. As a result of these findings, civil society organizations, are advocating for reforms to ensure community-based health insurance schemes are more affordable to the population.

A Brief History of Health Accounts

Several methodologies can be used to track spending in a health system, including Health Accounts, Satellite Accounts for health, Health Public Expenditure Reviews and Public Expenditure Tracking Surveys. The term "Health Accounts" refers to a specific methodology that uses the Systems of Health Account (SHA) framework developed by OECD, Eurostat, and WHO.

Countries have been tracking health spending since the 1950s, but the official System of Health Accounts framework for producing "Health Accounts" was developed in 2000. In 2011, the SHA framework was updated to ensure its applicability to countries of all income-levels.

The new SHA framework enables countries to understand how resources for health are mobilized and how they are managed to purchase goods and services. Specific disease and health programs are able to zoom-in and provide detailed spending data in these disease areas.

The primary interest for most of the countries using Health Accounts is to understand how big is the health spending, who funds it, who manages it, at what level it is spent, what goods and services are funded and what inputs to production are used.

For more than 20 years, USAID and WHO have supported more than 100 low- and middle-income countries to track the sources and uses of all health spending, many with sub-analyses of reproductive health and child health spending. Several countries have completed multiple rounds of MCH analyses: the Democratic Republic of Congo, Ethiopia, Jordan, Kenya, Liberia, Malawi, Namibia, Rwanda, Senegal, Tanzania, Uganda, and Ukraine.

Since the revised, more detailed SHA 2011 framework was adopted, 35 countries have completed a full disease breakdown, which includes tracking of maternal health and child health spending, and approximately 20 countries are in the process of estimating expenditures across all disease categories with this updated framework.

The Director of the Planning and M&E Department of MSPLS, Mr. Sublime Nkindi, observed "Health Accounts are an important tool to understand the financing available for health as Burundi introduces reforms to achieve Universal Health Coverage. Health Accounts should be promoted at the highest political levels to help inform national strategies."

Namibia

In most countries, institutionalization or the routine production and use of Health Accounts data is a challenge and Namibia is no exception. With the support of the HFG project, the Government of Namibia completed its 2012/13 of Health Accounts covering the fiscal year using the updated SHA 2011 framework. For the first time, the GRN committed funds in addition to its historical allocation of staff time to conduct the exercise.

At the dissemination of the Health Accounts results in 2015, Namibia's Minister of Health and Social Services, Dr. Benhard Haufiku said, "Health Accounts … provide critical information required for strategic and informed decision-making at various levels of the Ministry and by other relevant stakeholders. We look forward to conducting Health Accounts exercises on a regular basis and institutionalizing the process within [the Ministry] so that we can continue to track health financing progress and continue to make data-driven and evidence-based decisions."

Namibia's Minister of Health, Dr. Benhard Haufiku, shares remarks about the importance of Health Accounts data to inform health policy decisions.

The Health Accounts Production Tool

While Health Accounts have been accepted as a critical policy tool in many countries, challenges have prevented countries from successfully institutionalizing them (i.e. routinely producing and using high quality data for decision-making).

The complexity of the methodology has deterred routine, consistent, and low-cost estimates and many low-income countries rely heavily on foreign technical assistance to implement Health Accounts. Moreover, documentation of the methods remains poor and estimation techniques vary from year to year, compromising the comparability of results over time.

In response to these challenges, USAID's HFG and Health Systems 20/20 projects, in collaboration with WHO, developed the Health Accounts Production Tool (HAPT). The HAPT is a software application that provides step-by-step guidance to in-country teams conducting a HA exercise, and has the potential to boost local capacity of HA production and incrementally reduce reliance on technical assistance. .

Barbados and Dominica

Health Accounts in Barbados (2012-13) and Dominica (2011-12) highlighted low levels of health prevention spending. At the same time, non-communicable diseases account for approximately 80 percent of deaths. The governments in Barbados and Dominica recognize that they cannot treat the increasing burden of NCDs and that prevention is crucial to the national response. As a result, in 2015, both countries introduced 10 percent excise taxes for sugary drinks (Barbados, Dominica) and sugary foods (Dominica) that will be used for health spending, including prevention.

Photo on cover page:
A young woman talks to the doctor in a clinic about her baby's health during a routine check-up in the city of Surabaya, Indonesia. To improve maternal health and make maternal health services more accessible, the Indonesian government has established health centers in most sub-districts throughout the country. © 2007 Donald Bason, Courtesy of Photoshare

The Health Finance and Governance (HFG) project works with partner countries to increase their domestic resources for health, manage those precious resources more effectively, and make wise purchasing decisions. Designed to fundamentally strengthen health systems, the HFG project improves health outcomes in partner countries by expanding people's access to health care, especially priority health services. The HFG project is a five-year (2012-2017), $209 million global project funded by the U.S. Agency for International Development under Cooperative Agreement No: AID-OAA-A-12-00080. The HFG project is led by Abt Associates in collaboration with Avenir Health, Broad Branch Associates, Development Alternatives Inc., Johns Hopkins Bloomberg School of Public Health, Results for Development Institute, RTI International, and Training Resources Group, Inc.

For more information visit www.hfgproject.org/.

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