USAID’s Health Finance and Governance (HFG) project helps to improve health in developing countries by expanding people’s access to health care. Led by Abt Associates, the project team works with partner countries to increase their domestic resources for health, manage those precious resources more effectively, and make wise purchasing decisions.
The Health Finance and Governance (HFG) Project works to address some of the greatest challenges facing health systems today. Drawing on the latest research, the project implements strategies to help countries increase their domestic resources for health, manage those precious resources more effectively, and make wise purchasing decisions. The project also assists countries in developing robust governance systems to ensure that financial investments for health achieve their intended results.

With activities in more than 40 countries, HFG collaborates with health stakeholders to protect families from catastrophic health care costs, expand access to priority services – such as maternal and child health care – and ensure equitable population coverage through:

- Improving financing by mobilizing domestic resources, reducing financial barriers, expanding health insurance, and implementing provider payment systems;
- Enhancing governance for better health system management and greater accountability and transparency;
- Improving management and operations systems to advance the delivery and effectiveness of health care, for example, through mobile money and public financial management; and
- Advancing techniques to measure progress in health systems performance, especially around universal health coverage.

The HFG project (2012-2018) is funded by the U.S. Agency for International Development (USAID) and is led by Abt Associates in collaboration with Avenir Health, Broad Branch Associates, Development Alternatives Inc., the Johns Hopkins Bloomberg School of Public Health, Results for Development Institute, RTI International, and Training Resources Group, Inc.

The project is funded under USAID cooperative agreement AID-OAA-A-12-00080.

To learn more, visit www.hfgproject.org

### ABOUT THE HEALTH FINANCE AND GOVERNANCE PROJECT 2012-2018

#### HFG'S COMPREHENSIVE TECHNICAL ASSISTANCE STRATEGY IN NAMIBIA

**Changes**
- Mobilize and manage resources
- Sustain key health interventions
- Expand access to health care
- Improve efficiency, quality, and equity of health services
- Identify sustainable financing options for universal health coverage

**HFG Technical Assistance**
- Institutionalization of Health Accounts
- Building an evidence base on total financing needs for universal health coverage
- Analyzing the efficiency of district and referral hospitals

**Government-led and -owned approach**

**Challenges**
- Decline in donor financing for health
- 45% of HIV/AIDS program funded by donors
- Lack of mandatory health insurance
- Disparities in quality of health care
- Lack of reliable evidence for financing
HFG OVERVIEW IN NAMIBIA

CHALLENGES

Since it adopted the Sustainable Development Goals (SDGs) in 2015, Namibia has strengthened efforts to ensure quality, equity, and access to health care for all Namibians. The Government of the Republic of Namibia has allocated 9 percent of its gross domestic product toward total health expenditure1 in 2016/17, among the highest in the region’s countries with comparable economies (Namibia Ministry of Health and Social Services 2018). Importantly, the government is financing the majority of health expenditures, contributing 63 percent of Namibia’s total health expenditure in 2016/17. Despite these notable advances, the country is faced with a major health financing challenge. With Namibia classified by the World Bank as an upper middle-income country, the flow of official development assistance has declined drastically in recent years, falling from 22 percent of the total health expenditure in 2008/2009 to 7 percent in 2016/17. Given that donor funding forms a significant portion (45% in 2016/17) of the financing for Namibia’s HIV/AIDS program, the fall in external funds risks reversing Namibia’s successes in its fight against HIV/AIDS. Even though HIV/AIDS remained the leading cause of death in Namibia in 2017, the country had succeeded in getting more than 70 percent of its estimated 237,127 people living with HIV on antiretroviral treatment (PEPFAR 2017).

The search for alternative sources of financing is even more imperative given the current lack of mandatory health insurance in Namibia, a major vehicle for universal health coverage (UHC). Differences in the quality of health care between private and public health providers are also impeding Namibia’s progress toward UHC. Lack of reliable data and evidence—both on viable sources of financing and on the actual costs of health care service delivery in public and private sectors—presents a major challenge to the Namibian government’s efforts to examine sustainable financing options for UHC. The USAID-supported Health Finance and Governance (HFG) project has worked closely with the country’s government to improve its capacity to use key health finance data for decision making and better mobilize and manage health resources to sustain key health interventions and bolster the country’s progress toward UHC.

CHANGE

HFG began working in Namibia in 2013, closely partnering with the Namibian Ministry of Health and Social Services and going on to collaborate with key government agencies, such as the Namibian Social Security Commission and the Universal Health Coverage Advisory Committee of Namibia. The overarching aim of our technical assistance has been to support Namibia’s progress toward UHC to ensure all can access necessary, quality health care without financial struggle. We emphasized a government-led and -owned approach as we supported the Namibian government in addressing some of the key challenges it faced at the start of the project.

HFG’s support has helped strengthen the government’s capacity to mobilize and manage resources; improve efficiency, quality, and equity of health services; expand access to health care; sustain key health interventions, especially the HIV/AIDS prevention, care, and treatment program; and, ultimately, identify sustainable financing for UHC.

We provided technical support to the Namibian government’s Health Accounts2 team, equipping them with tools and know-how to lead and implement four Health Accounts exercises and analyze and present data for better policy analysis and evidence-based decision making. Our support has helped institutionalize Health Accounts in Namibia and provided the country’s policymakers with evidence to examine health financing options for UHC, advocate for greater resources, and explore financial risk protection options.

Strengthening the larger health system and generating fiscal space through improved efficiency of health services was another important goal for HFG. Findings of the health facility costing and district hospital efficiency study we undertook will enable the government to identify where it can save resources, how it can improve equity in service distribution, and what Namibia’s total financing requirement is for UHC.

This report highlights some of the major contributions HFG and its key partners have made toward more efficient use of limited health resources, improved sustainability of health programs, and progress toward UHC in Namibia.

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1 Total health expenditure is the sum of public and private health expenditure.
2 Health Accounts is a globally accepted methodology for resource tracking and is widely regarded as a powerful tool to produce critical evidence that can inform policy decisions on resource allocation and health systems reform.
“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.”

~ Dr. Bernard Haufiku, Minister of Health and Social Services, Government of the Republic of Namibia, speaking at the 2012/13 Health Accounts results dissemination event in Windhoek; July 2015

RESULT AREA 1

Institutionalization of Health Accounts in Namibia

Recognizing the value of up-to-date health spending data to inform policy and planning, Namibia’s Ministry of Health and Social Services has made Health Accounts the cornerstone of its regular health fund flow tracking. HFG and its predecessor, Health Systems 20/20, supported the past six rounds of Health Accounts production in Namibia—including 1998/99 to 2008/09, 2012/13, and 2014/15 to 2016/17—covering a total of 15 years of spending. Successful demonstration of the Health Accounts methodology and the usefulness of the data it generates has resulted in Namibia’s government allocating budgets for Health Accounts production and using the data to make informed decisions on resource allocation for priority areas.

Our sustained technical support has built Ministry of Health and Social Services capacity to routinely produce, analyze, and use Health Accounts data to make evidence-based decisions for sustainable health financing. We supported Namibia’s efforts to institutionalize resource tracking in multiple ways, including training local resource persons on the updated System of Health Accounts 2011 methodology and the Health Accounts Production Tool (a software tool developed to streamline Health Accounts exercises); technical assistance around harmonizing different resource tracking methodologies, for example, the National AIDS Spending Assessment and the Health Accounts; identifying opportunities to streamline/automate data collection; and capacity building for translating data into policy-relevant briefs and materials.

Government budgetary support for Health Accounts

In an unprecedented display of commitment to Health Accounts, Namibia’s government allocated both human and financial resources (US$80,000) from its 2012/13 annual budget to support Health Accounts, quite literally “putting the money where their mouth is” when it comes to stressing the value of Health Accounts for evidence-based health policy decision making.

This commitment to institutionalization of Health Accounts has and will continue to pay off. For example, Namibia’s reproductive health spending analysis from Health Accounts was used to advocate for increased government resources for maternal and child health. Between 2009 and 2013, spending on this priority area increased by 450 percent, with most of the increase coming from government.
**Building local capacity for Health Accounts production**

The Ministry of Health and Social Services’ Health Accounts team has taken ownership of the Health Accounts process—a result of our capacity-building effort and emphasis on consistently engaging them in improving the efficiency of data collection, ensuring coordination with key stakeholders, and ensuring timely completion as well as production of quality results. We have also worked to encourage innovative and streamlined data collection. Our effort to this end includes supporting the ministry in identifying mechanisms that allow automatic reporting of data sources like medical aid claims expenditures.

To ensure that evidence stimulates action, we highlighted the importance of packaging data into policy-oriented dissemination materials. Instead of providing lengthy, jargon-filled reports, we showed how Health Accounts results can be packaged into a series of short policy briefs highlighting priority areas, such as HIV financing and the overall sustainability of current financing mechanisms. We shared these materials with key stakeholders through in-country workshops.

**Coordination across resource tracking methodologies**

In 2012/13, Namibia conducted both National AIDS Spending Assessment and Health Accounts with limited coordination between the two studies. Because the studies used different methods to account for government HIV/AIDS spending, their resulting estimates were about US$40 million apart. Without an understanding of the circumstances in which one methodology was more appropriate than the other, senior-level decision makers in the Ministry of Health and Social Services were confused and uncertain which figures to rely on. Since then, the ministry has discussed with the WHO and UNAIDS how the data needs for both methodologies can be coordinated.

HFG assisted the ministry in successfully tackling this issue. With our support, the 2015–2017 Health Accounts exercises were conducted jointly with the National AIDS Spending Assessment team using a combined data collection instrument. Namibia’s pioneering work to coordinate the two data collection and analysis efforts is serving as a model for other countries to follow.

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### HELping NAMIBIA EXPLORE KEY DOMESTIC HEALTH FINANCING OPTIONS FOR IMPROVED SUSTAINABILITY

#### Key Health Financing Options for Improved Sustainability*

1. **Increasing government health spending**
   - by increasing the allocation of general government expenditure to health and thereby achieve the Abuja target of 15% government health spending

2. **Increasing government revenue**
   - by increasing direct/indirect tax rates in order to increase overall government spending, including government spending on health that will generate income exclusively for health spending, such as dedicated taxes on air tickets, foreign exchange transactions, and tobacco, or solidarity levies on a range of products and services

3. **Introducing a dedicated tax**
   - with contributions based on the individual’s ability to pay to improve equity and financial risk protection

4. **Implementing a mandatory health insurance**
   - by reducing wastage of resources and thereby freeing up these resources to allocate to priority programs and health interventions

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* The HFG project supported the Government of Namibia identify sustainable domestic financing options based on the 2014/2015 Health Accounts exercise.
“The overall reality is that donor funding in Namibia is likely to decline further over time. That trend highlights the need for Namibia to maintain the commitment it has shown in prioritizing health system strengthening and improving the health and livelihoods of its most vulnerable citizens.”

~ Mr. Robert Rhodes, Acting USAID Country Representative, speaking at the 2014/15 Health Accounts results dissemination event in Windhoek; October 2017

RESULT AREA 2
Building an evidence base on Namibia’s total financing needs for universal health coverage

The country established the Universal Health Coverage Advisory Committee of Namibia to guide the Ministry of Health and Social Services in improving accessibility and quality of health care, expanding health insurance coverage, providing a wider array of health services, and increasing financial protection. HFG has contributed to these aims and Namibia’s strengthened progress toward UHC by providing the advisory committee sustained technical assistance and evidence building support.

Estimating unit costs of health services

We conducted a study to estimate the unit costs of health services in public and private sectors and assess quality of services across four levels of care: clinics, health centers, district hospitals, and referral hospitals. Covering a total of 13 public health facilities and 3 private facilities, our study provided the Universal Health Coverage Advisory Committee of Namibia with a robust evidence base that it can build on to establish the country’s total funding requirements for UHC.

Prior to the HFG study, the advisory committee and the Ministry of Health and Social Services had little information on cost of health service delivery, limiting their ability to make accurate projections, improve technical efficiency, control expenditure, and strengthen accountability of managers. In the face of ongoing resource constraints and pressure to improve equity in access to health care, our study’s comprehensive assessment of service provision costs will enable the country’s government to manage resources more efficiently and effectively and identify sustainable financing options to achieve UHC. The cost information is essential to planning and implementing health insurance in Namibia, especially to establish insurance premium contributions for prospective health insurance schemes and negotiate reimbursement rates with providers based on actual costs of health services.

Assessing quality of public and private health delivery

We assessed quality of service delivery in public and private health facilities to identify major gaps and shed light on the extent to which quality is a cost driver. Findings of these quality assessments have informed the development of comprehensive quality improvement plans based on the SafeCare methodology, which will help the Ministry of

3 SafeCare essentials is based on Joint Commission International’s (JCI’s) International Essentials of Health Care Quality and Patient Safety™, which is a rapid assessment tool. It identifies five primary risk areas related to quality and safety. These five areas and the criteria listed for each area were developed from an extensive international literature search on health care quality and safety and are defined as: leadership process and accountability; educated, competent, and capable staff; safe environment for staff and patients; clinical care of patients; and improvement of quality and safety.
Health and Social Services and health facilities prioritize allocation of resources and concentrate their development efforts on areas requiring the most urgent support. The assessments will help the ministry gain insight into the variations in unit costs among health facilities at the same level of care and will support the Universal Health Coverage Advisory Committee of Namibia to design reimbursement mechanisms promoting high-quality care while at the same time containing costs.

**Conducting a health financing landscape analysis**

Along with supporting the committee as a technical advisor, HFG lent support as a member of the committee’s secretariat, which is hosted by Namibia’s Social Security Commission and is responsible for the implementation of UHC. We conducted a review of the current health financing situation in Namibia, examining the capacity of health facilities and both demand for and supply of primary health care and hospital services, including those for HIV/AIDS prevention, care, and treatment. This study shed light on how resource allocation is linked to demand for health services. The review provided insights on the complex relationship among the health needs of the populace, health expenditures, and the geographical and financial accessibility of priority health services.

The findings have equipped the Universal Health Coverage Advisory Committee of Namibia with evidence to inform its policy recommendations to the Ministry of Health and Social Services on resource mobilization strategies, fiscal space analysis, pooling mechanisms, and a resource allocation formula to ensure better health outcomes while achieving equitable health care access for a greater portion of the Namibian population.
RESULT AREA 3
Technical efficiency gains to expand domestic fiscal space

In further support of the Namibian government’s search for domestic sources of financing, HFG built on its study on unit costs of health services and the Health Accounts database to identify alternative ways of expanding Namibia’s domestic fiscal space for health and HIV/AIDS program. We used data from 34 district and referral hospitals to study the cost drivers, productivity, and efficiency in use of resources for hospital operations and health services delivery and conducted a data envelopment analysis to calculate hospital efficiency scores and identify best performing facilities. This analysis has yielded the evidence needed to improve hospital operations and foster technical efficiency maximizing, which will improve the use of scarce resources and create fiscal space in the Ministry of Health and Social Services budget.

Analyzing the efficiency of district and referral hospitals in Namibia

The country’s government is already allocating a significant proportion of GDP to the health sector, and technical efficiency gains and reprioritization of the Ministry of Health and Social Services budget can be key to expanding fiscal space without additional resource injection (Barroy et al. 2018). In Namibia, hospitals, in particular, can provide room for improved efficiency as they consume a significant portion of the country’s total health budget: More than 50 percent of Namibia’s total health expenditure was spent at government hospitals in 2012/13 (Namibia Ministry of Health and Social Services 2015). By studying the level of efficiency at hospitals, we have identified which of these are most efficient, examined by how much the outputs could be increased with current levels of inputs (i.e., improved technical efficiency), and identified which district hospitals could serve as role models for other hospitals.

Our study of efficiency levels at district and referral hospitals will help the country’s government estimate the amount of resources that can potentially be saved. The government can use this efficiency gain to estimate reductions in the financing gap for key health interventions.

“While it is important for Namibia to secure additional financing for health to achieve its goals and sustain its health response, it is equally important to ensure that the resources are managed efficiently and effectively.”

~ Ms. Juliet Kavetuna, Deputy Minister of Health and Social Services, Government of the Republic of Namibia, speaking at the 2014/15 Health Accounts results dissemination event in Windhoek; October 2017
SUSTAINABILITY

Building on previous USAID-funded technical assistance, such as Health Systems 20/20, we supported an evidence-based health reforms agenda in Namibia. From the outset, HFG espoused a government-owned and -led approach, to not only strengthen Ministry of Health and Social Services capacity for evidence-based decision making in resource allocation but also to sustain the capacity built and institutionalize changes. Throughout the six rounds of USAID-supported Health Accounts exercises in Namibia, Health Systems 20/20 and HFG strengthened the government Health Accounts team’s capacity to use the System of Health Accounts 2011 methodology and the Health Accounts Production Tool and transferred knowledge and skills necessary for the production, dissemination, and translation of Health Accounts data. For the 2015/16 and 2016/17 Health Accounts exercises, the country’s Health Accounts team spearheaded data collection, analysis, and reporting with little technical support from HFG, demonstrating the Ministry of Health and Social Services’ improved ability to conduct resource tracking on its own.

The biggest challenge for institutionalization of Health Accounts in many countries is its sustained production over time, given the costs of Health Accounts production, especially for collection of health expenditure data (Maeda et al. 2012). To overcome this fundamental challenge, HFG is helping the Ministry of Health and Social Services restructure the Namibian Association of Medical Aid Funds database to simplify the collection of health expenditure data. Additional reporting functionalities will be developed by HFG to automate and enable regular Health Accounts reporting. The streamlining of health financing data production will reduce both time and money required for future Health Accounts exercises.

The evidence base created through our studies on unit costs of health services, efficiency levels of district and referral hospitals, and health financing landscape—produced in collaboration with the Ministry of Health and Social Services—will be utilized by the Namibian government in its efforts to achieve SDG and UHC goals. The Ministry of Health and Social Services health management teams will use the technical efficiency analysis and comprehensive quality improvement plans to strengthen hospital operations and prioritize resource allocation and development efforts. The ministry also plans to use the findings from the unit cost study to examine viable financing options for UHC in Namibia. Likewise, the Namibian Social Security Commission and the Universal Health Coverage Advisory Committee of Namibia plan to use the health financing landscape analysis to inform their policy recommendations to the Ministry of Health and Social Services on resource mobilization strategies and resource allocation formulae to improve health equity and health outcomes.
LESSONS LEARNED

Although the use of existing secondary data can help cut cost of data collection, HFG discovered that use of different methodologies in resource tracking can result in issues with the reliability of health expenditure data, which was the case in the 2012/13 Namibia Health Accounts exercise. For instance, the difference of US$40 million between National AIDS Spending Assessment and Health Accounts estimates for government HIV/AIDS spending brought to HFG’s attention the need to coordinate between the two study teams to establish a common data collection tool. The subsequent integration of these divergent methodologies bolstered reliability and sustainability of Health Accounts production. Use of differing methodologies in the public health sector is common, and governments and partners need to recognize the importance of harmonizing and coordinating data collection process for institutionalization of Health Accounts.

The value of the Health Accounts exercises cannot be fully realized unless policymakers utilize the evidence to inform decision making (Maeda et al. 2012). As such, technical assistance needs to encompass all phases of the Health Accounts process, including translation of Health Accounts data into policy briefs and disseminating these insights to intended users. We supported a number of workshops to increase country ownership of the translation process and held dissemination events targeting key policymakers from the Ministry of Health and Social Services. The short and concise policy briefs were easily understandable by leaders in the government. The HFG-supported dissemination events helped create Health Accounts champions among key leaders in the government, including Minister of Health and Social Services Dr. Bernard Haufiku, who commended Health Accounts for providing “critical information required for strategic and informed decision-making at various levels of the ministry and by other relevant stakeholders.”

REFERENCES


