

Developing Haiti's First Health Financing Strategy



Current Situation

As Haiti continues to rebuild its health system after the devastating 2010 earthquake, the Ministry of Health is addressing the dual challenge of how to mobilize sufficient funds for health care and how to efficiently manage and allocate those resources to provide quality care to the Haitian people.

Currently, the Government's health budget is developed on an annual basis. As a result, the vision for the health sector beyond the one-year horizon is limited and not backed by an implementable plan with the necessary resources. This short window makes it difficult to plan for activities and the necessary financing in the short term and to estimate financing needs over the longer term. It can also make it challenging to address important health initiatives, such as Ending Preventable Child and Maternal Deaths.

The Ministry has an approved National Health Policy, known as the *Politique Nationale de Santé*, which addresses "what" is to be done. In addition, the Ministry is developing a National Health Plan that lays out "how" the National Health Policy will be made operational. However, the Ministry of Health does not yet have a national health financing strategy that outlines "where" resources will come from and "how" they will be used to achieve the country's health objectives.

To bridge this important gap, the HFG project is working with the Planning and Evaluation Unit of the Ministry of Health to develop a national health financing strategy that will include an operational plan consisting of specific activities, timelines, and an overall health budget. The strategy will focus on the three core functions of health financing: mobilization of resources; pooling of risks and financial protection; and purchasing and provider payment. A strategy mapping out these core health financing functions will enable Haiti to raise the necessary resources, better protect people from the financial consequences of ill health, and make optimum use of resources to achieve the National Health Plan's vision.



The health financing strategy will serve as a road map, particularly when it is combined with data from the second National Health Accounts, which the HFG project is also supporting, and a fully costed National Health Plan. Together, they will provide strong evidence and powerful justification for increased health financing in the future to improve Haiti's health outcomes.

Strategy Development Underway

The goal is to create a draft health financing strategy that will help to significantly reduce morbidity and mortality through equitable access to quality care in a defined package of essential services. Figure 1 presents the strategic approach to health financing in Haiti.

As a first step toward developing Haiti's first health financing strategy, the HFG project has been working closely with the Ministry of Health and other health stakeholders to answer certain key questions, including:

- ▶ What are the current facts regarding health financing in Haiti?;
- ▶ What does a situational analysis tell us about Haiti's successes, needs, financing position, and global comparability?;
- ▶ What health financing model(s) could be successful in Haiti?;
- ▶ What is the preferred health financing model and when could it be realized?;
- ▶ What are the Ministry of Health's operational and financial roles and responsibilities and how do they intersect with those of other government and development partners?;
- ▶ How should the Ministries of Health, Finance, Planning, and Social Affairs structure and govern a partnership that works for the creation and implementation of Haiti's first health financing strategy?; and
- ▶ How should the government ministries work alongside and engage the private sector?



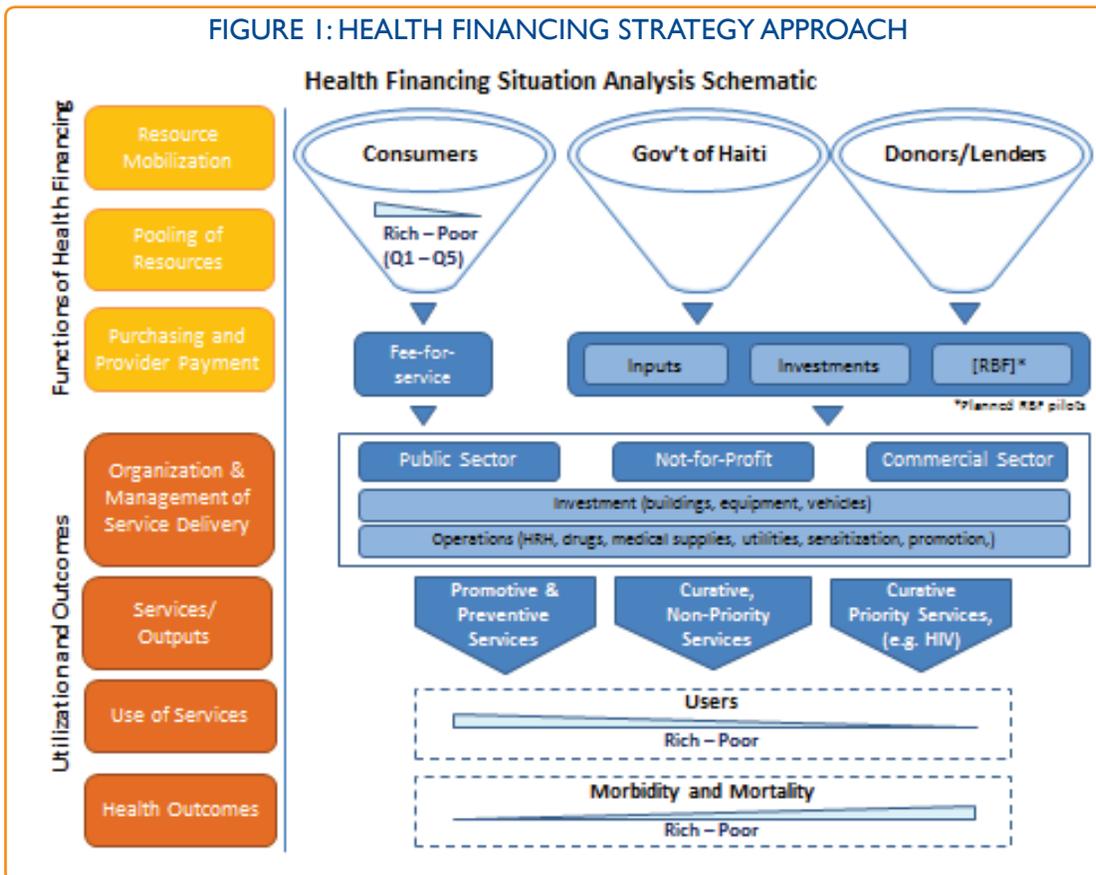
Situation Analysis Will Guide Strategy

To answer the question on the current facts regarding health financing in Haiti, the HFG project has assisted the Ministry in developing a situation analysis of the current health financing situation in Haiti. The analysis draws on documents from the Ministry, development partners, and international organizations, as well as results from household surveys and findings from in-depth interviews with key informants and focus group discussions.

Several important and interesting findings emerged and they will help to guide the Ministry and HFG as they develop the health financing strategy. The findings include the following:

- ▶ There are many actors in the health sector, each with their own approaches and agendas, which weaken the role of the Government and deregulates the health system. A large portion of financial resources pass in the form of direct payments from the population to private for-profit contractors and NGOs. Funds are also passed directly to public contractors by means of co-payments, which are often set arbitrarily without calculation of the actual costs.
- ▶ Foreign aid often falls outside the control of the Ministry of Health. Technical and financial partners offer and negotiate projects and funds with the Ministry, but the latter is not in a position to refuse or realign these proposals or funds. As a result, donor assistance is fragmented. Further, the Ministry is not systematically informed of foreign aid contributed by and for the NGOs.

FIGURE 1: HEALTH FINANCING STRATEGY APPROACH





About HFG

A flagship project of USAID's Office of Health Systems, the Health Finance and Governance (HFG) Project supports its partners in low- and middle-income countries to strengthen the health finance and governance functions of their health systems, expanding access to life-saving health services. The HFG project is a five-year (2012-2017) global health project. To learn more, please visit www.hfgproject.org.

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- ▶ The Ministry uses traditional methods for allocating resources to health care providers – budget headings to medical units which are allocated to the purchase of inputs supplied in kind. The allocated resources are not related to the quantity nor the quality of the care provided. Private for-profit contractors and NGO contractors are remunerated for the most part on a fee basis by users.
- ▶ The Government's resources are allocated to the Ministry on a historic basis and not a programmatic basis. More than 70% of resources are focused on vertical programs targeting HIV and cholera, even though the proportion of these patients compared to national morbidity figures is relatively low. The payment of personnel salaries accounts for more than 90% of the Government's operating budget.

Next steps

The National Health Policy has identified the need to increase the Government's contribution to the health sector from 6 percent to 15 percent of the national budget. Increasing the allocation of the government budget for health is necessary for the Ministry to have sufficient resources to increase health coverage in Haiti (both the breadth and depth of coverage) and improve the performance of the health system. In addition, the Government is striving to move from a traditional financing system to a results-based financing system.

Having adequate financing for health is not sufficient, however, to ensure the delivery of health care that is equitable, efficient, and high quality. Once these justifications for increased financing are available, the Ministry also should have the capacity to use them to negotiate tangible increases in health financing. Mechanisms will need to be developed – and implemented – to collect and pool resources and purchase health services in a way that is technically sound and efficient. The development, adoption, and implementation of a health financing strategy will be critical for guiding these changes within Haiti's health sector and sustaining improvements to its health system.