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Subnational health budgets in Tanzania

An overview

Components of our approach

- Focus on PFM and related financing questions agreed with UNICEF & GOT Task Force
- Sept 2019: initial set of interviews
- Oct 2019-Oct 2020: detailed desk review; analysis of council financial reports and health sector staffing, facility and output data for all regions.
- Aug-Sep 2020: remote interviews with LGAs and health facilities in three regions to help triangulate and add to findings.
- General recommendations rather than in-depth solutions to encourage discussion of ideas relevant to emerging context in TZ

Key issues we address

- Harmonization of subnational health budgets
- Equity in health finance
- Adequate and sustainable financial flows
- Reliability of health budgets
- Cost sharing arrangements
- Drug procurement and distribution
- Accountability and availability of data

Harmonization of subnational health budgets

Issues:

- Fragmentation from 11 funding sources
- Off-budget donor streams
- Different allocation methods; different rules
- Higher administration costs
- Complex reporting

Ongoing Response: CCHP; DHFF; FFARS; harmonization of rules; more sophisticated accounting systems

Equity in health finance

- Strong ethos of equity in health service provision – reflected in allocation formulas
- Equity goals are not being realized – persistent equity concerns across all funding streams (including large disparities in per capita funding; and disparities between regions)
- Facilities continue to rely on user fees; even iCHF needs user fees to exist
- Infrastructure programme not meeting the HSSP IV or 5YDP goals for equity and access – focus on hospitals

Ongoing Response: Some allocation formulas being adjusted eg. HSBF; national goals for health infrastructure highly equitable; equity built into SNHI concept

Adequate and sustainable financial flows

Issues:

- Universal health coverage requires more public resources
- Public funding static at around 8.8% of government resources after CFS
- OOP fell sharply over last 10 years and now estimated at 22%
- Sustainability is a challenge: dependence on donor funding falling, but still significant
 - key streams to facilities are entirely reliant on donor funding
- Middle-income status threatens future donor funding

Ongoing Responses: Health financing strategy drafted and under review exploring additional funds from iCHF; ongoing discussions on SNHI; LGAs to raise additional funds

Reliability of health budgets

Issues:

- Some funding streams timely (NHIF) others not (RBF, HSBF)
- Underfunding at higher levels affects subnational health (OC, MSD)
- Full rollover of facility funds supports cash flow
- Funding streams underperform:
 - for most facilities – iCHF; LGA OSR;
 - for a few facilities – collection of user fees

Ongoing Response: coping strategies from facilities; proposed system reviews; rising LGA OSR

Cost sharing arrangements

Issues:

- Cannot universalize NHIF package – expected two tier system
- User fees, iCHF underperforming
- User fees limiting access to health
- NHIF facing governance challenges

Ongoing Response: ongoing discussions on SNHI; other proposals exist (PER: increased government operational subsidy)

Drug procurement and distribution

Issues:

- MSD has disappointed in terms of delivery
- MSD budget seriously cut; it could perform better with full budget
- MSD/PV system has seen improved availability of tracer medicines
- PV procured drugs are reported to be more expensive – VFM study?
- Clear statement of the role of each modality is needed

Ongoing Response: PV system is a response; audit reports raise MSD budget issues and several diagnostics – no action yet determined

Accountability and data availability

Issues:

- Routine health data widely available
- Regular audits from CAG – published on NAO website
- Budget Execution Reports issued – but insufficient detail and coverage, and not timely
- LGA budgets not available; CCHPs not published

Provisional recommendations

- Equity through UHC needs additional domestic funding
 - More equitable and reliable financing of health facilities, including PE
 - Capital budgets to be better targeted and supported by maintenance budgets
 - Continued efforts to reduce fragmentation of funding flows
 - Improve transparency and accountability in health budgets
 - Strengthen NHIF and give it greater independence
 - Strengthen the supply chain and develop a medium term strategy
 - Strengthen financial reporting
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Thank you.

Any questions and/or clarifications?