

Motivation

Over the past years, the Ministry of Finance had progressively transferred part of the burden of health expenditure from the central government to users by controlling and limiting its contribution to Health Insurance Institute (HII) for dependent people. There was a need to review the policy in the sector.

Objectives

The goal was to carry out an abbreviated public expenditure tracking exercise and analyze the flow of funds in the health sector. The study aimed at examining all sources of financing (i.e. HII, Ministry of Health (MOH), local governments and out-of-pocket payments), and analyze different types of facilities (hospital, health center, pharmacy, etc.), and different kinds of expenditure, (salaries, supplies, administrative costs).

Main findings

Data on health financing and expenditure are scattered and not easily accessible. Over the past years, MOF has progressively transferred part of the burden of health expenditure from taxpayers (the central government) to users by controlling and limiting its contribution to HII for dependent people. There is a need to review the policy in this area, based on long-term projections of health expenses, including for dependent people, and a discussion of principles, criteria, and priorities for funding health expenses and sharing the burden between taxpayers, insured people and users.

Resources monitored

Recurrent and capital expenditures

Recommendations

- Improve health sector efficiency based on autonomy of health care providers, accountability of providers to their board and HII district/regional directorates
- Improve management of health care providers based on continuous capacity building, changes in the budgeting process based on contractual arrangements between health care providers and HII
- Establishment of a long-term human resource policy aimed at reducing over-staffing and reaching a better balance between the distribution of staff by category and the sector needs
- Raise staff salaries and consider changes in merit-based salary scales, stricter control over informal payments by patients, increase resources for non-salary recurrent expenses of health care providers.

Lessons

Issues of control and accountability are not sufficiently covered due to difficulties in obtaining information in these areas; non-salary recurrent expenditure is generally available globally, not by items.

Main report

Tibi, Claude (2004) "Public Expenditure Tracking Study: Health Sector," PETS 2004 Health Primary, secondary, and tertiary health care," December.