

# Health Care Inputs Have Doubled in Uganda: What Has Been the Role of Health Financing Reforms?

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## Summary of the Health Budget Reforms

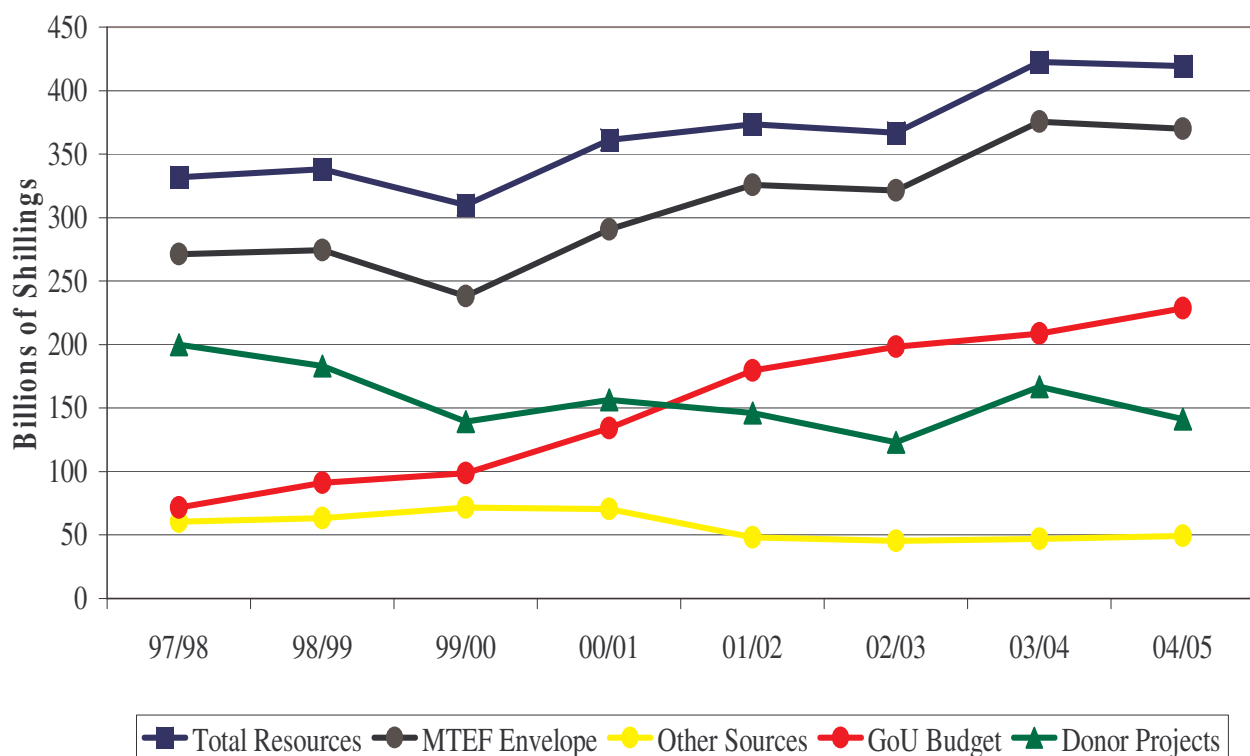
- Radical changes in health financing in Uganda have enabled GoU to implement a systems approach to health sector development.
- Budget financing is more efficient and equitable than donor project funding and user fees.
- The budget financed systems approach is delivering substantial increases in health outputs which should improve health outcomes.

## The HSSP Financing Reforms

- Modest increase in overall envelope – 18% in real terms in 5 years
- GoU health budget doubled: Donors switching to budget support and more GoU domestically generated funds
- Abolition of user fees – NGOs trying to follow GoU lead
- Financing reforms facilitate concurrent health systems reforms

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Recent Financing of the Ugandan Health Sector (2003/04 prices)  
50 Billion shillings = approx 1 \$ per capita



## The Ugandan Health Budget: Improved Efficiency and Equity

- Improved allocative efficiency. District PHC funding up from 33% to 54% of GoU budget
- Massive increase in basic inputs – per capita drug funding up 88%, proportion of posts filled with trained health workers up from 33% to 68%, 800 health units built or rehabilitated
- Ring-fencing of funds for essential inputs eg drugs
- Improved equity – neediest district receives 44% more PHC funding per capita than Kampala

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## Key elements of the systems reforms

- Massive investment in decentralised integrated services
- Strengthened management capacity
- Improved planning linked to the budget process
- Rapid disbursement of budget funds
- Improved drug supply systems
- Improved salaries and payroll management
- Quarterly monitoring of district performance

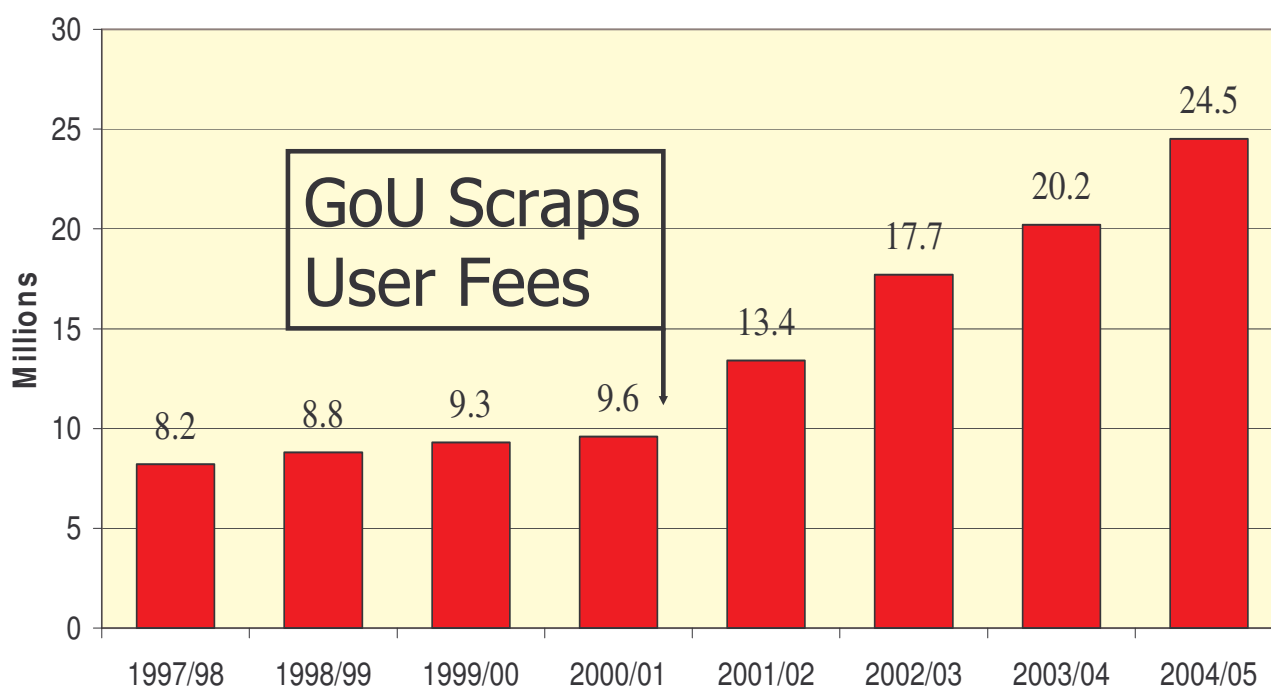
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## Health sector performance is improving

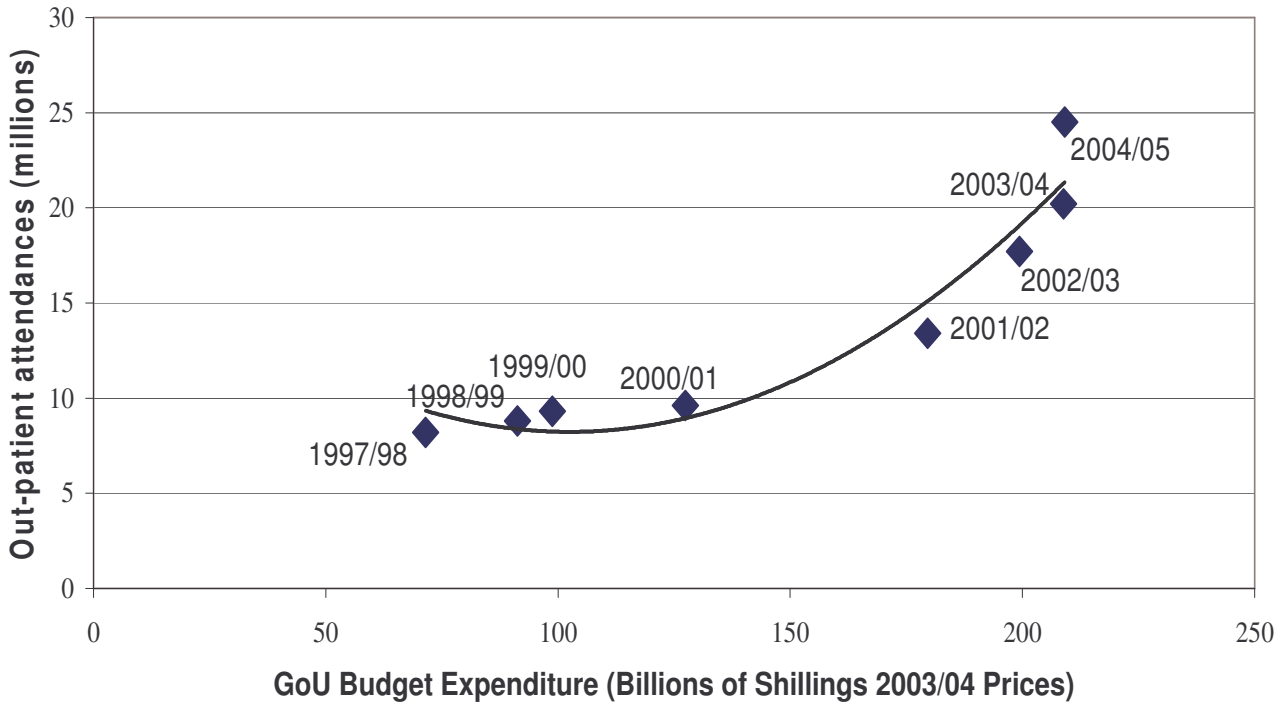
- No outcome data since 2000
- Outpatient attendances up 163 % since 1999/2000
- Immunisation rates up 117 %
- Deliveries in health units stagnant at 25%

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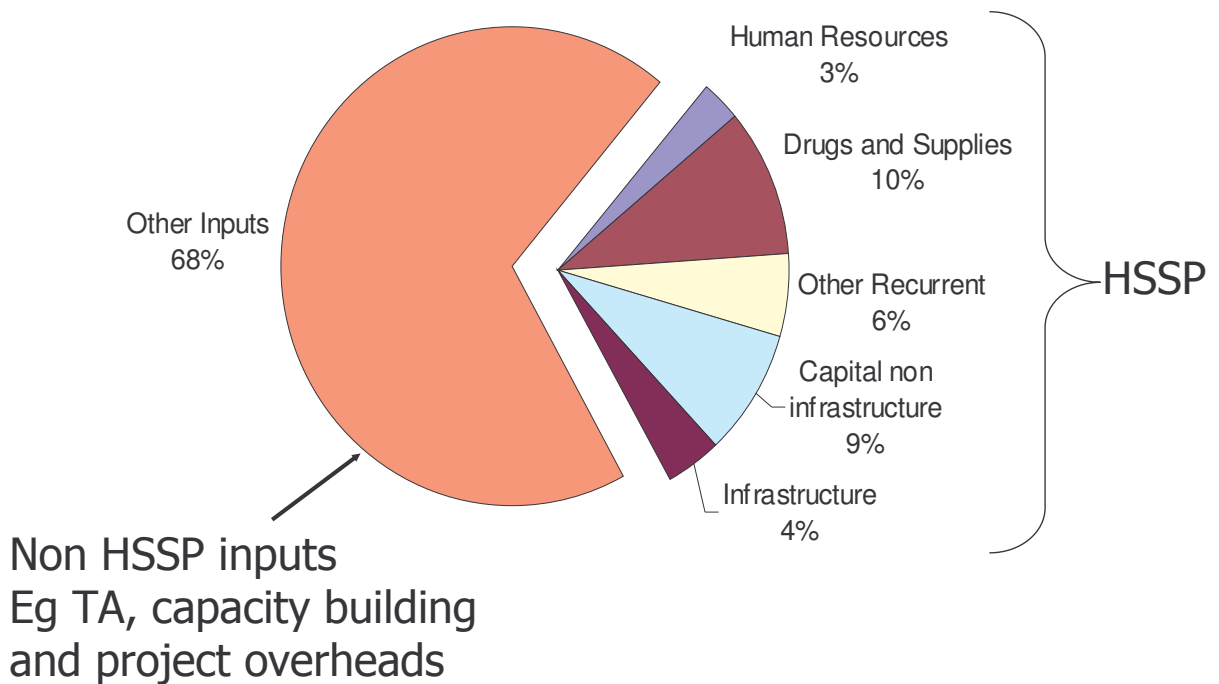
**New Outpatient Attendances in Government of Uganda and Private Not for Profit Health Units**



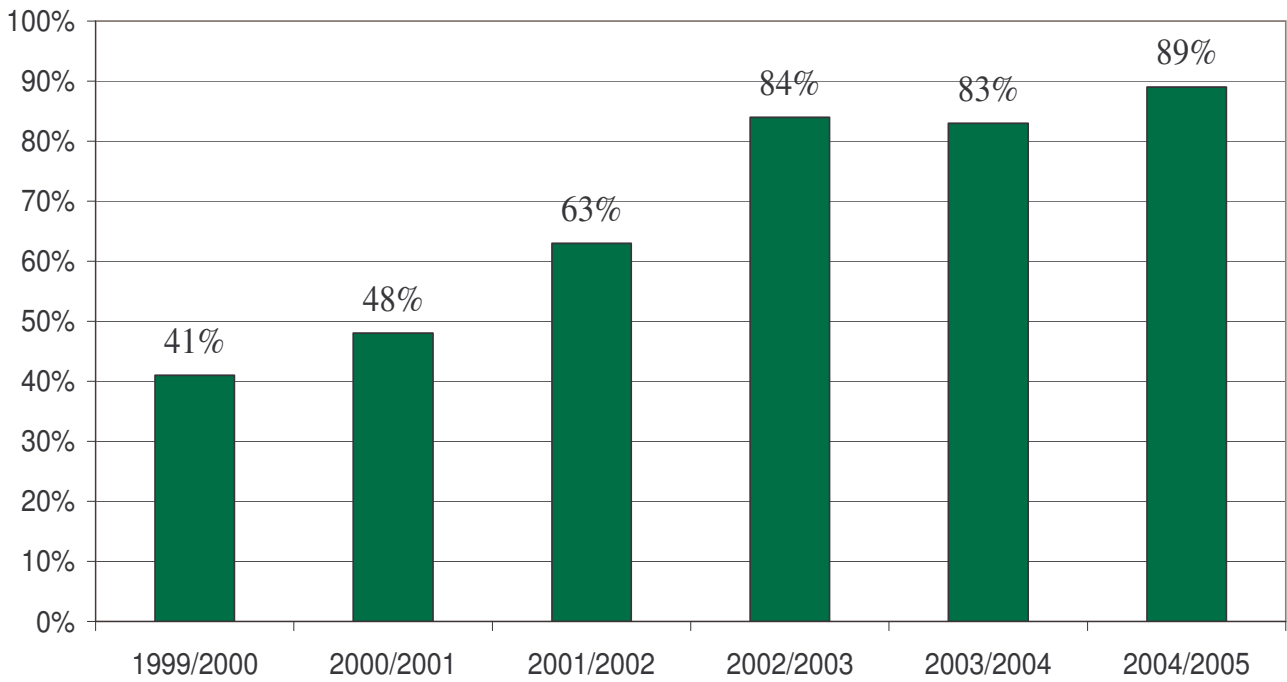
### GoU budget expenditure and total outpatient attendances



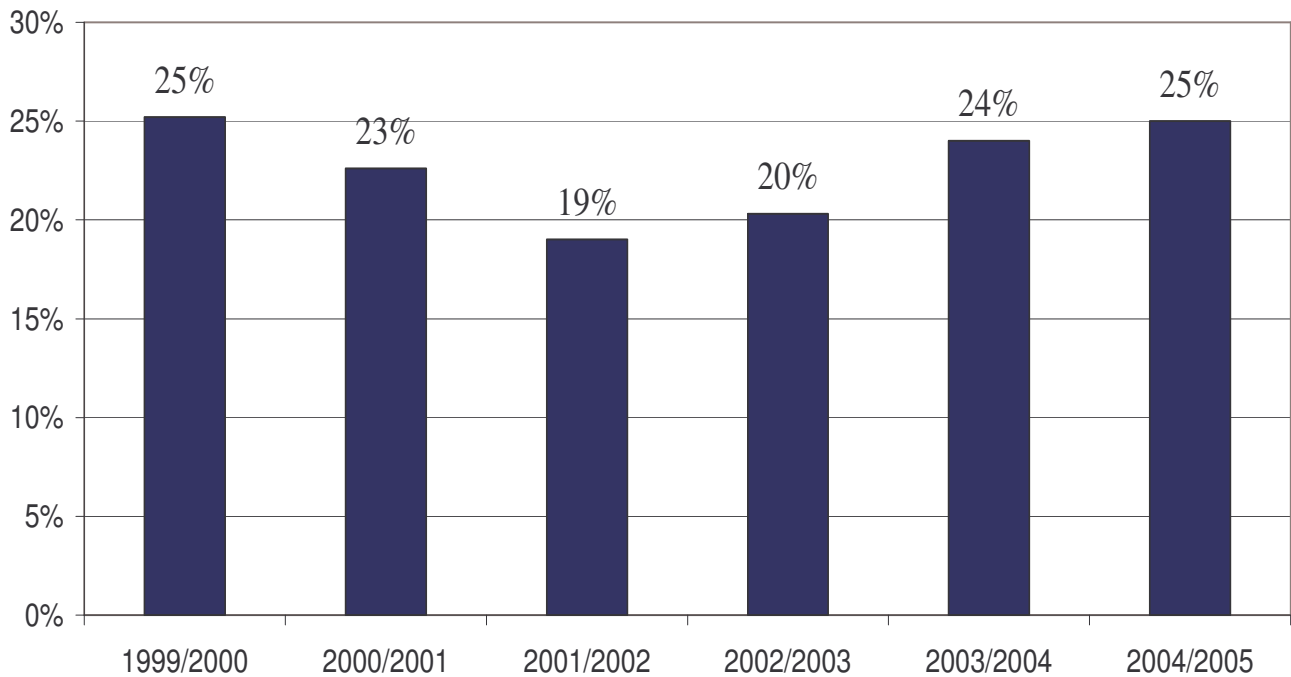
### Projects are less efficient: breakdown of 66 Bn shillings expenditure by DPs: USAID, SIDA, GTZ, DFID, DANIDA



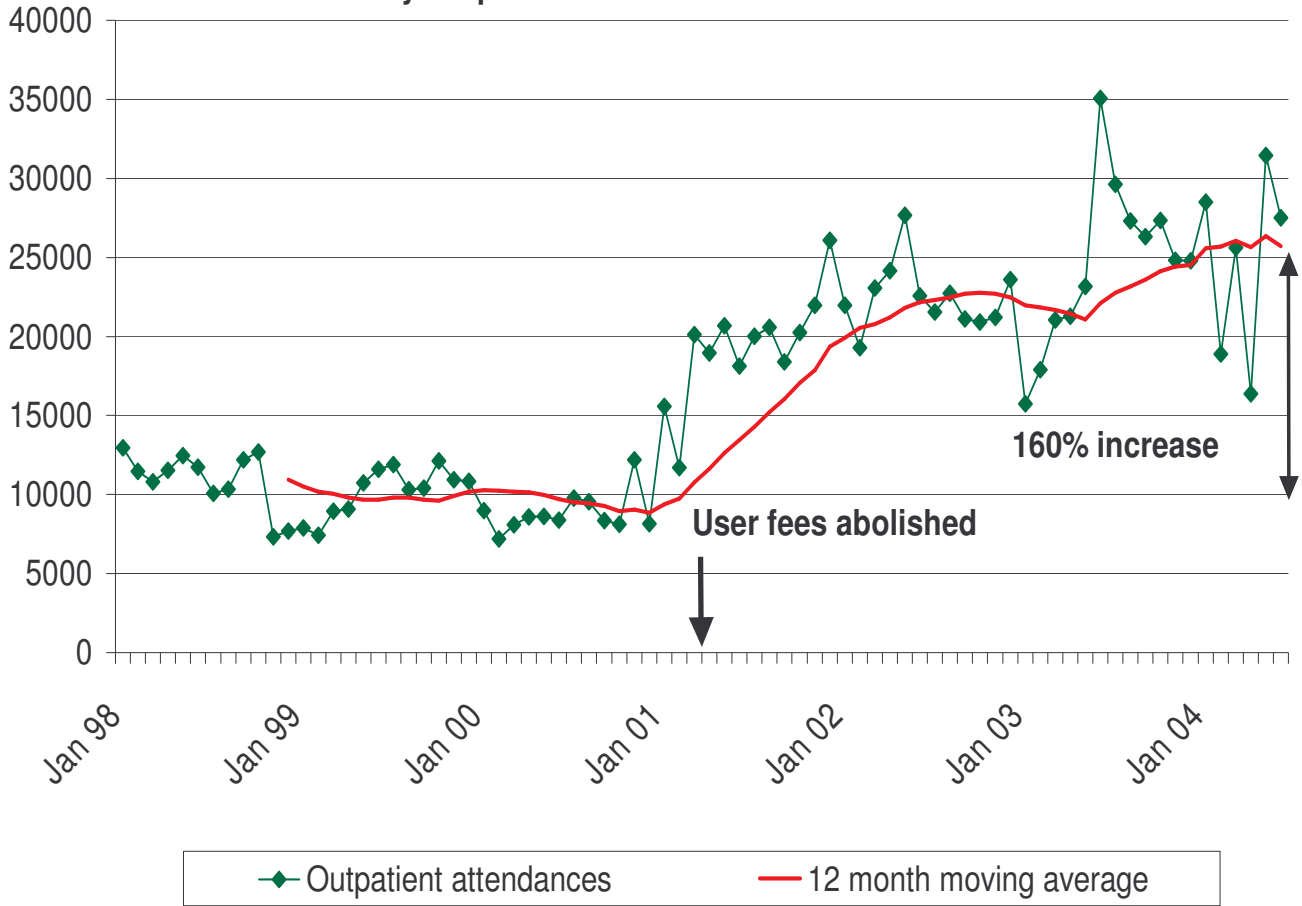
### DPT3 immunisation rates for children under one year



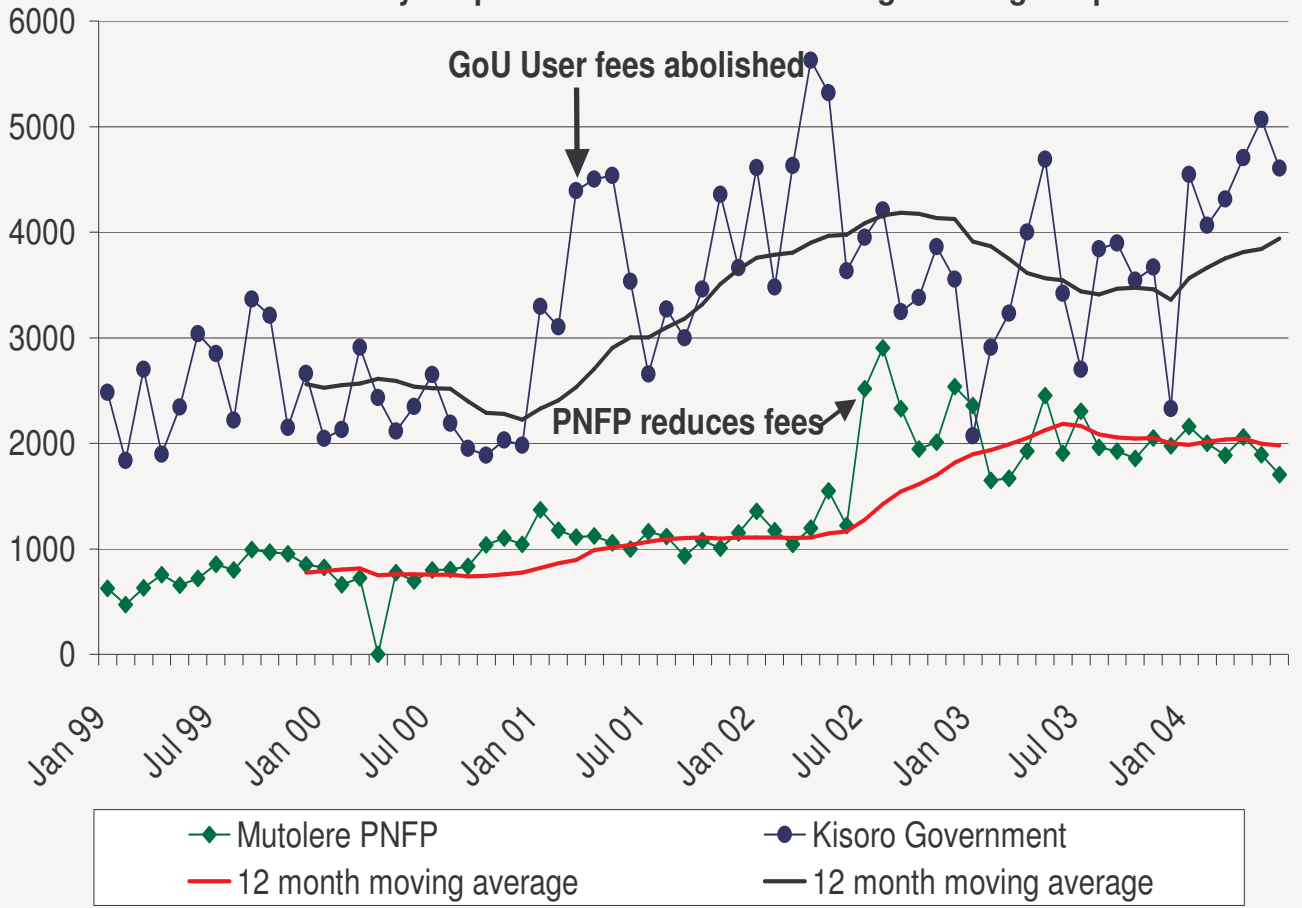
### Proportion of Babies Delivered in Government and Private Not For Profit Health Units



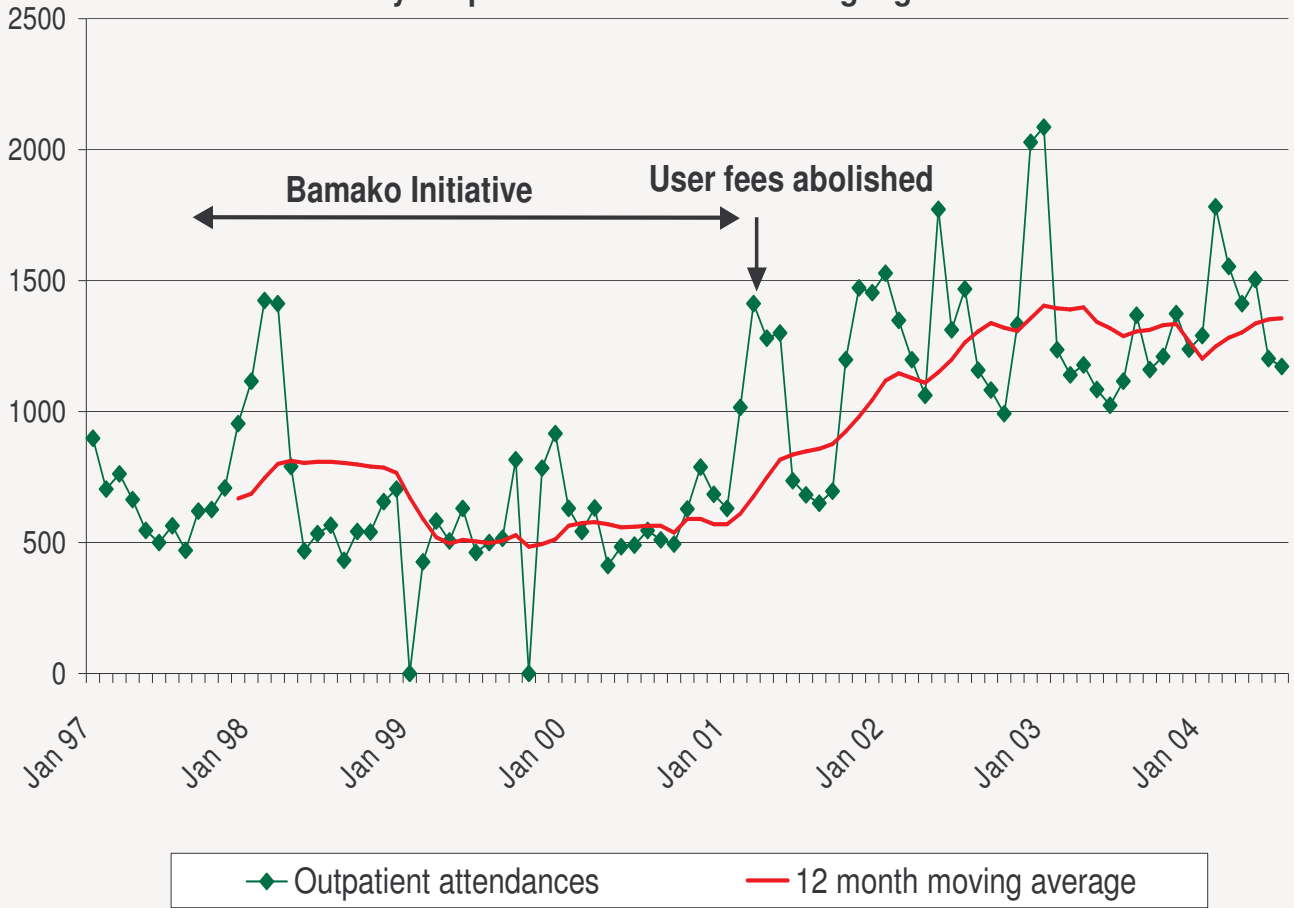
**New Monthly Outpatient Attendances in Kisoro District 1998-2004**



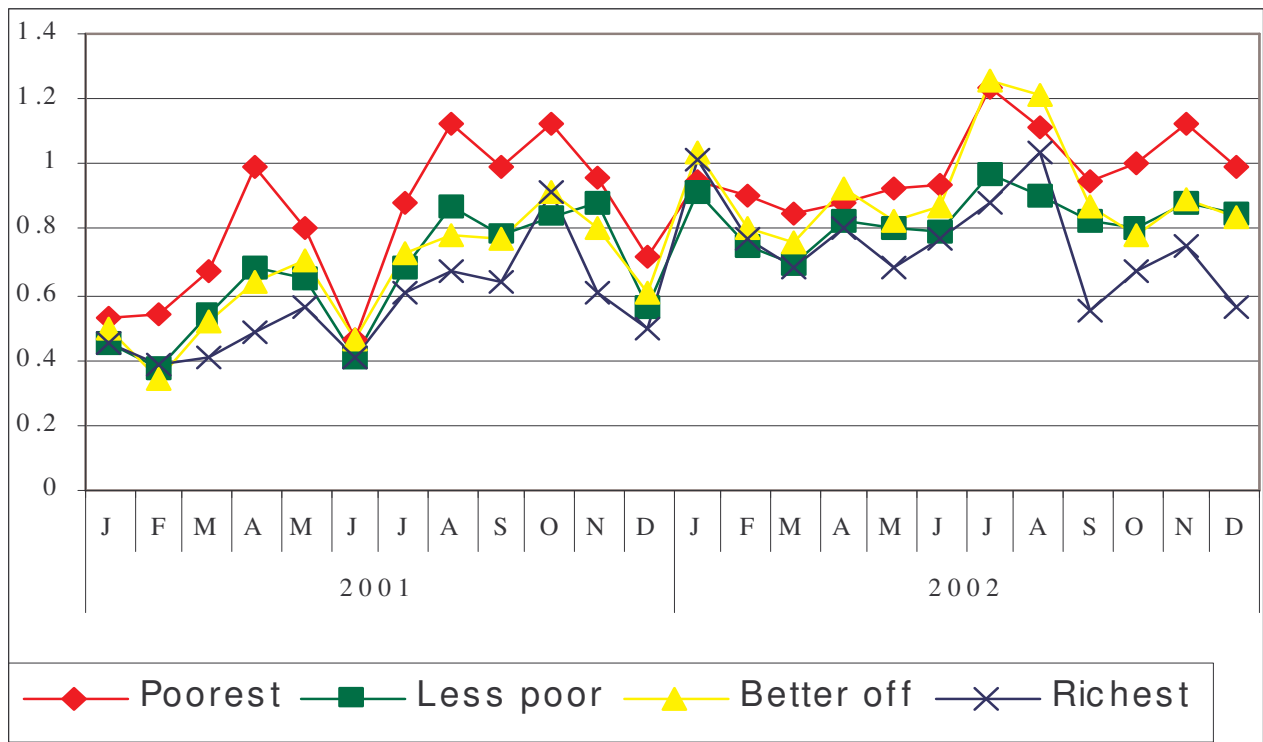
**New Monthly Outpatient Attendances in 2 Neighbouring Hospitals**



**New Monthly Outpatient Attendances at Bugangari HCIII 1997-2004**



**Utilisation rate (visits per year) by socio-economic category**



## The World Bank's Assessment

- “The mission also noted the findings of a recent World Bank study confirming that the government policy to abolish user fees for health services triggered a massive increase in the consumption of basic health services. Of great significance for poverty alleviation strategies, poor people have benefited disproportionately, with the lowest income quintile capturing 50% of the benefits from this policy change. This finding augurs well for maternal and infant mortality interventions and the government is congratulated on this impressive pro-poor initiative.”

World Bank PRSC Appraisal Mission 13-30 March 2004 Final Aide Memoire)

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## Are these results significant?

- The importance of ambulatory care
- Higher consumption of services indicates improved welfare especially for poor people
- Reduction in health care expenditure for 2 poorest quintiles – 13% and 19%
- Increased consumption should contribute to better health outcomes

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## Interpreting the results

- Consumers seek care based on perceptions of quality and price - value for money
- Ugandan reforms have tackled both factors simultaneously
- Demand side: abolishing user fees
- Supply side: systems reforms
- Difficult to disentangle the different contributions – Did scrapping fees catalyse the reform process?

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## Concluding Remarks

- The sector can absorb substantially more resources especially for drugs and supplies
- Increasing the health budget for imported commodities will not damage the macroeconomy
- Recent experience shows that a bigger health budget will result in higher outputs
- **If Uganda is to make improvements towards achieving the health MDGs the health budget must increase rapidly**

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