Health Financing (2006 – 20017)
9th National Health Conference

Presentation

PRESENTED BY:

Presentation outline

- Introduction
- Liberia Health Financing Landscape
- Investment Plan Cost, Resources & Fiscal Gap, FY 17/18 – FY 19/20
- Trend in GOL Appropriation to Health Sector (GOL Appropriation Vs. Expenditure)
- Health Sector Resource Mapping
- Health Financing in Liberia and Key Challenges
- Liberia Health Equity Fund (LHEF)
- The LHEF Reform Sequencing
- Health Financing Conference Priority Actions & Recommendations (City Hall_August 8-10, 2017)

Introduction

- Post-conflict administration inaugurated 2006
- High economic burden, National Budget US$ 82 million
- Inherited a dysfunctional health system
  - No health policy & plan
  - Limited physical access: 41%
  - Shortage of essential HW
  - Health sector budget US$ 7 million
- Challenging economic situation led to introduction of **free PHC policy** or PHC at no cost to the beneficiary

Liberia Health Expenditure Trend – Key Facts

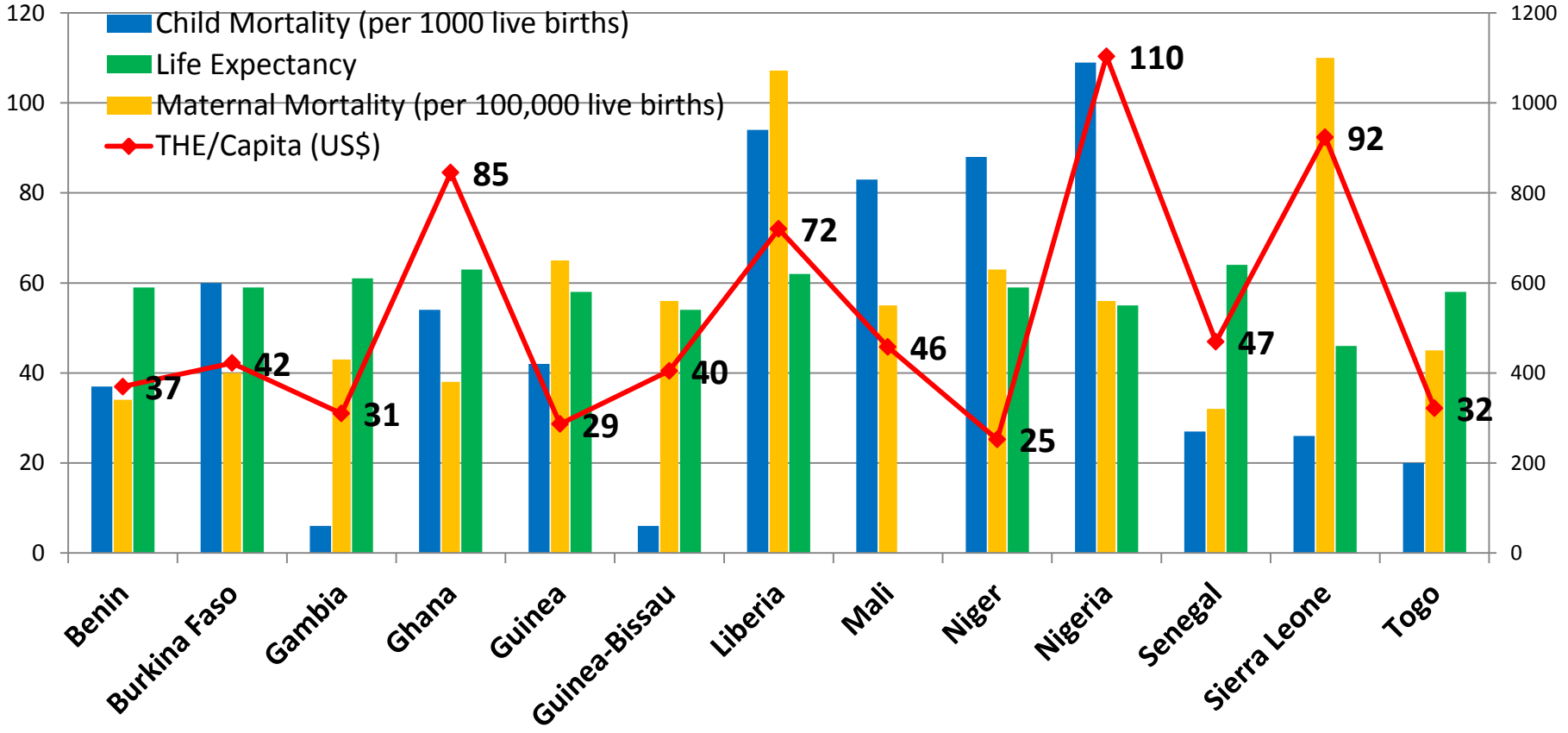
	FY 07/08	FY 09/10	FY 11/12	FY 13/14
Total Health Expenditure (THE)	$ 100,517,382		$ 241,977, 922	$ 301,430, 478
THE per capita	$ 29.15		$ 64.31	$ 71.77
Total Institutional Health Expenditure (TIHE)	$ 65,165,100	$126,640,438	$ 117,944,748	$ 173,432,307
GOL health expenditure as % GDP	2.3%	2.0%	2.2%	2.5%

Health expenditure does not achieve UHC resource requirements

- HLTF for innovative financing: $86 per capita to achieve UHC
- WHO: Government spending of at least 5% of GDP to achieve UHC

Health Expenditure vs. Health Outcomes

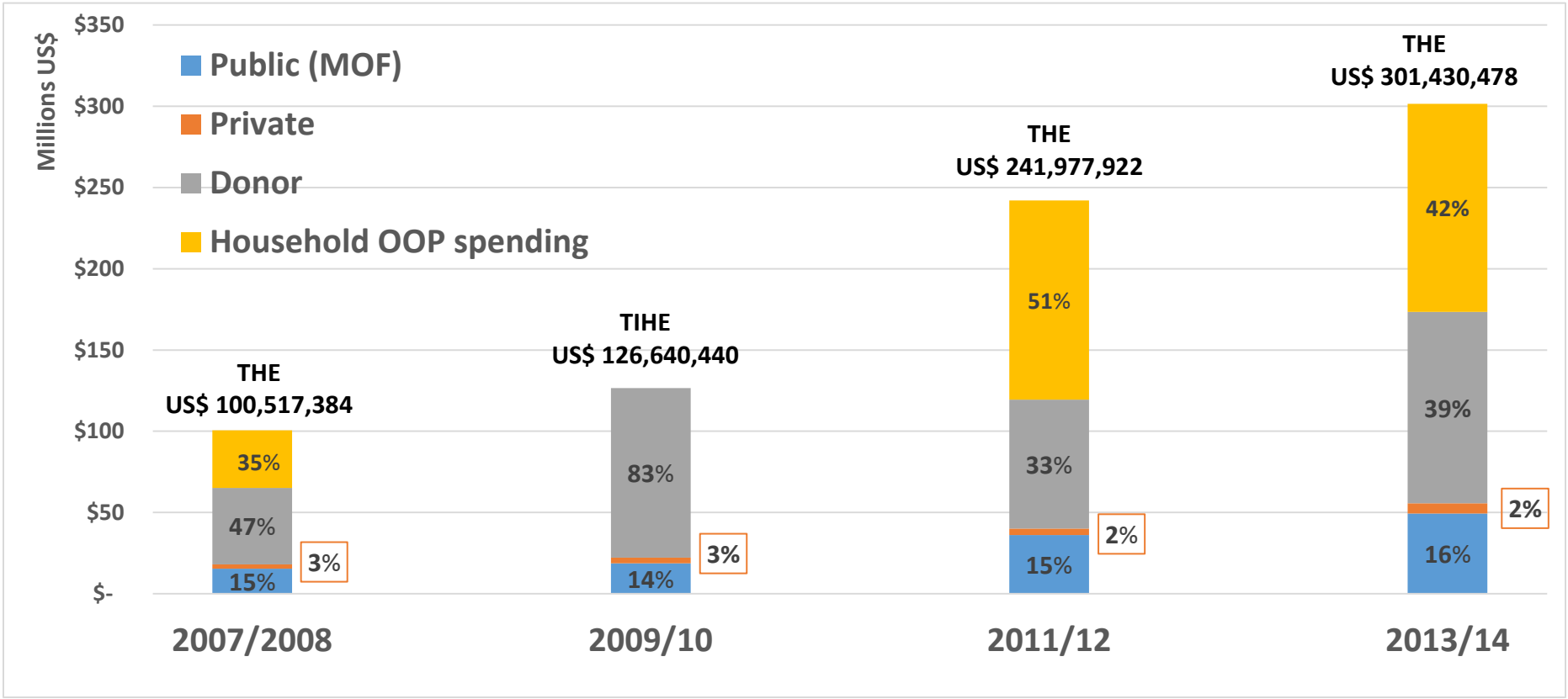
- **Liberia has 4th highest THE/capita , achieved MDG4 and is doing well in terms of life expectancy**
- **The high maternal mortality rate remains a challenge**



Source - Liberia: MOH Annual Report 2013 &NHA 13/14, ECOWAS Countries: WHO 2015, http://apps.who.int/gho/data/node.country
Maternal Mortality rates from 2015, LE & THE/Capita rates from 2013.

HEALTH SECTOR FINANCIERS
(National health accounts)

- Financiers in descending order: Household out of pocket expenditure (OOP), donors, GoL
  - OOP expenditure remains unsustainably high



NHA FYs 07/08,09/10, 11/12 & 13/14

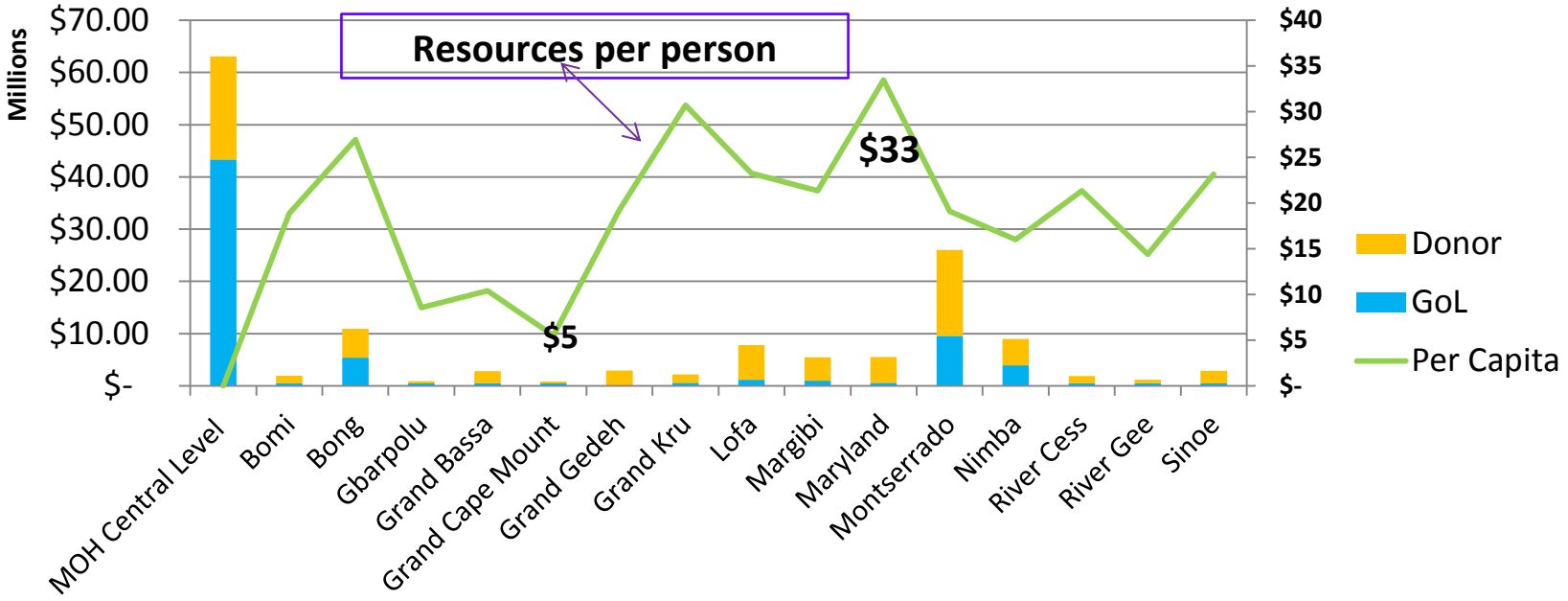
Health Resource Allocation - Equity and Efficiency Issues

- Highly regressive out of pocket expenditure - lowest quintile pays almost the same per year as highest two quintiles (LDHS 2013).

Wealth quintile	Annual health-related expenditures/Household (LD$)
Lowest	11,672
Second	11,032
Middle	10,718
Fourth	14,208
Highest	17,826

- Pro rich bias in distribution of government subsidies (BIA, 2010) – Greater % of subsidies for health centers and hospitals yet higher level facilities are utilized more by rich than by poor

Health Resource Allocation - Equity and Efficiency FY 17/18

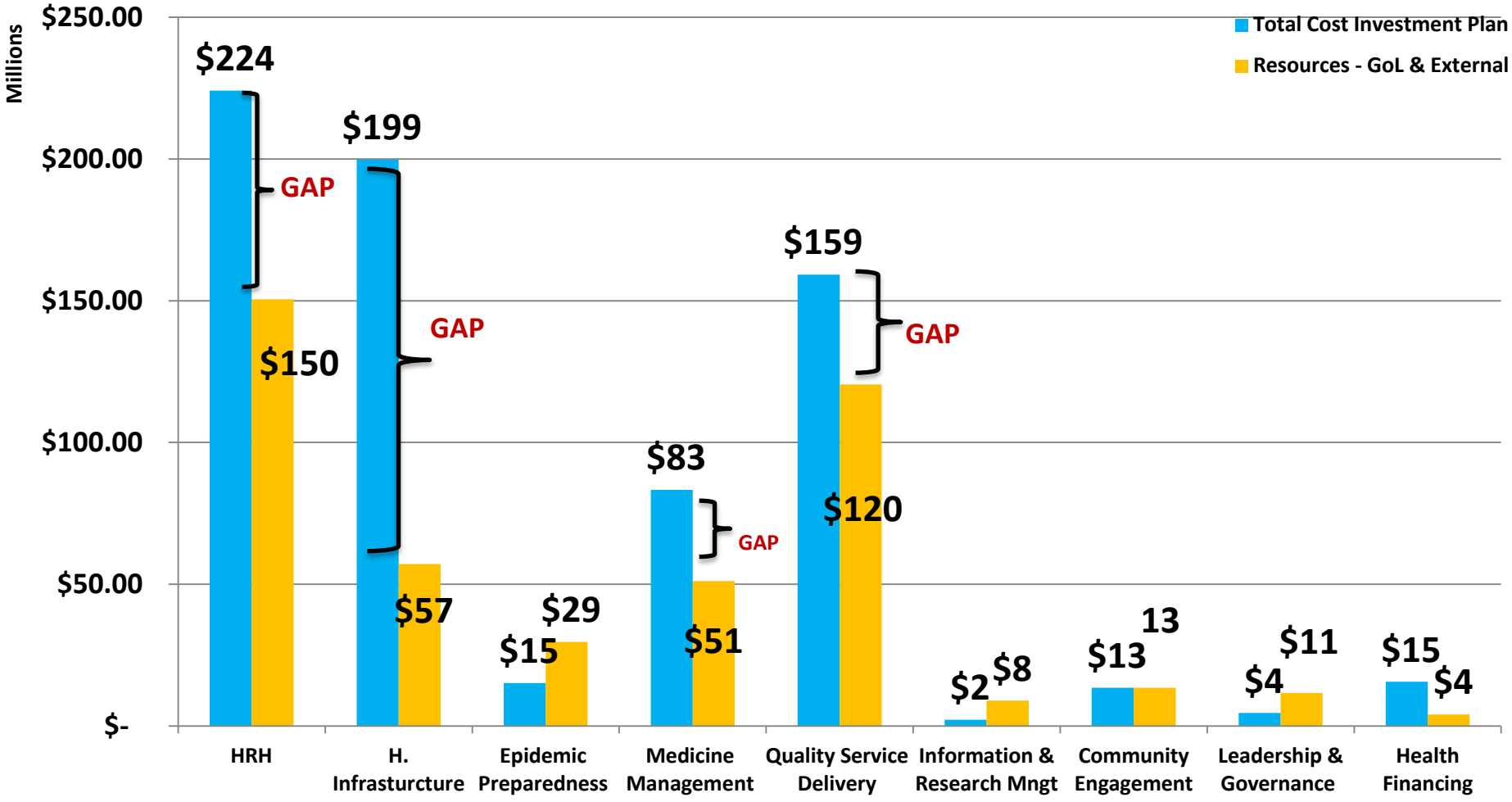


- High % expenditure on curative care and secondary level care (NHA, BIA 2010)

	FY 07/08	FY 09/10	FY 11/12	FY 13/14
% Expenditure on curative care	54.3%	48%	79.3%	76.2%
% Expenditure on preventive care	21.7%	28%	10.7%	10.3%

Health Resource Allocation – Projection of Resources vs. Funding Need, FY 17/1-FY 19/20

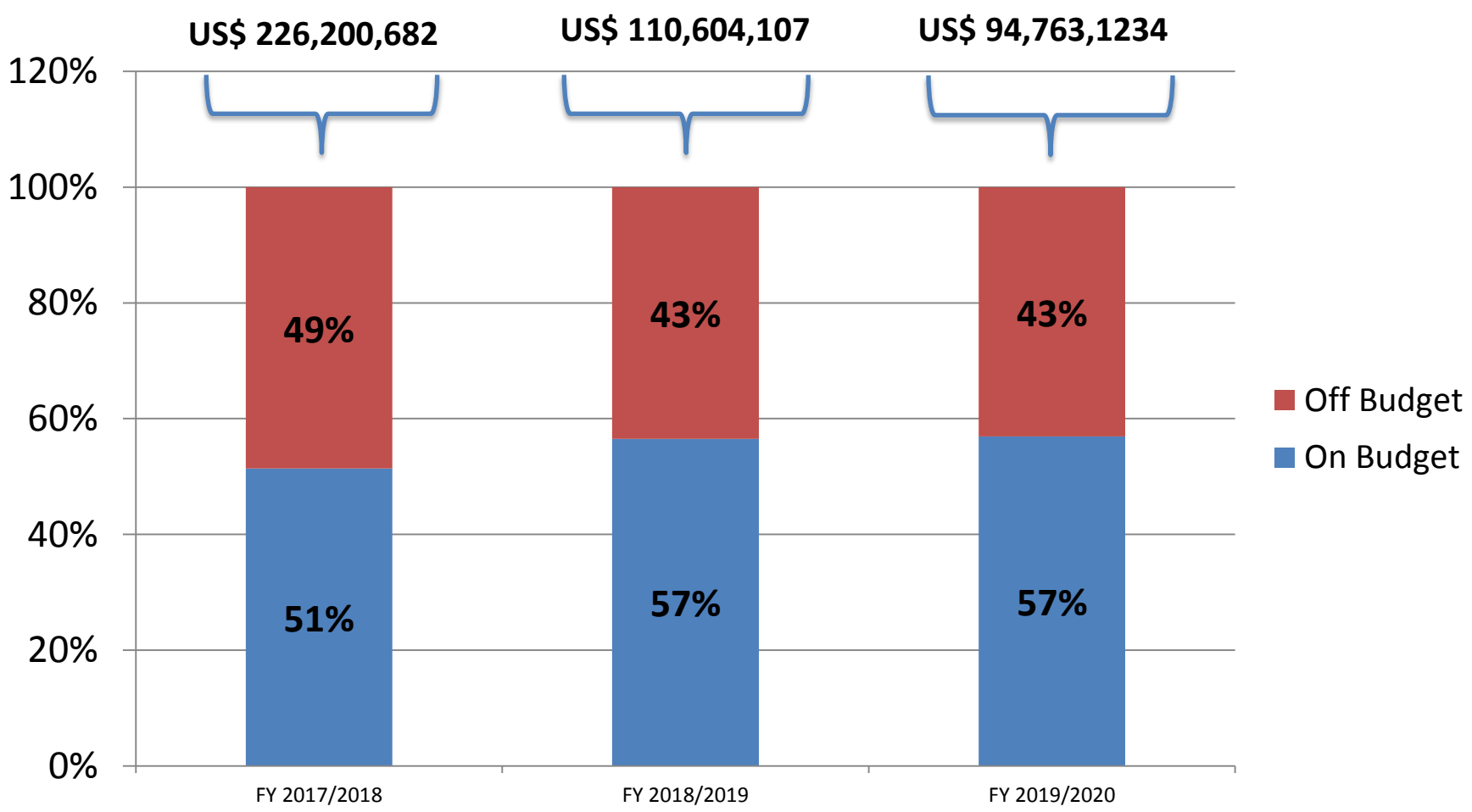
- Health workforce, infrastructure and drugs & medical supplies face big resource gap
- Remaining overall gap for FY 17/18 - FY19/20 is US$ 270 million



Investment Plan Cost, Resources & Fiscal Gap, FY 17/18 – FY 19/20
Moderate Case Scenario

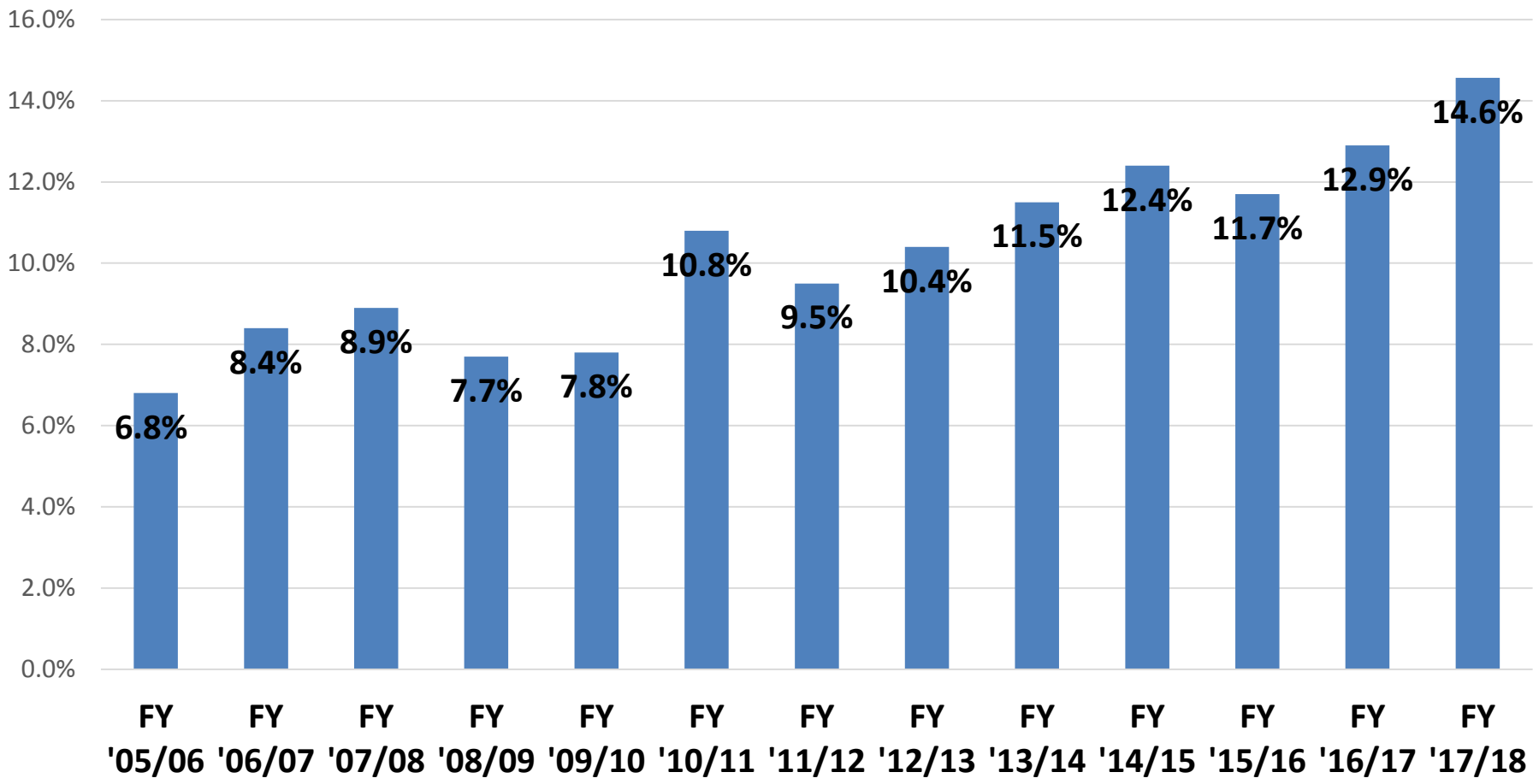
Investment Priority Areas	Investment Plan	Total External	Total GoL	Gap Analysis
Health Workforce	$ 224,067,609.54	$ 34,853,745	$ 115,650,365	$ 73,563,499
Health Infrastructure	$ 199,755,264.09	$ 25,512,670	$ 31,686,886	$ 142,555,707
Epidemic Preparedness & Response	$ 15,237,878.56	$ 25,696,052	$ 4,038,761	$ (14,496,935)
Medicine Management Capacity	$ 83,285,921.29	$ 29,097,747	$ 22,074,725	$ 32,113,450
Quality Service Delivery Systems	$ 159,199,047.86	$ 78,281,771	$ 42,195,308	$ 38,721,968
Information & Research Management	$ 2,243,104.10	$ 8,374,533	$ 594,529	$ (6,725,958)
Sustained Community Engagement	$ 13,546,114.75	$ 9,944,072	$ 3,590,364	$ 11,679
Leadership & Governance	$ 4,667,024.65	$ 10,473,979	$ 1,236,983	$ (7,043,938)
Health Financing Systems	$ 15,613,885.59	$ -	$ 4,138,421	$ 11,475,464
Total	$ 717,615,850.43	$ 222,234,569	$ 225,206,343.00	$ 270,174,938

% FY 2017/18-19/20 On/Off Budget (RM)



TREND IN GOL APPROPRIATION TO HEALTH

- Positive trend in budget appropriation to health since FY 05/06 – On track to reach Abuja Target of 15%



Source: IFMIS, Liberia

GoL Appropriation vs. Expenditure

- Allotment lower than appropriation – 9% lower on average
- Expenditure lower than appropriation - 11% lower on average
- Utilization of allotted funds very high – Nearly 100%

FY	Appropriation	% Utilization Appropriation	Allotment	% Utilization Allocation	Expenditure
12/13	$ 70,651,983.31	88.93%	$ 62,863,231.51	99.95%	$ 62,829,589.02
13/14	$ 66,246,408.91	83.18%	$ 58,466,974.08	94.25%	$ 55,105,049.58
14/15	$ 72,828,586.75	95.90%	$ 71,518,439.50	97.66%	$ 69,843,524.35
15/16	$ 72,618,517.00	87.94%	$ 65,008,255.92	98.24%	$ 63,861,835.91
16/17	$ 77,407,841.00	69.69%	$ 57,542,956.00	93.75%	$ 53,945,918.00

Source: IFMIS, Liberia

HEALTH FINANCING IN LIBERIA

Goal: To create an efficient and sustainable health financing system, which guarantees equal access to quality health care and ensures financial protection for all Liberians.

Objectives:

1. Increase the mobilization and predictability of adequate, sustainable financial resources for health and social welfare
2. Improving the planning, budgeting and accounting for equitable resource allocation
3. Increasing efficiency of resource utilization
4. Increasing systemic efficiency and equity through a harmonized provider-payment mechanism
5. Strengthening the financial evidence base for management and policy decision making

National Health Financing Policy and Plan, 2011 – 2021

HEALTH FINANCING IN LIBERIA

2006 to today overview:

- Pronouncement of Free health care policy, 2006, done to take care of population in need
- Health Financing Unit established, 2008
- National Health Financing Policy and Plan, 2011 – 2021, built on National Health Policy and Plan, 2011-2021
- Health Financing as one of investment areas in post Ebola Investment Plan for Building Resilient Health System (2015-2021)
- President formed Cabinet Committee on Health Financing in February 2016 to advise on reform

KEY HEALTH FINANCING CHALLENGES

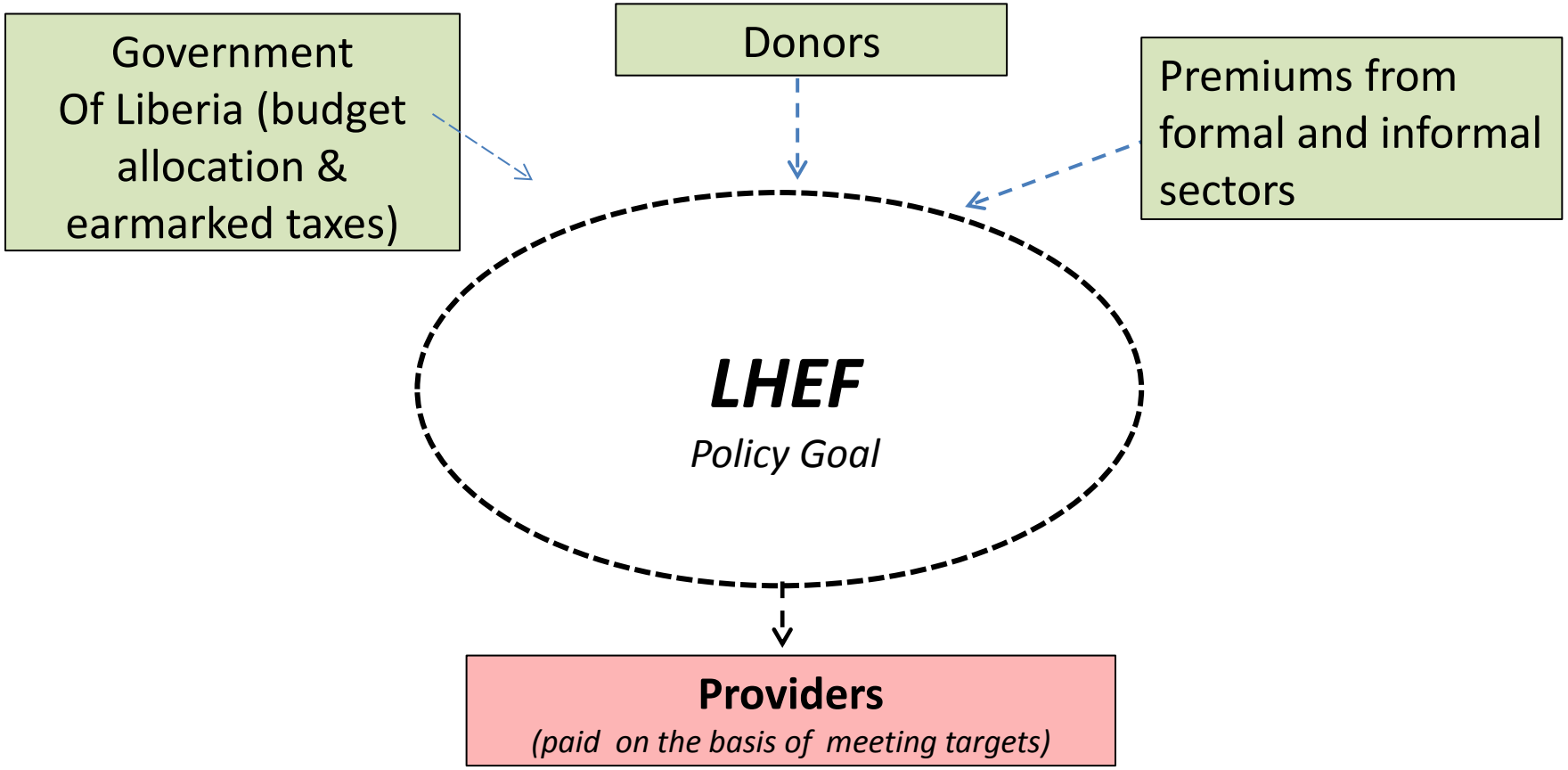
- "Free" health care policy has not achieved its objective of providing quality care and ensuring financial protection for the poor
  - Continuous stock out of essential medicine at primary health facilities
  - Only 1 out of 2 health facilities is ready to provide health services (SARA Report, 2016)
  - Low per capita spending
  - OOPE 42% of THE in FY 13/14 and highly regressive
- Unsustainable funding trend
  - Only 16% of institutional spending from GoL, 68% from donors
  - 49% of donor resources off budget (RM, FY 17/18)
- Weak financial risk pooling mechanism
- Inefficiencies and inequalities

➢ Misallocation of resources across investment areas, counties and healthcare functions/providers

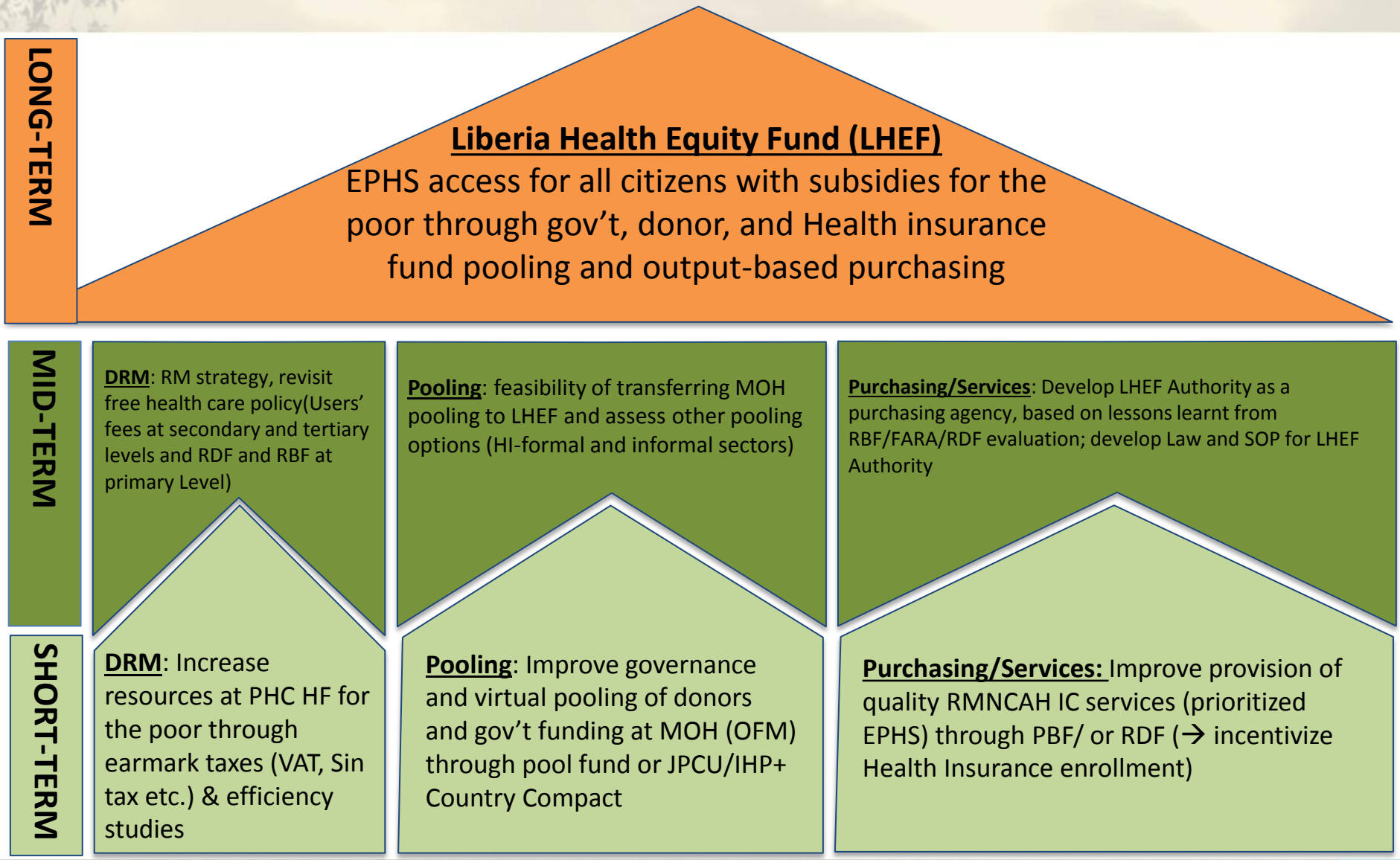
- Infrastructure, HRH, Drugs & Medical Supplies face biggest resource gap
- Unequal per capita distribution across counties (US$ 33 vs. US$ 5/capita) and funding congested at central level (RM, FY 17/18)
- 76% of resources spent on curative care, only 10% on preventive care
- PHC clinics only receive 12% of resources

Original Intent: Liberia Health Equity Fund (LHEF) – Implementing the Policy and Plan

- Original LHEF concept as national health insurance suspended when Ebola hit in 2014



SEQUENCING OF THE LHEF REFORM



PRIORITY ACTIONS & RECOMMENDATIONS
Short & Medium Term

1. Revisit Free Health Care Policy
2. Develop Resource Mobilization & Coordination Strategy
3. Pilot RDF using a fee for service system in the short run
4. Create Joint Project Coordination Unit and Service Level Agreements to IHP+ Country Compact
5. Implement resource allocation formula (including JFK, JFD, Phebe)

PRIORITY ACTIONS & RECOMMENDATIONS
Long Term

6. Pool Resources in MOH Pool Fund

7. Project funds through MOH (On Budget)

8. Implement a National Health Insurance Scheme (Liberia Health Equity Fund)

9. Expand Performance Base Financing (PBF) to CHTs and Autonomous Hospitals for Improving Service Delivery

THANK YOU!!!