

# **FAILING TO PRIORITISE HEALTH FINANCING IN THE MIDDLE OF A PANDEMIC**

**AN ANALYSIS OF UGANDA'S HEALTH SECTOR BUDGET**

**MAY 2021**

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## INTRODUCTION

### ***A) The COVID-19 pandemic context***

The position paper follows a year of extra-ordinary socio-economic challenges as a result of the on-going COVID-19 pandemic. Like elsewhere across the globe, Uganda's economy has been hit hard– with both direct effects of the virus and the measures undertaken by the state to contain further spread of the virus. With a special focus on the health sector, the impact of the pandemic has been most felt by communities with limited access to public health facilities, yet the disparities seen over the past year have not been the result of the pandemic per se. Essentially, the pandemic has illuminated health inequities that have existed for generations, which, unless adequately financed, will deepen. These gaps form the substance of this paper.

### ***B) Ministry of Health, FY 2021/22 Ministerial Policy Statement***

The goal of the health sector is to accelerate movement towards Universal Health Coverage with essential health and related services needed for promotion of a healthy and productive life. This, the sector aspires to achieve through delivery of promotive, preventive, curative, palliative and rehabilitative health care services to all people in Uganda.

In Financial Year 2021/22<sup>1</sup>, the sector priorities will include; prevention and control of communicable diseases; prevention and control of non-communicable diseases; improvement of reproductive, maternal, neonatal, child and adolescent health services; improving the emergency medical services and referral system; expand community level health promotion, education and prevention services; support health systems improvement in health information management and use; strengthen the health system and its support mechanisms to optimize delivery of quality health services.

In the same vein, the Ministry of Health's strategic priorities for FY 2021/2022 include but not limited to;

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<sup>1</sup>Ministry of Health (2021). Health Sector Ministerial Policy Statement for FY 2021/212.

- 1) *Improve the allocative and technical efficiency in the provision of financial resources in the health sector with focus on prevention vs curative.*
- 2) *Improve the functionality of health facilities at all levels (scale up the 5s-CQI approach to improve quality of care; restructuring and recruitment of critical cadres at all levels, introduce electronic patient records and accountability to reduce leakages and minimize over prescription of medicines to reduce shortages and Anti-Microbial Resistance, functionalise the Regional Equipment Maintenance workshops to adequately maintain equipment, renovation and equipping of dilapidated hospitals and health centers on a case by case basis, establish regional supervisory structures, functionalize the District Health Management Teams.*
- 3) *Expand community-level health promotion, education, and prevention services in all programs to reduce exposure to communicable and non-communicable conditions risks with targeted interventions in districts with low coverage. This will include fast-tracking amendment and implementation of the Public Health Act, evidence generation for the Community Health Workers (CHEW) Policy and building capacity of governance structures at community level (CDOs, Parish Chiefs) to adopt the multi-sectoral approach to health.*
- 4) *Improving the emergency medical services and referral system by improving the functionality of high dependency units / ICUs in referral hospitals and hospitals along the highway, training in pre-hospital and Hospital Emergency care and improving communication on referral and ambulance systems.*

### ***Health Sector Financing- Program-Based Budgeting***

This year, financing the health sector will adopt a program-based budgeting, according to the Ministerial Policy Statement<sup>2</sup>. This is intended to align both the planning and budgeting with the National Development Plan III<sup>3</sup>. The rationale for this shift is to improve coordination among ministries, departments and agencies whilst reducing duplication and redundancy.

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<sup>2</sup> Ibid, Pg. 1

<sup>3</sup> Third National Planning Authority, (NDPIII) 2020/21-2024/25. July 2020. Available at: [http://www.npa.go.ug/wp-content/uploads/2020/08/NDPIII-Finale\\_Compresed.pdf](http://www.npa.go.ug/wp-content/uploads/2020/08/NDPIII-Finale_Compresed.pdf), last accessed 22 April 2021.

The health sector is part of the Human Capital Programme (HCDP) Cluster that is led by the Ministry of Education and Sports (MOES). Other members of the working group include Ministry of Gender, Labour and Social Development (MOGLSD) and Ministry of Water and Environment (MOWE). HCDP contributes to Objective 4 of the NDP III which emphasizes the role of the health sector contribution towards increasing productivity, inclusiveness, and wellbeing of population for wealth creation.

### ***Budget allocation under HCDP***

With a combination of 4 sub programs of Education, Health, Gender and Water, the Human Capital Development Programme is proposed to receive a total allocation of UGX 7,053.81bn in FY 2021/22 which is 15.43% of the total budget. This is however lower than the approved budget for FY 2020/21 which was 7,594.16bn, showing a reduction in allocation of UGX 540.35bn. Wage and external financing take the biggest part of the program budget.

The HCDP heavily relies on donor funding which might affect implementation incase donors do not meet their commitments, but also in cases of delayed disbursements and failure for government to provide timely counterpart funding when agreed.

### **Health sub-group program**

The health sub program has 2 key interventions it contributes to i.e. to improve the foundations for human capital development and to improve population health, safety and management. The program is expected to receive UGX 2,523.2bn in FY 2021/22 which is 35.86% of the total HCDP budget. This is however lower than the UGX 2,781.84bn allocated in FY 2020/21 indicating a reduction of UGX 258.64bn. 34% of the health sub-program is externally funded.

### **Unfunded priorities**

The critical unfunded priorities for the financial year include the following; COVID-19 response at it relates to vaccine and distribution at **Ush. 500Bn**; laboratory reagents, supplies and equipment at **Ush. 380Bn**; supervision costs at **Ush. 1.6Bn**; blood mobilization at **Ush. 5Bn**; operation of burns at **Ush. 2Bn**; upgrade of Mulago, Kirundi and Entebbe Hospital at **Ush. 21Bn**; accumulated arrears at **Ush. 68,057,820,412Bn**; maintenance of oxygen plants requires **Ush. 1.4Bn**; wage short falls **Ush. 12.9Bn**; rehabilitation of general hospitals at **Ush. 23Bn**; Uganda Heart Institute at **Ush.**

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**70Bn**; strengthen capacity of Village Health Teams(VHTs) at **Ush. 30Bn**; National ambulance service system at **Ush. 22Bn**; and retention of contractor that rehabilitated **Ush. 11.9Bn**.

**C) How does the scale of the budget compare to the subprogram financing needs?**

**1. Low priority to finance public health emergencies: Is the government failing to raise to the challenge?**

The challenges faced by the health sector due to COVID-19 have been substantial. The country has also been variously hit by other health emergencies like Ebola, Cholera, measles, and Marburg. However, the government has consistently failed to earmark and put aside funds to fund these health emergencies. Whenever the health sector is hit by a pandemic, like the on-going COVID-19, the government has either resorted to external funding (in form of loans and grants) or diverted funds meant to address other critical health services. For instance, in 2019, US\$5 million was diverted from a World Bank funded project- Reproductive, Maternal, and Child Health Services to prevent the Ebola outbreak. Also, in response to the COVID-19 crisis, US\$ 12 Million under the same project was transferred to COVID-19. This tendency is problematic and it has overtime created a funding gap for critical maternal and child health services.

***Recommendation.***

- *Government through the Ministry of Finance should earmark funds to finance the prevention, control and management of health emergencies, like Ebola and COVID-19. This will not only limit overreliance on unpredictable external funding in form of loans and grants but also ensure the continuity of provision of essential services.*

**2. Under recruitment and retention of health workers**

Efficiency of the health system heavily relies on the man power in place which includes doctors, nurses, mid-wives, laboratory assistants, among others. The health sub programme has continuously been affected by the shortage in human resource both in the urban and rural areas. The public health sector staffing level against the approved posts declined to 73% (47,932/65,271) in 2019/2020 FY from 76% in 2018/19. The HSDP target of 80% was not achieved. Whereas there is a shortage of health workforce in all regions of Uganda,

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Busoga, Acholi and West Nile have the highest gap across all levels of care except Health Centre (HC) II. There are urban and rural disparities, with averagely 90% of the health workers' posts filled in urban areas, while only 53% of the posts were filled in the rural areas (AMREF, 2019). These disparities are partly caused by the poor working conditions, lack of facilities and inaccessibility of some health facilities, which affects attraction and retention. The decentralization of recruitment and management leads to a mismatch of vacancies and employees, in addition to limited capacity of some health workers to offer specialized services.

#### Recommendations

1. Government through the ministry of finance should allocate funds all rural districts whose health staffing levels are below 60 percent.
2. To ensure retention of these health workers, Ministry of health should construct staff quarters for hard-to-reach health facilities

### **3. Failing to invest in Community Health Workers (CHWs)**

In 2018, the ministry of Health developed Community Health Extension Workers National Policy to establish a community health extension workers (CHEWs) programme for Uganda in line with the National Health Policy II. The policy underscores the role of CHEWs in expanding access to integrated promotive, preventive and curative health services is critical in improving public health service delivery. However, since 2019, there have not been any deliberate efforts by Ministry of Health to implement the strategy. These CHEWs are supposed to work alongside Village Health Teams (VHTs) who are community volunteers. Also, in its ministerial policy statement, the ministry of health indicated that it requires about UGX. 30bn to strength the operations of the Village Health Teams (VHTs) as a frontline team for health education and communication. This includes training and facilitation of VHTs to enable them to perform their role in diseases prevention.

#### ***Recommendation***

- *Government should allocate funds to facility the implementation of the Community Health Extension Workers Strategy increase funding to community health interventions*
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- *We argue MFPEd to allocate UGX.30 billion that is need to strengthen the operations of VHTs.*

#### **4. Inadequate health infrastructure**

We commend government's efforts towards establishing health infrastructure. Notable infrastructure development in the recent past include: completion and commissioning of the Regional Hospital for Paediatric Surgery in Entebbe, completion of the rehabilitation and equipping of Kawolo and Kayunga hospitals; completion of the upgrading of the 124 HC IIs to IIIs and commencement of works for upgrading of an additional 62 HC IIs to HC IIIs. Infrastructure upgrade at Kyegegwa HC IV and Bisozi HC IV under DRDIP. However, in FY 2021/22, there is no indication that sub-counties and parishes that do not or have low grade health facilities are allocated funds to have those facilities constructed/ upgraded. It is reported that 39 districts do not have hospitals at all<sup>4</sup>. These are the districts of Alebtong, Amuria, Amuru, Bukedea, Bukomansimbi, Bulambuli, Buvuma, Buyende, Dokolo, Gomba, Isingiro, Kalangala, Kaliro, Kamwenge, Kibuku, Koboko, Kole, Kotido, Kween, Kyankwanzi, Kyegegwa, Luuka, Lamwo, Lwengo, Manafwa, Mitoma, Nakapiripirit, Namutumba, Namayingo, Ntoroko, Otuke, Pader, Rubirizi, Serere, Sironko, Kibale, Kakumiro, Rubanda and Omoro. Further still, that 29 constituencies do not have health center IVs. Inability to access health facilities poses higher economic and health risks for the most vulnerable people whose first point of call is a public health facility.

#### **Recommendation:**

- i) We call upon government to prioritize funding for the construction of hospitals in the 39 districts that presently do not have hospitals.*
- ii) Ministry of Health should upgrade HC IIs to HC IIIs to facilitate equitable and timely access to health care.*
- iii) Allocate funds to upgrade Mulago, Kirundi and Entebbe hospitals as indicated in the Ministerial Policy Statement FY2021/2022.*

#### **5. Non-priority for the national ambulance service system**

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<sup>4</sup> Ministry of Health, 2019. Ministerial Statement to Parliament on the State of Health Service Delivery in Uganda.

According to the Ambulance Census 2019, Uganda has a total of 449 and 94 functional and grounded ambulances respectively, 24% of the functional ambulances are found in Kampala Metropolitan Area and Western Uganda respectively, 19% in Northern Uganda, 12% Central region, 17% in the East and 3% in Karamoja. The central region has the most grounded ambulances at 28%, followed by Kampala Metropolitan Area at 10%. The MFPED allocated a supplementary of Ug shs 11billion towards procurement of 38 new ambulances in the FY 2019/20 budget. However, the gap analysis of National Emergency Medical Services COVID-19 Plan indicated a deficit of 225 ambulances. This is in addition to Ug shs 57.8billion needed to foster establishment of call centers in all Regional Referral Hospitals (RRHs), coordinate, fuel and maintain ambulances in all regions of Uganda for a period of six months<sup>5</sup>. Also, the MOH has indicated a funding gap of UGX 22.5bn in the FY 2022/22 to establish the National Ambulance Service System in phased manner.

## Recommendation

- Ministry of Health should prioritize functionalization of all grounded ambulances in order to reduce the gap of the ambulance requirement.
- The government through MFPED should allocate UGX. 22.5 billion required to establish the national ambulance service system in a phased manner.

### **6. Inadequate financing for blood services.**

The country continues to face challenges of blood shortage due to inadequate mobilization capacity and this requires stepping up of blood mobilization activities. UBTS indicates that it has a funding gap of UGX. 5 billion to for blood mobilization.

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<sup>5</sup> Budget Monitoring and Accountability Unit(BMAU). BMAU Briefing Paper. Ministry of Finance, Planning and Economic Development. May 2020, available at: <https://www.finance.go.ug/sites/default/files/Publications/BMAU%20Briefing%20Paper%202-20-Does%20the%20FY%202020-21%20budget%20address%20the%20current%20health%20needs%20of%20Ugandans%20amidst%20the%20COVID-19%20Pandemic.pdf>, last accessed 22 April 2021.

Available data at the MOH shows that that currently, approximately 8,400 mothers are being referred to regional referral hospitals because the HCIVs lack the capacity to perform obstetric care due to lack of blood supplies.

It is for example reported that only 47% of HCIVs offer CEmOC services<sup>6</sup> (Caesarian Section and offering blood transfusion) and yet obstetric haemorrhage remains the leading cause of maternal deaths; accounting for 46% of all maternal deaths<sup>7</sup>. In fact, over 50% of HC IVs lack access lack blood transfusion services. Strengthening blood transfusion services at HCIV level is very critical as these are often the nearest points of access in cases of delivery and any other conditions that require surgery such as accidents/injuries.

**Recommendation:**

- i) *Government through the ministry of finance is urged to allocate UGX 5 billion to close the funding gap for blood mobilization by UBTS*
- ii) *Ministry of health should prioritize acquisition of refrigerators for all HC Vis which do not have the refrigerators. Blood transfusion services at health centre IV should be prioritised to reduce on referrals and also prevent maternal mortality due to obstetric hemorrhage.*

**CONCLUSION**

Our position paper illustrates that the ministry of finance's allocations to the health sub-program lags behind both the third NDP target and the Abuja declarations. The picture appears worse when it gets to critical building blocks of a strong public health system like recruitment and retention of health workers, national ambulance service system and other underlying determinants of health like safe and clean water, steady supply of power to health facilities and food security.

From this standpoint, and taking the on-going pandemic into consideration, it is unclear why the government through the ministry of finance is reluctant to prioritize financing the health sector.

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<sup>6</sup> Supra, n 10 at pg. 19

<sup>7</sup> Ibid, pg. 29

