THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF HEALTH, COMMUNITY DEVELOPMENT, GENDER, ELDERLY AND CHILDREN

PRESIDENT'S OFFICE- REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

Direct Health Facility Financing: Reflections from Joint Field Visit

DPG - HEALTH

NGO's

CSO's

PRIVATE SECTOR

19TH JOINT ANNUAL HEALTH SECTOR TECHNICAL REVIEW MEETING
23rd October 2018
LAPF. Dodoma

Outline of Presentation

- What is Direct Health Facility Financing (DHFF)?
- Objectives of DHFF Joint Field Visit (JFV)
- Findings, challenges and action items for planning and budgeting, procurement or spending funds, accounting and reporting
- Findings, challenges, and action items for other program topics and overall impression
- Support requests and way forward

What is DHFF?

- As the words say—it is payment directly to health facility bank accounts (similar to education sector)
- But DHFF is more than that…..
  - Shift from input-based to output-based payment to facilities to better match payment to priority services
  - Empower facilities to manage funds and procure inputs to deliver health services to their communities
    - Increase facility autonomy, transparency, accountability, capacity
    - Separate functions LGAs and facilities, and align PFM to ensure good internal controls and financial risk protection
  - Strengthen basic financial management systems
    - Planning and budgeting (PlanRep)
    - Facility Financial Accounting and Reporting System (FFARS)

What is DHFF?

Key step on road to **National Health Insurance** and **Universal Health Coverage** including align MOHCDGEC and PORALG roles:

- **MOHCDGEC as purchaser**—determine payment for services
  - Many DHFF funds flows: HBF, RBF, iCHF, NHIF
  - JFV focus is HBF with its PHC capitated payment formula with adjustors for need (catchment population), performance (utilization), equity (distance)
- **PORALG as provider**—manage spending funds and delivering services
  - Planning and budgeting, procurement, internal controls, accounting and reporting

Objectives of DHFF JFV

General Objective

To assess DHFF implementation

Specific objectives include:

- Identify output or outcome of DHFF including improvements in service delivery, management, and motivation
- Assess DHFF management and use-- planning, procurement, accounting and reporting
- Assess main challenges for health facilities
- Develop action points
- Undertake feedback meetings with district and regional stakeholders

DHFF JFV General Information

Description	Mtwara	Kigoma	Kilamanjaro
Team	MOHCDGEC--2; PORALG--2; PMO--1; DPG-H, project or consultant--4	MOHCDGEC-- 4; PORALG--1; DPG-H, project —7; NGO – 2; FBO - 1	MOHCDGEC--2; PORALG--1; PMO--1; DPG-4; CSO – 1; FBO - 1
LGAs Visited	Mtwara DC and Nanyumbu DC	Kigoma DC and Kasulu TC	Moshi DC and Hai DC
Sites and Health Facilities Visited	**Courtesy visits:** RAS, Regional Medical Officer, District Medical Officer Dispensaries=4 Health Center=1 District Hospital=2		

DHFF Planning and Budgeting

- Standard, web-based, cross-sectoral PlanRep
  - Observations: good system but deepen implementation as started FY2018/19 (July 1st)
  - Facilities do not have full ownership of their plans. The plans are sometimes altered by the CHMT when being entered into PlanRep, and the facility is often not consulted.
- Relationship PlanRep and CCHP still being solidified
- Good support to facilities received from CHMT
- Facilities including facility governing committees work to develop, prioritize, and implement plans & budgets

DHFF Planning and Budgeting

- **Perceptions on planning for service delivery**
  - Focus more on clinical services and less on community initiatives, low focus on health promotion
  - Receive community input but should be increased
- Facility budgeting progressing well but are technical issues to address (e.g. codes, types of expenditures)
- **Action Item:** Deepen PlanRep implementation:
  - Operational procedures for FY2019/20 planning cycle
  - Clear roles of CHMT need to be defined and communicated
  - Clear definition of service outputs
  - Ensure consistency PlanRep and CCHP guidelines
  - Support facilities to prioritize plans and budgets consistent with available funds.
  - Increase focus on community and health promotion

Procurement or spending funds to deliver services to community

- Spending guidelines for different revenue streams or funds flows:
  - **Challenge:** administratively burdensome for facilities to follow many different guidelines for procurement
- **Action Item**: assess revenue stream or funds flow guidelines and harmonize to the greatest extent possible to reduce fragmentation and increase efficiency

Procurement to deliver services

- Process of preparing procurement plans and authorization:
  - Facilities develop quarterly
  - LGAs review and co-sign facility procurement plans:
    - Regional, LGA and facility officers described consistent process
    - Conclusion that separating functions of authorization and payment good PFM practice (and does not appear to introduce PFM barriers at this point in time)
  - **Action Item:** Strengthen and document the facility procurement authorization process, communicate to all stakeholders to increase transparency, and manage any other PFM barriers that might arise
  - **Action Item:** PORALG and MOFP assess and decide whether changes in internal controls, internal audit, or external audit procedures are needed to align them appropriately to DFF and FFARS in health and education sectors (link to PFMRP V).

Procurement to deliver services

- Drug procurement one of the most important and complex DHFF topics
  - Facilities functioning under assumption of first order from MSD (prime vendor if not fill orders)
  - Perception MSD responsiveness to facilities is increasing
  - Systems developing including GoTHoMIS interoperable with DHIS2, eLMIS, NHIF
  - Many operational challenges but are addressing
- **Action Item**: further improve facility and MSD drug procurement including details of business management process and introduce interoperable GoTHoMIS and eLMIS.
  - Provide service delivery or clinical technical assistance to health facilities to improve ordering of drugs.

DHFF accounting and reporting

- FFARS introduced July 2017 in 25,000+ health facilities and schools
  - Manual and automated versions;
  - Interoperable PlanRep and Epicor
- General impression is that FFARS is good and facilities using it
- Fewer delays in financial report submission
  - Reduces tension between LGAs and facilities
- Some facilities moving beyond use to analyzing data
- Some facilities need more on-the-job training in automated FFARS (no capacity issues manual version)
  - Process of shifting to automated hard as many staff need to learn computer skills and FFARS at the same time

DHFF accounting and reporting

- **Summary of challenges:**
  - Health center accountant transportation to dispensaries
  - Few number of accountants
  - Access to FFARS for more than one user
  - Authorized absenteeism to enter FFARS data affects staffing and service delivery
  - Insufficient infrastructure including computers
  - Limited internet coverage
  - Low computer literacy
- Also positive response in mobilizing resources (e.g. Councils fund account assistants, DPs projects purchasing computers)
- **Action Item:** Continue to mentor and support facilities to use FFARS, gradually improve infrastructure, sequence and manage the transition from manual to automated FFARS and communicate plans to facilities

Other Topic Findings, Challenges (1)

- Facilities demonstrated understanding of DHFF payments and their incentives (e.g. become more patient-centered)
  - **Action Item:** Increase transparency and understanding of DHFF payments and financial incentives in all revenue streams or funds flows (e.g. HBF, RBF, iCHF, NHIF and user fee) by incorporating details of payment system specification in capacity building and publishing payment formulas on websites.
- Stakeholders not clear whether DHFF targeted only towards operating costs (OC) or also capital
  - **Action Item**: in process of reviewing and harmonizing spending guidelines for different revenue streams or funds flows, assess and determine whether DHFF covers only operating costs (OC) or also capital costs and clearly state the guidelines

Other Topic Findings, Challenges (2)

- **LGA and facility relationships** seem to have improved:
  - Facilities said more open and trusting
  - LGAs said fewer complaints, less overburdened, shift to oversight, support and monitoring
- **Action item:** further realign and strengthen institutional roles and relationships around DHFF at all levels with a particular focus on enhancing roles of facilities in operational management and LGAs in support and oversight of facilities.

Findings, Challenges Other Topics (3)

- It is way to early to measure impact of DHFF on health outcomes
- Is positive movement and progress in establishing conditions to improve **service delivery** and even concrete improvements:
  - Empowered health staff
  - Infrastructure rehabilitation
  - Improved availability of health commodities
- Communication is key including GOT staff, CSOs, DP projects
- **Action Item:** DHFF is rapidly changing management but maximizing impact requires deepening service delivery improvements

Findings, Challenges Other Topics (4)

- Importance of **community involvement** and role of health facility governing committee (HFGC) recognized
- Good energy and motivation in facilities…but there is room for short-term improvements in the control of health facilities (e.g. toilets, day-to-day management of equipment)
- **Action Item:** Follow-up on DHFF potential to enhance community involvement including the role of HFGC.
- **Action Item**: Continue to create demand and build on or leverage DHFF to mobilize additional resources for facility level improvements (public and private stakeholders)

Findings, Challenges Other Topics (5)

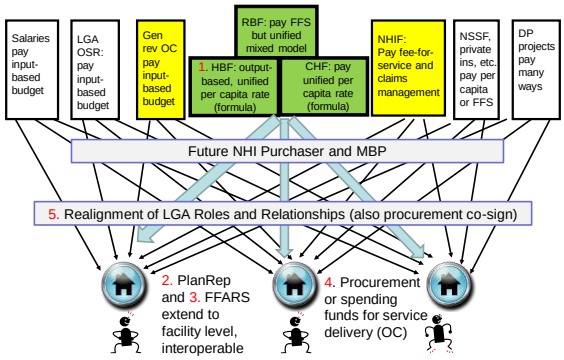
Human Resource (HR) topics and issues were a constant

- Shortages of clinical staff (high reporting rate of new recruitment)
- Health facility staff motivated under DHFF
  - Empowered, increased confidence and enthusiasm, desire to learn management practices, increased team work
- Who perform finance functions especially FFARS?
  - Mixed response mixed: yes, it is ok to use clinical staff but can worsen HR shortages
- **Action Item:** Strengthen linkage DHFF and HR management to increase efficiency and improve management of service delivery
- **Action Item:** Add management and accounting issues to health pre-service training and incorporate into continuing education.

Overall Impression

- **Overall impression of JFV team from interviews:**
  - DHFF is well-received; perceptions of systems, management and progress are good; and next steps involve deepening DHHF management and its relationship to improving service delivery
- **Attitudes, tone, verbal and non-verbal communication reflect:**
  - All stakeholders positive about DHFF arrangements
  - Obvious changes in service delivery already, perception of increased utilization and client satisfaction (limited evidence of impact due to short time frame)
  - DHFF appears to be business as usual or normal day-to-day routine
  - Other words or phrases or themes from more than one stakeholder: transparency, accountability, reduced bureaucracy, trust, shared responsibility
  - Differential performance across facilities
  - Also clear still at the beginning and a long road ahead

DHFF: financing/purchasing and management/provision sides
Pre-condition to move towards NHI and UHC



Support Requests and Way Forward

- Ongoing training or refresher courses on DHFF and FFARS
- Increase number of people that can access FFARS from one to two or more (to manage workload and leave)
- Computers to operate systems and improved internet connectivity
- Transport expenses for health center accountants to travel to dispensaries to upload manual to automated FFARS

Support Requests and Way Forward

- Better communication about upcoming changes or interventions and sufficient time to adapt or implement
- Service delivery technical assistance to help prioritize budgets and procurement of inputs to maximize the impact of DHFF on service delivery improvement.
- Include general revenue OC in DHFF
- **Action Item:** Develop DHFF support and mentoring plans addressing facility and LGA requests, determine mechanisms to fund and organize response to support requests, and communicate and implement plans

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