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In reply please quote No.

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CAPITAL CITY
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SECRETARY FOR HEALTH

Ref. No. DPPD/26

30 October, 2015

Dr. Eugene A. Nyarko
WHO Resident Representative
WHO Country Office
2nd Floor ADL House
PO BOX 30390
Capital City
Lilongwe 3
MALAWI

Dear Dr. Nyarko,

FEEDBACK ON P4H CONCEPT NOTE ON REFORMS IN THE MALAWI HEALTH SECTOR

I am pleased to provide feedback from the Ministry of Health on the Concept Note which you submitted to the Ministry on behalf of P4H. Overall, the Ministry is satisfied with the Concept Note and would like to commend the P4H for the work. Detailed comments on each work package are attached.

Given the extreme importance of the reform process to the development of the Malawi Health Sector, I have high hopes that the P4H Partner will continue see this work as urgent, especially as the work packages will inform the next Health Sector Strategic Plan and the Malawi Growth and Development Process.

Let me assure you that these reforms have the highest consideration of Government.

M.P. Magwira, PhD

MINISTRY OF HEALTH FEEDBACK ON P4H CONCEPT NOTE ON MALAWI HEALTH SECTOR REFORMS PROGRAMME

General Response

- 1. In the meeting, the MOH requested P4H to review and provide feedback on each Concept Note. Given the timeframe and based on the feedback below, the MOH requests P4H to review and provide feedback on the Health Fund and Health Insurance Concept Notes as the first activity. The MOH expected that P4H would provide formal feedback on all Concept Notes and this has not been done to date. In some instances the P4H Concept Note does not demonstrate sufficient contextual knowledge of Malawi particularly under the Decentralisation and Central Hospital Reform work package.
- 2. There are also concerns from MOH and key Development Partners that the P4H process will duplicate work that was conducted prior to this process. It is therefor important to ensure that P4H work builds on existing work.

Work package 1: National Health Insurance

- 1. The Ministry is satisfied with the proposed work package. All the proposed key activities are key before a decision on the proposed establishment of a National Health Insurance Scheme can be made;
- 2. As part of the Health Sector Strategic Plan development, the Ministry has also lined up the review of the current EHP, and a potential redefinition, as a major deliverable. It is important that this process by MOH is well coordinated with the process of defining the benefit package for the proposed National Health Insurance Scheme;
- 3. The timeframe is slightly longer as the MOH will need to be able to make a decision to inform the next Health Sector Strategic Plan (2016-2021). The Ministry will, therefore, expect the final deliverable on this work package earlier than June 2016. Given the possibility of a time constraint on the part of GIZ, the Ministry and GIZ lead will need to assess the tasks that can be handled locally and concurrently with other specialized technical tasks.

Work Package 2: Health Fund

1. The Ministry of Health is satisfied with the proposed activities and the technical lead for this Work Package. Informal discussions between the Ministry of Health and the Ministry of Finance suggest the need to proceed on this work package taking into account any proposed Tax

- Reforms the Ministry of Finance, Economic Planning and Development may be planning;
- 2. The Concept Paper does not have proposed timelines. As with the National Health Insurance Reform, the Ministry of Health will have to be in a position to make a decision for the next Health Sector Strategic Plan by June 2016.

Work Package 3: Decentralisation and Central Hospital Reform District Health System Reform

- 1. The proposed review by P4H of this reform area was meant to facilitate the choice of options for the National Health Insurance Scheme and the Health Fund, otherwise there is already substantial amount of work and consultations currently on-going and shaping MOH's thinking and reform options on full decentralization of health services in Malawi;
- 2. This reform area requires substantial understanding of the local context, including expert level knowledge of the overall Government Wide decentralization process in Malawi. DFID, thought OPTIONS are currently helping the MOH coordinate all the work on strengthening the decentralized health system in Malawi. Changing the setup will need thorough consultations including the assessment of the capacities and flexibility of the new proposed mechanism;
- 3. The Ministry, therefore, recommends that this work package be dropped from the Concept Note all together. However, where necessary, the Ministry will from time to time be in a position to share relevant documents and concept papers in these areas.

Hospital Autonomy Reform

- 1. The Ministry of Health has already made substantial progress in partnering with GIZ (Malawi) to provide long-term technical assistance in this area. Currently, two experienced technical advisors have already been recruited, and the recruitment process for a third technical assistant is underway. The GIZ support through EPOS will also ensure ready access to a pool of expertise as and when necessary at different phases of the Hospital Autonomy Reform;
- 2. The Ministry and GIZ are revising the Concept Paper on Hospital Autonomy, and the revised Concept Paper will include milestones for the reform. A National Stakeholders' meeting has been organized where the Ministry will present the Concept Paper, and all partners will discuss the proposed milestones and deliverables, as well as potential support to the process;

3. The Ministry of Health, therefore, will continue providing the technical oversight in this area, and will coordinate all partner support from within the Department of Planning and Policy Development. It is therefore, recommended that this work stream be dropped from the P4H Concept Note.

Out-Sourcing of Non-Core Services

- 1. The Ministry is satisfied with the proposed activities, which are also in line with the MOH Concept Paper on Outsourcing of Non-Core services;
- 2. The Ministry welcomes the proposal to have WHO coordinate the technical assistance but will seek technical advice locally and suggest that the work package be dropped from the Concept Note. However, where necessary, the Ministry will from time to time be in a position to share relevant documents and concept papers in these areas.