

Re-engineering the Health Sector for UHC: Malawi Health Sector Reforms



Ministry of Health
Health Reform Stakeholder Forum
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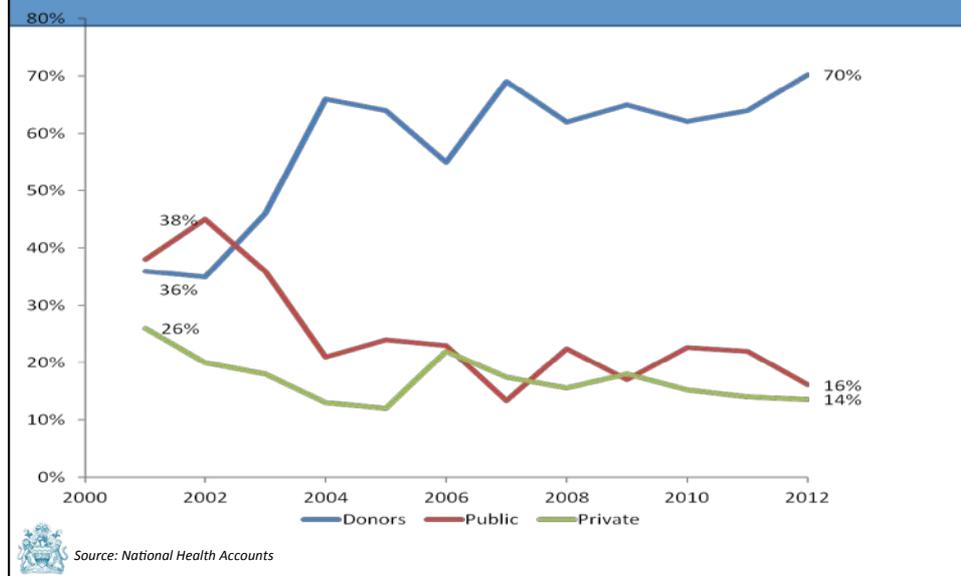
Background

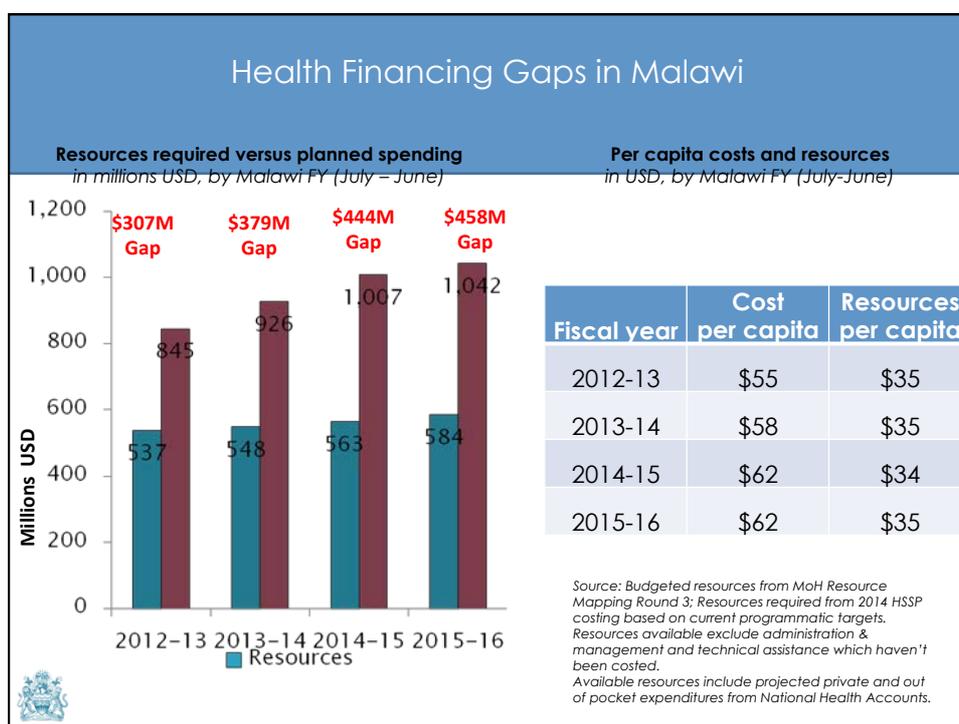
- High Population: 4m in 1964 to 16m in 2015;
- Weak Revenue base, hence low health care expenditures
 - Total GDP: \$1.65B in 1964 to \$3.7B 2013;
 - Per Capita GNI; US\$270 in 2014;
 - Inflation Rate 2013; 25%;
 - 80% of workforce in Agriculture;
 - High poverty levels NSO - 50%; WB -70% - 80%;
- Evidence of high levels of leakages and inefficiencies;
- Significant financial barriers to health services access especially in CHAM Catchment areas.

Overall Objectives of the Reforms

- To facilitate the achievement of Universal Health Coverage;
- To improve the efficiency of the Health Sector;
- To mobilize additional revenue for Universal Health Coverage through efficient and sustainable health financing mechanisms.

Trends in Health Financing in Malawi: Sustainability Concerns





Looking back: Malawi has the lowest per capita expenditure in the SADC region

Country	Total Health Expenditure as % of GDP	Health Expenditure per Capita	Govt. Expenditure on Health/Capita	Govt. Exp. on Health as % of Total Govt. Exp.	Infant Mortality Rate (per 1000)	Maternal Mortality Rate (per 100,000)
Angola	3.50%	190	118	5.60%	98	610
Botswana	5.30%	384	216	8.10%	43	190
Lesotho	11.60%	138	108	14.50%	61	530
Malawi	9.00%	39	6.3	6.20%	69	574
Mauritius	4.80%	444	217	10.10%	13	36
Namibia	8.40%	473	292	13.90%	34	18
Swaziland	8.50%	259	192	18.10%	52	420
Zambia	6.50%	96	62	16.40%	56	470
Average	6.70%	147	141	11.00%	85	900

- Malawi has lower health spending and higher infant and maternal mortality rates compared to other SADC countries.
- Total expenditure on health per capita per annum in 2012 was only **US\$39** compared to an average of **US\$147** per capita per annum in the SADC Region

Priority Reform Areas

- The Ministry of Health is championing four interrelated reforms as part of the Government wide Reforms Program, namely;
 1. Reviewing the MoH/CHAM Memorandum of Understanding (MOU),
 2. Introduction of the Health Fund,
 3. Introduction of a National Health Insurance Scheme; and;
 4. Decentralization of the Health System.

1. MOH/CHAM MOU

- Aimed at increasing access and coverage of health services;
- CHAM is a valued partner in the health sector, able to provide health services in some of the most isolated and vulnerable communities;
- Negotiations with CHAM almost concluded;
- Currently dealing with feedback from Ministry of Finance;
- Awaiting feedback back from Ministry of Justice.

2. Health Fund

- Aimed at generating additional domestic resources for the Health Sector Health Sector;
- Makes proposals for ear-marked taxes for the Health Sector;
- Concept Paper on Health Fund submitted to Ministry of Finance for review;
- Ministry of Finance engaged World Bank who are working with Ministry through the P4H

3. National Health Insurance

- The proposal aims to increase revenue for the Health Sector through expanded contributions towards health financing from the non-poor in the informal sector;
- The proposal aims to preserve the Solidarity Principal whereby contributions towards health care are based on ability to pay and consumption is based on medical need;
- The overall goal of the reform is to provide sustainable and equitable financing towards UHC;
- Concept Paper on National Health Insurance Scheme developed and has been reviewed by P4H.

4. Decentralization Reforms

- Re-engineering of the health system was proposed due to inefficiencies in the current system;
- Three reforms fall into this area:
 - Hospital Autonomy
 - Decentralisation
 - Delinking of non-core health services.
- All three are components to a broader health system restructure which aims to improve governance, transparency and accountability in the Health Sector.

Way Forward

- A number of partners have pledged technical and financial support for the Health Sector Reform Programme.
- The Ministry is working tirelessly to ensure that this support is in line with the milestone and timelines set for the reforms. The Ministry has placed strong emphasis on generating and **synthesizing evidence to inform the reform process.**
- For certain reforms, this means that **process of mobilizing technical and financial support may delay** some of the key milestones before the Ministry is able to make a decision.
- The Ministry of Health is currently developing the **next Health Sector Strategic Plan** (HSSP 2016-2021). It is expected that the reforms will inform this process and that most of the reforms will be implemented during the timeframe of the next HSSP (2016-2021).

