Utilization of Public Health Financing in Uganda’s Primary Health Care Program

Summary of key findings

Background

Around the world, the provision of primary health care (PHC) is constrained by several challenges, but perhaps none greater than limited financing. Recognizing this gap, in 2019 the World Health Organization recommended that countries increase spending on PHC by allocating at least an additional 1% of their gross domestic product to PHC. However, the gap between basic community health needs and the provision of PHC services continues to persist and, in some cases, even increased despite the additional resources set aside for PHC.

In Uganda, the reality of limited resources dedicated to PHC means that efficiency of the utilization of those resources is even more important. Against this backdrop, in 2020 PATH commissioned a study to assess the trends in utilization of PHC non-wage financing in Uganda at both national and subnational levels over a five-year period—2016–2020. The study focused on different levels of health service delivery in five districts: Arua, Kasese, Kisoro, Mukono and Tororo.

Key findings

- Central government-level spending suffered from budget cuts, but local governments and health facilities received and spent most of the funds appropriated to them.
- Many facility level actors were unaware of the Sector Grant and Budget Guidelines to Local Governments and the Primary Health Care Non-Wage Recurrent Grant and Budget Guidelines to Health Centre II, III, IV, and General Hospitals and have yet to start utilizing them.
- While the COVID-19 pandemic affected the accessibility of health services, PHC budgets were not impacted. However, since many PHC activities were halted due to COVID-19 and containment measures put in place by the Ugandan government, many facilities repurposed PHC funds to facilitate other PHC program activities that were not affected. For example, community outreach activities ceased so finances previously allocated for these activities were instead repurposed to procure masks and sanitizers for health workers, payment of support staff, etc.
- The process of utilizing results-based financing (RBF) project resources placed additional administrative burden on an already constrained human resource.
- While RBF reportedly lead to improved service delivery at health facilities, the process of claiming reimbursements was characterized by bureaucratic delays.
- While PHC funds are disbursed by the Ministry of Finance by the 10th day of the quarter, receipt of the funds by health facilities continued to be delayed due to delays in the online approval process.
- Limited training and awareness of roles by health unity management committees (HUMCs) constrained their effectiveness in exercising oversight on PHC expenditure and increased risk of misuse of PHC funds.

Utilization of PHC funds

The health sector budget increased from UGX 1.271 trillion in FY 2015/16 to 2.589 trillion in FY 2019/20. However, health sector departments and agencies received less funding and consequently spent less of their approved resources. The Primary Health Care Non-Wage Recurrent Grant registered high levels of budget performance—most of the budgeted funds were released to the local governments. The high level of PHC non-wage expenditure performance at local government level was mostly attributed to inadequate nature of the PHC funds explaining why they are often quickly spent and at times require supplementary allocations in case of any emergencies. Consultations with actors at local government administration and health facility level on the high levels of expenditure performance revealed that the funds are not enough and as a result get used up before the health needs are even exhausted. Where inconsistencies were noted, they were mostly within PHC transitional development grants that facilitate upgrading of health facilities. For instance, in FY 2018/19 and FY 2019/20, local governments received 45% and 70% of their budgeted transitional development grants, respectively. These performance levels can be attributed to revenue shortfalls and procurement delays.

Adherence to PHC Grant Utilisation Guidelines

While district health officers were fully utilizing the Primary Health Care Non-Wage Recurrent Grant and Budget Guidelines to Health Centre II, III, IV, and General Hospitals, most of the health facility level actors were either unaware of the guidelines altogether, or aware but had not received a copy. All local governments and health facilities sampled in the study had updated procurement plans and functional procurement committees. Limited training or a lack of training for HUMCs and the voluntary nature of the Village Health Team (VHT) work were noted as constraints affecting the performance of these actors in their roles.

Utilization of other PHC Funds (results-based financing)

- RBF projects complemented the limited PHC resources available. Per the health facility’s performance improvement plan, the main feature of RBF is payment for results achieved.
Figure 2: Performance of PHC grants to local governments**

Source: Computations from MoFPED data. **FY 2016/17 and 2017/18 reflect no development funding because local governments were not receiving PHC development grants

- RBF payments significantly improved PHC financing. For instance, Kasese district received pay-outs of UGX 2.965 billion in FY 2018/19, and 3.131 billion in FY 2017/18 from Enabel.
- These RBF pay-outs were significantly higher than the sum of the PHC Non-Wage and Development Grants the district received in those years. However, these pay-outs were characterized by significant delays in disbursement.
- Additionally, while the RBF funding is complementary, it came with additional reporting and accounting procedures which placed an additional administrative burden on health facility staff.

Effects of COVID-19 on Health Sector and PHC Expenditure

- While access to PHC services was negatively affected by the COVID-19 containment measures, overall PHC budgets were not affected.
- Instead, more resources were made available to the health sector to combat the pandemic. Local governments and regional referral hospitals received an additional UGX 165 million and 270 million, respectively, to combat the spread of COVID-19.

Recommendations

- Increase local government awareness of the Primary Health Care Non-Wage Recurrent Grant and Budget Guidelines to Health Centre II, III, IV, and General Hospitals. These comprehensive guidelines could be used to solve several procedural challenges experienced by PHC spending.
- Publish updated Health Unit Management Committee Operational Guidelines and provide regular trainings for HUMCs members to strengthen and improve their oversight role at the health facility level.
- Streamline RBF planning, reporting, and accountability processes into mainstream administrative processes for PHC funds to lessen the administrative burden placed on health workers.

- Digitize the management of all RBF projects nationally to minimize delays in fund reimbursements.
- Consider designating a proportion of PHC non-wage funding as allowances for VHTs. Doing so could alleviate them from having to work to earn a living and allow them to spend more time on their health promotion role.
- Improve effectiveness of local government administrative processes in warranting the transfer of funds to minimize delays in PHC grant receipt on health facility accounts.