



Role-Play

MOBILISING RESOURCES IN A RURAL, LOW-INCOME COUNTRY CONTEXT

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OBJECTIVES

In this role-play you will:

- examine critically resource mobilisation alternatives for the health sector, on the basis of theory and country experience;
- gain a detailed understanding of the advantages and disadvantages of alternative resource mobilisation strategies (tax-financing, user fees, community financing, health insurance and promotion and regulation of the private sector).

THE PROBLEM

The government of a low-income country has recognised that the problems facing its health sector require that policies on financing health care be re-considered, recognising that alternative approaches must be rooted in the prevailing context.

National context

• GNP per capita	US \$470 per year (approx.)
• Rate of annual real GNP growth	0.5%
• Public expenditure as % of GNP	25%
• Central government revenue as % GNP	20%
• Income tax as % of total tax revenue	15%
• Taxes on goods and services as % of total tax revenue	35%
• Taxes on trade and transactions as % of total tax revenue	50%
• Health expenditure as % of total government expenditure	7%
• IMR	132/1,000
• Maternal mortality rate	400/100,000
• Life expectancy at birth	50 years
• Population growth rate	2.6%
• Urban population as % of total population	25%
• % labour force in formal employment	25%

Health System

Ministry of Health services consist of specialist hospitals in the main cities, general hospitals in the district headquarters, health centres and clinics in rural areas. The aim of the Ministry of Health is to provide health care accessible to the entire population. Services are currently financed from general taxation and are provided free of charge. The Ministry of Health hospitals in the main cities have a few private wards for fee-payers.

Private hospitals and private medical practitioners are located in the main cities. The private hospitals offer general (not specialist) hospital facilities. Many private and parastatal enterprises provide health insurance cover for their employees either through a non-profit insurance agency or by a direct arrangement with medical practitioners and hospitals. The health insurance covers the cost of treatment either in a private hospital or in the Ministry of Health's fee-paying wards. In addition, about a third of the users of

private hospitals, and the great majority of patients attending private medical practitioners, pay the fees themselves.

Current problems

The Ministry of Health has advised the Government that in its view, the main problems of the health sector are:

- Ministry of Health services are very crowded (bed occupancy rate in excess of 100%; outpatient services overloaded with patients). The Ministry of Health considers that many of the outpatient attendances are for very minor complaints.
- Ministry of Health services are very short of doctors and nurses. Newly qualified doctors do two years' government service and then many leave to set up in the private sector where they can earn more money. Nurses also are attracted by the higher pay in the private sector. The private sector has been growing steadily and is expected to continue growing.
- Ministry of Health services are accessible to about 70% of the rural population. Clinics based in villages provide the backbone of the system, providing basic curative and MCH/FP services. The facility of first referral is the health centre, with in-patient capacity. However, the services provided by these facilities are characterised by low quality - such as drug supply problems, equipment shortages and unmaintained buildings. Staff are de-motivated, sometimes absent and often rude to patients. Although some village health workers have been trained, few are active.
- The Ministry of Health is allowed only a very small annual increase in resources in real terms (i.e. after the effects of inflation have been taken into account), and this is inadequate for any major development of the services.

In addition, the Government is aware that civil servants are agitating to be provided with health insurance coverage similar to that available to many of their private sector colleagues.

ROLE PLAY CONTEXT AND TASKS

A government commission has been established to consider alternative health financing options and advise the government on appropriate policy development.

The Ministry of Health has advised the commission that sectoral problems could be tackled by some combination of five approaches:

1. It could be argued that additional public revenue should be allocated to the health sector, in recognition of its important role in social development.
2. User charges could be levied at health centres and hospitals in order to raise revenue and restrict outpatient demand to people with more urgent health care needs. A proportion of fee revenue would be retained at the point of collection to be used for service improvements. Hospital doctors would be allowed to undertake some hours of private practice to supplement their income.

3. A village-level primary health care system could be set up that is largely self-financing, by using some form of community finance mechanism (such as fees or pre-payment). Appropriate management and accountability systems would be established.
4. A social insurance scheme could be introduced to replace existing private insurance, extend coverage to civil servants and as many other groups as possible, and increase the availability of funds for urban health care. Both public and private sectors would be able to provide care for people covered by social insurance.
5. Given the limits on expansion of the public sector health care and the popularity of the private sector, the private health sector could be stimulated. Tax incentives could be provided to encourage expansion. Government subsidies could ensure provision of preventive care by private providers. Social insurance funds could purchase care from private providers. Appropriate regulatory procedures and mechanisms would be needed.

The commission has asked interest groups representative of the wider community to consider, from their own perspectives, the advantages and disadvantages of these options. These groups include:

1. Combined committee of doctors and nurses professional associations;
2. Representative organisation of rural villagers;
3. Civil servants union (including non-health care professionals);
4. A non-governmental health care provider;
5. Private practitioners.

Each of these groups is asked to:

- review current evidence concerning the options for mobilising additional resources (each group will receive a resource pack containing key articles for each resource mobilisation option);
- define their preferred package of financing reforms, possibly combining several of the specific options;
- specify what complementary actions would be required within a comprehensive financing policy package;
- identify key issues to consider within an implementation strategy for their proposed package;
- prepare a 10 minute presentation describing and, most importantly, justifying their preference.

After hearing their arguments the commission, acting as an arbitrator in consideration of the national interest, will decide which option(s) to recommend to cabinet, and give reasons for that decision and provide a full outline of the relevant package of reforms.