

# CREHS NEWSLETTER

MARCH 2009

This newsletter focuses on financial risk protection. Research on this topic is being undertaken in Kenya, Thailand, Nigeria and India. It examines how health financing mechanisms can be combined and implemented to protect the poorest from the costs associated with illness.

## IN THIS ISSUE

- CREHS research is published in a special issue of the Journal of International Development
- New research findings show the positive impact of Direct Facility Funding in Kenya
- Partners from Nigeria report on their experiences at the African Health Economics and Policy Association Conference in Ghana



### Managing risks: household illness costs, coping strategies and access to social protection.

Journal of International Development, 21:2, 2009.

The Journal of International Development has published a special issue on household experiences of ill-health and risk protection mechanisms. The edition is based on a workshop that was hosted by CREHS to discuss research findings from several countries in Africa and Asia.

The papers presented in the journal analyse the processes linking illness and impoverishment at the household level. They measure the costs of illness and the burdens these impose on household budgets, explore treatment actions and the strategies used to pay for the treatment, and assess households access to and uptake of policy measures designed to reduce health care expenditures.

The insights presented in the papers help to cast light on the types of policy measures needed to effectively protect poor households from risks associated with health expenditure. They also draw attention to the challenges of policy implementation including the perceptions of actors throughout the health system.

One key policy implication to come out of experiences from Nigeria, South Africa, Kenya and Laos, is that exemption policies to protect the poor from user fees, rarely function effectively. Poorly functioning systems can reflect problems of lack of additional resources to finance exemptions or difficulty in dealing with procedures needed to establish eligibility.

Governments should consider removing fees altogether as a means of reducing one barrier to health service use. It is also important to strengthen and improve the coverage of alternative financing sources such as insurance or other risk sharing arrangements.

### DEVELOPMENTS IN BRIEF

- Health Economics Unit will be hosting a Scaling Up writing workshop in Cape Town, June 15-18 2009.
- Health Policy Research Group have participated in a stakeholders' forum, sharing their research findings with policy makers in Nigeria.

For more information about these developments and other CREHS outputs go to:

[www.crehs.lshtm.ac.uk](http://www.crehs.lshtm.ac.uk)



The Consortium for Research on Equitable Health Systems aims to generate knowledge about how to strengthen health systems, policies, and interventions in ways that preferentially benefit the poorest. It is funded by the Department for International Development (DFID) UK.

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## RESEARCH UPDATES

### Exploring the implementation and effects of Direct Facility Funding in Kenya

In 2004, Kenya removed high and variable user fees for health facilities, replacing them with flat rate fees. Following concerns that these lower fees limit the money available to health facilities for daily expenditures, the Kenyan Government and Danish International Development Agency have piloted a scheme of directly funding health facilities in the Coast Province.

With Direct Facility Funding (DFF), health facilities receive money directly into their bank account. The items on which DFF can be used include: salaries, water and electricity supplies, communications, staff travel costs, office supplies and routine maintenance.

CREHS research evaluated the DFF scheme and its perceived impact at health centres and dispensaries. It found that DFF was perceived to have a positive impact on utilisation and quality of care and to have led to a rise in outreach services. This is perceived to be important in increasing coverage of services such as immunisation and antenatal care.

Employment of extra support staff and payment of staff incentives in the form of allowances, has reportedly improved health worker motivation, the safety and cleanliness of facilities and reduced waiting times.

However, despite the additional funds, many facilities are not adhering to the user fees policy and continue to levy charges above the prescribed fee.



The findings have implications for policy makers in other countries and development partners involved in advising on health financing policy.

- DFF offers an opportunity to compensate health facilities for loss of user fee revenue when these are removed or reduced. Although user fee removal can improve equity, it also removes a source of discretionary funds which can have an important impact on facility performance.
- DFF requires an effective mechanism for transferring funds to the lower levels of the health system. In many contexts, this means circumventing the bureaucracy and corruption problems that have been identified in expenditure tracking surveys.

For more information about this research project, please contact Antony Opwora, email: [aopwora@nairobi.kemri-wellcome.org](mailto:aopwora@nairobi.kemri-wellcome.org)

### CREHS at the African Health Economics and Policy Association conference

Content provided by Nnenna Tasie, Health Policy Research Group, Nigeria

On the 10-12 March 2009, several members of CREHS attended the inaugural meeting of the African Health Economics and Policy Association (AfHEA) in Accra, Ghana. The theme of the conference was "Priorities of Health Economics in Africa". One of the key issues debated was the extent to which poor people have gained from the national health insurance scheme that was implemented in Ghana, and how this scheme can be strengthened in the future. The role of health economists working in Africa was also discussed and some important suggestions were made for the future. These include the need to regularly exchange ideas and information with policymakers, and to strengthen the capacity of policymakers to understand and use research.

Five oral presentations and three poster presentations were given by members of the Health Policy Research Group (HPRG) including:

- Perceptions and willingness to pay for private voluntary health insurance in southeast Nigeria.
- Examining catastrophic costs and benefit incidence of subsidised anti-retroviral treatment in southeast Nigeria.

## NEW PUBLICATIONS

Our publications are available on the website: [www.crehs.lshtm.ac.uk/publications.html](http://www.crehs.lshtm.ac.uk/publications.html)

### Community Based Health Insurance Scheme in Anambra State, Nigeria: an analysis of policy development, implementation and equity effects

This study explores the community based health insurance policy in two sites in Anambra state. It identifies the factors that had an impact on its development and implementation. The report identifies some reasons why the policy was not successful and makes several recommendations for planning and implementing new policies.

[www.crehs.lshtm.ac.uk/downloads/publications/Community\\_based\\_health\\_insurance\\_Nigeria.pdf](http://www.crehs.lshtm.ac.uk/downloads/publications/Community_based_health_insurance_Nigeria.pdf)