



**Western Cape  
Government** Health and Wellness

**FOR YOU**

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## **CABRI Policy Dialogue**

Supporting the equity and adequacy of facility budget allocations in South Africa

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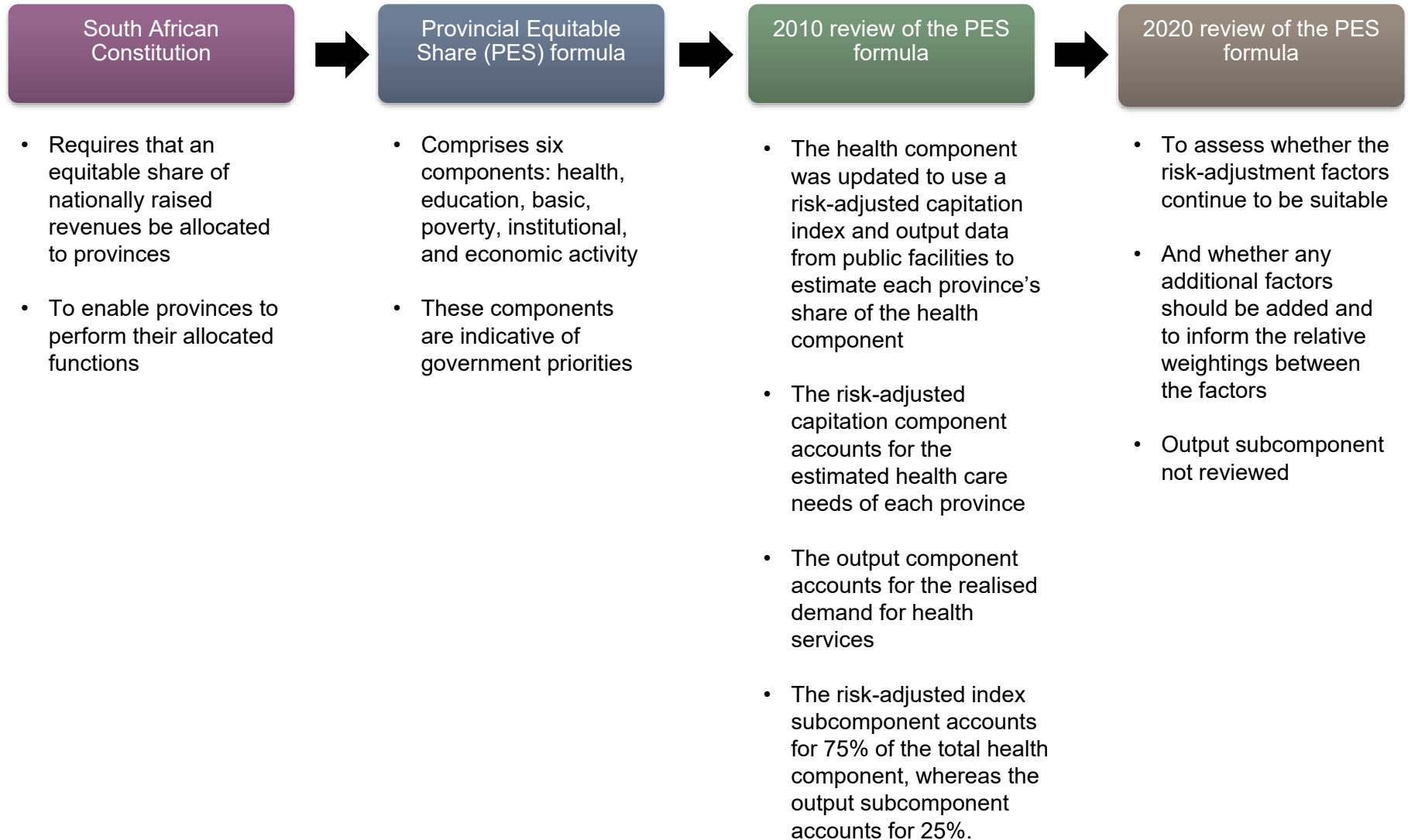
# Introduction

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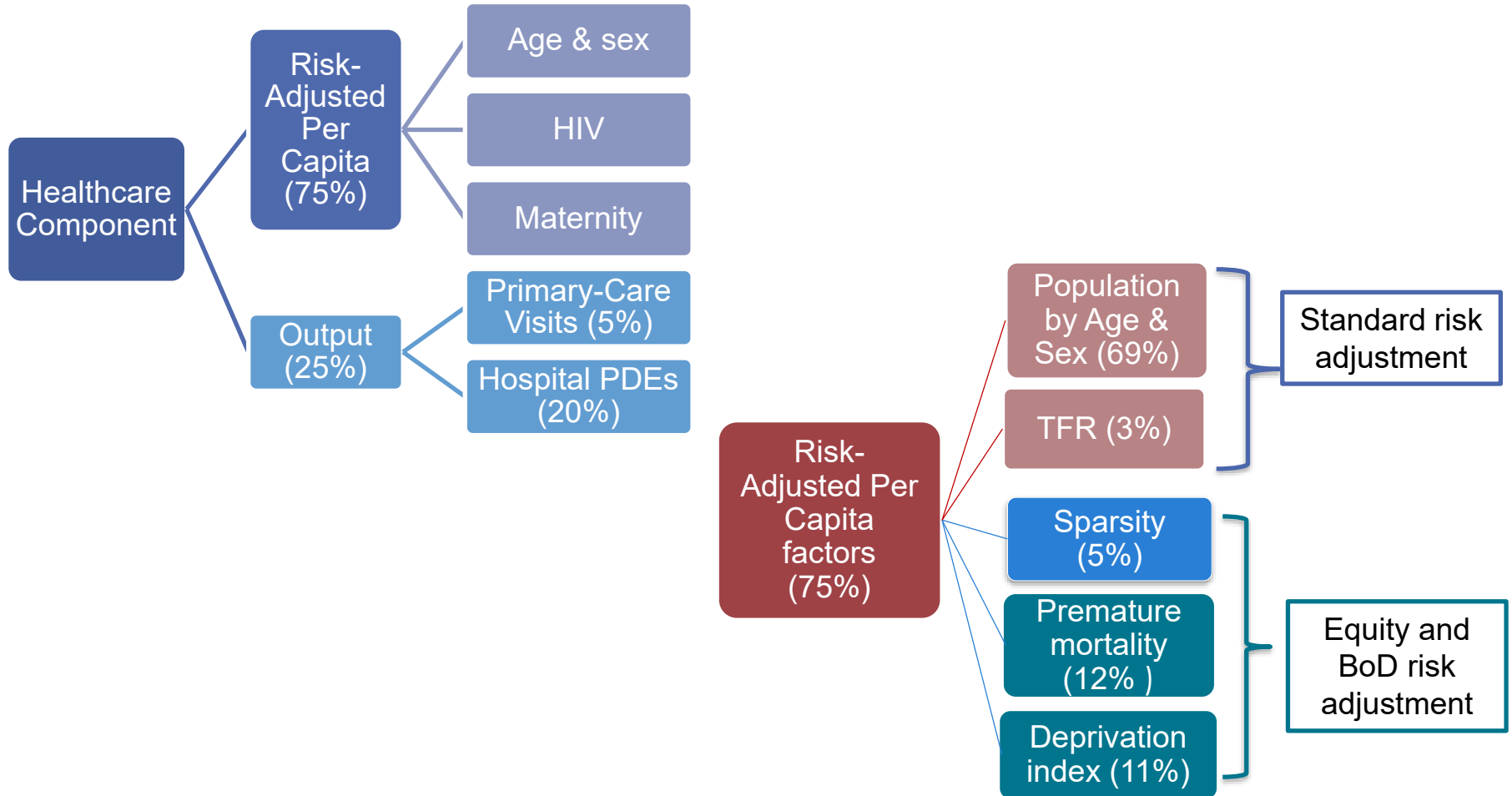
- The South African public health sector receives funding from Provincial Equitable Share (75%) and Conditional Grants (25%) (primarily disease specific, specialized services, training and infrastructure related).
- Facilities can generate their own revenue.
- Health budget allocations are primarily based on historic costs, plus an inflator.
- Budget is allocated to maintain the current service platform and its support structure.
- Facility budgets are determined at a provincial level.

# Provincial Equitable Share (PES)

# Provincial Equitable Share

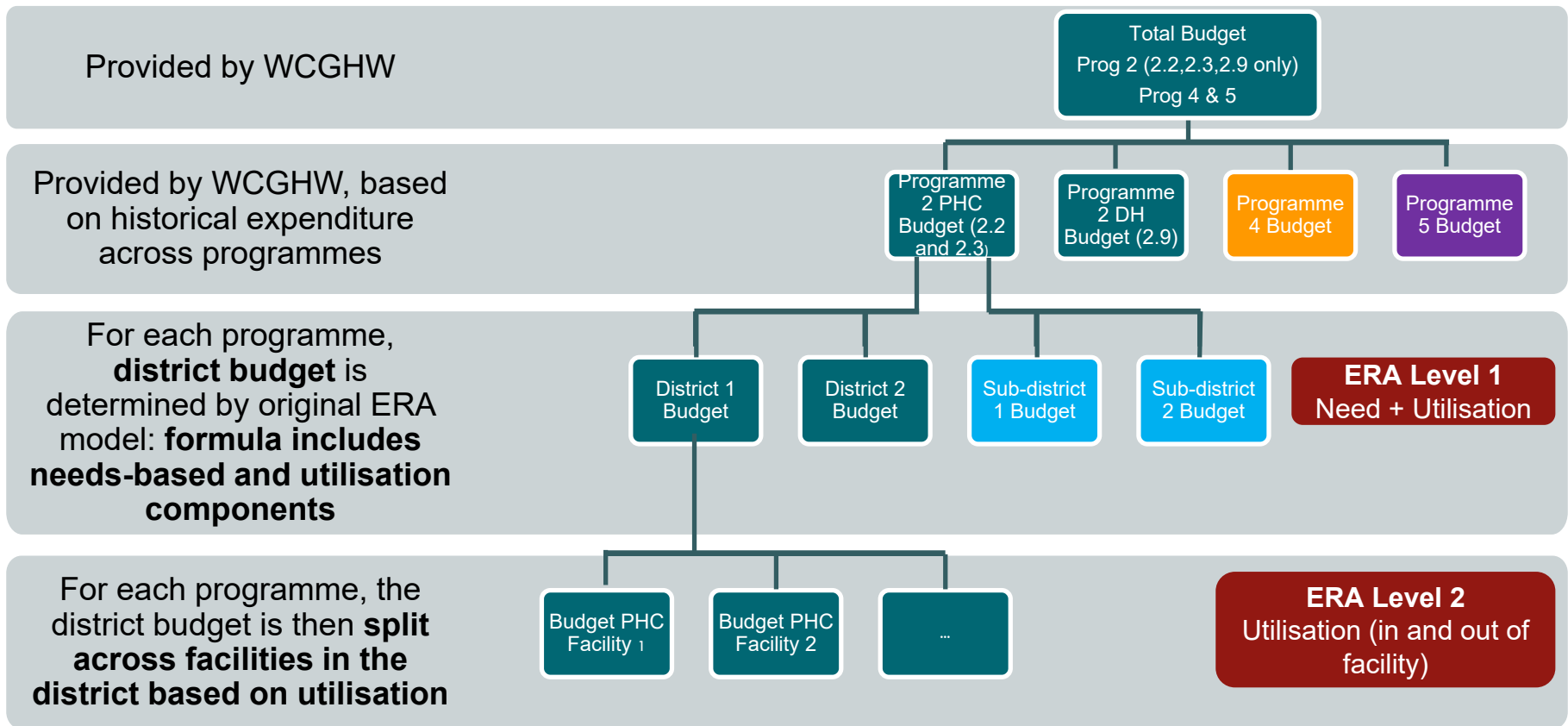


# PES architecture 2010 to 2020



# Equity Resource Allocation (ERA) – WCDHW

# ERA Model structure



- PES is at a provincial level, while ERA goes down to district, sub district and facility level
- ERA starts to delink budget allocation from historical cost expenditure trends

# ERA Needs and Utilisation Weighting

## Weightings: ERA Level 1

Final allocation				
Component	PHC	DH	RH	CH&TH
Needs-based component	94%	79%	79%	0%
Utilisation component (demand)	6%	21%	21%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Needs-based component				
Component	PHC	DH	RH	CH&TH
Age and Sex	72%	72%	72%	0%
HIV	0%	0%	0%	0%
Multiple Deprivation	11%	11%	11%	0%
Sparsity	5%	5%	5%	0%
Premature Mortality	12%	12%	12%	0%
Trauma and Violence	0%	0%	0%	0%
Placeholder Factor	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>

Utilisation component				
Component	PHC	DH	RH	CH&TH
SVU	100%	100%	100%	100%
Case mix (DRGs)	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Weightings: ERA Level 2

Final allocation				
Component	PHC	DH	RH	CH&TH
SVU	100%	50%	50%	50%
Hospital Beds	n/a	50%	50%	50%
Clinic Size Proxy	0%	n/a	n/a	n/a
Placeholder Factor	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# Thank you