



# Policy Dialogue

## PFM as enabler of greater health facility autonomy

27-29 August, 2024



Mauritius |



Health facility autonomy implies allowing providers to receive funds directly; retain at least a portion of the funds they generate; influence budget allocations; conduct virements (up to a reasonable threshold) when needs change; and, cover, at least, routine operational costs without overly restrictive approval and accounting processes. There is growing consensus that this is important for improving health service delivery.

The public financial management (PFM) system is often viewed as a bottleneck to increasing autonomy. It can, however, also be an important enabler, supporting greater operational efficiency and accountability. This CABRI Policy Dialogue brings together ministries of finance and health and, local government representatives, to reach a shared understanding of how each can contribute to facility financial autonomy and improved health outcomes.

### Draft agenda

Tuesday, 27 August 2024	
08:30 – 09:00	Registration
09:00 – 09:15	<b>Welcome</b>
09:15 – 09:40	<b>Programme overview and objectives</b> <i>Danielle Serebro - Programme Manager, CABRI</i>
<b>Session 1</b> 9:40 – 11:00	<p><b>Panel discussion: Why do we need more facility autonomy and how can this be achieved?</b></p> <p>Health financing and PFM experts and practitioners will consider the following points: (1) What do we mean by facility autonomy and financing facilities directly? (2) Why is autonomy a means to achieving better health performance? (3) Who are the key stakeholders involved in this reform and what political economy concerns do we need to consider? (4) Over what expenditure categories should facilities have control? (5) In what ways has the PFM system been observed to hinder facility autonomy? (6) What are some of the fiduciary risks of increasing autonomy and how can we manage these?</p> <p><b>Findings of the Lancet Commission on Financing Primary Healthcare</b> - <i>Professor Kara Hanson, Professor of Health System Economics and Dean of the Faculty of Public Health and Policy, London School of Hygiene and Tropical Medicine</i></p> <p><i>Dr Kailesh Kumar Singh Jagutpal, Minister of Health and Wellness, Mauritius</i></p> <p><i>Professor Edwine Barasa - Interim Executive Director, KEMRI, Wellcome Trust Research Programme)</i></p> <p><i>Tom Hart - Senior Research Fellow, ODI</i></p>

	<b>Moderator:</b> <i>Dr Kay Brown, Executive Secretary, CABRI</i>
11:00 – 11:15	Tea break
<b>Session 2</b> 11:15 – 12:30	<p><b>Strategic purchasing and the status of facility autonomy and direct financing in low- and middle-income countries (LMIC)</b></p> <p>Of the three health financing functions – revenue raising, pooling and purchasing – purchasing, which considers how funds are allocated to health providers, has perhaps the most direct relationship with facility autonomy. This session will consider what it means to make purchasing more strategic and how facility autonomy contributes to this.</p> <p>In the second part of this session, we will hear how facility autonomy can be categorised across LMIC by reflecting on how much autonomy facilities across selected LMIC have to allocate and manage their own resources; how resources flow between levels of government and to the facility; what PFM arrangements are used; what are the sources of this funding (development partners, general revenue, user fees, health insurance agency); and what types of expenditure do they have autonomy over.</p> <p><b>The importance of facility autonomy for strategic purchasing</b> – <i>Agnes Munyua, Programme Director: Results for Development, R4D</i></p> <p><b>Towards a typology of financial autonomy of PHC facilities in LMICs</b> – <i>Professor Sophie Witter, Professor of International Health Financing and Health Systems, Queen Margaret University</i></p> <p><b>Status of facility autonomy in Burkina Faso, Indonesia, Philippines, Kenya and Uganda</b> - <i>Pura Angela Wee-Co, Country Director: Thinkwell Philippines</i></p>
12:30 – 13:30	Lunch
<b>Session 3</b> 13:30 – 14:45	<p><b>Country experiences of increasing facility autonomy</b></p> <p>African countries are at very different points in increasing facility autonomy, and have approached this reform in myriad ways and face unique challenges. What can we learn from their experiences? What were some of the pre- and co-conditions for the reform’s success? What challenges remain and how are these being addressed?</p> <p><b>Implementing facility financing in Tanzania</b> - <i>Raymond Kiwesa, Direct Facility Financing Coordinator, PoRALG, Tanzania</i></p> <p><b>Using the problem-driven iterative adaptation approach to support facility autonomy in Malawi</b> - <i>Moses Zuze, Chief Economist - Planning and Budgeting, Ministry of Health, Malawi</i> and <i>Yohane Nyanja, Budget Analyst, National Local Government Finance Committee, Malawi</i></p> <p><b>Managing the <i>Gratuité</i> and <i>Crédits Délégués</i> programme in Burkina Faso</b> - <i>Ali Bamouni, Director of Financial Management, Ministry of Health and Public Hygiene, Burkina Faso</i></p>
<b>Session 4</b> 14:45 – 15:45	<p><b>Exploring different models for transferring facility funds: is there an optimal design for how funds flow?</b></p> <p>How funds flow to facilities through functions and levels of government will be country-specific. There will be cases where sub-national authorities are capable of efficiently disbursing funds to facilities, and/or the political context is such that funds cannot bypass the sub-national level. However, there may be equity and efficiency gains from disbursing funds directly from the MoF or MoH to facilities. This session will explore different models for transferring funds to facilities, potential tensions between decentralisation and direct facility</p>

	<p>transfers, how to mitigate the impacts of fragmentation in fund flows, and associated reporting and accountability arrangements. Attention will be given to understanding the perspective of sub-national government.</p> <p><b>Models of facility financing used across LMIC and political economy considerations –</b> <i>Professor Edwine Barasa, Interim Executive Director, KEMRI - Wellcome Trust Research Programme</i></p> <p><b>Discussants:</b> <i>Simon Kaye, Chief Financial Officer, Western Cape Provincial Department of Health, South Africa</i>) and <i>Dr Kamil Shoretire, Director of Health Planning Research and Statistics, Federal Ministry of Health, Nigeria</i></p>
15:45 – 16:00	Tea break
16:00 – 17:00	<p><b>Country poster preparation: where are we on our facility autonomy journey and where do we want to go?</b></p> <p>Country-teams work together to populate poster templates. These will form the basis for peer-learning and will be incorporated into a post-event report.</p>
<b>Wednesday, 28 August 2024</b>	
9:30 – 10:30	<p><b>Poster session</b></p> <p>Countries share where they are with their facility autonomy reforms</p>
10:30 – 11:00	Tea break
<p><b>Session 5</b></p> <p>11:00 – 12:15</p>	<p><b>Intersection of health facility financing and PFM</b></p> <p>At the initial stages of a facility financing reform, it is unlikely that health stakeholders will fully understand how PFM arrangements can help or hinder direct financing and increased financial autonomy for public facilities. This session will dispel some of this mystery by examining how facility financial autonomy can be strengthened at each stage of the PFM cycle. It will also touch on common legal requirements that facilities must meet to receive funding, including holding a bank account, having a qualified accounting officer, and in many cases, being included in the chart of accounts. Lessons will be shared from previous efforts to mainstream performance-based financing projects.</p> <p><b>Intersection of health facility financing and PFM –</b> <i>Tom Hart, Senior Research Fellow: ODI</i></p> <p><b>Lessons from mainstreaming performance-based financing schemes –</b> <i>Sierd Hadley, Organisation for Economic Co-operation and Development, (OECD)</i></p> <p><b>Discussants:</b> <i>Sierd Hadley, OECD</i> and <i>Sèwènan Rodrigue CHAOU, Budget Director, Ministry of Finance, Benin</i></p>
<p><b>Session 6</b></p> <p>12:15 – 13:30</p>	<p><b>Formulating facility budgets and paying for outputs</b></p> <p>The budgets of facilities will be determined based on both inputs and outputs, depending on the cost categories and sophistication of strategic purchasing arrangements. To achieve an equitable distribution of resources, some countries use formulae to determine allocations to facilities based on variables such as population size, location, and burden of disease. Other countries may complement this with output and population-based provider-payment mechanisms (PPMs) to incentivise efficiency and increase or reduce provision of specific health services. This session will, firstly, provide insight into how facilities budgets are determined using a resource allocation formula. It will then introduce different PPMs, when</p>

	<p>they might be most appropriate in low-capacity contexts, how they will affect budgeting processes, and how they can be supported by PFM arrangements and different systems of budget classification.</p> <p><b>Supporting the equity and adequacy of facility financing in Uganda</b> - <i>Ivan Kasozi, Economist, Ministry of Finance, Planning and Economic Development, Uganda</i></p> <p><b>Overview of provider payment mechanisms and PFM implications</b> – <i>Inke Mathauer, Senior Health Financing Specialist, World Health Organisation</i></p>
13:30 – 14:30	Lunch
<p><b>Session 8</b></p> <p>14:30 – 15:20</p>	<p><b>Perspectives on facility financial management</b></p> <p>Few facilities would turn down the opportunity to increase their autonomy. However, with greater financial responsibility comes a need for more financial management capacity. Better financial management will contribute directly to improving management of service delivery for clients and communities. Financial management capacity can also be developed “on-the-job” without much fiduciary risk by initially giving facilities autonomy over a small operating budget. As financial management capacity grows, facilities may also be given responsibility for a portion of the infrastructure, staff and drug budgets.</p> <p>This session will provide a sense check of what can be expected of a facility manager in allocating, using and accounting for financial resources. Consideration will be given to a pragmatic sequencing of the cost categories under the financial control of facilities. It will also provide suggestions on how the MoF and MoH can support facility financial management capacity and capabilities, before and during the implementation of this reform.</p> <p><b>Sequencing of autonomy and financial management capacity constraints and needs of facilities</b> – <i>Sheila O’Dougherty, Independent consultant</i></p> <p><i>Selected countries to share how they have developed facility financial management capacity.</i></p>
15:20 – 15:45	Break
<p><b>Session 9</b></p> <p>15:45 – 16:45</p>	<p><b>Balancing flexibility and accountability: expenditure controls and digital support systems</b></p> <p>In most LMIC, narrowly defined line-item expenditure controls limit the ability of facility managers to respond to in-year changes in circumstances or health needs. Autonomy can also be constrained by facilities having limited discretion to approve payments or payment authorisation being too far removed from the facility. This session will consider how greater flexibility can be enabled without increasing fiscal risk and the role of technology in this.</p> <p><b>Adopting a risk-based approach to expenditure controls</b> – <i>Moritz Piatti-Fünfkirchen, Senior Economist, World Bank</i></p> <p><i>Officials from the Ministry of finance will share from the floor the budget execution rules and payment controls applicable to facilities in their countries, why these have been put in place, information systems used in this process, and whether there is scope for increasing flexibility.</i></p>

Thursday, 29 August 2024

10:00 – 11:15	<p><b>Breakaway discussions: How can budget formulation and execution processes for facilities be strengthened?</b></p> <p>Smaller groups comprising of both MoH and MoF and local government representatives will, after hearing from experts and other countries, consider (i) how facilities can yield more influence on health budget allocations; (ii) how allocations can be optimally determined; and (iii) what would be required to incentivise performance through provider payment mechanisms. Country posters may be updated with new understanding of where PFM supports or hinders autonomy.</p>
11:15 – 11:45	Break
<p><b>Session 10</b></p> 11:45 – 12:45	<p><b>Data governance and digital PFM for improved reporting and oversight</b></p> <p>Improving availability of facility information requires robust data management processes ensuring consistency of registries and linkages between them. Improving financial reporting also relies on appropriate digital PFM technologies interoperable with non-financial health management information systems. Better reporting is essential for improving oversight, providing the necessary reassurance of accountability that will enable greater facility autonomy and improving health sector and budget policy making.</p> <p><b>Facility Financial Accounting and Reporting System (FFARS) in Tanzania - Gemini Mtei, USAID</b></p> <p><b>Discussants:</b> <i>Tom Hart, ODI and N.A Fokeerbux, Assistant Permanent Secretary, Responsible for Digital Health at Ministry of Health and Wellness, Mauritius</i></p> <p><b>Facilitator:</b> <i>Giselle Hadley, Programme Manager, CABRI</i></p>
12:45 – 13:30	<p><b>Plenary discussion</b></p> <p>Participants will reflect on (1) the practical steps they can take to increase or improve facility autonomy in their countries and (2) what guidance and support partner organisations can provide on this journey.</p>

