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**MEMORANDUM OF THE HONOURABLE COMMISSIONER FOR HEALTH, ANAMBRA STATE ON
IMPLEMENTATION OF THE 60TH NCH RESOLUTION ON INSTITUTIONALIZING ANNUAL STATE HEALTH
ACCOUNT (SHA) STUDIES BY CONDUCTING THE FIRST-EVER ANAMBRA STATE HEALTH ACCOUNT (SHA)
2010-2017 STUDY.**

Purpose

The purpose of this memo is to inform the Council of the successful completion of the Anambra State Health Account (ASHA) 2010-2017 study, and strategies already instituted for routine annual conduct of subsequent SHA study.

Background:

An effective robust Health System is an evidence of availability of accurate and timely health data, including information on financial expenditure and flows in the Health sector. The State Health Accounts (SHA) offers a comprehensive review of all expenditures on health in a given economy. It tracks the flow of funds from financing sources through health financing schemes and healthcare providers to beneficiaries.

Anambra is the most populous state in South-East Nigeria, with projected population of 5.5 million in 2016, and home to majority indigenous Igbo ethnic group (98%) and a minority Igala enclave in the North-west part of the state (2%). The state is divided into 3 senatorial districts which are further subdivided into 21 Local Government Areas, 235 districts and 330 political wards. The State has adopted the National Health Act (NHAAct), the National Health Policy (NHP) in 2016/2017 respectfully, and has developed the State Strategic Health Development Plan (SSHDP II).

The state's Gross Domestic Product (GDP) was valued at N3.8 trillion in 2016, equivalent of 3.8% of Nigeria's GDP of N101.5 trillion in the same year. With estimated population of 5.5 million, GDP per capita was N688,495 in 2016, which exceeded the national average of N542,761. Overall, the economy is a service economy, with tertiary activities accounting for nearly two-thirds (65.3%) of GDP in 2016.

Considering the current priority accorded to health by the government of Chief (Dr) Willy Obiano towards achieving UHC, there is a need to provide key baseline health financing data to benchmark progress towards UHC in State especially as the State Health Insurance Scheme has been established.

Goal: The main goal of the 2010-2017 ASSHA is to demonstrate how Anambra state's health resources are spent, on what services, which providers, who pays for them and through which schemes. ASSHA will be used for monitoring health expenditure patterns in implementation phase of the 2nd Anambra State Strategic Health Development Plan (ASSHDP II) and to provide requisite information to improve the capacity of decision-makers to identify health system problems and improve health system performance towards UHC in the State.

Methodology:

This exercise was conducted in six phases with technical support from the World Health Organization (WHO) and funding from the European Union under “Strengthening the Nigerian Health Systems for Primary Healthcare Delivery” Project.

- i. Establishment of the State Health Financing Equity and Investment (HCFE&I) Unit in DHPR&S, SMOH;
- ii. Establishment of the State Health Financing Equity and Investment Technical Working Group (TWG)
- iii. Training of the HCFE&I Unit, the TWG, and key Policy Makers in the SMOH on Health Financing and Management including Systems of Health Account
- iv. Data collection in six main aspects of health accounts namely Government, Household, Enterprises, Donor, and NGO in collaboration with, SPHCDA, ASHIA, Federal Ministry of Health, State Bureau of Statistics (SBS), and Centre for Health Economics and Development (CHECOD).
- v. Data entry, mapping into the Health Accounts Production Tool (HAPT), and final analysis over a period of Eight years on healthcare expenditure in the State.

Major Results from the Study include

- Total health expenditure to GDP ratio averaged 3.2% for the period, still below the target range of 4-5%, but THE per capita exceeded the established targets for health financing resource mobilization.
- Generally Out-of-Pocket household spending was very high at average of 91.4% of THE compared to the benchmark of 30-40%. This portends both elevated levels of exposure of households to catastrophic health spending and high welfare losses.
- Among providers, an average of 84.1% of CHE was spent in hospitals (including specialist hospitals and PHCs). Of these, secondary hospitals which are 97% owned and operated privately accounted for a dominant share of 77.8%.
- Curative care services are the dominant function on which health expenditures are spent, accounting for an average of 82.7% of CHE. An average of 57.0% of expenditure on curative care was spent on outpatient services.
- Service delivery indices are very high and health outcomes are competitive.
- The State still rely highly on donor contributions

Based on the above results, the following are hereby recommended. There is a need to

- i. Continue engagement of the Ministries of Finance and Economic Planning, Budget and development in the state for increase in Government expenditure on health to meet up with Abuja declaration
- ii. Develop innovative domestic resource mobilization for health in Anambra State and reduce dependence on donors for critical health interventions
- iii. Urgently reduce the very high OOPE by accelerating coverage on the Anambra State Health Insurance Scheme
- iv. Re-focus expenditure to PHC in the State as Nigeria as a whole is revitalizing PHCs as a means of achieving UHC
- v. Subsequently conduct annual State Health Accounts (SHA) with support from the NHA Core Team in FMOH, WHO, and development partners, to show the trend and progress towards UHC and for consolidation to produce the annual National Health Accounts (NHA).

- vi. Use the SHA results to inform development of Anambra State Health Financing Policy and Strategy to reposition the State for efficient and sustainable financing of UHC in the State.
- vii. Finalize and publish the State Health Accounts Manual.
- viii. Encourage other States and FCT to follow the example of Anambra State in establishing sustainable mechanisms for the conduct of annual State Health Accounts studies in line with the 60th NCH resolution.

Prayers

The Council is invited to note that:

- i. Anambra State has successfully completed the State Health Account study from 2010—2017, with technical support from the World Health Organization (WHO) and funding from the European Union under “Strengthening the Nigerian Health Systems for Primary Healthcare Delivery” Project.
- ii. That prior to the conduct of the SHA 2010-2017, the State Ministry of Health
 - a. Established the State Health Financing Equity and Investment (HCFE&I) Unit in DHPR&S, SMOH;
 - b. Established the State Health Financing Equity and Investment Technical Working Group (TWG)
 - c. Trained the HCFE&I Unit, the TWG, and key Policy Makers in the SMOH on Health Financing and Management including Systems of Health Account
- iii. With the completion of the SHA 2010 – 2017, Anambra is the very first State in Nigeria to comply with the 60th NCH Resolution on Institutionalizing State Health Accounts Study and close the gap in providing verifiable baseline health financing evidence for ongoing tracking of progress towards UHC.
- iv. The Anambra State Ministry of Health has completed plans to validate the SHA 2010-2017 report with stakeholders and use ensuing evidence for the development of the State Health Financing Policy and Strategy towards UHC in the State.

Council is further invited to:

- i. Encourage other States and FCT to follow the example of Anambra State in establishing sustainable mechanisms for the conduct of annual State Health Accounts studies in line with the 60th NCH resolution to support implementation of the SSHDP II.

The Honourable Commissioner for Health, Anambra State

June, 2018