Health Financing, UHC and Budget Advocacy Training for Uganda

Session 3: Strategic purchasing, budget cycles and political economy

TRAINING REPORT

Prepared by:
1. Moses Mushime
2. Moses Mukuru
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1

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- **4.2 Segment one: Introduction to strategic purchasing strategic**

1

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<thead>
<tr>
<th>Attribute</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Session 3: Strategic purchasing, budget cycles and political economy</td>
</tr>
<tr>
<td>Activity date</td>
<td>9th September 2021</td>
</tr>
<tr>
<td>Location</td>
<td>Online (Zoom)</td>
</tr>
<tr>
<td>Persons in Charge</td>
<td>Moses Mushime (Facilitator)</td>
</tr>
<tr>
<td></td>
<td>Moses Mukuru (Facilitator)</td>
</tr>
<tr>
<td></td>
<td>Moses A. Nsubuga (Administrator)</td>
</tr>
</tbody>
</table>
1. **Summary of the training participants**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>7</td>
</tr>
<tr>
<td>Female</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
</tr>
</tbody>
</table>

*See annex 1.1 for details of the training participants*

2. **Objective(s) of the session**

The objectives of session three were to enable participants to:

I. Consolidate their understanding of strategic purchasing and its provisions in Uganda’s NHIS bill
II. Improve their understanding of budget cycles and budget monitoring
III. Improve their understanding of Uganda’s political economy reforms for Universal Health Coverage

4. **Details of the session**

4.1. **Overview of Session 2**

The session commenced with a participant, Labila, delivering a recap of the previous session.

4.2 **Segment one: Introduction to strategic purchasing strategic**

Moses Mukuru took participants through an overview of strategic purchasing. He clearly made a distinction between strategic purchasing and passive purchasing and made the case why strategic purchasing is an enabler of universal health coverage.
Reactions

- Esther sought for clarity on the nature of flexibility expected from the service providers. In response, Mukuru clarified that the set rules do not have to be rigid so as to enable the providers room for creativity to assemble the input required to provide the necessary service.
4.2.1 Break out session 1
The training participants broke out into 4 groups for a 20 minutes’ session as follows;

a) Groups 1 & 2 were assigned to discuss;
   1. What are the strategic purchasing arrangements in Uganda’s health financing strategy 2015/16 – 2024/25?
   2. What are the current challenges to the strategic purchasing arrangements?
   3. What other strategic purchasing tools are not envisaged in the health financing strategy?

b) Groups 3 & 4 were assigned to discuss;
   1. What are the strategic purchasing provisions in the National health insurance scheme bill?
   2. Do you think that these provisions are sufficient to guide strategic purchasing in Uganda?
   3. What are the institutional arrangements for strategic purchasing under the NHIS bill?

4. 3.2 Plenary reports

**Strategic purchasing arrangements in Uganda’s health financing strategy 2015/16 – 2024/25**

- Build capacity for purchasing in the health sector by establishing a Strategic Purchasing Unit at MoH
- Building institutional capacity at MoH and among stakeholders to conduct results-based financing.
- Input-based payment – revise allocation formula to reflect the need & build capacity of facility managers
- Process-based provider payments – institutionalised contracting mechanisms to handle reimbursements
- Delivery of a benefits package

**Current challenges to the strategic purchasing arrangements**

Uganda doesn’t have necessary incentives to encourage equity, efficiency and provision of quality services

- The Provider-Purchaser split is not there
- Limited capacity

**Strategic purchasing tools are not envisaged in the health financing strategy**

- Gender-based strategic purchasing
- Establishing a distinctive role between the purchaser and provider
Strategic purchasing provisions in the National health insurance scheme bill

- Contracting clause – 37 (4)
- Payment method-reimbursement/result-based financing after verification– clause 27(1)
- Gate keeping - clause 26(2)(a) & (b)
- Co-payment – clause 26(4) with exclusion of the indigents (26(5)
- Capitation/advance payments - clause 29
- Per capita budgeting by the NHIS – clause 30
- Accreditation of health care providers -clause 38
- Quality assurance (quality of care, medical procedures and administration of medicines) – clause 40
- Safeguards against over and underutilization of health care- clause 40
- Offences and penalties – clauses 43 and 44
- Design of a comprehensive Service benefit package – schedule 1. Need for rules on negative listing and referrals

NB: The bill was amended before it was passed by parliament and therefore the numbering of clauses/sections could have changed. Check the amended bill for proper referencing

The institutional arrangements for strategic purchasing under the NHIS bill?

- Establishment of the NHIS Board
- Establishment of regional tribunals
- Establishment of committees

Reactions
As a wrap up of the session, Mushime highlighted some of the specific provisions on strategic purchasing in the NHIS Bill 2019, as well as some of the challenges of strategic purchasing.

4.3 Segment two: Budget cycles in Uganda
Participants had a brainstorming session on the budget cycle process to identify the different stages in the cycle as well as the stakeholders, their roles, the documents, and CSO role in advocating for UHC at each of those stages.

Ronald Mugobera highlighted the 4 major stages as:
- Preparation
- Approval
- Implementation
- Monitoring & audit

What type of budget documents are produced at every stage of the budgeting process?

What role(s) can CSOs play at every cycle to influence UHC?

<table>
<thead>
<tr>
<th>Stage</th>
<th>Stakeholder</th>
<th>Roles</th>
<th>Documents</th>
<th>What role can CSOs play to advocate for UHC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation stage</td>
<td>Ministry of Finance</td>
<td>Determining the resource envelope, discussion of the budget strategy, LG consultative meetings (districts come together, inter-ministerial budget consultative meetings)</td>
<td>First budget call circular, national budget framework paper prepared by MDAS and LGs submitted to parliament by 30th December, parliamentary report on NBFPP</td>
<td>Key advocacy tool/well researched document on UHC which can be delivered to different influencers</td>
</tr>
<tr>
<td></td>
<td>MDAs</td>
<td></td>
<td></td>
<td>Generate evidence on UHC/situation analysis highlighting priorities backed by evidence</td>
</tr>
<tr>
<td></td>
<td>Parliament</td>
<td></td>
<td></td>
<td>Partners at LG level who can give information to support a policy brief</td>
</tr>
<tr>
<td></td>
<td>LGS</td>
<td></td>
<td></td>
<td>Getting in touch with parliamentary</td>
</tr>
<tr>
<td></td>
<td>CSOs</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Ronald noted that it is important that CSOs are visible at all the stages of the budget cycle to be able to effectively influence the processes.

Ronald also encouraged participants to go through the Public Finance Management Act that sets the dates for the documents and frameworks.

Elliot noted that MoFED has a department on Budget Monitoring that ensures budget implementation is in line and as such providing an avenue to engage as the budget is being implemented, especially on gender and equity aspects.
• Mushime promised to share a refined tabulation of the details identified during the brain storming session for regular reference while doing advocacy.
• Mukuru noted that it is critical that participants get acquainted with all the relevant policy documents as well as the set processes because they are the basis for impactful engagement with the policy makers in government.
• *Elliot requested for another session on the budget cycle processes so as to get a much deeper understanding of the subject and also appreciate the entry points for advocacy at each stage.*

4.4 Segment three: Political economy of UHC reform in Uganda
Moses Mushime delivered a presentation on political economy of UHC reform in Uganda. He emphasised the need to understand different politics around UHC, the stakeholders and their interests and how they can be navigated to push the UHC policy agenda.

**INTRODUCTION**

• Health financing reform is an inherently a political process that alters the distribution of entitlements, responsibilities and resources across the health sector and beyond.
• Changes in health financing policy affect a range of stakeholder and institutions in ways that can create political obstacles and tensions.
• Political economy analysis provides a structured way to assist practitioners/activists in navigating key areas of contestation.
• It is very important to Understand the political economy dimensions of reform, the power and position of different actors, the culture of using evidence for decisions and leadership as enabling factors for successful reforms underpinning UHC.
4.4.1 Break out session
Participants broke out into 4 groups for a 20 minutes’ session as follows;

c) Groups 1 & 2 were assigned to discuss;
   1. What are the political economy challenges & opportunities associated with Uganda’s health financing strategy?
   2. What strategies can be used to address the political economy challenges to advance UHC?
d) Groups 3 & 4 were assigned to discuss;
   1. Identify key stakeholders in the political economy of health financing in Uganda
   2. What are the political factors/concerns/interests that shape their opinion on UHC reforms?
   3. What strategies can be used to navigate key areas of contestation?

4.4.2 Plenary reports

**Political economy Challenges on UHC financing**

- No clear engagement of the private sector and CSOs by MoH
- Lack of prioritization of the health sector (in terms of budgetary allocations)
- Population growth that puts a strain on resource allocation
- Disintegration of services brought about by the creation of numerous districts, municipalities & cities without the necessary budget allocations for them to access services
High dependence on development partners
Unregulated privatization of the health sector
Inadequate budget transparency
Lack of evidence and data to back up advocacy

Political economy opportunities on UHC financing

- Administrative structures are in place and only need strengthening & financing
- Training of partners & stakeholder on UHC & health financing/budgeting to understand the processes and hold stakeholders accountable
- Results-based financing which allows payment of service providers based on the quality of service offered.
- Judgement in Petition 16 (CEHURD Vs AG) on underfunding maternal health services
- Decolonizing health aid by CSOs & local communities

Strategies to address the political economy challenges to advance UHC

- Increased investment in the health sector – at least an incremental approach should be evident
- Continuous training for stakeholders
- Availing tools to monitor & evaluate progress of the strategy
- Assent to NHIS bill
- Organising actors

Key stakeholders in the political economy of health financing in Uganda

- Insurance companies
- Private hospitals
- Pharmaceutical companies
- Medical/health staff associations
- End users /consumer groups
- Line ministries ie MoH, MoFED, State House
- Development partners
- CSOs
- Political leadership/ politicians
- Public health facilities

Political factors/concerns/interests that shape their opinion on UHC reforms

- Failure to make profit margins – Private insurers losing business
- Public law suits instituted against private hospitals
- Contract & bidding process for pharmaceuticals to be included in the purchasing chain
- Medical association need for improved services for the people
- CSO concern for the high out-of-pocket expenditure
- Rent seeking by political leadership
• Development partners’ interest in promoting equity in access to quality health care
• Data

**Strategies to navigate key areas of contestation**

- Equal opportunity for contracting & bidding
- Enrolment of all medical facilities into the NHIS

### 4.4.3 Wrap up on political economy of UHC reforms

Mushime delivered presentation slides to wrap up the discussion
Bureaucratic Politics: Purchaser-Provider Split and the Tension between MOH and NHIS

• The purchaser-provider split is a governance model of the relationship between insurance funds and health facilities, in which third-party payers are kept organizationally separate from service providers.

• It advocates for an establishment of a unified, single payer health insurance scheme.

• This, however, may be hampered by “Path Dependency” - a phenomenon where what has occurred in the past persists because of resistance to change. The resistance to change could be based on the financial implications or because policymakers are making cautious or uninformed decisions.

• This arrangement is believed to lead to improvements in service delivery, such as improved cost containment, greater efficiency, organizational flexibility, better quality and improved responsiveness of services to patient needs.

• What is proposed in the act is that NHIS will take over the purchasing function from the MOH. This meant that the MOH role as a purchaser (or direct financier) would be terminated and transferred.

• The MOH only maintains service provision and other regulatory functions, while its budget holder function for health service provision may almost totally transferred to NHIS except for major capital outlays.

• Ultimately, the overall resources available for the health service provision increase.

5 Pre and post session surveys
5.1 level of understanding of session topics
A survey with 3 questions was shared for pre and post session survey and the results of the survey in table 5.1 below.
Table 5.1 level of understanding of session topics

<table>
<thead>
<tr>
<th>Pre-Session Evaluation</th>
<th>Post Session Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. On a scale of 0 - 5 (with 5 being the highest), what is your level of understanding of strategic purchasing?</strong>&lt;br&gt;9 responses</td>
<td><strong>2. On a scale of 0 - 5 (with 5 being the highest), what is your level of understanding of strategic purchasing after this session?</strong>&lt;br&gt;14 responses</td>
</tr>
<tr>
<td>44.4%</td>
<td>57.1%</td>
</tr>
<tr>
<td>33.3%</td>
<td>21.4%</td>
</tr>
<tr>
<td>11.1%</td>
<td>21.4%</td>
</tr>
<tr>
<td>11.1%</td>
<td>I don't know</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>I don't know</td>
<td>I don't know</td>
</tr>
</tbody>
</table>

| **2. On a scale of 0 - 5 (with 5 being the highest), what is your level of understanding of budget cycles in Uganda?**<br>9 responses | **3. On a scale of 0 - 5 (with 5 being the highest), what is your level of understanding of budget cycles in Uganda after this session?**<br>14 responses |
| 33.3%                                                                                   | 35.7%                                                                                  |
| 22.2%                                                                                   | 57.1%                                                                                  |
| 22.2%                                                                                   | 21.4%                                                                                  |
| 0                                                                                       | 0                                                                                     |
| 1                                                                                       | 1                                                                                     |
| 2                                                                                       | 2                                                                                     |
| 3                                                                                       | 3                                                                                     |
| 4                                                                                       | 4                                                                                     |
| 5                                                                                       | 5                                                                                     |
| I don't know                                                                             | I don't know                                                                           |
3. On a scale of 0 - 5 (with 5 being the highest), what is your level of understanding of the political economy of UHC Reform in Uganda?
9 responses

4. On a scale of 0 - 5 (with 5 being the highest), what is your level of understanding of the political economy of UHC Reform in Uganda?
14 responses
5.2 Overall rating of the session

Overall the participants rated the session as satisfactory. 50% rated the participants highly satisfactory while 42.9 rated it as satisfactory. Only 8% rated the training as fairly satisfactory.

1. On a scale of 0 - 5 (with 5 being the highest), how would you rate this session?

14 responses

50%

42.9%

5.3 Challenges during this session

a) No
b) Time management needs to be improved. The sessions are taking longer than expected
c) Poor internet connectivity on my side.
d) Lack of participation from members in the groups
e) Yes, network issues
f) Internet causing the speaker or me to jump off
g) The internet connectivity on my side was really difficult, I did not attend any session on health and politics which I was excited to participate in. However, I will take it upon me so I read the slides and the documents shared prior to the session.

5.4 Learning/take away from this session

a) CSOs have a lot to contribute to ensure proper budgetary allocations and expenditures
b) Strategic purchasing is key to better quality health service delivery.
c) How political economy affects the advancement of achieving UHC
d) Understanding the budget cycles more comprehensively.
e) That large part of funding should come from general tax revenues
f) There is a great opportunity in building capacity of different stakeholders in strategic purchasing mainly politician and bureaucrats who are key influencer in many of the decisions made in regards to UHC.
g) I have learnt strategic Purchasing.
h) Budget cycles and ho CSOs can use the budget for advocacy
i) The political economy determines prioritization and funding of the health sector
j) Budget cycles in Uganda
k) There is a multiplicity of factors at play in health financing and on the road to achieving UHC
l) Strategic purchasing
m) I now understand strategic purchasing
n) As advocates, we have all the basis to support in the improvement of health services as this is provided for in all strategic documents. Strategic purchasing in National Health Strategy is very clear and we should advocate to bridge the gaps there in the health sector.

5.5 suggestions on how to make the next sessions even better?
   a) Let’s keep time, time, time.
   b) We need a physical meeting since the number is within the limit
   c) A hybrid session
   d) Having more time in the group discussions
   e) Put out notices to encourage more participation from participants in breakout rooms
   f) Possibly having a physical meeting and then there is avoidance of scenarios like bad network connectivity and full concentration.
Annex 1: List of training participants

<table>
<thead>
<tr>
<th>No.</th>
<th>First Name</th>
<th>Last Name</th>
<th>Name of the Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Achilles</td>
<td>Kiwanuka</td>
<td>PPD ARO</td>
</tr>
<tr>
<td>2</td>
<td>Angella</td>
<td>Nalunga</td>
<td>Action 4 Health Uganda</td>
</tr>
<tr>
<td>3</td>
<td>Barbara</td>
<td>Amumpaire</td>
<td>HEPs-Uganda</td>
</tr>
<tr>
<td>4</td>
<td>Benjamin</td>
<td>Hafashimana</td>
<td>Open Health Network</td>
</tr>
<tr>
<td>5</td>
<td>Bridget</td>
<td>Jjuuko</td>
<td>ACTS101 Uganda</td>
</tr>
<tr>
<td>6</td>
<td>Edith</td>
<td>Sifuna</td>
<td>Center for Health Human Rights and Development (CEHURD)</td>
</tr>
<tr>
<td>7</td>
<td>Emily</td>
<td>Iradukunda</td>
<td>Alliance for life international</td>
</tr>
<tr>
<td>8</td>
<td>Esther</td>
<td>Nakkazi</td>
<td>Freelance</td>
</tr>
<tr>
<td>9</td>
<td>Fionah</td>
<td>Komusana</td>
<td>Akina Mama wa Afrika</td>
</tr>
<tr>
<td>10</td>
<td>Kato</td>
<td>Jacob</td>
<td>We Rise And Prosper.</td>
</tr>
<tr>
<td>11</td>
<td>Labila</td>
<td>Musoke</td>
<td>Initiative for Social and Economic Rights-ISER</td>
</tr>
<tr>
<td>12</td>
<td>Mable</td>
<td>Kukunda</td>
<td>Uganda National Health Users/Consumers' Organization</td>
</tr>
<tr>
<td>13</td>
<td>Margaret</td>
<td>Happy</td>
<td>ADVOCACY FOR QUALITY HEALTH UGANDA</td>
</tr>
<tr>
<td>14</td>
<td>Mark Donald</td>
<td>Mwesiga</td>
<td>Palliative Care Association of Uganda (PCAU)</td>
</tr>
<tr>
<td>15</td>
<td>Monica</td>
<td>Atim</td>
<td>Coalition on Girls' Empowerment (COGE)</td>
</tr>
<tr>
<td>16</td>
<td>Orizaarwa</td>
<td>Elliot</td>
<td>Women and Girl child development association (WEGCDA)</td>
</tr>
<tr>
<td>17</td>
<td>Pius</td>
<td>Suuna</td>
<td>Uganda Health Communication Alliance</td>
</tr>
<tr>
<td>18</td>
<td>Ronald</td>
<td>Mugobera</td>
<td>Civil Society Budget Advocacy Group</td>
</tr>
<tr>
<td>19</td>
<td>Sylvia</td>
<td>Nakasi</td>
<td>Uganda Network of AIDS Service Organisations (UNASO)</td>
</tr>
<tr>
<td>20</td>
<td>Wilson</td>
<td>Manishimwe</td>
<td>Journalist</td>
</tr>
</tbody>
</table>

1 participant, Rose Mukisa, did not attend the session and she did not communicate why.
SESSION 3: ACTIVITY 1

Group 3.6.4

I. What are the strategic purchasing arrangements in Uganda’s health financing strategy 2015/16 - 2024/25?
   - Build capacity for purchasing in the health sector – establish a unit at MOH for strategic purchasing
   - Result based financing – reducing under the maternal health project funded by WB
   - Input based payment: Allocation formula reflecting the needs at the facility
   - Process based provider payment – initial contracting mechanisms
   - Delay in the benefits package

II. What are the current challenges to the strategic purchasing arrangements?
   - No incentives
   - Lack of purchaser’s input (NMG) we could share this:

III. What other strategic purchasing tools that are not envisaged in the health financing strategy?
   - Distinctive role between the provider and the purchaser
   - Refer to pages 35 - 37 of the health financing strategy

Group 3.6.4