Health expenditure at the sub-national level in Nigeria: Evidence from the Kaduna State Health Accounts 2016

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Background

The health accounts provide accurate estimates of health expenditure, which are important for effective resource allocation and planning in the health sector. In Nigeria, two rounds of health accounts have been conducted at the national level. However, these national estimates do not necessarily reflect estimates at the subnational level, and hence cannot be reliably used for decision making and/or planning at those levels. This study presents the process of conducting a subnational health accounts and its results in Kaduna State, Nigeria.

Methods

We utilized data from primary and secondary surveys. Health expenditure surveys were administered to relevant organizations in the health sector for the reference year of 2016. Household health expenditure was derived from a household survey across a representative sample of households in the state. Secondary data were obtained from government audited reports and financial statements. We also utilized the health management information system (DHIS2) and conducted a health provider survey across a representative sample of health facilities to estimate disease expenditure. Analyses were conducted using Microsoft Excel, STATA and the Health account production tool (HAPT).

Results

The aggregate health expenditure was estimated at N183 billion ($600 million), representing 7% of the state’s GDP; 99% of which was on current expenditure (N181 billion). Government current health expenditure (CHE) accounted for only 7% of total CHE, and only 25% of this proportion was spent on primary care. Households spent about 81% of CHE, compared to a national average of 71.5% of CHE and the recommended benchmark of 30% of CHE.

Discussion and conclusion

The Kaduna state health financing system is heavily dependent on out of pocket financing (81% of CHE), which translates to catastrophic spending especially for the poor. A shift towards a well designed and implemented pooled prepayment mechanisms such as a contributory health insurance scheme would promote risk equalization and cross subsidization to reduce financial burden on the poor. In addition, given the governments meagre contribution to health expenditure (10%), there is a strong need to improve government prioritization and expenditure on health especially for primary care.