# Abstract

# Title of paper: Aligning public financial management system and free healthcare policies: lessons from a free maternal and child healthcare programme in Nigeria

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# Background

Despite that public financial management (PFM) system can influence how health financing policies contribute to universal health coverage, relatively little is known about how to align PFM and financing of universal coverage schemes in low- and middle-income countries. In Enugu State, declining number of health facilities reimbursed for free maternal and child health (MCH) services, persisting out-of-pocket payment for MCH services and inadequate funding of free maternal and child health programme (FMCHP) suggest that PFM and health financing functions are misaligned.

# Aims and objectives

The paper assessed the alignment of PFM system with health financing functions in the FMCHP of Enugu State, Nigeria, and provides evidence of how PFM can be better aligned with FMCHP objectives.

# Methods

Data were collected through document review (policy documents and administrative and financial records) and semi-structured interview with 16 purposefully selected state and district-level policymakers (n = 16). Qualitative data were analysed using a framework approach guided by Cashing and colleagues’ framework for assessing the alignment of public financial management (PFM) and health financing policies. We conducted revenue and expenditure trend analysis using descriptive statistics (means, standard deviations and graphs) and analysis of variance (ANOVA). Level of significance was set at ρ < 0.05.

# Findings

The results showed that no more than 50% of the promised fund were collected between 2010 and 2016 despite significant increases in the population of target beneficiaries (ρ < 0.05). Level of pooling was limited by recurrent unauthorised expenditure (averaging 34% per annum over 7 years) and absence of expenditure caps. Misalignment of budget monitoring and purchasing include delays in provider payment (range: 1-15 months), high administrative cost, poor financial information disclosure and absence of auditing. Whereas the drug costs significantly declined from 86% in 2013 to 38% in 2016 (ρ < 0.05); the cost of services significantly increased from 10% in 2013 to 43% in 2016 (ρ < 0.05). Yet, the administrative cost of purchasing significantly rose from 4% in 2013 to 19% in 2016 (ρ < 0.05).

# Conclusions

There is a need for evidence-informed annual budget, compliance with health financing rules, clarity of roles and responsibilities for various FMCHP committees, disclosure of financial information, use of clear resource allocation strategy and timely payment of providers. These strategies would ensure efficient and effective use of public funds to finance free healthcare policies in low-resource settings.