**Title: Can a decentralized public purchaser facilitate the purchase of primary health care services? A case from the Tanzanian public integrated health system**

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**Abstract:**

**Background**

In Tanzania, purchasing public sector primary health services for the population, including district hospital services, has been decentralized and is undertaken by Local Government Authorities (LGAs). LGAs receive funding from the central government, development partners and complementary schemes such as the Community Health Fund (CHF). This study critically examines how the decentralized purchasing system facilitates the purchase of primary health care services and the occurrence of strategic purchasing in the public integrated health system.

**Methods**

This study applied a case study approach with rural and urban councils selected for in-depth investigation. In-depth interviews, focus group discussions and document reviews were the main sources of data. A thematic approach was used to analyse the qualitative data.

**Findings**

The LGAs are both purchasers and managers of health services under the decentralized system. LGAs own all public primary health facilities and are responsible for ensuring that human resources and needed supplies and equipment are available for health service provision at all public facilities. While the LGA controls all finances that flow to public providers, including those from complementary schemes such as CHF, the overall purchasing function at the LGA is limited, including for the purchase of clinical services from private facilities, as purchasing must follow a pre-determined budget ceiling provided by the Ministry of Finance and Economic Affairs (MOFEA). The Government uses a population-based formula to guide the allocation of public resources to districts but the formula does not consider other factors and the budget can be unrelated to local needs. Also, the existing resource allocation formula does not drive the allocation of budget resources from LGAs to providers and it is unclear whether equity in the distribution of financial resources to health providers is prioritized. The LGAs have experienced delayed disbursement of funds from the central government (MOFEA), affecting the flow of supplies to providers and ultimately affecting the quality of health services.

**Conclusion**

Being both the fund holder and the manager of health care providers has limited the extent to which LGAs are undertaking strategic purchasing. Potential for improving purchasing at decentralised level needs to be considered.