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SUDAN'S HEALTH FINANCING STRATEGY

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BACKGROUND

- Low-middle income
- 39 million, 47 % below poverty line
- **2011:** Separate of South Sudan
- **2014:** Health financing system assessed extensively using OASIS tool.
- **2015:** Health Financing policy was developed
- **2016:** Approval of policy by NHCC and development of HF strategy.

BACKGROUND AND RATIONALE

Previous reforms: levying user fees, introduction of health insurance and free care policies

Socioeconomic drivers:

- The Health Financing System in Sudan has generally been weak, fragmented, high cost and low government expenditure.
- Increasing poverty, weak and poor and insufficient quality health services

BACKGROUND AND RATIONALE

Political drivers:

✓ **The National Constitution:** *"The State shall promote public health and guarantee equal access and free primary health care to all citizens"* (Clause 19)

- *"State shall promote public health ,establish ,rehabilitate, develop basic medical and diagnostic institutions, and provide free primary health care and emergency services for all citizens"* (Clause 46)

✓ **National Health Insurance Corporation Act** (1994) is the main financing instrument which regulates financing functions.

Macroeconomic and Health Expenditure Indicators	Number
Gross Domestic Product (GDP)	83 US$ billion
Total Health Expenditure (THE) per capita (p.c.) in US dollars (exchange rate)	125.77 US$
General Government Expenditure (GGE) as % of GDP	12.3%
General Government Health Expenditure (GGHE) as % GGE	**8.23%**
GGHE as % of GDP	1.4 %
Total health expenditure (THE) as % of GDP	**6.4%**
GGHE as % of THE	**19.8%**
Social security/Social Health Insurance (SHI) as % of GGHE	35.4%
Private health expenditure (PvHE) as % of THE	78.2%
Out-of-pocket health expenditure (OOP) per capita	95 US$
Out-of-pocket health expenditure as % of THE	**75.62%**
Informal sector (%)	56%
Population	39.6 million

Functions	Main Challenges
Revenue raising	Weak organizational capacity to collect taxes Low priority given to health Inefficient allocation from Ministry of Finance (MOF) to subsystems Weak decentralized system Limited coverage by HI (39%) Majority of expenditure (75%) comes from private OOP Inefficient use of external fund and other national funds like ZAKAT and endowment (AWKAF)
Pooling	Multiple fragmented pools at all levels of governance Federal transfers to states are inequitable Relationship between national and states health insurance is not well identified Contradicting schemes (free treatment, coverage of poor by HI) Under financing of free treatment policy resulted in unavailability of services
Purchasing	Multiple purchasers (NHIF, MOH) Absence of accreditation process or contract between provider and purchaser. Pricing mechanism is not clear Utilization is Inequitable Payment doesn't promote provision of quality services
Benefit package	BP is not well identified, not costed and not unified for HIF and MOH

HEALTH FINANCING VISION & EXPECTED OUTCOME

Vision: Moving towards universal health coverage, where all Sudanese will be covered through a prepayment arrangement for an essential health package of services *(PHC, emergency care)* and will be financially protected

Expected Outcome: Well coordinated health finance system, which funded sufficiently and sustainably, uses resources efficiently and equitably, to provide essential healthcare and financial protection for all.

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Strategic directions related to Revenue Raising:

- ✓ Increase government expenditure on health as a share GGE to achieve Abuja target (15%),
- ✓ Shift resources from the hospital to the primary health care,
- ✓ Use of equity based principle to guide the allocation of fund to the states,
- ✓ Improve effectiveness of donors' funds through coordination between them and alignment with country priorities,
- ✓ Encourage private sector to increase its contribution in health
- ✓ Adjust premiums based on actuarial calculations to insure financial sustainability

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Strategic directions related to Pooling:

- ✓ Transfer free treatment pools currently under FMOH (including free treatment for under 5 and maternal health package) to the NHIF,
- ✓ Merge all state health insurance pools under the NHIF and introduce risk equalization to ensure equity between states
- ✓ Increase enrolment of poor and near poor population
- ✓ Prohibit opting out of large companies from NHIF to maintain pool and improve risk sharing

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Strategic directions related to Purchasing:

- ✓ Move towards purchaser-provider split by reforming the NHIF to be a single purchaser for health services and not a provider
- ✓ Shift from input purchasing to output purchasing mechanisms
- ✓ Ministry of Health and private sector to be the providers of services
- ✓ Consider performance based capitation at PHC level and case mix based payment with fixed support budget at hospital level.
- ✓ Develop an accreditation council for contracting and accreditation of providers
- ✓ Introduce autonomy of hospitals to improve management and accountability

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Strategies directions related to Benefit Entitlement and Rationing:

- ✓The minimum essential package of services is to be provided free of charge for all Sudanese regardless of their insurance or income status
- ✓The comprehensive package to be provided to all insured population in addition to all poor.

Thank you