



HEALTH ECONOMICS AND FINANCING IN AFGHANISTAN

Brief

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Introduction

The Health Policy Project (HPP) is a U.S. Agency for International Development (USAID)-funded global project that works in more than twenty countries and four regions and contributes to improved health outcomes through strengthening the efficiency, effectiveness, and equity of health systems. HPP responds to the dynamic and complex needs of developing country health systems.

In Afghanistan, HPP supports the Ministry of Public Health's (MoPH) Health Economics and Financing Directorate (HEFD) in developing and implementing national health financing strategies, generating and using economic evidence for policymaking, and building HEFD's research and implementation capacities to strengthen the health system to better address the country's health needs.

Health Economics and Financing Activities

HPP supports five areas of health economics and financing in Afghanistan to improve transparency in planning, managing, and delivering health services.

Generating health economics and financing data and use

HPP aims to build the capacity of and collaborate with HEFD to ensure the efficient and equitable use of resources for priority health areas and to enhance policy and program monitoring and accountability. The project supports HEFD in the design, implementation, and application of key health economics studies to better inform policy decision making. HPP also worked with HEFD to analyze costs at different service delivery levels to understand how much is spent and on what service areas. A key study on the efficiency, equity, and quality of different contracting modalities for



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A consultative workshop on the 2014–2018 Health Financing Strategy was held in September 2013.

health services was conducted to support the MoPH in deciding how to move forward with purchasing public health services.

Moving toward sustainability through domestic resource generation

The Afghanistan health system is largely dependent on international donor funding. As international resources become more limited, increased government contribution to the health sector is crucial. HPP supports HEFD in advocating to senior government decisionmakers to increase domestic resources for the health sector through financing schemes such as a tobacco tax and health insurance. The first health insurance feasibility study in Afghanistan is being conducted in 2013–2014 to lay the foundation for building risk-protection mechanisms in the country. HPP provides further support to the MoPH to develop strategic documents (the Health Financing Strategy 2014–2018 and the updated Revenue Generation Strategy) and to plan for and develop a more sustainable health system.

Developing capacity and advocacy in the private health sector

Through support of the Afghan National Medicines Services Organization (ANMSO) and the Afghan Private Hospital Association (APHA), HPP strengthens the voice of the private health sector with government to advocate for policies that promote growth and the improvement of health service quality. HPP is building stronger relationships between the public and private health sectors through regular dialogue and continuing to support the sustainability of these organizations. The promotion of the Afghan private health sector offers the promise of not only increased availability of health services, but also greater economic growth and stability in the national economy.



Photo by Christine Kim

HEFD staff participated in a capacity assessment workshop in August 2013.

Supporting hospital sector public-private partnerships

HPP, in collaboration with the MoPH, established Afghanistan's first Public-Private Partnership (PPP) Unit. Over the last two years, the PPP Unit has created the appropriate legal and regulatory framework for PPPs. In 2014, several publicly owned donor hospitals located in Kabul city are being promoted in the private sector for PPP concession and management agreements. Bringing private sector innovation to these public tertiary care facilities will raise the quality of care and improve the options for Afghan citizens to receive high-quality care locally.

Strengthening systems for improved resource tracking, efficiency, and transparency

The National Health Accounts (NHA) is an internationally recognized resource tracking tool for analysis of health system spending. HPP supported HEFD to complete Afghanistan's second general NHA and first Reproductive Health Subaccount. Efforts to ensure the estimates produced are rigorous, standardized, and regularly produced are ongoing. Once these practices are institutionalized, policymakers will be able to access relevant information to guide strategic planning processes, identify gaps in funding, improve the allocation of resources across sectors, and determine where investments and national objectives may or may not be in line.

To ease financial reporting burdens, ensure regular reporting of standardized expenditure information, and provide access to important data, HPP supported HEFD to develop and pilot the Expenditure Management Information System (EMIS). EMIS will be used by nongovernmental organizations that are implementing the Basic Package of Health Services (BPHS) and the Essential Package of Hospital Services (EPHS), and other health sector actors to capture regular expenditure information alongside routine health information.

HPP is also supporting HEFD to implement a pilot Public Expenditure Tracking Survey (PETS). This tool is used globally to track the flow of funds from the

Ministry of Finance, to the MoPH, and to the service providers, assessing for leakages and delays in the process. The pilot PETS includes 16 national hospitals, and focuses on improving efficiency and transparency in the distribution of resources.

Skills building and knowledge transfer for increased capacity and stewardship

At the central and provincial levels, HEFD is working toward a key objective to develop MoPH's capacity in applied health economics, health financing, and resource management. The initial phase of building



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HPP is supporting the MoPH to increase its capacity in health economics through training, such as this session on cost-effectiveness analysis in September 2013.

this capacity was developing HEFD's internal skills and knowledge related to health economics and financing. HPP supported ten technical staff from HEFD to obtain their master's degrees in health economics from Chulalongkorn University in Thailand. In May 2013, the first batch of seven staff graduated; they are able to contribute to key economic and financing activities for improving the health sector in Afghanistan. Based on this increased capacity in conducting economic studies, the MoPH requested that HEFD staff conduct internal costing assessments for its own management and decision making (e.g., costing of the MoPH Central Workshop and Jangalak Hospital). These studies have relied on internal capacities and reduced the need for spending limited resources on full external technical support.

With HPP support, HEFD also established an internship program to recruit qualified female college graduates to work in health economics. This program aims to increase employment opportunities for female graduates while introducing new talent to the MoPH.

Key Results

- Completed 2011–2012 NHA and Reproductive Health Subaccounts
- Developed Health Financing Strategy 2014–2018
- Launched EMIS database
- Supported 10 costing studies on primary care services and hospital services
- Conducted contracting mechanism study
- Conducted 6 capacity-building sessions on health economics and financing
- Improved application of HEFD studies through advocacy efforts and policy briefs
- Increased organizational capacity in applied health economics and financing
- Supported 7 HEFD staff to obtain master's degrees in Health Economics and Healthcare Management
- Launched a health economics and financing internship program for women
- Established Afghanistan's first PPP Unit and national legislation accommodating PPP agreements

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