



Malaria Subaccounts: A National Resource Tracking Tool

Need for Malaria Expenditure Data

Many low- and middle-income countries are facing increasing pressure to expand health care services to combat a growing burden of disease, particularly HIV/AIDS and malaria, and to do this with limited or sometimes declining public funding is forcing ministries of health to rationalize their health service delivery systems. The burden of malaria exacerbates the stress on already tenuous health systems in many countries.

Through national malaria programs countries have drafted strategies that are intended to remove barriers to accessing care. These initiatives include exploration of alternative ways to allocate financial resources to efficiently and effectively prevent the spread of infection, provide treatment, and mitigate the impact of the disease. However, selecting the most appropriate option for resource allocation demands comprehensive information on national expenditures related to malaria. Such data particularly on out-of-pocket expenditures incurred by households and individuals are unavailable, which limits the understanding of the burden borne by these households and how the epidemic affects people's ability to meet their basic needs. The stakeholders lack the understanding of the big picture and are poorly equipped to make resource allocation decisions.

To help resolve the problem of lack of resources to fight the epidemic, an influx of external funding is taking place in many endemic countries through mechanisms such as the Global Fund to Fight AIDS,

Tuberculosis, and Malaria and the U.S. President's Malaria Initiative (PMI). In this context, expenditure information is increasingly vital because what matters is not only how much is invested but also how the funds are invested and whether or not they reach the intended targets. The influx of funding raises the following concerns:

- Will countries be able to allocate their new resources to the most effective malaria intervention?
- Will they be able to track resources in a way that promotes transparency and accountability?
- Will these efforts displace or reduce resources meant for other diseases?

Financial indicators to track resource use and link it to health outcomes therefore must be an integral component of a monitoring and evaluation strategy. The National Health Accounts (NHA) framework is an effective way to track HIV/AIDS resources and produce data on key financial indicators.

Methodology for Malaria Resource Tracking

The NHA framework is an effective way to track malaria resources and produce data on key financial indicators. NHA encompasses health spending in a country – including public, private, and donor expenditures. The use of this framework to produce an expenditure review on a particular health priority area, such as malaria, is referred to as a “subaccount.” The



malaria subaccount methodology,¹ developed as part of a collaborative effort between WHO, U.S. Agency for International Development (USAID), and the Roll Back Malaria (RBM) Partnership, tracks the flow of malaria funds through the system and helps answer questions such as:

- Who pays for malaria care? How much do they spend and on what types of services?
- Who manages malaria funds and has programmatic control over how they are spent?
- Who benefits from these expenditures? Does it benefit those who are targeted?

The utility of NHA lies in its ability to help inform key policy issues such as resource allocation and promoting equity. The findings can be used to institute policy changes, to correct imbalances in health spending, and to evaluate the efficiency of the present financing system. Private companies, donors, and even the government are not always able to track their funding towards their end uses, which puts into question the effectiveness of financial reporting mechanisms. The NHA framework can provide a more harmonized and transparent system of financial planning and monitoring.

Case Study – Tracking Malaria Resources in Rwanda

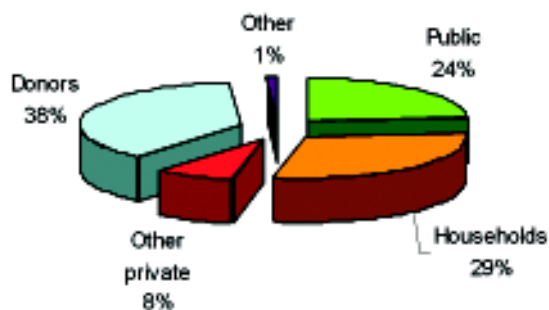
The NHA malaria subaccount methodology was piloted in Rwanda with support from USAID.² Malaria is the leading cause of morbidity and mortality in Rwanda, particularly among children under 5 and pregnant women. More than half of consultations in health facilities are due to malaria. Adults account for 67.5% of malaria cases.

Key findings and relevant policy issues

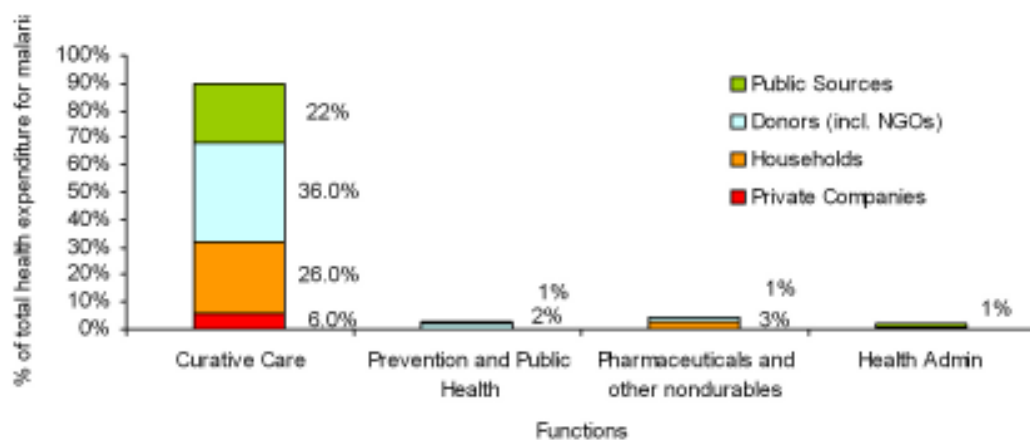
1. The total malaria expenditures represent 18% of the Total Health Expenditures (THE), amounting to \$2.45 per capita. This is similar to levels spent for HIV/AIDS (adult prevalence is 3.4%) and for reproductive health in 2002, prior to the surge of

funding for these priority areas. In view of the high levels of morbidity and mortality associated with the disease – is this amount adequate?

2. The key financiers for malaria care are donors (38%), followed by households (29%), and lastly, public sources (24%). A reverse pattern is seen for general health – where the government contributes more than households.



3. Approximately 90% of total malaria expenditures are incurred on curative care and the remaining 3% on prevention and public health programs. Is this an appropriate balance? Curative care is predominantly financed by donors, then households, and then public sources.

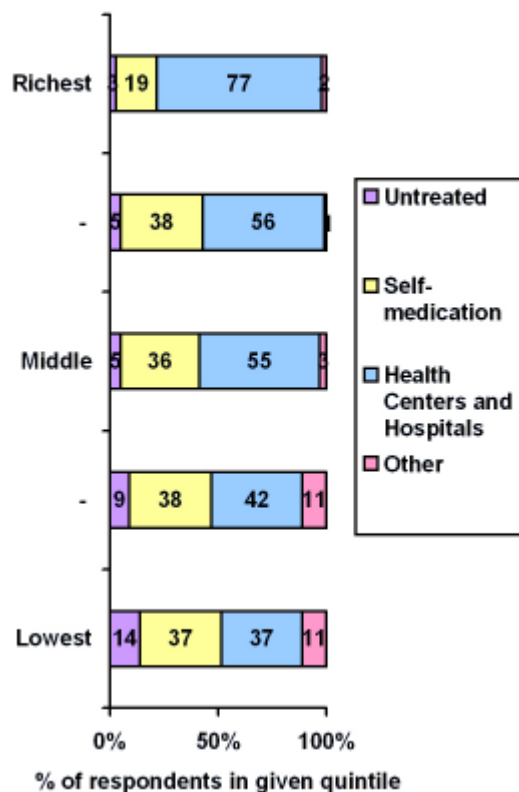


4. Spending on malaria bednets for prevention of malaria comes largely from the households. 73% of expenditures on insecticide-treated bednets (ITNs) come from households, with 13% from government, and 14% from NGOs.

¹ Expected publication date in July 2007. The document will be accessible from WHO and RBM websites.

² Rwanda National Health Accounts 2003 – Ministry of Health, Republic of Rwanda, 2006. The full report can be downloaded from the MOH website at http://www.moh.gov.rw/docs/Rwanda_NHA_2003_REPORT.pdf

Type of care sought by malaria patients



5. Malaria is particularly a burden for the poor. Household data show that treatment of malaria is strongly associated with socioeconomic status.

- The richest quintiles are twice as likely as the poorest quintile to use health facilities.
- The poor are twice as likely to seek care at a traditional healer.
- In addition, 20% of the richest quintile self-medicates and this rate doubles at the poorer income levels.

These findings highlight disparities with respect to accessing care.

6. NGOs and donors manage the largest share of all malaria resources (58%), followed by provinces and health districts (32%), and the Ministry of Health (MOH) (10%). Over half of donor malaria funds are channelled through NGOs. Such a distribution implies limited programmatic control by the MOH on donor funds, potentially jeopardizing its stewardship role and thus raising the need for greater coordination among all malaria health actors to achieve national program goals.

7. Only 16% of 2003 donor health funds were used for malaria care and prevention compared to over 33% for HIV/AIDS and a similar proportion for reproductive health.

Financing agents managing DONOR funds



Policy Lessons

1. The high out-of-pocket expenditure burden on households raises potential equity and access to care concerns, particularly because results show that utilization of treatment at health facilities is strongly correlated to socioeconomic status.
2. Apart from the burden of malaria resting disproportionately with households, the relative lack of financing for prevention programs and other activities is also a key policy issue. Not only were the prevention activities other than the distribution of ITNs relatively poorly financed, but most of the financing of net purchases came from households, as net sales were apparently not extensively subsidized.
3. The large share of donor funds channelled through several NGOs or district-level actors questions the stewardship role of the MOH, which managed only 11% of all malaria resources in 2003.
4. NHA can be used to track spending against national program targets (see table on the next page).

Impact and Next Steps in Rwanda

1. The Minister of Health used findings to inform the official government strategy on achieving the Millennium Development Goals, and highlighted the fact that resources are focused on HIV/AIDS and other areas in comparison to malaria, Rwanda's leading cause of morbidity and mortality.
2. The MOH used the finding to stress the need for donor harmonization and alignment with national priorities.

3. NHA is viewed as a useful monitoring tool by the government and by donors.

4. Rwanda is embarking on another round of malaria subaccounts for the year 2006.

2003 Actual Versus Planned MOH Spending on Malaria

Description	% actually distributed of MoH targeted funds (NHA 2003)	% planned annually between 2005-2010
IP curative		19%
OP curative	59%	24%
Repellants given as part of OP	17%	0%
Nets given as part of OP	14%	16%
Nets given by pharmacies	0%	11%
Prevention and admin of public health programs	14%	0%
Prevention of communicable diseases	7%	0%
IEC	0%	2%
Drugs for communities	0%	7%
Surveillance and monitoring	7%	4%
Training within public health programs	7%	7%
General govt admin	27%	10%
TOTAL MOH targeted spending for Malaria	100% (\$1.2 M)	100% (\$18.3 M)

Health Systems 20/20

Health Systems 20/20 (HS 20/20), a five-year (2006-2011) cooperative agreement funded by the U.S. Agency for International Development (USAID), offers USAID-supported countries help in solving problems in health governance, finance, operations, and capacity building. By working on these dimensions of strengthening health systems, the project will help people in developing countries gain access to and use priority population, health, and nutrition (PHN) services. HS 20/20 integrates health financing with governance and operations initiatives. This integrated approach focuses on building capacity for long-term sustainability of system strengthening efforts. The project acts through global leadership, technical assistance, brokering and grant making, research, professional networking, and information dissemination.

Why Health Systems?

The delivery of all health services, including the priority PHN services, depends on the underlying health system. To combat malaria, TB, HIV, and maternal and child health problems, the health system needs adequate and appropriately allocated financing, inclusive decision making and accountability, and financial and human resource management systems that deliver inputs where and when needed. A smoothly functioning health system maximizes the delivery of effective and life-saving technical interventions.

How to Access Health Systems 20/20

USAID missions and bureaus can access HS 20/20 by obligating funds to cooperative agreement No. GHS-A-00-06-00010-00. The project can accept all types of USAID funding, including PEPFAR, POP, CS, EFS, as well as funds through EGAT and D&G. As a Leader with Associate mechanism, missions and bureaus can also negotiate and manage separate Associate Awards for which they will designate a CTO.

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