Strengthening the use of national health accounts for policy analysis in the Pacific

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Background

In June 2011, a meeting of 22 Pacific health ministers identified health financing, including the production and use of NHA data, as one of 10 top health policy priorities. At present, Samoa, Tonga and Fiji produce NHA accounts regularly, without external assistance. Other Pacific countries that have registered interest in developing NHA include the Solomon Islands, Tuvalu, Kiribati, Federated States of Micronesia, Marshall Islands, Cook Islands and Palau.

Two phases of donor support for introducing NHA have had limited success. In 2000-04, NHA were introduced to Samoa and Tonga as part of World Bank and AusAID health sector support. In 2009-11, Fiji, Kiribati and the Federated States of Micronesia were selected as pilots for a WHO-Asian Development Bank-funded project promoting NHA. Despite achieving short-term objectives and growing Pacific endorsement for NHA, donor funding and technical assistance for developing NHA were suspended.

Publishing regular NHA statistics and policy analysis from Samoa, Tonga and Fiji would demonstrate the utility of health finance data and stimulate demand for introducing NHA.

To stimulate better utilisation of NHA data for policy analysis, a recent Nossal Institute project developed three NHA user guides for the Fiji Ministry of Health (FMoH): one based on indicators for the 2011-12 NHA report; another matching NHA classifications to health sector priorities in the Strategic Plan 2011-15; and an expanded list of NHA-based indicators for measuring health system strengthening.

KEY MESSAGES

- National health accounts (NHA) track the flow of money through the health system to monitor, compare and evaluate health sector performance. In the Pacific, country data have been under-reported and underutilised for policy analysis.

- Increased reporting and utilisation of NHA data assist governments to pursue national goals, including health planning and public financial management, regulation of public and private services, aid harmonisation and universal coverage.

- Regular reporting of NHA-based indicators targeted to Pacific health priorities would provide an accessible, consistent and valuable tool for monitoring regional, donor and country health sector performance, and demonstrate the utility of building a genuine NHA network in the Pacific.

NHA-based policy analysis

Health systems are extraordinarily complex and influenced by a myriad of factors. Tracking the flow of money is equally complex but fundamental for health planning. The OECD-WHO methodology *A System of Health Accounts* is the only means available for accurately tracking health revenue, expenditure and consumption in all sectors.

NHA data sets require some specialised understanding of their relevance to Ministry of Health operations and strategic objectives to be used effectively. Most ministry staff lack this training; hence the potential of NHA data has been underutilised. To improve the transition from raw data to health system analysis and stimulate use of...
NHA evidence, the data need to be presented in an easily accessible format and directly related to everyday policy concerns.

The concerns and objectives in the Fiji Strategic Plan are common to most Pacific island countries: preventive and primary health care, clinical and rehabilitative services and health system strengthening. The tables in the Nossal Institute project show the untapped potential in NHA data for policy analysis. The project also highlighted an opportunity for collating and comparing regional data on issues such as public-private-donor spending, universal coverage, household health costs, disease burdens and aid harmonisation.

Fiji NHA user guides

The Nossal Institute-Fiji project developed two sets of NHA-based policy guides, one directed to writing reports on NHA data available to the public and another for more detailed internal analysis. The focus for both is policy analysis, with NHA data categorised to help ‘read’ the health system more clearly.

The guides were designed to stimulate further investigation and policy analysis, not to provide oversimplified answers. NHA data are best used in a context of first-hand knowledge about policies, programs and conditions. Other evidence-based research, such as household and consumer surveys, health outcomes, budgets and economic analysis, enrich NHA data. Monitoring long-term trends, international comparisons and the policy context informs a better understanding of health sector performance.

NHA report indicators

The Fiji NHA production committee selected 24 indicators to be included in the NHA 2011-12 report for the first time. The indicators highlight important issues and condense the complex data to a series of ‘snapshots’ of the health system. They were selected based on policy priorities identified within the FMoH, critical factors affecting health system performance and international conventions for reporting NHA. Although the indicators were not specifically included in previous reports, the same data are available in earlier reports to extend the trend lines to 2005.

The first user guide listed the 24 indicators with suggestions for longer term trends, policy relevance and complementary research to put NHA data into a broader policy context. Examining long-term trends will highlight sudden fluctuations or gradual shifts in health expenditure that may need correction, and help monitor and evaluate whether policy is on track towards objectives.

Matching NHA to strategic objectives

The second set of tables was far more detailed. The FMoH Strategic Plan 2011-15 prioritises three goals:

1. Community served by adequate local primary and preventive health services.
2. Community access to quality clinical health care and rehabilitative services.
3. Health system strengthening at all levels of the ministry.

The plan includes more than 140 indicators covering the three goals. However, only one indicator relies directly on NHA data: health expenditure to reach 5 per cent of GDP. Most indicators are either outcome targets or program deliverables. However, NHA data can directly inform these objectives and factors influencing whether indicator targets are met.

NHA classifications were matched to the goals set by the FMoH. The tables assigned relevant NHA data to the seven health outcomes for goals 1 and 2, and health system objectives for goal 3. To avoid confusion and duplication, the NHA classifications for each section referred very specifically to that policy area. Each section could be expanded to include aggregate or more general expenditure figures relevant to all areas, such as total current health expenditure or public-private-donor revenue, financing schemes and financing agents. These broad expenditure items were included under health system strengthening, particularly health care finance, and health planning and infrastructure.

As before, policy analysis can track NHA expenditure over 2005-12 or delve more deeply into the issue. For internal analysis, FMoH staff can access much more detailed NHA data than are available in the report. These data, used with situational analysis, program information and public accounts, offer an opportunity for more fine-tuned analysis.

The user guides were designed for internal FMoH research, analysis and report writing but could be modified to be supplementary health finance indicators in the strategic plan. Guiding and familiarising new users with NHA data will show they are flexible, responsive and highly relevant.
The data can be shaped and reshaped depending on the question being asked, especially when combined with other information on the policy issue.

**Monitoring health system strengthening**

The 140+ health performance indicators in the FMoH Strategic Plan 2011-15 are overwhelmingly concentrated on health outcomes and program targets. Strategic goal 3, health system strengthening, has only 12 indicators; just one relies directly on NHA data: for health expenditure to reach 5 per cent of GDP. Fiji’s NHA provide a useful set of data that could be utilised more effectively and with more insight.

Rather than simply tracking individual NHA classifications, the data can be cross-referenced for more incisive indicators. A list of 34 indicators was suggested, aligned to the health system framework and strategic goal 3 health priorities. For example, a critical strain on health services is increased prevalence of non-communicable diseases and the subsequent increased demand for long-term care. Expenditures on public and private sector long-term care were cross-referenced to providers, showing the pattern of use at what cost. Tracking the proportion of out-of-pocket spending (insurance, cost sharing or direct payment for services) indicated the level of financial-risk protection: further disaggregation into income groups measured equity issues.

NHA expenditure items were also cross-referenced with non-expenditure items. For example, expenditure on types of care can be combined with information on who is receiving the services to monitor access to health services; this indicator could be disaggregated into regional groups to measure urban-rural disparities.

Although the focus was the Strategic Plan 2011-15, the indicators also inform broader health objectives such as equity, access to quality services, affordability and financial risk protection, universal coverage and aid harmonisation. NHA are the only source of evidence to monitor these objectives comprehensively and consistently.

**Regional reporting**

Public access to regional health financing data has been difficult. Both Samoa and Tonga have continued to produce NHA data for internal use. However, the latest reports available on their Ministry of Health websites are for Samoa 2008-09 and Tonga 2005-06. Fiji’s 2011-12 NHA report will be published shortly.

Understandably, governments are principally concerned with using NHA data for their own purposes. Nonetheless, the data offer an opportunity to collate and analyse regional health finance expenditure covering almost a decade. Providing regular updates of NHA data pertinent to regional health concerns is fundamental for research and policy.

The NHA policy guides go beyond just repackaging NHA data. They attempt to integrate and align three commitments: 1) evidence-based policy making, 2) sector planning to strengthen the health system and 3) improved public financial management and performance.

Like Samoa, Tonga and many Pacific countries, Fiji’s government has committed significant resources to each of these components. Fiji is the first Pacific island country, and one of only a handful of developing countries worldwide, to adopt the updated OECD-WHO System of Health Accounts 2011 methodology, providing more precise and detailed analysis of long- and short-term health expenditure and consumption. FMoH has consistently produced detailed annual reports and five-year strategic plans. Importantly, the current strategic plan includes health system strengthening as one of three primary objectives. In August 2010, Fiji joined other island Pacific Forum countries in adopting the World Bank Public Financial Management Performance Measurement Framework, which involves a comprehensive review of public sector accounting procedures measured against a list of performance indicators.

Part of these commitments should include regular reporting and increased policy analysis using NHA data to monitor not just health sector performance but also shifts in policy commitments from development partners, the growing importance of the private-public partnership and movements within and between countries in the Pacific. Regular reporting of an incisive set of NHA indicators targeted to Pacific health priorities would provide an accessible, consistent and valuable policy tool for monitoring regional, development partner and country health sector performance, plus demonstrate the utility of building a genuine NHA network in the Pacific.
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