

Ghana: Mixed Financing for Immunization and Shifting Responsibility

KEY POINTS

- * Mixed health financing and service delivery systems can provide opportunities for sustainable immunization financing, but financing responsibilities must be clearly delineated.
- * The growing role of the National Health Insurance Scheme (NHIS) in Ghana's overall health financing has created a potential additional source of sustainable financing for immunization.
- * The shift in responsibility for immunization financing from the Ministry of Health to the NHIS has not been made explicit, however, so cuts to the ministry budget could jeopardize immunization efforts and affect immunization coverage.

GHANA OFFERS AN example of the potential opportunities and challenges for immunization as health financing and service delivery systems become more complex. Ghana has a mixed financing and service delivery system that combines a public delivery network funded through the Ministry of Health, many private nonprofit and for-profit providers, and the National Health Insurance Scheme (NHIS), which contracts with both public and private providers.

Within this mixed system, the components of the immunization program (vaccines and injection supplies, vaccine supply chain and logistics, and service delivery) are largely funded through the Ministry of Health budget and delivered by public facilities at the district and subdistrict levels. Immunization services are not included in the NHIS benefits package. However, as the ministry's budget for goods and services has been cut in the face of macroeconomic and fiscal constraints, the share of financing through the NHIS has increased; a growing share of immunization service delivery is now implicitly covered by NHIS payments to providers. This offers opportunities for greater diversification and stability of financing for immunization, but it also creates a risk that immunization services will get crowded out as NHIS funding increasingly replaces the ministry budget and as curative services become more lucrative for both public and private providers.

GHANA'S IMMUNIZATION PROGRAM

Ghana has been a leader in adopting new vaccines, and it recently introduced several new and underused vaccines with Gavi support. The program has a legal mandate for the public health system to provide vaccines in the national schedule free of charge.

Ghana once had the highest immunization coverage in the West African region, with a World Health Organization / UNICEF diphtheria-tetanus-pertussis (DPT3) coverage estimate of 98% in 2014. In 2015, this figure fell to 88%.

The decline happened at the same time that the Ministry of Health's general budget was shrinking, with a drastic reduction in real terms in the non-salary budget between 2015 and 2016. Ghana will fully transition from Gavi support in 2022 and will be responsible for an increasing annual share of vaccine co-financing until then. The combination of general budget cuts and increasing financial obligations creates enormous vulnerability for the government in sustainably financing vaccines.

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Brief 23

Ghana was in default on its co-financing obligations to Gavi for 2014 and 2015. With high-level advocacy from the Ministry of Health and development partners, the Ministry of Finance was able to make the payment, but Ghana's co-financing obligation far exceeded the Ministry of Health's entire general non-salary budget. (See Brief 9 for an explanation of co-financing obligations.) This co-financing obligation will continue to grow.

In addition, the country relies almost completely on Gavi's health system strengthening support to maintain the vaccine cold chain, and there is not enough funding in the operational budget to provide preventive maintenance for cold chain equipment at the regional and district levels. Ghana's immunization financing challenges are occurring against the backdrop of a rapidly increasing role for the NHIS in financing health services, which is creating both opportunities and challenges for establishing a stable funding base and continued high priority for immunization supplies and services.

NHIS AND IMMUNIZATION FINANCING

Ghana's NHIS was established by the National Health Insurance Act (Act 650) of 2003. Ghana's value-added tax is 17.5%. Of that, 2.5 percentage points are earmarked for (dedicated to) the NHIS. Other sources of funding include an earmarked 2.5% of the total 17.5% social security contribution by formal-sector workers, as well as investment income and premiums paid by nonexempt individuals (such as self-employed and informal-sector workers). The revenue from the earmarks is entirely protected for health, with 90% going to the NHIS and the other 10% to the Ministry of Health for special programs as a supplement to the ministry's general budget. In 2016, the portion of the earmark allocated to the ministry was used to meet Gavi co-financing commitments.

About 40% of the country's population is currently enrolled with the NHIS. Although the benefits package is comprehensive, covering an estimated 95% of the burden of disease in Ghana, preventive

services—including immunization—are outside of the benefits package and are funded directly by the Ministry of Health. Immunization services are free to all Ghanaians, regardless of whether they have NHIS coverage. But public and private providers contracted to deliver services in the benefits package are paid additional fees for these services, whereas no additional payments are made for immunization and other preventive services outside of the benefits package.

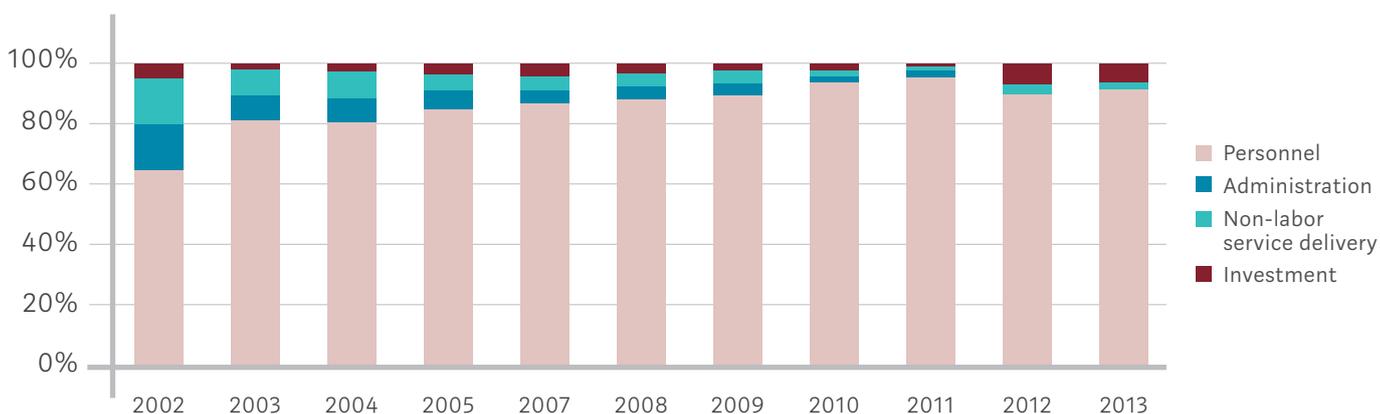
In parallel with the NHIS, the Ministry of Health continues to receive a budget that funds salaries for government health workers (through the Ghana Health Service), as well as capital investment and some goods and services costs for government health facilities, including immunization services. The Ministry of Health budget is now almost entirely consumed by salaries, with the NHIS funds covering more service delivery costs for government health providers by default. (See the figure on the next page.) The ministry's wage bill has been growing due to the expansion of the health labor force and the government's unification of the wage scale across all public institutions beginning in 2010. At the same time, Ghana has been struggling to recover from a macro-fiscal crisis compounded by falling commodity prices, which has required tighter fiscal policies and budget restraint.

SUSTAINABILITY OF IMMUNIZATION FINANCING

With the Ministry of Health budget shrinking, public health facilities increasingly rely on claims payments for services covered by the NHIS for their day-to-day operations as well as some immunization delivery costs, such as for fuel used in outreach efforts. As a result, curative services may be crowding out preventive services that are not financed by the NHIS, including immunization. On the other hand, the NHIS is helping to diversify the funding base for Ghana's immunization program, which could help ensure more stable funding in the future.

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MINISTRY OF HEALTH BUDGET ELEMENTS IN GHANA (2002–2013)



Note: Data for 2006 are not available.

Source: Ghana Ministry of Health, Health Sector Programme of Work (2016)

Ghana is at a critical moment for the sustainability of its immunization program as it proceeds with the transition from Gavi and faces cuts in the Ministry of Health budget. At the same time, the ministry's vaccine bill is rapidly increasing, which may lead to trade-offs within the health sector budget and possibly for immunization financing as a whole. An implicit shift has already happened as the NHIS has taken on a greater share of financing for service delivery overall at the health facility level. Planning

and budgeting for Gavi co-financing commitments and other parts of the immunization program, particularly the cold chain, have been inadequate. As in all mixed health systems, more diversified funding sources and more flexible payment systems can potentially improve health service delivery. To realize these benefits, the responsibility for financing the country's immunization program must be made explicit and communicated to all stakeholders, particularly health providers and the population.

SOURCES AND FURTHER READING

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