|  |
| --- |
|  |
| Healthcare Financing for Reproductive, Maternal, Newborn and Child Health  Quarterly Report  Second Quarter – January 01 to March 31, 2018 |

Submission Date: May 07, 2018

Cooperative Agreement Number: AID-OAA-A-12-00080

Activity Start Date and End Date: Oct 1, 2012 to Sept 30, 2018

AOR Name: Scott Stewart

Submitted by: Gafar Alawode, Chief of Party

**Abt Associates**

Plot 12, T.O.S. Benson Crescent, Utako

Abuja – Nigeria

Tel: +2349078141567

Email: Gafar\_Alawode@abtassoc.com

This document was produced for review by the United States Agency for International Development Nigeria (USAID/Nigeria).

# Program Overview/Summary

|  |  |
| --- | --- |
| **Program Name:** | Health Financing and Governance Project Health Financing for RMNCH |
| **Activity Start Date And End Date:** | October 2016-September 2018 |
| **Name of Prime Implementing Partner:** | Abt Associates |
| **[Contract/Agreement] Number:** | AID-OAA-A-12-00080 |
| **Name of Subcontractors/Subawardees:** |  |
| **Major Counterpart Organizations** | Broad Branch Associates | Development Alternatives Inc. (DAI) | Futures Institute | Johns Hopkins Bloomberg School of Public Health (JHSPH) | Results for Development Institute (R4D) | RTI International | Training Resources Group, Inc. (TRG) |
| **Geographic Coverage (cities and or countries)** | Bauchi, Cross River and Sokoto States, Nigeria |
| **Reporting Period:** | January ─March, 2018 |

## Program Description/Introduction

The USAID-Health Financing for Reproductive, Maternal, New-born and Child Health stream of work in Nigeria is being implemented by the Health Finance and Governance (HFG) Project. USAID’s overall goal regarding this work is to improve financing, management, and delivery of sustainable pro-poor health services for common health problems in Nigeria. USAID works in partnership with the Bill and Melinda Gates Foundation (BMGF) to achieve this goal through the **HFG** Project using a conceptual framework that proposes two distinct objectives for achieving this goal: (1) Strengthened governance and; (2) Improved health financing functions.

Led by Abt Associates, the HFG team works with the Nigerian Government to increase domestic resources for health, manage those precious resources more effectively, and make wise purchasing decisions. It is expected that successful outcomes would increase the use of both primary and priority health services linked to reproductive, maternal and child health. Designed to fundamentally strengthen health systems, HFG works with stakeholders in focal states ─ Bauchi, Cross River and Sokoto ─ to navigate economic transitions needed to achieve universal healthcare. Additionally, the project is working with Ebonyi and Kogi state governments in the estimation of sub-health accounts.

The project is premised on the fact that despite enacting the National Health Act in Nigeria, significant challenges remain at the federal and state levels regarding implementation of health financing related strategies that leverage the Act’s legal framework. Few states have health financing laws that establish responsible institutions and state budget funding or the strategies and implementation plans that allow them to access the federal funding made available by the Act. Those states that do have strategies do not yet have the institutional capacity and governance frameworks to effectively implement strategies that increase resource mobilization for health, improve the purchasing of health services, and raise the risk protection coverage of their populations.

State-specific health financing activities are expected to result in substantive outcomes to support the two objectives towards the main pro-poor, quality health service delivery goal. HFG will achieve these objectives through employing activities that contribute to the development of health financing policies; establishing laws for state health schemes and implementation plans; and developing capacities for implementing and regulatory institutions. The HFG Project is being implemented with recourse to four strategies of information sharing, technical assistance at the federal level, capacity building in health financing at the state level, and advocacy to federal and state policy institutions.

* 1. Summary of Results to Date

| **Indicators** | **Baseline**  **FY 2017** | **Annual Target** | **Q1**  **FY16** | **Q2**  **FY17** | **Q3**  **FY17** | **Q4**  **FY17** | **Annual Performance Achieved to the End of Reporting Period (%)** | **On Target**  **Y/N** | **Comments** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **A3.1.2:** Service Availability and Readiness assessment (SARA) findings available to inform MNCH service provision policy (Disaggregated by state- Osun, Cross River, Bauchi and Sokoto) | 3 | 4 | 3 | 3 |  |  | 75 | Y | Assessments have been concluded and findings are available in Bauchi, Sokoto and Cross River and reports currently being finalized Data collection is on-going in Osun. |
| **A3.1.3:** No. of HFG-supported states with costed plans to close service delivery gaps at ward health facilities in HFG-supported states | 0 | 2 | 0 | 0 |  |  | 0 | Y | The costing process is on-going in Bauchi, Cross River and Sokoto. |
| **A3.2.1:** Fiscal Space Analysis report available in HFG-supported States to inform health financing policy and strategy | 3 | 12 | 4 | 4 |  |  | 33.33 | Y | Completed in Cross River, Bauchi, Sokoto and osun states and validation done. Data collection completed in Benue, Plateau, Oyo and Kebbi. Akwa Ibom. Nasarawa Ebonyi and Zamfara to commence in Q3 |
| **A3.2.4**: No. of HFG-Supported states with SSHIS draft bill developed. | 3 | 5 | 5 | 5 |  |  | 100 | Y | Bauchi and Sokoto already have draft bills approved by the SHoA. Kebbi and Osun States already have the bill drafted and preliminary assessment necessary to review and inform the contents of the bills is currently on-going. The bill has been developed and passed into law in CRS. |
| **A3.2.6:** Number of HFG-supported states with completed Public expenditure Review | 3 | 12 | 4 | 4 |  |  | 33.33 | Y | Completed in Bauchi, Cross River, Sokoto and osun state and validation done. Data collection completed in Benue, Oyo and Kebbi. Plateau, Nasarawa, Akwa Ibom, Ebonyi and Zamfara to commence in Q3 |
| **A3.3.1**: Political economy/governance analysis report available in HFG-supported States to inform health financing policy and strategy (Disaggregated by state- Cross River, Bauchi and Sokoto) | 3 | 5 | 4 | 5 |  |  | 100 | Y | Report available for cross River, Osun, Sokoto and Bauchi and undergoing review. Commenced in Kebbi States |

*Note: The Annual Performance Column depicts level of achievement expressed as a percentage of Actual versus Planned.*

1. ACTIVITY IMPLEMENTATION PROGRESS
   1. Progress Narrative

Public sector activities in Nigeria in Y6Q1 revolved around appropriation activities and the budget cycle. With the need to develop appropriation bills drawing the primary attention of the executive branch and parliament, less attention was paid to other activities. HFG provided technical support to its focal states for the development of realistic fiscal 2018 appropriation proposals by providing supporting evidence based on the evaluation of historic appropriation and release trends to the health sector, and assessments of public expenditure, fiscal space, and governance/political economy.

In Q2, activities in the public sector continued to revolve around the budget cycle. However, the process has been concluded in some HFG focal states like Bauchi, Sokoto and Kebbi. Defense of budget components by members of the Executive Council before Parliament continues in others.

Data on state appropriations for fiscal 2018 reveal increased budgetary allocations to health – partially attributable to HFG’s engagement of parliaments through the Legislative Network for Universal Health Coverage to enhance the knowledge of parliamentarians on how their statutory functions can be applied to achieve health care financing reforms.

* 1. Implementation Status

1. **Intermediate Result (IR) 1: The functionality of public health system and facilities to carry out key MNCH and FPRH interventions accessed**

Work-plan Activity 4: Conduct Household Health Expenditure Survey in Bauchi and Sokoto

The protocol and survey instruments developed and used by HFG in the conduct of similar exercises in Rivers and Cross River states in 2016 are being reviewed. The State Bureau of Statistics have also been engaged to partner with HFG to conduct the surveys.

Work-plan Activity 8: Conduct Fiscal Space Analysis for Health in Plateau, Nasarawa, Benue, Ebonyi, Zamfara, Kebbi, Akwa Ibom and Oyo. To be updated in Cross River, Bauchi and Sokoto states.

All the states have been engaged through the State Ministries of Health Honourable Commissioners, Permanent Secretaries and Directors of Planning, Research and Statistics. Kick-off meetings were held in Plateau, Nasarawa, Benue, Ebonyi, Akwa Ibom, and Oyo states. No meeting has been held in Zamfara state due to the objection of the Commissioner of Health.

Work-plan Activity 9: Conduct Public Expenditure Review in Nasarawa, Benue, Zamfara, Kebbi, Akwa Ibom and Oyo

Kick-off meetings were held in Plateau, Nasarawa, Benue, Ebonyi, Akwa Ibom, and Oyo states. No meeting has been held in Zamfara state due to the objection of the Commissioner of Health.

Data collection, entry, and analysis have been conducted in Benue and Oyo and the preliminary results presented to stakeholders. Data mop-up is ongoing to finalize the analysis.

Preparation is ongoing for data collection in Plateau, Nasarawa, Ebonyi, and Akwa Ibom.

1. **Intermediate Result (IR) 2: Improved health financing Functions across focal States to improve resource mobilization for MNCH**

Work-plan Activity 1: Support the introduction of state-supported health insurance scheme in Bauchi, Sokoto and Cross River

***Cross River:*** In Q1 focused on the improving the readiness of the Cross River State Health Insurance Agency (CRSHIA) to effectively implement the Cross River State Health Insurance Scheme (CRSHIS). As such, HFG provided technical support to complete the development of the CRSHIS operational guidelines, which specify the objectives of the scheme, roles of the different stakeholders and processes for implementing the scheme, and the business process manual for the agency, which details the business processes for the various departments. Additionally, the health benefits package for the CRSHIS was developed, guided by evidence on burden of disease as well as resources available to the state. Currently, costing of the benefits package and actuarial analysis to determine the appropriate premium cost for individual and family packages is ongoing.

With the planned launch of the CRSHIS before the end of the 2017, HFG provided support for the staffing of the agency through the development of an establishment plan, which details the organogram, corporate mandate, and job-specific requirements for the key positions. This is being used to engage the head of civil service in the state to head-hunt individuals with requisite skills to fill such positions. Furthermore, the project supported the development of a roll-out plan for the launch of the scheme and identified stakeholders that will be responsible for the different activities. In this light, HFG is supporting the CRSHIS to build strategic relationships with the State House of Assembly, central budget Ministries, Departments, and Agencies (MDAs), Ministry of Information, National Health Insurance Scheme (NHIS), and other development partners.

On budget advocacy, HFG continues to leverage the multi-sectoral nature of the HF TWG while utilizing evidence from the health financing core diagnostics to engage with the state budget office to ensure adequate budget allocation for health in the 2018 appropriation. As a result of our supported advocacy efforts and requests, the draft budget presented to the House of Assembly contains the 1 percent CRF to cater to the indigent and vulnerable on the CRSHIS, government subsidy for the civil servants on the CRSHIS, take-off funds for the CRSHI agency, BoQ estimates for the upgrade of PHC facilities, and increased budgetary provision for health generally and HIV/AIDS, RMNCH, and TB in particular. There is ongoing engagement with the legislative network on UHC to guarantee these budgetary provisions are defended and passed into law. In Q2, an actuarial analysis of the final draft of the CRSHIS benefits package is ongoing and when completed will guide the premium cost contribution for individual packages and family packages on the scheme as well as administrative charges and reserve margin for the agency.

In anticipation of the imminent launch of the CRSHIS on May 29, 2018, the project supported the development of a CRSHIS roll-out plan. This plan details the key activities, needed resources, and responsible parties for putting in place critical elements before the scheme launch and access to care. To ensure a successful implementation of the plan, the project supported the CRSHIA to engage with the various health implementing partners to align their activities with government’s policy direction. In response to this, the MTN Foundation has pledged to revitalize (Infrastructural upgrade and provision of equipment) eight general hospitals across eight LGAs in the state, other implementing partners have also begun to focus their capacity-building efforts and facility support on the health facilities selected for the CRSHIS. Other ongoing activities include the engagement of third-party administrators to serve on the scheme in the capacity of ICT solution providers, enrollment agents and claims management.

Through strategic partnerships facilitated by the project, the CRSHIA got support from the NHIS and other partners to conduct health facility accreditation and selection. In the next quarter, selected facilities will be empanelled into the scheme. Regarding the state’s PHC revitalization efforts, the state PHC agency is using evidence from HFG’s service input gap costing to advocate to politicians and philanthropists through the adopt a facility initiative and in Q2, a state senator used the initiative to fund medical equipment in eight PHC facilities.

During the 2018 budget appropriation process, the project provided support through the multi-sectoral HF TWG to prepare advocacy briefs used to defend draft budgetary provisions. Key areas emphasized for spending more and spending well include health insurance scheme implementation; primary and secondary health facility upgrades, and filling of the human resources for health gap. Preliminary analysis reveals a 5.3 percent allocation to the health sector, up from 3.7 percent in 2017. In actual terms, this figure grew from NGN26.6 billion ($74 million) to NGN65 billion ($180 million). Final figures will be ascertained upon the passage of the state appropriation bill into law.

***Sokoto:*** In Q1, the health financing core diagnostics analytics were completed including the PER, FSA, and governance/ PEA, SARA, and costing in order to generate evidence for planned reforms. The costing exercise focused on 46 priority PHC facilities, two from each LGA in the state, prioritized for revitalization in order to ensure availability of quality services when the SOCHEMA scheme begins operating. An evidence synthesis was conducted involving key stakeholders, during which an action plan was developed on the use of this evidence to advocate for more money for health targeting the ongoing 2018 budget cycle. These key assessments showed that although Sokoto State made a 12 percent expenditure on health in 2017 with good budget execution rates for capital and recurrent budgets, the present allocation will be grossly inadequate to take on the demands of providing coverage to the poor and vulnerable population in the state (estimated at 86 percent of the population, approximately 4.5 million people) and in revitalizing at least two PHC facilities in each LGA to ensure service availability (estimated cost of renovation is NGN800 million for the 46 prioritized facilities excluding equipment, human resources, and commodity costs).

The SOCHEMA bill was approved by the executive council and forwarded to the State House of Assembly for passage, following which it received its first and second reading within six days of arrival at the State House of Assembly. This is attributable to the multi-sectorial collaboration through the HF TWG and the Legislative Network for UHC in which the Sokoto state legislators play a key role. In order to enhance the role of legislators, HFG supported Sokoto state legislators' participation at the North West Legislators capacity building on UHC as well as a visit to the Kano State House of Assembly in order to discuss challenges and learn lessons from the Kano scheme. A public hearing on the bill will take place on December 20 and the legislators and the TWG will meet on December 19 to review and improve on the bill using evidence from the diagnostics. The information generated from the health financing diagnostics is being used by the stakeholders to make a case for an increased CRF allocation, from 1 percent to 2 percent, and other innovative sources including the use of Zakat funds[[1]](#footnote-1) (estimated at approximately NGN240 million a year) for the vulnerable population, LGA funds, and contract funds to provide coverage for the poor through the scheme. To that effect, the Governor set up a multi-sectorial committee including 10 Honorable Commissioners to devise a mechanism for integrating the zakat into the SOCHEMA scheme as an additional source of funds for the scheme.

HFG in collaboration with the NHIS also conducted training for the staff of the SOCHEMA agency in order to build their capacity to effectively implement the scheme; the NHIS also supported the state to conduct accreditation of facilities in readiness for the commencement of the scheme. Finally, the TWG is also using the information from the evidence synthesis to make a case for increasing the health allocation to 15 percent in the 2018 budget and for making adequate budgetary provision for revitalizing PHC facilities in order to ensure availability of health service providers to enrollees.

In Q2, key facts used from the assessment to convince the policymakers include findings from the FSA, PER, SARA, and costing study, which showed that although Sokoto State made a 12 percent expenditure on health in 2017 (with good budget execution rates for capital and recurrent budgets), the present allocation will be grossly inadequate to take on the demands of providing coverage to the poor and vulnerable population in the state (estimated at 86 percent of the population, approximately 4.5 million people) and in revitalizing at least two PHC facilities in each LGA to ensure service availability (estimated cost of renovation is NGN662,730,327.00 million for the 46 prioritized facilities excluding equipment, human resources, and commodity costs). In addition, a budget line was created for family planning in the 2018 budget and allocations made in order to improve RMNCH financing in the state as a result of the evidence-based advocacy. The MOH officials using these evidence made a sufficient case during the health budget defense at the State house of Assembly using findings of the diagnostics, legislators were convinced and saw why more money needed to be allocated to health, leading to a health budget increase from NGN7 827million to NGN25,658 million in the approved 2018 budget. Ultimately, the health budget rose from 7.8 percent in 2017 to 11.96 percent in 2018.

The Sokoto State House of Assembly conducted a public hearing on the SOCHEMA bill attended by key stakeholders from different sectors in the state including community, religious leaders, trade unions, labour unions, MDAs, professionals, and private sector who expressed their endorsement for the scheme as well as federal attendance by the reinstated NHIS Executive Secretary. This goes a long way in ensuring acceptance by the communities. Evidence from the diagnostics and evidence synthesis were instrumental in making significant revisions to the bill following the public hearing based on submissions by the Honourable Commissioner for Health and HFG. Provisions for additional sources of funding were included in the bill and include increases from 1 percent to 2 percent CRF, 1 percent contribution from the LGA, Zakat fund integration (approximately NGN240 million a month), and 0.5 percent of contract funds. HFG also made a submission on the importance and benefits of a single pool of health insurance funds and integration of Zakat funds set aside for health care for the vulnerable with health insurance funds, which the state accepted. The House of Assembly passed the bill six days later and it now awaits the Governor’s assent. To that effect, the governor set up a multi-sectorial committee including 10 Honourable Commissioners to devise a mechanism for integrating the Zakat into the SOCHEMA scheme as an additional source of funds for the scheme.

HFG began organizational development support to SOCHEMA to build the capacity of the agency to implement the scheme. An assessment of current capacity of the agency was conducted, following which targeted capacity enhancement training was given to the agency staff. In collaboration with the SMoH, HFG supported the development of a draft Health Financing Policy Framework document that will guide all health financing mechanisms in the state across the three health financing functions and in alignment with the National Health Financing Policy.

Work-plan Activity 2: Health Care Financing for RMNCH Osun State

In Q1, HFG began its support to Osun State and several engagement meetings with relevant stakeholders were conducted. Osun State established a TWG, which was trained by HFG on basic health care financing and reforms, following which a roadmap was developed with clear action points on what needs to be done with respect to improving health financing in the state. This involved a wide range of multi-sectorial stakeholders that can influence health financing decisions in the state from the ministries of health, budget, finance, justice, and capital development, and legislators.

Osun State is one of the states selected for the start-up of the BHCPF; however, prior to the HFG intervention, it had made limited progress in preparing for the launch of the fund. To further this process, HFG supported the state in its collaboration with the NHIS to draft a bill to establishment the Osun SSHIS. The bill provides for the establishment of the Osun State Health Insurance Agency, a pre-requisite for assessing the BHCPF. Recognizing that the passage of the bill may take considerable time due to the procedures that must be followed, the leadership of the Osun SMoH and TWG are engaging the government in the set-up of the agency and appointment of the Director General; this is being done at the same time as facilitating the passage of the bill. These efforts are made to ensure that Osun State qualifies to receive the funds for the BHCPF in January.

HFG also supported the development of an operational manual for the implementation of the BHCPF at the federal level, which will be used by the three start-up states including Osun to implement the scheme. In order to generate evidence for decision making and to adequately design interventions, core health financing diagnostic assessments were begun including PER, FSA, and governance/ PEA. The findings from these assessments will guide the state in its health financing reforms and ensure appropriate targeting of efforts.

To address the supply-side gaps by ensuring that facilities are available and ready to provide quality services, HFG initiated engagements, developed protocols, and identified data collectors for a SARA and costing that will inform the revitalization plan for PHC facilities in the state. This is important in complementing the Osun SSHIS when it begins operating.

In Q2, Osun State Government established the Osun State Health Insurance Agency and appointed its Executive Secretary (Dr. Niyi Oginni) and six key directors. HFG is supporting the state in identifying other competent key staff. Office space was given to the agency so it could being its activities. In addition, the State Executive Council approved the Osun State Health Insurance Bill and forward it to the State House of Assembly as a result of TWG and HFG advocacy. Furthermore, HFG supported the Osun SMoH to engage with the media and civil society organizations (CSOs) in the state on the planned SSHIS and their role in creating awareness among the general population on the benefits of enrolling in the scheme. HFG also leveraged its experience in other states to support the state’s development of draft operational guidelines that will guide scheme implementation.

Diagnostic assessments including FSA, PER, and governance/ Political economy analysis (PEA) were concluded in the state and reports were produced following which an evidence synthesis During the evidence synthesis, the stakeholders deliberated on the key findings, which included high levels of recurrent expenditures especially on health workforce with no matching productivity gain in the workforce, the huge amount of finances required to provide coverage for the poor through the health insurance scheme, and the possible sources of additional funding for the SSHIS. The BHCPF, when released, will amount to an additional NGN833 million; however, there will be need for significant funding for revitalization of the health facilities to provide quality health care when the scheme starts. Possible sources of additional funding include increasing from 1 percent to 2 percent of the CRF (an additional NFN750 million), 1 percent LGA for the equity fund (additional NGN443 million) and increasing the health budget (6 percent) to attain the 15 percent Abuja declaration. Based on results of the FSA, the stakeholders developed a communiqué of action aimed at improving spending on health and advocating for additional sources of funding. An advocacy visit was paid to the deputy governor by the TWG who expressed her support in achieving the targets sought by the SMoH in ensuring More Money for Health and More Health for the Money.

Work-plan Activity 6: Actuarial Analysis for SSHIS in Bauchi, Sokoto and Cross River

* In Cross River state, the benefits package costing and actuarial analysis to determine the premium cost for individual and family packages on the CRSHIS is ongoing with data extraction on health utilization already concluded.
* Different scenarios of benefits package for the Bauchi state contributory health scheme has been developed. Deliberations on the costing of the package of services and actuarial analysis for premium setting are ongoing with the newly appointed Honorable Commissioner of Health.
* In Sokoto, data collection has been completed; data was collected from key stakeholders primarily the State Ministry of Health and secondary health facilities. The consultant has begun analyzing data collected.

Work-plan Activity 10: Health Care Financing for RMNCH Kebbi State

Prior to the HFG intervention, Kebbi State had made little effort to establish a SSHIS. In Q1, the state's health sector, led by the Honorable Commissioner for Health, was engaged in December to introduce USAID's interventions to be implemented through the HFG project. The meeting was held at the Kebbi SMoH. In Q2, the Kebbi State Government with support from HFG has created a TWG with the Head of Service as the chairman. The TWG will facilitate the establishment and adaptation of the scheme so it does not only ensure adequate and sustainable funding that will be efficiently and equitably used to provide quality health care services for all, but also conform to local cultural and religious norms. The TWG appointed three subcommittees: Advocacy and Sensitization, Bill Drafting, and Health Financing and Technical.

Following basic health care financing training of a wide range of multi-sectoral stakeholders, significant progress has been made in implementing the roadmap. The draft bill has been reviewed and finalized, operational guidelines drafted, and a benefit package developed using the capacity of TWG members. HFG is supporting final reviews and finalization of these documents.

To provide evidence to guide health financing reforms, a health financing unit with six staff was established. Health financing core diagnostics including the PER, FSA, and governance/ PEA were conducted; data collection was completed and data analysis is underway. An evidence synthesis to identify opportunities for spending more and well on health is planned for Q3.

A community sensitization workshop was conducted in the state with support from HFG to create awareness on the contributory scheme and to enhance public acceptance of the planned SSHIS in the state. This involved key religious and community leaders including the council of Ulamas, Sultanate Council, and religious authorities during which the concepts that were religiously unacceptable were debunked and replaced with acceptable ones, including the use of the contributory scheme to replace the word insurance because insurance is perceived to be contrary to religious teachings.

1. **Intermediate Result (IR) 3:** **Strengthened governance for health care financing implementation**

Work-plan Activity 3: Support for the Legislative Network on UHC

In line with the plan to strengthen the Legislature at national and sub-national levels to harmonize, align and apply their statutory functions of towards realization of the objectives of UHC in Nigeria, HFG held a two-day meeting to raise a final draft framework of the Legislative Health Agenda and develop oversight implementation tools. The meeting convened civil society, UNICEF, the Federal Ministry of Health, National Institute for Legislative Studies, Bill and Melinda Gates, the Senate and House of Representatives Committees of Health, and Chairmen of the House Committees of Health of Osun and Delta States. Final drafts of both tools were developed and have been shared with the Technical Advisory Group (made up of development partners, the National Assembly, civil society, media and the Federal Ministry of Health) of the Legislative Network for input before finalization.

The capacity of at least 90 parliamentarians and 12 members of the executive council including Honourable Commissioners of Health, Finance, and Budget and Economic Planning was built to harness and align their statutory functions for UHC in the South-South and North-Central geo-political zones. During the workshops, organized in collaboration with UNICEF, Bill and Melinda Gates Foundation, and other stakeholders, each state developed a legislative health agenda with clear targets and deliverables.

Work plan Activity 5: Support states in the development of a health care financing framework and SSHIS equity fund guidelines

The development of the Health Financing Policy in Cross River State slowed down momentarily because the focal World Health Organization (WHO) Officer was transferred to Lagos State. The process has commenced again, with a briefing visit that HFG and the Healthcare Financing Officer paid to the new WHO Officer in the State. The WHO consultant contracted to conduct situational analysis of the healthcare financing situation in the State has resumed his work.

Discussions are ongoing with stakeholders in the four states for the development of equity guidelines. HFG is drawing on the expertise of its Public Financial Management Specialist, who doubles as the State Program Coordinator in Lagos State, focal under the USAID-SFI mandate. A draft equity guideline has been developed by the PFM specialist and is being reviewed by HFG team before it is presented as a reference document to these four States for consideration in line with respective State contexts.

The table provides activity-specific updates.

**Activity Detail**

| Year 6 Q2 Planned Tasks | Year 6 Q2 Progress | Critical Assumptions/Problems Encountered/Follow-up Steps |
| --- | --- | --- |
| **RMNCH Health Financing** | | |
| **Activity: Health Financing Support to RMNCH Priority State- Bauchi** | | |
| Implement SARA Survey in Bauchi |  |  |
| Establish state-level peer-learning network | **Bauchi** participated in the SSHIS collaborative meeting in January 2018.  In the post-workshop action plan, Bauchi committed to set up a committee within the HF TWG to identify informal sector groups and engage in advocacy visits with their leaders to promote enrollment in the SSHIS | All states will be called to ensure they follow up with the commitments from the action plans.  The state will participate in the next collaborative meeting in April 2018. |
| Support the introduction of SSHIS | Supporting SMoH with take-off plans for the SSHIS Agency.  Training of agency/health financing unit staff on health insurance operations and coordination of a mix of health financing mechanisms.  Developing operational guidelines for the scheme including provider payment guidelines. | Following up with the Honorable Commissioner to ensure appointment of executive and staff for the agency. |
| Define the minimum health benefit package | Finalized benefits package costing and actuarial analysis for premium setting. |  |
| Establish and support HF TWGs | A staffed health finance unit was set up at the SMoH with an operating budget of NGN40 million in 2018. As a capacity transfer, the HF TWGs now track capital release performance and analyze it, making it a quarterly Key Performance Indicator. |  |
| Do governance/PEA |  |  |
| Do FSA | Updated FSA for health and PER. |  |
| Support the Legislative Network on UHC | HFG supported State House of Assembly to come up with budget for oversight function; this was captured in 2018 budget. |  |
| Do household health expenditure survey | A survey to estimate household spending on health, and willingness and ability to pay for health insurance etc. is being planned. |  |
| Support states in the development of a health care financing framework and SSHIS equity fund guidelines | Finalized benefits package costing and actuarial analysis for premium setting. |  |
| Do actuarial analysis for SSHIS |  |  |
| **Activity: Health Financing Support to RMNCH Priority State- Sokoto** | | |
| Implement SARA Survey in Sokoto | Completed. Costing gap conducted. |  |
| Define the minimum health benefit package | Completed. Benefit package for SOCHEMA developed. |  |
| Establish and support HF TWGs | TWG meetings being conducted. TWG used evidence from diagnostics to influence increases in 2018 budget for health. |  |
| Do fiscal space analysis | Completed. Evidence synthesis conducted. |  |
| Support the introduction of SSHIS | Public hearing conducted, bill passed into law on February 15, 2018, six days after the public hearing.  Accreditation exercise of 141 primary and secondary health facilities was done; 86 satisfied the NHIS criteria. |  |
| Support the Legislative Network on UHC | State legislators participated in the North West Legislators’ capacity building on UHC and in a visit to the Kano State House of Assembly to discuss the challenges and learn lessons from the Kano SSHIS. |  |
| Do household health expenditure survey | In planning stage. |  |
| Support states in the development of a health care financing framework and SSHIS equity fund guidelines | Workshop for the development of health financing policy framework conducted, report writing and data gathering are ongoing |  |
| Do actuarial analysis for SSHIS | Actuarial study is ongoing. |  |
| Establish state-level peer learning network | **Sokoto State** participated in the SSHIS collaborative meeting in January 2018.  In the post-workshop action plan, Sokoto committed to (1) conducting an advocacy visit to the MOF and the Executive Governor to improve cash allocation for SSHIS, (2) explore amending the SSHIS bill to include a legislative trust fund, and (3) identify and train staff on IT and acquire ICT infrastructure for SSHIS. | *Same as next step for Bauchi* |
| **Activity: Health Financing Support to RMNCH Priority State- Cross River** | | |
| Establish and support HF TWGs | The HF TWG had 2 meetings in the quarter:  1. To launch the actuarial costing of the benefit package  2. To get donors and other partners to get their commitment to support the scheme. | Donors and partners are yet to bring in support to the scheme. |
| Define the minimum health benefit package | The benefit package has been completed and will be validated alongside all other documents developed for the scheme. | The state wants to validate all the health insurance documents in one meeting. |
| Support the introduction of SSHIS | Agency staff have sent a memo to HFG and NHIS requesting training of the staff on health financing and implementation of health insurance scheme | Still waiting for NHIS to fix a date for the staff training. |
| Support the Legislative Network on UHC | CRS legislators participated in the south-south zonal Legislative Network training in Uyo and Akwa Ibom, in January 2018. | Legislators are yet to implement the health agenda, because the speaker has been outside the country since after they passed the 2018 budget. |
| Support states in the development of a health care financing framework and SSHIS equity fund guidelines | The situational analysis for the health financing policy is ongoing.  The development of the equity fund disbursement guideline is also ongoing. |  |
| Do actuarial analysis for SSHIS | The analysis is ongoing, data have been collected, and stakeholders have been engaged to discuss the study. The consultant is expected to turn in the first draft by the end of March 2018. |  |
| Do FSA for Health | State is updating the FSA study and the activity is ongoing |  |
| Establish state-level peer-learning network | State participated in the SSHIS and PHC collaborative meetings in January 2018.  For SSHIS, the state committed to (1) engaging with the revenue board, (2) conducing advocacy meetings, and (3) commencing enrollment of the informal sector.  For PHC, the state committed to developing a sustainable plan for PHC financing. It also expressed interest in piloting the UHC-PHC Self-Assessment tool from the Global JLN for UHC meetings. | *Same as next step under Bauchi* |
| **Activity: RMNCH Priority States Resource Tracking State Health Accounts** | | |
| Execute NHAs in RMNCH priority states | NHA is also being updated |  |
| **Activity: Health Financing Support to RMNCH Priority State- Osun** | | |
| Build capacity of key stakeholders on basic health financing concepts and implementation of the BHCPF | Completed |  |
| Do rapid assessment of designated ward-BHCPF facilities | In preparation | Delayed by Federal Team. |
| Develop and implement advocacy strategy for PHCUOR | Completed |  |
| Support finalization of operational guidelines for the BHCPF | In preparation |  |
| Support introduction of SSHIS and agency | Completed | Next step: Follow up with House of Assembly. |
| Do governance/ PEA | Completed |  |
| Do PER | Completed |  |
| Do FSA | Completed |  |
| Establish state-level peer-learning network | **Osun State** participated in the SSHIS and PHC collaborative meetings in January 2018.  For SSHIS, Osun committed to (1) mapping informal sector groups and identifying funding sources of their inclusion, and (2) engaging organized private sector groups through the ministries of Trade, Commerce, and Industry.  For PHC, Osun committed to (1) write an advocacy brief to the Governor for timely release of PHC funding, and (2) improve the involvement of communities in health facilities | *Same as next step under Bauchi* |
| **Activity: Fiscal Space Analysis for Health - Plateau, Nasarawa, Benue, Ebonyi, Zamfara, Akwa Ibom and Oyo** | | |
| Do FSA | **Benue:** The FSA workshop was done for relevant stakeholders to help identify additional budgetary room for health with the use of five pillars: how conducive the economy, earmarking, reprioritizing health in the budget, improving efficiency, and identifying how external aids can result in counterpart funding by the government.  **Nasarawa:** Relevant stakeholders engaged but the analysis is not finished. | **Benue:** Data collection is still ongoing  **Nasarawa:** Unavailability of some key MDAs on the agreed date. |
| **Activity: Public Expenditure Reviews - Plateau, Nasarawa, Benue, Ebonyi, Zamfara, Akwa Ibom and Oyo** | | |
| Do PER | Kick-off meetings were held in Plateau, Nasarawa, Benue, Ebonyi, Akwa Ibom, and Oyo states. No meeting has been held in Zamfara state due to the objection of the Commissioner of Health.  Data collection, entry, and analysis have been conducted in Benue and Oyo and the preliminary results presented to stakeholders. Data mop-up is ongoing to finalize the analysis.  Preparation is ongoing for data collection in Plateau, Nasarawa, Ebonyi, and Akwa Ibom. | **Overall:** The Zamfara Commissioner of Health stated his displeasure with the plan to conduct the FSA and PER without further intervention as in Sokoto, Bauchi, and Kebbi states. The CoP is currently in discussion with the Commissioner to resolve the issue.  Lack of required published documents (Accountant General’s report) hinders the start of data collection in Akwa Ibom, Ebonyi, and Plateau.  The SMoH DPRS in Nasarawa prefers the NHA to PER because of the state’s need for baseline data (especially out-of-pocket expenditure on health and its percentage of total health expenditure) before establishing the SSHIS. |
| **Activity: Health Care Financing for RMNCH - Kebbi State** | | |
| Support states in the development of a health care financing framework and SSHIS equity fund guidelines | Draft bill reviewed and finalized.  Draft operational guidelines developed.  Roadmap developed, finalized, and shared.  The benefit package has been developed and shared. It is currently being reviewed for final validation. |  |
| Do governance/ PEA | More stakeholders were engaged, stakeholders’ engagement meeting conducted, and data collection begun. |  |
| Do FSA | Data collection and analysis completed, report writing ongoing. |  |
| Do health PER | Conducted analysis and shared the preliminary findings with state ministries of Health, Finance, and Budget, and other stakeholders. Findings also were presented to the HF TWG. |  |
| Establish Strengthening Health Financing Unit and multi-sectoral platforms for improved health financing | SSHIS TWG was inaugurated. Stakeholders drawn from ministries of Health, Finance, Budget and economic planning, legislators, Board of Internal Revenue, PHC, SACA, NOA, NBS, CBOs, and media.  **Outcomes:** Review and finalization of bill, development of operational guideline and benefit package.  Kebbi state participated in the JLN for UHC workshop as observers. |  |
| Establish state-level peer-learning network | **Kebbi State** participated in the SSHIS collaborative meeting in January 2018.  Kebbi committed to (1) meeting with the Governor and bill drafting subcommittee to support the SSHIS bill’s passage, and (2) hold a sensitization meeting with members of the informal sector. | *Same as under Bauchi* |

* 1. Implementation challenges.

Dwindling state revenue/resources affecting the budget performance: Though Nigeria is officially out of recession, it may take a while for states to regain their pre-recession fiscal status. Thus, the fiscal space for health from macro fiscal dynamic is not favorable. HFG is responding by ensuring improved health reprioritization and efficient utilization of resources through the action multi-sectoral health financing TWGs.

* 1. M& E Plan Update

The Project’s M&E plan is currently undergoing its annual updates to reflect changes in programming, particularly feedback from meeting with USAID’s M&E team to include applicable standard USG indicators. This will be concluded in the next few weeks and shared with the USAID HPN team.

The Project’s M&E team continues to follow established routine tracking processes of work plan implementation to ensure activities are conducted within timelines and objectively verifiable indicators.

1. INTEGRATION OF CROSSCUTTING ISSUES and USAID FORWARD PRIORITIES
   1. Sustainability Mechanisms

Institutional structures for healthcare financing reforms have been established in all three states. Health financing units are functional and multi-sectoral TWGs have been inaugurated by the Commissioners for Health. The TWGs will facilitate the implementation of the healthcare financing roadmaps, ensuring sustainability of the programs after HFG exits. HFG’s approach is to provide support to conduct initial meetings while facilitating the inclusion of the meetings in State work plans and gradually handover funding to the State. HFG has continued to ensure alignment project work plans and activities with the States Governments’ health financing priorities in order to engender ownership and leave a long lasting impact.

* 1. Policy and Governance Support

Results of diagnostic assessments in PERs, fiscal space analyses, and governance/ political economy analyses conducted in Bauchi and Sokoto states were presented to state stakeholders for validation. Evidence from these assessments and 2017 budget performance review continue to be utilized to engage Parliament and the Executive to enforce the need for health care financing reform. Of note is that the sums required for infrastructure upgrades of PHC facilities arrived at in HFG service input gap costing activities in Cross River and Bauchi states were included in the 2018 appropriation bills for both states.

In Q2, diagnostic assessments in Osun state, including FSA, PER, and governance/ PEA were concluded. Findings from the assessments were synthesized and presented to the state to identify opportunities and devise mechanisms of translating findings into additional funds for health using HFG’s Diagnosis to Action Framework.

* 1. Local Capacity Development

Through HFG’s interactions and technical support, the capacity of healthcare financing units and multi-sectoral TWGs continued to be built in basic health care financing concepts. Training workshops in this area were held for Osun state TWG and the media in Cross River State. The trainings were organized in collaboration with the Federal Ministry of Health, NPHCDA, and state offices of the National Health Insurance Scheme (NHIS). Roadmaps that articulate immediate next steps, timeline, resources needed, and persons responsible to ensure that each deliverable is met were developed. Similar trainings were held to enhance the knowledge of state actors and local data collectors on Public Expenditure Review. About 206 stakeholders benefited from this capacity-building process in Q2.

HFG commenced organizational development support to Sokoto Contributory Health Management Agency (SOCHEMA) to build the capacity of the agency to implement the scheme. An assessment of current capacity of the agency was conducted following which targeted capacity enhancement training was given to the agency staff.

The capacity of at least 90 parliamentarians and 12 members of the executive council including Honourable Commissioners of Health, Finance, and Budget and Economic Planning was built to harness and align their statutory functions for UHC in the South-South and North-Central geo-political zones. During the workshops, organized in collaboration with UNICEF, Bill and Melinda Gates Foundation, and other stakeholders, each state developed a legislative health agenda with clear targets and deliverables.

1. STAKEHOLDER PARTICIPATION AND INVOLVEMENT

HFG continued to mentor and provide technical assistance to multi-sectoral TWGs in focal states to implement roadmaps developed at the beginning of the project's implementation in the states. Various approaches and strategies were employed and progress seen, especially through advocacies to identified champions and pressure groups. Working with the Parliament through the ambit of the Legislative Network for UHC has proven useful and effective thus far. Parliament and executives are working together to make a case for UHC and the earmarking of additional funds to finance SSHIS, culminating in the recent resolution passed by the House of Senate on November 15 to include a consolidated revenue (equity) fund (CRF) of at least 1 percent in the 2018 federal appropriation law. Other progress recorded in Q1 includes the speedy, evidence-based passage of contributory SSHIS bills in Sokoto, assent to the Contributory SSHIS in Bauchi, and dedication of official premises for the SSHIS Agency in Cross River State. Through these channels, HFG has continued to engage with the highest Traditional Ruling Council, labor unions, State House of Assembly, Office of the Governor, and state ministries of information, of budget and economic planning, and of finance to improve budgetary allocations and releases to health in general, with particular reference to the creation of budgetary lines for the take-off of SSHIS agencies, RMNCH, and HIV/AIDS. Successful outcomes are apparent in the inclusion of the 1 percent CRF fund for vulnerable population groups and required funds for PHC facility infrastructure upgrades.

These institutional structures constituted by focal states with HFG’s support are on track with implementation of roadmaps developed to improve DRM for health. The TWGs review the status of respective roadmaps during monthly meeting in each state, building on the outcome or/and developing new targets as each is met. Successes include the use of evidence from FSAs and budget tracking exercises leading directly to the assent of the SSHIS bill as Law by the Executive Governor of Bauchi State. Other achievements include establishment of SHIS agencies in Bauchi and Osun states, and improved allocation to health across the focal states.

1. LESSONS LEARNED

* Through active legislative participation and engagement, MNCH policy thrusts can receive increased governmental attention and action.
* Armed with adequate information and facts, legislators can be strategic partners in driving policy solutions to health and nutritional challenges.
* Multi-sectoral engagement including finance and central budget agencies is important to advance increased funding for health

1. PLANNED ACTIVITIES FOR NEXT QUARTER INCLUDING UPCOMING EVENTS
2. **Bauchi State**

* Finalization of the benefit package and operational guidelines
* Training of CSOs, media and labour union on health financing and accountability
* Updated fiscal space analysis and public expenditure review
* Planning with the State Ministry to establish the Contributory Health Insurance Scheme
* Technical Assistance to Bauchi State House of Assembly to conduct oversight of health Institutions.

1. **Cross River State**

* Support to the State Ministry of Health to develop request for funds memos
* Advocacy to the Executive to improve budgetary releases
* Development of roll-out plan for the launch of the State Health Insurance scheme
* Launch of the Cross River State Insurance Scheme

1. **Kebbi State**

* Facilitate passage of State Health Insurance Bill
* Development of Operational guidelines
* Development of Benefit package
* Facilitate operationalization of the State Health Insurance Scheme

1. **Osun State**

* Train data collectors for Service Availability and Readiness Assessment (SARA) in facilities participating in the BHCPF start-up
* Conduct SARA, led by the Federal Ministry of Health
* Develop Benefit package
* Facilitate passage of State Health Insurance Bill and establishment of Agency
* Train Agency staff
* Organizational development plan for Agency

1. **Sokoto State**
   * Conduct household survey

* Develop equity guidelines for SOCHEMA
* Build capacity of SOCHEMA staff
* Operationalize SOCHEMA
* Support State House of Assembly to pass the Contributory Health Insurance Bill

1. What does USAID not know that it needs to?

Not applicable.

1. Zakat is an obligatory payment made annually under Islamic law. It is assessed on certain kinds of property and is used for charitable and religious purposes. [↑](#footnote-ref-1)