

# Assessing the Total Health Commodities Financial Needs for Health Facilities in Tanzania

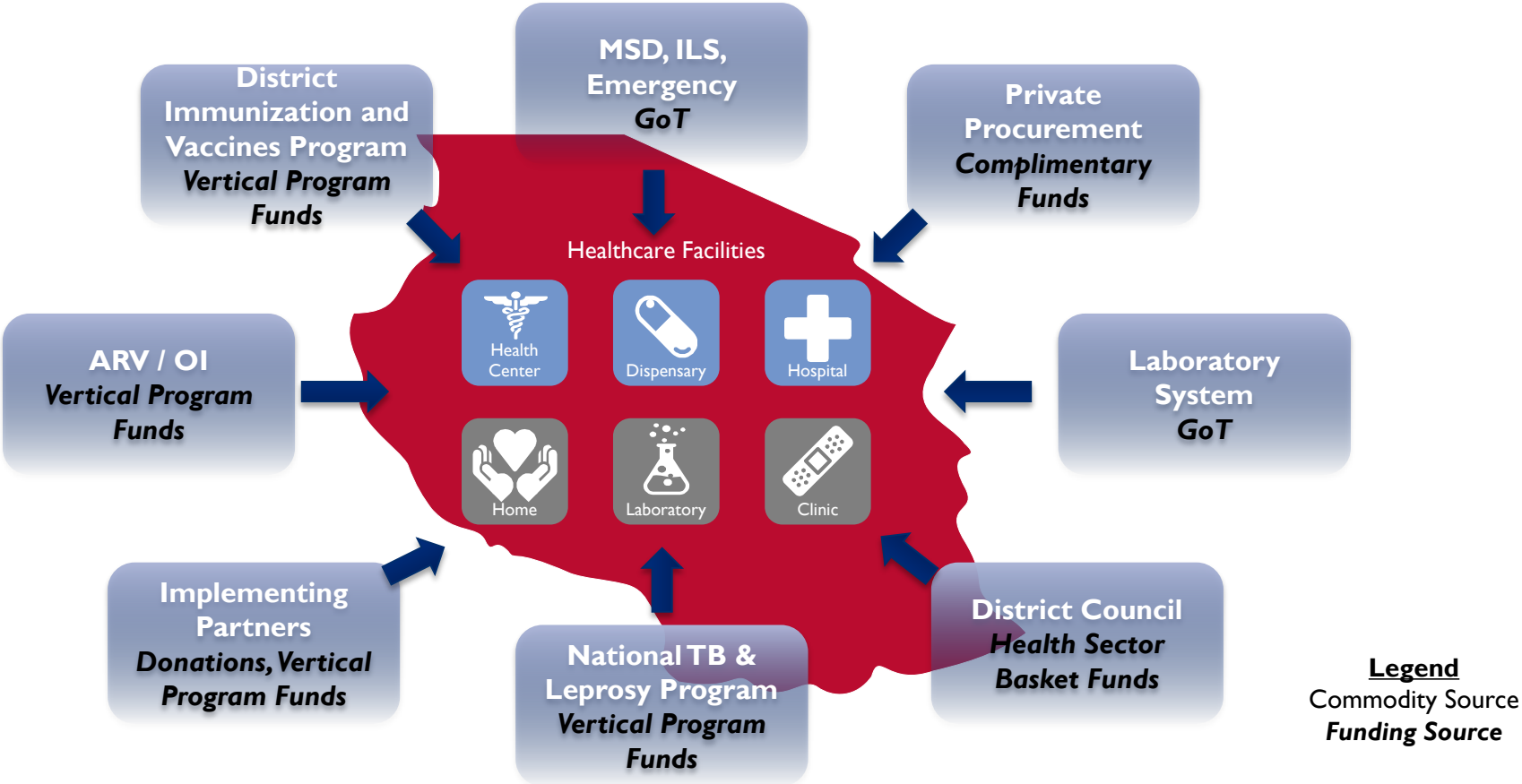


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TECHNICAL ASSISTANCE - TANZANIA



# Tanzania's supply chain system consists of multiple stakeholders providing various health commodities & funding



Despite significant improvement in the supply chain over the decades, unavailability of medicines has continued to be a major block into realizing the intended population health of Tanzanians



Major factors attributable to these frequent stock outs has been **inadequate financing** and **operational inefficiencies** among others.

**Lack of a total/ holistic approach** in estimating the total health commodities financial needs, makes it unclear whether:

1. the current funding envelope from all sources is sufficient to cover total needs, or
2. better management of direct funds to health facilities will realize efficiency gains and hence minimizing any financial gap that may exist

# USAID Global Health Supply Chain Program supports the development of agile, robust and sustainable health supply chains

Team PwC is USAID's partner for delivering the Global Health Supply Chain Technical Assistance in Tanzania.

Core Project Team	Resource Partners
	

Work under this program began in June 2016 and covers four main areas to improve medicines availability and the health status of Tanzanians.

- 1 Provide strategic planning and implementation assistance
- 2 Improve delivery of health commodities at service sites
- 3 Broaden stakeholders understanding and engagement of the supply chain system
- 4 Strengthening enabling environments to improve supply chain performance

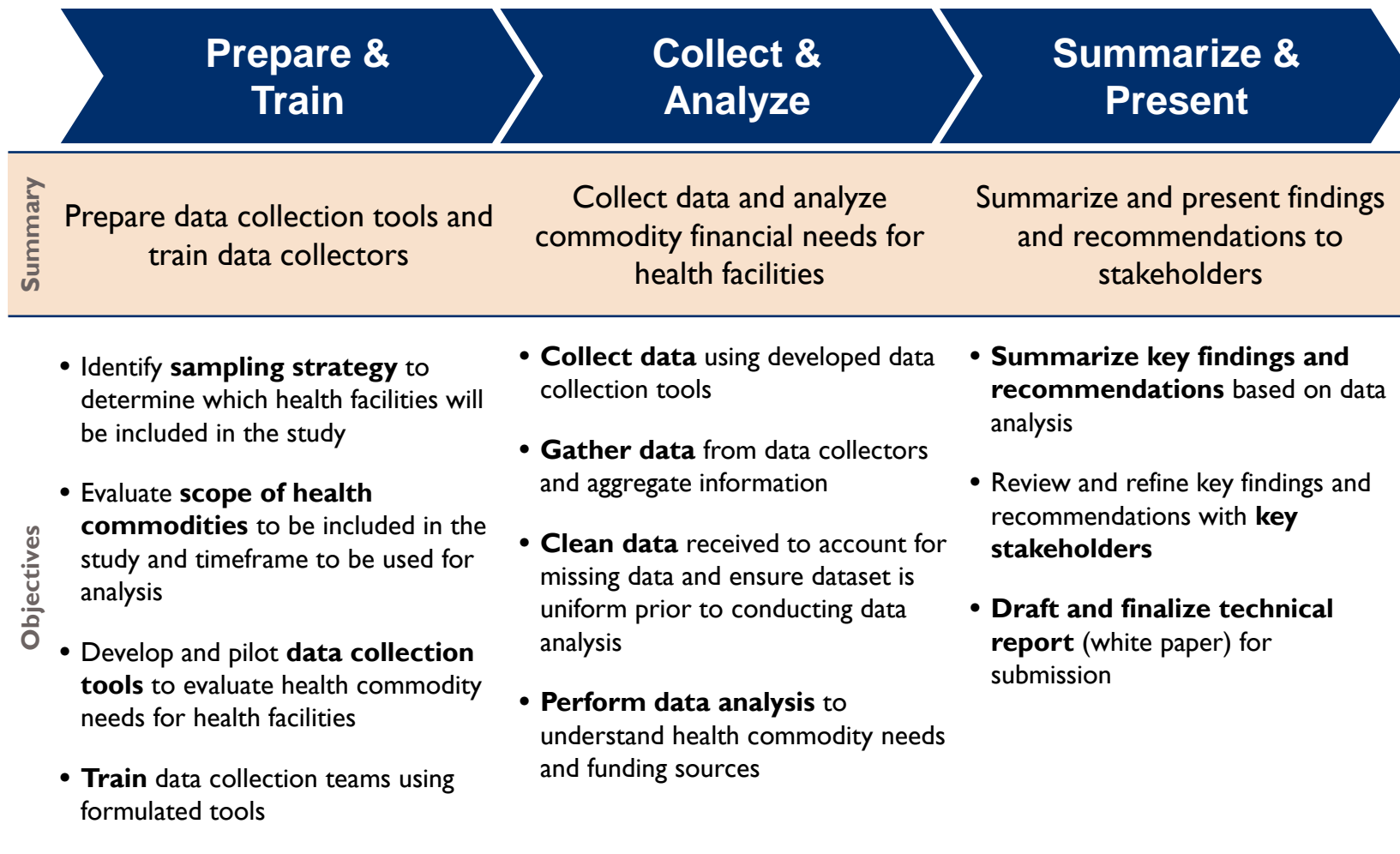
The total health commodities financial needs assessment will provide insights into facility level needs

**Purpose:** Assess the range of funding sources available at a facility and compare to the total commodity needs for each facility

Assessment Objectives:

1. Assess representative total health commodities financial needs for a health facility
2. Identify available funds to cover the financial needs estimated for health facility
3. Determine Medical Stores Department (MSD) market share
4. Define any financial gaps in current scenario or efficiency gains that can be recognized through proper management of funds

## A three-phased approach was used to conduct the assessment



Data was collected from 152 facilities covering on average 133 unique commodities per facility for fiscal year 2016 – 2017



**152**

*Health Facilities*

Public health facilities and faith based organizations across 14 regions including:

- 78 Dispensaries
- 49 Health Centers
- 25 District Hospitals

10 facilities across 1 zone participating in the prime vendor model

72 facilities across 6 regions participating in Results Based Financing



**133**

*Average Unique Commodities Ordered per Facility*

The assessment covered the following systems and commodity types:

- ILS System
- ARV System
- TB and Leprosy System
- Vaccines
- Medical Equipment and Supplies

The number of commodities managed on average were:

- Dispensary – 100 commodities
- Health Center – 143 commodities
- District Hospital – 219 commodities



**650**

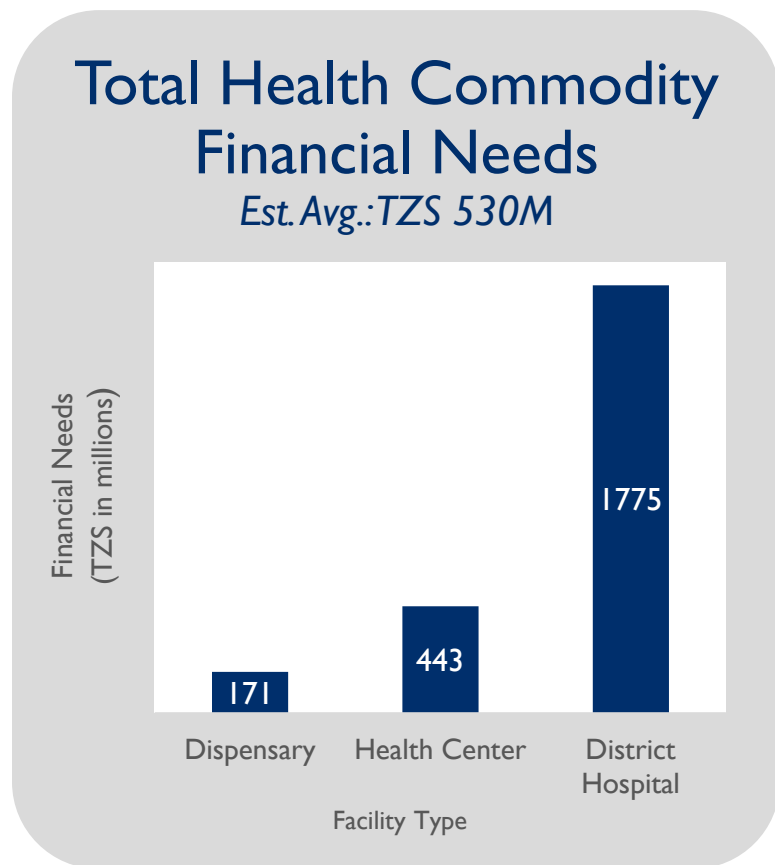
*Total Data Collection Days*

Data collection was performed by 50 data collectors from MOHCDGEC, PORALG, and GHSC

Data collection was performed from February 14 – March 2, 2018 with the following average data collection time:

- Dispensary – 1.4 day
- Health Center – 2.0 days
- District Hospital – 3.6 days

Based on the estimated average total health commodity financial needs, TZS 2,055B allocated for the health sector in fiscal year 2016 – 2017 would only cover the needs of district and lower level health facilities



#### Contributing Factors

*Number of patients served*

*Population catchment area*

*Count & type of medical staff*

Facility location - rural vs. urban

#### Supply Chain Implications and Future Recs.

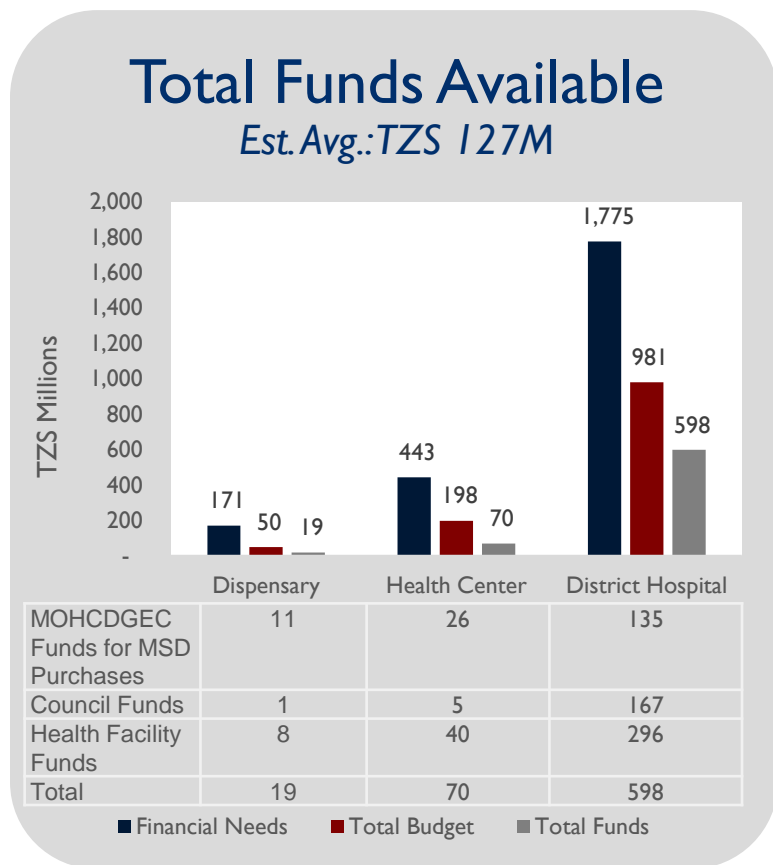
1. Rationalization of products
2. Pharmacoeconomics interventions
3. Strategic sourcing by facilities
4. Stronger cost analysis by Council Health Management Teams (CHMTs) / District Executive Directors (DEDs)

**Indicates statistical significance ( $p$  value < 0.05)**

Indicates no statistical significance ( $p$  value > 0.05)



## Estimated available funds account for 11 – 33% of total health commodity financial needs



### Contributing Factors

Results Based Financing Participation

Count & type of medical staff

Facility location - rural vs. urban

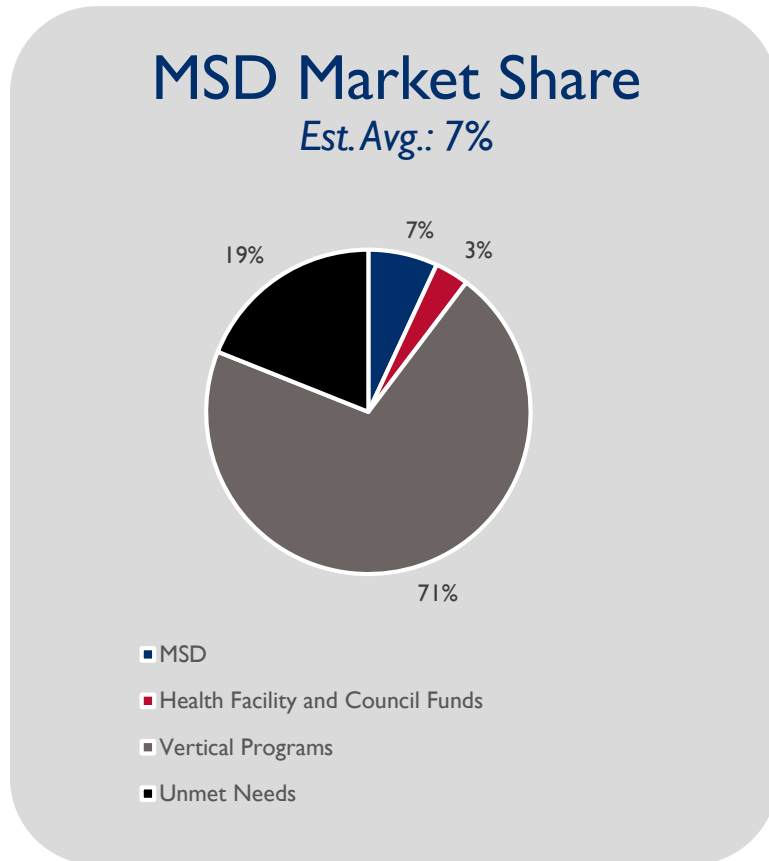
### Supply Chain Implications and Future Recs.

1. Universal Health Coverage Agenda
2. Clarification of funding formula
3. Allocation of complimentary funds for medicines

**Indicates statistical significance (p value < 0.05)**

Indicates no statistical significance (p value > 0.05)

MSD Market Share was estimated at 7% indicating an opportunity to capture additional market share to cover unmet needs



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#### Contributing Factors

Prime Vendor Participation

Commodity Availability

Essential Medicine List Limitations

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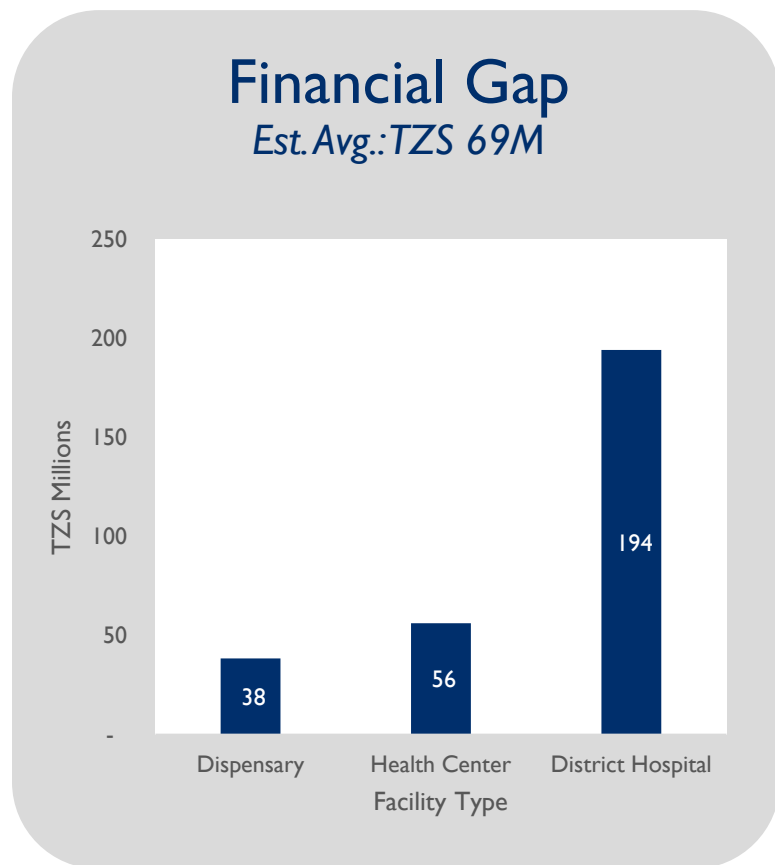
#### Supply Chain Implications and Future Recs.

1. Improvement opportunities identified in HSCR & CIP
2. Revision of products list
3. Customer segmentation

**Indicates statistical significance ( $p$  value < 0.05)**

Indicates no statistical significance ( $p$  value > 0.05)

Eleven facilities (7%) did not have a financial gap, seven of which participate in the Results Based Financing program scheme



**Indicates statistical significance ( $p$  value < 0.05)**  
 Indicates no statistical significance ( $p$  value > 0.05)

#### Contributing Factors

*Number of patients served*

*Population catchment area*

*Count & type of medical staff*

*Facility location - rural vs. urban*

#### Supply Chain Implications and Future Recs.

1. Opportunities to expand Results Based Financing
2. Direct Health Facility Financing allocation formula specific for health commodities
3. Use of AIDS Trust Fund and others for purchase of health commodities
4. Further costing analysis

## Strengths and limitations were noted following study completion

### *Strengths*

- Active engagement, input, investment and collaboration from the Government of Tanzania, MOHCDGEC and PO-RALG
- Use of scientific methods which can be replicated for future analysis
- Experienced data collectors who had familiarity with data collection sources

### *Limitations*

- Reduced sample size due to time and budget required for data collection
- Potential gaps in data due to manual data entry and missing records for specific facilities or sources
- Limited visibility to dispensing registers which may impact values for data such as stock-out days

This assessment will inform numerous future activities including direct health facility financing and national forecasting activities

Overall, the study findings indicate the following recommendations:

- Funds increase for health commodities to reduce gap
- MSD market share increase
- Evidence based commodities financing

In addition, the data from the study can be used to inform future initiatives by USAID, Government of Tanzania and GHSC.

