

AN IN-DEPTH STUDY OF INTERNALLY GENERATED FUNDS [IGF] IN SELECTED HEALTH, REGULATORY AND STATUTORY INSTITUTIONS IN GHANA

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Background of the Study

Background

Concerns about misuse of IGF, accumulation of balances in the drug account and arrears in the system that have not been captured in the financial report. Study in 2 phases.

i. Phase 1 was a desk review of existing legislation, policies and guidelines governing the generation, management and utilization of IGF in the health sector.

ii. Collation and analysis of data on IGF revenues and expenditures from centrally held sources (MoH) and its agencies financial reports) from 2005-2010. Disaggregated analysis to be undertaken by:

- Level of the health system
- Geographical area

- Item of expenditure
- Drug and service IGF accounts
- NHI, cash and carry and other IGF revenue sources

In phase 1, it was observed among others that:

- FAR section 20 on review of rates, fees and charges not complied with.
- Part III of FAA 2003 (Act 654) sections 25 (2) and 29 (2) are not complied with.
- No reliable database to serve MoH and its agencies.
- Budgets (targets) for IGF and its utilization are not available.
- Phase 1 could not tell whether the health institutions collect enough and sufficient IGF. Whether the facilities utilize the IGF prudently could not be addressed.
- No policy on IGF and its utilization

Objectives, Methodology, Challenges and Assumption

Objectives

Phase II was therefore to collect and collate IGF data to establish how the IGF is utilized.

Methodology

- i. Used the data collection instrument developed in Phase 1
- ii. Survey covered outpatients, IGF (from Services and Drugs), other IGFs, claims and reimbursements, IGF expenditures, creditors, IGF cash on hand and at bank, and other revenues to the health sector.
- iii. Eighty-three (83) health facilities, reflecting rural-urban, high-low NHIS coverage and high-low

revenue characterization constituted the sample size.

- i. Period: 2008 to 2010

Challenges of the field Study

- i. Bureaucratic procedure, reluctance and failure to disclose detailed information, e.g. Korle-Bu Teaching Hospital (Pharmacy Department) and the Food and Drugs Board.
- ii. Lack of requisite technical personnel
- iii. Capacity to document and update data.

Assumptions

- i. Expected 100% response
- ii. Adequate primary data
- iii. No problem in obtaining data from facilities
- iv. 30 Consultant Days

Responses from 66 Facilities

Health Service Delivery Facilities 53

THO – Teaching Hospitals – 3

GHS – Ghana Health Service – 43

CHAG - 6

PHO – Psychiatric Hospitals – 1

Budget and Actual Data

THO – 0 outpatients, 2 for IGF

GHS – 10 outpatients, 11 IGF

CHAG - 2 outpatients, 4 IGF

PHO – 1 each

Actual Data

THO – 3 outpatients, 3 for IGF

GHS – 38 outpatients, 42 IGF

CHAG - 6 outpatients, 5 IGF

PHO – 1 each

79.5%

Non Health Delivery Facilities 13

SRB – Statutory and Regulation
Bodies – 6

HTI –Health Training
Institutions -7

Budget and Actual Data

SRB – 3

HTI –1

Actual Data

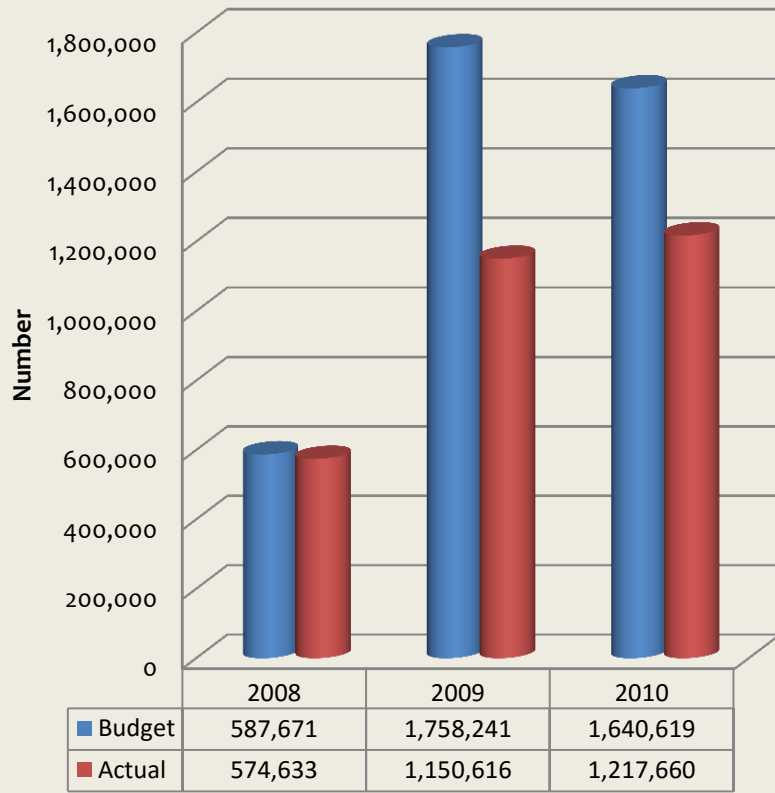
SRB – 6

HTI –7

Budget and Actual Attendance and Core IGF

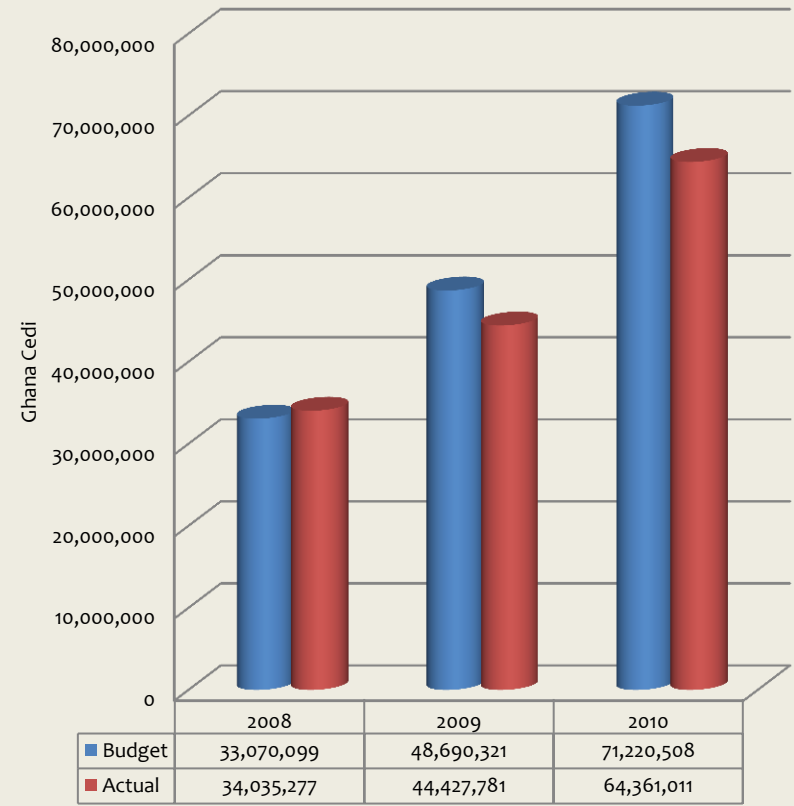
Budget/Actual Attendance

Variance: -2.2% 2008, -34.6% 2009, -25.8% 2010



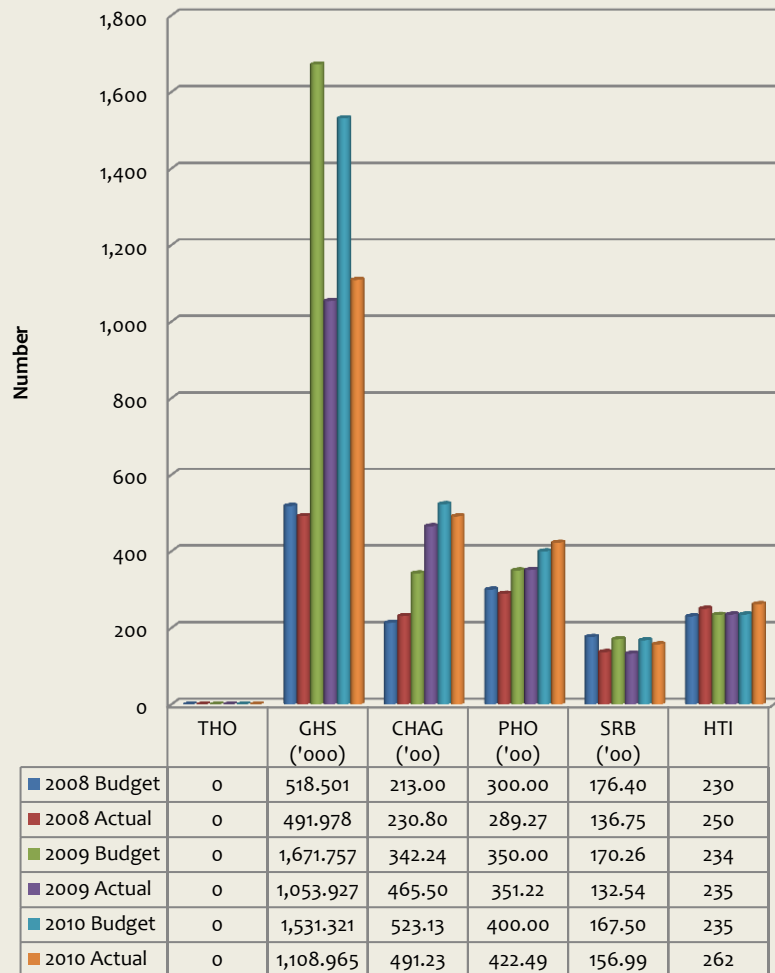
Budget/Actual Core IGF (GH Cedi)

Variance: 2.9% 2008, -8.8% 2009, -9.6% 2010

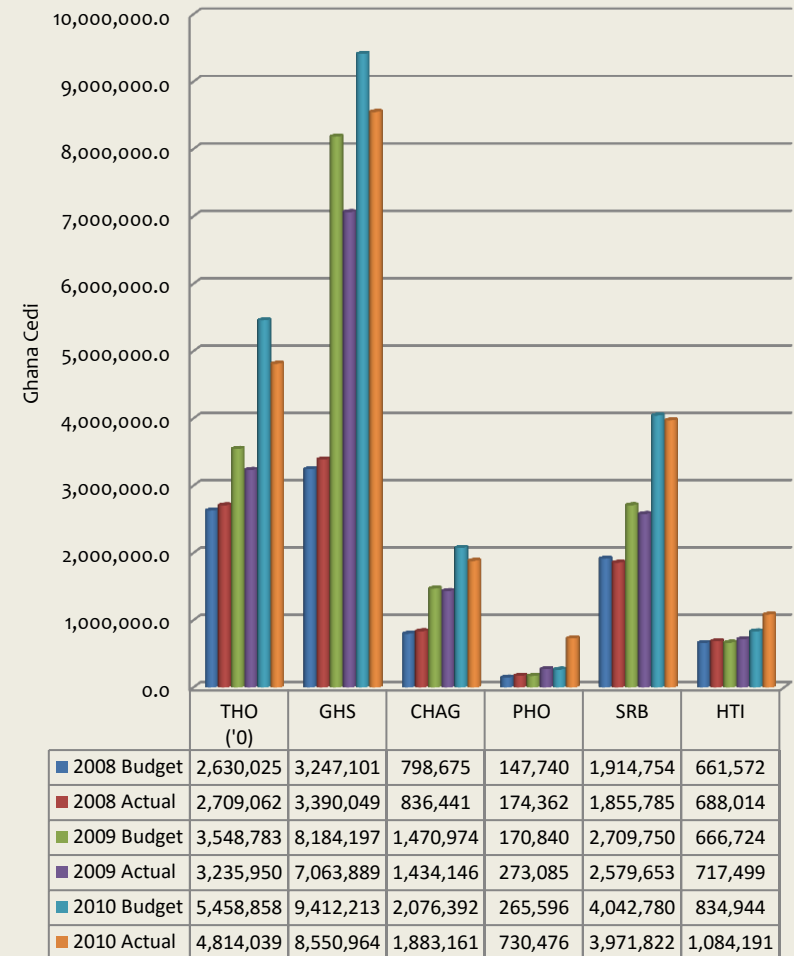


Budget and Actual Attendance and Core IGF of Facilities

Budget/Actual Attendance

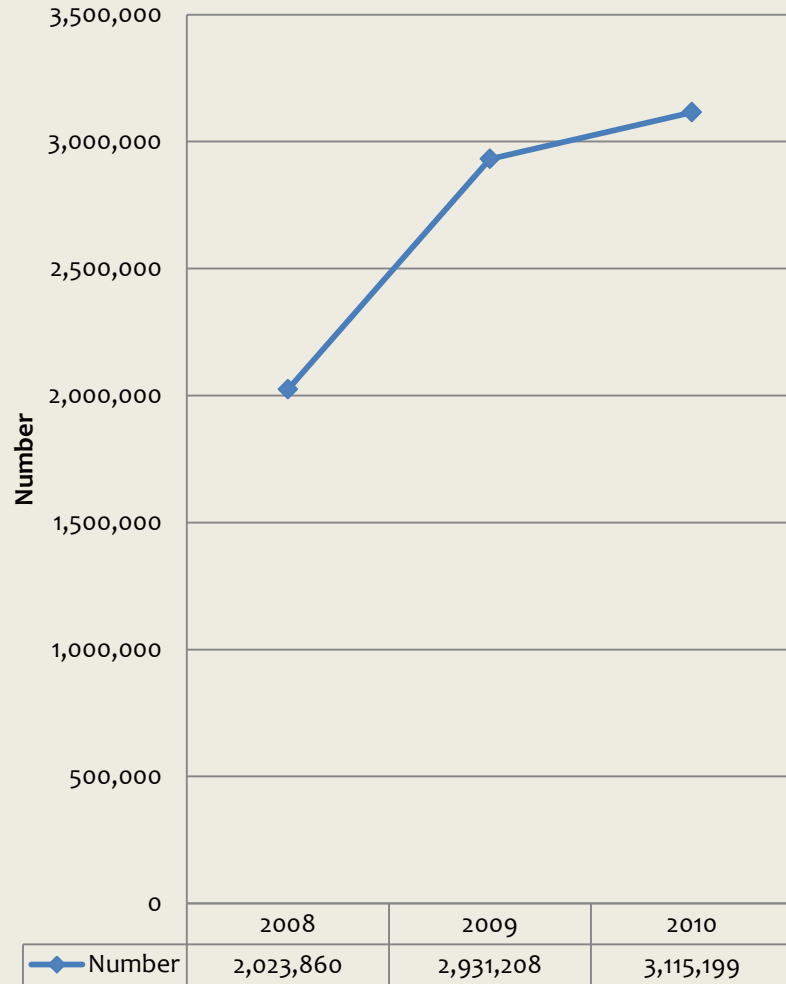


Budget/Actual Core IGFs (GH Cedi)



Number of Attendees and Core IGF of all Facilities

Number of Attendee 44.8%; 6.3%



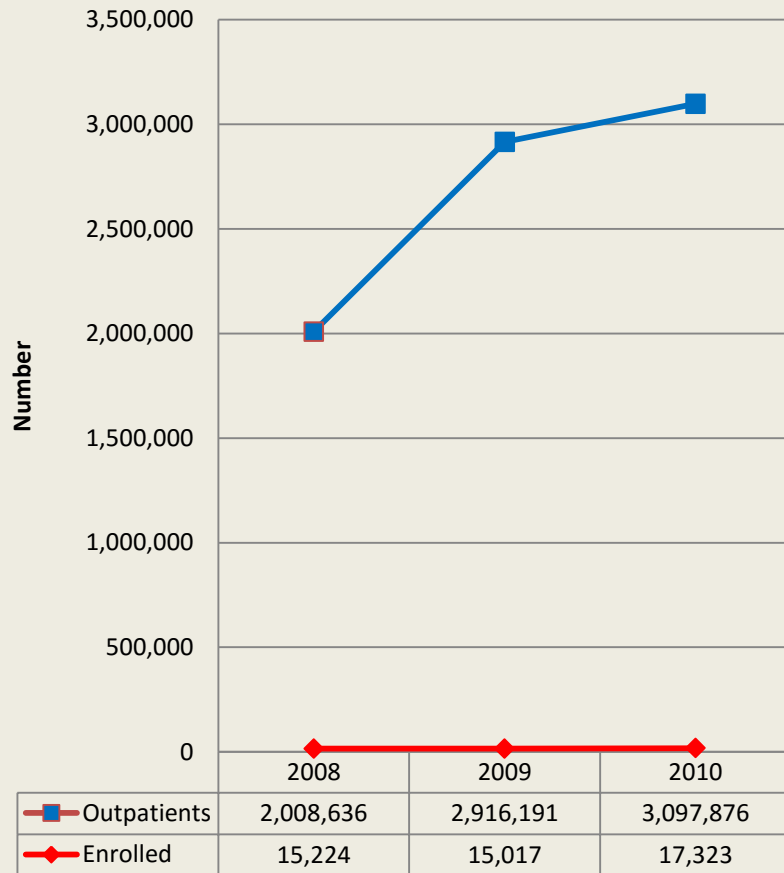
Core IGF of all Facilities 34.5%; 35.3%



Attendance at Health Delivery Facilities and non-Health Delivery Institutions; Core IGF of Health Delivery Facilities and non-Health Institutions

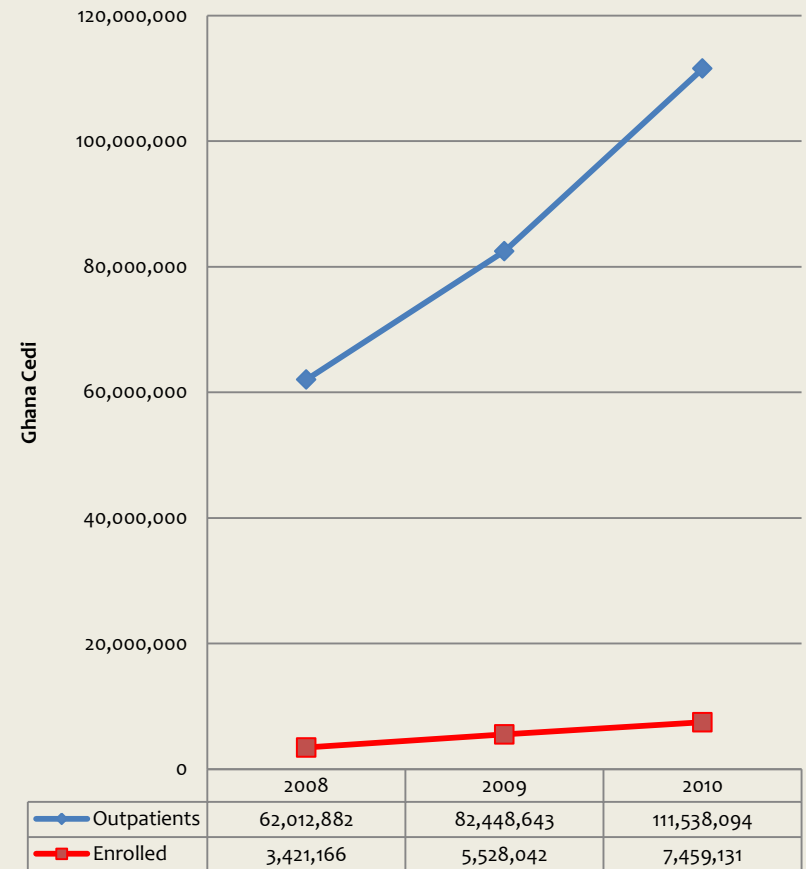
Number of Attendees

Growth outpatients 45.2%; 6.2%
Growth enrolled -1.4%; 15.4%



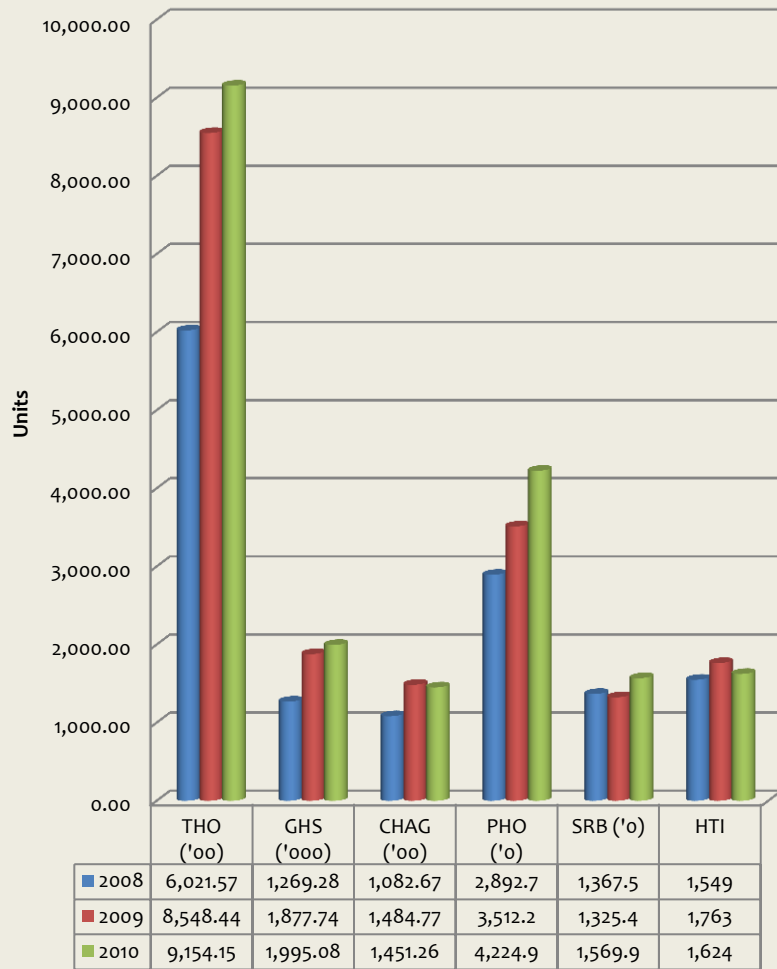
Core IGF of all facilities

Growth outpatients 33.0%; 35.3%
Growth enrolled 61.6%; 34.9%

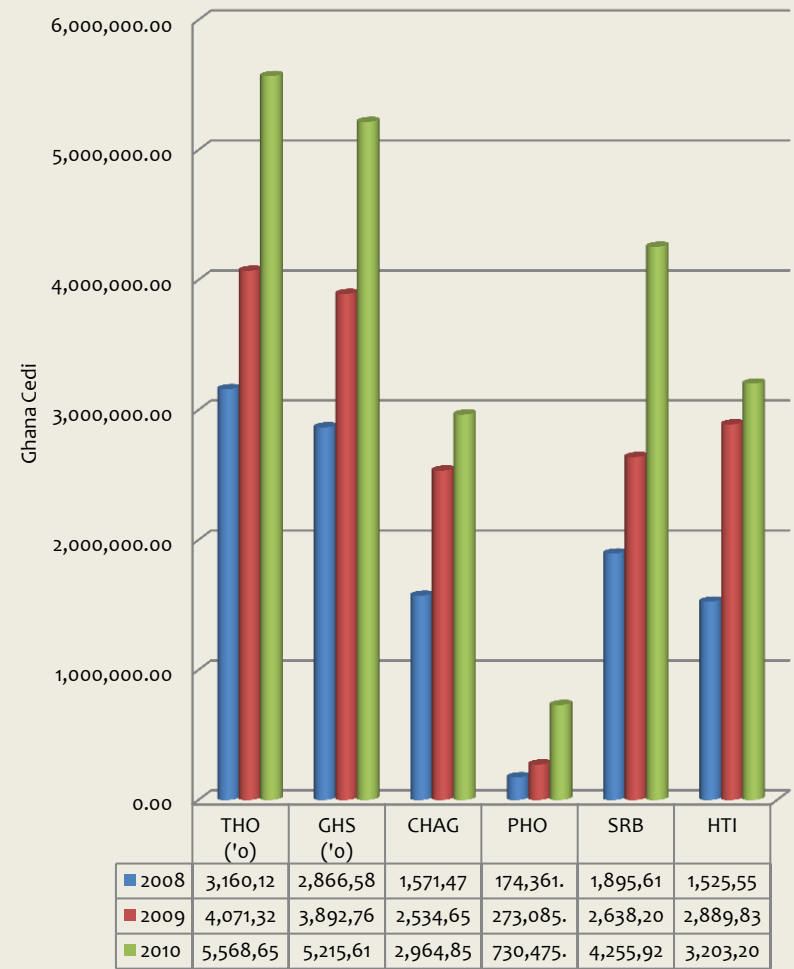


Number of Attendees and Core IGF of Facilities

Number of Attendees



Core IGF of Facilities



Structure of IGF (Services and Drugs) and Structure of Services and Drugs (cash and NHI)

Facilities at	Structure of IGF					
	2008 IGF		2009 IGF		2010 IGF	
	Service	Drugs	Service	Drugs	Service	Drugs
THO	22,174,871	9,426,361	27,493,379	13,219,899	37,645,404	18,041,187
GHS	16,513,984	12,151,829	22,603,617	16,324,005	29,811,783	22,344,393
CHAG	971,245	600,230	1,497,785	1,036,874	1,554,158	1,410,693
PHO	123,191	51,171	160,423	112,662	436,519	293,957
SRB	1,895,614		2,638,205		4,255,926	
HTI	1,525,552		2,889,837		3,203,206	

Structure of Services and Drugs												
Facilities at	2008				2009				2010			
	Service		Drug		Service		Drug		Service		Drug	
	Cash	NHIL	Cash	NHIL	Cash	NHIL	Cash	NHIL	Cash	NHIL	Cash	NHIL
THO	7,491,055	14,683,816	3,380,772	6,045,589	8,847,949	18,645,429	4,556,877	8,663,022	14,087,447	23,557,957	5,733,068	12,308,119
GHS	5,827,166	10,686,818	5,108,877	7,042,952	6,638,867	15,964,750	6,550,871	9,773,134	6,395,662	23,416,121	9,226,800	13,117,593
CHAG	137,755	833,490	163,841	436,389	201,795	1,295,990	145,486	891,388	240,347	1,313,810	209,861	1,200,833
PHO	96,518	26,673	40,489	10,681	140,173	20,250	87,752	24,910	402,549	33,970	249,013	44,944
SRB	1,895,614				2,638,205				4,255,926			
HTI	1,525,552				2,889,837				3,203,206			

Non-core IGF Total IGF Ratio and Claims, Reimbursed and Reimbursed Claims Ratio

Facilities at	Non-core IGF (GH¢)			Total IGF (GH¢)			Non-core/Total IGF (%)		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
THO	1,956,333	2,617,193	3,491,104	34,172,416	43,330,470	59,177,695	5.72	6.04	5.90
GHS	4,579,919	37,342	8,176,791	28,677,014	38,964,963	60,332,966	15.97	0.10	13.55
CHAG	140,557	33,204	41,155	1,571,475	2,567,863	3,006,006	8.94	1.29	1.37
PHO	12,000	7,536	7,536	174,362	280,621	738,012	6.88	2.69	1.02
SRB	303,893	238,989	253,055	1,895,614	2,877,195	4,508,981	16.03	8.31	5.61
HTI	4,124	7,211	245,820	1,525,552	3,098,008	3,449,026	0.27	0.23	7.13

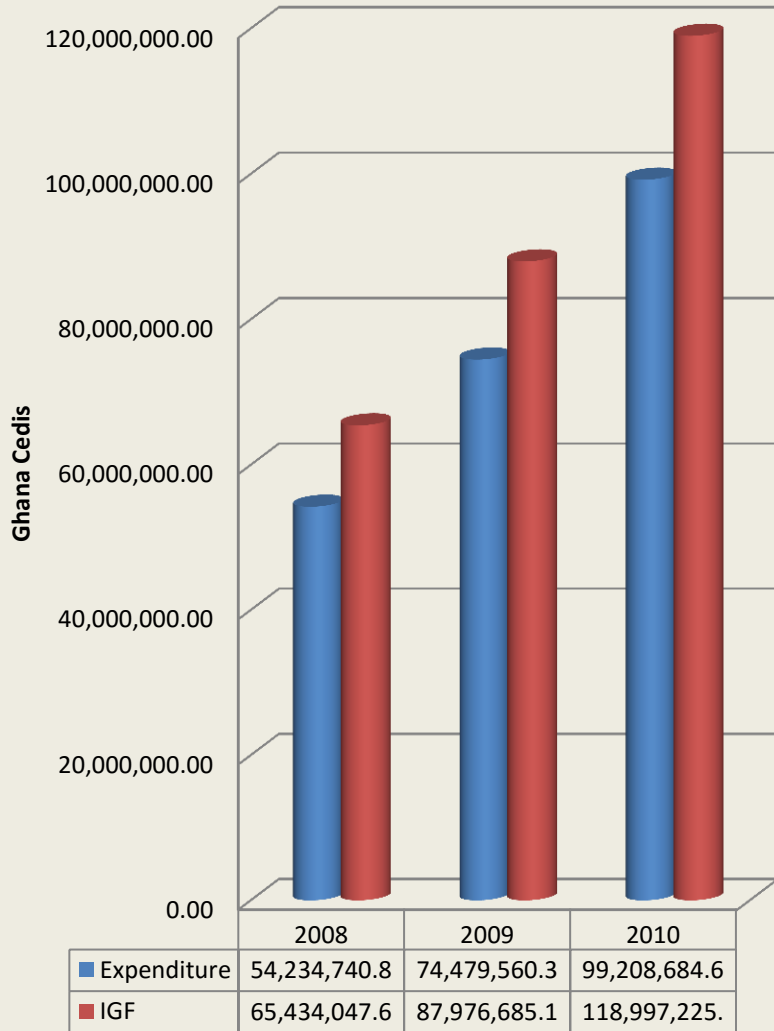
Facilities at	Claims			Reimbursed			Reimbursed/Claims		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
THO	14,764,548	26,940,815	32,583,609	13,867,175	18,142,804	23,592,343	93.92	67.34	72.41
GHS	24,039,602	33,364,742	40,573,530	19,701,146	25,010,603	22,535,071	81.95	74.96	55.54
CHAG	611,746	1,478,845	1,478,845	1,116,173	2,267,040	2,212,261	182.46	153.30	149.59
PHO	35,557	49,845	77,768	35,557	49,845	65,613	100.00	100.00	84.37
SRB									
HTI									

Total Debt Stock and Debt IGF Ratio Cash at Bank and on Hand and Petty Cash

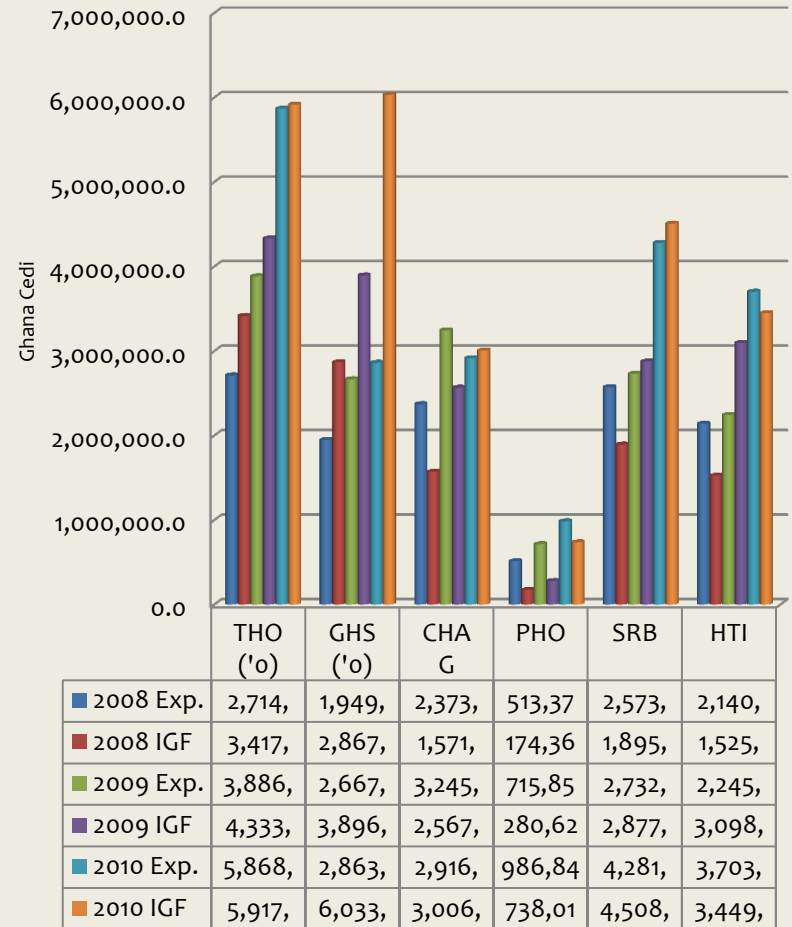
Facilities at	Total Debt Stock			IGF			Debt/IGF		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
THO	0	2,575,835	3,519,335	34,172,416	43,330,470	59,177,695	0.00	5.94	5.95
GHS	3,078,281	3,387,870	4,286,169	28,677,014	38,964,963	60,332,966	10.73	8.69	7.10
CHAG	5,738	55,403	292,011	1,571,475	2,567,863	3,006,006	0.37	2.16	9.71
PHO	371,980	530,486	766,994	174,362	280,621	738,012	213.34	189.04	103.93
SRB	178,476	69,186	300,099	1,895,614	2,877,195	4,508,981	9.42	2.40	6.66
HTI				1,525,552	3,098,008	3,449,026	0.00	0.00	0.00

Facilities at	2008 Cash			2009 Cash			2010 Cash			Total Cash			Cash/IGF		
	Bank	Hand	Petty	Bank	Hand	Petty	Bank	Hand	Petty	2008	2009	2010	2008	2009	2010
THO	3,037,087	194,089	6,313	2,802,486	43,578	6,428	4,966,460	21,301	4,949	3,237,489	2,852,492	4,992,710	9.47	6.58	8.44
GHS	1,108,757	299,885	6,967	1,464,971	222,354	6,391	2,852,181	401,245	7,522	1,415,609	1,693,716	3,260,948	4.94	4.35	5.40
CHAG	301,856	8,414	68	171,758	2,908	4,055	213,099	15,153	3,792	310,338	178,721	232,044	19.75	6.96	7.72
PHO	-2,064	3,141	0	949	1,900	481	302	1,600	0	1,077	3,330	1,901	0.62	1.19	0.26
SRB	101,884	56,523	46,849	286,081	505,356	607,484	1,049,496	1,069,749	1,446,882	205,256	1,398,922	3,566,127	10.83	48.62	79.09
HTI	769,801	30,383	160	1,334,428	46,880	58	1,234,063	35,278	33	800,344	1,381,366	1,269,374	52.46	44.59	36.80

Comparing Expenditure including PE and Arrears to IGF



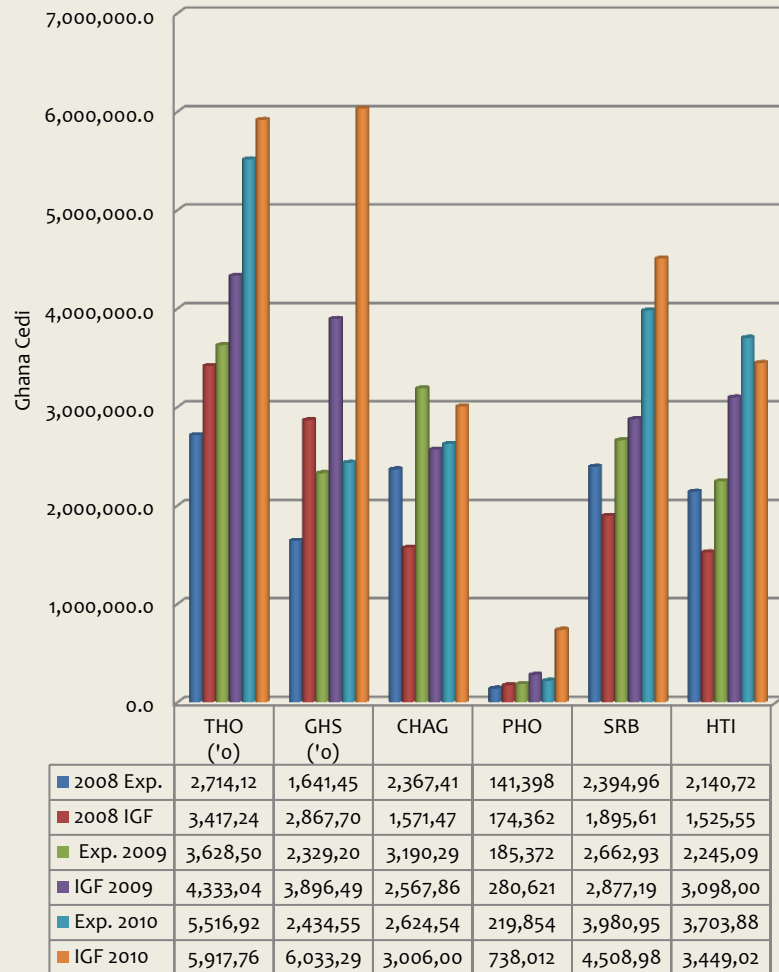
Facilities Expenditure compared with Facilities IGF



Comparing Expenditure with IGF

Average Expenditure IGF Ratios at Facilities

Comparing Expenditure with IGF



Average Expenditure/IGF (2008-2010)



Recommendations and Policy Issues

- i. All agencies, departments and units that generate internal funds should be made to comply with Part II, Regulation 18 of FAR 2009 which states that
 “A department that has legislative approval to retain all or a portion of internally generated funds collected, must first lodge the retained internally generated funds in gross into the Department’s operational bank account designated by the Controller & Accountant General before disbursements are made”
- ii. The sector should develop, in the shortest possible time, an operational guideline bringing together all the pieces of legislation and policies guiding generation, management and utilization of internal funds.
- iii. Create a reliable electronic database to serve MOH and its agencies