GOVERNMENT OF SIERRA LEONE
MINISTRY OF HEALTH AND SANITATION
DIRECTORATE OF POLICY, PLANNING AND INFORMATION

# SIERRA LEONE NATIONAL HEALTH ACCOUNTS 2019-2020

## ABSTRACT

National Health Accounts is a systematic and comprehensive process of estimating healthcare financing structures in a country for a given period of time. This report answers questions like who funded healthcare in Sierra Leone from 2019 to 2020 and what services did they provide in that specific period of time?

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## Acronyms / Abbreviations

| | |
|---|---|
| AE | Advanced Economies |
| AIDS | Acquired Immune Deficiency Syndrome |
| BADEA | Arab Bank for Economic Development in Africa |
| BPEHS | Basic Package of Essential Health Service |
| CHCs | Community Health Centers |
| CHPs | Community Health Posts |
| CHAs | Community Health Assistants |
| CHOs | Community Health Officers |
| DFR | Directorate of Financial Resources |
| DHMT | District Health Management Team |
| DHS | Demographic Health Survey |
| DMO | District Medical Officer |
| DPPI | Directorate of Policy Planning and Information |
| ECOWAS | Economic Community of West African States |
| EMDE | Emerging Market and Developing Economies |
| FHCI | Free Health Care Initiative |
| GDP | Gross Domestic Product |
| GoSL | Government of Sierra Leone |
| HAPT | Health Account Production Tool |
| HFU | Health Financing Unit |
| HDI | Human Development Index |
| HIV | Human Immunodeficiency Virus |
| HMIS | Health Management Information System |
| LMICs | Low and Middle Income Countries |
| MCCU | Millennium Challenge Corporation Unit |
| MCHPs | Maternal and Child Health Posts |
| MDAs | Ministries, Departments and Agencies |
| MoHS | Ministry of Health and Sanitation |

| | |
|---|---|
| MoF | Ministry of Finance |
| MoPED | Ministry of Planning and Economic Development |
| NHA | National Health Account |
| NGOs | Non-Governmental Organizations |
| NPPU | National Pharmaceutical Procurement Unit |
| NPISH | Non-Profit Institutions Serving Households |
| ODCH | Ola During Children's Hospital |
| OOP | Out of Pocket |
| PCMH | Princess Christian Maternity Hospital |
| PHU | Peripheral Health Unit |
| SECHNs | State Enrolled Community Health Nurses |
| SLIHS | Sierra Leone Integrated Household Survey |
| STATS SL | Statistics Sierra Leone |
| SSA | Sub-Saharan Africa |
| TBAs | Traditional Birth Attendants |
| TB | Tuberculosis |
| TGE | Total Government Expenditure |
| THE | Total Health Expenditure |
| WHO | World Health Organization |

## Foreword

Healthcare financing is an increasingly important policy issue in Sierra Leone's socio-economic development. Currently, a health financing strategy has been developed aims to inform the Ministry and other stakeholders of how the health sector is financed. Defining and proposing an appropriate health financing strategy for Sierra Leone requires the understanding of the various financing streams within the country, for instance, who controls funds mobilization from the different financing sources; how the funds are utilized in the country's health care system; and which services are bought using the resources mobilized.

NHA findings provide a thorough analysis of health expenditure trends by different players in the health sector. In order to provide a picture of overall health financing that is dedicated to the health sector, health expenditure data from Government, Household Out-Of-Pocket, Donors, NGOs, Insurance companies and Employers is analyzed in this report. This report provides evidence–based analysis on healthcare expenditure information that is critical for the formulation of future policies and decision-making in the provision of healthcare and towards the achievement of Universal Health Coverage.

This NHA report preparation confirms Government's commitment to spur enhanced transparency in expenditure management. This study was carried out by a team coordinated by the Health Financing Unit (HFU) at the Directorate of Policy Planning and Information, MoHS. Key cooperating Ministries, Departments and Agencies (MDAs) including the World Bank, World Health Organization (WHO), Ministry of Finance (Budget Bureau), Ministry of Planning and Economic Development (Development Assistance and Coordination Office), Millennium Challenge Cooperation Unit (MCCU), Directorate of Science, Technology and Information, and Statistics Sierra Leone, provided very important inputs into the process.

Sierra Leone is committed to institutionalizing the NHA framework to produce health expenditure data on a regular basis. An Institutionalization Plan will soon be developed. At this juncture, I will call upon Government of Sierra Leone officials, development partners, and civil society organizations (CSOs) to fully utilize the 2019/2020 NHA findings to make appropriate decisions within the sector as well as ensuring that health resources are used efficiently for all citizens to enjoy better access to health services.

Dr. Austin Demby

**Minister of Health and Sanitation**

## Acknowledgement

The preparation and production of the 2019 and 2020 NHA Study is due to enormous contributions from many individuals and institutions. The estimates to inform the NHA report are based on data collected from the Ministry of Health and Sanitation (MoHS), other Ministries, Departments and Agencies (MDAs), private firms, donors and Non-Governmental Organizations (NGOs). The MoHS therefore appreciates the support, cooperation and information supplied by these institutions, without which the NHA study would not have been possible.

The Directorate of Policy Planning and Information (DPPI) successfully coordinated the NHA preparation process and would like to acknowledge the financial and technical support provided by World Health Organization and under the guidance of the Principal Health Economist/SLeSHI Team Lead (Dr. Michael M. Amara) and to the NHA expert (Ezrah Trevor Rwakinanga), who provided technical support to the NHA team.

The NHA report would not have been possible without the support, hard work, and endless efforts of a large number of individuals and institutions. The Team worked tirelessly to ensure the report was completed. MoHS acknowledges the great work and dedication that was involved in the compilation of this report for the high quality, depth and objectivity.

Finally, we would like to thank all those who participated in various ways in the preparation of this NHA report particularly the MoHS leadership and whose diverse contributions made this exercise a success.

**Rev. Canon Dr. Thomas T. Samba**
**Chief Medical Officer**

## Executive Summary

National Health Account (NHA) is a tool for health sector management and policy development that measures total public, households, Non-Governmental Organizations (NGOs) and donor healthcare expenditure. It tracks all expenditure flows from the sources of funds to financing agents, service providers, public health functions and inputs.

The 2019 and 2020 NHA is the fifth publication by the Ministry of Health and Sanitation (MoHS). However, MoHS has already published the first, second, third and fourth NHA estimates.

### Healthcare Expenditure in Sierra Leone

The Total Health Expenditure (THE) increased by 22% from 3,420.88 Billion Leones in 2019 to 4,184.50 Billion Leones in 2020. These values include the Current Health Expenditure (CHE) of 3,353.50 Billion Leones in 2019 and 3,724.58 Billion Leones in 2020. Similarly, the Capital Health Expenditure increased by 393.39 Billion Leones from 66.57 Billion Leones in 2019 to 459.96 Billion Leones in 2020. THE per capita also increased by 19% from SLL 456,010.29 (USD 51.12) in 2019 to SLL 543,446.60 (USD 55.27) in 2020.

### Financing Sources

Revenues to finance healthcare came from three major sources: households, donors (rest of the world) and government. Household out-of-pocket (OOP) marginally declined from 52.9% in 2019 to 52.3% in 2020. This indicates a signal that financial burden on citizens is gradually reducing in accordance with the Universal Health Coverage (UHC) mandate which seeks to reduce the financial hardship of accessing healthcare services among the vulnerable population. The second major contributor towards CHE is the donors (rest of the world). Their contribution increased between 2019 and 2020 from 34.0% to 36.2% respectively.

Government contribution increased to 16.8% in 2020 from 13.5% in 2019. NPISH (Non-Profit Institutions Serving Households) scheme also declined from 32.8% in 2019 to 32.5% in 2020. The upsurge in government contribution to CHE is a good indicator given that government is the main healthcare provider in Sierra Leone. The increase in both donor and government contributions implicitly explains the reduction in household OOP expenditure between 2019 and 2020.

# Chapter One
# Introduction and Background

## 1.1 National Health Accounts in Sierra Leone

National Health Account (NHA) is a tool for health sector management and policy development that measures total public, households, Non-Governmental Organizations (NGOs) and donor healthcare expenditure. It tracks all expenditure flows from sources of funds to financing agents, service providers, health functions and inputs.

They constitute the systematic, comprehensive and consistent monitoring of resource flows in the national health system over a specified period of time. Health accounts are usually displayed in standard sets of tables containing comprehensive, consistent, comparable, compatible and timely national health expenditure.

Health Accounts are designed to engender the successful implementation of national health system goals and universal health coverage. The development of NHA induces and promotes policy dialogue on key policy issues among the various key stakeholders. NHA provides a vital input to the planning process and the establishment of overall resource envelopes. With Sustainable Development Goals 3.8 and 3c on Universal Health Coverage and health financing being discussed as part of the national health agenda of Sierra Leone, NHA will be paramount in their monitoring aside providing information for the regular update of the World Health Organization (WHO) Global Health Expenditure Database.

The 2019 and 2020 NHA is the fifth publication by the Ministry of Health and Sanitation (MoHS).

The NHA study seeks to answer the following specific questions:

- What are the total resources available in the health sector in Sierra Leone?
- What are the main sources of funds?
- How much is paid from out-of-pocket of households?
- Which diseases are the money spent on?
- What channels do the funds flow through? What levels of service delivery do the funds target?

The Health Financing Unit (HFU) of the Directorate of Policy, Planning and Information (DPPI) in the Ministry of Health and Sanitation is charged with the responsibility to conduct

NHA study on a yearly basis. The 2019 and 2020 NHA study was conducted with the following objectives:

- To estimate the total health expenditure by sources.
- To determine total health expenditure by financing agents and providers.
- To track the flow of health funds from the financing agents by functions.
- To track the flow of health funds from the providers on the various functions

This report shows the patterns and flows of funds in the health sector as well as the extent of government commitment relating to health expenditure (e.g. Abuja Declaration which recommends a target of at least 15% of total government expenditure to be allocated to health). Below are the health financing indicators captured in the report:

- Total Health Expenditure
- Total Health Expenditure per capita
- Government expenditure on health
- Household out-of-pocket expenditure on health
- Financial sources breakdown
- Disease splits
- Reproductive and Child Health sub account

The development of an innovative health financing strategy for Sierra Leone in the coming years depends on an understanding of each of the above health financing indicators.

## 1.2 Policy Objectives

The main objective of this study is to generate up-to-date empirical evidence on the health care financing system of the Republic of Sierra Leone to support decision-making. The specific objectives of this study are therefore, as follows:

- To trace the various sources of money flowing through the health sector of Sierra Leone
- To trace the channels for the distribution of these funds or who manages the Finances within the health sector
- To trace the functions (services and activities) and providers on which the money was spent on in 2019 and 2020
- To determine the Total Health Expenditure for the years 2019 and 2020 in Sierra Leone

- To provide a framework of the main aggregates relevant to international comparisons of health expenditure and health systems analysis

## 1.3 Study Context

The country comprises of about 15 distinct language groups reflecting the diversity of cultural traditions. Administratively, Sierra Leone is divided into five major regions, namely Northern Province, Southern Province, Eastern Province, North-West Province and the Western Area where the capital Freetown is located. The five provinces are divided further into 16 districts, which are in turn sub-divided into 190 Chiefdoms made up of a collective of villages. The chiefdoms are governed by local paramount chiefs. The Western Area is divided into two districts, Western Area Urban and Western Area Rural, with no chiefdoms. With the devolution of services to local councils, the country has been divided into 22 local councils which are then further sub-divided into 446 wards (the Provinces Amendment Act 2017). Councils are mandated to establish a Budgeting and Finance Committee, a development planning committee and a local technical planning committee to oversee the preparation and review of their local development plan which are reflected in national budgeting system.

Sierra Leone is one of the least developed countries in the world but it is developing steadily according to the United Nations classifications. Sierra Leone's Human Development Index (HDI) value for 2019 is 0.452 - which put the country in the low human development category - positioning it at 182 out of 189 countries and territories. Between the period 1990 and 2019, country's HDI value increased from 0.287 to 0.452, an increase of 57.5 percent (Sierra Leone Human Development Report, 2020).

The global outlook was largely determined by how long and severe pandemics are. In 2020, the global economy was expected to contract by 4.9 percent - the largest decline since World War II. In 2020, advanced economies are projected to experience the worst growth performance, with output contracting by nearly 9 percent. Output in Economic Community of West African States (ECOWAS) and all of SSA was expected to slow down by 1.5 percent, but the medium-term outlook, though highly uncertain, is cautiously optimistic. However, if the pandemic continues to spread indefinitely over time, the downturn could be worse, and the recovery could take much longer. In Sierra Leone, before COVID-19 struck, GDP growth was projected to reach 5.4 percent in 2019 - the highest growth since 2016. This would have put Sierra Leone among the fastest-growing economies in the world, with growth rate higher than

the averages for Advanced Economies (AEs), EMDEs, and SSA. However, those growth prospects have been undermined since COVID-19 broke out both domestically and globally. The impact of COVID-19 on the domestic economy is primarily through the global disruptions of supply and value chains. Although the country has limited international connectivity, its trade and financial flows would still be severely affected. The domestic lockdown would have severe implications for all sectors of the economy, especially services and other sectors (World Bank Economic Update on Sierra Leone: June 2020 – Edition No 3).

## 1.4 Demographic Trends

### Table 1.1. National Indicators

| **Country Income Classification (Low, Lower, Middle, Upper middle or High)** | **Low** | **United Nations Human Development Report** |
|---|---|---|
| **1. Demography & Population** | **Indicator** | **Source and Reference Date** |
| Total Population – 2020 | 8,100,318 | Statistics Sierra Leone, Census 2015 Projection |
| Urban Population – 2020 | 3,319,875 | Statistics Sierra Leone, Census 2015 Projection |
| Rural Population – 2020 | 4,780,443 | Statistics Sierra Leone, Census 2015 Projection |
| Contraceptive Prevalence Rate – 2019 | 21% | Sierra Leone Demographic Health Survey, 2019 |
| Infant Mortality Rate (Rate Per 1,000) – 2019 | 75/1,000 live birth | Sierra Leone Demographic Health Survey, 2019 |
| Under-five mortality Rate (Rate Per 1,000) – 2019 | 122/1000 live birth | Sierra Leone Demographic Health Survey, 2019 |
| Maternal Mortality Ratio (Rate per 100,000 live births) - 2019 | 717/100,000 live birth | Sierra Leone Demographic Health Survey, 2019 |
| Life Expectancy (Year) – 2020 | 50 years | Statistics Sierra Leone, Census 2015 Projection |
| **2. Income & the Economy** | **Indicator** | **Source & Reference date** |
| Nominal GDP – 2019 | $ 4.1 Billion | Ministry of Finance |
| Nominal GDP – 2020 | $ 3.9 Billion | Ministry of Finance |
| GDP per capita – 2019 | $544 | Statistics Sierra Leone |
| GDP per capita – 2020 | $533 | Statistics Sierra Leone |
| Real GDP Growth Rate – 2019 | 5.4% | Ministry of Finance, 2020 Annual Account |
| Real GDP Growth Rate – 2020 | -2.2% | Ministry of Finance, 2020 Annual Account |
| Population Below $ 1.25 a day (%) | 56.7% | Statistics Sierra Leone, SLIHS 2018 |

## 1.5 The Healthcare System and Delivery

The health service delivery system of Sierra Leone consists of a diverse set of providers including public, private for profit, private not-for-profit, public-private partnership and traditional medicine practices. MoHS is the major healthcare provider in Sierra Leone and

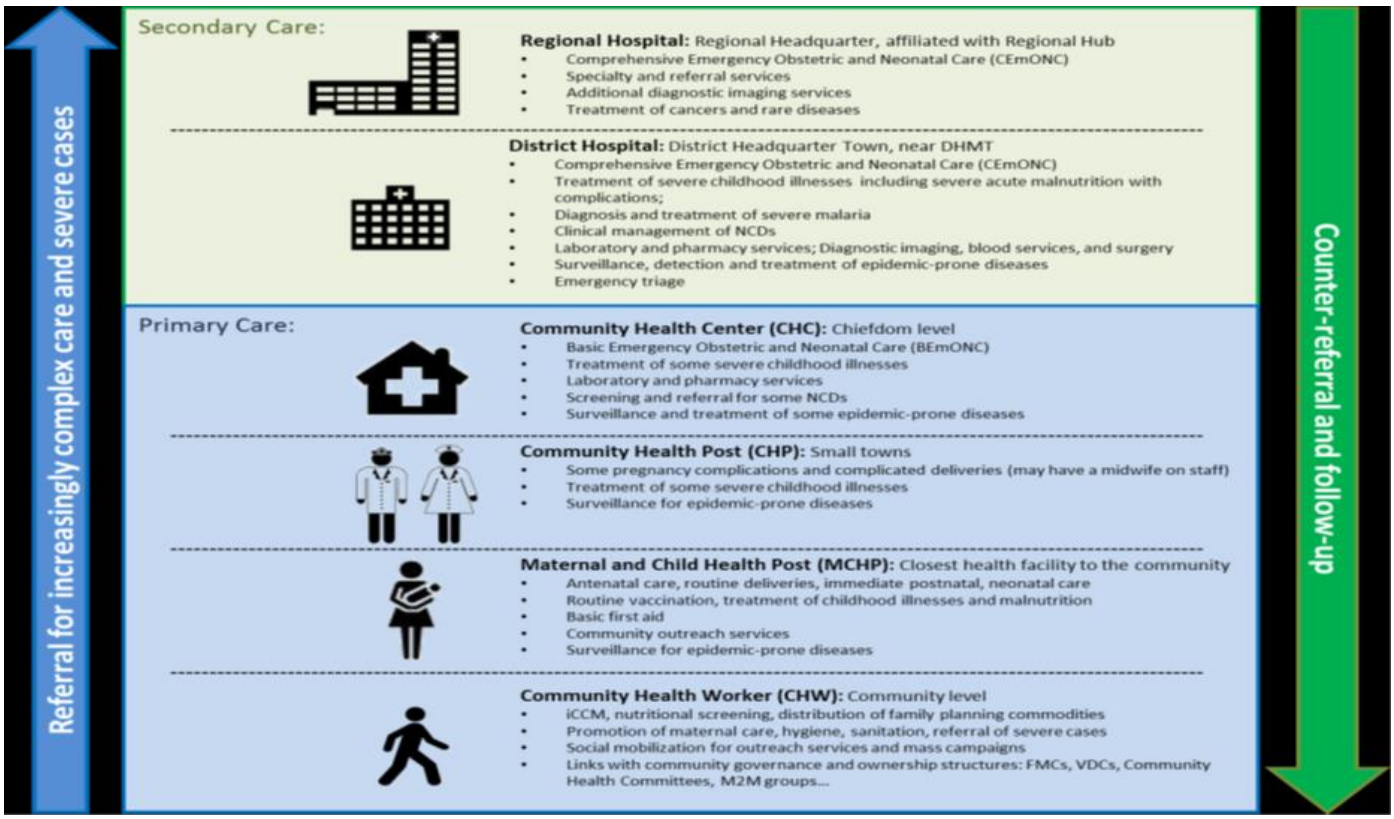
seeks to maintain and improve the health of all Sierra Leoneans. These provide a wide range of services including prevention, promotion and curative services at different levels of care as prescribed in the Basic Package of Essential Health Services (BPEHS) as defined in 2010.

The country is currently in a preparation phase of implementation a national Social Health Insurance Scheme (SLeSHI) to increase financial protection for the population in periods of illness by promoting pre-payments for healthcare services, mobilizing financial resources equitably, and improving effectiveness, efficiency, accountability in the delivery of quality health care.

Delivery of public healthcare follows a three-tiered model organized into (1) Peripheral Health Units (PHU) that provide first line primary health care; (2) District hospitals that provide secondary care and (3) regional and specialized hospitals that provide tertiary care. PHUs comprise three levels including Community Health Centers (CHCs[1]), Community Health Posts (CHPs) and Maternal and Child Health Posts (MCHPs).

**Figure 1: Sierra Leone healthcare system of service delivery**

[1] [1] Community Health Officers head CHCs, Community Health Assistants head CHP, and Maternal and Child Health Assistants heads MCHPs




MCHPs are the first front line that serves less than 5,000 population. An MCHP is staffed by MCH Aides who are trained to provide numerous services: antenatal care, supervised deliveries, postnatal care, family planning, growth monitoring and promotion for under-five children, immunization, health education, management of minor ailments, and referral of cases to the next higher level. The MCH Aides are supported by community health workers (TBAs and Community volunteers) and should refer complicated cases to the CHP, CHC or District Hospital as appropriate.

CHPs are at small town level with population between 5,000 and 10,000 and are staffed by State Enrolled Community Health Nurses (SECHNs) and MCH Aides. In addition to services provided by MCHPs, they provide preventive services on communicable diseases and rehabilitation services. They refer more complicated cases to the Community Health Centers (CHCs) or the District Hospital.

At the chiefdom level, there is a CHC that usually covers a population of between 10,000 and 20,000. A CHC is staffed by a community health officer (CHO), community health assistant (CHA), SECHN, MCH Aides, endemic disease control assistants and environmental health assistants. In addition to the services provided by a CHP, a CHC provides services related to

environmental sanitation and assist in the supervision of the CHPs and MCHPs within its catchment area.

The second line referral services are provided by the District Hospital. These services include outpatient services for referred cases from PHUs and the population living within its immediate environs, inpatient services, and diagnostic services, management of accidents and emergencies and technical support to PHUs.

At the tertiary level, there are regional tertiary Hospitals situated in the regional capitals – Freetown, Bo, Kenema and Makeni. These tertiary hospitals provide services including outpatient services for referred cases from district hospitals and the population living within its immediate environs, inpatient services, and diagnostic services, management of accidents and emergencies and technical support to district hospitals.

The provision of primary and secondary healthcare services is devolved to the local councils, which in turn delegates actual health service provision to the District Health Management Team (DHMT) which manages a network of Peripheral Health Units (PHUs) and the District Hospital. The DHMT, under the leadership of the District Medical Officer (DMO) is responsible for the overall planning, implementation, coordination, monitoring and evaluation of the district health services. At the central level, the Ministry of Health retains a policy, supervision and regulatory roles for primary and secondary healthcare services throughout the country as well as a direct role in the management of tertiary health services.

# Chapter Two
# Methodology

## 2.1 NHA Process and Data Sources

This study was conducted using the World Health Organization (WHO) standardized questionnaire based on Systems for Health Accounts (SHA 2011) which was designed in a modular form namely: NGOs, Donor, Insurance and Employer. In each of these modules, questions were asked to identify the funding sources, functions, service providers and disease and health conditions the funds were spent on within a year. In the 2019 and 2020 NHA study, a sub account was created on Reproductive and Child Health looking at expenditure on key RMNCH indicators. Fourteen enumerators were hired and trained to administer the questionnaires. Data collection lasted for 20 days with weekly updates from the enumerators and next steps discussed. Collected data was cleaned, systematically imported into the HAPT tool for classification and analysis of health expenditure. Technical Assistant supported in the data analysis.

**Table 2.1 NHA Team formation**

| Team | Quantity |
|---|---|
| Team Lead | 1 |
| NHA Sub-Technical Committee | 10 |
| Supervisors | 2 |
| Enumerators | 14 |
| Data Analysts | 4 |
| Technical Assistant | 1 |
| Reviewer | 1 |

Table 2.1 depicts the composition of NHA team that was charged with the responsibility of conducting the study.

The NHA team also used secondary data from Sierra Leone Integrated Household Survey (SLIHS) 2018 projections to determine households' out-of-pocket health expenditure for 2019 and 2020. Other secondary data sources that were used included:

- Budget Bureau at the Ministry of Finance (Government Expenditure Data)
- Central Medical Stores
- Statistics Sierra Leone (Demographic and Health Survey and Sierra Leone Integrated Household Survey datasets)

- District Hospitals / Princess Christian Maternity Hospital (PCMH) / Ola During Children's Hospital (ODCH)
- Government Disbursement data from Directorate of Financial Resources, MoHS
- Payroll Data from Directorate of Human Resources for Health, MoHS
- Health Management Information System Data from Directorate of Policy, Planning and Information, MoHS
- Drug expenditures data from Programmes/Directorates of Malaria, TB, HIV/AIDS and vaccines

**Table 2.2 Description of Secondary data sources for NHA 2019 and 2020**

| Description of Data | Source of Data |
|---|---|
| Payroll Data, 2019 & 2020 | Directorate of Financial Resources (DFR), MoHS |
| Utilization Data from all district Hospitals and Peripheral Health Units (PHUs) – HMIS | Directorate of Policy, Planning and Information, MoHS |
| Government Expenditure Data for 2019 and 2020 | Budget Bureau, Ministry of Finance |
| Household Data for 2019 and 2020 | Sierra Leone Integrated Household Survey, 2018 |
| Drugs Dispersion Data | Central Medical Stores, Directorate of Drugs & Medical Supplies, NPPU, Directorate of Human Resources for Health, MoHS |

## 2.2 Key Concepts used in NHA

Key concepts used are as follows:

- **Financing Source (FS):** This refers to the source of the funding for the health-related activity. In the context of Sierra Leone, this are government, donor, NGOs and households. Private Employers and insurance companies also make up a small portion of the financing source.
- **Financing Agents (FA):** This refers to the organization or entity that manages the money provided for the health-related activity. The agents make the financial decisions about where and how the money should be spent to achieve certain health outcomes. In Sierra Leone, the financing agents include government entities (Ministry of Finance, Ministry of Health), NGOs, households, private firms etc.

- **Providers:** Providers are the organizations or entities that are providing the healthcare services, i.e. preventive care, curative care, rehabilitative care etc. These are be government hospitals, faith-based organizations, clinics, pharmacies etc.
- **Functions:** Services include curative care, inpatient & outpatient care and rehabilitative care.

NHA tables included in this study illustrate some facets of health expenditure cross-tabulated by two of the above-mentioned dimensions. The tables that cross-tabulate these dimensions include:

- Health expenditure by financing source and type of financing agent (FS x HF)
- Health expenditure by the type of financing agent and type of provider (HF x HP)
- Health expenditure by provider and type of function (HP x HC)
- Health expenditure by type of financing agent and type of function (HF x HC)

**Table 2.3 Distribution and Response Rate of selected entities**

| Entity | Type of sampling | Total sample | Total responses | Response rate |
|---|---|---|---|---|
| Donor | Census | 18 | 17 | 94% |
| NGO | Census | 80 | 43 | 54% |
| Employer | Purposive | 40 | 20 | 50% |
| Insurance company | Census | 7 | 3 | 43% |

Table 2.3 describes the response rates of entities during the study. Of all the entities surveyed, insurance companies had the highest response rate of 100% whiles the majority had low response rate with the employers being the lowest at 50%. There were lots of challenges to get these different entities to cooperate by providing the required information. It is believed that the low response rates by the above entities in respect to the NHA was because majority of the selected entities perceived the NHA exercise as a means of auditing their organization and institutions. With consistent education and feedback on NHA results to the respondents and eventual institutionalization of NHA may mitigate the current low response rate.

# Chapter Three
# Study Findings

## 3.1 Total Health Expenditure and Current Health Expenditure

The Total Health Expenditure increased from 3,420.08 Billion Leones in 2019 to 4,184.54 Billion Leones in 2020. These values include the Current Health Expenditure of 3,353.50 Billion Leones in 2019 and 3,724.58 Billion Leones in 2020. Similarly, the Capital Health Expenditure increased from 66.57 Billion Leones in 2019 to 459.96 Billion Leones in 2020.

**Table 3. 1 General Health Financing, 2019 and 2020**

| Health Financing Variables | FY 2019 | FY 2020 |
|---|---|---|
| CHE (Billion Leones) | 3,353.50 | 3,724.58 |
| GDP (Billion Leones) | 27,322.30 | 32,362.20 |
| CHE % GDP | 12.27% | 11.51% |
| HK (Billion Leones) | 66.57 | 459.96 |
| THE (CHE+HK) - (Billion Leones) | 3,420.08 | 4,184.54 |
| THE % GDP | 12.52% | 12.93% |
| Population – Millions | 7.9 | 8.1 |
| CHE Per Capita Exp. (Leones) | 424,493.67 | 459,824.69 |
| CHE Per Capita Exp. (USD) | 47.0 | 45.1 |
| THE Per Capita Exp. (Leones) | 432,921.52 | 516,609.88 |
| THE Per Capita Exp. (USD) | 47.80 | 50.67 |

***Source:*** NHA Data Analysis 2019 & 2020

The study revealed that THE per capita also increased nominally from 424,493.67 Leones (47.80 Dollars)[2] in 2019 to 516,609.88 Leones (50.67 Dollars)[2] in 2020; but remaining same in international dollar due to exchange rates parity. The study further found that THE per capita is still lower than the WHO recommended expenditure of $86[3]. However, it is also important to note that, on average, a significant portion (46.6%) of this per capita comes from households (Table 3.2) which should be a concern to all policy makers in the country.

[2] 2020 Exchange rate used – Bank of Sierra Leone
[3] ( (Jowett, Brunal, Flores, & Cylus, 2016)

## 3.2 Revenue of Total Health Expenditure

Total Health Expenditure (THE) represents the sum of Current Health Expenditure (CHE) and Health Capital Expenditure. The CHE measures the economic resources spent by a country on healthcare services and goods, including administration and insurance excluding capital expenditure. Revenue of THE in Sierra Leone for a period from 2019 to 2020 came from three major sources namely the government, households and donors/NGOs (rest of the world).

**Table 3. 2 Total Health Expenditure by Financing Sources, 2019 to 2020**

| THE Financing Sources | FY 2019 | | FY 2020 | |
|---|---|---|---|---|
| | Amount (Million SLL) | Share | Amount (Million SLL) | Share |
| Government | 460,134.8 | 13.5% | 701,411.4 | 16.8% |
| Corporations | 24,595.9 | 0.7% | 18,842.4 | 0.5% |
| Households | 1,773,661.9 | 51.9% | 1,949,461.4 | 46.6% |
| Donors | 1,161,684.5 | 34.0% | 1,514,823.7 | 36.2% |
| **TOTAL** | **3,420,077.2** | **100.0%** | **4,184,538.8** | **100.0%** |

***Source:*** NHA Data Analysis 2019 & 2020

Table 3.2 present results for Total health expenditure by financing sources between 2019 and 2020. Despite the implementation of the free healthcare initiative in 2010 that provides free basic primary healthcare to a select group of people, households remains the main contributors towards the total health expenditure, with contributions of 51.9% in 2019 and decreased to 46.6% in 2020. Donors, are the second main contributors towards total health expenditure in Sierra Leone. In 2019, the donor contributed 34.0% and increased to 36.2% in 2020. This increase shows the reliability of dependency on international aid to finance healthcare` in order to achieve a sustainable Universal Health Coverage for Sierra Leone.

Government contribution to health financing increased considerably from 13.5% in 2019 to 16.8% of THE in 2020. This is a step in the right direction by the government to protect her citizens from catastrophic health expenditures. There is also the need to put appropriate mechanisms in place to ensuring that individuals, especially vulnerable populations are protected from the financial burden of accessing health care as the country strives towards achieving Universal Health Coverage (UHC).

Currently, Sierra Leone is the preparation to implement Sierra Leone Social Health Insurance (SLeSHI) and there is hope that households may be protected from exorbitant health care expenses that threaten their welfare. The available private insurance corporations which are mainly used by private sector employees for example, commercial banks account for a smaller proportion. In 2019, private insurance corporations contributed only 0.7%, which decreased to 0.4% in the following financial year as shown in Section 3.3.

### 3.3 Financing Schemes of the Current Health Expenditure

Financing schemes are the main types of financing arrangements through which people receive healthcare. These schemes help in defining how healthcare resources are managed and organized, and to what extent resources are pooled by different healthcare financing partners/agents.

Findings in Table 3.3 shows that most of the revenues for healthcare in Sierra Leone came from households Out-Of-Pocket health spending at 1,773,661.9 Billion Leones in 2019 and 1,949,461.4 Billion Leones in 2020 and this was followed by transfers to schemes belonging to Not-For-Profit Institutions Serving Households (NPISH) totaling to 1,098,649.1 Billion Leones in 2019 and 1,211,311.9 Billion Leones in 2020.

Government (especially the Central government schemes) financing schemes increased from 456,471.7 Billion Leones in 2019 to 544,786.2 Billion Leones in 2020. This is not strange in a country where over half of the healthcare resources (52.3 % of THE) comes from household out-of-pocket as shown in Table 3.3. This means that donor community and government have a duty to efficiently coordinate the mechanisms through which resources are pooled and spent within the country.

**Table 3. 3 Current Health Expenditure by Financing Schemes, 2019 to 2020**

| Financing Schemes of CHE | FY 2019 | | FY 2020 | | Nominal Comparison 2019-2020 | |
|---|---|---|---|---|---|---|
| | Amount (Million SLL) | Share | Amount (Million SLL) | Share | Amount (Million SLL) | % Change |
| Government schemes | 456,471.7 | 13.6% | 544,786.2 | 14.6% | 88,314.5 | 19.3% |
| Employer-based insurance (Other than enterprises schemes) | 23,665.9 | 0.7% | 16,001.5 | 0.4% | (7,664.4) | -32.4% |
| NPISH financing schemes (including development agencies) | 1,098,649.1 | 32.8% | 1,211,311.9 | 32.5% | 112,662.8 | 10.3% |
| Enterprise financing schemes | 1,053.6 | 0.03% | 3,018.4 | 0.1% | 1,964.7 | 186.5% |
| Out-of-pocket excluding cost-sharing | 1,773,661.9 | 52.9% | 1,949,461.4 | 52.3% | 175,799.5 | 9.9% |
| **TOTAL** | **3,353,502.2** | **100.0 %** | **3,724,579.3** | **100.0%** | **371,077.1** | **11.1%** |

***Source:*** NHA Data Analysis 2019 & 2020

As shown in Table 3.3, the Current Health Expenditure (CHE) in 2019 was 3,353.50 Billion Leones and increased by 104,367.8 Billion (11.1%) to, 3,724.58 Billion in 2020. Household out of pocket (OOP) accounted for the largest share of CHE by contributing 1,773,661.9 Billion Leones which was over 52% in 2019. This value increased by 175,799.5 Billion Leones (9.9%) to 1,949,461.4 Billion in 2020 accounting for about 52% of CHE. The very high OOP puts the population at a high risk of catastrophic health expenditure and consequent negative impact on UHC, hence the need for policy actions to reserve the trend.

NPISH which is largely international funds contributed about a third of CHE in both 2019 and 2020, though their nominal and proportional contributions decreased in 2020 by 112.7 Billion Leones and 10.3% respectively.

Government contributed 456,471.7 Billion Leones (13.6% of CHE) in 2019. This increased both nominally and proportionally by 88,314.5 Billion Leones (-19.3 %) to 544,786.2 Billion Leones in 2020. The remaining major sources of CHE contributed less than 1% in both years.

## 3.4 Total Health Expenditure by Providers

According to the most recent Systems of Health Accounts (SHA-2011), providers of health care are institutional units/entities that receive money from financing agents in exchange for or

in anticipation of producing the required health care services. Sierra Leone has approximately fifty-four (54) public and private Hospitals of which 25 is public hospitals and 29 private hospitals, whilst the Primary Health Units approximate to 1,285 all over the country.

**Table 3. 4 Total Health Expenditure by Healthcare Providers, 2019 and 2020**

| Healthcare Providers of THE | FY 2019 | | FY 2020 | | Nominal Comparison 2019-2020 | |
|---|---|---|---|---|---|---|
| | Amount (Million SLL) | Share | Amount (Million SLL) | Share | Amount (Million SLL) | % Change |
| Hospitals | 1,932,968.6 | 56.5% | 2,440,516.4 | 58.3% | 507,547.8 | 26.3% |
| Providers of ambulatory health care | 479,622.9 | 14.0% | 536,706.2 | 12.8% | 57,083.3 | 11.9% |
| Providers of ancillary services | 4,214.2 | 0.1% | 11,060.8 | 0.3% | 6,846.5 | 162.5% |
| Retailers and Other providers of medical goods | 115,352.1 | 3.4% | 132,448.0 | 3.2% | 17,095.9 | 14.8% |
| Providers of preventive care | 505,338.5 | 14.8% | 684,134.2 | 16.3% | 178,795.7 | 35.4% |
| Providers of health care system administration and financing | 315,380.1 | 9.2% | 339,884.2 | 8.1% | 24,504.1 | 7.8% |
| Rest of economy | 10,473.9 | 0.3% | 9,137.6 | 0.2% | (1,336.3) | -12.8% |
| Rest of the world | 18,699.9 | 0.5% | 9,207.4 | 0.2% | (9,492.6) | -50.8% |
| Unspecified health care providers (n.e.c.) | 38,026.9 | 1.1% | 21,444.1 | 0.5% | (16,582.8) | -43.6% |
| **TOTAL** | **3,420,077.2** | **100.0%** | **4,184,538.8** | **100.0%** | **764,461.6** | **22.4%** |

***Source:*** NHA Data Analysis 2019 & 2020

Table 3.4 shows that total health expenditures were distributed among different healthcare providers for 2019 and 2020. It is evident from these findings that significant proportion of THE is spent by hospitals in Sierra Leone. For instance, in 2019, hospitals utilized 56.5% of which further increased to 58.3% in 2020. Whereas, providers of preventive care utilized 14.8% in 2019 and its proportion increased to 16.3% in 2020, the providers of healthcare system administration and financing in the country accounted for 9.2% in 2019 which reduced to 8.1% of THE in 2020. In addition, providers of ambulatory healthcare utilized 14.0% and 12.8% in 2019 and 2020 respectively. All other healthcare providers' expenditure was less than 10% for the period under study.

The significance of hospitals and health centers in Sierra Leone cannot be over-emphasized because more than half of THE is spent there and the next section looks more critically at what is involved in the hospital expenditures. This will provide guidance to MoHS especially in designing policies that will improve healthcare delivery in the country.

### 3.5 Hospital Expenditure

Based on findings as shown in Table 3.4 above, hospitals in Sierra Leone got most of their revenue from households and development partners (donors) to conduct their activities for the period 2019 and 2020. Despite the introduction of the free health care initiative, households in Sierra Leone are still the main contributors of hospital expenditures.

**Table 3. 5 Hospitals as Healthcare Providers, 2019 to 2020**

| Hospitals' Financing Sources | FY 2019 | | FY 2020 | | Nominal Comparison 2019-2020 | |
|---|---|---|---|---|---|---|
| | Amount (Million SLL) | Share | Amount (Million SLL) | Share | Amount (Million SLL) | % Change |
| Government | 170,178.7 | 8.8% | 186,611.0 | 7.6% | 16,432.3 | 9.7% |
| Corporations | 15,401.0 | 0.8% | 11,329.3 | 0.5% | (4,071.7) | -26.4% |
| Households | 1,463,093.7 | 75.7% | 1,662,890.5 | 68.1% | 199,796.9 | 13.7% |
| Donors | 284,295.2 | 14.7% | 579,685.5 | 23.8% | 295,390.3 | 103.9% |
| **TOTAL** | **1,932,968.6** | **100.0%** | **2,440,516.4** | **100.0%** | **507,547.8** | **26.3%** |

***Source:*** NHA Data Analysis 2019 & 2020

In 2019, households spent 75.7% on hospitals, which declined to 68.1% in 2020. Development partners' contribution increased to 23.8% in 2020 from 14.7% in 2019. Government contribution to hospitals stands at 8.8% and 7.6% for 2019 and 2020 respectively. These figures raise concern given the government's quest to attain Universal Health Coverage by 2030. The analysis of hospital expenditure depicts the fact that Sierra Leone is still faced with high level of curative expenditure as compared to preventive measures as shown in table 3.5 above.

### 3.6 Current Health Expenditure by Function

Healthcare functions consist of goods and services provided and activities that are performed by healthcare providers within the boundary of the health accounts. General healthcare functions include curative care (inpatient and outpatient), provision of pharmaceuticals from independent pharmacies, prevention and public health programmes, healthcare administration, and capital formation. The estimation for CHE by healthcare functions is shown in table 3.6 below.

**Table 3. 6 Current Health Expenditure by Healthcare Functions, 2019 to 2020**

| *Healthcare Functions* | FY 2019 | | FY 2020 | | Nominal Comparison 2019-2020 | |
|---|---|---|---|---|---|---|
| | Amount (Million SLL) | Share | Amount (Million SLL) | Share | Amount (Million SLL) | % Change |
| Inpatient curative care | 1,087,849.1 | 32.4% | 1,162,085.9 | 31.2% | 74,236.8 | 6.8% |
| Outpatient curative care | 1,224,763.6 | 36.5% | 1,376,176.7 | 36.9% | 151,413.1 | 12.4% |
| Rehabilitative care | 2,688.8 | 0.1% | 7.6 | 0.0% | (2,681.2) | -99.7% |
| Ancillary services (non-specified by function) | 1,517.9 | 0.0% | 1,568.8 | 0.0% | 50.9 | 3.4% |
| Medical goods (non-specified by function) | 115,783.3 | 3.5% | 134,083.3 | 3.6% | 18,300.0 | 15.8% |
| Preventive care | 576,573.0 | 17.2% | 729,013.1 | 19.6% | 152,440.0 | 26.4% |
| Governance, and health system and financing administration | 306,525.6 | 9.1% | 300,199.9 | 8.1% | (6,325.7) | -2.1% |
| Other health care services not classified | 37,800.9 | 1.1% | 21,444.1 | 0.6% | (16,356.9) | -43.3% |
| **TOTAL** | **3,353,502.2** | **100.0 %** | **3,724,579.3** | **100.0 %** | **371,077.1** | **11.1%** |

***Source:*** NHA Data Analysis 2019 & 2020

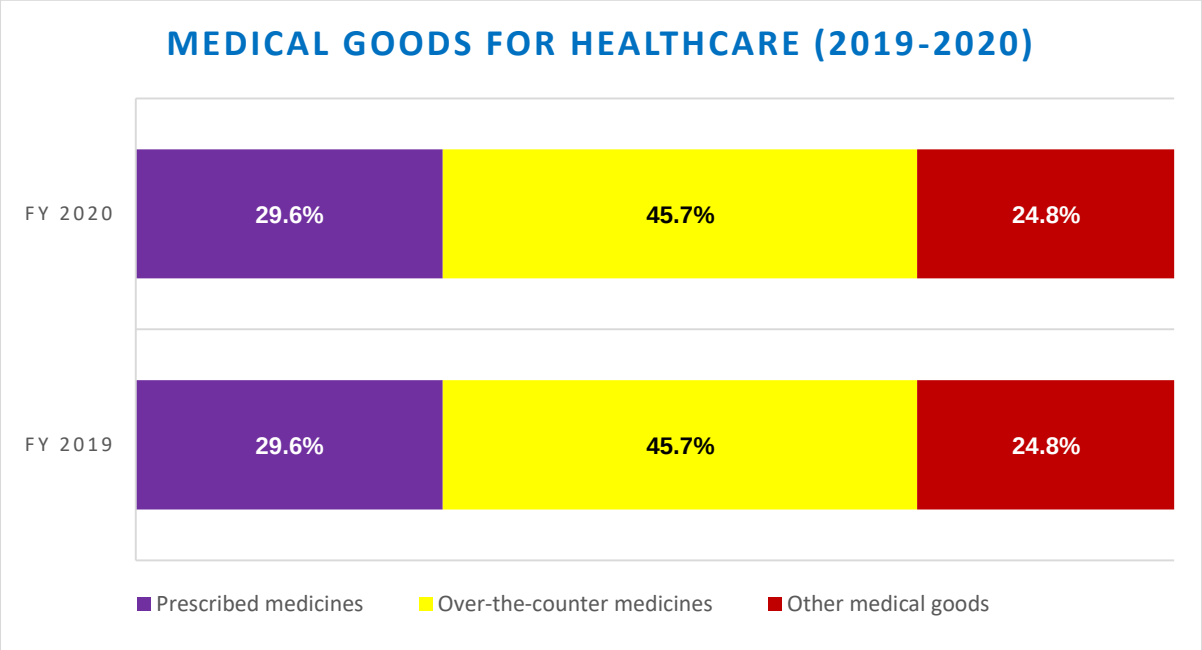
Results in Table 3.6 shows that outpatient and inpatient curative care are the most offered services in Sierra Leone followed by preventive care. For instance, over 68% of current expenditure on all healthcare functions in 2019 and 2020 was spent on outpatient and inpatient curative care with only about 17.2% on preventive care in 2019 and 19.6% in 2020. Worthy to note that preventive care is important in the provision of primary healthcare and UHC. Therefore, there is need for government to focus more on preventive services rather than curative services as preventive services are more cost effective and efficient.

For instance, when the Ebola epidemic hit the country, the government preparedness was grossly inadequate for such disease burden or magnitude. If the government had proper precautionary measures/preventive measures in place by then, Ebola may not have hit the country as hard as it did. On the other hand, lessons were drew from the Ebola epidemic to attack the Covid 19 pandemic when it struck in March, 2020.

## 3.7 Medical Goods

Medical goods are a very critical component in achieving an efficient and effective service delivery in any given country. Figure 2 below shows expenditure on medical goods for 2017 and 2018 respectively whereby over 80% of expenditure on medical goods was spent on pharmaceuticals both prescribed and non-prescribed. Care should be taken to note that these medical goods are not part of the pharmaceuticals used on both inpatient and outpatient services within hospitals and ambulatory care facilities.

**Figure 2: Medical Goods expenditure, 2019 to 2020**




***Source:*** NHA Data Analysis 2019 & 2020

What seems evident, from these findings, is that a good proportion of people in Sierra Leone like to self-medicate rather than seek medical attention. For instance, nearly half (45.7%) of the expenditures on medical goods in 2019 came from over-the-counter medicines compared to only 29.6% of the prescribed medicines. Similarly, in 2020, it was found out that the same situation of the expenditure on medical goods for both over-the-counter medicines and prescribed medicines exists. This clearly shows that the magnitude of over-the-counter medication is declining noticeably as time progresses in Sierra Leone.

Given the increase in antimicrobial resistance mainly due to self-medication from over the counter medicines, it is important that government puts in place precautionary measures to reduce the purchase of over-the-counter medicines without medical prescription.

## 3.8 Preventive Care

Specific healthcare measures aimed at avoiding diseases and risk factors in order to reduce the onset of a disease, diminish the number of new cases, and anticipate the emergence and lessen the severity of diseases. Table 3.7 below represents that development partners (Donors) spent the largest share on preventive healthcare for the two financial years. As seen, they spent 86.9% in 2019 and 82.7% in 2020 on preventive healthcare.

**Table 3. 8 Preventive healthcare expenditure by financing sources, 2019 to 2020**

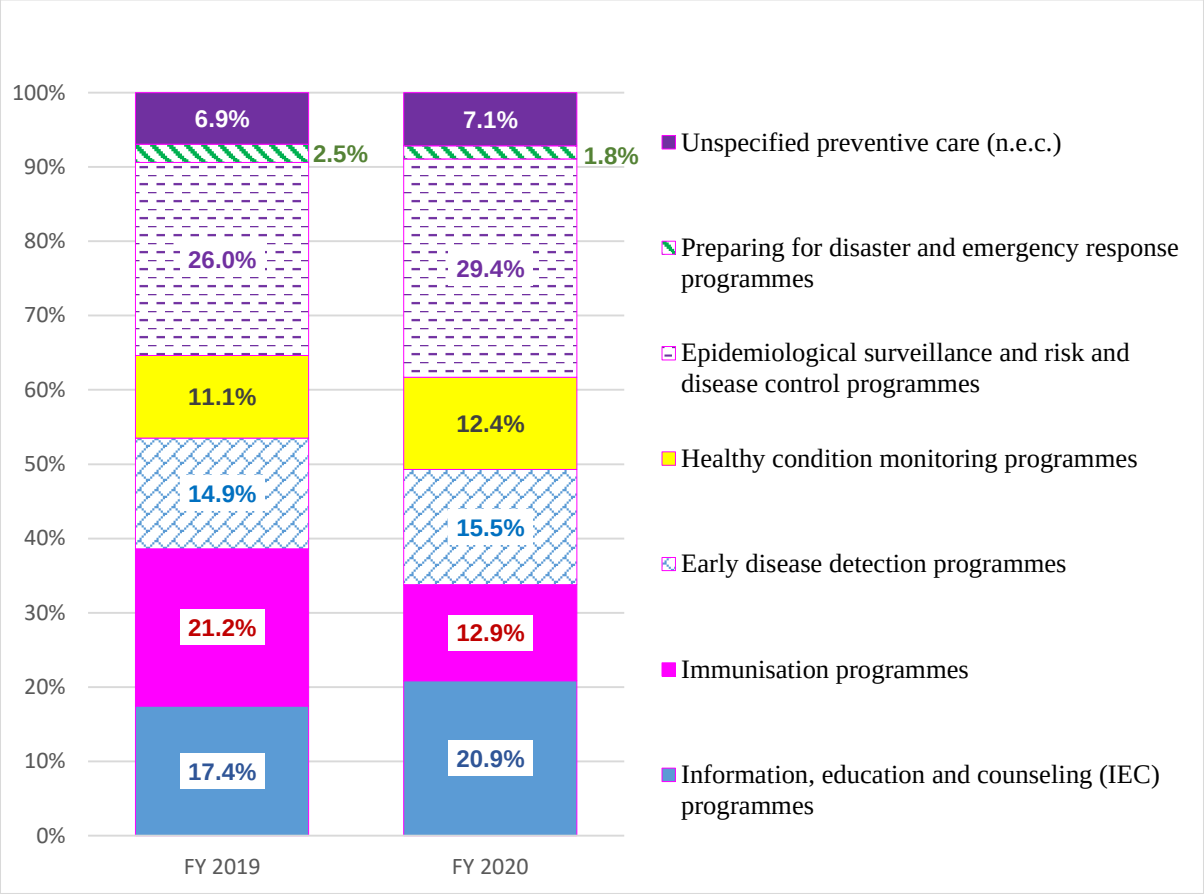
| Preventive Care's Financing Sources | FY 2019 | | FY 2020 | | Nominal Comparison 2019-2020 | |
|---|---|---|---|---|---|---|
| | Amount (Million SLL) | Share | Amount (Million SLL) | Share | Amount (Million SLL) | % Change |
| Government | 75,727.3 | 13.1% | 125,951.8 | 17.3% | 50,224.5 | 66.3% |
| Corporations | - | 0.0% | 8.5 | 0.0% | 8.5 | |
| Households | - | 0.0% | - | 0.0% | - | |
| Donors | 500,845.8 | 86.9% | 603,052.8 | 82.7% | 102,207.0 | 20.4% |
| **TOTAL** | **576,573.0** | **100.0%** | **729,013.1** | **100.0%** | **152,440.0** | **26.4%** |

***Source:*** NHA Data Analysis 2019 & 2020

There was also an increase on Government preventive healthcare expenditure from 13.1% in 2019 to 17.3% in 2020. This is an indication that as far as healthcare provision is concerned in Sierra Leone, households and donors are the main financiers of healthcare, even with preventive care. This signal is not good for health systems strengthening as donors support will phase out or reduce drastically for healthcare programmes over time.

Due to the strategic importance of preventive care in the country's effort towards achieving UHC, preventive care was further analyzed to see which areas utilize most of these resources. Figure 3 shows that a substantial amount of the preventive healthcare expenditure goes to epidemiological surveillance, risk and disease control programmes. In 2020, the study informs that there was a shift on spending towards information, education and counselling (IEC) programmes and early disease detection programmes.

**Figure 3: Preventive Healthcare expenditure, 2019 to 2020**




***Source:*** NHA Data Analysis 2019 & 2020

A radical shift is observed between epidemiological surveillance which increased from 26.0% to 29.4% while information, education and counseling (IEC) increased from 17.4% to 20.9% of preventive care from 2019 to 2020 respectively. It was also evidently shows that unspecified preventive care increased from 6.9% to 7.1% from 2019 to 2020 respectively. Literally, this mean that some programmes data for both years was not disaggregated to the last details; an issue that should be rectified in subsequent NHA studies for proper policy decisions to be made.

Expenditure on immunization programmes was seen to have decreased from 21.2% to 12.9% of preventive care expenditure. Extra attention is needed in this area because a reduction in immunization coverage could mean more burden in the coming years regarding vaccine preventable diseases, especially for children under 5 years.

### 3.9 Reproductive Healthcare

Table 3.9 represents reproductive healthcare expenditure for 2019 and 2020 National Health Accounts (NHA) Study. There was significant increase in expenditure on maternal conditions from 5.96% in 2019 to 8.69% in 2020. Expenditure on perinatal conditions also increased to

3.59% in 2020 from 2.33% in 2019; whilst there was an increase in family planning from 1.92% in 2019 to 3.13% in 2020 denoting increase in awareness and utilization of the different family planning methods.

**Table 3. 9 Reproductive Healthcare expenditure, 2019 to 2020**

| CODES | | DESCRIPTION | FY 2019 | | FY 2020 | |
|---|---|---|---|---|---|---|
| | | | Amount (Million SLL) | Share | Amount (Million SLL) | Share |
| **DIS.2** | | **Reproductive and Maternal health** | **526,806.8** | **15.71** | **794,637.1** | **21.33** |
| DIS.2.1 | | Maternal conditions | 199,818.2 | 5.96 | 323,558.1 | 8.69 |
| | DIS.2.1.1 | Antenatal care (before child birth) | 51,303.2 | 1.53 | 74,249.6 | 1.99 |
| | DIS.2.1.2 | Intrapartum care (during childbirth) | 86,062.7 | 2.57 | 88,550.1 | 2.38 |
| | DIS.2.1.3 | Postnatal care (six weeks after child birth) | 54,445.9 | 1.62 | 81,425.4 | 2.19 |
| | DIS.2.1.nec | Other Maternal conditions | 8,006.4 | 0.24 | 79,333.0 | 2.13 |
| DIS.2.2 | | Perinatal conditions | 78,141.1 | 2.33 | 133,633.3 | 3.59 |
| DIS.2.3 | | Contraceptive management (family planning) | 64,307.8 | 1.92 | 116,705.9 | 3.13 |
| DIS.2.nec | | Unspecified reproductive health conditions | 184,539.7 | 5.50 | 220,739.9 | 5.93 |

***Source:*** NHA Data Analysis 2019 & 2020

Further analysis (Annex 4) shows that government's contribution towards reproductive health, although low, increased from 2019 to 2020 whilst that of donors increased in the same period.

Expenditure on unspecified reproductive healthcare conditions excluding maternal, perinatal and contraceptive management slightly increased from 5.50% in 2019 to 5.93% in 2020 as shown in Table 3.9.

## 3.10 Current Health Expenditure by Disease/Conditions

Information on expenditure by disease can serve a number of purposes, such as monitoring and providing information about resource allocation by disease/priority area. The choice of analysis by disease in the 2019 and 2020 NHA was informed by the burden of disease in Sierra Leone where diseases were selected in view of the top causes of morbidity, disabilities and death as

classified in the WHO International Classification of Diseases (ICD). These diseases share of CHE are financed by government, household and donor community.

**Table 3. 10 Current Health Expenditure by Disease/Conditions, 2019 to 2020**

| *Disease / Conditions* | FY 2019 | | FY 2020 | |
|---|---|---|---|---|
| | Amount (Million SLL) | Share | Amount (Million SLL) | Share |
| HIV/AIDS and Other Sexually Transmitted Diseases (STDs) | 125,001.6 | 3.7% | 192,596.7 | 5.2% |
| Tuberculosis (TB) | 50,665.2 | 1.5% | 55,479.5 | 1.5% |
| Malaria | 770,137.8 | 23.0% | 1,053,827.3 | 28.3% |
| Respiratory infections | 32,665.2 | 1.0% | 66,503.5 | 1.8% |
| Diarrheal diseases | 238,710.6 | 7.1% | 187,921.0 | 5.0% |
| Neglected tropical diseases | 27,247.7 | 0.8% | 31,507.4 | 0.8% |
| Vaccine preventable diseases | 146,219.8 | 4.4% | 113,836.0 | 3.1% |
| Other and unspecified infectious and parasitic diseases | 327,923.2 | 9.8% | 176,923.7 | 4.8% |
| Reproductive health | 545,473.3 | 16.3% | 809,612.2 | 21.7% |
| Nutritional deficiencies | 329,185.0 | 9.8% | 338,788.2 | 9.1% |
| Non-communicable diseases | 608,037.9 | 18.1% | 593,888.7 | 15.9% |
| Injuries | 82,478.8 | 2.5% | 66,410.8 | 1.8% |
| Non-disease specific | 69,756.1 | 2.1% | 37,284.2 | 1.0% |
| **TOTAL** | **3,353,502.2** | **100.0%** | **3,724,579.3** | **100.0%** |

***Source:*** NHA Data Analysis 2019 & 2020

CHE by diseases conditions as denoted in Table 3.10 shows that expenditure on Malaria increased from 23.0% in 2019 to 28.3% in 2020. In Sierra Leone, Malaria has the highest disease burden accounting for over 28.3% of the disease prevalence. Expenditure on HIV disease increased from 3.7% in 2019 to 5.2% in 2020. It was also seen that expenditure on TB remains constant at 1.5% for both years, with focus on the management of Multi Drug Resistance TB (MDR –TB). Support to Nutritional deficiencies dropped, almost, by 0.7% from 9.8% in 2019 to 9.1% in 2020. These disease conditions (HIV/AIDS, Malaria and Tuberculosis) are supported by the Global Fund to be treated free nationwide. This point to the financial vulnerabilities of these disease interventions, especially when support from partners will not be available due to the global financial crisis.

It is also important to note that the non-communicable diseases consumed 18.1% of CHE in 2019 which decreased to 15.9% in 2020 and these diseases include hypertensive cases, cancer conditions, among others of which details are shown in Annex 3.

## 3.11 Capital Health Expenditure

Capital Expenditure is an integral component in health expenditure and it is an important factor due to its contribution in production of health services for citizens.

**Table 3.11 Capital Expenditure by Financing Source, 2019 to 2020**

| FINANCING SOURCES | FY 2019 | | FY 2020 | |
|---|---|---|---|---|
| | Amount (Million Leone) | Share | Amount (Million Leone) | Share |
| Government | 3,642.5 | 5.5% | 156,447.7 | 34.0% |
| Corporations | - | 0.0% | - | 0.0% |
| Rest of the world | 62,932.5 | 94.5% | 303,511.8 | 66.0% |
| **TOTAL** | **66,575.0** | **100.0%** | **459,959.5** | **100.0%** |
| **CAPITAL ITEMS** | **FY 2019** | | **FY 2020** | |
| | **Amount (Million Leone)** | **Share** | **Amount (Million Leone)** | **Share** |
| Infrastructure | 13,655.0 | 20.5% | 383,924.7 | 83.5% |
| Medical equipment | 38,902.8 | 58.4% | 34,005.7 | 7.4% |
| Transport equipment | 1,430.8 | 2.1% | 15,026.3 | 3.3% |
| ICT equipment | 4,346.4 | 6.5% | 10,123.9 | 2.2% |
| Machinery and equipment n.e.c. | 7,226.7 | 10.9% | 89.2 | 0.0% |
| Other gross capital formation | 1,013.3 | 1.5% | 16,789.7 | 3.7% |
| **TOTAL** | **66,575.0** | **100.0%** | **459,959.5** | **100.0%** |

***Source:*** NHA Data Analysis 2019 & 2020

The main financing source towards capital expenditure in Sierra Leone as shown in Table 3.11 is the donors (development partners). For instance, between 2019 and 2020, donors' contribution towards capital expenditure increased from 94.5% to 66% whilst Government expenditure increased substantially to 34.0% in 2020 from 5.5% in 2019.

In Table 3.11, medical equipment accounted for the highest capital expenditure item in 2019 and infrastructure for 2020. For example, capital expenditure on infrastructure increased from 20.5% in 2019 to 83.5% in 2020, which resulted in the reconstruction of Diagnostic Center in Kerry Town, payment for ventilators in respect of Covid 19 Response, rehabilitation of hospitals, and payment to National Emergency Medical Supply Agency (NEMSA) for capital intensive activities. However, there was a drop in capital expenditure on medical equipment from 58.4% in 2019 to 7.4% in 2020.

### 3.12 Limitations

Despite tremendous efforts and unwavering support from other health stakeholders, the NHA survey report has the following key limitations:

- The employer's health spending is self-reported and cannot be verified; so this is likely to be over reported for each employer.
- The NHA does not adequately consider multi-sectorial projects having health implications.
- Some main donors/NGOs as well as insurance companies did not submit their data for analysis. These include: Arab Bank for Economic Development in Africa (BADEA), Chinese Embassy and Foreign Commonwealth and Development Office (FCDO). A comprehensive analysis is difficult without these key respondents.

# Chapter Four
# Summary, Conclusion and Recommendations

## 4.1 Summary and Conclusion

This NHA study is the fifth study for Sierra Leone and it describes the expenditure flows both from private and public within the health sector. It further describes the sources, uses and channels for all funds utilized in the health sector, in order to facilitate optimal management of the resource mobilization and allocation for the purpose of future planning.

Total Health Expenditure incurred in the Republic of Sierra Leone for the period 2019 and 2020 were 3,420.88 Billion Leones and 4,184.50 Billion Leones respectively. These values include the Current Health Expenditure (CHE) of 3,353.50 Billion Leones in 2019 and 3,724.58 Billion Leones in 2020. Similarly, the Capital Health Expenditure increased by 393.39 Billion Leones from 66.57 Billion Leones in 2019 to 459.96 Billion Leones in 2020.

Another key finding from the study revealed that households' out-of-pocket (OOP) expenditures serves the main contributors towards the CHE in Sierra Leone, accounting for 52.9% in 2019 and declined to 52.3% in 2020. The second main contributor towards current health expenditure in the country is donor. In 2019, the international community contributed about 34.0% towards CHE, which declined to 36.2% in 2020. This shows that the risk of depending on international aid to finance healthcare is increasing.

The Government of Sierra Leone contribution to health financing increased significantly from 13.5% in 2019 to 16.8% of CHE in 2020. This is worthy to note given that the government is now increasing funding to the sector in order to protect its citizens from catastrophic health expenditures. However, there is need for government to further institute robust mechanisms to ensure that individuals, especially vulnerable populations, are protected from the financial burden of accessing healthcare as we strive towards achieving UHC by 2030.

Also, it was discovered that there has been no change in expenditure of over-the-counter medication, prescribed medicines and other medical goods for both years. The result indicated that 45.7% of the expenditures on medical goods came from over-the-counter medicines, 29.6% from prescribed medicines and 24.8% from other medical goods for both years respectively. This indicates that the rate at which Sierra Leoneans are buying drugs over the counter has reduced largely to some extent compared to previous report. .

It was also realized that expenditure on maternal conditions surge from 5.96% in 2019 to 8.69% in 2020. Expenditure on perinatal conditions as well increased from 2.33% in 2019 and 3.59% in 2020 whilst there was an increase in family planning from 1.92% in 2019 to 3.13% in 2020 denoting increase in awareness and utilization of the different family planning methods. On a whole6

Finally, the study also shows that there is a significant increase in capital expenditure between the period understudy. Expenditure on capital increased extensively by 393.4 Billion Leones due to construction of new health facilities, rehabilitation of existing health facilities and procurement of medical equipment for health facilities.

## 4.2 Recommendations of the study

As a result of the findings of the study on the financial dimensions of the healthcare system in Sierra Leone, the following recommendations could be considered for implementation to improve the overall healthcare service delivery:

### *a) Implementation of the health financing strategy*

A successful implementation of Sierra Leone's Health Financing Strategy will map-out clear strategies/mechanisms on funds mobilization as well as identifying possible ways of securing more resources for the health sector. There is a need not only to mobilize additional resources, but also to increase efficiency in order to maximize the productivity of available resources.

### *b) Implementation of social health insurance*

Out-of-pocket (OOP) expenditures by households has the tendency to reduce if the Sierra Leone Social Health Insurance (SLeSHI) scheme is implemented nationwide. It as well has the propensity to protect the most vulnerable people from exorbitant health care expenses that threaten their welfare. There is need for government to strengthen payment methods to involve the private sector more in the financing for health as it is a potential source of sustainable revenue to the health sector by ensuring that individuals, especially vulnerable populations, are protected from the financial burden of accessing healthcare as we strive to achieve UHC by 2030.

### *c) Sustainability of the increase in government revenue through taxes for health*

Government should ensure that it expenditure towards the health sector is sustainable over the subsequent years. There is need to increase government revenue through taxes such as cigarettes, alcohol and divert/earmark funds specifically for health. It is also imperative that the government as well as maintaining good donor relations as they remain the second major financing source for healthcare in Sierra Leone.

### *d) Continue the regulation of over-the-counter medication*

Over-the-counter medication practice in Sierra Leone is common at all levels without prescription according to the findings. This is a bad practice to consume drugs without

consulting a medical practitioner for prescription. However, the government should consider putting in place precautionary measures against the sale of drugs without prescription, given the rise in antimicrobial resistance and how costly it is. Public sensitization and fines of selling drugs without seeking the attention of a qualified clinician can also play a significant role in reducing the high percentage of over-the-counter medication across the country.

***e) Increase government investment for reproductive and child health services***

Sierra Leone records one of the highest maternal and infant mortality rates in the world. The findings clearly revealed that more funding is needed for the implementation of the reproductive and child health programmes in order to improve these indicators and improve the outcomes for instance, both maternal and perinatal conditions. The study is recommending that government invests more in primary healthcare services.

***f) Increase advocacy for the acceleration of NHA institutionalization***

The Ministry through the Health Financing Unit need to train committed people on the NHA resource tracking methodologies as well as providing the necessary equipment (including the supply of a dedicated computer for only NHA Data).

***6. Improve feedback in engagement of health finance data provided*** and ***dissemination of NHA report to policy-makers for it use to influence policy decisions***

***8. There is need for further analysis and interpretation of the NHA for corrective policy actions in certain areas. For instance, what can government do to reduce OOP as well as increasing the share of government allocation***

## Appendices

**Annex 1: National Health Accounts (NHA) Sub –Technical Group**

| No | Name | Designation | MDAs |
|---|---|---|---|
| 1 | Dr. Michael M. Amara | Principal Health Economist/SLeSHI Lead | MoHS |
| 2 | Nathaniel Soloku | Health Economist | MoHS |
| 3 | Yayah Sesay | Economist | MoHS |
| 4 | Abdul Kai Kai | Economist | MoPED |
| 5 | Dr. Selassi A. D'Almeida | Health Systems Strengthening Manager | WHO |
| 6 | Thekeka Conteh | Economic Analysis Director | MCCU |
| 7 | Dausy Wurie | Assistant Deputy Budget Director | MoF |
| 8 | Clementina Akran | Senior Statistician | Statistics Sierra Leone |
| 9 | Glenna Wilson | Data Engineer | DSTI |
| 10 | Laima A. K. Dumbuya | Senior Budget Officer | MoHS/MoF |

**Annex 2: National Health Accounts (NHA) - List of Enumerators**

| No | Name | Designation | Role |
|---|---|---|---|
| 1 | Abdulrahman B. Jalloh | Business and Statistics | Enumerator |
| 2 | Allieu P. Komba | Mathematics and Economics | Enumerator |
| 3 | Abdulai Kabba | Statistics | Enumerator |
| 4 | Sahr Emmanuel Koademba | BSc Banking & Financing & MSc | Enumerator |
| 5 | Joseph Tucker | Business Administration | Enumerator |
| 6 | Michael Amara Junior | Statistics | Enumerator |
| 7 | Kadijatu Dumbuya | Business Administration | Enumerator |
| 8 | Steven Saidu | Business Administration | Enumerator |
| 9 | Omaru Conteh | Business Administration | Enumerator |
| 10 | Lissa P. Sam-Robert | Economics | Enumerator |
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| 14 | Noah Konday | Business Administration | Enumerator |

**Annex 3a: Disease Shares by Financing Sources, 2019**

| ***Leone (SLL), Million*** | **Government** | **Corporations** | **Households** | **NPISH** | **Donors** | **TOTAL** | **%** |
|---|---|---|---|---|---|---|---|
| HIV/AIDS and Other Sexually Transmitted Diseases (STDs) | 39,348.7 | 112.6 | - | - | 86,028.6 | **125,489.9** | 3.7 |
| Tuberculosis (TB) | 5,508.5 | 11.7 | - | - | 44,078.3 | **49,598.6** | 1.5 |
| Malaria | 110,948.8 | 2,673.1 | 579,075.3 | 34.4 | 83,879.4 | **776,611.0** | 23.2 |
| Respiratory infections | 5,427.0 | 843.1 | 12,916.4 | - | 13,454.4 | **32,641.0** | 1.0 |
| Diarrheal diseases | 11,943.6 | 1,319.0 | 118,166.8 | 11.6 | 104,508.0 | **235,949.1** | 7.0 |
| Neglected tropical diseases | 3,894.4 | - | 9,112.3 | - | 14,085.1 | **27,091.8** | 0.8 |
| Vaccine preventable diseases | 11,471.9 | 8.8 | - | - | 131,124.7 | **142,605.4** | 4.3 |
| Other and unspecified infectious and parasitic diseases | 28,794.1 | 2,318.6 | 53,093.6 | 5.1 | 237,765.3 | **321,976.7** | 9.6 |
| Reproductive health | 58,775.4 | 12,229.3 | 220,321.1 | 16,256.2 | 233,776.5 | **541,358.4** | 16.1 |
| Nutritional deficiencies | 34,646.7 | 1,237.6 | 215,963.5 | 2,842.2 | 74,659.1 | **329,349.1** | 9.8 |
| Noncommunicable diseases | 96,964.8 | 2,904.3 | 504,099.8 | 183.9 | 11,704.2 | **615,856.8** | 18.4 |
| Injuries | 23,196.4 | 168.4 | 60,913.0 | 1.9 | 225.0 | **84,504.7** | 2.5 |
| Non-disease specific | 25,572.0 | 769.5 | - | - | 44,128.2 | **70,469.7** | 2.1 |
| **TOTAL** | **456,492.3** | **24,595.9** | **1,773,661.9** | **19,335.2** | **1,079,416.9** | **3,353,502.2** | |
| % | 13.6 | 0.7 | 52.9 | 0.6 | 32.2 | | |

**Annex 3b: Disease Shares by Financing Sources, 2020**

| ***Leone (SLL), Million*** | **Government** | **Corporations** | **Households** | **NPISH** | **Donors** | **TOTAL** | **%** |
|---|---|---|---|---|---|---|---|
| HIV/AIDS and Other Sexually Transmitted Diseases (STDs) | 72,496.7 | 365.2 | - | - | 121,826.7 | **194,688.6** | 5.2 |
| Tuberculosis (TB) | 5,726.9 | 37.9 | - | - | 49,135.2 | **54,900.1** | 1.5 |
| Malaria | 143,490.3 | 2,533.0 | 730,849.8 | - | 178,527.6 | **1,055,400.8** | 28.3 |
| Respiratory infections | 13,627.6 | 662.9 | 25,801.1 | - | 26,595.6 | **66,687.2** | 1.8 |
| Diarrheal diseases | 13,944.5 | 933.4 | 137,646.2 | - | 34,870.6 | **187,394.7** | 5.0 |
| Neglected tropical diseases | 5,675.1 | - | 10,726.3 | - | 15,110.5 | **31,511.9** | 0.8 |
| Vaccine preventable diseases | 17,123.1 | 28.5 | - | - | 95,914.1 | **113,065.7** | 3.0 |
| Other and unspecified infectious and parasitic diseases | 23,744.3 | 585.1 | 59,670.9 | 1,032.3 | 91,278.2 | **176,310.7** | 4.7 |
| Reproductive health | 69,338.4 | 9,480.7 | 243,727.7 | 18,607.0 | 462,221.9 | **803,375.8** | 21.6 |
| Nutritional deficiencies | 34,460.0 | 851.8 | 210,763.5 | 2,308.5 | 89,673.8 | **338,057.7** | 9.1 |
| Noncommunicable diseases | 108,315.1 | 2,479.6 | 481,374.7 | 902.2 | 4,787.1 | **597,858.7** | 16.1 |
| Injuries | 18,249.8 | 115.1 | 48,901.1 | - | 0.0 | **67,266.1** | 1.8 |
| Non-disease specific | 18,771.9 | 769.1 | - | - | 18,520.6 | **38,061.6** | 1.0 |
| **TOTAL** | **544,963.7** | **18,842.4** | **1,949,461.4** | **22,850.0** | **1,188,461.9** | **3,724,579.3** | |
| % | 14.6 | 0.5 | 52.3 | 0.6 | 31.9 | | |

**Annex 4a: Reproductive Health shares by Financing Sources, 2019**

| | | *Leone (SLL), Million* | Government | Corporations | Households | NPISH | Rest of the world | TOTAL | SHARE (%) |
|---|---|---|---|---|---|---|---|---|---|
| **DIS.2** | | **Reproductive and Maternal health** | **51,657.4** | **12,169.0** | **212,948.3** | **16,255.7** | **233,776.5** | **526,806.8** | **15.71** |
| DIS.2.1 | | Maternal conditions | 44,085.6 | 3,872.2 | 114,239.0 | 6,145.3 | 31,476.1 | 199,818.2 | 5.96 |
| | DIS.2.1.1 | Antenatal care (before child birth) | 11,725.4 | 1,290.7 | 30,440.9 | | 7,846.1 | 51,303.2 | 1.53 |
| | DIS.2.1.2 | Intrapartum care (during childbirth) | 21,330.3 | 1,290.7 | 55,580.4 | | 7,861.4 | 86,062.7 | 2.57 |
| | DIS.2.1.3 | Postnatal care (six weeks after child birth) | 10,876.0 | 1,290.7 | 28,217.7 | 6,145.3 | 7,916.1 | 54,445.9 | 1.62 |
| | DIS.2.1.nec | Other Maternal conditions | 153.9 | | | | 7,852.6 | 8,006.4 | 0.24 |
| DIS.2.2 | | Perinatal conditions | 95.1 | 3,872.2 | | | 74,173.8 | 78,141.1 | 2.33 |
| DIS.2.3 | | Contraceptive management (family planning) | 95.1 | 1,290.7 | | 10,098.9 | 52,823.0 | 64,307.8 | 1.92 |
| DIS.2.nec | | Unspecified reproductive health conditions | 7,381.6 | 3,133.8 | 98,709.2 | 11.5 | 75,303.5 | 184,539.7 | 5.50 |

**Annex 4b: Reproductive Health shares by Financing Sources, 2020**

| | | *Leone (SLL), Million* | Government | Corporations | Households | NPISH | Rest of the world | TOTAL | SHARE (%) |
|---|---|---|---|---|---|---|---|---|---|
| **DIS.2** | | **Reproductive health** | **63,932.1** | **9,438.8** | **240,437.4** | **18,607.0** | **462,221.9** | **794,637.1** | **21.33** |
| DIS.2.1 | | Maternal conditions | 63,826.7 | 3,046.0 | 131,267.6 | 7,009.1 | 118,408.8 | 323,558.1 | 8.69 |
| | DIS.2.1.1 | Antenatal care (before child birth) | 14,416.0 | 1,015.3 | 29,647.2 | | 29,171.1 | 74,249.6 | 1.99 |
| | DIS.2.1.2 | Intrapartum care (during childbirth) | 19,088.2 | 1,015.3 | 39,275.4 | | 29,171.1 | 88,550.1 | 2.38 |
| | DIS.2.1.3 | Postnatal care (six weeks after child birth) | 13,907.1 | 1,015.3 | 28,598.6 | 7,009.1 | 30,895.3 | 81,425.4 | 2.19 |
| | DIS.2.1.nec | Other Maternal conditions | 16,415.5 | | 33,746.3 | | 29,171.1 | 79,333.0 | 2.13 |
| DIS.2.2 | | Perinatal conditions | 29.2 | 3,046.0 | | | 130,558.1 | 133,633.3 | 3.59 |
| DIS.2.3 | | Contraceptive management (family planning) | 29.2 | 1,015.3 | | 11,141.4 | 104,519.9 | 116,705.9 | 3.13 |
| DIS.2.nec | | Unspecified reproductive health conditions | 46.9 | 2,331.4 | 109,169.8 | 456.6 | 108,735.1 | 220,739.9 | 5.93 |

**Annex 5a: General Health Financing, 2019**

| FY 2019 | PUBLIC | PRIVATE | | ROW | |
|---|---|---|---|---|---|
| | GOVT | COMPANIES | HOUSEHOLDS | DONORS | TOTAL |
| CHE (Billion Leones) | 456.49 | 24.60 | 1,773.66 | 1,098.75 | 3,353.50 |
| CHE (%) | 13.61% | 0.73% | 52.89% | 32.76% | 100.00% |
| GDP (2019) - (Billion Leones) | 27,322.28 | | | | 27,322.28 |
| CHE % GDP | 1.67% | 0.09% | 6.49% | 4.02% | 12.27% |
| HK (Billion Leones) | 3.64 | - | - | 62.93 | 66.57 |
| THE (CHE+HK) - (Billion Leones) | 460.13 | 24.60 | 1,773.66 | 1,161.68 | 3,420.08 |
| THE % GDP | 1.68% | 0.09% | 6.49% | 4.25% | 12.52% |
| Population (2019) - Millions | 7.9 | | | | 7.9 |
| CHE Per Capita Exp. (Leones) | 60,784.60 | 3,275.09 | 236,173.35 | 146,305.20 | 446,538.24 |
| CHE Per Capita Exp. (USD) | 6.81 | 0.37 | 26.48 | 16.40 | 50.06 |
| THE Per Capita Exp. (Leones) | 61,269.62 | 3,275.09 | 236,173.35 | 154,685.03 | 455,403.08 |
| THE Per Capita Exp. (USD) | 6.87 | 0.37 | 26.48 | 17.34 | 51.05 |
| THE (%) | 13.45% | 0.72% | 51.86% | 33.97% | 100.00% |

**Annex 5b: General Health Financing, 2020**

| FY 2020 | PUBLIC | PRIVATE | | ROW | |
|---|---|---|---|---|---|
| | GOVT | COMPANIES | HOUSEHOLDS | DONORS | TOTAL |
| CHE (Billion Leones) | 544.96 | 18.84 | 1,949.46 | 1,211.31 | 3,724.58 |
| CHE (%) | 14.63% | 0.51% | 52.34% | 32.52% | 100.00% |
| GDP (2020) - (Billion Leones) | 32,362.20 | | | | 32,362.20 |
| CHE % GDP | 1.68% | 0.06% | 6.02% | 3.74% | 11.51% |
| HK (Billion Leones) | 156.45 | - | - | 303.51 | 459.96 |
| THE (CHE+HK) - (Billion Leones) | 701.41 | 18.84 | 1,949.46 | 1,514.82 | 4,184.54 |
| THE % GDP | 2.17% | 0.06% | 6.02% | 4.68% | 12.93% |
| Population (2020) - Millions | 8.1 | | | | 8.1 |
| CHE Per Capita Exp. (Leones) | 70,774.50 | 2,447.06 | 253,176.80 | 157,313.23 | 483,711.59 |
| CHE Per Capita Exp. (USD) | 7.20 | 0.25 | 25.75 | 16.00 | 49.19 |
| THE Per Capita Exp. (Leones) | 91,092.39 | 2,447.06 | 253,176.80 | 196,730.35 | 543,446.60 |
| THE Per Capita Exp. (USD) | 9.26 | 0.25 | 25.75 | 20.01 | 55.27 |
| THE (%) | 16.76% | 0.45% | 46.59% | 36.20% | 100.00% |

## Annex 6: References


1. Payroll Data for 2019 and 2020, Directorate of Financial Resource, MoHS
2. Utilization Data from all Districts Hospitals and Peripheral Health Units (PHUs), Health Management Information System, MoHS for 2019 and 2020
3. Government Expenditure Data for 2019 and 2020, Budget Bureau – Ministry of Finance
4. Household Data for 2019 and 2020, Sierra Leone Integrated Household Survey 2018 Projections
5. Drugs Dispersion Data for 2019 and 2020, Central Medical Stores – Directorate of Drugs and Medical Supplies, MoHS

## Annex 7: Definitions of Key Terms Used In NHA

1. **Health Care**: all activities with the primary purpose of improving, maintaining and preventing the deterioration of the health status of persons and mitigating the consequences of ill-health through the application of qualified health knowledge [medical, paramedical and nursing knowledge, including technology, and traditional, complementary and alternative medicine (TCAM)].

2. **Current Health Expenditure**: the sum of health care goods and services for final consumption of resident units. When broken down by providers, it also represents the value of that part of the output of the health providers which is consumed by households, Non-profit institutions serving households (NPISH) and General Government, valued at market prices

3. **System of Health Accounts**: tracks all health spending in a given country over a defined period of time regardless of the entity or institution that financed and managed that spending. It generates consistent and comprehensive data on health spending in a country, which in turn can contribute to evidence-based policy-making.

4. **National Health Accounts**: NHA are a standard set of tables in which the flow of funds through the health system and institutions controlling the funds can be shown

5. **Capital formation** (HK): the types of the assets that health providers have acquired during the accounting period and that are used repeatedly or continuously for more than one year in the production of health services i.e infrastructure, machinery and equipment, intellectual property products

6. **Health Care Functions** (HC): the types of goods and services provided and activities performed within the health accounts boundary

a) **Preventive care:** all activities aimed at avoiding or reducing the number or the severity of injuries and diseases, their consequence and complications and is based on a health promotion strategy.

b) **Curative care**: comprises health care contacts during which the principal intent is to relieve symptoms of illness or injury, to reduce the severity of an illness or injury, or to protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function.

c) **Rehabilitative care**: services aimed at stabilizing, improving or restoring impaired body functions and structures, compensate for the absence or loss of body functions and structures, improve activities and participation, and prevent impairments, medical complications and risks.

d) **Long-term care**: consists of a range of medical and personal care services that are consumed with the primary goal of alleviating pain and suffering and reducing or managing the deterioration in health status in patients with a degree of long-term dependency. It also includes terminal care, understood as the management of patients during the last months of life.

e) **Inpatient Care**: the treatment and/or care provided in a healthcare facility to patients formally admitted and requiring an overnight stay;

f) **Outpatient Care**: medical and ancillary services delivered in a healthcare facility to a patient who is not formally admitted and does not stay overnight;

g) **Day Care**: planned medical and paramedical services delivered in a healthcare facility to patients who have been formally admitted for diagnosis, treatment or other types of healthcare and are discharged on the same day

7. **Ancillary services**: Ancillary services to health encompass a variety of services, mainly performed by paramedical or medical technical personnel with or without the direct supervision of a medical doctor. There are three sub-categories for ancillary services: Laboratory services; Imaging services; and Patient transportation.

8. **Medical goods** (non-specified by function): aims to include all consumption of medical goods where the function and mode of provision is not specified. Medicines and other medical goods are frequently a component of a package of services with a preventive, curative, rehabilitative or long-term care purpose. In

inpatient, outpatient and day care consumption, they are not usually identified separately, except possibly at a more detailed level. Medical goods can also be consumed as a result of being prescribed as part of a health care contact or independently in the case of self-prescription. Dispensing may take place within a health care establishment, such as a hospital, or by a free-standing retailer of medical goods. However, the diversification of distribution channels has increased the need to recognize the mixed role of independent consumption within the various modes of health care provision in many countries. In particular, in many low- and middle-income countries, due to the lack of availability of medicines, both in hospitals and outpatient units, often the relatives or patient need to purchase medicines themselves.

9. **Governance, and health system and financing administration**: These services focus on the health system rather than direct health care, and are considered to be collective, as they are not allocated to specific individuals but benefit all health system users. Included are the formulation and administration of government policy; the setting of standards; the regulation, licensing or supervision of producers; management of the fund collection; and the administration, monitoring and evaluation of such resources, etc.

10. **Health care Providers** (HP): encompass organizations and actors that deliver health care goods and services as their primary activity, as well as those for which health care provision is only one among a number of activities e.g. hospitals, health centers, ambulatory, pharmacies, long-term care facilities, ancillary service providers etc.

11. **Financing sources** (FS): the revenues of the health financing schemes received or collected through specific contribution mechanisms. It consists of the institutional units that provide revenues to financing schemes. There are five categories: government; corporations; households; NPISH; and rest of the world.

12. **Financing schemes** (HF): components of a country's health financial system that channel revenues received and use those funds to pay for, or purchase, the activities inside the HA boundary;

a) **Government Schemes**: characteristics are determined by law or by the government and where a separate budget is set for the programme and a government unit that has an overall responsibility for it.

b) **Social Health Insurance scheme**: is a financing arrangement that ensures access to health care based on a payment of a non-risk-related contribution by or on behalf of the eligible person. The social health insurance scheme is established by a specific public law, defining, among others, the eligibility, benefit package and rules for the contribution payment.

c) **Compulsory Private Insurance scheme**: financing arrangement under which all residents (or a large group of the population) are obliged to take out health insurance with a health insurance company or health insurance fund, meaning that the purchase of private coverage is mandatory. The insurance is established by (i.e. entitlement for services is based on) an insurance contract/ agreement between the individual and the insurer.

d) **Voluntary Health Insurance Schemes**: includes all domestic pre-paid health care financing schemes under which the access to health services is at the discretion of private actors (though this "discretion" can and often is influenced by government laws and regulations). Included are: voluntary health insurance, NPISH financing schemes and Enterprise financing schemes.

e) **Enterprise financing schemes**: includes arrangements where enterprises directly provide or finance health services for their employees (such as occupational health services), without the involvement of an insurance-type scheme. Therefore, this excludes employer-based insurance schemes.

f) **Household out-of-pocket expenditure**: direct payment for services from the household primary income or savings (no third-party payer is involved): the payment is made by the user at the time of the use of services. No inter-personal pooling.

g) **Rest of the World financing schemes**: This item comprises financial arrangements involving institutional units (or managed by institutional units)

that are resident abroad, but who collect, pool resources and purchase health care goods and services on behalf of residents, without transiting their funds through a resident scheme.

13. **Not for Profit Institution Serving Households**: Non-profit institutions serving households (NPISH) are a special type of non-profit organization. NPISH consist of non-profit institutions that provide financial assistance, goods or services to households free or at prices that are not economically significant. Their operation is not controlled by the government. NPISH may act as financing agent for different financing schemes such as: non-profit institutions financing schemes; governmental schemes; and RoW financing schemes.

14. **Financing agents** (FA): institutional units that manage health financing schemes.

15. **Factors of provision** (FP): the types of inputs used in producing the goods and services or activities conducted inside the Health Accounts boundary i.e. compensation of employees, health care goods and services etc.

16. **Beneficiary characteristics** of those who receive the health care goods and services or benefit from those activities (beneficiaries can be categorized in many different ways, including their age and gender, their socio-economic status, their health status and their location);

17. **Trade in health**: imports of health care goods and services provided to residents by nonresident providers, and exports of health care goods and services provided to non-residents by resident providers;

18. **Healthcare Products**: the various goods and services provided by the providers, including the non-health care goods and services produced and consumed.