



Photo credit: Ayenew Haileselassie, Abt Associates
Cafeteria at Olanchiti Primary Hospital in Oromia Region, co-financed with retained revenue

Initiative on Institutionalization of Health Care Financing Reforms

With technical support from the USAID Health Financing Improvement Program, the MOH has developed an institutionalization/transition plan of the first-generation health care financing (HCF) reforms within the subnational government systems. This plan would enable regions/city administrations to fully institutionalize the planning, financing, implementation and management of these reform interventions and continue them with minimal or no external technical assistance from USAID Health Financing Improvement Program.

The institutionalization/transition plan initially focuses on Ethiopia's five major agrarian regional states (Oromia, Amhara, SNNP, Tigray and Harari) and two city administrations (Addis Ababa and Dire Dawa), that together account for more than 90% of the country's population. It entails the design and operationalization of the following key elements:

1. Setting up dedicated organizational/institutional structures within the regional/city, zonal and woreda health bureaus/departments to lead and manage the HCF institutionalization processes and activities.
2. Developing and adapting implementation systems and processes—a legal framework and technical guidelines/manuals—to guide regions and cities to institutionalize the HCF interventions.
3. Developing and adapting capacity-building arrangements (training material and manuals, master trainers, training centers) to support skills development and training for the HCF interventions upon their institutionalization and continuation at the regional/city levels.
4. Develop and adapt M&E guidelines to track the progress and effects of institutionalizing the HCF interventions at the regional/city levels.

As the institutionalization/transition plan is gradually operationalized, the Program is assisting the MOH and the regional/city health bureaus to adopt concrete actions and arrangements that accomplish these key elements. Below we describe progress so far:

Establishing appropriate HCF organizational structures at different levels of the subnational government system:

- Amhara Regional Health Bureau (RHB) has created a new directorate (the Resource Mobilization, Management and Cooperation Directorate) that includes four Case Teams with 15 positions. The RHB has decided to add one HCF officer to the existing CBHI structures at zone and woreda level. Hiring is underway at the zones, while budget is yet to be approved for the woredas to start hiring.
- Dire Dawa and Harari RHBs have created Resource Mobilization Case Teams with three and four officers, respectively.
- Oromia and SNNP are in progress. Oromia RHB has created a Resource Mobilization and Community Participation Directorate with three region-level Case Teams and a Domestic Resource Mobilization Case Teams at zone and woreda level. In SNNP, the RHB has not created a separate directorate for HCF as recommended in the MOH Institutionalization Plan; but has established additional positions required for HCF activities within its Medical Core Process Directorate. The RHB has also approved increasing the number of resource mobilization teams at zone level from two to three and at woreda level from one to two.
- Addis Ababa RHB has approved Domestic Resource Mobilization Case Team with a staff of seven. Hiring is expected shortly.
- Tigray is still discussing the right setups for their region and zones/woredas.

Developing and adapting systems and processes to guide institutionalization of the HCF interventions at subnational levels:

- The Program has finalized the Prototype Comprehensive HCF Implementation Manual at the national level and distributed it to RHBs/City Health Bureaus. Program Specialists are now working with the RHBs and City Health Bureaus to adapt the Prototype manual to their respective contexts.

Developing and adapting capacity-building arrangements to support skills development and training for HCF interventions upon their institutionalization at subnational levels:

- The Program and the MOH's Human Resources for Health Directorate are finalizing the Prototype Comprehensive HCF Training Material that comprises separate modules for Health Facilities' Governing Board Members, Managers and Finance Practitioners, respectively. These training modules will then be adapted/tailored to the local contexts in the regions and city administrations.
- To identify appropriate local training centers that can organize the capacity-building trainings, the Program completed an assessment of 47 In-Service Training Centers (ISTs) nationwide. The assessment identified 37 ISTs that fulfill the minimum requirements for holding HCF trainings as the regions/cities institutionalize the HCF reforms. The Program will subsequently work with the MOH and the regional/city health administrations to develop criteria for the final selection of ISTs.
- The Program is also supporting the MOH to develop a cadre of master trainers to cater to future capacity-building and skill-development training requirements of the HCF reform interventions upon their institutionalization at regional and city levels.

Article from **Health Financing**, a newsletter produced by the **USAID Health Financing Improvement Program**. The Program collaborates with the Ethiopian government to further strengthen health financing functions and systems to support universal health coverage of quality primary health care services for Ethiopian citizens with reduced financial barriers. Abt Associates implements the Program in collaboration with core partners Breakthrough International Consultancy, the Institute for Healthcare Improvement, and Results for Development, and resource partner Harvard School of Public Health. Cooperative Agreement No: 72066319CA00001. [USAID Health Financing Improvement Program \(hfip-newsletter.com\)](http://USAID Health Financing Improvement Program (hfip-newsletter.com))

This document is made possible by the support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the authors and do not necessarily reflect the views of USAID or the United States Government.