



DEVELOPING AN APPROACH TO ACCOUNTING FOR NEED IN RESOURCE ALLOCATION BETWEEN URBAN AND RURAL DISTRICT HOSPITALS IN SOUTH AFRICA SAHR KWIK SKWIZ SERIES

This KWIK SKWIZ:



summarises Chapter 8 of the 2014/15 South African Health Review.

- The South African public health system has struggled to deal with persistent structural inequities in the resourcing and provision of care in the post-apartheid era. A significant challenge in this regard is that the allocation of resources from the provincial level to districts and facilities does not adequately account for need.
- One of the challenges in promoting equity in allocations for service delivery (not only in health but in all social sector departments) has been the complexity of accounting for differences in need for care and resource-needs service provisioning. This has created the perception that needs-based budgeting is too technically daunting and resource-intensive to be used in government budget processes
- In the pursuit of needs-based budgeting, one possible approach to overcoming some of the complexities associated with assessing differences in resource needs between units of analysis is to develop an index that explicitly accounts for differences in rural and urban contexts with regard to healthcare need, and the demographic, geographic and socio-economic factors that play a role in determining relative resource needs.
- There are good data indicating that rural areas tend to have a greater need for health care than do urban areas. Evidence shows that globally, rural populations have a disproportionate number of elderly people and children, which increases the demand for basic social services such as health care. In addition, rural populations generally tend to be poorer than their urban counterparts, making them more vulnerable to social determinants of health and less likely to have the means to access care. Consequently, rural populations carry a greater burden of both communicable and non-communicable diseases.
- An approach to the development of a rural index has been tested for use in ranking district hospitals in KwaZulu-Natal on a continuous scale between urban and rural context, with a view to establishing whether or not the index is useful for analysing equity and efficiency in resourcing.
- The findings show that there is merit in developing a rural index for assessment purposes; in practice, it should be used in conjunction with a broader analytical framework that allows for assessment of a facility's performance against key input, utilisation and resourcing outcome indicators.
- While the index is shown to be useful in

distinguishing between urban and rural district hospitals, its value rests in ensuring that rural factors are accounted for in resource allocation models that prioritise quality improvement in service delivery rather than merely 'efficiency' in its narrowest sense.

- With the health system currently undergoing a process of substantive reform under the banner of NHI, there is now an opportunity to take this work forward in a way that begins to deal with structural inequities in access to care between urban and rural service delivery contexts. This not only demands additional resources, but also consideration of the provisioning of a different and more comprehensive package of care at rural facilities
- It is therefore important that a more extensive analysis of the composition and use of a rural index be undertaken with a view to identifying how it could best be used to strengthen resource allocation processes.
- All data for this analysis were provided by the National Department of Health from the National Health Information Repository and Data Warehouse (NHIRD). Variables that did not rely on utilisation or facility performance were selected, since these would not account for unmet need. The following four variables were selected: deprivation, average distance to clinics from district hospitals, distance to the regional hospital and catchment population.

SOURCE:

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