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Expenditures for Reproductive Health Services in Egypt and Sri Lanka

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Abstract

Using a national health accounts framework, comprehensive estimates of expenditures for reproductive health services and family planning in Egypt and Sri Lanka are derived. These cost estimates include the full costs of overheads and non-service delivery costs. Reproductive health service expenditures are defined as expenditures for family planning, prenatal and postnatal care, childbirth, infant care, and obstetric and gynecological services. In nominal terms, total expenditures were found to be $5.29 per capita in Egypt in 1994/95, and $3.10 in Sri Lanka in 1997. These expenditures are comparable, once standardized for differences in income levels, birth rates and women who are married, with expenditures in Sri Lanka modestly less in per capita terms ($4.94 versus $5.29). The relative contribution of public and private sources of funding was quite similar in both countries. Public sources (which includes donor assistance) accounted for two-thirds of funding in both. Item-wise, family planning and MCH services accounted for the smallest share of costs (less than 22%). The largest cost components were childbirth and general obstetric and gynecological care, which accounted for a quarter and a third of total expenditures each. General gynecological care in both countries is predominantly privately financed, indicating a need to rethink policies to fully take into account private sector contributions. The similarity in spending levels in the two countries contrasts with the difference in levels of utilization and access to services. Sri Lanka achieves almost universal access to key services with less expenditures. This suggests that efficiency improvements may offer more potential for expanding services than new resource mobilization.

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1. Introduction

The Cairo Population Conference (ICPD-5) and USAID's own Strategic Objectives set an ambitious agenda for Family Planning (FP) and Reproductive Health (RH) services to be expanded, quality improved and user needs better met. This requires substantial resource commitments and more efficient use of funds, but policymakers know little about sources, costs and patterns of existing resource flows of national expenditures on FP/RH services in different countries, and what options exist for mobilizing private resources and improving system efficiency. Without knowing what resources already are being used, and what their limitations are, it would be difficult to develop sustainable policies for expanding access to reproductive health services.[1] As it is, mobilizing international funding to support the post-Cairo agenda has had limited success. Given the constraints that do exist to increasing international funding, the priority must be to mobilize and effectively use national resources instead. This requires much better information on the funding situations in developing countries.

Zeitlin, Govindaraj and Chen (1994) attempted to review the available data on funding for reproductive health services in developing countries. They found data on international funding for population services did exist, but that information on domestic funding of reproductive health to be elusive, and certainly non-existent in an internationally comparable manner. They noted as problems the almost complete lack of information on private expenditures for reproductive health services, the lack of disaggregation of national government budgets in a manner permitting suitable analysis, and the lack of clear, unambiguous procedures for collecting data on these expenditures. With integrated FP/RH services, methodological difficulties and inconsistencies have prevented meaningful analysis of true economic costs and differences between countries and strategies (Janowitz and Bratt, 1992; Janowitz, 1993; Aitken and Reichenbach, 1994). Paucity of data prevents meaningful estimates of the resource requirements for FP/RH, both at national and global levels. Little is known about cross-country variations in unit costs of provision in public and private sectors, and factors explaining differences in efficiency, and thus the importance of technical inefficiencies in the delivery of services as an issue for policymakers.

Methodological issues have been of continuing concern, as they do not permit comparison between countries or even across studies of expenditure estimates. Differences and lack of clarity in defining what is being measured as well as differences in measuring costs plague the limited studies that have been done. Even where studies have been done with some rigor, they frequently omit private expenditures when they are not client payments for publicly subsidized services. This omission is of concern as one would expect that in most developing countries, where private expenditures form a significant element in the funding of all health services, that they should provide a substantial part of current and potential future funding.

This study attempts for the first time to measure the full costs of providing reproductive health services in two countries using a standardized methodology, which should be comparable with existing information frameworks being developed or existing in many developing

[1] For sake of brevity, the term *reproductive health* will be used in this report to refer to reproductive health and family planning. Where it does not refer to family planning, should be clear from the context.