UGANDA COMMUNITY BASED HEALTH FINANCING ASSOCIATION (UCBHFA)

ANNUAL REPORT 2009

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LIST OF ACRONYMS :

APRM	African Pear Review Mechanism
CBHF	Community Based Healthcare Financing
CHeFA-EA	Community Health Financing Association for eastern Africa
CHF	Community Healthcare Financing
CHI	Community Health Insurance
CHIS	Community Health Insurance Scheme
EC	Executive Committee
GDP	Gross domestic product
ICOBI	Integrated community based initiatives
MDGs	Millennium Development Goals
MOH	Ugandan Ministry of Health
MOV	Means of Verification
NC	National Coordinator
NGO	Non Government Organization
OVI	Objectively Verifiable Indicators
PEAP	Poverty Eradication Action Plan
SHU	Save for Health Uganda
UCBHFA	Uganda Community Based Health-Financing Association
UCMB	Uganda Catholic Medical Bureau
UPMB	Uganda Protestant Medical Bureau
UMU	Uganda Martyrs University

1. REPORT ON UCBHFA OPERATING ENVIRONMENT IN UGANDA

1.1 SOCIO ECONOMIC ENVIRONMENT

Uganda is committed to achieving the Millennium Development Goals (MDGs) by 2015, initially through the PEAP and soon the –National Development Plan. The National development Plan is being slated to replace PEAP after its revision in 2007. However, the 7%of 2009 fiscal year economic growth rate[1], while commendable will have to be increased if MDGs are to be achieved. In this, decentralized Local Governments will have to play a strategic role, considering that decentralisation was put in place for effective linkages between the citizens and the Governments at all levels. As of now, the quality of service delivery programmes remains low. Partly due to lack of resources, mismanagement of available resources in some districts and poor coordination between the districts and the central government ministries. Also, to be noted are the existing socio-economic gender inequalities, regional inequalities, high population growth and a population structure characterized by high percentage of the youth, most of whom are unemployed especially the girls.

While as mentioned above, social services delivery still leaves a lot to be desired, Government through Universal primary Education programme (UPE) has helped the poor if only its quality of performance can be further improved. There has been a slight down ward trend between the years of 2007 to 2008 with Gross Intake Ratio from 129.2% to 128.5% and Net Intake Rate from 56.4% to 57.4%. On the contrary, the gross enrolment ratio experienced a fall from 114.4 % to 113.1%# attributed to decrease in the female gross enrolment from 111.2% to 109.9%. [2]

Sustained reforms in the health sector under the first Health Sector strategic Plan HSSP (2006-2010) have yielded some notable achievements. However, the sector remains plagued with a high drug stock-out rate. Only 27% of health facilities nation wide were without a stock out of 6 tracer medicines/ supplies[3]. In an effort to curb this issue, the government mandated the National Medical Stores (NMS) as the sole purchaser and distributor of all government drugs in Uganda in 2009 to buy pass the corruption and delays at the MOH. The NMS now

[1] Statistical abstract (UBOS 2009)

[2] The education and Sports sector annual performance report (ESSAPR) Financial year of 2007/08

[3] The Uganda Country self- assessment report and programme of action APRM Nov 2007

receives requests from all qualified health providers and delivers them directly without going through the MOH. However, although this policy /bill was passed, many health providers were not yet accessing drugs because of ignorance of the appropriate procedures at NMS. Public sensitisation on this new arrangement had not yet been done.

Households finance the largest share of National Health Expenses at 49.7%[4] The total expenditure on health IN 2009 was 7.2% of the GDP and the MOH is looking for alternative ways of financing the sector. The MOH is in the process of developing a National Health Insurance Scheme. A bill is in place but has not yet been tabled in parliament. The Bill has faced a lot of opposition from the politicians and the public and is still being modified.

Issues of HIV/AIDS remain central in health programmes, with Government largely influenced by the President advocating for Abstinence, Be Faithful and Condom (ABC). This is a bit contentious, especially by the people who believe that the use of condom is being undermined. According to the APRM Report 2007, there is progressive improvement in accessibility to prevention and care services like intervention services to pregnant and breast feeding mothers and provision of ARVs.[5] However, the impact of HIV/AIDS on the poor particularly women is still high. Most of the poor women are least informed, cannot access ARVs, sometimes the husbands are not willing to go for checking or to disclose to their wives that they are infected and when husbands die, women are left with many children whom they cannot feed. In an effort to reduce HIV/AIDs prevalence further, an HIV/AIDs bill was tabled before the parliament of Uganda in 2009, and if passed, persons found guilty of intentional transmission of the virus face up to two years imprisonment. However, the bill was opposed by human activists (and has been put on hold) because only about 10% of the population knows their HIV status in Uganda. Thus several people would be criminalized unknowingly.

1.2 POLITICAL:

Political debates in the country continue to revolve around familiar terrain- Presidential succession, weak multiparty system, misuse of resources, "unbalanced" separation of powers- the executive assuming more power than the legislature and the judiciary.

Enhanced local democracy, within the framework of decentralisation does also give hope to Ugandan citizens, as vehicle for promotion of good governance, improved service delivery and enhanced opportunities for citizens to engage

[4] Uganda National Health Accounts 06/07, draft report.

[5] The Uganda Country self- assessment report and programme of action APRM Nov 2007

with local authorities over political, economic and social citizen concerns. It was some how gratifying to note that the Local Governments have come up with "Charter on Accountability and Ethical Code Conduct for Local Government Leaders". Hopefully this will do better than the existing "Leadership Code".

The war in Northern Uganda completely ceased and recovery programs are being implemented by both government and development partners to restore the region.

An overall assessment of the quality of "politics" is not easy. It is a mix. 2009 has also been the year in which public round table political debates were banned, and a couple of radio stations closed by the government. This has reduced on the level at which these political issues are being debated by the public, and citizens demand for accountability and human rights. oversight institutions continue to do their work under whatever circumstances, judiciary remains firm and legislatures quite regularly call for better resource use and efficient governance- all show that politics in Uganda is capable of delivering some quality political goods with time. The year has also had a major riot in which several people died and property destroyed. The riot was insinuated by the refusal of one of the traditional kings to visit his constituency by the government. Hopefully as the East African Community grows stronger, regional politics will impact positively on the politics of national politics in the constituent 5 countries.

1.3 UCBHFA IN 2009

The Uganda community based health-financing association (UCBHFA) being an umbrella organisation for all CHI initiatives in Uganda. It is still the only player in the field of CHI in the country. UCBHFA has undergone several changes in its coverage, governance structure etc in 2009:
The number of registered CHIS has increased to 33, covering about 100000 people. Other 8 new CHI
Schemes have been started although are not registered with UCBHFA, but have shown interest. UCBHFA has also increased its membership from 22 to 25 members. The institution has also undergone major changes especially at its secretariat. For the last years, UCBHAF has had only one staff- the national coordinator but in 2009, it has strengthened its institutional capacity by hiring 4 staff, held an annual general meeting and elected a new executive board. The later has met very regularly. UCBHFA has managed to strengthen its governance structure and services delivery in 2009.

According to its strategic plan, several activities have been carried out and details of these are found in 2 below.

2.0 ACHIEVEMENTS MADE IN 2009:

Based on the 2009-2012 strategic plan, below is the progress made in achievement of the set objectives:

2.1 Strategic Objective 1: To strengthen UCBHFA capacity for coordination of CBHF Initiatives in Uganda

2.1.2 Defined relationship between schemes and UCBHFA and define roles and obligations of each party

The roles and obligations of UCBHFA to its members and vise versa were already defined in the UCBHFA constitution; however, they had some gaps. During this year, the former were reviewed by the executive Board and the secretariat to include necessary details and clarify issues. Some of the details included the obligation of the members to provide timely and regular information to the secretariat. The reviewed constitution is to be presented for approval with the General Assembly in the upcoming Annual General Meeting.

Development of template contract between CHI and the health providers:
some schemes lack contracts with their providers and this gave an advantage to the later to increase prices frequently and without warning. This makes schemes to operate at a loss and have deficit budgets. The secretariat has developed a template MOU/contract to be used by the CHIS and the health providers. This will reduce on the unfair operation of the health providers.

2.1.3 Developed and defined an accreditation system for schemes:

Minimum standards of a scheme to operate:
Minimum standards required for a scheme to start or operate have been developed. This will be discussed and approved in the upcoming annual general meeting.

Standardization of UCBHFA Membership application Process:
A standardized membership application form has been put in place in 2009 to streamline the application process. This has been shared with potential applicants and all UCBHFA members. In addition, a certificate for all members has been developed and will be awarded to all existing and newly recruited members. This will improve accountability of the community health insurance schemes because it will only be given to qualified members.

2.1.4 Developed a reporting and feedback system between CBHF schemes and UCBHFA

Scheme managers meeting on reporting:
One scheme managers meeting was held in December 2009 to review a reporting and feed back guidelines between UCBHFA guidelines. An annual and quarterly report forms were agreed upon all stakeholders present, and will be used to improve reporting.

2.1.7 Defined systems for mutual accountability (resources and Programs /activities)

Recruitment of relevant staff finance staff. A financial and administrative officer was recruited.

Reviewing of financial guidelines: Financial policies for the secretariat have been set by the board, a chatter of accounts has been prepared and used in the design of an accounts soft ware. UCBHFA contracted Pearl accounting Solutions to design the soft ware, and printed accounts books. This has improved the financial management at the secretariat.

2.1.8 Identified key UCBHFA partners and define issues for partnership development

During 2009, UCBHFA Identified the Uganda Martyrs University(UMU) Nkozi as a key partner in training in CHI. As a result, it sent it National Coordinator to undertake a module in Health Economics and Financing as part of her orientation. UCBHFA is also in the process to formalizing its partnerships with UMU to provide accredited training course to its scheme managers.

2.2 Strategic objective 2: To strengthen advocacy for CBHF at both local and central level of government

2.2.1 Identified advocacy issues:
The ministry of health is planning a national health insurance scheme as an alternative funding to the Health in the country. Currently, a draft bill has been produced and shared with key stakeholders. The role of UCBHFA has been not articulated in the bill, and from this point, UCBHFA, deemed it necessary to lobby and advocate to the MOH, its concerns on the bill.

UCBHFA came up with a position paper was produced with 8 advocacy issues. Some of the advocacy issues were been presented to the MOH NHIS task force and have been included in the NHIS Bill and up coming policy: Some of these included issues are the demand to recognise UCBHFA's experience and skill in CHI in Uganda and thus include it in the training, sensitization, and marketing of CBHIS. The request to

Government to work and support UCBHFA in carrying out this task in addition to starting new initiatives. On the positive note, UCBHFA participated in the MOH sensitization of the public on the upcoming NHIS bill, which took place in the country this year.
UCBHFA also demanded that the existing Community Based Health Financing (CBHF) Schemes should be involved in the National Health Insurance Strategy (NHIS) as the starting point, as government prepares to take on other community groups for the community health insurance schemes after 15 years.

2.2.3 Developed strategic alliances for our advocacy strategy

Attended 5 MOH National Health Insurance Task Force meetings:

Due to its work on CHI in Uganda, UCBHFA was appointed as one of the agencies to be represented on the National Task Force that is preparing the National Health Insurance. Through the National Health Steering Committee meetings, UCBHFA has been able to forward its issues.

UCBHFA plans to hold a meeting with the other agencies so as to build a strong collation for lobbying on the up coming national health insurance policy.

Attended Cordaid partners meeting: to discuss and have an input in their next strategic plan. UCBHFA subscribed to CORDID's upcoming partners forum.

Participated in CHEFA –EA Activities:

UCBHFA is one of the 3 member organisations that form CHEFA-EA. During this year, this collaboration has been maintained. UCBHFA elected 2 new representatives to CHEFA-EA Board in 2009(Mr. Makaire Fredrick and mr. Mayunga Pontius).

UCBHFA participated in a 3-day conference organized by CHEFA-EA. the main objectives of the conference were: to reflect on progress made on actions generated from the previous conferences, to share knowledge, practical experiences and good practices for purposes of learning and possible replication, and to share about trends on CHF policy /operating environment and forge a way forward. Of the 35 participants, at least 12were from UCBHFA and Uganda including representatives from the MOHs, WHO and Uganda Martyrs University, among others. One of the biting issues discussed in the meeting was the desire to see CHIS recognised by the parent governments (Kenya, Uganda and Tanzania),

and the desire to have a vivid role in the NHIS of these countries. Each country developed and shared their position and learnt from each other how to proceed with the advocacy. UCBHFA developed its position paper and managed to present its issues to the NHIS task force.

2.3 Strategic Objective 1: To strengthen and continuously build competencies and skills in Community based health financing

Conducted training needs assessments:
UCBHFA through its various avenues of interactions (visits, meetings, reports etc) with the community-based health financing schemes has identified training need of its stakeholders.

Held technical support visits:
One technical support visit was made to each of the schemes in Uganda. During the visit, technical advice was given and training needs were identified.
In addition, the secretariat also provided support supervision to all Kabale Diocese and Kitovu Hospital Schemes during their program review and feasibility study respectively.

Organized 1 Scheme managers meeting:
One scheme manager's meeting was held on 2 April 2009 in Kampala, and was attended by 22 scheme managers and data managers. The major purpose of the meeting was to share information and learn form each other. The participants developed a joint action plan, on the activities that they wanted UCBHFA to support during the year. The work plan formed the basic for the fundraising proposals produced by the secretariat. As result, this participatory planning was enhanced and it also has improved UCBHFA's accountability to its members by meeting its members' needs.

Held the 2009 Annual general meeting:
The 2009 annual general assembly for all members' organizations and partners was held on the 3rd April 2009 in Kampala, and was attended by 33 participants. During the meeting, a new board committee of seven people was elected. The new board is as follows: Mr. Pontius Mayunga from Mutolere Hospital as Chairman , Mr. William Rwabukare from Bushenyi Medical Center as Vice Chairman, Mr. Fredrick Mekaire from Save for Health Uganda as Treasurer, Dr. Ben Twetegire from Mitooma Central Clinic as secretary , Ms. Amelia Namanya from Uganda Health Cooperatives as a Member, Ms. Christine Makobole from Micro care Uganda limited as a Member and Dr. Basaza-Robert- A Member in his

individual capacity but working with the Ministry of Health. The following key decisions were made: The term limit of board members was reviewed from 2 to 3 years. The strategic plan 2009/2013 was approved. The frequent AGM improve governance and credibility of the association.

Developed programmes for and mobilize resources to support training programmes.

UCBHFA has managed to secure CORDAID Netherlands funding for the next 3 years for training, coordination, CHI promotion and research. This collaboration is a big achievement to UCBHFA, which has had funding constraints in the last 3 years. More funds are still being sought to support its strategic plan.

Distributed HIV Risk Funds to Schemes

HIV/AIDs is one of the chronic diseases that cause budget deficits among the Community Health Insurance Schemes (CHIS) in Uganda. Many schemes are still struggling with breaking even due to this problem. Innovative solutions are still being sought to curtail the problem for example, developing partnerships with institutions that offer free antiretroviral treatment, among others. In line with this, UCBHFA received a grant of about shs.2, 933,333/- (about 1,333Euroes) from CHEFA –EA in 2009 to help strengthen schemes that were overwhelmed by the over expenditures resulting from excessive treatment costs due to HIV/AIDs related treatments. Due to the limiting size of the grant, only one scheme (Nyakibale Hospital Health Insurance Scheme) benefited from this grant.

The grant helped to reduce on the budget deficit of Nyakibale HIS and enabled 222 HIV/AIDs patients (who are members of the scheme) from both Out Patient Department (OPD) and In Patient Department (IPD) access health care this year 2009 (27 from INP and 195 from OPD).
Due to the short duration of the grant, the funds were used in paying off budget deficit and meeting some administrative costs. However, as a routine, the scheme members living with HIV/AIDs are always advised to join other organizations that support to access with Anti retroviral treatment.

UCBHFA is still looking for alternative solutions to cub the issue of HIV/AIDs among the schemes.

Held CHI information sharing meetings:

Enhancing awareness on CHIS is a big challenge of UCBHFA, Many of its stakeholders lack information on the concepts of CHI. During this year, through its members, and UCBHFA organized several CHI meetings. The secretariat also organized a Community Health Insurance Information meeting for all those who were interested in CHI schemes in Kampala. The meeting was attended by 13 non-UCBHFA organisations /hospitals from the central, eastern and western Uganda, by people who wanted to started or had started but needed more information on CHIS.
want to do work in CHIS: 5 these already have already started schemes and the rest are interested but still looking for funding and further support.

2.4 Strategic Objective 1: Develop a sustainable governance and management structure of UCBHFA.

A new board was elected and oriented on UCBHFA issues. The board consists of 7 members already given above. Board meetings were held on a quarterly basis without fail.

Held Executive committee meetings:

Several Executive meetings were held, and used to generate ideas that guided the process of developing the strategic plan and proposals. Some of the meetings were held, to recruit staff, set policies, and meet partners among others.

Organised a one-day board orientation
A one-day board orientation training was held for the board members. the training build their knowledge about their role and gave them an opportunity to learn about organisation development, and how they can support the growth, life of UCBHFA, learning from other examples in Uganda. During the training, the board also got a skill in evaluating their performance used a tool. The tool will be used to assess performance quarterly and annually by the secretariat staff, the individual board members, and be used by the board in their self-evaluations. This will enhance their involvement and performance of UCBHFA.

2.5 Strategic objective: To strengthen human resource capacity of UCBHFA through recruitment, retention, provision of competitive working conditions.

At the beginning of 2009, UCBHFA board treasurer was the acting national coordinator. This was because there were no funds to hire staff at the secretariat. However, although there were no funds, the board continued to meet regularly and plan for the organisation, and the secretariat continued to carry out its coordination role. With financial support from Cordaid, CHEFA-EA in 2009, UCBHFA Managed to hire a National coordinator, finance and administrative officer, a driver and a janitor. The old Human Resource (HR) policy is also being reviewed and a new updated HR Policy manual will soon be used.

2.6 Strategic Objectives 3: Strengthen the capacity of UCBHFA for infrastructure, equipment, logistics and physical asset planning and management.

2**.6.1** Rent a facility for UCBHFA offices**:**
UCBHFA offices shifted from CHEFA-EA office to a rented house on Plot 245/ block 1 on Rubaga Wakaliga Road (this is about 150 meters from CHEFA-EA offices). The office premises are adequate enough (have 4 office rooms a board room a resource centre/library and storage.

2.6.2 Purchased a project vehicle
One project vehicle- (Rav 4 model 1996) was purchased to facilitate UCBHFA staff in site visits and onsite technical support and supervision of schemes.

2.6.3 Acquired and regularly maintained office equipment for the functions of UCBHFA.
The following office equipment has been purchased: 3 computers and 1 printer, 1 LCD projector, a digital camera, a telephone line, a fax machine and a simple internet modem.

2.6.4 Developed and used logistics management manual, Logistics Management Information System and procurement plan.
An accounting manual and procurement manual are soon being finalized and will be guide procurement, and logistics management.

2.6.5 Developed and implemented UCBHFA physical asset maintenance and repair schedule/plan.
An assets register has been compiled.

2.7 Strategic Objective 1: To strengthen UCBHFA internal financial management capacity

2.7.2 Ensured financial management and financial information systems are integration:

In 2009, UCBHFA has produced a draft financial manual. This will streamline and enhance financial accountability and management. This also enhanced confidence in its donors/partners such as CORDAID.

The finance department has designed and implemented PEARL Accounting packages. Management and end of year reports sent to financiers are produced from PEARL, which is very good in terms of efficiency and effectiveness.

The staff of UCBHFA have also undergone training in the use of PEARL Accounting Packages. Guidelines on financial accountability and management have been distributed to all staff.

As a result, UCBHFA managed to raise income from 65m/- to about Ushs 250 million in 2009.

2.8 Strategic Objective: To strengthen capacity of UCBHFA in monitoring and evaluation of its programme and services.

UCBHFA is working to improve in information management through increased usage of ICT systems and the resource centre. UCBHFA received books, 150 publications in 2009. 500 calendars and 50 and Xmas/new years cards have been produced and disseminated to enhance publicity of CHI. The later have been disseminated to stakeholders, government bodies, NGOs, hospitals, members, donors, universities, members, schemes etc.

The process to design an MIS system has been started at the end of 2009. A database is being developed that will be used by the schemes in capturing, storage and disseminating data. This database will able them produce timely and accurate reports as well as track information on their schemes effectively. Reporting forms for all levels have been developed.

3 CHALLENGES FACED BY UCBHFA IN 2009:

- Lack of adequate funds:

At the beginning of 2009, UCBHFA lacked enough funds to carry out planned activities, despite the demands from its members especially for technical support and promotion.

The 1st grant from Cordaid however enable UCBHFA to revive and reorganize it self in the 6 months. In addition, the 2nd grant from CORDAID came in in the last quarter of 2009, as a result, not many activities were done in 2009.

- Low coverage of CHIS in the country, which has mostly been attributed to by lack of funds within UCBHFA to promote CHIS.
- The high prevalence of HIV/AIDS in Uganda has affected the schemes. HIV/AIDs among members with lack of access to antiretroviral drugs escalated the health care bills of schemes and lead to deficit budgets.
- Lack of adequate skills among scheme stakeholders has resulted into low enrollment, drop out of some members, adverse selection and moral hazards.

3 ANALYSIS OF IDENTIFIED RISKS AND OPPORTUNITIES:

	Principal Risk at the design of strategic plan	Rating	How UCBHFA has gone in mitigating the risks by the end of 2009	End of 2009 rating of the risk
	THREATS			
	Governance: Currently UCBHFA is governed by a board (Executive committee) of 7 members. Board members are elected by the general assembly constituted by the member scheme leaders and the board serves a term of two years. While election of all board members reflects the democratic will of leadership from the UCBHFA member schemes, there is continuous turnover of expertise from the board through repeated Elections	**Medium**	Board members risk has been increased to 3 years.	**Low to medium**
	Lack of policy and legal framework for the operations of the community health	**Low-medi**	This has been presented to the	**Low**

	financing schemes in Uganda	**um**	MOH NHIS desk, and CHIS are recognized.	
	Weak management systems at the scheme level which hamper the development and financial sustainability of individual community based health financing schemes.	**Medium to high**	Some sensitization has been done, but a lot needs to be done.	**Medium**
	Persistent poverty that threatens capacity of people to join community based health financing schemes	**low**	Members have been advised to include orphans and vulnerable children support in their schemes. CHI schemes are being designed based on research and made to suit the local situations	**Low**
	Low financial sustainability: Currently UCBHFA largely depends on donor support and has minimal internal alternatives for raising funding: This will significantly affect UCBHFA programmes and operations in the long term.	**Medium**	UCBHFA hopes to jointly work on CHI with UMU and would get some income in the long run.	**Medium**
OPPORTUNITIES : How UCBHFA has utilized them				
	Commitment and interest in CBHF: Currently there is global and national interest and commitment in CBHF creating conducive environment and multiple funding opportunities/mechanism for UBHFA to effectively act.	Has identified donors and partners to work with.		
	UCBHFA is the only organisation in Uganda coordinating CBHF. This offers UCBHFA an opportunity to mobilise resources and exert its influence in the community health-financing arena without facing any other competitors.	UCBHFA plans to set up regional technical support centres to reach every region and district in Uganda effectively		
	Gaps in public health care services: Poor functioning and financing of the public health care sector and high out of pocket fees in private sector offers an opportunity for mobilisation of communities for	With about 87% of Ugandans who are in the informal sector, CHIS still has a big role to play to reduce out of pocket payments. UCBHFA is		

	CBHF	expanding CHI in the country
	Affiliation to Community health financing association of Eastern Africa offers UCBHFA an opportunity to benefit from the experiences of community based health financing initiatives in the East African region.	Has managed to get funding, and information sharing avenues (meetings and exchange visits) both through UCBHFA and at membership level
	Prospects for funding: Willingness from donor partners to provide financial support to CBHF	UCBHFA has contacted more donors for support.
	Policy being developed in Uganda for the establishment of the National health insurance. UCBHFA has representation on the national task force for establishment of the national health insurance scheme. It offers UCBHFA leverage to make a contribution to policy development and also to influence the policy making process into incorporation of community health financing into the new policy.	UCBHFA has used National Task Force meetings and lobbied for inclusion of its concerns in the up coming NHIS. Secondly, UCBHFA representative has got an opportunity to visit other countries and learn more about CHI.