HEALTH POLICY PLUS
Better Policy for Better Health

Understanding Prospects for Mobilizing Domestic Resources for HIV in Uganda

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INTRODUCTION AND METHODOLOGY

The Health Policy Project (HPP) supported the USAID Sustainable Financing Initiative (SFI) HIV in Uganda to understand the current resource availability and needs for the country's HIV response and identify potential sources of new domestic financing to achieve ART scale-up targets and ensure long-term sustainability. HPP and USAID developed 10 indicators across four strategic objectives for domestic financing (Table 1). HPP calculated the indicator values based on literature review, epidemic and resource modeling, and key informant interviews.

Table 1: SFI Uganda Performance Indicators and Values

Indicator	Value
Funding for HIV	
1. Patients on ART (% of PLHIV) (2015)	763,720 (46%)
2. Resources Committed for HIV (FY 2014/15)	US$574 million
3. Projected HIV Funding Gap (2016-2020)	US$1.09 billion
Domestic Resource Mobilization	
4. Government HIV Budget (FY 2014/15)	US$69.9 million
5. Private Sector (non-OOP Expenditure on HIV (2014)	US$3.8 million
Technical Efficiency	
6. Key HIV Service Unit Costs	ART, including health systems (facility-level only): Adult: US$482 (US$345) Pediatric: US$488 (US$417) HTC: US$8-19
7. Government HIV Budget Execution Rate (FY 2014/15)	95%
Equity of Access and Utilization	
8. Insurance Enrollment	Total Pop.: ~80,000 (0.5%) PLHIV: ~1,300 (0.1%)
9. Per Patient Out-of-Pocket Expenditure on HIV	–
10. Benefit Incidence of HIV Expenditure	–

Source: Koseki et al., 2015.

RESOURCE AVAILABILITY AND NEED

As of 2015, epidemic modeling estimates that approximately 764,000 Ugandans (46% of PLHIV) were on HIV treatment. Uganda's National Strategic Plan (NSP) for HIV and AIDS aims to put 80% of eligible adult and pediatric patients on ART by 2020. The country heavily depends on donor funding to support the HIV program (Figure 1a), while public sector funding has not grown substantially in recent years.

To achieve 80% ART coverage, Uganda's annual resource requirement for HIV programs will grow from US$628 million in 2016 to US$920 million annually by 2020 (Figure 2). At current funding levels, HPP projects a total funding gap of US$964 million between 2016 and 2020 to achieve NSP targets. Meeting UNAID's 90-90-90 goals, will require an additional US$123 million over 5 years.

Figure 1a: HIV Funding by Source, FY 2014/15

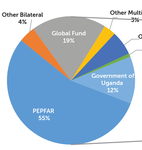
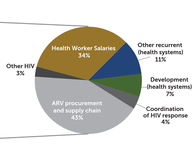
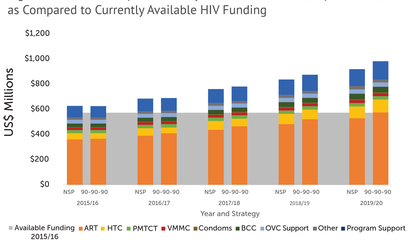


Figure 1b: Government HIV Budget by Cost Type, FY 2014/15



Source: Ministry of Finance, Planning and Economic Development, 2016; PEPFAR, 2015; Global Fund, 2015; Private sector data, approved estimates of revenue and expenditure, FY2012/13 – 2015/16.

Figure 2: Resource Requirements by HIV Treatment Scale-up Scenarios as Compared to Currently Available HIV Funding



Source: Uganda AIDS Commission, 2015.

PUBLIC SECTOR RESOURCES

In fiscal year (FY) 2014/15, the Ugandan government budget for HIV was US$70 million (198 billion USh) of which 43% was allocated for anti-retroviral (ARV) drugs (Figure 1b). HPP estimates that the HIV response accounts for 26% of the government budget for health, demonstrating its prioritization within the health sector. However, at 8.5% of the budget, general health spending is low. Further HIV resource mobilization through the public sector will require expansion of overall fiscal space for health, and the government budget in general.

PRIVATE SECTOR RESOURCES

The private sector contributed US$3.8 million to HIV (excluding OOP expenditure), primarily through corporate contribution to health insurance premiums (US$2 million). The private health insurance market in Uganda is currently unsustainable. Insurers operate at a loss, paying out 20% more in claims than they receive in premiums HPP's analysis also indicates that corporations contribute US$1.2 million to HIV through workplace programs.

EFFICIENT USE OF FUNDS

Unit cost estimates for the NSP rely on limited data, and new costing is necessary to for improvements in technical efficiency. However, gains could be made in the form of ARV price reductions through the consolidation of Uganda's four separate purchasing mechanisms into a single bulk purchasing agreement.

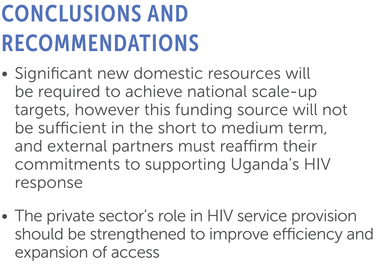
Absorptive capacity of government funding for HIV is high, with an average HIV budget execution rate of 96 percent between 2011/12 and 2014/15.

EQUITY OF ACCESS AND UTILIZATION

The wealthy disproportionately benefit from Uganda's health system. Despite low out-of-pocket expenditure on health by the poorest income quintile (US$0.47), greater risk pooling and improved access to services are needed to ensure greater health equity.

Community-based insurance schemes – currently with 150,000 clients –and a proposed National Health Insurance Scheme both present pathways to greater insurance cover, but mobilization of public and household resources will be necessary.

Figure 3: Share of Benefit/Need of Health Serivices by Income Quintile



Source: Kwesiga et al., 2015.

CONCLUSIONS AND RECOMMENDATIONS

- Significant new domestic resources will be required to achieve national scale-up targets, however this funding source will not be sufficient in the short to medium term, and external partners must reaffirm their commitments to supporting Uganda's HIV response
- The private sector's role in HIV service provision should be strengthened to improve efficiency and expansion of access
- Financial risk protection and equity in access should be improved through risk pooling to reduce both OOP and catastrophic expenditure

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