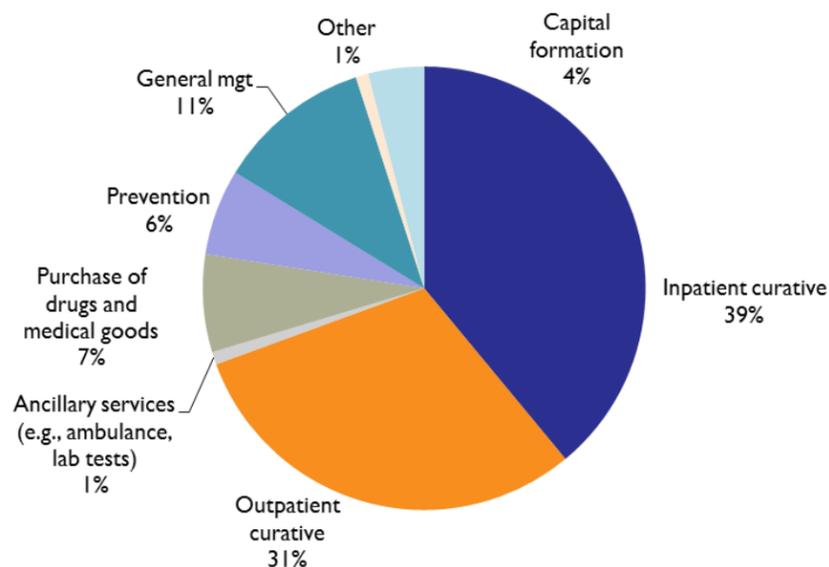


## How is Spending Allocated among Type of Service?

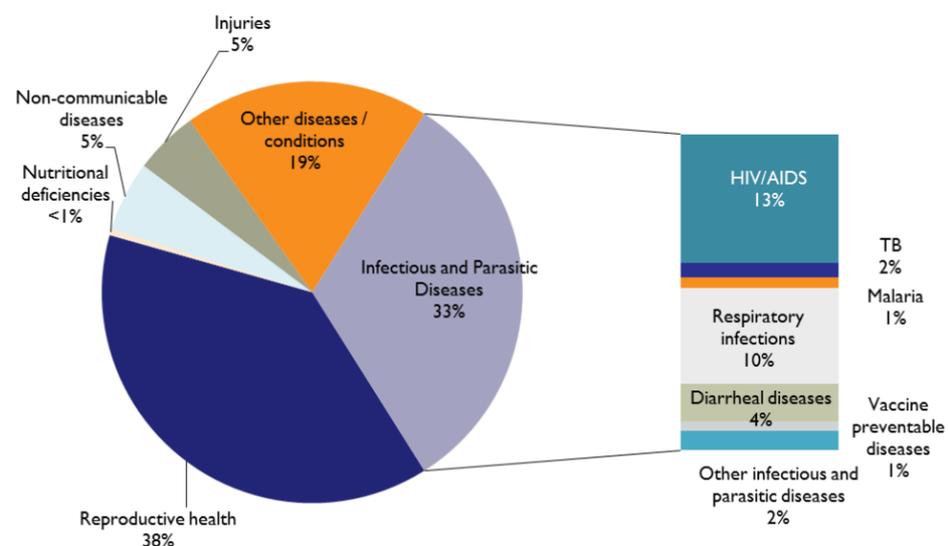
Health expenditures by type of service, 2012/13



Health spending in Namibia is predominantly for curative care. Curative care includes all inpatient and outpatient care whose principal intent is to relieve symptoms of illness or injury. Spending on prevention services represents 6 percent of THE.

## What is the Breakdown of Spending by Disease?

Health Expenditures by Disease/Condition, 2012/13



Reproductive health receives the highest allocation of funds, 38 percent of THE, followed closely by infectious and parasitic diseases at 33 percent. Within the infectious and parasitic diseases category, spending is highest on HIV/AIDS at 13 percent of THE, followed by respiratory infections at 10 percent. Approximately 5 percent of THE is on non-communicable diseases (NCDs).



### Policy Implications

- Increase government health expenditure to achieve the Abuja target and mobilize domestic resources to sustain Health and HIV/AIDS progress in light of declining donor funding.
- Contain increases in household out-of-pocket (OOP) expenditure. While the share of OOP is less than the 15%- 20% threshold indicated by WHO to reduce incidence of catastrophic spending in a country, the increase in share compared to that of 2008/09 indicates the need to put it in check through measures such as increasing the coverage of the medical aids schemes.
- Health spending in Namibia is skewed toward secondary and tertiary curative care. This calls for a closer look into the resource allocation decisions to ensure equity and efficiency.
- Shift attention and funding to non-communicable diseases (NCDs). NCDs represent roughly one-third of Namibia's disease burden. Despite this, health expenditure on NCDs is small, only 5 percent of THE. If not addressed, the growing burden of NCDs will have an economic cost.

The Namibia Health Accounts 2012/13 exercise was undertaken by Government of Namibia with support from the United States Agency for International Development (USAID) Namibia Mission. Program management and support and funding for the health accounts estimation were provided by USAID through the Health Finance and Governance (HFG) project, implemented by Abt Associates Inc. under cooperative agreement AID-OAA-A-12-00080.

# Namibia Health Accounts 2012/13

## Key Findings and Policy Implications

REPUBLIC OF NAMIBIA



Ministry of Health and Social Services

This brochure presents health expenditure data by households, public and private institutions for the 2012/13 fiscal year.

## What is the Health Accounts Methodology?

Health Accounts is an internationally standardized methodology utilized by countries to track funding flows through the health sector in a given year. More specifically, Health Accounts measures how a country's total health expenditure (THE) flows from financing sources to financing agents, health care providers, and health functions. As the globally recognized methodology for tracking health resources, Health Accounts allows cross-comparisons with data from other countries. Health Accounts data measure financial performance and answer key policy questions, which makes it a critical tool for policy analysis and strategic planning for: *Sustainability*: Is health financing too donor dependent? *Equity*: Are households bearing too heavy a burden? *Efficiency*: Does spending favor inpatient care?

## Health Accounts in Namibia

The current exercise (fiscal year 2012/13) is Namibia's fourth round of Health Accounts and is the first round conducted using the SHA 2011 methodology; the prior three rounds covered 11 years of spending between 1998/99 and 2008/09. These prior rounds have been critical to informing the design and review of the country's Health Sector Strategic Plan. Health Accounts estimates of spending in priority areas such as reproductive health have informed resource allocation discussions. Further, combined with information from other sources regarding the geographic distribution of health resources, Health Accounts estimates have helped the Ministry of Health and Social Services develop a resource allocation formula that is currently under review for implementation.

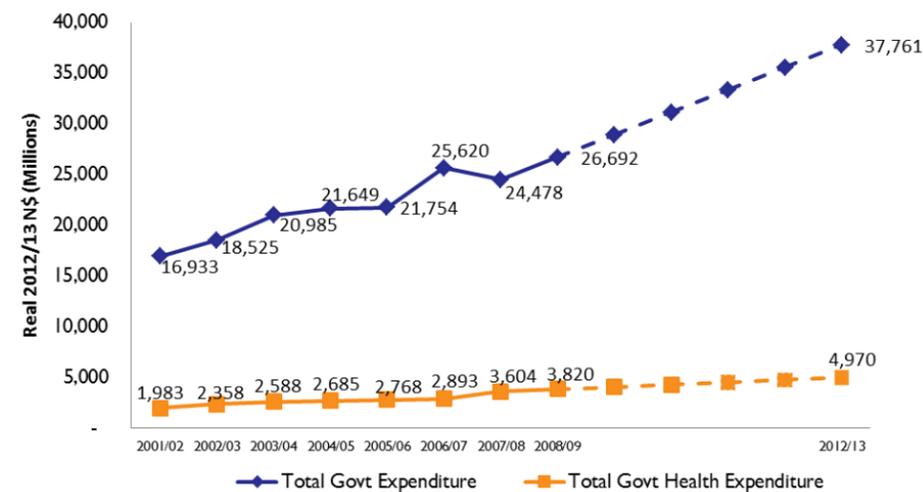
## Data Sources

Health Expenditure data was collected from a wide range of primary and secondary sources:

- Ministries and public institutions including: Ministry of Health and Social Services, Ministry of Finance, Ministry of Defense, Ministry of Education, National Health Information System, Namibia Financial Institutions Supervisory Authority, National Population Census, Health Facility Census data, electronic Patient Management System, the Electronic Dispensing Tool, and WHO Choice.
- Donors (bilateral and multilateral)
- Private medical aid schemes
- Non-Governmental Organizations
- A representative sample of private employers
- Household expenditure data from the 2013 Namibia Demographic and Health Survey

## Trends in Health Spending

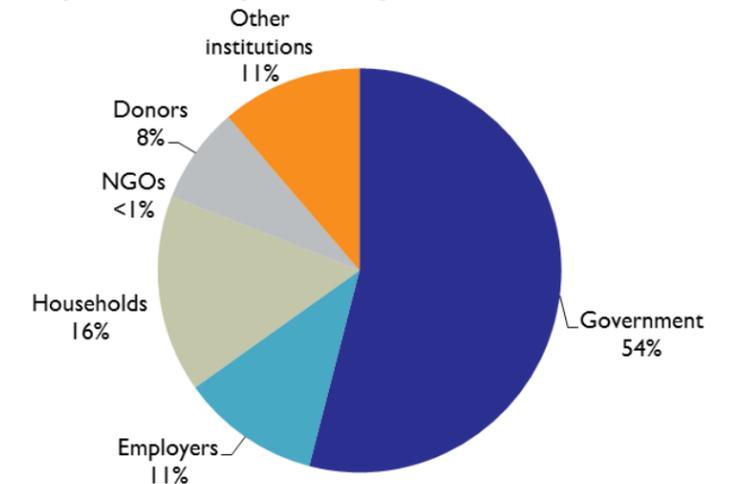
**Total government expenditure and total government health expenditure, 2001/02-2012/13 (real 2012/13 N\$ millions)**



Government health expenditure has increased steadily from year to year (dotted line represents years where Health Accounts data was not captured). As of 2012/13, government health expenditure as a percentage of total government expenditure was 13 percent. This means that the government is allocating nearly 15 percent of its budget to the health sector, as per the Abuja Declaration targets.

## Who Financed Health?

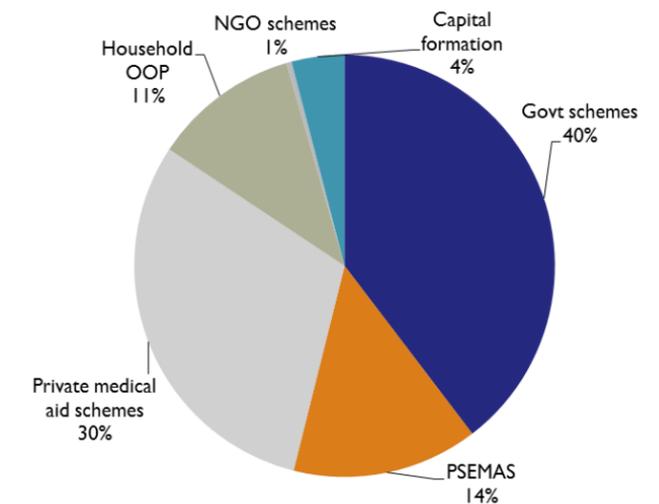
**Health expenditures by financing source, 2012/13**



The government is the biggest contributor to health spending in the country; it represents over half of total health spending (54 percent).

## To What Extent Are Funds Pooled to Minimize Risk?

**Health expenditures by financing scheme, 2012/13**



Forty-four percent of THE is pooled and managed through the private medical aids (30%) and the Public Service Employees Medical Aid Scheme (PSEMAS) (14%). The government through the Ministry of Health and other public entities manages 40 percent (outside of the resources managed by for PSEMAS). Together with PSEMAS, this puts the government in a unique position to influence resource allocation decisions for over half of the total resources flowing to the health sector to improve equity and efficiency.

Relatedly, households' out of pockets (OOP) payments constituted 11 percent of the THE. This is a three fourth increase in share from that of 6.3 percent in 2008/09.