

Investing in Social Protection in Uganda: The Case for Universal Healthcare for Pregnant and Lactating Women, and Children under Five

Child and Maternal Health



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INTRODUCTION

This Policy Brief is part of a series and is based on the Social Protection: Investment Case developed by the Government of Uganda (2016). The business case was developed over one and a half years and rests on the best available data available at the time of drafting. Recently released GDP figures may significantly reduce the projected cost of scaling up some of the interventions proposed in the Investment Case.

1. Pregnant and lactating women, and children under five are particularly vulnerable

In Uganda, pregnancy and childbirth carry risks, both for the mother and her new-born child. As per the Health Sector Strategic Plan III, maternal and child health conditions carry the highest burden of disease, with perinatal and maternal conditions accounting for 20.4% of the total disease burden in Uganda¹. The Uganda Health Policy 2010 notes that despite improvements in maternal, new-born, and infant mortality rates, the indices remain very high². Neonatal mortality is high at 19 per 1,000 live births in 2015. The maternal mortality ratio is similarly high at 360 per 100,000 live births. An additional 36 children per 1,000 live births die before they reach the age of five and 5.5% of all children in Uganda do not reach that age³. Moreover, indicators related to nutrition, stunting and wasting are improving but not significantly⁴.

2. There are policies and programmes promoting maternal and child health

Uganda has a rich policy framework for healthcare delivery. The Uganda Health Policy 2010 and the Health Sector Strategic Plan III acknowledge the slow progress of addressing maternal health problems. They therefore place maternal and child health as one of the

1. Ministry of Health. (2010a). Health Sector Strategic Plan III 2010/11 - 2014/15.

2. Ministry of Health. (2010b). The Second National Health Policy: Promoting People's Health to Enhance Socio-economic Development.

3. Government of Uganda. (2016). Social protection: Investment case.

4. Ministry of Health. (2010b). The Second National Health Policy: Promoting People's Health to Enhance Socio-economic Development.

pillars of the Uganda National Minimum Healthcare Package. The roadmap for accelerating the reduction of maternal and neonatal mortality and morbidity acknowledges the systemic and structural shortcomings of the health sector in providing adequate maternal and child healthcare. It also alludes to the underutilisation of antenatal and postnatal care⁵. From the social front, it is a known fact that in addition to the inadequate care services, there are also out-of-pocket expenditures involved in accessing maternal and child healthcare. These expenses contribute significantly to the draining of a household's income, especially in cases of complications.

In attempting to respond to the challenges, the above-mentioned roadmap proposes key strategies and interventions. These include, but are not limited to: legal and policy frameworks for formulation implementation of effective maternal and child health programs; and, improving the availability, access, and utilisation of maternal and child healthcare services⁶. Within these, several programs have been implemented, but their reach and effectiveness is not felt. Providing universal health care to pregnant women, breastfeeding mothers, and children under five will go a long way in averting this problem.

In March 2016, the Government launched the **National Social Protection Policy (NSPP)** which calls for the establishment of a comprehensive social protection system that caters for diverse categories of the population. The National Social Protection Policy recognizes Uganda's Vision 2040 which notes that the current health delivery system is expensive, inefficient and not sufficiently responsive to the health needs of the different categories of the population, thus limiting access especially among the poor and vulnerable populations. The Policy indicates that health insurance coverage is very low, with only between one and two per cent of Ugandans that are covered by private commercial health insurance. In an effort to alleviate the burden of healthcare costs on households, the National Social Protection Policy indicates that the Government shall introduce affordable health insurance schemes as one of the priority areas to increase access to social protection. More on this Policy is included in Text Box 1, on page one.

3. What would the proposed universal healthcare for pregnant and lactating women, and children under five look like?

For the universal healthcare addressed to pregnant or lactating women and children under five, a set of parameters is selected based on stakeholder consultations and a review of Uganda's efforts and international best practices. The approach replicated in this study is granting universal access by subsidizing the cost of a Community Based Health Insurance (CBHI).

Who is eligible?

The individuals eligible for the universal healthcare are pregnant and lactating women, and children under five years. Being universal, the total number of breastfeeding women to benefit will be estimated under the assumption that the average duration of breastfeeding is nine months. The number of children under five comes from population statistics. As indicated in Table 1, this programme would reach 2,685,595 women, of which 57% are pregnant and the rest

Text Box 1: Social Protection in Uganda

The National Social Protection Policy defines social protection as “public and private interventions to address risks and vulnerabilities that expose individuals to income insecurity and social deprivation, leading to undignified lives”. In the Ugandan context, it is comprised of two pillars: social security and social care and support services. Social security refers to protective and preventive interventions to mitigate factors that lead to income shocks and affect consumption whereas Social Care and Support Services are a range of services that provide care, support, protection and empowerment to vulnerable individuals who are unable to fully care for themselves.

The Policy provides a framework for putting in place the comprehensive social protection system that caters for diverse categories of the population. This is mainly because vulnerabilities faced by certain categories of the population such as older persons, children, youth, women and persons with disabilities do not only directly impact on their livelihoods but also slows national development.

Therefore, designing and implementing specific social protection instruments that address the particular risks and vulnerabilities faced by certain categories of population mentioned above brings them to the vanguard of development and enhance their contribution to the development process.

lactating. The number of children under five eligible for free healthcare is 7.6 million.

Table 1: Universal Child and Maternal Health Care

Beneficiaries (women)	2,685,595
Beneficiaries (children)	7,607,054
Total Cost	1.3 trillion UGX
Value of Averted DALYs	2.1 trillion UGX

Source: Social Protection: Investment Case, (GoU, 2016).

What are the expected outcomes?

The primary aim of the universal healthcare for pregnant and lactating women, and children under five years is to remove the barriers for health-care for women of reproductive age. The outcome of interest is the quantified socio-economic gains resulting from an

5. *Ibid*, p.23.

6. The disability-adjusted life year (DALY) is a measure of overall disease burden, expressed as the number of years lost due to ill-health, disability or early death. One DALY can be thought of as one lost year of “healthy” life.

7. Ministry of Health. (2007). Road-map for accelerating the reduction of maternal and neonatal mortality and morbidity in Uganda 2007-2015.

improvement in Disability Adjusted Life Years (DALYs)⁷ following increased utilization of maternal and child health care services.

This programme has substantial returns:

- (i). It would provide free healthcare to the target population, as well as subsidising their (base rate) Community Based Health Insurance coverage, in the short term, the programme is expected to increase accessibility of maternal and child healthcare for the beneficiaries. This in turn will increase the share of women delivering in the presence of skilled health personnel, leading to a reduction in the maternal mortality ratio and a decrease in orphan hood.
- (ii). Strengthening the availability of post-natal care and care for breastfeeding women also improves the chances of survival for vulnerable children. Moreover, as the first five years have an impact on the cognitive development of children, granting free access for all children will translate directly into their well-being and human capital development; and boost the medium to long-term competitiveness of Uganda’s population.
- (iii). The programmes’ medium to long-term outcome is the overall reduction in the disease burden for these women and children, following increased use of maternal and child health care services. In other words, there will be an improvement in the beneficiaries’ Disability Adjusted Life Years (DALYs).

4. What about the cost and effectiveness?

As far as the relationship between benefits and costs is concerned, implementation of universal healthcare for pregnant and lactating women, and children under five significantly (positively) impacts on poverty reduction through reductions in out-of-pocket payments consequent to free healthcare.

The cost of the Community-Based Health Insurance (CBHI) subsidy is over 390 billion UGX for women and over 900 billion UGX for children, totaling almost 1.3 trillion UGX. However, the total Disability Adjusted Life Years (DALYs) averted reaches 1,059,366 as a result of the free health care provided.

For the poorest quintile, the programme yields a reduction in payments by more than 20%. Overall, the total reduction in out-of-pocket payments when quantified, reaches more than 6 billion UGX. The returns to a DALY from the universal programme are also manifold. Key among them is the additional income that can be generated by the government because of the decreased financial burden on the health care system over time:

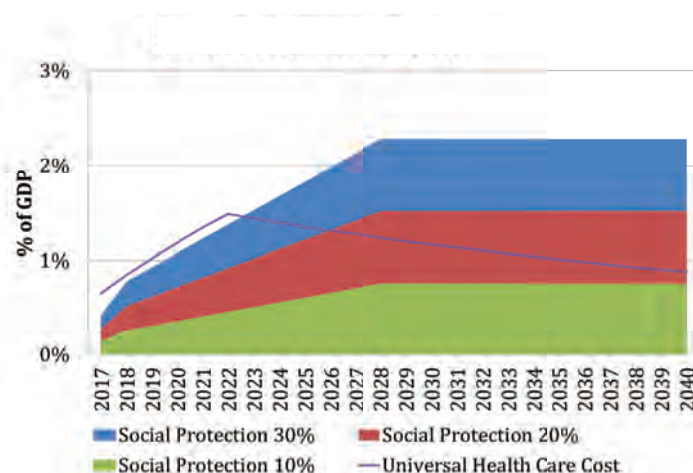
- (a). The universal health care programme has an estimated benefit to cost ratio of 1.63: i.e. for every unit of money invested, the intervention guarantees 0.63 monetary units of return. This highlights the profitability of investing in universal healthcare as a social protection instrument.
- (b). The cost of the Community-Based Health Insurance (CBHI) subsidy means that each individual beneficiary will enjoy additional health of at least 0.12 years, 1.44 months, and over 44 days. This, when monetised, reaches 2,111 billion UGX, equivalent to 205,107 UGX per individual, which reflects the

amount of financial resources the government would save (and use for other healthcare needs) if it implemented the proposed universal healthcare for pregnant and lactating women, and children under five.

The long-term economic sustainability of the universal healthcare for pregnant and lactating women, and children under five considers economic growth and population dynamics as well as a gradual rollout of the programme. Long run sustainability and feasibility is guaranteed by a decreasing trend in cost out of GDP once the programme reaches perfect take-up. In the long-run, the programme costs are under 1% of GDP. In other words, sustained nominal growth that outperforms inflation leads to a decreased burden of social protection costing over time, even when adjusting the grant for inflation.

Furthermore, it is important to note that not all the newly generated fiscal space would have to go to the universal healthcare for pregnant and lactating women, and children under five. Only a small proportion of this new fiscal space would go to this programme specifically and the entire social protection system generally, as illustrated in Figure 1. In the medium to long-run, after the programme reaches full scale, 30% of the newly collected resources would guarantee its affordability.

Figure 1: Universal child and maternal health care - Long-Run Costs and Fiscal Space



Source: Social Protection: Investment Case, (GoU, 2016)

5. What are the potential sources of fiscal space for the proposed universal healthcare programme?

The Government of Uganda can generate resources to sustainably finance the universal healthcare programme for pregnant and lactating women, and children under five. The Government will need to consider several options through which it can generate a constant flow of resources for this and other social protection programs. Sustainable financing strategies are closely tied to the longevity of social protection programmes. Specific sources of potential fiscal space include:

- (i). Reallocating public expenditures: this requires the restructuring of existing budget allocations and replacing high-cost and low-impact investments with ones that have large economic and social outcomes, eliminating spending inefficiencies, and tackling corruption.

- (ii). Increasing tax revenue: one way of doing this can be by implementing effective measures for strengthening the efficiency of tax collection methods and overall compliance.
- (iii). Using fiscal and central bank foreign exchange reserves: this might include exploiting fiscal savings and other state revenues, or excess foreign exchange reserves in the central bank and allocate them to development programs such as social protection.
- (iv). Increased aid and transfers: engaging donor governments to support social protection is another option. However, to guarantee long-run sustainability of social protection financing, government might consider not relying too extensively on donor support because it is by nature unstable.
- (v). Borrowing or restructuring the existing debt. This would involve the careful assessment of domestic and foreign debt options that are low cost, carefully considering debt sustainability, which for Uganda is currently not a threat.
- (vi). Adopting a more accommodating macroeconomic framework. This would entail allowing for higher budget deficits and slightly higher inflation levels, without the risk of jeopardizing macroeconomic stability.

6. Key recommendations

The introduction of universal health care for pregnant and lactating women and children under five can lead to significant benefits on health outcomes, improved human capital, longevity, and reduced expenditure on healthcare. The Government of Uganda should therefore consider introducing such a programme.

- **The proposed intervention considers financing of the demand side.** Due to the apparent shortcomings of the healthcare system which is a typical challenge of supply side financing, the proposed universal programme tackles the demand side financing. This is where funds are transferred to health facilities through consumers. This helps to reduce the demand side barriers faced by women generally, but poor and remotely located women particularly, and protect households from out-of-pocket expenditures associated with high cost interventions such as emergency obstetric care .
- **There is a need for increased commitment to financing social protection.** As demonstrated in Social Protection Investment Case, there is fiscal space and sustainability. However, the government will need to increase its commitment to social protection investment. This is the only plausible way to achieve the social development objectives stated in Vision 2040 and ensure implementation of the National Social Protection strategy.
- **The programme components should be clearly defined.** In considering and designing the proposed universal programme, government needs to carefully define and communicate the components of the benefit package, and the minimum parameters they must achieve to fully benefit from the programme. These can include minimum number of mandatory antenatal and postnatal care check-ups, safe delivery facility, among others.
- **There is a need to plan for and ensure health system readiness.** It is important for the Government to ensure that the healthcare system can respond to the demand of the beneficiaries. This especially concerns the mandate and ability of lower level health centres to provide the whole range of maternal and child health care if the proposed programme is to be successful in local communities and remote rural areas.

FOR ADDITIONAL
INFORMATION:

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Get a full version of the Social Protection Investment Case: <https://www.unicef.org/uganda/UgandaSPBCReport2016-FINAL-LORES.pdf>

Uganda Social Protection Platform (USPP),
<http://www.uspp-cso.org/>