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# Health System Performance In Developing Countries

## Management Matters, Not Just Resources

Efforts to improve health in developing countries and to achieve international health targets (such as those in the Millennium Development Goals) could be aided substantially by strengthening those countries' health systems. Many low- and middle-income countries have health institutions that consistently fail to deliver services effectively, especially to their poorest citizens.

Even in resource-poor settings, it is possible to deliver quality care through better health system management and organization and to use additional resources effectively. Giving patients a voice in the local health system can improve health system performance, as can contracting out services and improving health workers' performance and retention through a combination of financial and other incentives. Decision makers can also influence the direction of health provision through legal mandates and regulations as well as resource allocation methods.

The best strategies often are incremental and encompass action at all levels to address system constraints. Special attention should be paid to users' demands, to primary care and first-level hospitals, to quality of care, and to technical (specialist) backup for disease control programs. Funding for health systems accounts for less than 0.02 percent of the total annual health expenditure of developing countries and should be increased to help countries decide how best to improve health system performance.

### Priority Actions to Strengthen Health System Capacity and Performance

While more research is needed on which health system reforms work well in which circumstances, the following approaches have had encouraging results in specific low- or middle-income countries and are worth evaluating in terms of their relevance in specific countries and contexts:

### Stewardship and Regulation

- Strengthen structures of accountability to communities and introduce mechanisms to ensure that users have a voice in the local health system and can influence priorities.
- Improve and update regulations controlling private health and health-product providers. For instance, drug shops in Tanzania routinely sell prohibited or inappropriately packaged drugs despite regulations. Allowing these shops to stock a small set of oral antibiotics would allow for a more constructive relationship between sales staff and regulators.
- Use regulation as an intervention in its own right as well as a way to improve health service delivery. Some examples include requiring all sex workers in brothels in Thailand to use condoms, and legislation banning the sale of noniodized salt in China.

### Organizational Structures and Financing

- Clearly delineate responsibilities and accountabilities within health service organizations, to ensure good performance is rewarded.
- Increase use of contracting out health service provision, especially to NGOs, and develop public-sector capacity to manage the contracting process.
- Decentralize health services management: For instance, give hospitals and health districts much greater responsibilities for planning and management, and provide hospital and district health system managers with the information, tools, and training to enable them to match services and additional resources with the local burden of disease.

### Human Resources

- Use local health cadres (including nurses with extended training and people working at subnurse

levels) to meet the needs and priorities of local health systems.

- Encourage staff retention and motivation through improved remuneration and nonmonetary rewards such as opportunities for learning and career progression, subsidized housing and education for dependents, and a culture that values the contribution of health workers.
- Create a link between health workers' remuneration packages and performance in countries with good regulatory frameworks, skilled managerial resources, and careful monitoring to counter adverse effects.

### **Ensuring That Resource Use Meets Health System Objectives**

- Use regulation and legislation to ensure that resources are used to greatest effect—for instance, by setting minimum standards of care that insurance packages must cover, or by liberalizing the prescription and introduction of certain drugs that are safe to distribute on a large scale.
- Leave decisions about treatment to clinical judgment while constraining the overall public-sector resource envelope in terms of staff, buildings, equipment, and drugs.
- Use resources to underserved geographic areas and population groups and to underfunded programs) to ensure more equitable distributions of health resources and personnel.

- Concentrate additional resources on removing the main impediments to faster progress toward achievement of the Millennium Development Goals.

### **Special Recommendations for Low-Capacity Environments**

- Introduce basic preventive and curative services first—especially immunization, access to basic drugs, and management of the most severe threats to health such as emergency care for injuries.
- Design disease- or program-strengthening efforts so that they also strengthen overall systems long-term and do not compete for or overwhelm limited human resources and managerial capacity. When health systems are extremely weak, disease-specific programs may be required; however, as health systems strengthen, financing and delivery strategies can become less selective and more integrated.

### **For More Information**

Mills, A., F. Rasheed, and S. Tollman. 2006. "Strengthening Health Systems." In *Disease Control Priorities in Developing Countries*, 2nd ed., ed. D. T. Jamison, J. G. Breman, A. R. Measham, G. Alleyne, M. Claeson, D. B. Evans, P. Jha, A. Mills, and P. Musgrove, 87–102. New York: Oxford University Press.