South Africa Learning Alliance for District Health Systems (SALAD)

Webinar Summary: Navigating Resource Management at the District Level 15 May 2024

Speakers:

Odwa Sogoni (Director Finance Amathole District, Eastern Cape)

Dineo Moremane (Former Acting Chief Director Kenneth Kaunda District, Currently Acting Chief Director: Hospital Services, North West)

Panellists:

Simon Kaye (Chief Financial Officer, Western Cape Department of Health and Wellness)

Mark Blecher (Chief Director Health and Social Development, National Treasury)

Thulani Masilela (DDG - Outcome Monitoring and Evaluation, Department of Performance Monitoring and Evaluation)

Introduction

'Navigating resource management at the district level' was the first of a two-part webinar series on health financing and the District Health System (DHS). It was hosted by the South African Learning Alliance for District Health Systems (SALAD) and the Health Economics Unit within the School of Public Health at UCT. A further webinar on budgeting and resource allocation, specifically, is envisaged, focusing on how to support Equitable Resource Allocation (ERA).

The context for focusing on financial and wider resource management at the district level is that districts and sub-districts are fundamental units of governance and innovation in the health system, and provide the platform from which primary health care is delivered. Resource management capabilities are essential at this level, for decision-making that supports universal health coverage, and yet are often challenged by a range of system complexities.

Purpose of the Webinar

1. To illuminate critical aspects of resource management at the district level, as well as to identify priorities for strengthening such management.
2. To seek different perspectives on resource management in the DHS: voices from district, provincial and national levels, and contributions from the audience, debating the system capabilities required to enable the district management team to optimize resource decision-making.

This introductory engagement explored resource management at the district level with a particular focus on the financial management capabilities needed in the DHS. Odwa Sogoni and Dineo Moremane spoke about their experiences in resource management, outlining

what supported and hindered them, along with the 'hard' and 'soft' skills they relied on to function effectively in their roles.

This was followed by a panel discussion during which Simon Kaye, Mark Blecher and Thulani Masilela shared their insights and recommendations for effective and efficient financial management in the DHS.

We have provided a brief summary of the key themes and insights that emerged from the webinar.

PART I: Mr. Odwa Sogoni and Ms. Dineo Moremane

Key themes that emerged from Mr. Sogoni and Ms. Moremane's contribution were a) issues related to budget allocation, b) decentralization, c) data-informed decision making, d) the importance of strong teams as the core of strong systems and the e) personal resources and strategies they relied on to perform optimally in their work.

Budget allocations and decentralization

Accrued payments and medico-legal claims place a huge burden on allocated budgets as these claims are the first call on the budget for the new financial year.

Skilled and ethical staff at health facilities and sub-districts are enablers for decentralization of procurement and payment processes.

A lack of trust by provincial structures in the district, sub-district and health facilities contributes significantly to centralization of financial processes (procurement and payments).

Provinces that are socio-economically disadvantaged, are also those who are further challenged by historical budgeting, which favours provinces with more established and higher level health facilities.

The structures responsible for financial decision making at district level include:

- The District Management Team (DMT)
- The Budget Advisory Committee (BAC) at the district level.
- The District Cost Containment Committee (DCCC)
- The Provincial Cost Containment Committee (PCCC).

Payment and procurement requests are channelled upwards from The DCCC to the PCCC for review.

Data-informed decision making

Both Mr. Sogoni and Ms. Moremane recognised data-informed decision making as a crucial component of systematic decision making, acknowledging the need for 'hard' and 'soft' forms of data. Data sources they use include the District Health Information Systems (DHIS) and the District Health Expenditure Review (DHER), in addition to engagements with stakeholders and frontline staff through routine facility visits.

Teamwork, relationships and partnerships

Strong teams are crucial in resource management; a clear organisational vision that is well owned by the team can inspire and motivate team members towards a common goal.

Building strong relationships with those across the finance chain enable financial management processes. Ms. Moremane described the importance of leveraging on existing governmental partnerships, such as the Departments of Education, Justice and Social Development, to address the high incidence of teenage pregnancies.

Personal strategies

Mr. Sogoni and Ms. Moremane highlighted various personal attributes and strategies that

supported them in their work. These included a combination of technical expertise, relational skills needed to manage stakeholders as well personal attributes (determination, being resolution-minded, a strong work ethic). Lastly, a strong network of supportive relationships and a strong spiritual foundation ensured they were able to cope with the stresses associated with their roles.

PART II: Panel discussion with Mr. Kaye, Mr. Blecher and Dr. Masilela

Prof. Susan Cleary invited panelists to reflect on what enables and challenges effective resource management at the district level.

Panellists identified the following enablers:

Organisational culture, shared purpose and an alignment of values enabled trusting relationships in teams.

An abundance mindset open's one up to the existing resources within the system.

Platforms that facilitate the exchange of experiences and knowledge between managers and districts.

Facility managers being aware of the budget allocated to their facility and having the authority to allocate funds.

A balance of authority among health facilities, sub-districts, and districts, and the implications of this for the National Health Insurance (NHI) and CUPS. This will allow for greater decision-making capacity at the district and sub-district.

Improved competence and capabilities in district health management teams. As capabilities improved, so did the decision-making authority.

Panellists identified the following challenges:

The trust deficit between provinces and districts.

The disparities in resource allocation between districts and the ways in which budgets are allocated across districts.

The impact of 'short termism' on resource management. Dr. Masilela critiqued the short duration of planning cycles. The Annual Performance Plan (APP) offers a very short period for goals to be achieved. This is further exacerbated by funding being determined on a historical basis and not according to plans and targets.

The 'flavour of the month' approach which tends to dismiss promising solutions that were previously found to be beneficial. The contract expenditure reviews were found to produce good data however the use of this tool was discontinued.

Panellists were also asked to reflect on how provincial and national level actors can better support district managers to make difficult resource management decisions. In response, they shared the followed insights.

Mr. Kaye used the CALM (Connectedness, Alignment, Learning and Making) framework to illustrate the roles of the provincial and national departments in relation to the districts and sub-districts. The role of provincial and national departments is to provide the connectedness and alignment while allowing for learning and action (making) to happen at the lower levels.

Doing away with perverse incentivisation and offering incentivisation that is fair, inclusive and open. Mr. Kaye used the example of how a reduction in PHC headcounts because treatment was provided in the community led to a reduction in allocations. This was an example of a perverse incentive which was

counterproductive because it discouraged providing care in communities.

Ensuring facility managers being aware of their allocations, expenditure and how they can draw on other resources to advance public health.

Mr. Kaye encouraged monitoring and evaluation that was adaptive and realistic for health facility managers, and that the collection of data on a huge number of indicators was not useful nor practical for health facility managers.

The DHS in context of the NHI

Panellists offered ways in which aspects of resource management can be strengthened in the interim to the implementation of the NHI:

Piloting the capitation model was proposed to better understand what is needed to advance contracting for GPs and facilities.

Providing strategy for organisations together with a common set of principles and values that all can aspire to. This can be supported with a core set of tools and strategies.

Dr. Masilela commented on the need to 'make equity fashionable again' and proposed a set of methods and tools to regularly track equity.

To improve equitable resource allocation, the Western Cape DoH has developed a mechanism, adapted from the equitable share formula, to support equitable resource allocation across districts.

There is no consensus on the performance indicators that should be used and how they link to financing. This needs to be addressed.

Positioning the district as a key structure in the health system requires commitment. With the introduction of the NHI, the district will perform a pivotal role in supporting subdistrict CUPs. In order or this to happen, we will need strong districts and there will need to be strengthening initiatives in preparation.

The panel advised mechanisms that would mitigate against duplication of structures. Dr. Masilela gave the example of district management teams (DMTs) and the district health management offices (DHMOs) and how some capacity can be moved to other parts of the system where it could be better utilised.

Audience members also shared their insights on what enables resource management. They also recognised the importance of both hardware *and* software. Good information systems, structures, clearly defined roles, and governance (hardware) must be accompanied by good leadership and an organisational culture that fosters trust, values, learning, collaboration, and relationships (software).