

### Annex 3: Sources and Limitations of Financial Data.

FINANCIAL DATA		
SOURCES OF FINANCE TO THE HEALTH SECTOR - PROVINCIAL		
DATA TYPE	SOURCE	MAJOR LIMITATIONS
Budget allocations - equitable share going to health in each province.	Provincial department of health's appropriation account summaries and / or white books.	This does not usually represent the expenditure made from national revenue fund allocations. Provincial Departments of Health often overspend (such as in Gauteng) or occasionally underspend (such as in Northern province). The amounts included in our provincial analysis are therefore an extrapolation back from the total expenditure which is then after the removal of other sources of funding such as conditional grants, shown divided between that coming from revenue generated within the province and that which has been allocated from the national level through the national revenue fund (NRF). For details of this extrapolation see Chapter 2.
Conditional grant funding to each province	National department of health data, provincial departments of health, provincial departments of finance.	Due to the term "conditional grants" being applied only in the 98/99 financial year, details of specific earmarked grants prior to this year was more difficult to obtain.
Provincial own revenue collected and the proportion of this going to the health sector	PDoHs, Provincial Treasuries.	Though total provincially raised revenue is relatively easily obtained, in all provinces all own revenue is returned to provincial treasury and included in the estimates for allocation together with national level funding, between sectors. As there is no specific earmarking for health, therefore, the same extrapolation as to the proportion of funding coming from own revenue v.s. national funding was used (see Chapter 2) for more details.
Sources of finance for local authority provided health services <ul style="list-style-type: none"> <li>from their own revenue</li> <li>subsidies from PDoH</li> </ul>	PDoHs (for subsidies), questionnaires to LAs for details of revenue raised by the authority (e.g. in council rates and licence fees).	Different sources of information on subsidies from PDoHs to LAs often showed differing amounts and therefore care had to be taken in selection of which of these sources was most likely to have greatest validity. Own revenue generated by LAs was rarely available. In all but one province expenditure amounts and therefore the contribution of LAs own revenue to health service provision was extrapolated from a small number of returns (though the sample was often representative of the different sizes of authority in the province).  Local authority information other than subsidies was only available for six provinces with one of those being questionable and therefore left out of analysis involving local authority health expenditure. Any analysis using this data has therefore been restricted to five provinces (WC, EC, Gauteng Free State and Mpumalanga).
User fee revenue collected by type of collection point (e.g. district hospital, ambulance service etc)	PDoHs	Used to investigate issues of cost recovery and sustainability but often enveloped into general provincial revenue coffers. Total fees only for North West province were available and therefore allocation between providers was completed for this province based on proportion of total hospital expenditure contained at each facility type at which the fees were collected.

<b>FINANCIAL INTERMEDIARIES</b>		
Transfers to other health care providers such as local authorities.	PDoHs	The amounts of the transfers themselves were usually easily ascertained, however, the eventual uses of these funds could often not be determined, particularly for health providers other than local authorities.
<b>USES OF FUNDS - PROVINCIAL LEVEL</b>		
Uses of funds to PDoHs or expenditure represented by line item or input such as personnel, drugs, other medical supplies etc. These included <ul style="list-style-type: none"> <li>transfers to organisations providing health services that are supported in part by provincial subsidies</li> <li>Capital expenditure on buildings, vehicles and major equipment</li> </ul>	PDoHs ; PDoFs. Vulindlela consultants (where gaps in provincially obtained data existed).	<p>A number of transfer payments are made for example in support of state aided hospitals or NGOs running community based health programmes within provinces. Due to lack of time for extensive follow up of such organisations who do not generally report back to the PDoHs on the uses made of this funding, a sometimes large amount under unallocable transfers resulted.</p> <p>Provincial departments of health generally transfer a proportion of their budgets to provincial department of works to carry out their capital building requirements. Data from this department is often difficult to obtain broken down into categories as required by the NHA.</p>
Uses of funds or expenditure by the type of activity it is used for or provider such as district hospitals, administration, public health programmes external to facilities. <ul style="list-style-type: none"> <li>Public health programmes</li> </ul> <p>Centralised services such as drug supply, laundry services, catering</p>	<ul style="list-style-type: none"> <li>PDoHs</li> <li>PDoFs</li> </ul>	<p>Differing definitions exist in each province as to what is defined as a district versus regional hospital for example. In Gauteng for example, there a very few hospitals defined as "district" level with most classified as regional. This shows in the expenditure patterns by type of provider.</p> <p>Similarly due to the extremely unclear distinction between community health centres and clinics in most provinces - expenditure data for these two types of provider was pooled into a single category only.</p> <p>With integrated approaches to primary health care delivery at CHCs and clinics the categorisation of expenditure for public health programmes was problematic. Hence the categorisation of "public health programmes run external to facilities" was given. Expenditure on programmes such as maternal and child health and HIV/STD run at any health care facility will therefore be represented under that facility type.</p> <p>Where expenditure in provinces was represented under a centralised provider giving services to health facilities the expenditure was allocated using hospital and clinic activity (for laundry and food supply services) or by numbers of prescribing staff (for centralised drug purchases). Details of this allocation technique are given in Chapter 2 for interested readers.</p>
Local authority uses of funds in the provision of health care services	Through survey of local authorities.	As stated, information was only available for 5 provinces at this disaggregated level. Other provinces have been left out of analysis including local authority (though one province - Northern - has negligible

particularly in primary care, environmental health, administration and frequently in emergency medical services		health service provision by local authority <sup>16</sup>
Local authority uses of funds by line item.	As above	As above. Line item details were more difficult to obtain for LAs than provider split expenditure. For one province, Gauteng, however the assistance of the provincial LA body GALA ensured that reasonable figures were obtained. <sup>17</sup>
<b>NATIONAL LEVEL DATA</b>		
Health expenditure by province, type of provider and the input or line item for the following departments <ul style="list-style-type: none"> <li>• NDOH</li> <li>• NDOE</li> <li>• DOD</li> <li>• DOCS</li> <li>• SAPS</li> <li>• Workmen's Comp (totals only)</li> <li>• Road Accident Fund (totals only)</li> </ul>	Each National Department and where gaps existed, Vulindlela consultants	Care must be taken to extract transfers to provinces where this expenditure is also presented through the provincial accounts such as conditional grant and RDP funded expenditure. This has been removed from the total expenditure once to ensure this double counting does not take place.
Expenditure on Medical Schemes by the National Public Sector	Vulindlela	
Public Entities Direct Expenditure on health service provision	The entities themselves	Health expenditure data for 3 entities only could be obtained .
Expenditure on research <ul style="list-style-type: none"> <li>• Statutory scientific councils</li> </ul>		
National laboratories - expenditure and sources of finance: <ul style="list-style-type: none"> <li>• NIV</li> <li>• NCOH</li> </ul>	Extracted from the NDOH data together with additional research on SAIMR labs.	Some difficulties in separation of expenditure on laboratory testing etc versus research conducted for separation into differing provider categories for expenditure representation.

<sup>16</sup> See provincial report for Northern province for further details.

<sup>17</sup> See Gauteng provincial NHA report for a fuller explanation.

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