



Nepal Health Sector Strategic Plan 2022-30:

Recommendations from the Nepal Federal Health System Project

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Introduction

This policy brief presents key preliminary findings from our ongoing research project 'The impact of federalisation on Nepal's health system: a longitudinal analysis'.

The study is being implemented in Bagmati, Karnali and Lumbini provinces, representing hilly, mountain and terai regions, and the Kathmandu metropolitan area to capture the urban context. Data were collected through 145 qualitative in-depth interviews and 12 Participatory Policy Analysis workshops which brought together health leaders, political leaders, administrators and implementers from the Local, Provincial and Federal levels.

Although many health system benefits of the move to a federal system were identified by participants in the study, this interim analysis focuses on some of the limitations and challenges reported by stakeholders. For each challenge, we have provided recommendations that emerged from the Participatory Policy Analysis workshops and ongoing interactions with key health system stakeholders and expert members of the project's Advisory Board.

Key messages from this research are as follows:

- Nepal's health system has been steadily improving over the past decades; in line with this, we found a general continuation of this positive trend since federalisation.
- Further improvements in key areas could help capitalise on new opportunities brought about by federalisation and mitigate ongoing challenges in the transition to the new system.
- The full benefits of federalisation are likely to emerge following a long transition phase, and actions taken over the next 10 years are crucial for embedding the new system. The Health Sector Strategic Plan 2022-30 therefore represents a key moment in, and opportunity for, the development of the new system.

Summary Table of Policy Recommendations (See below for more detailed recommendations)

Health System Building Block	Summary of Recommendations
Leadership & Governance	<ol style="list-style-type: none"> 1. New legislation to clarify the roles of different government levels, with a particular need to specify Province-level roles and responsibilities. 2. Improving consultation and communication mechanisms between different levels of government. 3. Increase 'health system literacy' and awareness amongst elected officials.
Health Workforce	<ol style="list-style-type: none"> 1. Improve the Staff Adjustment Process and hiring system to ensure appropriately skilled staff are filling roles. 2. Address obstacles to the hiring of permanent health staff. 3. Gather accurate health workforce data and create a functioning human resource management, data and communication system.
Medical Products, Vaccines & Technologies	<ol style="list-style-type: none"> 1. Clarify and streamline medicine procurement and supply mechanisms at all levels of government. 2. Develop effective channels for different levels of government to work with the Department of Drug Administration on regulation of medicine quality. 3. Ensure availability of technical (pharmacy) expertise to oversee medicine regulation at the Local level.
Healthcare Financing	<ol style="list-style-type: none"> 1. Address obstacles to full utilisation of local-level health budgets (especially centrally-allocated conditional grants). 2. Train local elected representatives and health workers with budgetary responsibility on health financing and budgeting. 3. Encourage local governments to make voluntary commitments on the proportion of their overall budget to be spent on health.
Health Information Systems	<ol style="list-style-type: none"> 1. Enhance technical capacity and monitoring of data quality at all levels. 2. Work towards real time recording/reporting of health data. 3. Ensure interoperability of software systems at all levels across the public and private sectors, to enable effective data sharing and evidence-based policy and planning.
Service Delivery	<ol style="list-style-type: none"> 1. Ensure that new facilities are strategically located based on population and health needs. 2. Reinstate regular reviews and training for existing and newly adjusted health workers, including Female Community Health Volunteers (FCHVs) and other frontline health staff. 3. Design and implement community participation and engagement activities that feed into the delivery of inclusive services.

10-year vision for Leadership and Governance: A move from a model of independent governance units to autonomous but interdependent units, built on strong trusting relationships. This will enable Nepal to capture the opportunities of federalisation (e.g. ability to adapt to local needs) and not lose the benefits of a coordinated and coherent health system.

Current challenges	Recommendations
<p>Concern about the absence of an effective and mutually understood 'division of labour' between the Local, Provincial and Federal levels. In particular, a lack of clarity about the Province role in health system governance.</p>	<p>Greater clarity is needed on the respective roles of different government levels. This will require new legislation. More fully specifying the role of Provincial governments is seen as a particular priority; specific suggestions include:</p> <ul style="list-style-type: none"> ● Overseeing service delivery standards at local level: Provinces could lead on Monitoring, Evaluation and Learning of Minimum Service Standards. ● Provinces to gather data on uptake of, and promote enrolment in, social protection schemes.
<p>Lines of communication between governance levels are not functioning well. There is a need for improved systems for 'passing messages between levels', but this needs to balance the autonomy of levels on the one hand with effective coordination on the other.</p>	<p>A more consultative, sharing approach between levels is preferred to a 'command and control' model, which would be both contrary to the ethos of the federal model and less effective in strengthening relationships and building trust. Suggestions include:</p> <ul style="list-style-type: none"> ● Regular inter-level joint meetings: e.g. all Municipality-level health coordinators in a Province regularly meet together with the Province Health ministry team to share experiences, discuss common challenges etc. ● Simplify existing communication channels/mechanisms at and between levels, promoting opportunities for stakeholders at different levels to communicate directly with one another rather than through circuitous reporting routes.
<p>Health is not always seen as a priority by political leaders (especially at local level) and often gets overlooked in comparison to more visible infrastructure projects.</p>	<p>Improve 'health system literacy' and awareness amongst elected officials. Participants have suggested:</p> <ul style="list-style-type: none"> ● Orientation/training for all elected leaders on health and their role in supporting health service delivery. ● Mechanisms to bring local elected leaders and (technical) health stakeholders together on a routine basis to discuss health issues and needs.

2. Health Workforce

10-year vision for Health Workforce: A well trained and adequate health workforce with an appropriate mix of skills according to local need. Staff should be hired based on a match between their expertise and the job requirements, with opportunities for further training and development and clear career progression pathways, to promote staff morale and retention within the health system.

Current challenges	Recommendations
<p>Inadequate health workforce planning is undermining the other building blocks. Problems include:</p> <ul style="list-style-type: none"> ● Inappropriate skills for roles and a lack of specialist expertise where required. ● A large number of temporary posts, creating challenges for retention, career development, and staff morale. ● Lack of clear career paths for health workers (especially at the local level), which undermines motivation. 	<p>Revisit the Staff Adjustment Process and hiring system, including:</p> <ul style="list-style-type: none"> ● Encourage Province-level Public Service Commissions to prioritise the health sector, to increase their speed and efficiency in authorising permanent appointments. ● Implement procedures to ensure transparent and skills-based hiring at all levels. ● Where the right qualifications, skills and experience are available, prioritise the hiring of local staff to improve retention. ● Ministry of Health and Population (MoHP) should work with the Ministry of Federal Affairs and General Administration Team to ensure there are clear career paths established for health system staff at all levels
<p>The lack of an effective health workforce data system undermines the ability to make evidence-based decisions on the health workforce (e.g. shortage occupations, training needs, geographical distribution etc).</p>	<p>Gather accurate health workforce data at local level and create a functioning human resource management, data and communication system:</p> <ul style="list-style-type: none"> ● Link the HRH Strategy 2021-30 with Health Labour Market Analysis. ● Implement regular gathering of HRH data in all Municipalities and Wards. Ward/municipality level workforce to be provided training on HR data gathering and analysis. ● Effective sharing of HRH data across a common platform accessible to all levels of government.

3. Medical Products, Vaccines and Technologies

10-year vision for Medical Products, Vaccines & Technologies: Universal availability and accessibility of quality-controlled essential medicines, vaccines and medical products across the country, supported by a well-regulated and economically efficient procurement and distribution system that is responsive to changing local needs and technological advances.

Current challenges	Recommendations
<p>The lack of effective oversight and coordination of local procurement is leading to problems of both under- and over-stocking as well as duplication of procurement.</p>	<p>Clarify and streamline medicine procurement and supply mechanisms. Specifically, there is a need for:</p> <ul style="list-style-type: none"> • Legislation (or guidelines) to clarify roles and responsibilities for the procurement of medicines at each level. • Clearer demarcation of the medicines that can be purchased at, and supplied by, each level. • Strengthening LMIS and data management to enable efficient forecasting of medicines demand and supply, and real-time stock monitoring, at local level. • Orientation/education about medicine supply-chain mechanisms for health system stakeholders.
<p>The lack of oversight and technical expertise in local-level procurement, raising concerns about quality checks (including counterfeit and near expiry medicines).</p>	<p>Develop effective channels for the engagement of different government levels with the Department of Drug Administration, and in consultation work towards:</p> <ul style="list-style-type: none"> • Formulating robust medicine quality check mechanisms at the Local and Provincial levels • Ensure availability of technical (pharmacy) expertise to oversee medicine regulation at the Local level.
<p>Increased medicine procurement points are leading to reduced economies of scale.</p>	<p>As above, introduce legislation/guidelines to clarify roles and responsibilities between levels of government. This would need to balance local autonomy and needs with the desirability of achieving economies of scale through pooled purchasing.</p>

4. Healthcare Financing

10-year vision for Healthcare Financing: *A health financing system that works for those most in need and delivers Universal Health Coverage through a well-managed, coordinated and accountable health financing system. This includes reductions in the reliance on out-of-pocket expenditure, balances the desire for democratic local decision-making over resource allocation with economic efficiency, and ensures the achievement of national and international health goals.*

Current challenges	Recommendations
Local level governments are not always able to fully utilise their budgets (especially problematic with conditional grants allocated by the centre).	Address the current obstacles to full utilisation of local-level health budgets, through measures including: <ul style="list-style-type: none">● Timely release of centrally-allocated funds to the local level so that they can be effectively spent within the Fiscal Year.● Evaluating the size and targeting of centrally-allocated conditional grants.
There is a lack of understanding amongst political leaders (especially at local level) of health budgeting.	Implement training for local elected representatives and health workers with budgetary responsibility on health financing and budgeting.
Local level governments are not always apportioning enough discretionary budget to health.	Encourage local governments to make voluntary commitments on the proportion of their overall budget to be spent on health. The public could subsequently hold elected officials accountable to these commitments.

5. Health Information Systems

10-year vision for Health Information Systems: Data driven long-term and short-term planning cycles, with multi-way flows of information across all levels, and accurate data collected through a functioning electronic health record system that permits data sharing between different data systems and between public and private sectors.

Current challenges	Recommendations
<p>Shortcomings in data quality and data management are undermining the possibility of evidence-based policy and planning, monitoring progress towards the SDGs, and quantifying and addressing health inequalities.</p>	<p>Ensure that timely and accurate data is available to support decision-making through:</p> <ul style="list-style-type: none"> ● Taking measures to enhance technical capacity and monitoring of data quality at all levels. ● Clarifying Province role in monitoring local level data. ● Working towards a functioning nationwide electronic patient record system to allow for real time recording and reporting. ● Ensuring that the resulting data is used to inform decision-making at all levels of government.
<p>Separate HMIS, LMIS and HR data systems do not communicate with each other, and separate private sector systems do not make data available to the government.</p>	<p>Ensure interoperability of software systems at all levels across the public and private sectors, to enable effective data sharing and evidence-based policy and planning.</p> <ul style="list-style-type: none"> ● MoHP to fully implement the human resource information system (iHuRIS)

6. Service Delivery

10-year vision for Service Delivery: *A health system in which quality services are universally accessible and equitably shared across the population. This would require building on the impressive advances in service delivery in recent years, and ensuring that decentralisation of decision-making supports, rather than undermines, continued improvements of the health system and services.*

Current challenges	Recommendations
Political rather than health concerns dictating strategic decisions affecting service delivery (e.g. location of new health facilities).	As above, ensure the availability of timely and reliable data, and provide health system orientation/training to decision-makers, to support evidence-informed policy decisions. <ul style="list-style-type: none">• Ensure that new facilities are strategically located based on geographical population and health needs.
There are risks to the quality of health service provision due to reduced technical supervision, reviews and training for the local workforce.	Ensure that adequate supervision, mentoring and training is provided to all health workers through: <ul style="list-style-type: none">• Reinstating regular reviews and training for existing and newly adjusted health workers, including FCHVs and other frontline health staff.
Moving responsibility to the local level hasn't fully resolved the inequalities in access to care.	Design and implement community participation and engagement activities that feed into the design and implementation of inclusive services, centering on the needs of the most marginalised.

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