

**IN THE FIRST SESSION OF THE SEVENTH
PARLIAMENT OF THE FOURTH REPUBLIC OF GHANA**

REPORT OF THE COMMITTEE ON HEALTH

ON THE



**2017 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF HEALTH**

MARCH, 2017

**REPORT OF THE COMMITTEE ON HEALTH ON THE ANNUAL BUDGET ESTIMATES OF
THE MINISTRY OF HEALTH FOR THE YEAR ENDING 31ST DECEMBER, 2017**

1.0 INTRODUCTION

- 1.1 On Thursday, 2nd March, 2017, the Minister for Finance, Mr. Ken Ofori-Atta, presented the Budget Statement and Economic Policy of the Government of Ghana for the 2017 Financial Year to Parliament in accordance with Article 179 of the Constitution.
- 1.2 Pursuant to Article 103 of the Constitution and Standing Orders 140 and 178 of the House, Mr. Speaker referred the Annual Budget Estimates of the Ministry of Health for the 2017 Financial Year to the Committee on Health for consideration and report.
- 1.3 During its deliberations, the Committee was assisted by the Honourable Minister for Health, Mr. Kwaku Agyeman-Manu, the Acting Chief Director, Dr. Afisa Zakaria, and other Officials of the Ministry of Health.

2.0 REFERENCE DOCUMENTS

- 2.1 The Committee made reference to the following:-
- a) The 1992 Constitution of the Republic of Ghana
 - b) The Standing Orders of Parliament
 - c) The Budget Statement and Economic Policy of the Government of Ghana for the 2016 Financial Year
 - d) The Budget Statement and Economic Policy of the Government of Ghana for the 2017 Financial Year
 - e) The Annual Budget Estimates of the Ministry of Health for the 2016 Financial Year
 - f) Report of the Committee on Health on the Annual Budget Estimates of the Ministry of Health for the year ended 31st December, 2016

3.0 **MISSION STATEMENT OF THE MINISTRY**

3.1 The Mission Statement of the Ministry is to continue to improve the health status of all people living in Ghana, through the development and promotion of proactive policies for good health and longevity as well as the provision of universal access to basic health services. It is in line with the health related aspects of the Sustainable Development Goals (SDGs) by 2016.

4.0 **Agencies under the Ministry**

4.1 Agencies under the Ministry have been categorised as follows:-

- i. Management and Administration
 - Ministry of Health Headquarters
 - Subvented Agencies

- ii. Health Service Delivery
 - Ghana Health Service
 - Christian Health Association of Ghana

- iii. Tertiary and Specialised Service
 - Psychiatric Hospitals
 - Teaching Hospitals
 - Subvented Organisations

- iv. Human Resource Development and Management
 - Training Institutions
 - Subvented Organisations

- v. Health Sector Regulation
 - Regulatory Agencies

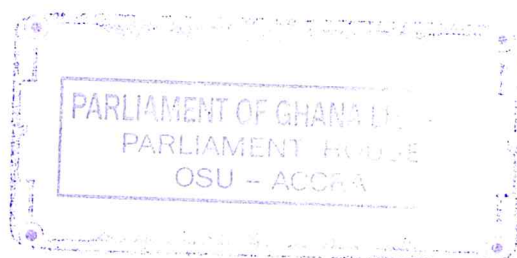
5.0 2016 PERFORMANCE

5.1 Management and Administration Programme

- 5.1.1 In 2016, the Ministry of Health developed a new integrated capital investment plan to guide infrastructural development of the sector in order to realise government's plan aimed at improving access to health and bringing health services closer to the people. The Dodowa Hospital, one of the capital investment projects of the Ministry, was completed.
- 5.1.2 The Ministry submitted a draft Decentralisation Bill for the Health Sector to the Ministry of Justice and Attorney-General's Department, for consideration and advice.
- 5.1.3 The Ministry commenced the implementation of the recommendation of the Central Medical Stores Fire Report and adopted the Supply Chain Master Plan to reduce the risks associated with the storage of medicines and other health and non-health commodities.
- 5.1.4 In a bid to improve upon evidence based decision-making, the Ministry, in 2016, conducted a disease burden study to determine the top 20 diseases that affect the population. A cost effectiveness study was also initiated as part of the process to provide evidence.

5.2 Health Service Delivery Programme

- 5.2.1 The revised Community Health and Planning Services (CHPS) Policy and Implementation Plan was launched and a Model for the CHPS Compound with a set of standard equipment was designed and agreed with all stakeholders. The Ministry also established 60 CHPS Compounds in the Upper West Region and they are all operational.



5.3 **Human Resources for Health Development and Management Programme**

5.3.1 To ensure that health facilities have the requisite staff mix for service delivery, the health sector staffing norms for critical health staff was completed and 74 percent of all cadres in health facilities were analysed. The Ministry also developed a forecasting model to rationalise the distribution of the health workforce.

5.4 **Health Sector Regulation Programme**

5.4.1 The Ministry developed and implemented a code of practice for the Allied Health Professions. The Food and Drugs Authority in 2016, procured 4 Truscans with the assistance of the Department for International Development (DFID) for on-the-spot product quality check.

6.0 **ECONOMIC CLASSIFICATION OF 2016 ANNUAL BUDGET ESTIMATES AND ACTUAL RELEASES FOR 2016**

6.1 **Approved Budget Allocation for 2016**

6.1.1 For the Financial Year 2016, the Ministry was allocated **GH¢3,386,762,864 (Three Billion, Three Hundred and Eighty-Six Million, Seven Hundred and Sixty-Two Thousand, Eight Hundred and Sixty-Four Ghana Cedis)**. As at the end of December, 2016, an amount of GH¢2,987,938,530 (Two Billion, Nine Hundred and Eighty-Seven Million, Nine Hundred and Thirty-Eight Thousand, Five Hundred and Thirty Ghana Cedis) had been released to the Ministry.

6.1.2 The breakdown of the releases is shown in Table 1 as follows:

Table 1: Economic Classification of 2016 Approved Budget Estimates and Actual Releases as at the end of December 2016

ITEM	Approved Budget	Actual Releases	Difference
Compensation	1,734,390,078	2,139,823,079	(405,433,001)
Goods and Services	1,187,635,023	784,147,673	403,487,350
Capex (Assets)	464,737,763	63,967,778	400,769,985
Total	3,386,762,864	2,987,938,530	398,824,334

Source: Budget Estimates for 2016 and MoH Presentation

7.0 OUTLOOK OF THE MINISTRY FOR 2017

7.1 Management and Administration Programme

- 7.1.1 The Ministry will continue working on capital investment projects including the following:
- 597-Bed University of Ghana Teaching Hospital
 - 420-Bed Ridge Hospital Expansion Project (Phase II)
 - Construction of 12 District Hospitals at Kumawu, Fomena, Abetifi, Bekwai, Akatsi, Sekondi, Garu, Sawla, Tolon, Somanya, Buipe and Wheta
 - 2nd Phase of the Tamale Teaching Hospital
 - Construction of 10 Polyclinics at Bisease, Gomoa Dawurampong, Binpong Egya, Ekumfi Nakwa, Etsii Sunkwa, Biriwa, Akunfude, Jamra Mankrong and Potsin; all in the Central Region and at Bamboi in the Northern Region

- Construction of 5 Polyclinics at Oduman, Sege, Bortianor, Ashaiman and Adenta all in the Greater Accra Region

7.1.2 The Food and Drugs Authority will continue to monitor the sale and distribution of medicinal products as well as food products to ensure public safety. In addition, the Authority will in collaboration with other regulatory agencies under the Ministry, intensify the inspections and safe disposal of products.

7.1.3 The Ministry is also committed to improving efficiency in the procurement process to ensure timely delivery of essential medicines to all health facilities and service delivery points. To achieve this, the Ministry will redefine its logistic management systems to support the 'last mile' distribution system and create strategic alliance with the private sector in the supply chain management system.

7.2 Health Service Delivery Programme

7.2.1 The Ministry will continue to deliver its mandate to the people by improving access to quality health care through the National Health Insurance Scheme (NHIS).

7.2.2 Targets for the coverage of antenatal care services and delivery by skilled attendants which were 78% and 53% respectively in 2016, will be increased to 80% and 55% in 2017. The target for fully immunised children will be maintained at above 90%.

7.2.3 To fulfil Ghana's commitment to primary healthcare, the Ministry will continue to focus on improving access to basic health services and improve efficiency in the distribution of health services through the CHPS strategy. In realising this objective, key stakeholders will be engaged to construct more CHPS compounds, equip existing ones and strengthen health centres and district hospitals.

7.3 **Human Resources for Health Development and Management Programme**

7.3.1 The implementation of the staffing norms being piloted in selected regions, will be closely monitored. The Ministry has developed a Scheme of Service for the health sector and it will be implemented in 2017 to support evidence-based and equity-focused distribution of health personnel.

7.3.2 The Ministry will restore the payment of allowances for nursing trainees in the next academic year to provide them with some relief in their professional pursuit.

7.4 **Health Sector Regulation Programme**

7.4.1 The Legislative Instruments for the Mental Health Act 2011, Act 846 and the Public Health Act 2012, Act 851 in respect of Tobacco Control submitted to the Sixth Parliament, will be re-introduced in Parliament.

7.4.2 The National Ambulance Service, National Blood Service and Traditional and Alternative Medicines Bills will be put before Cabinet and subsequently submitted to Parliament for consideration.

8.0 **ECONOMIC CLASSIFICATION AND DEPARTMENTAL ALLOCATIONS FOR 2017 ANNUAL BUDGET ESTIMATES**

8.1 **Budget Allocation for 2017**

8.1.1 For the implementation of its activities in 2017, the Ministry has been allocated a total amount of **GH¢4,226,152,354 (Four Billion, Two Hundred and Twenty-Six Million, One Hundred and Fifty-Two Thousand, Three Hundred and Fifty-Four Ghana Cedis)** (refer to Tables 2 and 3 for details).

Table 2: Economic Classification of 2017 Annual Budget Estimates

ITEM	GOG	IGF	ABFA	Donor	Total	%
Compensation	2,117,502,279	20,019,890			2,137,522,169	51
Goods and Services	356,519,625	939,647,743		270,548,343	1,566,715,711	37
Capex (Assets)	6,000,000	17,587,046	50,000,000	448,327,428	521,914,474	12
Total	2,480,021,904	977,254,679	50,000,000	718,875,771	4,226,152,354	100

Source: 2017 Annual Budget Estimates of the Ministry of Health

Table 3: Departmental Allocations for 2017 Annual Budget Estimates

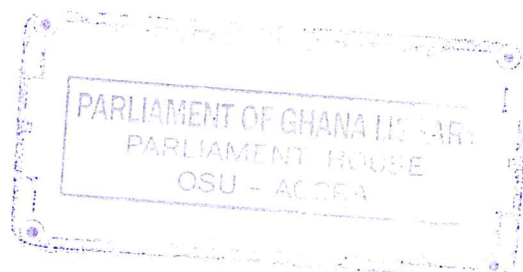
DEPARTMENTS	GOG	IGF	ABFA	DONOR	TOTAL
Management and Administration	565,132,745	465,517	42,000,000	492,734,593	1,100,332,854
Health Service Delivery	1,278,937,445	732,624,039		226,141,178	2,237,702,662
Tertiary and Specialized Services	424,517,784	95,340,876	8,000,000		527,858,660
Human Resource Development and Management	190,155,916	55,586,897			245,742,813
Health Sector Regulation	21,278,015	93,237,351			114,515,366
Total	2,480,021,904	977,254,680	50,000,000	718,875,771	4,226,152,354

Source: 2017 Annual Budget Estimates of the Ministry of Health

9.0 OBSERVATIONS MADE ON REGULATORY AGENCIES

Inadequate Funding, Inadequate Staff and Inadequate Logistics

- 9.1 The Committee observed that most of the regulatory agencies under the Ministry of Health could not meet their **revenue targets** in 2016 mainly because of **inadequate funding, inadequate staff and inadequate logistics**. The total revenue targets of all the regulatory agencies in 2016, amounted to GH¢115,902,000 but GH¢77,077,000 constituting 66.5% was realised.
- 9.2 With a total staff strength of about 83 and with 2 pharmacists in each of the ten Regions to monitor about 10,000 over-the-counter medicine practitioners and huge number of pharmacist across the Country, the **Pharmacy Council** was able to realise an amount of GH¢4,549,000 (63.6%) as against its target of GH¢7,155,000, leaving a shortfall of GH¢2,606,000. Staff of the Council include people on contract who are paid with some of the revenue it generates and this is estimated to be about GH¢1,217,783. Payment of this amount is however going to be difficult for the Council because it would now be required to retain 66% of the funds it generates instead of 100% previously, due to the rationalisation and harmonisation of Internally Generated Funds (IGF) by the capping policy. The reduction in the IGF retention rate applies to all the agencies under the Ministry.
- 9.3 The Committee also observed that the **Food and Drugs Authority (FDA)** which has inadequate staff to undertake its activities including nationwide product monitoring and surveillance activities also have had to grapple with high cost of enforcement and high cost of reagents and equipment for its laboratory. The FDA would even be required to retain a lower rate of 33% instead of its previous 50% of its IGF.
- 9.4 The **Ghana College of Pharmacists** also has only 5 staff and all are on secondment. The College sought the assistant of the Public Services Commission as regards its staffing



issue and therefore budgeted for recruitment in 2016. Unfortunately, it had no financial clearance and so the matter is still being pursued.

- 9.5 The Committee anticipates that the reduction in the IGF retention rate will have adverse impact on regulatory agencies like the **Nursing and Midwifery Council (NMC)** and the **Medical and Dental Council** that conduct examinations and engage examiners, since the chunk of their revenue is obtained from the registration fees they collect. The NMC which has inadequate vehicles for supervision has not received anything for Goods and Services and Assets for the past 5 years. The NMC unlike the other regulatory agencies, was fortunate to receive financial clearance for the recruitment of 58 new staff including its Deputy Register for operations but still has inadequate staff at the top management level.
- 9.6 The **Ghana Psychological Council** has only 2 staff, one on National Service, instead of its requisite number of 41. The Council Budgeted for an amount of GH¢844,000 for Compensation from GoG to enable it recruit more staff but it got nothing. The story remains the same every year.
- 9.7 The **Traditional Medicine Practice Council** has since its establishment in 2000, received financial clearance to employ only 12 staff. The Council in the circumstance, largely operates with contract staff paid from its IGF. The Council has no vehicle for monitoring and no funds for the review of the essential traditional medicine list.

Office Accommodation Challenges

- 9.8 The Committee also observed that most of the regulatory agencies had office accommodation challenges. The **Medical and Dental Council** is a prime example with the heavy traffic and the inconveniences that one has to go through before getting into its

building. According to the Council, this phenomenon is affecting the patronage of their services.

- 9.9 The **Traditional Medicine Practice Council** currently occupies 3 rooms at the Ministry of Health Headquarters and has also been allocated 5 offices at the old Nursing and Midwifery Council Building at the Seashore. Unfortunately however, the Committee was informed that the old site at the shore has been earmarked for demolishing to pave way for a tourism project soon to begin.
- 9.10 The **Mental Health Authority** has office accommodation problems and rely heavily on DFID funding which does not support its operational needs. The Authority also needs financial clearance for recruitment.

Non-Existent of Legislative Instrument for the Health Professions Regulatory Bodies Act, 2013 (Act 857) and other Laws

- 9.11 The Committee observed that there is no Legislative Instrument to allow for the full implementation of the Health Professions Regulatory Bodies Act, 2013 (Act 857) to enable the regulatory bodies discharge their mandate effectively.
- 9.12 The non-existence of the Traditional and Alternative Medicine Bill did not also enable the Traditional Medicine Practice Council to fully discharge its mandate.

10.0 OBSERVATIONS MADE ON SUBVENTED AGENCIES

Inadequate Funding, Inadequate Staff and Inadequate Logistics

- 10.1 The Committee observed that the subvented agencies which also had funding, staffing and logistical challenges will not be spared by the capping policy. The Centre for Scientific Research into Plant Medicine which had no allocation for Goods and Services from GoG, will be required to retain only 34% of the revenue it generates and this will impact

adversely on its research activities. Staff at the Centre particularly those with PhDs, leave for greener pastures elsewhere and for this reason, there is the need to replace them. However, for almost about five years, the Centre has not hired to make up for those who leave and this is a major problem. It was therefore gratifying to note that, though the Centre requested for an amount of GH¢6,227,820 for Employee Compensation from GoG, it has been allocated an amount of GH¢10,253,247 which is GH¢4,025,427 more. The Centre can therefore take advantage of the increment to hire. The Centre also lacks essential and basic modern equipment such as spectrophotometers and microscopes.

- 10.2 The Vice Rector position of the **Ghana College of Physicians and Surgeons** is vacant and the College has only 17 full time staff with 7 on secondment and 4 on contract. The Ghana College of Nurses and Midwives also needs more highly skilled specialist nurses and midwives to assist in the delivering of its curricula. The Ghana College of Nurses and Midwives also had no allocation for Goods and Services from GoG.
- 10.3 The fleet of cars for the **National Ambulance Service** are inadequate, over-aged and breakdown frequently. The Service also lacks utility vehicles for monitoring and performing other official activities.

Office Accommodation Challenges

- 10.4 The Committee further observed that most of the subvented agencies had office accommodation challenges just like the regulatory agencies. The **Centre for Plant Medicine Research** has not had any building of its own since its establishment and as a result its research laboratories are in makeshift structures.
- 10.5 The **Ghana College of Pharmacists** has no permanent office and operates in a rented accommodation. Due to lack of funds, the college was unable to pay its rent when it expired in 2015. For this reason, in February 2017, it was asked to vacate the premises.

The College now operates from a structure opposite the one it vacated from. The **National Ambulance Service** Training School also has accommodation problems.

10.6 The **Ghana College of Nurses And Midwives** is in dire need of a permanent site. Where it operates currently is rented and the building is not even spacious to accommodate new staff, should they be given financial clearance to recruit. The College also fears losing its Annex at the old premises of the Nursing and Midwifery Council to the incoming tourist investor.

11.0 OBSERVATIONS MADE ON TEACHING HOSPITALS

Inadequate Funding, Inadequate Specialised Staff and Inadequate Logistics

11.1 The Committee observed that all the Teaching Hospitals have challenges relating to funding, specialised staffing and logistics. The **Korle-Bu Teaching Hospital** has inadequate clinical staff, particularly specialised nurses and the **Tamale Teaching Hospital** has inadequate medical doctors, particularly in the sub-specialty areas.

11.2 The Committee was informed that the problem of funding of the Hospitals was partly due to delay in the payment of claims by the National Health Insurance Authority (NHIA), unrealistic NHIS tariffs and revenues losses due to the use of manual processes in their billing system. The Committee noted that, the NHIA had not settled its financial obligation (GH¢11m) to Korle-Bu for about 10 months and for this reason, the Hospital was surviving on suppliers credit. Also, the Authority as at March, 2017, owed the Cape Coast Teaching Hospital an amount of GH¢1,129,367.86.

11.3 The total indebtedness of the NHIA to service providers in respect of claims as at the end of December, 2016 was GH¢844 million. The Authority however explained that, the non-settlement of its financial obligation was partly because an amount of GH¢755.18 million owed by government in 2016, had not been paid. The GH¢755.18 represents the

difference between GH¢1,497.28 billion which is the Budget Allocation of the Authority from GoG in 2016 and an amount of GH¢742.1million that it actually received for the period.

Shortage of Clinical Oxygen, Outmoded Structures, Inadequate Equipment and Outmoded Equipment

- 11.4 The Committee also observed that all the 3 Teaching Hospitals – Korle-Bu, Komfo Anokye and Cape Coast – experience frequent shortages in clinical oxygen and have inadequate and outmoded structures and inadequate equipment including oxygen plants, power generators and laundry machines. Korle-Bu Teaching Hospital is now trying to procure smaller satellite clinical oxygen apparatus instead of the big ones to contend with the situation. The Tamale Teaching Hospital does not have a clinical oxygen plant and so has for some time now been buying its clinical oxygen from Kumasi at a very high cost.
- 11.5 There is congestion, especially at the maternity and accident wards of Korle-Bu and maternity and children's wards of Komfo Anokye Hospitals. The Korle-Bu Teaching Hospital has old structures and equipment and old sewage systems and the Tamale Teaching Hospital also has inadequate essential equipment at some of its Departments. The **Cape Coast Hospital** in addition to the other challenges afore mentioned, have serious problems with encroachment on its land.

12.0 OBSERVATION ON BUDGET ALLOCATION FOR GOODS AND SERVICES

- 12.1 As already mentioned, most of the agencies under the Ministry of Health including the Mental Health Authority, the Ghana College of Nurses and Midwives and the Ghana Psychological Council received nothing for Goods and Services from GoG and as such could not undertake some of its activities in 2016. This was a result of the meagre amount of GH¢3,646,660 to the whole Ministry for Goods and Services. The Committee noted that the amount has been increased by almost about 100 folds to GH¢356,519,625 for

2017, to enable the Ministry perform better. The Committee commends the Ministry of Finance for the increment.

13.0 RECOMMENDATIONS

- 13.1 The Committee commends the Nursing and Midwifery Council and other agencies under the Ministry of Health for adopting strategies like outsourcing, to increase the revenue that they generate and recommends to the other agencies to replicate same so that they can get more to retain, with the introduction of the capping. Whilst recommending that the agencies improvise strategies in their revenue generation, the Committee also appeals to the Ministry of Finance to consider exempting some of the agencies under the Ministry of Health from the capping, to enable them get more funds to recruit the number of staff needed to complement their staff strength. The exemption will also afford them the opportunity to deal with some of their challenges including logistical and accommodation issues. The Committee also recommends to the Ministry to consider building a Health Regulatory Complex with state-of-the-art facilities to house all its regulatory agencies.
- 13.2 The Committee further recommends that Legislative Instruments for the Health Professions Regulatory Bodies Act, 2013 (Act 857) and the Mental Health Act, 2012 (Act 846) and other relevant laws relating to the Sector are drafted and submitted to Parliament for approval. This will enable the agencies under the Ministry fully discharge their mandate.
- 13.3 The Committee in addition, recommends that outstanding funds from GoG be paid to the Authority to enable it settle its financial obligations to service providers. This will enable service providers to continue to stay in business. It will also go a long way to strengthen and sustain the National Health Insurance Scheme.

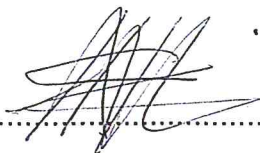
13.4 The Committee finally recommends to the Ministry of Health to ensure that the management of health facilities throughout the Country are involved in the processes for the awarding of contracts for the installation and maintenance of hospital equipment. It is also the expectation of the Committee that the Ministry would assist the health facilities to introduce electronic procedures in their billing systems and address the issue of encroachment on their lands.

14.0 **CONCLUSION**

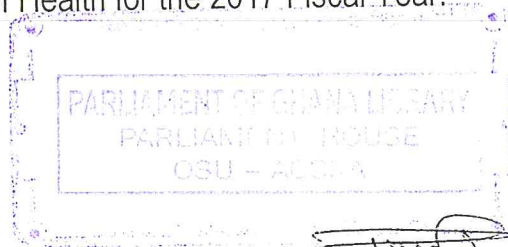
14.1 After critical examination of the 2017 Annual Budget Estimates of the Ministry of Health, the Committee holds the view that since the Health Sector is key in improving the lives of Ghanaians, the House should consider calling on the Ministry of Finance to exempt some of the agencies in the Sector from the capping, to enable them deal with some of their challenges.

14.2 The Committee to the House to adopt its Report and approve the sum of **GH¢4,226,152,354 (Four Billion, Two Hundred and Twenty-Six Million, One Hundred and Fifty-Two Thousand, Three Hundred and Fifty-Four Ghana Cedis)** for the activities of the Ministry of Health for the 2017 Fiscal Year.

Respectfully submitted.



HON. AUGUSTINE COLLINS NTIM
CHAIRMAN, COMMITTEE ON HEALTH



PEACE FIAWOYIFE (MS)
CLERK, COMMITTEE ON HEALTH

MARCH, 2017