

Advancing Federal Health Systems in Nepal: Challenges and Opportunities

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Abstract

Nepal moved from unitary system with a three-level federal system of government. In the context of federalism, the national health system has its own decentralization process that aimed to reduce persistent disparities and improving easy access to health care services for improved health outcomes. Despite remarkable progress in health sector, the health systems challenges still continue and limited capacity of health institutions to deliver the quality health services is one of the key concerns at the province and local level. With the systematic review of health sector policy and strategic priorities and subsequent participatory consultations with key stakeholders at federal, province, local levels from February to July, 2021, this article primarily aims to explore some of the policy and strategic interventions in advancing federal health systems and synthesizes the progress, challenges, and opportunities in the health sector. In addition, it offers key recommendations on strategic priority actions to meet the ambitious targets of Universal Health Coverage and Sustainable Development Goals (SDGs) in the federal context.

Keywords: Health Systems, Universal Health Coverage, Health Equity, Community Participation

1. Introduction:

The World Health Organization (WHO) defines health as a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity. However, access to essential health care services for majority of the populations who are poor and socially disadvantaged has been a major policy debate in developing countries. Therefore,

political leaders, policy makers and external development partners have been raising the unfinished agenda of achieving universal health coverage for years. To this end, more emphasis is needed to enhance meaningful engagement of communities and ensure equitable access to health care services for all.

Historically, health for all has been an ambitious social goal since the 1978

Alma-Ata Declaration. After this important declaration, there is a growing consensus that health is a fundamental human right. And it is broadly based on the principles of equity and community participation. It has also raised critical needs to consider social, economic, cultural and political factors that influences health and well-being of all populations.

In this context, WHO estimates that by 2030, up to 61 per cent of population will not have access to essential health services. More importantly, poor and socially disadvantaged communities are most likely to be excluded from those health services. Every year, a vast majority of the populations are pushed into extreme poverty because of out-of-pocket spending on health.

2. Objectives

In the changing context of federalism, the federalized health structure has suffered from a range of social, political, cultural and structural challenges to ensure equitable access to quality health services. The overall objective of this review was to explore and systematically document the experiences, the progress made so far, challenges and opportunities in advancing federal health systems in Nepal.

3. Methodology

It was primarily a systematic review and exploratory research that includes in-depth review of existing health policy and strategic reports, health survey and evaluation reports, and participatory consultations with policy makers, planners, managers, health care workers, and communities for their perceptions and understanding towards federal health systems in Nepal and its likely effects or impacts on health outcomes.

4. Results

The constitution of Nepal has clearly articulated basic health care as a

fundamental right of its citizens. However, there are still critical needs and challenges of ensuring equitable access to quality health services for all in the federal context. Nepal's new health policy 2019 aims at developing and expanding a health system for all with a particular focus on social justice and good governance.

The COVID-19 pandemic has also resulted in disruption of essential health services – the full extent is yet not fully known. At the federal level, the government is broadly engaged in developing national policies, budgeting and planning guidelines for provincial and local governments for implementation at local levels.

With the Local Government Operation Act (2017), the local governments can prioritize their health needs for actions. However, they have no specific health policy or strategy yet, and they are more relying on national and/or provincial health policies and strategies. In this context, health systems governance contributes to better performing health systems. It affects the ability of markets, networks and public administrations to contribute to better health outcomes, more equitable distribution of financial burden, and an increase in responsiveness with regards to non-medical expectations of patients.

The role of provincial health ministries is critical in terms of coordinating and facilitating local governments in ensuring implementation of these national guidelines to ensure quality health service delivery at local level. Based on the national health policies and strategies, the provincial governments have developed their health policies and strategies in order to address local health needs and priorities more effectively and efficiently.

On the other side, federalism also presents ample prospects for health sector reform. Due to the proximity of the local

governments to the people, the federal context provides ample opportunities for more effective budgeting and needs-based and evidence-based planning. However, the capacity of local governments in planning and management of health services is still limited.

Hence, the role of development partners is critical in enhancing the capacity of local governments in participatory planning and budgeting processes, training and orientation to health workers in order to improve the quality of essential health services at local level. In this context, WHO can play an important coordinating and facilitating role to ensure its technical assistance is better harmonized and aligned with the strategic priorities at national and subnational levels.

At the local level, there are opportunities for increasing financial resources for health from provincial and local government.

Shifting executive power to local and provincial level is likely to have positive effects on local resource mobilization through participatory bottom-up planning, increased accountability and reduced bureaucracy in decision making.

While federalism aims to strengthen health system, reduce disparities in access to and utilization of health services, and improve health outcomes, there are critical needs of generating new evidence through equity analysis and operational research to identify service coverage gaps, and hence plan for interventions to reach out the poor and marginalized populations.

The WHO recommends supporting and strengthening a health system based on the below framework. This aims to achieve more equitable and sustained improvements across health services and health outcomes at national and sub-national levels.

Figure 1: Health system building blocks (WHO)



Universal health coverage aims to ensure that all populations are able to access health services without any financial hardships. Largely, it includes a range of essential health services, including

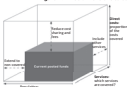
from health promotion to prevention, treatment, rehabilitation, and palliative care. However, the progress towards achieving universal health coverage has been slow

Nepal's commitment to UHC is well reflected in the health policy of 2019 which ensures the provision of free basic health services as a fundamental right of every citizen. The policy envisions providing access to high-quality health services (beyond basic services) in an affordable manner by ensuring financial protection in health.

The UHC can be achieved by gradually increasing the state's investment in

the health sector, increasing per capita expenditure and reducing out-of-pocket expenditure through social health insurance and targeted subsidies. For improved sustainability in healthcare financing, more focus is on increasing investment in the health sector and social health protection mechanisms as part of strengthened health financing system and social health protection mechanisms.

Figure 2: Three dimensions to consider when moving towards UHC



In this context, one of the strategic objectives of Fifteenth Plan (2019/20-2023/24) is to transform the profit-oriented health sector gradually into a service-oriented sector. This can be achieved by enhancing social accountability of federal,



Source: Health Systems Governance, WHO-2018

provincial and local governments, and maintaining effective regulation for easily accessible and quality health services including preventive, promotional, curative and palliative care.

Table 1. Progress on some of the key health indicators

Targets and Indicators	Baseline 2015*	Target 2019*	Progress 2019**	Target 2030*
Percentage of institutional delivery	55.2	70	72.5	90
Proportion of births attended by skilled health personnel	55.6	69	79.3	90
Under-five mortality rate	38	28	28	20
Maternal mortality ratio	258	125	239	70
Neonatal mortality rate	23	18	16	12
Tuberculosis incidence (per 100,000 population)	158	85	111	20

Source: *SDGs Status and Roadmap: 2016-2030; National Planning Commission, Government of Nepal

**SDGs Progress Report (2016-2019), National Planning Commission, Government of Nepal

5. Discussion

Nepal's health sector strategy (2015-2020) had focused on equitable access to quality health services, health systems reform and multi-sector approach as guiding framework for implementation. Despite significant progress, there are still challenges of reaching the unreached populations, reducing high level of out-of-pocket expenditure for health care, effectively managing medical supplies and ensuring adequate human and financial resources.

Firstly, it is high time to strengthen federal health systems by ensuring effective implementation of national health policies and guidelines, enhancing community engagement and social accountability of the governments and key stakeholders. The new health strategy needs to realistically address health systems issues such as inadequate human and financial resources, poor health infrastructure, delayed procurement and lack of robust supply chain management and weak monitoring and evaluation systems.

Secondly, there are emerging needs of health equity policy analysis to better understand the existing challenges and opportunities of advancing universal health coverage. In this context, health in all policies is a guiding framework to enhance the health and well-being of all populations. Such policies broadly aim to address avoidable social inequalities that contribute to poor health experienced by socially disadvantaged groups in many communities.

Likewise, effective implementation of National Human Resources for Health Strategy (2021-2030), Multi-sectoral Action Plan for Prevention and Control of Non-Communicable Diseases (2021-2025), National Health Financing Strategy (2021-2030) and other relevant national guidelines should receive high priority agenda for

federal, provincial and local governments.

Additionally, new strategic actions are needed to strengthen Integrated Health Information Management System (IHIMS) and promote digital health governance for advancing evidence-informed health policies and strategies for universal health coverage. Furthermore, integration of Geographic Information System (GIS) into local health systems is critical in health assessment and planning health interventions.

Coherent strategies are needed to strengthen national capacity in preparedness and response during health emergencies and other disasters. The safe and effective vaccines against COVID-19 are seen as a critical path to ending the pandemic. Moreover, risk communication and community engagement are integral to the success of responses to health emergencies.

As way forward, there are emerging needs of investing more resources on health policy and systems research that seeks to understand how different actors interact in the policy and implementation processes to contribute to policy outcomes. This also greatly helps to draw a comprehensive picture of how health systems respond and adapt to health policies, and how health policies can be shaped by the broader social determinants of health.

Political context greatly matters in terms of prioritising public policies and strategies to ensure equitable distributions of resources in the health sector. And the changing context of globalisation, politics, migration, trade and international funding environment largely influences the landscape of achieving the universal health coverage in the developing countries.

For example, the new policy provisions such as free health care policy, health insurance and health care to senior citizens at the

health facilities are considered as important initiatives of the governments to advance pro-poor health policies so that poor and socially disadvantaged populations can benefit the most in the communities.

In the federal context, the policy making processes are institutionally decentralised and political power is more dispersed at the province and local level. This offers ample opportunities for local governments to appropriately prioritise adequate resources in order to strengthen the resilient health systems for effective delivery of quality health services.

However, the various interests of political leaders and senior government officials may diverge due to differences in political, ideological, technical and socio-cultural beliefs. Therefore, we need to carefully explore how political interests, ideas, and institutions shape the universal health coverage at large and systematically review the ways in which politics can facilitate evidence-informed health care reform.

Political power and commitments across the governments are still in transition in terms of effective implementation of new health policies, strategies and guidelines at all levels. To large extent, there lacks institutional capacity of provincial and local governments for effective implementation of those policies and strategies. Therefore, there are significant political challenges of the local governments to implement universal health coverage policies, strategies and plans.

Despite varied socio-political interests, federal government needs to invest more on capacity development of provincial and local governments in strengthening resilient

health systems for better health outcomes. During local elections, there are often new and promising political commitments for ensuring social safety nets and health care reform at all levels.

With these political commitments, hard-to-reach populations are hopefully able to access health services without any socio-political, economic, cultural and geographical barriers. Unfortunately, many of these commitments are not effectively translated in to actions. Therefore, there are often growing criticisms of the political parties' popular agenda in their manifesto during the elections. Unfortunately, the broader issues of health inequities and social injustice are not adequately addressed yet.

6. Conclusion

Capacity building of provincial and local governments in resilient health systems should be high priority agenda for action. Priority issues around right to health, gender, climate change, migration, environmental degradation, disasters, urban governance, preparedness and response during health emergencies need to be realistically addressed in health policies and strategies.

In order to promote a rights-based approach, new health strategy should particularly focus on whole-of-society approach to address the unmet health care needs of those who are poor, socially excluded and left behind in the communities. The consistent efforts of development partners, civil society and private sectors are needed to advance the resilient health systems and achieve the ambitious targets of UHC and health-related Sustainable Development Goals (SDGs) by 2030.

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