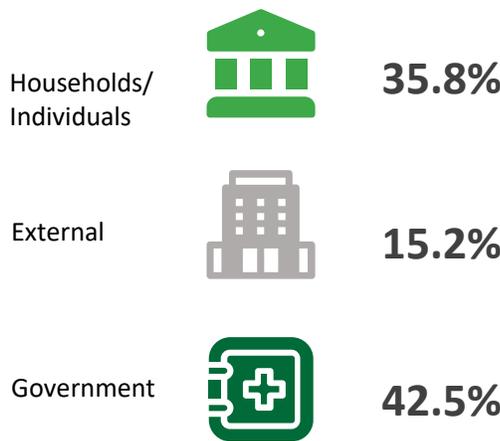


Burkina Faso is a low-income, land-locked country in the Sudano-Sahelian region of West Africa. Health financing reforms in Burkina Faso take place in a challenging environment, as the country struggles with security concerns and labor unrest. SP4PHC works with the Ministry of Health to support reforms through pragmatic steps to enhance strategic purchasing. Below we describe the health financing landscape in Burkina Faso, setting the stage for strategic purchasing reforms.

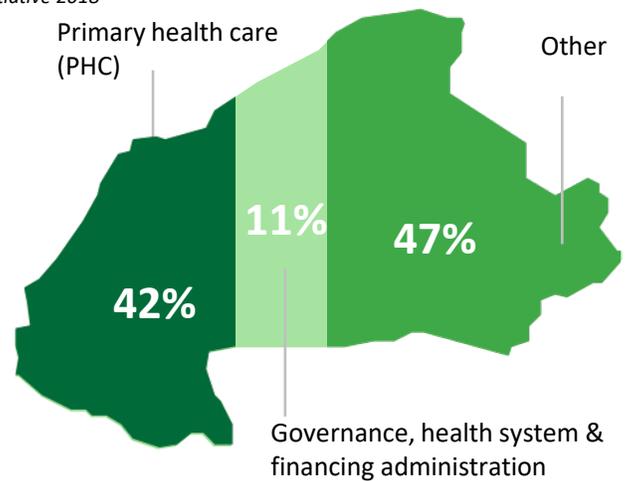
### Proportion of Current Health Expenditure by Main Financing Source (2018)

Source: Global Health Expenditure Database 2021



### Government Health Expenditure in Burkina Faso by Health Area (2018)

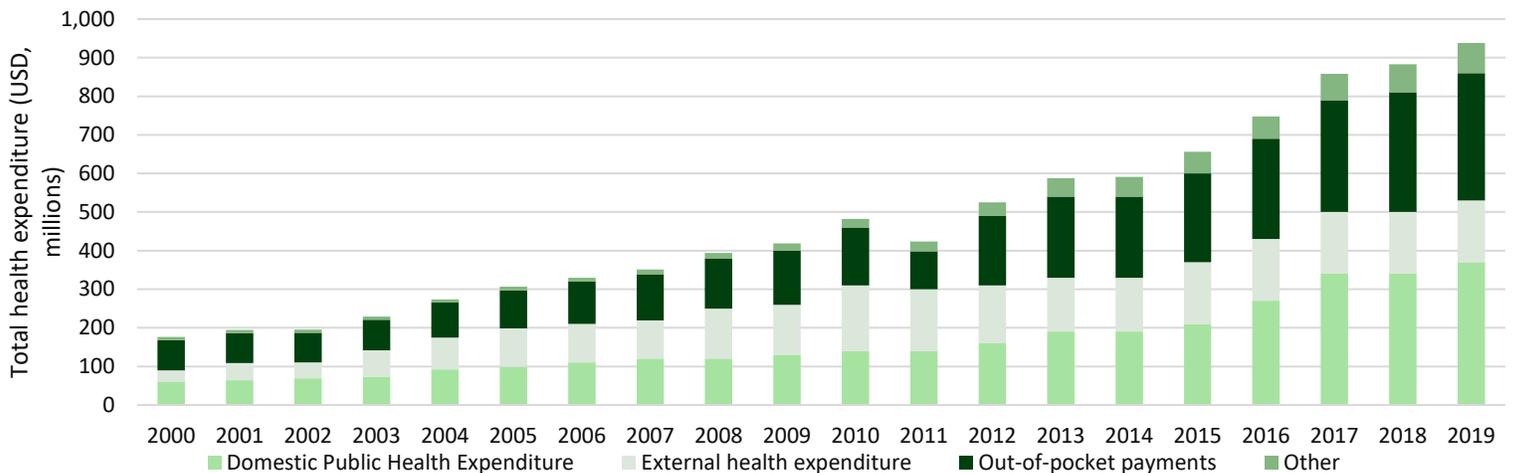
Source: Global Health Expenditure Database 2021; Primary Health Care Performance Initiative 2018



Government funds are limited and although the government shows commitment by spending 9% of GDP on health, this amounts to only USD \$17 per person per year (2018). Realignment of available government and donor funds to address transnational security have impacted funds available for health since 2016. External health expenditure has been a significant source of health financing, (peaking at 43% of current health expenditure in 2007), but not a dominant force that might be expected for such a poor country. Available donor funds for health have stagnated in recent years. While Burkina Faso has been transitioning towards a stronger domestic health financing system and away from a reliance on donors, out-of-pocket (OOP) payments remain significant and pose a risk of catastrophic health spending.

### Sources of Health Financing for Burkina Faso (2000-2019)

Source: Institute for Health Metrics and Evaluation 2021



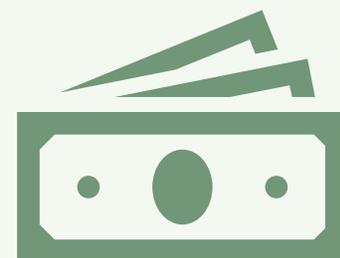
## Goal of Strategic Purchasing

Source: World Health Report 2000; World Health Report 2010



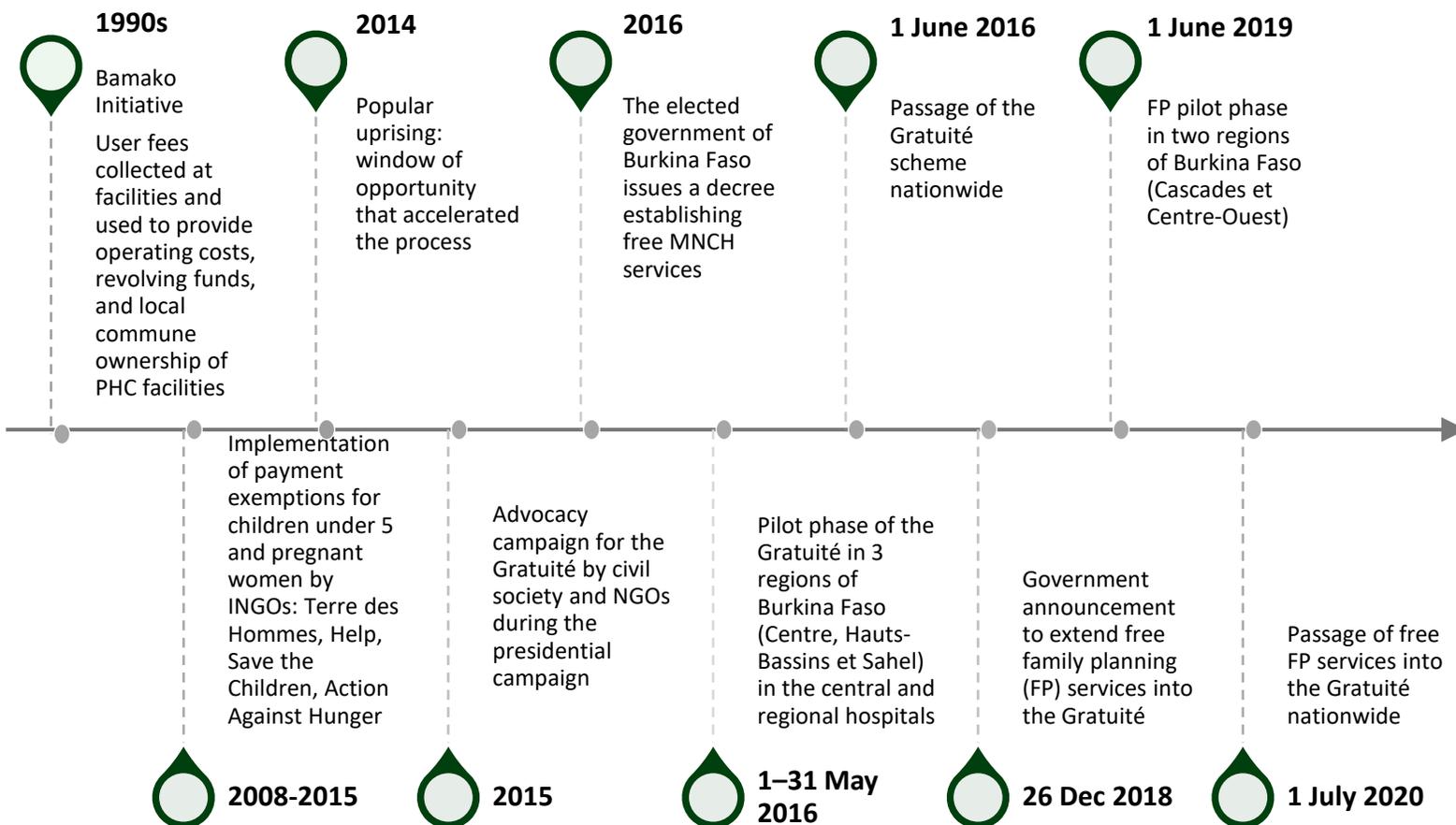
As countries such as Burkina Faso implement strategies to achieve universal health coverage (UHC), they are undertaking health financing reforms to mobilize more financing for health and ensure that available funds for health are used optimally and equitably. Strategic purchasing is linked to the second objective. Making purchasing strategic involves basing purchasing decisions on information about provider behavior and population health needs. However, most countries have multiple purchasers and purchasing schemes and these reforms are often overlaid on existing systems, risking further fragmentation and mixed signals to health providers.

Under SP4PHC, ThinkWell is working with individual purchasers critical for the delivery of PHC, especially family planning (FP) and maternal, newborn and child health (MNCH) services and assisting governments to improve coherence between purchasing arrangements at the system-level.



## Health Financing Reforms Timeline

Over the years, Burkina Faso has developed a variety of ambitious health financing reforms. Implementation of these initiatives has been difficult, however, and too often reforms compete for funding and political buy-in. There has been growing consensus that user fees are regressive and undermine equity in access to essential health services. Recent health financing reforms in Burkina Faso have been indicative of this philosophy; in 2016, the Government of Burkina Faso adopted the Gratuité, a national health care user fee exemption for women and children under 5.

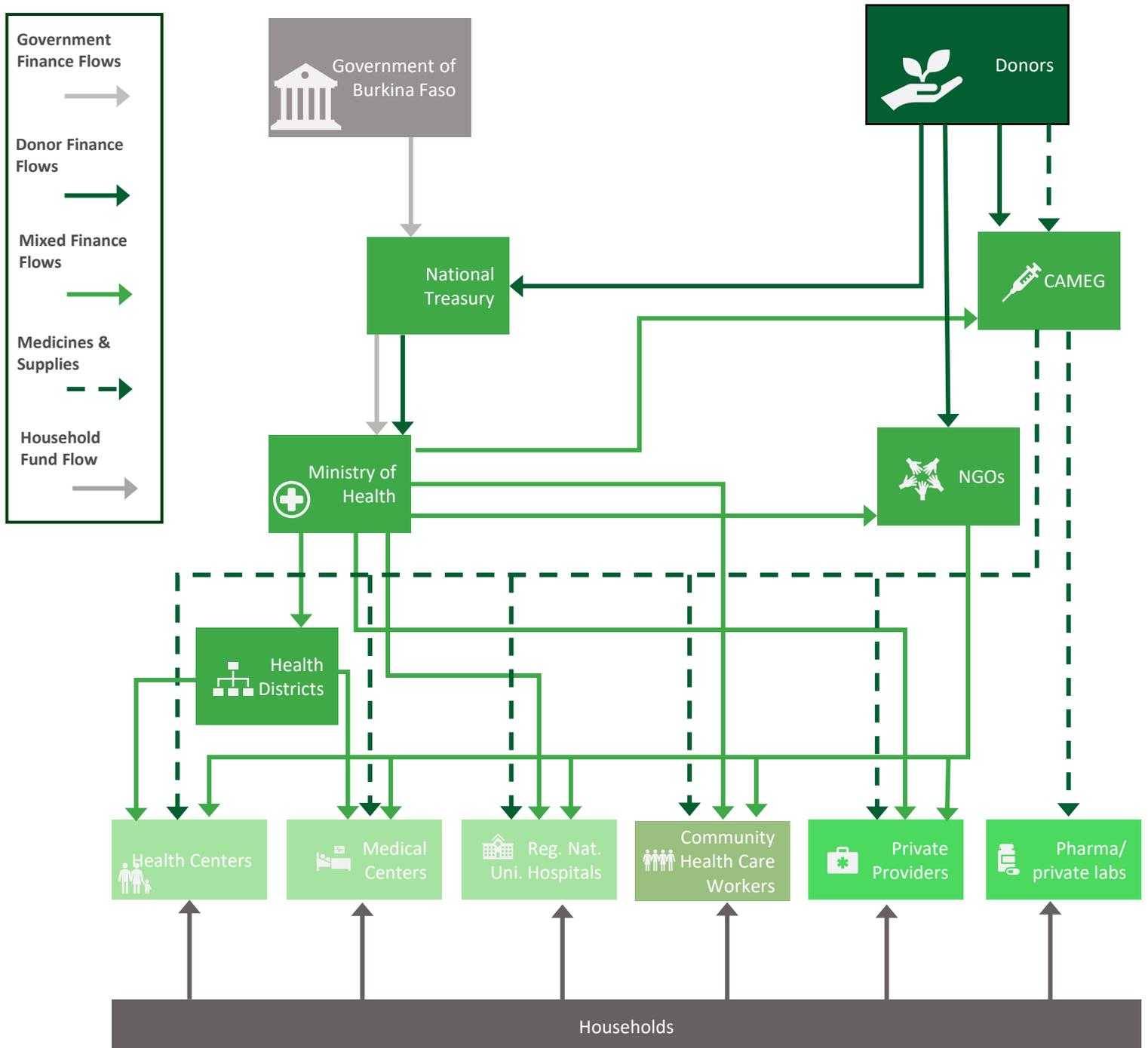


# Flow of Funds for Health Services

Source: Adapted from: Appaix, Kiendrébéogo, and Dkhimi 2017



Funding for the health sector in Burkina Faso comes from three main sources: the national budget, external aid, and OOP payments from households. While the flow of funds follows a predetermined pathway, national and external purchasers utilize several types of payment methods for different actors and different levels of the health system, leading to fragmentation in the health financing landscape. In the context of Burkina Faso, fragmentation may cause mixed signals between national and external purchasers and duplication of administrative responsibilities, leading to inefficiency within the health system. The current flow of funds for health services is depicted below.





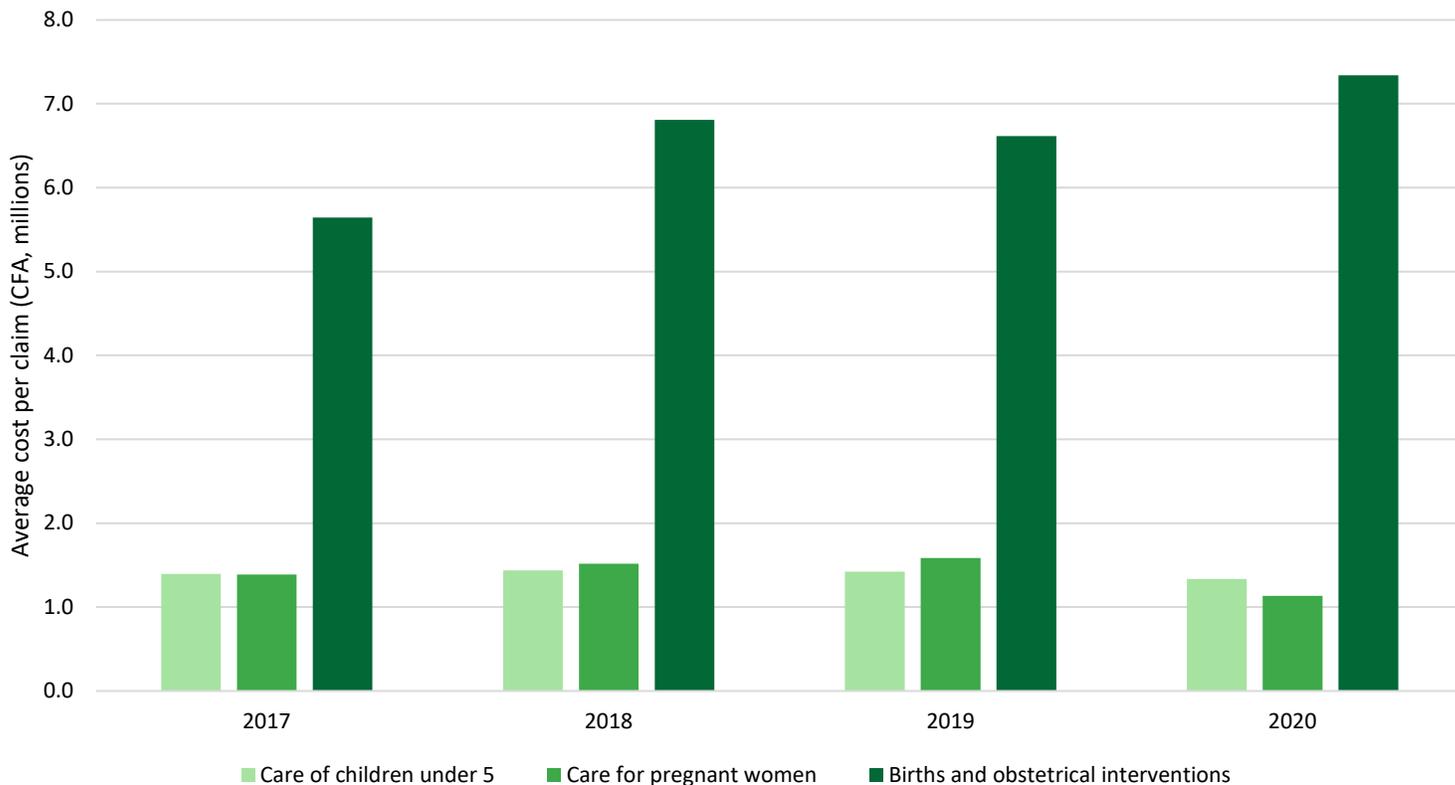
The central government is the largest public purchaser of health services in Burkina Faso. While health development partners' share of purchasing has decreased in recent years, they remain an important source of health financing in the country. Burkina Faso has experience with a range of purchasing arrangements that co-exist, but these schemes have historically not aligned well with one another. Recognizing a need for purchasing reform, the Government of Burkina Faso is interested in restructuring available funds to better align with government priorities in the National Health Development Plan. The following sections of this factsheet will focus on the *Gratuité*, a user fee exemption scheme, that represents a promising approach to more strategic purchasing of PHC services.

Purchaser Attributes	Supply-side Financing/Line Item Budgeting	Gratuité	Health Development Partners
 <p>Sources of revenue (e.g., taxes, premiums)</p>	<p>Local Tax, Transfer from National Government, Grant, &amp; Loan.</p>	<p>Transfer from National Government.</p>	<p>Multi-lateral, Bilateral, Private/Foundation Grants.</p>
 <p>Population covered (e.g., Poor, formal sector)</p>	<p>General public.</p>	<p>No membership required. Services target women of reproductive age and children under 5.</p>	<p>No membership required.</p>
 <p>Benefits/services covered (e.g., PHC, hospitalization, inpatient, outpatient, etc.)</p>	<p>The central government pays for salaries, commodities, services and other facility costs through input-based financing.</p>	<p>Services for children under 5, antenatal care, obstetric fistulas, deliveries, cesarean sections, postnatal care, FP services, treatment of pre-cancerous cervical lesions and breast cancer.</p>	<p>Benefits supported based on donor priorities and project scope. There is a strong focus on HIV/AIDS, tuberculosis, malaria, neglected tropic diseases, MNCH, and FP.</p>
 <p>Types of facilities included (e.g. referral hospitals, health centers, health posts, etc.)</p>	<p>All public sector health facilities.</p>	<p>All public sector health facilities and a small number of private sector health facilities.</p>	<p>Public, private, and community-based care.</p>
 <p>Payment methods (with FP and MNCH specifics)</p>	<p>Input-based financing for salaries and most commodities. OOP payments by users support facility operating costs and additional commodities.</p>	<p>Equivalent fee-for-service (FFS) payments are prepositioned to facilities by the central government on a quarterly basis to replace OOP payments. Subsequent payments are adjusted based on service reports.</p>	<p>Payment methods vary between and within HDPs. Historically, these include: FFS, case-based payments, quantity-focused performance-based payments.</p>



Gratuité pays facilities via fee-for-service, which can stimulate claims inflation by reducing incentives to control costs. However, the average cost for most services have remained consistent since 2017 (the average cost per claim across all services increased by 6% between 2017 and 2019). Services for children under 5 make up the bulk of claims (46% in 2020), and encouragingly the costs have been particularly well controlled since 2017. Other major costs for scheme are driven by services for births and obstetrical interventions, where the average cost per claim for births rose by 23% between 2017 and 2020. While claims inflation is not considered to be a contributing factor driving funding shortfalls for the Gratuité, average cost per claim should be closely monitored as part of efforts to control and reduce costs of the scheme.

## Progression of Average MNCH Service Costs (2017-2020)



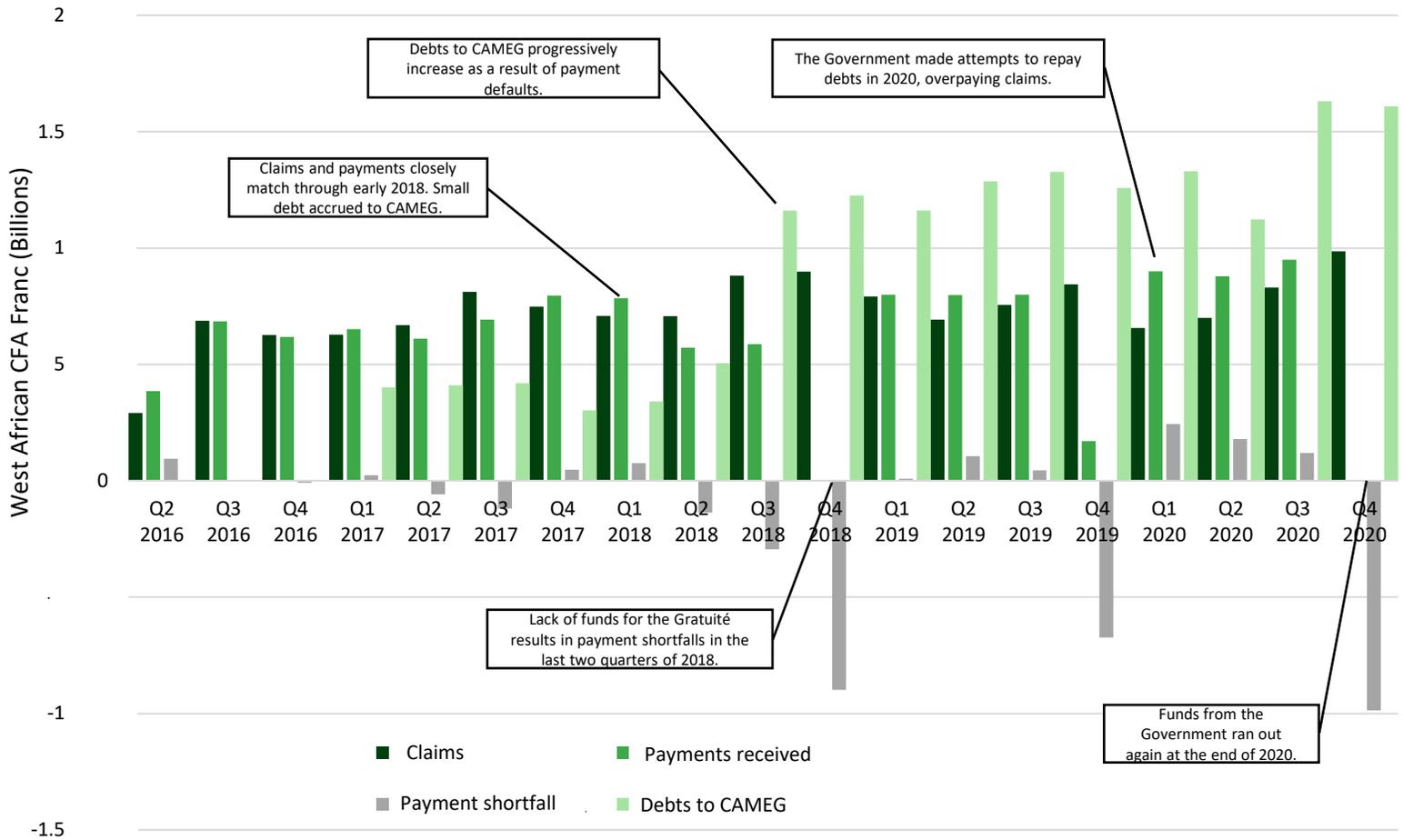
	2017			2018			2019			2020			2017-2020			
	Quantity (x 1,000)	Cost (millions, CFA)	Average Cost Per Service	Quantity (x 1,000)	Cost (millions, CFA)	Average Cost Per Service	Quantity (x 1,000)	Cost (millions, CFA)	Average Cost Per Service	Quantity (x 1,000)	Cost (millions, CFA)	Average Cost Per Service	% Increase in Average Cost	Increase in Total Cost	% Increase in Total Cost	% of Total Cost 2020
<b>Care of children under 5</b>	10,813	15,086	1,395	11,185	16,089	1,438	10,771	15,321	1,423	10,465	13,973	1,335	-4%	-29058.75	-7%	46%
<b>Care for pregnant women</b>	4,835	6,706	1,387	5,061	7,683	1,518	4,836	7,659	1,584	6,980	7,915	1,134	-18%	-14621.75	18%	26%
<b>Births and obstetrical interventions</b>	1,246	7,030	5,644	1,195	8,134	6,807	1,161	7,684	6,616	1,176	8,629	7,338	30%	-15658.94	23%	28%
<b>All claims</b>	16,893	28,823	8,426	17,441	31,906	9,763	16,768	30,664	9,622	18,621	30,516	9,807	16%	-59339.44	6%	100%



The Gratuité policy is funded by the national state budget, which bears all direct health care expenses of the covered services. The Gratuité worked well until a lack of government funds in 2018 caused a shortfall in payments to facilities. This has resulted in increasing debts to the central medical store, CAMEG, and mounting funding gaps between claims submitted to the central government and payments received by facilities. This trend has continued into 2020 and risks the financial viability of the scheme to provide free services.

## District Debts to Central Medical Stores versus Gratuité Payments (2016-2020)

Source: ST-CSU data from e-Gratuite 2021



Gratuité was established to replace OOP payments with payments from the government, allowing contracted public facilities to provide a defined package of MNCH and FP services free of charge. Gratuité appears to have initially reduced OOP expenditure. A rise in OOP payments in 2018 may reflect the impact of Gratuité budget shortfalls, described above.

## Yearly Sum of Percent Direct Payments by Households

Source: Ministère de la santé du Burkina Faso and Institut national de la statistique et de la démographie 2020

