Strengthening Accountability for HPT through HPT Units

INTRODUCTION

The health sector has embraced various mechanisms geared at promoting accountability in the health supply chain including: data quality audits undertaken by departments of health, inventory reviews by health departments and implementation partners, audits by the office of the Auditor General (OAG), compliance reviews by the Public Procurement Regulatory Authority(PPRA), performance reviews by county governments and national ministries, compliance reviews by professional regulatory bodies, and reviews under the performance contracting and staff performance appraisal systems. These initiatives have not only facilitated identification and resolution of challenges in the health supply chain, but also informing design of HPT supply chain capacity building.

Despite these contributions, there are accountability deficits that still need to be addressed such as: noncompliance with procurement procedures, leakages of HPT, avoidable stock outs and expiries and inaccurate reports. The cost of undertaking reviews, especially audits and investigations, in cases of accountability deficits is also prohibitive. There is a need to review the legislation dealing with HPT to entrench suitable rewards and sanctions for unethical practices. Similarly, an elaborate accountability framework that incorporates citizen participation in the health supply chain and repositions the county health products and technologies units as an integral unit for management of HPT at county level is necessary. Further, there is urgency to review the KEMSA Act, 2013 to recognise and provide for joint accountability of KEMSA to both national and county governments.

ACCOUNTABILITY DEFICITS AND MANIFESTATIONS

There is acknowledgement by stakeholders that the county health supply chain is underfunded to deliver its mandate. On the other hand, there are several common issues across the supply chain that indicate that available resources have yet to be optimally applied.

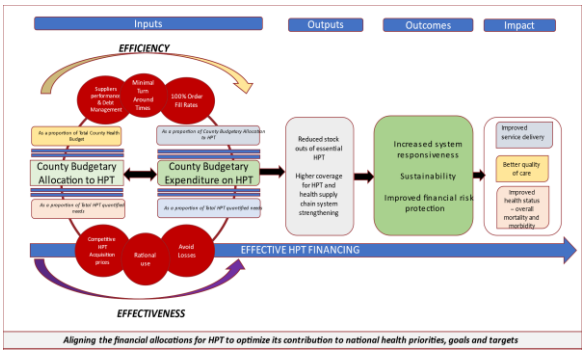
On the regulation front, there is good quality assurance of HPT in the market as evidenced by the high pass rates achieved in market surveillance testing. However, market surveillance for medical supplies and medical devices is inconsistent, and illegal establishments providing HPTs still exist. There is also ineffective coordination between HPT regulatory agencies particularly Kenya Bureau of Standards (KEBS) and Pharmacy and Poisons Board (PPB) contributing to lapses in quality assurance of medical supplies such as condoms, and medical equipment.

The extent to which critical HPT technical committees such as the County Medicines and Therapeutics Committees (MTC) and the HPT Security Technical Working Group have been operationalised is also too low for desired impact.

Sharing of information on budgets allocated to health commodities and the supply chain as well as the levels of utilisation of the budget has also been inadequate. Budget justifications are mainly

based on historical allocations as opposed to quantified needs. Similarly, full disclosure on support from partners for both commodities and system strengthening are also lacking budget visibility and accountability with the alignment of budget allocations to health sector objectives and outcomes has yet to be prioritized. Specifically, there is no focus on efficiency and effectiveness on HPT financing with aspects such as appropriate supplier and debt management mechanisms, a factor that has a direct bearing on the achievement of minimal order turnaround times and maximization of order fill rates. Additionally, efforts towards the acquisition of HPT at the most competitive prices and pricing transparency to drive down costs in the counties are minimal. Inefficiencies continue to be experienced through irrational use of HPT and system losses.

County governments are required under the KEMSA Act, 2013 to procure HPT for their facilities from KEMSA in a bid to reap from economies of scale from bulk purchasing and distribution, and benefit from centralised quality assurance. KEMSA's institutional capacity has been strengthened towards this end with the support of key partners such as the Global Fund, the USAID, and the World Bank. The support has included: capitalisation, strengthening of procurement, warehousing, and quality control systems. KEMSA has had challenges at oversight level with significant delays in sharing of reports with key stakeholders such as county governments and COG. Further, the entity has inadequacies in procurement planning, apparent conflicts of interests in procurement, weak management information systems, and weak financial base. County governments delays in settling their debts with KEMSA has continued to stifle KEMSA's ability to replenish supplies. These accountability deficits affect the responsiveness of KEMSA to county requirements with order fill rates consistently being below par[1].



Aligning the financial allocations for HPT to optimize its contribution to national health priorities, goals and targets

Generation of accurate and timely reports on key sectoral performance indicators on HPT has been negatively impacted by inadequacies in maintenance of essential health commodities supply chain records at all levels. Recent reviews and experiences during the annual quantification exercise for HPT revealed that stock cards, receipts, and issuance vouchers as well as ledgers were well maintained in the case of medicines. However, there is a huge gap in non-pharmaceutical supplies, laboratory consumables, oxygen, and medical devices. These have resulted in inability to know real consumption patterns and disrupted the cycles for ordering leading to stock outs. For instance, during the last year, there were reported stock outs of oxygen in cylinders, surgical gloves, ARVs, PPES, diagnostic reagents and testing kits with record keeping deficiencies being one of the attributable factors.

HEALTH PRODUCTS AND TECHNOLOGIES	
INDICATOR DESCRIPTION/SOURCE	SCORE/FIGURE
Product Availability (2018/19 readiness assessment)	44%
Proportion of women accessing family planning services	43%
Order fill rate (Delivery value) (May 2021)	73%
Reporting rate (MOH 647 Tracer HPT) KHIS May 2021	51%
Tested pharmaceutical pass rate (NQCL 2018 & 2019) n=1623	97%
Proportion of functional MTCs at County Level MTR 2019/20	4.3 (2 counties)
Estimated HPT needs KSH (2018/19 County data)	29,789,510,297*
Total Budgetary allocation to HPT KSH (FY 2018/19) (32%)	9,621,635,648
HPT Budget as a % of the Total County Health Budget	7-10%
Average HPT expenditure as a % of Budgetary allocation to HPT (2018/18; 2018 -19; 2019/20) (40 -60%)	51%
Allocation to HPT systems strengthening KSH	Not Indicated
Per capita Allocation to HPT KSH*	201

Inconsistencies in application of laid down procedures and processes have been highlighted in both external audits and procurement audits. These have been attributed to inadequate procurement

[1] Order Fill Rates consistently below 70% (target is 90%)

planning and linkage with budgets, mishandling of acquisitions for emergency needs for HPT and centralised acquisition of specialised equipment and related consumables.

RECOMMENDATIONS

Appreciating that the supply chain for HPT is complex and involves many partners, county governments should undertake the following actions towards strengthening accountability of health commodities and technologies:

1. Redefine accountability requirements at the various levels of the county health supply chain with clarity of incentives, rewards, and sanctions. The accountability framework will define clear sanctions for actions/inactions leading to stock outs, expiries, and wastages
2. County governments should improve transparency through documenting and sharing information on HPT budgets and utilization by product categories, source (local/international), and pricing. County governments should fully embrace the program-based budget approach and consider having HPT at the sub-program level. Additionally, clear monitorable HPT financing indicators focused on the key elements of efficiency and effectiveness of budget execution should be introduced to facilitate the county governments in evaluating and assuring value for money for all product categories invested in.
3. Strengthen the Health Products and Technologies (HPT) functions at county level through anchorage under the County Health Services Act, bringing the management of all health products and technologies under one roof. Further, county governments should provide a budget for county health supply chain activities such as quantification, health commodities supply chain quarterly audits and reviews, MTC's activities.

Undertake comprehensive review of the KEMSA Act, 2013 to build in joint accountability of KEMSA to both national and county governments. Joint accountability will be ensured through providing for reporting by KEMSA