COMMENTARY

COST OF HEALTH CARE DELIVERY IN GHANA

There is paucity of information on such important topic as actual cost of providing services in developing countries, Ghana included. A number of factors account for this anomaly not least of them being methodological challenges in undertaking such assessments coupled with perennial problem of poor data capture in most health facilities to facilitate such an endeavour. The problem is compounded by a high level of 'under-the-table' costs to both the facilities and clients that are difficult to capture, for obvious reasons. However, information on cost of providing services is very important for any health manager in this era of scarcity of resources and when health facilities are increasingly relying almost exclusively on internally generated funds. The policy of MOH currently, for instance, is not to provide hospitals with a service vote from the Government of Ghana budget. Furthermore, health managers have to know the cost build up in their facilities to determine if their scarce resources are being deployed efficiently to enable them take appropriate management decisions to redress any anomalies. In Ghana, re-imbursement by National Insurance Scheme for services provided is often done not based on realistic cost estimates for services rendered and this has become a contentious issue between the providers and Scheme managers. Hence information on actual cost of service provision offers opportunity for schemes and facilities to better negotiate for re-imbursement costs.

In this issue of the journal Aboagye *et al*[1] publish their findings on estimating the cost of healthcare delivery in three hospitals in southern Ghana. The study makes an important contribution to estimating the cost of healthcare delivery though it was limited in scope as only one each of mission, district and regional hospitals were studied. A critical assessment of the methodology used has not been made and it may elicit diverse comments by other reviewers. It is important, however, to state that the definitions used for the categorizations have to be carefully noted for any comparisons with other studies so that 'like' is compared with 'like.'

The high proportion of salaries to the total cost of providing services, 45%-60% in this study in 2002/2003, is not very surprising as salaries accounted for 59% of the national health sector budget allocation for 2010.

Agitations for salary increases by health workers in recent years, coupled with consolidation of Additional Duty Hours Allowances (ADHA) for health workers, have contributed to this situation and the net effect is that funds for service provision from government side are dwindling correspondingly.

The high over-head costs of 20%-42% is worrisome and this area is where efficiency gains may have to be made and innovative strategies such as contracting out services and proper monitoring of use of utilities may have to be adopted to bring down the cost.

An important contribution has been made by the authors and I advocate for health managers to allocate funds from their own resources to make periodic assessment of cost of service provision in their respective facilities to inform policy and management decisions. Probably, a case can also be made for the health sector to invest in training health managers in basic health economics!

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Conflict of interest: *None declared*

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