Health Priority Setting and Resource Allocation (HePRA)

Overview of Tool and Database
Countries have many mechanisms through which they can establish priorities for the health sector. However, unless resources can flow, be spent, and be tracked according to these priorities, the priorities themselves hold little influence. The Health Priority Setting and Resource Allocation (HePRA) Benchmarking Tool and Database aims to capture the current landscape of priority-setting practices that may be used to guide resource allocations for health across a set of 10 Joint Learning Network countries, and to explore whether and how resources are allocated, spent and tracked according to established health sector priorities.

With the budgetary process positioned as the backbone of resource allocation, the HePRA Tool uses a series of indicators and benchmarks to map the relationship between the budget and other major institutionalized aspects of health sector priority-setting, including decentralization, the health system and financing landscape, the structure of the benefits package, and donor resources for health. The HePRA Tool recognizes that priorities for health are largely established using the policy cycle, and that alignment between the policy and budget cycles in a country is one critical factor that determines whether policy priorities are adopted and funded.

As such, the HePRA Tool uses a combined policy and budget cycle to map the pathway from prioritization (agenda setting) to how and whether health priorities are used to make resource allocation decisions (formulation/adoption); payment decisions occur against priorities (implementation/execution); and allocations for health are assessed against set priorities (monitoring/evaluation; see Figure 1, Table 1, and “key terms”).

### Table 1. Policy and budget cycle

<table>
<thead>
<tr>
<th>Prioritization category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence-based identification and prioritization of policy issues against a given forecast, budget ceiling or resource envelope, and occurring as a part of processes linked to budgeting, decentralization, health systems and financing, the benefits package and/or donor resources for health.</td>
<td></td>
</tr>
<tr>
<td>Resource allocation formulation/adoption</td>
<td>Adoption of policies and allocation of resources according to budgetary rules as guided by policy priorities and health sector targets and/or other decision-making principles.</td>
</tr>
<tr>
<td>Payment implementation/execution</td>
<td>Financing and spending against planned priorities through various budget centers and ideally using strategic purchasing, including autonomy and flexibility to re-allocate funds according to emerging priorities.</td>
</tr>
<tr>
<td>Assessment monitoring/evaluation</td>
<td>Examination of whether spending has occurred against priorities to meet policy and fiscal objectives, which is made transparent and available for purposes of accountability and use in future planning and prioritization processes.</td>
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</tbody>
</table>
GOALS

The HePRA Benchmarking Tool and Database is one part of the work undertaken in response to a need for knowledge sharing and joint learning on priority-setting and resource allocation for health expressed by members of the Efficiency Collaborative. HePRA complements its sister knowledge product, Using Data and Evidence for Health Priority Setting: A Practitioner’s Handbook. The handbook provides practical guidance on strengthening the evidence-based priority-setting processes which feed into budget cycles and resource allocation pathways which may be identified through the HePRA Tool. In both the HePRA Tool and the Handbook, thinking around these budget cycles and resource allocation pathways are guided by the combined policy and budget cycle framework (Figure 1), which depicts the cyclical process of prioritization, allocation, payment, and assessment.

The intention of the HePRA Tool is to:

01. **Identify areas for focused efforts:** Distinct areas can be identified for each respondent country where efforts including in policy dialogue, support through technical assistance, capacity building, and knowledge exchange may be useful in promoting use of evidence in priority-setting for resource allocation in the health sector.

02. **Monitor progress over time:** Countries can capture the priority-setting and resource allocation landscape at present and future points in time by populating the tool and monitoring changes in priority-setting over time.

03. **Benchmark and contrast with comparator countries:** Ultimately, country responses to the HePRA Tool will feed into an interactive online database, where JLN countries can reflect on their own experiences in priority setting, benchmark against or understand resource allocation approaches used by comparator countries, and engage in peer learning and dialogue about how to promote evidence-informed priority-setting in country practices around resource allocation for health.
HePRA is intended to be independently used by readers who are interested in learning about their countries priority-setting and resource allocation landscape. To support readers in self-populating the tool, which consists of both a questionnaire and visualizations, this Annex will walk through the structure of the HePRA suite in greater detail. A database of detailed country responses that feed into the summary are also included. Readers may also use the rapid response version of the HePRA Tool in part B in their own setting.

HePRA organizes the landscape of priority-setting for health in two parts: PRIORITY-SETTING and RESOURCE ALLOCATION.

Part 1

In the first part, priority-setting is described across the five major processes that can impact how health priorities are established: budget structure (the backbone of resource allocation), decentralization, health systems and financing structure, benefits package, and external resources for health. These five processes make up the overarching columns within HePRA.

Within each process, the tool lays out six standardized areas which address major components of the processes (overall structure, other descriptors, legal, regulatory, and policy environment, fragmentation, costing, and use of other tools and data to inform prioritization) across rows with accompanying questions. Standardized benchmarks can then be selected to synthesize the narrative response.
Part 2
In the second part, to draw together responses across the five major processes in the tool, HePRA features a high-level set of questions and benchmarks to identify whether funds are allocated according to established priorities, who is involved in allocation decisions, and whether that fund flow is adequate and on time; how funds flow with respect to payment to budget centers and providers, and whether there is flexibility to make changes against emerging priorities; and finally whether there are systems in place to track that funds have indeed been spent according to these identified priorities. Standardized benchmarks can then be selected to capture the nature of each response.

Overview of all/selection of country results for standardized benchmarks

Funding flow diagram
The funding flow diagram is meant to depict the flow of public funds, from the point of disbursement at the central level, to the Ministry/Department of Health and other entities, through sub-national budget holders and ultimately to providers. The diagram can illustrate where and how decision-making processes drive resource allocation across levels of government and budget holders. The diagram is intended to crystallize which budget holder perspective will be taken when populating the HePRA Tool. We suggest a using the standard template provided in the HePRA Tool.
The process through which budgets are formulated, allocated, spent and monitored.

The full transfer of financial and administrative authorities to local levels.

A HePRA-specific term that describes cross-cutting components that help to categorize and describe the identified HePRA processes. These are: overall structure, scope, legal/regulatory/policy, fragmentation, and costing/other tools and data. Each area under an HePRA process is associated with a question and benchmark to synthesize the narrative response.

Examination of whether spending has occurred against priorities to meet policy and fiscal objectives, which is made transparent and available for purposes of accountability and use in future planning and prioritization processes.

The defined list of healthcare services covered by public funds and the financial terms of such coverage (such as cost-sharing). Some countries use health benefits packages (HBPs) to meet basic health needs for the entire population; others use HBPs to meet the health needs of specific populations, such as pregnant women, children, the elderly, or the poor; for specific levels of services, such as for inpatient, outpatient or primary care, or for specific programs, such as maternal and child health.

The process of assigning resources to priorities, units, or individuals within a given resource envelope.

The process through which budgets are formulated, allocated, spent and monitored according to public financial management rules.

A systematic process to compare costs and benefits, both of which are quantified in common monetary units.

A comparison of costs in monetary units with outcomes in quantitative non-monetary units such as quality-adjusted life-years (QALYs) and disability-adjusted life years (DALYs) or in natural units (such as cholesterol level, mortality or case detection).

For the 2017 fiscal year, low-income economies are defined as those with a gross national income (GNI) per capita of $1,025 or less; lower middle-income economies are those with a GNI per capita between $1,026 and $4,035; upper middle-income economies are those with a GNI per capita between $4,036 and $12,675.

The redistribution of some financial and/or administrative authority from central to local levels, which can occur in differing degrees. Deconcentration and devolution, defined below, are ways to describe decentralization.

The partial transfer of authorities from central to local levels (i.e., administrative but not financial).

The full transfer of financial and administrative authorities to local levels.

Financial resources for health received through official development assistance channels.

The systematic evaluation of properties, effects and impacts of health technologies.

Financing and spending against planned priorities through various budget centers and ideally using strategic purchasing, including autonomy and flexibility to re-allocate funds according to emerging priorities.

Evidence-based identification and prioritization of policy issues against a given forecast, budget ceiling or resource envelope, and occurring as a part of processes linked to budgeting, decentralization, health systems and financing, the benefits package and/or donor resources for health.

The systematic evaluation of properties, effects and impacts of health technologies.

Financing and spending against planned priorities through various budget centers and ideally using strategic purchasing, including autonomy and flexibility to re-allocate funds according to emerging priorities.

Evidence-based identification and prioritization of policy issues against a given forecast, budget ceiling or resource envelope, and occurring as a part of processes linked to budgeting, decentralization, health systems and financing, the benefits package and/or donor resources for health.

Priority-setting can be defined as the assignment of finite health resources, between competing commitments, against an infinite demand for health care. Evidence-based priority-setting uses data and tools to guide decisions about value for money in establishing these priorities as a part of planning processes. Health priorities can be shaped across a number of prioritization processes within a country (see prioritization).

A HePRA-specific term that describes a broad component of a countries decision-making landscape that can impact how health priorities are established. In the HePRA Tool, these are: budget structure, benefits package, health systems and financing, external resources, and decentralization.

Adoption of policies and allocation of resources according to budgetary rules as guided by policy priorities and health sector targets and/or other decision-making principles. Although many countries have established priority-setting processes that are aimed to guide financial decision-making, there is no guarantee that these priorities will be used to formulate budgets, or that these priorities will be traceable throughout the budget cycle as resources are then spent, reallocated, or monitored.

A set of 17 goals that aim to end extreme poverty and hunger, fight inequality and injustice, combat climate change, and more. On September 25, 2015, the leaders of 193 United Nations member states adopted the goals as part of a new global sustainable development agenda. The 17 goals and their targets for 2030 are described at www.un.org/sustainabledevelopment/sustainable-development-goals/.

According to the World Health Organization, UHC means that “all people and communities can use the promotive, preventive, curative, rehabilitative and palliative health services they need, of sufficient quality to be effective, while also ensuring that the use of these services does not expose the user to financial hardship.”
PART B: RAPID HEpra BENCHMARKING TOOL

This blank template of the HePRA Tool combines the questions and benchmarks into a single tool for rapid response in order to make answering questions and constructing visualizations easier. More detailed responses can be captured in the word version of the HePRA Questionnaire.

### Blank HePRA Questionnaire

Use this Word document to compile your own detailed responses and determine your benchmarks. You can also build your Funding Flow Diagram from this template.

www.jointlearningnetwork.org/resources/blank-hepra-tool/

### HEALTH PRIORITY SETTING AND RESOURCE ALLOCATION BENCHMARKING TOOL

This tool includes both a questionnaire and visualization that can be used to create a HePRA Database for your country.


### PART 1: PRIORITIZATION PROCESSES

Questions and benchmarks to describe five major priority-setting elements – please take the perspective of the major budget holder in country where needed and indicate that perspective where relevant. Please indicate the response to the question by placing a “check” in the relevant colored box and adding explanatory notes where needed.

Name of budget holder (please select either major budget holder or chose perspective of a single entity or level where relevant): ________________________________.

#### Budget

**Overall structure**
1. How is the overall health budget structured?
   - Program based
   - Hybrid
   - Input based/line item

**Other descriptors**
2. How responsive is the budget to health priorities?
   - Autonomy to establish health priorities
   - Some autonomy to determine health priorities
   - Little autonomy to determine health priorities (i.e. earmark or budget structure determine)

**Legal/ regulatory/ policy basis**
3. Is there a legal or regulatory basis for how budgeting should occur and/or priorities established?
   - What law/regulation or policy (re, fiscal rules)
   - Budget structure mandated and enforced
   - Laws and regulations around budget but not enforced/ current/ comprehensive
   - No laws, regulations around budget structure

**Fragmentation within process**
4. What are the major health budget centers (on and off budget)? Which budget holder retains the majority of the health budget?
   - Single budget holder
   - Multiple coordinated budget holders
   - Multiple budget holders

**Costing**
5. Do costing tools align with budgeting approach?
   - Tools aligned and used in budgeting
   - Tools aligned but not used
   - Tools not aligned or applied

**Other tools and data**
6. How well are other priority-setting processes accounted for in the health budget?
   - Evidence-based
   - Ad hoc
   - Historical

Notes
### Decentralization

#### Overall Structure

7. **What is the jurisdiction of local government in administering health budgets?**
   - Complete sub-national authority, providers/facilities consulted
   - Some sub-national authority, providers not consulted
   - No fiscal decentralization

#### Other descriptors

8. **How flexible are sub-national budgets in terms of what can be included?**
   - Autonomy to establish health priorities
   - Some autonomy to determine health priorities
   - Little autonomy to determine health priorities (i.e. hard earmark or budget structure determine priorities)

#### Legal/ regulatory/ policy basis

9. **Is there a legal or regulatory basis that dictates the role of lower administrative levels in setting health sector priorities?**
   - Role of decentralized structures legally mandated and enforced
   - Laws and regulations around decentralized role but not enforced/ current/ comprehensive
   - No laws, regulations around role of decentralized structure

#### Fragmentation within process

10. **Are there multiple plans or strategies at the sub-national level that drive resource allocation?**
    - Sub-national plan is unified with national plan
    - Sub-national planning is somewhat linked to national processes
    - Sub-national planning is fragmented

#### Costing

11. **Are these plans costed?**
    - Sub-national plans costed and costs applied
    - Sub-national plans costed, but costs not used
    - Sub-national plans uncosted

#### Other tools and data

12. **What other tools and evidence are used to guide priorities? Please describe who is involved in the process.**
    - Evidence-based
    - Some
    - None

### Health Systems and Financing

#### Overall Structure

13. **How would you categorize the domestic health system financing structure?**
   - Primarily public finance
   - Mixed/transitional
   - Out-of-pocket payments and private sector financing

#### Other descriptors

14. **How does the majority of the population access services? Please describe**
    - Compulsory or non-compulsory tax or contributory scheme (choose one of each)
    - Regulated private for profit or not-for-profit (choose one)
    - Unregulated private for profit or not-for-profit (choose one)

#### Legal/ regulatory/ policy basis

15. **Is there a legal or regulatory basis that dictates how resources should be allocated against health sector priorities? What law/regulation or policy?**
    - Financing of health policies and priorities mandated and enforced
    - Laws and regulations around priorities but not enforced/ current/ comprehensive
    - No laws, regulations around priorities

#### Fragmentation within process

16. **Are there multiple strategic plans for both the budget holder and different programs funded by that budget holder? [eg. TB, HIV etc.]**
    - Program plans fully unified in overall plan
    - Multiple aligned program plans
    - Fragmented program and sector wide plans

#### Costing

17. **Are these plans costed and/or linked to a health financing strategy?**
    - Plans costed and costs applied
    - Plans costed, but costs not used
    - Programs and/or sector plan uncosted

#### Other tools and data

18. **What other tools and evidence are used to guide priorities? Please describe who is involved in the process.**
    - Evidence-based
    - Some
    - None
Benefits Package(s) covered by major budget holder

Overall Structure
19. How is/ are public benefits package(s) structured?
- Centrally established positive or negative list (choose one)
- Multiple or partial lists for various populations, services, or system levels
- No unified list

Notes

Other descriptors
20. What is included in the benefits package? How often is it reviewed? Please explain how pharmaceuticals are approached.
- All 3 of PHC, tertiary and specialist
- One/ more of tertiary, specialist and PHC, but not all
- Package not defined

Notes

Legal/ regulatory/ policy basis
21. Is there a legal or regulatory basis that dictates how resources should be allocated against the benefits package? What law/regulation or policy?
- BP mandated and enforced
- Laws and regulations around BP but not enforced/ current/ comprehensive
- No laws, regulations around BP

Notes

Fragmentation within process
22. Outside the main package are there other packages specified for specific programs?
- Fully unified in overall package
- Fragmented BPs, but linked to overall package
- Fragmented BPs

Notes

Costing
23. How is/are the benefits package(s) costed? If different programs, please indicate for each.
- BP costed and costs applied
- BP costed, but costs not used
- BP uncosted

Notes

Other tools and data
24. What other tools and evidence are used to guide priorities? Please describe who is involved in the process.
- Evidence-based
- Some
- None

Notes

External Resources

Overall Structure
25. How would you categorize the partner landscape in terms of financial contributions to health?
- Most donor funding on budget
- Mix
- Most donor funding off budget

Notes

Other descriptors
26. What is the % of CHE that comes from external resources?
- <10%
- 10% ≤ x < 50%
- 50% ≤ x < 90%

Notes

Legal/ regulatory/ policy basis
27. Is there a legal or regulatory basis that dictates how external resources should be allocated against health sector priorities? What law/regulation or policy?
- Donor funding of priorities mandated and enforced
- Laws and regulations around priorities but not enforced/ current/ comprehensive
- No laws, regulations around donor funding of priorities

Notes

Fragmentation within process
28. Are external resources aligned to priorities of the major budget holder?
- External resources fully aligned to sector priorities
- Coordination exists but poor alignment
- Donor priorities are not linked to country priorities

Notes

Costing
29. Are the costs of donor programs transparent and available to the government?
- Costs are fully available to government
- There is some knowledge of costs
- Costs of donor programs are not known

Notes

Other tools and data
30. What other tools and evidence are used to guide priorities? Please describe who is involved in the process.
- Evidence-based
- Some
- None

Notes
**PART 2: RESOURCE ALLOCATION**

Questions and benchmarks to assess resource allocation in country from the perspective of one budget holder.

**Fund allocation**

31. Do resources flow according to determined priorities?
- Aligned to sector priorities (Please select: Decentralized priorities, external resources, benefits package, health or program plan)
- Planning aligned to sector priorities, but funds allocated based on line items
- Historical line item budgeting

32. What institutions or stakeholders are involved in allocating funds according to these priorities and what methods do they use?
- Consultative
- Somewhat consultative
- Not consultative/ decisions made by one entity

33. How and how frequently are resources allocated?
- Allocations are sufficient and predictable
- Allocations are somewhat sufficient and predictable
- Allocations are not sufficient or predictable

**Payment**

34. Who receives funds: Do they have flexibility to reallocate funds according to need?
- Fund flows are flexible
- Fund flows are somewhat flexible (ie, can reallocate with approval)
- Fund flows are not flexible (ie, hard earmarks, strict rules on moving items between lines)

35. How are funded priorities paid for?
- Providers and facilities paid based on output and aligned to priorities
- Providers and facilities paid based on outputs, but no link to priorities
- Providers and facilities paid based on inputs

**Assessment**

36. How are funding flows tracked against priorities?
- Clear indicators are in place to track spending against priorities
- Expenditure is tracked against line items only
- Funding flows are not transparent

Once the questionnaire has been completed, benchmarks can be separately selected in the visualization tool to describe the narrative response.

**BLANK HePRA VISUALIZATIONS**

Once you have determined your benchmarks, use this PDF to populate a more detailed visualization.

www.jointlearningnetwork.org/resources/blank-hepra-visualization/
JLN EFFICIENCY COLLABORATIVE SYSTEMATIC PRIORITIZATION SETTING STREAM

HEPRA DISCLAIMER

This Tool and Database were produced by the Joint Learning Network for Universal Health Coverage (JLN), an innovative learning platform where practitioners and policymakers from around the globe co-develop global knowledge that focuses on the practical “how-to” of achieving universal health coverage. For questions or inquiries about this Tool and Database or about other JLN activities, please contact the JLN at JLN@worldbank.org.

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