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MINISTRY OF PUBLIC HEALTH
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(MOH)

STUDY OF PERIODIC COSTS
OF THE MINISTRY OF PUBLIC HEALTH AND SOCIAL WELFARE
OF EL SALVADOR, FIVE YEARS 1980-1984

SAN SALVADOR, EL SALVADOR
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INTRODUCTION

The periodic costs study entails the financial analysis of current or operating expenses in order to transform the recorded data into financial indices that will allow and facilitate decision-making. On this basis, the financial analysis of the periodic costs or operating expenses of the Ministry of Public Health and Social Welfare of El Salvador during the five-year period 1980-1984 sought the following objectives.

1. To obtain basic information or financial indices that will allow and facilitate decision making on general aspects of the Ministry's health policy and the financing thereof.
2. To transform the financial information available so it may be used for planning purposes, evaluating needs and productivity as well as determining any additional financing required.

It should be cautioned that, due to time constraints and the type of information readily available from the Ministry, this study does not have the scope and detail which might have been desirable. Therefore, its approach and results are rather general and figures or data have been presented without much disaggregation. Other types of analysis require compiling information at the primary or original sources and require much more time than available for this study.

CONTENTS OF EACH CHAPTER

The study is divided into four chapters; the first one reports on the background of the work; the second one describes the information compiled and the respective sources. This description comprises four sections: current or operating costs of the Ministry of Health, subdivided by centralized agencies -Units at ministerial and regional level, Health Centers, Units and Posts - and decentralized agencies or Hospitals; current or operating costs derived from investment programs, subdivided according to whether they are financed with internal or external funds; current or operating expenses derived from the start of hospitals at Ahuachapan, Nueva San Salvador, and San Miguel; and current or operating costs pertaining to the Health Five-Year Plan for the years 1985 to 1989. The third chapter develops the analysis of information

compiled on the basis of variations in operating expenses; and the fourth chapter presents a synthesis of conclusions and recommendations in order to complete the knowledge of operating costs incurred by the Ministry of Public Health and its financing needs to cover the actual demand of health services or care by the Salvadorean people.

I. BACKGROUND

This study originated from agreements between the Ministry of Public Health and Social Welfare of El Salvador and the Agency for International Development of the United States of America, to obtain through consultants, a financial analysis of periodic costs or operating expenses incurred by the former body mentioned, during the last five years (1980-1984), as well as to learn the implications at a general level that the Five-Year Health Plan 1985-1989 will have on such costs. For this purpose, the Agency for International development contracted the professional services of Kraus International, Inc.

II. DESCRIPTION OF INFORMATION

The first significant fact observed at the Ministry of Public Health and Social Welfare of El Salvador about its periodic costs or operating expenses, is that there is no centralized record keeping of such information. For various reasons, none of the Ministry's agencies has complete data recorded at the different levels where they are produced. Thus, information regarding the operating programs of the centralized agencies is the responsibility of the Financial Accounting Division, information on the operating programs of the decentralized agencies (Hospitals) is the responsibility of each such agency, and information regarding investment programs is the responsibility of the Planning Division. This situation is the reason for the schematization in developing this study.

Another far reaching fact is that the information is not recorded by specific health activity or care, as the Ministry's budget is not a programs budget, but by large areas of activity or operations.

The information analyzed was obtained from two basic sources: the Ministry of Public Health and the Ministry of Finance. Many differences were found in the items studied, the causes of which are presented in this analysis.

2.1 CURRENT OR OPERATING COSTS OF THE MINISTRY OF PUBLIC HEALTH DURING THE PERIOD 1980-1984

The item Current or Operating Costs includes current and functioning or operating expenses (salaries and other remunerations to personnel, purchase of materials and supplies, purchase of machinery and equipment, and other administrative expenses) made by the Ministry of Health or any of its agencies during each of the years of the period studied. It also includes commitments or debts incurred during each year to meet the needs of that same year even though they were paid for later. That is, the item includes any expense or commitment made in order to maintain in operation the institution's installed capacity.

The consolidation of the Ministry of Health's current costs or operating expenses is performed at two levels; at the level of the Financial Accounting Division for all the centralized agencies and at the level of the respective Managements for the decentralized agencies.

The total or overall consolidation is performed at the Central Accounting Department of the Ministry of Finance. The information compiled at these levels is described below.

Exhibit No. 1 presents the overall consolidation of the Ministry's operating costs according to records of the Central Accounting Department of the Ministry of Finance. It shows the allocations and total used by years and programs at the central level of the Secretariat of State plus any current transfers for the operation of the 24 ministerial General Hospitals and the subsidy to ten institutions that care for indigents, the Red Cross, the Salvadorean Rehabilitation Institute for the Disabled, and the Public Health High Council.

In addition to the general view presented in the exhibit, it shows the rather important fact that one of the programs or subprograms uses 100% of their allocations. The average use of the funds allocated during the period is approximately 98% per year.

2.1.1 CURRENT OR OPERATING EXPENSES OR COMMITMENTS ACCORDING TO GENERAL PROGRAMS AND CLASSES OF THE CENTRALIZED AGENCIES OF THE MINISTRY OF PUBLIC HEALTH. PERIOD 1980-1984.

The centralized administrative agencies of the Department of Public Health, comprise services of standardization, direction, and top administration at a central and regional levels, as well as at 12 Health Centers, 100 Health Units, and 171 Health Posts, in addition to 35 Community Posts and 9 Health Dispensaries whose preventive and curative operating programs generally demand 51% of the current or operating expenses of the Department of Health, although in the last few years this percentage was only 48%. These establishments care for approximately 39% of medical consultations and 17% hospitalizations, as well as 63% of preventive actions.

The information compiled and developed shows the almost static maintenance of the Department's operating expenses and of its centralized agencies during the period investigated. With some minimal fluctuations in the intermediate years, the amount or total approaches seventy-six million colones in current or market values of the respective years.

If the amount or volume of expenses has fluctuated very little, its programmatic structure and purpose have varied rather considerably. It was observed that the subprogram of materials and equipment supply for the Department has reduced its participation from 30% to 19% over the total current expenses by year; on the other hand, the expenses of the regional health services subprogram have increased from 50.4% to 60.3% over the same total. The rest of the programs and subprograms maintain their participation with minimal variations.

It is important to recognize that the supplies subprogram for materials and equipment are made for all the Ministry's agencies, both centralized and decentralized, and it constitutes the major supplier of medicines, medical-surgical materials, and specialized equipment; while the expenses of the regional health services subprogram, represents only between 4% and 5% of this item.

Regarding the purpose of the general expense or class, it is observed that the percentage of remunerations to personnel has increased at the expense of reducing that of materials and supplies. The former item increased its share from 64.6% to 75.7% over the period observed; while the latter reduced its share from 32.4% to 22.6%. Another important fact is that no expenditures in machinery and equipment were made in the last years of the period. The other general items or classes of expenditure preserve, with minimal variations, their relative participation.

It is observed within the general class of expenses in materials and supplies that, during the entire period, the share of the materials and equipment supply subprogram for the Department in general has been constant and around 85% of the total expended on this item; however, the amounts of this expenditure by programs and subprograms has dropped over the entire period, that is, each program's total expenditure in materials and supplies, has decreased relatively year by year, in some cases going from 14% or 12% to 8% or 7% during the years observed. (See Exhibits No. 2 to No. 6).

2.1.2 CURRENT OR OPERATING EXPENSES OR COMMITMENTS ACCORDING TO PROGRAMS AND GENERAL CLASSES OF THE DECENTRALIZED AGENCIES OF THE MINISTRY OF PUBLIC HEALTH. PERIOD 1980-1984.

Legally, the 14 general hospitals located in the country's capital city and the nine main department seats are regarded by the Ministry of Public Health as decentralized institutions or agencies, that basically perform curative functions and develop specialized medical care activities, both consultation and hospitalization. Sixty-one percent of the total care in the former activity and 83% of the latter are performed in the above-mentioned institutions, demanding an average of 49% of the yearly operating expense of the Ministry during the years under study.

As in the case of the centralized agencies, the information collected shows the almost constant maintenance of current or operating expenditures at the ministerial hospitals, with the aggravating circumstances that the amount, even expressed in current or market monetary values of the respective years,

EXHIBIT No. 1

CURRENT OR OPERATING EXPENSES OF THE MINISTRY OF PUBLIC HEALTH
AND SOCIAL WELFARE
BY YEARS AND PROGRAMS 1980-1984

(Thousands of Colones)

PROGRAMS AND SUBPROGRAMS	YEARS ALLOCATIONS & EXPENSES		1980		1981		1982		1983		1984	
	ALLOCATED	USED	ALLOCATED	USED	ALLOCATED	USED	ALLOCATED	USED	ALLOCATED	USED		
	.01 Top Management	522.3	482.0	920.5	885.2	526.7	520.3	634.8	614.8	690.7	677.0	
.02 General Adm. Services	26851.2	26637.7	28902.8	23593.9	26121.4	25975.7	20841.7	20227.5	19587.5	19496.2		
019 Central Adm.	4126.3	4085.1	5581.6	5443.2	4504.3	3336.1	4764.7	4604.6	5024.8	4939.3		
09 Department's Supply	22724.9	22552.6	23321.2	18150.7	21617.1	21629.6	16077.0	16623.0	14562.6	14557.6		
.03 Health Services												
Planning	1972.0	1938.4	2303.9	2217.8	2142.4	2123.2	2135.2	2049.7	2291.4	2230.9		
.04 Health Engineering	1330.9	1209.1	1272.6	1246.6	779.0	771.6	774.8	745.0	825.3	803.6		
.05 Normative Technical Services	1089.3	1064.6	1689.0	1639.9	1335.2	1319.4	1351.7	1279.4	1417.1	1400.8		
.06 Health Operative Services	44863.5	44473.3	48906.3	48244.4	47392.1	46825.5	46691.5	46086.1	52490.8	52024.9		
019 Regional Health Services	38292.7	38228.7	43598.4	43083.0	42220.7	41829.2	41522.8	41063.2	46269.5	46207.9		
029 Malariology	5833.1	5507.6	4549.8	4406.4	4431.7	4272.7	4431.7	4292.1	5062.8	5001.5		
039 Laboratory Services	737.3	737.0	758.1	755.0	739.7	723.6	737.0	730.9	817.6	815.5		
SUBTOTALS	76629.2	75805.1	83994.6	77827.8	78296.6	77535.4	72619.6	71002.4	77303.1	76634.1		
Current Transfers	74849.8	71686.0	76365.0	74356.2	73549.9	72277.5	73392.2	72513.0	80662.0	80654.4		
TOTALS	151479.0	147491.1	160359.6	152184.0	151846.5	149812.9	146021.8	143515.4	157965.0	157288.5		

SOURCE: Constitutional Complementary Report. Ministry of Finance. 1980-1984.

EXHIBIT No. 2

CURRENT OR OPERATING EXPENSES BY PROGRAMS AND GENERAL CLASSES
CENTRALIZED AGENCIES OF THE MINISTRY OF PUBLIC HEALTH AND SOCIAL WELFARE. 1980
(Colones)

PROGRAMS & SUBPROGRAMS	GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
101	Top Management	458.895	425.393	22.626	10.626	-	250
102	General Administrative Services						
019	Central Administration	4.058.755	3.315.773	303.819	436.171	-	2.992
029	Department Supplies	22.508.827	-	-	21.524.880	983.947	-
103	Health Services Planning	1.921.329	1.663.354	96.474	158.986	-	2.515
104	Health Engineering	1.207.485	1.019.555	7.621	180.009	-	300
105	Normative Technical Services	1.065.051	995.235	58.252	11.564	-	-
106	Health Operative Serv.						
019	Regional Health Serv.	38.228.712	35.484.805	689.015	2.044.659	-	10.233
029	Malariology	5.422.671	5.233.889	31.352	155.022	-	2.408
039	Laboratory Service	737.025	710.525	18.094	8.106	-	300
TOTALS		75.608.750	48.848.529	1.227.253	24.530.023	983.947	18.998

SOURCE: Budgetary Liquidations. 1980. Financial Accounting Division. MOH.

EXHIBIT No. 3

CURRENT OR OPERATING EXPENSES BY PROGRAMS AND GENERAL CLASSES
 DECENTRALIZED AGENCIES, MINISTRY OF HEALTH AND SOCIAL WELFARE, 1981
 (Cclones)

PROGRAMS & SUBPROGRAMS	GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
101	Top Administration	513.255	484.828	16.271	12.156	-	-
102	General Administrative Services	.					
019	Central Administration	4.594.706	3.713.626	289.575	588.455	-	3.050
029	Department Administ.	18.150.622	-	7.885	17.976.427	166.310	-
103	Health Services Planning	1.980.372	1.798.190	90.927	91.255	-	-
104	Health Engineering	1.256.572	1.088.210	14.226	154.136	-	-
105	Normative Technical Services	1.140.021	1.116.148	16.707	6.866	-	300
106	Health Operative Serv.						
019	Regional Health Services	42.130.127	39.441.592	559.567	2.109.703	-	19.265
029	Malaricology	4.329.292	4.142.097	19.384	161.932	-	5.879
039	Laboratory Services	754.842	729.169	18.269	7.104	-	300
TOTALS		74.849.809	52.513.860	1.032.811	21.108.034	166.310	28.794

SOURCE: Budgetary Liquidations, 1981. Financial Accounting Division. MOH.

EXHIBIT No. 4

CURRENT OR OPERATING EXPENSES BY PROGRAMS AND GENERAL CLASSES
CENTRALIZED AGENCIES, MINISTRY OF PUBLIC HEALTH AND SOCIAL WELFARE. 1982.

(Colones)

GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
101 Top Management	520.300	487.661	20.456	10.973	-	1.210
102 General Administrative Services						
019 Central Administration	4.453.406	3.639.710	366.753	444.565	-	2.378
029 Department Supplies	21.180.993	-	-	21.165.365	15.628	-
103 Health Services Planning	2.122.513	1.878.816	121.334	120.996	-	1.367
104 Health Engineering	768.889	679.930	9.424	79.535	-	-
105 Normative Health Services	1.319.076	1.245.659	45.431	27.986	-	-
106 Health Operative Services						
019 Regional Health Services	41.822.435	38.922.861	783.098	2.109.039	-	7.437
029 Malaricology	4.264.034	3.805.162	110.492	343.348	-	5.032
039 Laboratory Services	733.483	719.040	12.120	2.323	-	-
TOTALS	77.185.129	51.378.839	1.469.108	24.304.130	15.628	17.424

SOURCE: Budgetary liquidations 1982. Financial Accounting Division. MOH.

EXHIBIT No. 5

CURRENT OR OPERATING EXPENSES BY PROGRAMS AND GENERAL CLASSES
 DECENTRALIZED AGENCIES. MINISTRY OF HEALTH AND SOCIAL WELFARE. 1983.

GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
101 Top Administration	612.452	577.851	22.819	11.552	-	230
102 General Admin. Services						
119 Central Administration	4.577.795	3.824.576	345.557	405.213	-	2.449
129 Mat. & Equipment supply in gen. for the Dept.	15.613.804	210.988	-	15.402.816	-	-
103 Health Services Planning	2.048.611	1.895.273	80.903	72.435	-	-
104 Health Engineering	745.385	686.876	4.000	54.209	-	300
105 Normative Tech. Serv.	1.284.396	1.274.505	7.219	2.672	-	-
106 Health Operating Serv.						
119 Regional Health Serv.	41.074.665	38.830.697	400.915	1.834.658	-	8.395
129 Malariology	4.286.576	4.027.549	17.022	240.795	-	1.210
139 Laboratory Services	730.901	718.470	8.912	3.219	-	300
TOTALS	70.974.585	52.046.785	887.347	18.027.569	-	12.884

SOURCE: Budgetary Liquidations 1983. Financial Accounting Division. MOH.

EXHIBIT No. 6

CURRENT OR OPERATING EXPENSES BY PROGRAMS AND GENERAL CLASSES

CENTRALIZED AGENCIES. MINISTRY OF PUBLIC HEALTH AND SOCIAL WELFARE. 1984
(Colones)

GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
101 Top Administration	676.968	646.133	20.967	9.268	-	600
102 General Administrative Services						
019 Central Administration	4.891.829	3.997.243	491.970	399.202	-	3.414
029 Supply of materials & equipment in general for the Department	14.555.888	-	-	14.555.888	-	-
103 Health Services Planning	2.231.172	2.082.635	54.207	94.330	-	-
104 Health Engineering	803.111	739.946	5.618	57.547	-	-
105 Normative Technical Services	1.400.131	1.350.532	28.452	21.147	-	-
106 Operative Health Services						
019 Regional Health Serv.	46.201.308	43.713.290	640.699	1.838.835	-	8.484
029 Malariology	4.901.759	4.561.537	37.197	301.200	-	1.825
039 Laboratory Services	815.513	803.038	8.113	4.062	-	300
TOTALS	76.477.679	57.894.354	1.287.223	17.281.479	-	14.623

SOURCE: Budgetary Liquidations 1984. Financial Accounting Division. MOH.

has decreased by 3% during the period, approaching an average of sixty-nine million colones per year. (See Exhibit No. 7).

There are only two programs implemented by the hospitals: General Administrative Services and Health Services, whose relative share in annual current expenses has remained at 20% for general administration and 80% for health care. As to the purpose of the expenditure or general classes, the same trend as in the Secretariat of State is observed, that is, the relative share of expenditures for materials and supplies per year has decreased from 22.7% to 13.7% over the period, while expenses in Personal Services have increased from 74.6% to 84.0% during the same time. (See Exhibit No. 7).

The information described refers only to the Ministry's General Hospitals and excludes other subsidized agencies, most of which do not carry out health activities as such.

The Exhibits in Annex I (1-14), show the actual expenditures of the fourteen Hospitals during the period analyzed, by budgetary programs and general classes of expenditure. All of them show very little variation in the amounts expended, the same distribution among programs, and an increase of over 10% in expenses for personal services at the expense of a decrease of the same proportion in expenses for materials and supplies.

2.2 CURRENT OR OPERATING EXPENSES AND COMMITMENTS DERIVED FROM INVESTMENT PROJECTS. 1980-1984.

The work modality of the Ministry of Public Health allows it to implement its investment projects through two procedures: by direct administration by the institution itself or through contracting construction firms or enterprises, in which case their specialized agencies become supervisors of the projects executed. Also, investment projects may refer, in the case of physical works, to the construction and outfitting of new establishments or the enlargement or maintenance of the existing ones.

EXHIBIT No. 7

CURRENT OR OPERATING EXPENSES BY PROGRAMS AND GENERAL CLASSES

DECENTRALIZED AGENCIES (HOSPITALS). MINISTRY OF PUBLIC HEALTH AND SOCIAL WELFARE. 1980-1984.

(Colones)

YEARS & PROGRAMS	GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:							
	General Admin. Services	13.885.902	10.691.215	1.551.805	1.640.902	-	1.980
	Health Services	56.391.480	41.736.556	328.715	14.323.002	-	3.225
	TOTALS	70.277.400	52.427.771	1.880.520	15.963.904	-	5.205
1981:							
	General Admin. Services	13.701.861	10.970.278	1.500.648	1.230.055	-	880
	Health Services	55.230.807	43.545.428	211.455	11.470.174	-	3.750
	TOTALS	68.932.668	54.515.706	1.712.103	12.700.229	-	4.630
1982:							
	General Admin. Services	13.416.109	10.731.833	1.637.711	1.072.585	-	980
	Health Services	53.947.128	43.642.358	186.645	10.113.710	-	4.415
	TOTALS	67.363.237	54.374.191	1.824.356	11.186.295	-	5.395
1983:							
	General Admin. Services	13.779.991	10.975.278	1.723.374	1.080.349	-	990
	Health Services	55.260.700	44.761.407	120.241	10.721.972	-	1.250
	TOTALS	69.040.691	55.736.685	1.843.615	11.802.321	-	2.240
1984:*							
	General Admin. Services	13.408.790	11.210.570	1.376.980	815.740	-	5.500
	Health Services	54.781.980	46.086.780	154.310	8.530.390	-	10.500
	TOTALS	68.190.770	57.297.350	1.531.290	9.346.130	-	16.000

SOURCE: Budget Preliminary Projects of the Hospitals, 1981-1985. Financial Accounting Division. MOH.

(*) Provisional figures

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For the reasons stated, current or operating expenses derived from this activity are reflected in the two programmatic categories used in the financial-budgetary administration, that is, in operating and investment programs.

Minister's

Among the operating programs, the Ministry implements Program 1.04, Health Engineering, whose main responsibility is maintaining the institution's infrastructures. This work is permanent and demands an approximate operating budget of one million colones per year. Over the period investigated, this expenditure decreased both in relative and absolute terms going from ¢1,207.485 in 1980 to only ¢803.111 in 1984, a 40% decrease. (See Exhibit No. 1).

As part of the overall investment program, Program 3.05, Investment Program Operation was developed. It is responsible for managing all investment projects with the greatest emphasis on those financed with outside funds which have implementing units in projects of major importance and priority. The allocation and expenditures of this program have increased over the period studied, going from ¢900.000 in 1980 to ¢1.356.800 in 1984, a 51% increase. (See Exhibit No. 8). This program's financing has been sustained with national resources making this situation equivalent with the one previously described. (See Exhibit No. 9).

During the five-year period, the current expenses derived from the Ministry's investment reached an amount of a little over 10 million colones, of which 47% correspond to Health Engineering and 53% to the operation of direct investment.

2.2.1 CURRENT OR OPERATING EXPENSES DERIVED FROM INVESTMENT PROJECTS OF THE GENERAL FUND, BY GENERAL CLASSES

No investment projects by the Nation's General Fund have been financed at the Ministry of Public Health since 1980. For this reason, current or operating costs derived from this activity have decreased considerably over the five years, dropping, as has been mentioned, by over 40% in current valued, thus making their actual reduction even greater.

EXHIBIT No. 8

CAPITAL OR INVESTMENT EXPENSES. AMOUNTS ALLOCATED AND USED

BY YEARS AND PROGRAMS 1980-1984

(Thousands of Colones)

New construction

PROGRAMS	1980		1981		1982		1983		1984	
	Allocated	Used	Allocated	Used	Allocated	Used	Allocated	Used	Allocated	Used
3.01 Enlargement of the Health Services Network	19.512.6	17.692.0	9.775.3	4.846.6	18.050.0	6.059.4	25.521.0	21.308.6	44.393.5	24.507
3.02 Const., Enlargement & Improvement to Dept. Bldgs.	5.959.1	4.952.6	2.876.0	2.669.0	2.020.0	2.013.5	1.365.0	945.5	2.991.5	1.675.
3.03 Rural Basic Sanitation	6.774.2	5.696.4	10.255.4	5.866.4	6.734.5	6.012.6	3.250.0	2.841.2	5.316.2	5.235.
3.04 Latrization	271.1	251.0	600.0	221.2	400.0	317.7	350.0	346.4	403.0	401.
3.05 Investment Programs Operation	900.0	869.4	894.1	963.2	1.165.0	1.120.3	1.215.0	1.139.0	1.356.8	1,315.
3.06 Nutrition	1.000.0	983.2	528.9	375.4	330.4	330.4	300.4	300.0	530.0	350.
4.01 Capital Transfers	500.0	500.0	2.683.3	0	0	0	0	0	0	0
TOTALS	34.917.0	30.944.6	27.613.0	14.841.8	28.699.9	15.854.0	32.001.0	26.888.83	55.926.5	34.262.

SOURCE: Constitutional Complementary Report. Ministry of Finance. 1980-1984.

EXHIBIT No. 9

CAPITAL OR INVESTMENT EXPENDITURES. AMOUNTS ALLOCATED AND USED
BY PROGRAMS AND FINANCING SOURCES. MOH. 1980-1984.
(Colones)

PROGRAMS	ALLOCATIONS AND EXPENSES BY SOURCE	A L L O C A T I O N S			U S E D				
		TOTALS	General Fund	Internal Loans	Foreign Loans	TOTALS	General Fund	Internal Loans	Foreign Loans
3.01	Enlargement of Health Services Network	117.252.435	708.740	38.524.795	78.018.900	74.414.234	698.011	24.673.827	49.042.33
3.02	Constr., Enlargement and Improvements to Bldgs. of the Department	16.147.248	1.093.050	14.118.648	935.550	13.033.433	1.092.209	11.163.209	777.81
3.03	Rural Basic Sanitation	32.330.155	1.721.930	15.596.015	15.012.210	25.650.892	1.559.097	11.832.315	12.259.48
3.04	Latrinization	2.024.070	213.280	1.810.790	-	1.537.713	194.187	1.343.526	
3.05	Investment Program Operation	5.530.864	680.000	4.650.864	-	5.306.788	851.251	4.455.537	
3.06	Nutrition	2.689.290	-	2.464.290	225.000	2.339.753	-	2.114.753	225.00
4.01	Capital Transfers	3.283.318	-	500.000	-	500.000	-	500.000	
TOTALS		176.474.062	4.617.000	77.665.402	94.191.660	122.782.813	4.394.951	56.083.167	62.304.69

SOURCE: Constitutional Complementary Report. Ministry of Finance. 1980-1984.

This fact, however, does not mean that it is not necessary for the Health Engineering Bureau (responsible for the supervision of contracted projects and the maintenance and enlargement of the Department's buildings) to continue functioning, but shows the Ministry's difficult financial situation.

The corresponding information further demonstrates the concentration of expenditures in maintaining the unit's personnel, since this general class increased its percentage share from 84% to 92% during the period, reducing the materials and supplies expenditure share from 15% to 7%. (See Exhibit No. 10).

2.2.2 CURRENT OR OPERATING EXPENSES DERIVED FROM INVESTMENT PROJECTS WITH FOREIGN FINANCING BY GENERAL CLASSES

During the period observed, of an expenditure of 122.8 million colones in direct investment, only 4.4 million came from the nation's general fund. The rest was financed with domestic or foreign loans, which explains the constant growth during the period of current or operating expenses derived from foreign financed investment. This foreign investment grew by 46% of its initial amount, and increased from Q869.359 in 1980 to Q1.314.962 in 1984.

The expense structure has remained more or less constant during the five years, having reached an average of 96% in personal services and the rest in materials and supplies and some non-personal services. (See Exhibit No. 11).

EXHIBIT No. 10

CURRENT OR OPERATING EXPENSES DERIVED FROM INVESTMENT PROJECTS OF THE GENERAL FUND BY GENERAL CLASSES. MOH. 1980-1984

(Colones)

YEARS \ GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980	1.207.485	1.019.555	7.621	180.009	-	300
1981	1.256.572	1.088.210	14.226	154.136	-	-
1982	768.889	679.930	9.424	79.535	-	-
1983	745.385	686.876	4.000	54.209	-	300
1984	803.111	739.946	5.618	57.547	-	-
TOTALS	4.781.442	4.214.517	40.889	525.436	-	600

SOURCE: Budgetary Liquidations. Financial Accounting Division. MOH. 1980-1984.

EXHIBIT No. 11
CURRENT OR OPERATING EXPENSES DERIVED FROM INVESTMENT PROJECTS WITH
FOREIGN FINANCING. MOH. 1980-1984*

Y E A R S \ GENERAL CLASSES	TOTALS	PERSONAL SERVICES	NON-PERSONAL SERVICES	MATERIALS & SUPPLIES	MACHINERY & EQUIPMENT	REGULAR TRANSFERS
1980	869.359	834.731	16.885	16.745	-	998
1981	863.184	851.932	614	10.638	-	-
1982	1.120.276	1.091.757	1.224	27.175	-	-
1983	1.139.008	1.088.730	12.488	37.790	-	-
1984	1.314.963	1.245.343	10.630	58.990	-	-
TOTALS	5.306.790	5.112.493	41.861	151.338		998

SOURCE: Constitutional Complementary Report. Ministry of Finance. 1980-1984.

* Commitments or expenses not made by December 31 of each year were distributed pro rata to the expenses of each general class of the respective year.

for

III. ANALYSIS OF THE INFORMATION OBTAINED

Because the recording and collection of Ministry of Health's financial information is not centralized, it is difficult to carry out a complete and objective financial analysis. This situation makes it necessary to obtain the information from different sources and then process it to attain the necessary consolidation. But, this process becomes difficult in the case of a retrospective analysis because complete information is not available, giving rise to some differences regarding the figures recorded by the Ministry of Finance's Central Accounting Office, although they do not result in differences regarding the expenditure's trends or structures.

The information in this study was developed so that the analysis could determine how much and for what the Ministry spends per year in order to understand its finance process and support decision-making regarding the country's sanitary policy.

3.1 EVOLUTION OF THE MINISTRY OF HEALTH'S OPERATING EXPENSE AND ITS STRUCTURE DURING THE PERIOD 1980-1984

During the period analyzed, the operating costs or expenses of the MINISTRY OF HEALTH increased by 6.6%, or from ¢147.491.1 thousand colones spent in 1980 to ¢157.288.4 thousand colones in 1984. However, considering the inflationary process the country is facing, it may be concluded that this growth is a fallacy and that what has really happened is a decrement or reduction in the resources expended for operating programs.

During the period indicated, the operating expenditure fluctuated from year to year; increasing from 1980/81 by 3.2%, decreasing in 1981/82 by 1.6% and in 1982/83 by 4.2%, and increasing again by 9.6% between the years 1983/84. (See Exhibit No. 1).

This completely abnormal behavior originates mainly from the following causes:

- a) The financial contraction in the country's economy which prevents the Government from increasing budgetary allocations in accordance with the Ministry's actual needs.
- b) The adoption of priority measures in public expenditures through transfers to programs regarded as strategic.
- c) The government's austerity provisions which reduce budget allocations in order to seek an Income-Expense balance in the Nation's General Budget.

This situation has serious repercussions on the country's sanitary conditions among which may be listed the following:

- a) Sustained deterioration of health care provided to the country's population, and hence the sanitary situation in general.
- b) The Ministry of Health's inability to implement sanitary policy, or more simply, to formulate and execute its plans and programs.
- c) The Ministry of Health's inability to perform its planning functions which is aggravated by the country's socio-political situation; the planning function takes on major importance when viewed in conjunction with the increase in morbidity in the country.

The structured analysis of operating costs or expenses is posed from two primary aspects: What was the money spent on? that is, how were the funds used, and, How was the expense financed? that is, what sources of financing were available to the Ministry to cover its expenses. The results of the analysis are described below:

3.1.1 CURRENT OR OPERATING COSTS ACCORDING TO USES

The information collected and processed allows an understanding of the functional areas to which the expenditure was oriented, but there is no information to show for what substantive activities of the Ministry's "must do" work, the expenditure was made. Furthermore, the expenditures for the two large areas of public health, prevention and curing, cannot be separated; to arrive at this knowledge it is necessary to redevelop the data from the origin and application of the expense.

3.1.1.1 CURRENT OR OPERATING COSTS ACCORDING TO PROGRAMS

Exhibit No. 1 shows the evolution of the Ministry's operating expenses by programs and years over the five-year period. The program structure during the period preserved the same programs and for four of them: Top Management, Health Services Planning, Health Engineering, and Normative Technical Services, the same proportion regarding expenditures, their expenses being almost constant. The other two programs, Administrative Services and Operative Health Services changed their share of expenses in the same proportion but inversely, one with regard to the other: in 1980 General Administrative Services reached 35% of the operating expenditure analyzed and Health Operative Services 58%; for 1984 the proportion had changed by 10% for each program with General Administrative Services spending 25% of operating expenditures and Operative Services, 68% of the same heading. The expenditure reached by both programs, both at the beginning and at the end of the period, represented 93.5% of the total operating expenditures of the Ministry's centralized agencies.

The changes described, however, do not mean any change in the Ministry's expenditures' policy, as both programs comprise subprograms to cover the population's health care demand. Thus, in the General Administrative Services, the subprogram of Material and Equipment Supply in general for the Department, includes the wholesale purchase of medications for all the Ministry's establishments and the Health Operatives Services program, in the Regional Health Services subprogram, includes all the personnel and supplies required to take care of the demand for preventive health services by people living in municipalities lacking General Hospitals (252 municipalities).

*Review
units*

In summary, the expenditures of both subprograms entail medical care to the entire population, from which it may be deduced that around 80% of the operating expense of the Ministry of Health is oriented to curative care. The transfer of the major share of the Supplies subprogram for Regional Services expenses seems to have originated from the reduction in the purchase of supplies in general and especially of equipment and machinery and the increased cost of Personal Services.

Operating expenses at the Hospitals or decentralized establishments show a small 3% reduction during the five-year period while maintaining exactly the same programmatic distribution: 20% of expenses in general administration and 80% in health services. (See Exhibit No. 7).

3.1.1.2 CURRENT OR OPERATING COSTS BY GENERAL CLASSES

In describing the expenditures according to their use or general classes, the rather significant displacement (10%) of the expenditures share for materials and supplies to personal services expenditures was noted. This fact is shown both in the Ministry's operating expenses and those of the Hospitals, demonstrating the alternative faced by the Ministry of maintaining its employment levels, retaining its professional, technical, administrative, and auxiliary or service staff and reducing its material purchases or, on the contrary, reducing its personnel levels and maintaining the level of supplies. (See Exhibits No. 2 to No. 7). By deciding to maintain its staff, the Ministry faces the gradual and constant deterioration of the quality and efficiency of its actions, thus lowering the country's general health situation.

3.1.1.3 CURRENT OR OPERATING COSTS BY ACTIVITIES

In Chapter II it was disclosed that the Ministry of Health does not at present make up a program budget, its programmatic structure being oriented more toward functional than substantive activities for the care of the population's health.

The ideal would be to structure a budget by specific programs to facilitate decision-making on the country's sanitary policy.

2

The financial demand for developing adequate levels of protection for the population, for promoting and protecting the community's health as well as recovering and restoring the health lost by its inhabitants should be known; however, in very general terms, the analysis performed evidences the following facts: (See exhibits No. 1 and No. 7).

- a) Approximately 10% of current expenses at the central level and 20% of Hospital expenses, are used in routine administrative tasks.
- b) About 3% of the central level operating expenditure is used in sanitary planning work.
- c) Between 1% and 2% of the same heading covers Health Engineering and an equal amount, technical standardization for the entire Ministry.
- d) Approximately 60% of the current expenditure at the central level and 80% of such expenditures at the Hospitals are for direct assistance to the public, mostly of a curative nature.
- e) Around 6% of these expenditures support the anti-malaria campaign and 1% is used for clinical laboratory services.
- f) About 20% of expenditures is used for the purchase of medications and other specific supplies for the entire Department.

3.1.1.4 CURRENT OR OPERATING COSTS BY SANITARY REGIONS

The importance and necessity of knowing the geographical distribution or sanitary regions of the entire health care expenditure is obvious in order to correct the tendency to centralize the care and leave peripheral areas unprotected. This situation is unknown at the Ministry of Health at this time, due to the centralization of administrative actions making it impossible to know whether the objectives of distributive justice entailed by any sanitary action are fulfilled.

3.1.2 CURRENT OR OPERATING COSTS ACCORDING TO FINANCING SOURCES

Exhibit No. 12 shows the situation observed regarding sources of financing, both for operating expenses and investment, during the period analyzed. The data show that operating expenses are covered almost entirely by the Nation's General Fund, such coverage ranging between 98.1% and 98.6% over the period; the remaining expenditure, between 1.9% and 1.4%, is covered with the Hospitals' own funds from the hospitalization of patients who pay a modest amount per day to the Hospital and from the sale of certain services such as laboratory, radiology, and others rated under Decree 2408 of September 22, 1978. In this regard, it may be assured that there are many options to achieve the participation of the community and the users of each establishment in co-financing Hospital operations which to date lack the valuable help that the community can lend them.

The Ministry's investment program has been financed, with some variation in its annual proportion, through domestic and foreign loans, except for the first year of the period in which there was some participation of the Nation's General Fund.

Specifically, of a total of \$122,782,813 invested during the five-year period, 3.6% came from the General Fund, 45.7% from domestic loans, and 50.7% from foreign loans.

The most outstanding fact regarding the investment program is the lack of implementing ability shown by the Ministry of Health. As evidenced by the data in Exhibit No. 13, during some years 46.2% of budget allocations were not used, even when there were Executive Units for the Health Service Network Enlargement Program and the Rural Basic Sanitation program, thus reducing the Ministry's employment generating capacity and increasing foreign financing costs by having to pay larger amounts for commitment commissions for foreign loans.

EXHIBIT No. 12
 ACTUAL EXPENSES BY PROGRAMMATIC CATEGORY AND FINANCING
 SOURCES. MINISTRY OF PUBLIC HEALTH AND SOCIAL WELFARE
 1980-1984

(Colones)

PROGRAMMATIC CATEGORY	Y E A R				
	1980	1981	1982	1983	1984
Operation					
- General Fund	145.927.475	150.025.150	147.854.225	141.465.196	155.879.510
- Own Funds	1.563.625	2.158.950	1.968.675	2.050.104	1.408.990
SUB TOTAL	147.491.100	152.184.100	149.823.100	143.515.300	157.288.500
Investment					
General Fund	4.394.951	-	-	-	-
Domestic Loans	14.883.848	10.576.120	9.888.653	8.259.581	12.474.965
Foreign Loans	11.665.769	4.265.640	5.965.326	18.621.000	21.787.729
SUB TOTAL	30.944.568	14.841.760	15.853.979	26.880.581	34.262.694
TOTALS	178.435.668	167.025.860	165.577.079	170.395.881	191.551.194

SOURCES: Constitutional Complementary Report 1980-84. Ministry of Finance.

Hospital Budget Preliminary Project 1981-85. Ministry of Public Health and S.W.

EXHIBIT N° 13

BUDGET ALLOCATIONS AND THEIR USE ACCORDING TO
PROGRAMMATIC CATEGORY, MPHSW, 1980-1984

(Thousands of Colones)

PROGRAMMATIC CATEGORY AND YEARS	ALLOCATION	USED QUANTITY	%	NOT USED QUANTITY	%
1980					
OPERATION	151.479.0	147.491.1	97.4	3.987.9	2.6
INVESTMENT	34.917.0	30.944.6	88.6	3.972.4	11.4
TOTALS	186.396.0	178.435.7	95.7	7.960.3	4.3
1981					
OPERATION	160.360.0	152.184.1	94.9	8.175.9	5.1
INVESTMENT	27.612.9	14.841.8	53.7	12.771.1	46.2
TOTALS	187.972.9	167.025.9	88.8	20.947.0	11.1
1982					
OPERATION	151.846.4	149.823.1	98.7	2.023.3	1.3
INVESTMENT	28.700.0	15.854.0	55.2	12.846.0	44.8
TOTALS	180.546.4	165.677.1	91.8	14.869.3	8.2
1983					
OPERATION	145.821.6	143.515.3	98.4	2.306.3	1.6
INVESTMENT	32.001.0	26.880.6	84.0	5.120.4	16.0
TOTALS	177.822.6	170.395.9	95.8	7.426.7	4.2
1984					
OPERATION	157.965.0	157.208.5	99.6	3.649.3	1.0
INVESTMENT	55.926.5	34.262.7	61.3	18.729.9	52.0
TOTALS	213.891.5	191.551.2	89.6	22.379.2	5.7

SOURCE: Constitutional Complementary Report. Years 1980-84. Ministry of Finance.

EXHIBIT No. 14

CURRENT OR OPERATING EXPENSES DERIVED FROM THE INVESTMENT PROGRAMS OF THE
MINISTRY OF PUBLIC HEALTH AND S.W. 1980-1984

(Thousand Colones)

PROGRAMS	TOTAL ALLOCATION	1980		1981		1982		1983		1984	
		Allocated	Used								
..04 Health Engineering		1.330.9	1.209.1	1.272.6	1.246.6	779.0	771.6	774.8	745.0	825.3	803.6
..05 Investment Program Operatic:		900.0	869.4	894.1	863.2	1.120.3	1.120.3	1.215.0	1.139.0	1.356.8	1.315.0
TOTALS		2.230.0	2.078.1	2.166.7	2.109.8	1.944.0	1.989.8	1.989.8	1.884.0	2.182.1	2.118.6

SOURCE: Constitutional Complementary Report 1980-1984. Ministry of Finance.

3.2 IMPLICATIONS OF THE INVESTMENT PROGRAMS ON THE MINISTRY OF HEALTH'S CURRENT EXPENSES OR COSTS

The information available shows that the investment programs or projects include a demand for essential operating expenses for their own execution. During the period analyzed, the amounts used at the level of the Ministry as well as on direct investment projects were rather low, probably due to the reduced investment implemented.

Current expenses derived from investment programs over the period observed increased by 2% of their initial amount, going from Q2,078.1 thousand colones in 1980 to Q2,118.6 thousand colones in 1984. The amount per year never signified more than 1.5% of the current costs or operating expenses of the respective year.

Regarding the investment amounts per year, their percentage ratio fluctuated considerably having reached 6% and 7% during the years 1980, 1983, and 1984, but in 1981 signified 14.2% of the year's investment and 11.9% for 1982. (Exhibit No. 14).

The foregoing analysis refers to what happened over the period 1980-1984; it is necessary to foresee what might happen with the implementation of the investment projects for the "1985-1989 Health Plan," with emphasis on the Health Services Network Extension Program and the completion and start-up of the recently built establishments with priority on the "Francisco Menéndez" Hospital of Ahuachapan, the "San Rafael" Hospital in Santa Tecla, and the "Regional" Hospital in San Miguel. Prior to any analysis of the investment program included in the "1985-1989 Health Program," it should be stated categorically that the Ministry at this time completely lacks any financing for such program, so much so that for next year (1986) it is drastically reducing the projects scheduled and retain only those with foreign financing.

3.2.1 EXTENSION OF THE HEALTH SERVICES NETWORK 1985-1989

This program includes projects under numbers I, II, and III of the Investment Program for the five years (see Exhibit No. 1 of Annex III), projects for the

remodeling and enlargement of buildings of the Department, the Rural Basic Sanitation Plan programs, and a few support or institutional projects which amount to a total of Q488.4 million for the five years.

Of the investment projects scheduled, those with the greatest current costs or expenses would be the construction of the new Hospitals at Sonsonate and San Vicente and of the Mother-Child Unit at Santa Ana, which would probably triple the present costs of such units.

Due to the uncertainty regarding the implementation of the Investment Program of the five-year Plan, it is not pertinent to pursue this analysis.

3.2.2 TOTAL OPERATING BUDGET FOR THE FIRST YEAR BY PLACING IN SERVICE AHUACHAPAN, NUEVA SAN SALVADOR (Santa Tecla), AND SAN MIGUEL HOSPITALS

1. METHODOLOGY

The following methodologies have been followed in calculating the operating budget for the first year of operation of the above-mentioned hospitals.

- 1 - It is assumed that all the beds proposed will be commissioned.
- 2 - The total operating cost will be calculated on the following basis:
 - a - Occupied bed-days (goal for 1986)
 - b - Number of consultations (goal for 1986)

These two cost elements were taken because they are the ones used in the study "Cost Analysis San Miguel Regional Hospital" by Birch & Davies Association, Inc. (September 1983).

- 3 - The monetary costs of the study were applied without distinction to the three hospitals.

2. NUMBER OF BEDS AND OCCUPATION LEVEL GOALS

The proposed number of beds for each hospital are the following:

AHUACHAPAN	200 beds
SANTA TECLA	400 beds
SAN MIGUEL	624 beds

The goal for the first year of operation is to achieve maximum occupation of 80%, therefore occupied bed-days will be:

AHUACHAPAN:

$$365 \text{ days} \times 0.80 = 292 \text{ beds} = 58.400$$

SANTA TECLA:

$$365 \text{ days} \times 0.80 = 292 \text{ beds} = 116.800$$

SAN MIGUEL:

$$365 \text{ days} \times 0.90 = 328 \text{ beds} = 162.208$$

3 MEDICAL CONSULTATION GOALS

We have estimated consultations for 1986, according to the present beds-consultation ratios with the following results:

AHUACHAPAN

53,768 consultations

SANTA TECLA

138,537 consultations

SAN MIGUEL

260,000 consultations (estimated in the Davis Survey)

4 COSTS

The unit costs of the above-mentioned study are as follows:

¢ 75.00 per day occupied bed

¢ 20.00 per medical consultation

These costs include all operating expenses used for the hospital. It was deemed that they are representative of actual costs, except for the inflationary element, and also representative for application to other hospitals as they were computed on the basis of the Usulután Hospital which has the same budget as the Ahuachapan and Santa Tecla Hospitals at this time.

5 CALCULATION OF A NEW BUDGET AND COMPARISON WITH THE PRESENT ONE

The calculation of the financing budget for the first year for each hospital will be:

AHUACHAPAN

Occupied bed-days	58.400 x ¢ 75.00 =	¢ 4.305.000
Medical consultations	13.268 x ¢ 20.00 =	<u>¢ 1.065.360</u>
TOTAL		¢ 5.370.360
Present 1986 Hospital Budget		<u>¢ 3.670.960</u>
Necessary complement to the budget		¢ 1.699.400

SAN MIGUEL

Occupied bed-days	182.208 x ¢ 75.00 =	¢13.665.600
Medical consultations	260.000 x ¢ 20.00 =	<u>¢ 5.200.000</u>
TOTAL		¢18.865.600
Present 1986 Hospital Budget		<u>¢ 5.523.020</u>
Budget complement		¢13.324.580

SANTA TECLA

Occupied bed-days	116.800 x ¢ 75.00 =	¢ 8.760.000
Medical consultations	138.537 x ¢ 20.00 =	<u>¢ 2.750.740</u>
TOTAL		¢11.510.740
Present 1986 Hospital Budget		<u>¢ 3.601.350</u>
Budget complement		¢ 7.909.390

COMMENTS

In summary, in order to put the three hospitals in operation, a complementary operating cost is required for an aggregate amount of:

AHUACHAPAN	¢ 5.370.360	
SANTA TECLA	¢ 11.510.740	
SAN MIGUEL	<u>¢ 18.865.600</u>	¢ 35.746.700
Less present cost		
AHUACHAPAN	¢ 3.670.960	
SANTA TECLA	¢ 3.601.350	
SAN MIGUEL	<u>¢ 5.523.020</u>	<u>¢ 12.795.330</u>
COMPLEMENTARY BUDGET		¢ 22.951.370

This means a complement equivalent to double the present budget.

Under the budgetary austerity conditions ordered by the Central Government (reduction of 10% for the MOH for 1986), it is quite clear that the goals can only be achieved with special financing.

For 1986, the budget is reduced by more or less 10% of the 1985 budget, leading to the further deterioration of health care services. For the coming years, goals are being set up with increases in the services in all areas as may be seen from Annex IV. For instance, it is established that consultation coverage, now at the level of 40% for the population served by the MOH will grow to 60% for 1989. We wonder how can such goals be achieved by reducing instead of increasing the budget?

The budget projections we present, taking into account only inflation, will reach by 1989 the figure of 0937.449.648 or five (5) times more than the amount budgeted for 1986, and this only to maintain the present level of service. The goals will be an illusion unless financing is secured.

IV. OPERATING BUDGET FOR THE MOH 1985-1989 FIVE-YEAR PLAN
IMPLICATIONS ON PRESENT COSTS

The budget for the new five-year plan was required to develop this item. The MOH has only prepared the health service goals for the plan but has not developed a budget. According to explanations offered, this is due to the fact that no suitable financing is available to attain such goals.

The goals are attached hereto under Annex III as we will be referring to them in our comments in this chapter.

To prepare a five-year budget on the basis of such goals is beyond the time limits of this study, particularly as unit cost investigations at the different general health centers throughout the country would have to be carried out.

In view of this budgetary difference, and in order to have some information on the minimal needs for the future, we present under exhibits No. 15 and 16 the 1985 budget under implementation; the 1986 budget prepared by the MOH; and a projection based on this budget, taking into account the inflation ratios, developed for the five-year period.

The inflation ratio was prepared on the basis of the price index, 1978 base, of the General Statistics and Census Bureau and the general inflation rate of the same Bureau, for the last five years; the projections of the inflation ratio appear in Annex IV.

COMMENT

In Chapter III it was seen that actual financing costs have remained stable during the 1980-85 period in absolute values. This has signified that the actual value of health services has decreased because of a loss of purchasing power and the way to increase it have not been taken into account.

The situation has been aggravated by population growth and increased morbidity due to the prevailing situation.

EXHIBIT N° 15

MOH BUDGETS YEARS 1985 & 1986

<u>I OPERATION</u>	<u>1985 BUDGET IN IMPLEMENTATION</u>	<u>1986 BUDGET</u>
1.01. TOP MANAGEMENT	677.900	744.710
1.02 GENERAL ADMINISTRATIVE SERVICES	21.276.900	21.276.990
1.03 HEALTH SERVICES PLANNING	2.699.690	735.710
1.04 HEALTH ENGINEERING	768.770	679.950
1.05 NORMATIVE OPERATIVE TECHNICAL SERVICES	6.551.190	6.698.380
1.06 REGIONAL HEALTH SERVICES	45.730.890	45.607.220
1.07 FORMATION AND ADMINISTRATION OF HUMAN RESOURCES	-	2.294.230
	<u>77.705.340</u>	<u>78.037.190</u>
 <u>II REGULAR TRANSFERS</u>		
(Hospital operation expenses)		
1.01 GENERAL ADMINISTRATION SERVICES	18.071.470	18.341.450
1.06 HEALTH SERVICES	73.924.080	70.144.670
SUB TOTAL	<u>91.995.560</u>	<u>88.486.120</u>

(Exhibit N° 15, continued)

	1985 BUDGET IN <u>IMPLEMENTATION</u>	1986 <u>BUDGET</u>
<u>III INVESTMENT</u>		
3.01	ENLARGEMENT OF HEALTH SERVICES NETWORK	27.888.310 11.300.733
3.02	CONSTRUCTION, ENLARGEMENT AND IMPROVEMENT OF THE DEPARTMENT'S BUILDINGS	100.000 -
3.03	BASIC RURAL SANITATION	3.128.920 4.717.020
3.04	LATRINIZATION (URBAN)	447.980 447.980
3.05	INVESTMENT PROGRAMS OPERATION	1.366.040 1.366.040
3.06	NUTRITION	- -
3.07	CONSTRUCTION OF "SARA ZALDIVAR" CENTER BUILDING	- 100.000
3.08	CONSTRUCTION AND OUTFITTING OF SANTA TECLA "SAN RAFAEL" HOSPITAL	- -
	SUB TOTAL	32.931.250 17.931.773
	General Total (I, II, III)	202.632.150 184.455.083

(1) SOURCE: MPH/SW: Planning Division and Financial Division.

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EXHIBIT No. 16

MOH BUDGET PROJECTIONS 1987 TO 1989 ^{1/}Programs and Sub-Programs

	1987	1988	1989
I. OPERATION			
1.01 Top Management	1.118.153	1.922.444	3.784.811
1.02 General Administrative Services	31.946.591	54.925.869	108.135.304
1.03 Health Services Planning	1.104.640	1.899.210	3.739.069
1.04 Health Engineering	1.020.910	1.755.269	3.455.685
1.05 Normative Operative Technical Services	10.057.303	17.291.654	34.042.943
1.06 Regional Health Services	68.477.507	117.733.583	231.787.991
1.07 Formation and Training of Human Resources	3.444.699	5.922.481	11.659.884
Sub-Total	<u>117.169.872</u>	<u>201.450.510</u>	<u>396.605.687</u>
II. REGULAR TRANSFERS (Hospitals Operating Expenses)			
1.01 General Administration Services	27.538.990	47.347.868	93.216.115
1.02 Health Services	105.319.556	181.076.228	356.493.823
Sub-Total	<u>132.858.546</u>	<u>228.424.096</u>	<u>449.709.938</u>
III. INVESTMENT			
3.01 Enlargement of Health Services Network	16.967.622	29.172.483	57.433.325
3.02 Construction, Enlargement and Improvements to the Department's Services	-	-	-
3.03 Basic Rural Sanitation	7.082.426	12.176.836	23.973.145
3.04 Latrination (Urban)	672.624	1.156.444	2.276.749
3.05 Investment Programs Operation	2.051.057	3.526.388	6.942.576
3.06 Nutrition	-	-	-
3.07 Construction of the "Sara Zaldivar" Center Building	150.146	258.148	508.228
3.08 Construction and outfitting of "San Rafael" Hospital	-	-	-
Sub-Total	<u>26.923.875</u>	<u>46.290.299</u>	<u>91.134.023</u>
GENERAL TOTAL (I + II + III)	<u>276.952.293</u>	<u>476.164.905</u>	<u>937.449.648</u>

^{1/} Own development based on 1986 Budget and inflation ratio.

V. CONCLUSIONS AND RECOMMENDATIONS

The study performed permits us to formulate the following conclusions and recommendations.

5.1 CONCLUSIONS

1. The current expenses or costs of the Ministry of Public Health and Social Welfare have remained practically stable at their nominal amount over the period analyzed, due mainly to the financial contraction the country's economy is undergoing, to the adoption of strategic priority measures in public expenditure, and the governmental austerity provisions seeking a budgetary balance.
 2. The situation described entails a serious deterioration of the health level of the national population due to the loss of ministerial financing/purchasing power, increased morbidity, and reduction of health care coverage. Furthermore, this situation gives rise to multiple deficiencies in the processing of financial information.
 3. The maintenance of expense levels and the inflationary process have caused a displacement of expenditures in curative activities to the detriment of preventive activities; as well as a transfer of expenses for materials and supplies to personal services.
 4. Also, the rigid spending framework makes sanitary planning actions impossible and which results in a lack of information about unit costs of the Ministry's substantive activities.
 5. By nominally stabilizing expenditures, the Ministry's investment capacity has been restricted, leaving such activities subject to foreign financing.
 6. Deterioration of the Ministry's financial administration is observed with the disappearance of the Cost System and Regional Budgeting.
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7. The 10% reduction in operating expenses in the 1986 Budget requested by the Ministry of Finance aggravates the critical financial position of the Ministry of Public Health, producing such uncertainty that not even a tentative budget has been prepared for the new 1985-1989 Five-Year Plan.
8. The 1986 budget projections for the five-year period based on the observed inflation ratio over the last five years, would quintuple current expenses or costs by 1989.
9. The start up of the new hospitals, "Francisco Menendez" in Ahuachapan, "San Rafael" in Santa Tecla, and "Regional" in San Miguel, triple the present operating expenses in their first year of operation.

5.2 RECOMMENDATIONS

1. Procure, as soon as possible, financing for the operating and investment programs outlined in the 1985-1989 Five-Year Plan, as well as to place the new hospitals in service.
2. Create an efficient and integral Financial Information System.
3. Formulate and implement a Costs System of Health Activities.
4. Develop, as expeditiously as possible, a Budget for the 1985-1989 Five-Year Plan.

A N N E X I

CURRENT OR OPERATING EXPENSES BY PROGRAMS
AND GENERAL CLASSES

GENERAL HOSPITALS

1980 - 1984

EXHIBIT No. 1

AHUACHAPAN HOSPITAL. ACTUAL EXPENSES BY PROGRAMS AND GENERAL CLASSES
YEARS 1980-1984

(Colones)

YEARS & PROGRAMS	GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:							
	General Admin. Services	639.219	498.107	75.688	65.424	-	-
	Health Services	2.469.107	1.686.648	6.724	773.835	-	1.900
	TOTALS	3.108.326	2.184.755	82.412	839.259	-	1.900
1981:							
	General Admin. Services	631.415	527.808	71.441	32.166	-	-
	Health Services	2.535.286	1.863.405	8.010	663.871	-	-
	TOTALS	3.166.701	2.391.213	79.451	696.037	-	-
1982:							
	General Admin. Services	597.644	487.672	71.755	38.127	-	-
	Health Services	2.311.119	1.844.928	4.835	461.356	-	-
	TOTALS	2.908.763	2.332.600	76.590	499.573	-	-
1983:							
	General Admin. Services	622.435	540.821	52.469	29.145	-	-
	Health Services	2.366.004	1.885.387	2.247	478.370	-	-
	TOTALS	2.988.439	2.426.208	54.716	507.515	-	-
1984:							
	General Admin. Services	653.080	547.760	70.320	34.000	-	1.000
	Health Services	2.386.020	1.934.540	2.530	447.950	-	1.000
	TOTALS	3.039.100	2.482.300	72.850	481.950	-	2.000

SOURCE: Budgets Preliminary Project 1981-1985, Ahuachapán Hospital

EXHIBIT No. 2

SANTA ANA HOSPITAL. ACTUAL EXPENSES BY PROGRAMS AND GENERAL CLASSES

YEARS 1980 - 1984

(Colones)

YEARS & PROGRAMS \ GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:						
General Admin. Services	1.676.329	1.339.797	179.052	157.480	-	-
Health Services	6.453.200	4.828.239	6.491	1.617.745	-	725
TOTALS	8.129.529	6.616.036	185.543	1.775.225	-	725
1981:						
General Admin. Services	1.641.938	1.370.476	171.956	99.131	-	375
Health Services	6.650.835	5.193.414	3.705	1.452.231	-	1.485
TOTALS	8.292.773	6.563.890	175.661	1.551.362	-	1.860
1982:						
General Admin. Services	1.613.129	1.343.018	176.509	92.922	-	680
Health Services	6.363.032	5.125.073	5.075	1.231.044	-	1.840
TOTALS	7.976.161	6.468.091	181.584	1.323.966	-	2.520
1983:						
General Admin. Services	1.711.821	1.384.318	244.225	83.278	-	-
Health Services	6.329.648	5.251.424	6.160	1.072.064	-	-
TOTALS	8.041.469	6.635.742	250.385	1.155.342	-	-
1984:						
General Admin. Services	1.668.550	1.401.810	180.500	85.740	-	500
Health Services	6.293.240	5.384.850	6.960	900.430	-	1.000
TOTALS	7.961.790	6.786.660	187.460	986.170	-	1.500

SOURCE: Budgets Preliminary Project 1981-1985. Santa Ana Hospital

EXHIBIT No. 3
SONSONATE HOSPITAL. ACTUAL EXPENSES BY PROGRAMS AND GENERAL CLASSES.

YEARS 1980-1984

(Colones)

GENERAL CLASSES YEARS & PROGRAMS	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:						
General Admin. Services	565.475	515.927	22.569	26.979	-	-
Health Services	2.246.252	1.703.039	2.654	540.559	-	-
TOTALS	2.811.727	2.218.966	25.223	567.538	-	-
1981:						
General Admin. Services	574.265	513.578	34.386	26.301	-	-
Health Services	2.217.431	1.755.874	1.548	460.009	-	-
TOTALS	2.791.696	2.269.452	35.934	486.310	-	-
1982:						
General Admin. Services	580.667	516.390	43.317	20.960	-	-
Health Services	2.226.669	1.754.068	-	472.601	-	-
TOTALS	2.807.336	2.270.458	43.317	493.561	-	-
1983:						
General Admin. Services	584.029	531.260	39.265	13.504	-	-
Health Services	2.251.416	1.815.443	-	435.973	-	-
TOTALS	2.835.445	2.346.703	39.265	449.477	-	-
1984:						
General Admin. Services	564.810	536.710	14.100	14.100	-	-
Health Services	2.175.440	1.868.890	-	306.550	-	-
TOTALS	2.740.250	2.405.600	14.100	320.550	-	-

SOURCE: Budgetary Preliminary Projects. Sonsonate Hospital. 1981-1985.

EXHIBIT No. 4

NUEVA SAN SALVADOR HOSPITAL. ACTUAL EXPENSES BY PROGRAMS AND
GENERAL CLASSES. YEARS 1980-1984
(Colones)

YEARS & PROGRAMS	TOTAL	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:						
General Admin. Services	530.733	450.040	47.675	33.018	-	-
Health Services	2.603.801	1.971.587	11.103	621.111	-	-
TOTALS	3.134.534	2.421.627	58.778	654.129	-	-
1981:						
General Admin. Services	540.302	462.231	60.638	17.433	-	-
Health Services	2.603.897	2.096.265	7.519	500.113	-	-
TOTALS	3.144.199	2.558.496	68.157	517.546	-	-
1982:						
General Admin. Services	518.605	449.549	55.367	13.689	-	-
Health Services	2.517.728	2.066.696	7.040	443.992	-	-
TOTALS	3.036.333	2.516.245	62.407	457.681	-	-
1983:						
General Admin. Services	551.509	470.473	53.673	24.363	-	-
Health Services	2.552.341	2.121.586	6.456	424.299	-	-
TOTALS	3.103.850	2.592.059	63.129	448.662	-	-
1984:						
General Admin. Services	548.940	474.560	57.000	17.380	-	-
Health Services	2.533.040	2.174.070	8.000	350.970	-	-
TOTALS	3.080.980	2.648.630	65.000	368.350	-	-

SOURCE: Budget Preliminary Project 1981-1985, San Rafael Hospital, New San Salvador.

EXHIBIT No. 5

CHALATENANGO HOSPITAL, ACTUAL EXPENSES FOR PROGRAMS AND GENERAL CLASSES, 1980-1984
(Colones)

YEARS & PROGRAMS	GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:							
	General Admin. Services	655.403	431.250	94.462	129.691	-	-
	Health Services	1.516.903	1.258.108	590	258.205	-	-
	TOTALS	2.172.306	1.689.358	95.052	387.896	-	-
1981:							
	General Admin. Services	645.392	449.123	86.509	109.760	-	-
	Health Services	1.524.952	1.334.905	37	190.010	-	-
	TOTALS	2.170.344	1.784.028	86.546	299.770	-	-
1982:							
	General Admin. Services	671.249	450.761	77.769	142.719	-	-
	Health Services	1.512.911	1.295.702	84	217.125	-	-
	TOTALS	2.184.160	1.746.463	77.853	359.844	-	-
1983:							
	General Admin. Services	690.338	466.974	77.426	145.938	-	-
	Health Services	1.605.091	1.353.835	406	250.850	-	-
	TOTALS	2.295.429	1.820.809	77.832	396.788	-	-
1984:							
	General Admin. Services	645.250	476.870	72.200	96.180	-	-
	Health Services	1.528.340	1.328.490	250	199.600	-	-
	TOTALS	2.173.590	1.805.360	72.450	295.780	-	-

SOURCE: Budgetary Preliminary Projects 1981-1985. Chalatenango Hospital.

EXHIBIT No. 6
 ROSALES HOSPITAL. ACTUAL EXPENSES FOR PROGRAMS AND GENERAL CLASSES.
 YEARS 1980-1984
 (Colones)

YEARS & PROGRAMS	GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:							
	General Adm. Services	2.480.433	1.929.577	297.988	250.888	-	1.980
	Health Services	11.719.158	8.325.358	114.370	3.278.631	-	600
	TOTALS	14.199.592	10.254.935	412.358	3.529.719	-	2.580
1981:							
	General Adm. Services	2.359.731	1.979.652	272.073	107.501	-	505
	Health Services	10.593.841	8.649.427	50.813	1.891.336	-	2.265
	TOTALS	12.953.572	10.629.079	322.886	1.998.837	-	2.770
1982:							
	General Adm. Services	2.474.293	1.919.848	400.611	153.834	-	-
	Health Services	10.292.866	8.229.361	38.344	2.022.886	-	2.275
	TOTALS	12.767.159	10.149.209	438.955	2.176.720	-	2.275
1983:							
	General Adm. Services	2.445.090	2.001.051	360.697	83.342	-	-
	Health Services	10.760.520	8.866.359	26.425	1.866.456	-	1.250
	TOTALS	13.205.610	10.867.410	387.152	1.949.798	-	1.250
1984:							
	General Adm. Services	2.373.300	2.031.030	282.070	56.200	-	4.000
	Health Services	10.580.100	9.026.370	38.440	1.506.790	-	8.500
	TOTALS	12.953.400	11.057.400	320.510	1.562.990	-	12.500

SOURCE: Budget Preliminary Project 1981-1985. Rosales Hospital.

EXHIBIT No. 7

MATERNITY HOSPITAL. ACTUAL EXPENSES BY PROGRAMS AND GENERAL CLASSES.

YEARS 1980-1984

(Colones)

YEARS & PROGRAMS	GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:							
	General Admin. Services	1.109.652	876.378	127.753	105.522	-	-
	Health Services	5.389.247	4.122.668	18.892	1.247.687	-	-
	TOTALS	6.498.900	4.999.046	146.645	1.353.209	-	-
1981:							
	General Admin. Services	1.138.590	913.110	110.410	115.070	-	-
	Health Services	4.662.460	3.475.630	16.410	1.170.410	-	-
	TOTALS	5.801.050	4.388.740	126.830	1.285.480	-	-
1982:							
	General Admin. Services	1.077.021	853.931	180.471	42.619	-	-
	Health Services	5.229.632	4.295.899	11.846	921.887	-	-
	TOTALS	6.306.653	5.149.830	192.317	964.506	-	-
1983:							
	General Admin. Services	1.037.425	875.866	122.073	38.886	-	-600
	Health Services	5.522.075	4.423.438	9.920	1.088.709	-	-
	TOTALS	6.559.500	5.299.304	132.001	1.127.595	-	-600
1984:							
	General Admin. Services	1.017.210	844.450	105.330	27.430	-	-
	Health Services	5.408.130	4.466.950	10.000	931.180	-	-
	TOTALS	6.425.340	5.351.400	115.330	958.610	-	-

SOURCE: Budget Preliminary Project 1981-1984. Maternity Hospital.

EXHIBIT No. 8
 BENJAMIN BLOOM HOSPITAL. ACTUAL EXPENSES BY PROGRAMS AND GENERAL CLASSES.
 YEARS 1980-1984
 (Colones)

GENERAL CLASSES YEARS & PROGRAMS	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:						
General Admin. Services	1.488.775	1.030.045	260.454	198.276	-	-
Health Services	6.741.846	5.337.105	48.761	1.355.980	-	-
TOTALS	8.230.621	6.367.150	309.215	1.554.256	-	-
1981:						
General Admin. Services	1.529.049	1.031.149	296.376	201.524	-	-
Health Services	7.398.961	5.748.228	61.422	1.553.311	-	-
TOTALS	8.928.010	6.815.377	357.798	1.754.835	-	-
1982:						
General Admin. Services	1.426.949	1.041.297	281.137	131.215	-	-
Health Services	7.011.217	5.649.461	57.741	1.303.715	-	300
TOTALS	8.438.166	6.690.758	338.878	1.434.930	-	300
1983:						
General Admin. Services	1.545.674	1.038.707	365.320	141.257	-	-
Health Services	7.213.146	5.831.026	35.370	1.346.750	-	390
TOTALS	8.758.820	6.868.733	400.690	1.488.007	-	390
1984:						
General Admin. Services	1.430.530	1.099.310	211.650	219.570	-	-
Health Services	7.198.710	5.973.090	38.960	1.186.660	-	-
TOTALS	8.629.240	7.072.400	250.610	1.306.230	-	-

SOURCE: Budget Preliminary Project 1981-1985. BENJAMIN BLOOM HOSPITAL.

EXHIBIT No. 9
 PSYCHIATRIC HOSPITAL. ACTUAL EXPENSES BY PROGRAMS AND GENERAL CLASSES
 YEARS 1980-1984

(Colones)

GENERAL CLASSES YEARS & PROGRAMS	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:						
General Admin. Services	895.800	716.440				
Health Services	3.719.483	2.748.007	49.883	129.477	-	-
TOTALS	4.615.283	3.464.447	56.798	914.678	-	-
			106.681	1.044.155	-	-
1981:						
General Admin. Services	851.529	751.142				
Health Services	3.799.682	3.085.991	25.848	74.539	-	-
TOTALS	4.651.211	2.837.133	11.723	701.968	-	-
			37.571	776.507	-	-
1982:						
General Admin. Services	834.650	734.630				
Health Services	3.718.458	3.141.510	25.480	74.540	-	-
TOTALS	4.553.108	3.876.140	22.210	554.738	-	-
			47.690	629.278	-	-
1983:						
General Admin. Services	831.758	722.450				
Health Services	3.831.727	2.937.063	38.737	70.571	-	-
TOTALS	4.663.485	3.659.513	8.903	885.761	-	-
			47.640	956.332	-	-
1984:						
General Admin. Services	829.590	736.330				
Health Services	3.730.720	3.036.930	29.240	64.020	-	-
TOTALS	4.560.310	3.773.260	19.920	678.870	-	-
			44.160	742.890	-	-

SOURCE: Budget Preliminary Project 1981-1985. PSYCHIATRIC HOSPITAL

EXHIBIT No. 10

PNEUMOLOGY HOSPITAL. ACTUAL EXPENSES BY PROGRAMS AND GENERAL CLASSES.

YEARS 1980-1984

(Colones)

YEARS & PROGRAMS	GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:							
	General Admin. Services	759.537	653.596	41.451	64.490	-	-
	Health Services	2.503.176	1.688.454	28.537	786.185	-	-
	TOTALS	3.262.713	2.342.050	69.988	850.675	-	-
1981:							
	General Admin. Services	747.452	669.535	34.783	43.134	-	-
	Health Services	2.438.782	1.778.391	20.787	639.604	-	-
	TOTALS	3.186.234	2.447.926	55.570	682.738	-	-
1982:							
	General Admin. Services	733.772	664.992	24.289	44.491	-	-
	Health Services	2.307.944	1.808.996	17.341	481.607	-	-
	TOTALS	3.041.716	2.473.988	41.630	526.098	-	-
1983:							
	General Admin. Services	766.229	656.477	605.77	49.175	-	-
	Health Services	2.345.518	1.824.856	77.89	512.873	-	-
	TOTALS	3.111.747	2.481.333	683.66	562.048	-	-
1984:							
	General Admin. Services	763.980	679.600	50.340	34.040	-	-
	Health Services	2.302.830	1.874.920	15.800	412.110	-	-
	TOTALS	3.066.810	2.554.520	66.140	446.150	-	-

EXHIBIT No. 11

SAN VICENTE HOSPITAL, ACTUAL EXPENSES BY PROGRAMS AND GENERAL CLASSES. YEARS 1980-1984

(Colores)

YEARS & PROGRAMS	GENERAL CLASSES	TOTAL	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:							
	General Admin. Services	702.663	531.030	39.274	132.359	-	-
	Health Services	2.287.246	1.738.115	4.411	544.720	-	-
	TOTALS	2.989.909	2.269.145	43.685	677.079	-	-
1981:							
	General Admin. Services	734.966	539.433	37.541	157.992	-	-
	Health Services	2.309.671	1.817.039	4.500	488.132	-	-
	TOTALS	3.044.637	2.356.472	42.041	646.124	-	-
1982:							
	General Admin. Services	742.833	531.557	49.871	161.405	-	-
	Health Services	2.167.301	1.760.929	3.000	403.372	-	-
	TOTALS	2.910.134	2.292.486	52.871	564.777	-	-
1983:							
	General Admin. Services	765.510	540.128	58.307	167.075	-	-
	Health Services	2.170.608	1.827.173	3.500	339.935	-	-
	TOTALS	2.936.118	2.367.301	61.807	507.010	-	-
1984:==							
	General Admin. Services	680.310	548.980	40.000	91.330	-	-
	Health Services	2.178.480	1.886.250	3.500	288.730	-	-
	TOTALS	2.858.790	2.435.230	43.500	380.060	-	-

SOURCE: Budget Preliminary Draft 1984-1985, SAN VICENTE HOSPITAL

EXHIBIT No. 12

ZACATECOLUCA HOSPITAL. ACTUAL EXPENSES BY PROGRAMS AND GENERAL CLASSES.

YEARS 1980-1984

(Colones)

YEARS & PROGRAMS	GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:							
	General Admin. Services	827.921	557.667	107.928	162.326	-	-
	Health Services	2.223.284	1.780.394	759	442.131	-	-
	TOTALS	3.051.205	2.338.061	108.687	604.457	-	-
1981:							
	General Admin. Services	829.708	564.944	113.351	151.413	-	-
	Health Services	2.187.789	1.794.868	1.412	391.509	-	-
	TOTALS	3.017.497	2.359.812	114.763	542.922	-	-
1982:							
	General Admin. Services	762.519	551.339	89.837	121.343	-	-
	Health Services	2.099.150	1.813.320	1.121	284.709	-	-
	TOTALS	2.861.669	2.364.659	90.958	406.052	-	-
1983:							
	General Admin. Services	842.803	553.411	84.643	204.749	-	-
	Health Services	2.189.132	1.843.620	1.342	344.170	-	-
	TOTALS	3.031.935	2.397.031	85.985	584.919	-	-
1984:							
	General Admin. Services	810.100	567.110	103.000	139.990	-	-
	Health Services	2.241.300	1.951.640	1.500	288.160	-	-
	TOTALS	3.051.400	2.518.750	104.500	428.150	-	-

EXHIBIT No. 13
USULUTAN HOSPITAL, ACTUAL EXPENSES BY PROGRAMS AND GENERAL CLASSES
YEAPS 1980-1984

(Colores)

YEAPS & PFCGRAMS	GENERAL CLASSES	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:							
	General Admin. Services	888.434	590.140	126,976	171.318	-	-
	Health Services	2.362.393	1.798.481	7.984	555.928	-	-
	TOTALS	3.250.827	2.388.621	134.960	727.246	-	-
1981:							
	General Admin. Services	779.260	603.774	91.827	83.659	-	-
	Health Services	2.503.630	1.983.400	15.574	504.656	-	-
	TOTALS	3.282.890	2.587.174	107.401	588.315	-	-
1982:							
	General Admin. Services	704.766	595.936	89.113	19.717	-	-
	Health Services	2.433.555	1.979.364	6.066	448.125	-	-
	TOTALS	3.138.321	2.575.300	95.179	467.842	-	-
1983:							
	General Admin. Services	691.385	589.908	90.759	10.819	-	-
	Health Services	2.236.799	1.855.289	1.724	379.786	-	-
	TOTALS	2.928.185	2.445.097	92.483	390.605	-	-
1984:							
	General Admin. Services	745.140	614.440	109.820	20.880	-	-
	Health Services	2.467.480	2.126.100	2.800	338.580	-	-
	TOTALS	3.212.620	2.740.540	112.620	359.460	-	-

SOURCE: BUDGET PRELIMINARY DRAFT 1981-1985. USULUTAN HOSPITAL

EXHIBIT No. 14
SAN MIGUEL HOSPITAL, ACTUAL EXPENSES BY PROGRAMS AND GENERAL CLASSES

YEAFS 1980-1984

(Colones)

GENERAL CLASSES YEARS & PROGRAMS	TOTALS	Personal Services	Non-Personal Services	Materials & Supplies	Machinery & Equipment	Regular Transfers
1980:						
General Admin. Services	665.527	571.221	80.652	13.654	-	-
Health Services	4.156.401	2.750.353	20.641	1.385.407	-	-
TOTALS	4.821.928	3.321.574	101.293	1.399.061	-	-
1981:						
General Admin. Services	698.264	594.323	93.509	10.432	-	-
Health Services	3.803.590	2.932.591	7.985	863.014	-	-
TOTALS	4.501.854	3.526.914	101.494	873.446	-	-
1982:						
General Admin. Services	678.012	590.913	72.185	14.914	-	-
Health Services	3.755.546	2.877.051	11.942	866.553	-	-
TOTALS	4.433.558	3.467.964	84.127	881.467	-	-
1983:						
General Admin. Services	693.984	603.534	72.203	18.247	-	-
Health Services	3.886.675	2.924.908	9.961	951.806	-	-
TOTALS	4.580.659	3.528.442	82.164	970.053	-	-
1984:						
General Admin. Services	678.000	611.610	51.410	14.980	-	-
Health Services	3.758.150	3.053.690	10.650	693.810	-	-
TOTALS	4.436.150	3.665.300	62.060	708.790	-	-

SOURCE: Budget Preliminary Draft 1981-1985, SAN JUAN DE DIOS HOSPITAL, SAN MIGUEL.

A N N E X I I

CAPITAL OR INVESTMENT EXPENDITURES

AMOUNTS ALLOCATED AND USED BY PROGRAMS AND FINANCING SOURCES

MCH 1980-1984

EXHIBIT No. 1
CAPITAL OR INVESTMENT EXPENDITURES. AMOUNT ALLOCATED AND USED BY PROGRAMS
AND FINANCING SOURCES. MOH. 1980

(Colones)

PROGRAMS	A L L O C A T I O N S				U S E D			
	TOTALS	General Fund	Domestic Loans	Foreign Loans	TOTALS	General Fund	Domestic Loans	Foreign Loans
.01 Enlargement of Health Services Network	19.512.647	708.740	10.328.907	8.475.000	17.691.993	698.011	8.518.982	8.475.000
.02 Dept. Bldg. Construct., Enlargement & Imprvmt.	5.959.143	1.093.050	4.866.093	-	4.952.575	1.092.405	3.860.170	-
.03 Basic Rural Sanitation	6.774.140.	1.721.930	952.210	4.100.00	5.695.612	1.559.097	946.515	3.190.00
.04 Latrization	271.070	213.280	57.790	-	251.049	194.187	56.862	-
.05 Investment Programs Operation	900.000	880.000	20.000	-	869.359	851.251	18.108	-
.06 Nutrition	1.000.000	-	1.000.000	-	983.211	-	983.211	-
.01 Capital Transfers	500.000	-	500.000	-	500.000	-	500.000	-
T O T A L S	34.917.000	4.617.000	17.725.000	12.575.000	30.943.799	4.394.951	14.883.848	11.665.00

SOURCE: Constitutional Complementary Report. Ministry of Finance. 1980.

EXHIBIT N° 2

CAPITAL OR INVESTMENT EXPENDITURES. AMOUNT ALLOCATED AND USED BY PROGRAMS AND
FINANCING SOURCES. MOH. 1981

(Colones)

PROGRAMS	A L L O C A T I O N S				U S E D			
	TOTALS	General Fund	Domestic Loans	Foreign Loans	TOTALS	General Fund	Domestic Loans	Foreign Loans
01 Enlargement of Health Services Network	9.775.257	-	5.175.257	4.600.000	4.846.510	-	4.745.560	101.000
02 Dept. Bldg. Construct., Enlargement & Imprvmt.	2.876.025	-	2.876.025	-	2.668.960	-	2.668.960	-
03 Basic Rural Sanitation	10.255.370	-	4.502.490	5.752.880	5.866.437	-	1.896.357	3.970.08
04 Latrization	600.000	-	600.000	-	221.175	-	221.175	-
05 Investment Programs Operation	894.100	-	894.100	-	863.184	-	863.164	-
06 Nutrition	528.850	-	334.290	194.560	375.444	-	180.884	194.56
01 Capital Transfers	2.683.318	-	-	-	-	-	-	-
TOTALS	24.929.602	-	14.382.162	10.547.440	14.841.760	-	10.576.120	4.265.64

SOURCE: Constitutional Complementary Report. Ministry of Finance. 1981.

EXHIBIT No. 3
CAPITAL OR INVESTMENT EXPENDITURES. AMOUNT ALLOCATED AND USED BY PROGRAMS
AND FINANCING SOURCES. MPHWS, 1982

(Colones)

PROGRAMS	A L L O C A T I O N S				U S E D			
	TOTALS	General Fund	Domestic Loans	Foreign Loans	TOTALS	General Fund	Domestic Loans	Foreign Loans
01 Enlargement of Health Services Network	18.050.000	-	5.550.000	12.500.000	6.059.412	-	3.580.412	2.478.000
02 Dept. Bldg. Construct., Enlargement & Imprvmt.s	2.020.000	-	2.020.000	-	2.013.513	-	2.013.513	-
03 Basic Rural Sanitation	6.734.470	-	3.234.470	3.500.000	6.012.589	-	2.556.703	3.455.886
04 Latrinization	400.000	-	400.000	-	317.750	-	317.750	-
05 Investment Programs Operation	1.165.010	-	1.165.010	-	1.120.275	-	1.120.275	-
06 Nutrition	330.440	-	300.000	30.440	330.440	-	300.000	30.440
01 Capital Transfers	-	-	-	-	-	-	-	-
T O T A L S	28.699.920	-	12.669.480	16.030.440	15.853.979	-	9.888.653	5.965.326

SOURCE: Constitutional Complementary Report. Ministry of Finance. 1982.

EXHIBIT N° 4

CAPITAL OR INVESTMENT EXPENDITURES. AMOUNT ALLOCATED AND USED BY
PROGRAMS OR FINANCING SOURCES. MPHSW. 1983

(Colones)

PROGRAMS	A L L O C A T I O N S				U S E D			
	TOTALS	General Fund	Domestic Loans	Foreign Loans	TOTALS	General Fund	Domestic Loans	Foreign Loans
01 Enlargement of Health Services Network	25.521.000	-	4.000.000	21.521.000	21.308.567	-	2.687.567	18.621.000
02 Dept. Bldg. Constr., Enlargement & Imprvmt.	1.265.000	-	1.365.000	-	945.466	-	945.466	-
03 Basic Rural Sanitation	3.250.000	-	3,250.000	-	2.841.156	-	2.841.156	-
04 Latrization	350.000	-	350.000	-	346.384	-	346.384	-
05 Investment Programs Operation	1.215.000	-	1,215.000	-	1.139.008	-	1.139.008	-
06 Nutrition	300.000	-	300.000	-	300.000	-	300.000	-
01 Capital Transfers	-	-	-	-	-	-	-	-
TOTALS	32.001.000	-	10.480.000	21.521.000	26.880.581	-	8.259.581	18.621.000

SOURCE: Constitutional Complementary Report. Ministry of Finance. 1983

EXHIBIT No. 5
CAPITAL OR INVESTMENT EXPENDITURES. AMOUNT ALLOCATED AND USED BY
PROGRAMS AND FINANCING SOURCES. MOH. 1984

(Colones)

ALLOCATIONS & EXPNS. BY SOURCE	A L L O C A T I O N S				U S E D			
	TOTALS	General Fund	Domestic Loans	Foreign Loans	TOTALS	General Fund	Domestic Loans	Foreign Loans
01 Enlargement of Health Services Network	44.393.531	-	13.470.631	30.922.900	24.507.702	-	5.141.306	19.366.396
02 Dept. Bldg. Construct., Enlargement & Imprvmt.	3.927.060	-	2.991.530	935.550	2.452.919	-	1.675.100	777.819
03 Basic Rural Sanitation	5.315.175	-	3.656.845	1.659.330	5.235.098	-	3.591.584	1.643.514
04 Latrization	403.000	-	403.000	-	401.355	-	401.355	-
05 Investment Programs Operation	1.356.754	-	1.356.754	-	1.314.962	-	1.314.962	-
06 Nutrition	530.000	-	530.000	-	350.658	-	350.658	-
01 Capital Transfers	-	-	-	-	-	-	-	-
TOTALS	55.926.540	-	22.408.760	33.517.780	34.262.694	-	12.474.965	21.787.729

SOURCE: Constitutional Complementary Report. Ministry of Finance. 1984.

A N N E X I I I

1985-1989 FIVE-YEAR PLAN GOALS

MOH

GOALS 1985

PROGRAM	METROPOLITAN		WESTERN		PAPA-CENTRAL		EASTERN		Central		TOTAL	
	Goal	%	Goal	%	Goal	%	Goal	%	Goal	%	Regional	Central
Child Registrations -1	26.188	60	22.803	68.5	21.021		23.758	60	14.520	32	108.290	100.784
Child Controls -1	166.744		109.287		215.097		45.721		30.306		567.155	253.000
Child Control -12a	-		36.140		-		22.819		13.776		-	101.600
Nutrition beneficiaries	16.900		9.970		9.250		-		-			
DPT Vaccination	34.153		33.273		24.184		44.977		17.662		154.249	160.3
Polio "	34.153		33.273		24.184		44.977		17.662		154.249	160.2
B C G "	34.153		33.273		24.184		44.977		17.662		154.249	160.2
Anti-Measles 1 - 2												
1 year	32.894		39.090		15.816		107.267		12.449		207.521	462.840
" 2 to 4 years	35.588		33.138		22.782		25.932		18.042		135.482	-
Toxoid to Prenatal	27.160		25.699		17.803		29.947		13.488		114.117	117.908
" to Others	53.918		38.224		35.607		48.606		22.004		198.359	193.364
Other DPT-BCG 7 years												
Prenatal Registration	17.940	35.5	17.791	47.2	10.812	46	17.229		12.192	47	75.964	69.738
Controls	53.100		47.682		21.468		34.458		14.175		171.083	151.598
Postnatal Control	7.317		10.428		6.001		5.996		3.837		23.151	26.068
Pregnant W/Nutrition	2.028		1.662		2.697		2.277					
Breast-feeding mothers nutrition	1.690	32	1.385		2.420		2.667.6					
Temporary methods			6.552		3.613		3.644		5.115			29.688
Final methods					2.329		3.691		1.674			18.858
Medical Consultations	583.805		534.150				608.427					2.405.28
Dental Consultations	110.223		97.576		87.233		133.106		73.572		414.477	434.17

I - SUBPROGRAM - POTABLE WATER

GOALS

<u>EAFS</u>	<u>TOTAL POPULATION</u>	<u>RURAL POPULATION 60% OF TOTAL</u>	<u>RURAL POPULATION COVERED</u>	<u>ANNUAL INCREMENT</u>	<u>SETTLEMENTS COVERED</u>	<u>% SETTLEMENTS COVERED</u>	<u>INHABITANTS/ SETTLEMENT</u>
982	4,586,658	2,751,995	999,193	3	2815	36.3	355
983	4,719,212	2,831,527	1,001,216	13	2828	36.5	366
984	4,855,598	2,913,359	1,008,712	10	2878	36.6	377
985	4,995,924	2,997,554	1,017,444	96	2934	37.8	388
986	5,140,036	3,084,184	1,167,468	376	3310	42.7	399
987	5,288,861	3,173,317	1,424,128	626	3936	50.8	410
988	5,441,709	3,265,025	1,687,674	626	4662	58.8	421
989	5,598,975	3,359,385	1,958,106	626	5188	66.9	432
990	5,760,785	3,456,671	2,236,310	628	5816	75.0	443

2 - SUB-PROGRAM: LATRINIZATION

GOALS

YEAR	LATRINES TO BE INSTALLED	RURAL POPULATION	POPULATION COVERED	% COVERAGE
1984	---	2,913,359	918,240	31.5
1985	15,000	2,997,554	1,026,240	34.2
1986	36,000	3,084,184	1,242,240	40.3
1987	40,000	3,173,317	1,462,240	46.7
1988	45,000	3,265,025	1,752,240	53.7
1989	45,000	3,359,985	2,022,240	60.1
1990				

MEDICAL CONSULTATIONS 1985-1989

YEAR	TOTAL POPULATION COUNTRY	RESPONS. POPULATION MPH/SW 85%	PROGRAMMED COVERAGE	NUMBER OF INDI-VIDUALS TO BE COVERED	CONCENTRATION	NUMBER OF CONSULTATIONS	CONSULT. INHAB/YEAR	CONSULTATIONS INCREMENT YEAR
1984	4,586,658	3,898,659	-	-	-	2,720,628	0.6	-
1985	4,716,176	4,008,750	40%	1,603,500	2	3,207,000	0.8	436,372
1986	4,838,620	4,112,827	45%	1,850,772	2	3,701,544	0.9	494,544
1987	4,961,064	4,216,904	50%	2,108,452	2	4,216,904	1.0	515,360
1988	5,083,508	4,320,982	55%	2,376,540	2	4,753,080	1.1	536,176
1989	5,205,952	4,425,059	60%	2,655,035	2	5,310,070	1.2	556,990

MIPLAN

HUMAN RESOURCES REQUIREMENTS: GRADUATE NURSES AND AUXILIARIES

YEAR	PHYSICIAN HOUR	MEDICAL CONSULTATION			
		NURSE HOURS		NUMBER OF NURSES	
		GRADUATE	AUXILIARIES	GRADUATE	AUXILIARIES
1985	312	276	346	35	43
1986	316	280	311	35	39
1987	332	293	369	37	46
1988	360	319	400	40	50
1989	356	315	396	39	50
TOTAL				186	226

HUMAN RESOURCES REQUIREMENTS

VACCINATION 1985-1989

VACCINE	1985	1986	1987	1988	1988	TOTAL FIVE YEARS	
<u>Measles</u>							
Dose (1)	464.025	488.459	500.820	535.722	561.911	2,452.355	doses
Vaccination Hour*	30.935	32.564	33.388	35.715	37.461	170.063	hours
<u>D C G</u>							
Dose (1)	155.561	169.835	174.133	188.344	192.880	880.753	doses
Vaccination Hour*	10.371	11.322	11.609	12.556	12.859	58.717	hours
<u>Tetanic Toxoid</u>							
Dose (2)	235.806	266.124	197.664	330.428	364.418	1,494.440	doses
Vaccination Hour*	15.720	17.742	19.844	22.028	24.295	99.629	hours
<u>D P T</u>							
Dose (3)	466.683	509.505	522.399	565.032	578.640	2,642.259	doses
Vaccination Hours*	31.112	33.967	34.827	37.669	38.576	176.151	hours
<u>Antipolio</u>							
Doses (3)	466.683	509.505	522.399	565.032	578.640	2,642.259	doses
Vaccination Hours*	9.334	10.190	10.448	11.301	11.573	52.846	hours
<u>Total vaccination hours</u>	<u>97.472</u>	<u>105.785</u>	<u>110.113</u>	<u>119.269</u>	<u>124.764</u>	<u>557.406</u>	

1) Single dose

2) Two doses to complete immunization.

3) Three doses necessary to complete immunization.

* Vaccination hour includes time employed in administrative work (filling cards, tabulating, and others), and the Biological technical application.

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HUMAN RESOURCES REQUIREMENTS

YEAR	MEDICAL CONSULTATION 1 PHYSICIAN: 4 HOURS (+)			HOSPITALIZATION		TOTAL PHYSICIANS REQUIRED
	ANNUAL INCREMENT	HOURS REQUIRED	PHYSICIANS REQUIRED	BEDS ANNUAL INCREMENT	PHYSICIANS REQUIRED	
1985	486.372	312	78	-	-	78
1986	494.544	316	79	-	-	79
1987	515.360	332	83	-	-	83
1988	536.176	360	90	-	-	90
1989	556.990	356	89	-	-	89
TOTAL						419

(+) 4 hours per day. Health Unit and Health Post - and 6.240 beds x year.

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TECHNICAL ASSISTANCE

PROGRAM	SUB-PROGRAM	PROJECT	TYPE OF ASSISTANCE	RESPONSIBLE BODY
Development of Human, Physical and Finan- cial Resources	HFPR Development	Soc. Serv.Dent.Training	C.S. <u>1/</u>	OPS/CMS
	HFPR Development	Formation of HFPR	B <u>2/</u> (P.H.Master N° 6)	CPS/CMS
	HFPR Development	Pulmonary TB Control	S.T.C. <u>3/</u>	OPS/CMS
	HFPR Development	Lab. Control Support	S.T.C	CPS/CMS
	HFPR Development	Control Transm.Diseases	CF <u>4/</u> C.S. - B.	CPS/CMS
	HFPR Development	Epid. Disease Vig. T.)	Scholarships - CF -	CPS/CMS
	HFPR Development	Antirabic Campaign	C.S.	OPS/CMS
	HFPR Development	Lab. Cont. (Bicter)	STC - CF - B -	OPS/CMS
	HFPR Development	Malaria Control	CF - CS - B	CPS/CMS
	HFPR Development	Descent. Administ.	S.T.C.	OPS/CMS
	HFPR Development	Educational Campaigns	S.T.C.	OPS/CMS
	HFPR Development	A.P.S.	S.T.C	OPS/CMS
	HFPR Development	Information	S.T.C. - CF	OPS/CMS
	HFPR Development	Accredited Hospitals	S.T.C. - B -	OPS/CMS
	HFPR Development	Administr. Reinforcement	B - CS	OPS/CMS
	HFPR Development	Nutrition Pers. Training	SF - S.T.C.	INCAP
HFPR Development	Administrative Support	SM <u>5/</u>	CPS/CMS-AID-BID-FNUD	

.../..

PROGRAM	SUB-PROGRAM	PROJECT	TYPE OF ASSISTANCE	RESPONSIBLE BODY
Medical Care	Child Care	Epidemiology Vigilance	STC (Statistic	CPS/CMS
	Mother Care	Epidemiology Vigilance	STC (Statistic	CPS/CMS
	Dental Care	Personnel Training	Scholarships (Master)	CPS/CMS
	Mother Care	Information	STC (Statistic	FNUAP (CPS) <u>6/</u>
	Dental Care	Mouth APS	CF	CPS/CMS
	Mother Care	Personnel Training	B- CS	FNUAP (CPS) <u>6/</u>
Environment	Basic Sanitation	Sanitary Filling	S.T.C. - B	CPS/CMS
	Basic Sanitation	Food Hygiene	S.T.C. - CS - 5	CPS/CMS
	Fresh Water	Est. Supply Sources	S.T.C - CF	CPS/CMS
	Fresh Water	Contamination of Water Sources	S.T.C. - CS - 5	CPS/CMS

1/ CS - Courses and/or Seminars

2/ B = Scholarships

3/ STC = Short term consultancy

4/ CF = Assistance by officers with fixed position

5/ Supplies

6/ FNUAP Funds managed by CPS

A N N E X I V

INFLATION INDEXES OR FACTORS USED IN THE
BUDGETARY PROJECTIONS

ANNEX IV

INFLATION FACTORS ESTIMATED FOR THE FIVE YEARS 1985-1989

GENERAL PRICES INDEX

(Base Dec/78)

YEARS	INDEX	VARIATION	INCREMENT FACTOR
1980	127.6	17.3	
1981	146.4	14.9	1.147.335
1982	163.6	11.7	1.117.486
1983	186.1	13.7	1.237.531
1984	206.7	11.8	1.110.693
1985	250.6	21.8	1.212.385

SOURCE: General Statistics and Census Bureau. June 1985
Projection 1985-1989

Factor for incrementing costs of:

1985 to 1986 = 1.311.222

1986 to 1987 = 1.501.462

1987 to 1988 = 1.719.303

1988 to 1989 = 1.968.750