

# Brief on PFM

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## Pharmaceutical Financial Management (PFM)

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### 1. Problem

Health workers are responsible for management of essential medicines and supplies including ordering but have no financial training. This has resulted in poor utilisation of EMHs resources characterised by underspending or overspending of budget. In a number of cases failure by facilities to make proper orders leaves National Medical stores with no choice but to adjust the quantities to fit the allocated funds. Furthermore lack of medicines price awareness and financial constraints leads to polypharmacy hence misuse of already scarce resources. It is against this background that SURE initiated the strategy to build pharmaceutical financial management (PFM) skills of health workers involved in EMHS management and ordering.

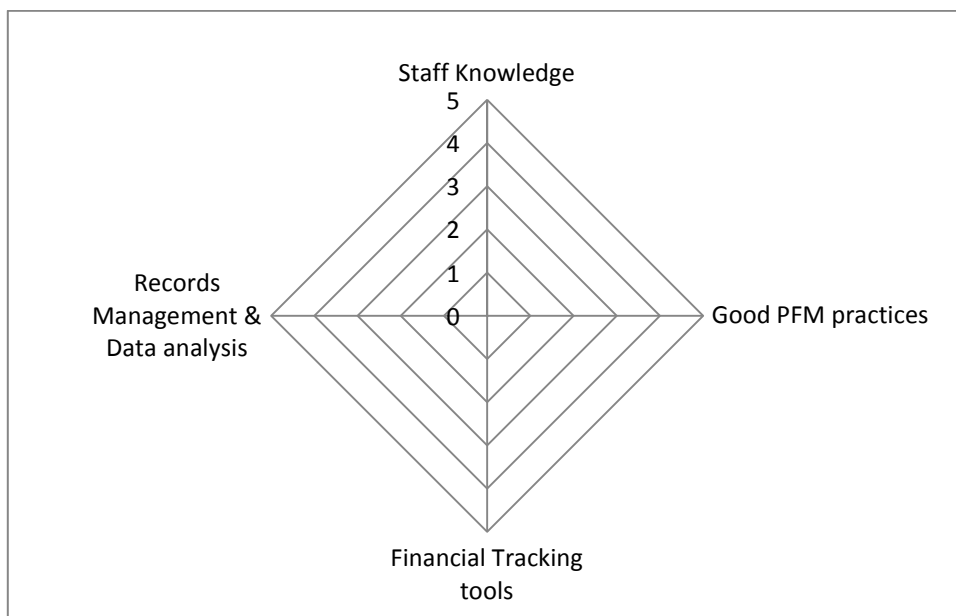
### 2. PFM strategy

The PFM strategy involves building pharmaceutical finance management capacity of pharmaceutical staff (particularly the pharmacy staff) in HC IV and hospitals to ensure budget/expenditure tracking and correct order vetting. Implementation will be done through on-the-job training using the SPARS concept. **Supervision** will be done by trained District Medicines Management Supervisors (DMMS) who will regularly visit the HC IV and hospitals. The DMMS receive a one week course in PFM learning how to track expenditure using different newly developed tracking tools for Uganda and how to correctly vet orders.

**Performance Assessment** will be done at every visit using a standard tool that measures performance using PFM indicators. The four main areas of assessment will be

- staff knowledge,
- records management and data analysis,
- good PFM practice,
- correct use of financial tracking tools

The figure below shows how the DMMS can show the health workers their performance in the four areas assessed.



A **recognition** strategy will be developed recognising both the facilities and MMS performing well. If possible, a Good Financial Practices certification will be implemented.

Hospital and HC IV will be categorised into intervention and control in order to assess the impact of PFM on overall EMHS management. The study will assess if the health facilities with PFM manage the medicine better as a result of understanding the finance.

### 3. Progress

PFM is a novel idea in Uganda and despite a slow start substantial progress has now been made towards full implementation of PFM in selected facilities.

1. MOH approved manual of standard procedures of PFM taken for print (PFM Manual)
2. Makerere University Lecturers contracted to implement PFM training of MMS and hospital pharmacists
3. Training materials tested and 82% of DMMS and 75% of SURE regional staff are trained by end of April
4. Performance assessment tool tested and ready for roll out
5. PFM tools finalised and printed for use by facilities: Commitment register, budget tracking sheet and graphs vetting using VEN (% V items ordered)
6. Implementation plan developed

### 4. Expected Outcome

The immediate outcome will be for facilities to gain skill and put in place systems for financial tracking and adhere to good PFM practices. The facilities should be able to use the financial data for better planning and use of available resources. The long term goal and expectation is that understanding PFM will lead to better management of EMHS and hence increased availability and access.



## 5. Challenges

- PFM training was originally intended for all health facilities regardless of level of care. Introduction of the kit system made the training redundant in primary health facilities.
- MMS efficiency and effectiveness in implementation of SCM SPARS might show to be a problem for PFM as well.
- Current budget allocation system not equitable and this affects budget management in facilities that are underfunded. The facilities find it impractical to maintain budget discipline.
- Budget and allocation modalities of facility resources for medicines and laboratory supplies change frequently. Though it was originally planned to include laboratory supplies tracking it had to be removed for the PFM implementation as the laboratory budget for health facilities is not known.

## 6. Way forward

- Practical training of SURE regional staff and DMMS
- Roll out PFM in SURE supported districts
- Develop baseline and assess impact both on financial indicators and SPARS indicators
- Plan for national roll out of PFM (not in SURE time)
- Training of tutors at training institutions in PFM (not in SURE time)