



Press Release Wednesday, 29 October 2014

Sikika Calls for a Stronger Government Response to the MSD and Public Health Facilities Mounting Debt Crisis

Sikika is dismayed by the response given by the Minister of Health and Social Welfare with regards to the crisis facing public health facilities being unable to purchase medicine and supplies due to the accumulated debt at MSD. It is clear that the Minister does not comprehend the gravity of the situation and that he is less concerned that some patients may be dying because of this crisis.

Sikika understands that cost-sharing revenue is one of the sources of funds that have been used to increase the availability of medicine and medical supplies in the country. Sikika also understands that this source alone is insufficient to close the gap created by deliberate low budget allocation for procurement of essential medicines in all public facilities. For example, the estimated demand for year 2014/15 is Tsh. 500bn while the allocation is Tsh70.5bn, which suffice only about 14% of the demand.

Sikika reminds the Ministry of health that about 75% of all in-patients and outpatients who access healthcare at municipal hospitals are exempted from paying for healthcare services. These would include pregnant women, children under five years old, patients with chronic diseases, the poor, elderly and the disabled. This means the government is depending on the 25% of patients who are eligible for cost sharing as a major source of medicine funds. The government must take responsibility

The Minister for Health wants hospitals to pay the debt in order to qualify for more borrowing. We are talking about a crisis which is a result of consistent insufficient budget allocation. Some hospitals have already been using the cost sharing revenues to purchase medicine, yet they are indebted.

It is not the first time the MoHSW ordered all hospitals to send 50% of cost sharing revenue to MSD. This order has been repeating since 2012 without follow up and support to implement. For example, in July 2014, the Minister of Health and Social Welfare ordered all hospitals to send the 50% of their revenues to MSD. If this instruction has not been implemented in the past and that patients continue to suffer, the Minister must first take responsibility before repeating himself.

Sikika would like to know what plans are there for the national, referrals and special hospitals in paying the debt. These were not mentioned in the directive while they contribute to about 67% of the public health facilities debt. In addition, how does the MOHSW plan to clear its own debt, which is more than 70% of the total debt, being the cost associated with clearance, storage and transportation of vertical programs commodities?

Moreover, the press released on 27th October 2014 by the MoHSW argued that, the government has been paying back MSD in installments. The Minister, however, did not explain the growth trend of this debt, which is due to the government paying back in very small amounts while at the same time borrowing in large amounts. For

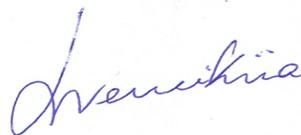
instance, in 2013 the debt was Tsh. 76.4 billion but by September 2014 the debt has grown to Tsh. 102 billion despite the payment of Tsh. 10 billion.

Sikika would like to seek clarification from both the Minister for Health and the Deputy Minister for Finance, Mr. Mwigulu Nchemba. Mr. Nchemba was recently quoted by some newspapers saying that, the amount disbursed for medicine in the year 2013/14 was Tsh. 47 billion but only Tsh. 7 billion was spent in buying medicine. Sikika, and indeed all Tanzanians, would like to know where did the difference go and reasons for the diversion amid this chronic crisis of availability of medicine and medical supplies in public health facilities.

Sikika would like to make clarification to the public that the recent disbursement freeze by development partners is only for the General Budget Support. Development Partners are funding health through Health Sector Basket Support. For the first quarter (July-September), Sikika is informed that over Tshs 20 billion was already disbursed by the Development Partners to all districts in Tanzania. One third of that amount is usually used for procurement of essential medicines and medical supplies.

Sikika appreciates efforts by the government to include health in the “Big Result Now (BRN)” initiative, which will in part attempt to address the perennial shortages and absence of medicine and medical supplies at public health facilities. However, the program may not contribute to solving the current problem, which needs an urgent solution. At the earliest, implementation of the BRN-Health initiative may start in the next financial year. Patients are either dying or suffering today due to unavailability of essential medicine and medical supplies in the public health facilities.

Finally, Sikika would like to call for urgent action by the Ministry of Health and Social Welfare to address the growing chronic shortages of medicine and medical supplies in the public health facilities. The shortages lead to inability of citizens to access quality healthcare, and may possibly lead to deaths. Government must secure funding sufficient to clear the MSD debt and provide for adequate medicine and medical supplies. This must be treated with urgency and as a matter of national security. It is unfair for any government to allow its people to suffer or die for preventable reasons.



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