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## HEALTH ECONOMICS & FINANCING

SSDS has considerable expertise in health economics and financing — expertise enriched by experience with the realities of program implementation and a solid technical understanding of health issues. Collecting and analyzing economic and financial data guides effective decision-making and helps to improve the design of health programs, systems, and organizations. To achieve this, SSDS responds sensitively to client requirements, builds collaborative partnerships, and provides relevant information in a user-friendly format. We communicate our methods and results to a broad audience — preparing guidelines and teaching materials, providing training, producing strategy papers and analytical reports for peer-reviewed journals, and presenting findings at professional meetings. SSDS's experience in health economics and financing falls primarily into three areas:

- Designing and assessing mechanisms for generating resources
- Developing tools and systems to help organizations plan and manage their resources
- Employing economic and financial analysis techniques to examine programs and design options

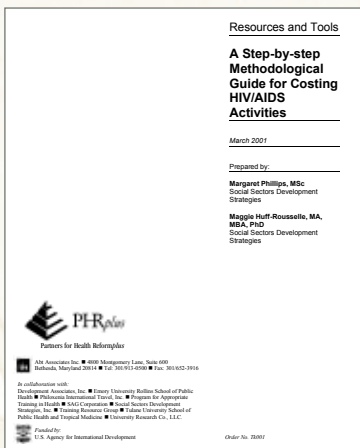
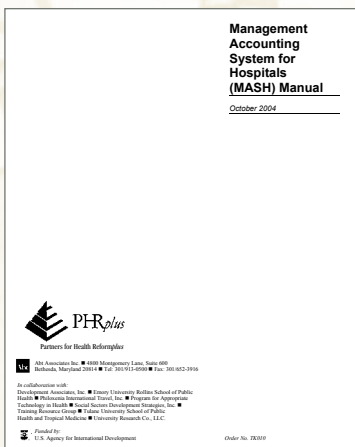
### SSDS ACTIVITIES

**User Fee Systems:** It is often difficult to design user-fee systems that generate sufficient income without unduly penalizing those in need of the services for which fees are paid. By exploring features such as demand, price elasticity, break-even analysis, patient and provider incentives, and the impact on administrative systems, SSDS has helped ministries of health and independent civil society organizations to identify appropriate fee levels, exemption policies and subsidies and, in doing so, has enabled them to optimize efficiency, equity, and cost recovery.

**Health Insurance Schemes:** SSDS undertakes evaluations and feasibility studies of many kinds of health insurance schemes. These schemes are community-based and national-level; third-party indemnity and self-insured; fee-for-service, cost-per-case, and pre-paid; risk-adjusted and unadjusted per capita contribution-based systems, as well as managed competition models.

**Resource Mobilization for Civil Society Organizations:** Sustainability is a challenge for civil society organizations. Many are unable or reluctant to rely on user fees or insurance to finance their work and need to develop a portfolio of financial and in-kind resources. SSDS helps civil society organizations to mobilize resources by preparing strategic plans and resource maps, designing fundraising tools, writing proposals, mentoring civil society organizations to identify, engage, and negotiate with donors, and developing guides and training courses to build the skills of managers.

**Financial Planning:** SSDS helps organizations and programs to approach financial planning by incorporating clear goals and appropriate incentives. We develop resource planning processes, budgetary tools (such as allocation formulae and spreadsheets), and analyze both service costs and the demographic and epidemiological data that influences them. Our work is often in collaboration with program managers or policy-makers — thereby strengthening or expanding their skills to formulate future financial plans, and fostering a sense of ownership in the process.



Manuals and guides prepared by SSDS under the USAID Partners in Health Reform Plus Project

**Financial Management:** Day-to-day financial management and reporting systems often need to be strengthened — either to meet the often disparate funding agency reporting requirements or to enhance the usefulness of financial data provided to managers. SSDS develops budget-accounting-reporting systems for service fees and grant-program funding — designing simple systems for community-based programs and more complex systems for organizations with more robust human resource bases (e.g. costtracking by service-type to facilitate efficiency analysis).

**Cost Analyses:** SSDS employs a variety of techniques — including econometric, step-down, and algorithm-based approaches — to identify cost savings, appropriate pricing strategies, and budgetary short-falls. We see cost analysis as key to good planning, budgeting, and management. Our studies range in scale — from those focusing only on costs within a single institution, to those that encompass multiple actors carrying out a program within a district, region, or nation. Costs contributed to global-level programming may also be examined. SSDS undertakes cost analysis of a variety of different programs, including disease control and reproductive health programs, health and nutrition activities implemented by governments, NGOs, and the commercial sector (e.g. vitamin A fortification of flour), and even programs outside the traditionally defined health sector (e.g. food stamp schemes).

**Cost-Effectiveness Analyses:** Many of the cost studies SSDS undertakes are part of cost-effectiveness analyses — a valuable technique for designing or evaluating programs, organizations, and policies. SSDS draws on both economic knowhow (for costing) and epidemiological or program evaluation skills (to estimate effectiveness). Most studies are practical pieces of operational research, and some are more theoretical (e.g. drug choice in light of anti-malaria/drug resistance). Most adopt a societal perspective, and some pay special attention to the patient. SSDS's cost-effectiveness analyses often draw on secondary data, but may also involve intensive primary data collection, such as household surveys (e.g. a study of breastfeeding promotion in hospitals).

For more information, please contact: [headquarters@ssds.net](mailto:headquarters@ssds.net)

### Selected Publications

Daly, Beth, Lisa Hare, John Holley, Maggie Huff-Rousselle, Margaret Phillips and Joseph A. Sclafani. *Guide to leveraging: How to mobilize and diversify resources for reproductive health*, edited by Lisa Hare and Margaret Phillips. Washington, DC: SEATS/JSI, 2000.

Fiedler, John L. and Javier Suazo. "Ministry of Health user fees, equity and decentralization: Lessons from Honduras." *Health Policy and Planning*. 17 (2002): 362-377.

Fielder, John L., Margaret Saunders and Tina Sanghvi. "What are the costs of interventions?" *Food and Nutrition Bulletin*. 28 (2007): S197-S203.

Huff-Rousselle, Maggie and Joseph Akuamoah-Boateng. "The first private sector health insurance company in Ghana." *International Journal of Health Planning and Management*. 13 (1998): 165-175.

Phillips, Margaret and Maggie Huff-Rousselle. "A short step-by-step methodological checklist for costing HIV/AIDS activities." *Partnerships for Health Reform Project*. Bethesda, MD: Abt Associates, Inc., 2001.

Phillips, Margaret and Penelope A. Phillips-Howard. "Economic implications of resistance to antimalarial drugs." *Pharmacoeconomics*. 10 (1996): 225-238.

