FINANCIAL ANALYSIS OF EXTERNAL EVALUATION OF THE CHIEF MINISTER’S INITIATIVE FOR PRIMARY HEALTH CARE IN RAHIM YAR KHAN DISTRICT, PUNJAB

1. Introduction

The issue of health care cannot be looked at in isolation. To improve the health facilities for public has always remained a major concern for every government that took over the office. Good health is possible only if proper health facilities are available. Therefore governments have been focusing on this important sector according to their policies.

To provide health facilities at all levels has been a highlighted task of the authorities. To achieve this goal a very healthy step taken by the Punjab Government is the establishment of Basic Health Units (BHUs) in various areas of the Province. The main purpose of establishing these BHUs was to ensure that health facilities are available at each and every level and to everybody.

It is said that checks and balances help to improve the performance of organizations no matter at what level are these organizations working. Therefore an effort has been made to undertake a study to see and compare the performance of these BHUs established by the government of the Punjab in Rahim Yar Khan which have now been undertaken by PRSP. By doing so the concept of promoting a Public-Private partnership has been launched. Under an agreement District Government Rahim Yar Khan outsourced the management of 104 BHUs in RYK District for a better and efficient delivery of services and to re-organize and to re-orient management of all the aforesaid Basic Health Units. In this respect the DGTRYK transferred to the PRSP the budgetary provisions relating to unfilled posts, medicines, maintenance and repairs of buildings and equipment utilities, stores and office supplies etc.

The Major focus of this part of study is to do Financial Analysis of the budget expenditures of 104 BHUs established by the Punjab Government in RYK.

Thus the objectives of the evaluation are

- To carry out a neutral, un-biased, and participatory evaluation of the experience in RYK looking at various aspects of service delivery including effectiveness, quality, cost, efficiency, staff morale, and the satisfaction of communities and patients.
- To suggest how the process used in RYK could be improved and make recommendations to stakeholders based on the findings of the evaluation.

1.1 Methodology
To analyze the performance of 104 BHUs established in Rahim Yar Khan which have lately been undertaken by PRSP, the tool of comparative analysis has been employed. For the analysis a comparative district, Bhawalpur, has been selected where 72 BHUs are working but they are not under the control of PRSP rather they are run by the District Government. So, PRSP’s role is completely absent in Bhawalpur. Comparison has been done using the indicators of salary and non-salary budget. For this Salary and Non-Salary Budget data has been collected from respective district government of Rahim Yar Khan and Bhawalpur.

Salary Budget includes
- Pay of Officers
- Pay of Other Staff.

Non-Salary budget includes
- Allowances
- Expenditures on the repair and maintenance of assets
- Expenditures on electricity
- Telephone and postage expenditures
- Expenditures on exhibitions and advertisements
- Purchase of medicines
- Expenditures on bedding and clothing
- Medicine store depot Expenditures
- Other expenditures

A comparative glance on salary and non-salary budget for 104 BHUs under DGRYK during 2002-2003 and 104 BHUs of Rahim Yar Khan under PRSP during 2003-2004 reveals that under PRSP during 2003-2004, a huge amount has been spent for pay of officers as compared to the pay of other staff. Almost this amounts counts to be double than that of spent for pay of officers for BHUs under DGRYK during 2002-2003. With reference to non-salary budget data shows absence of allowances for BHUs under PRSP during 2003-2004 as compared to the allowances that were paid by DGRYK to BHUs during 2002-2003. As far as the maintenance of assets in the form of machinery and equipment, furniture and fixtures and building and structures are concerned they are higher for BHUs under PRSP during 2003-2004. Similarly, expenditures done for BHUs under PRSP during 2003-2004 are higher for postage and telegram, electricity, hot and cold weather charges, printing and other expenditures. Whereas for BHUs under DGRYK during 2002-2003, expenditures for stationary, advertisement, Cost of other stores, Medicines, local purchase of medicines and bedding and clothing were higher as
A comparative glance on salary and non-salary budget for 104 BHUs under DGRYK during 2003-2004 and 72 BHUs of Bhawalpur District during 2003-2004 reveals that under PRSP during 2003-2004, a huge amount has been spent for pay of officers as compared to the pay of other staff whereas Bhawalpur DG spent a comparatively higher amount on pay of other staff. With reference to non-salary budget data shows absence of allowances for BHUs under PRSP during 2003-2004 as compared to the allowances that were paid by DG Bhawalpur to BHUs during 2003-2004. As far as the maintenance of assets in the form of machinery and equipment, furniture and fixtures and building and structures are concerned they are higher for BHUs under PRSP during 2003-2004. Similarly, expenditures done for BHUs under PRSP during 2003-2004 are higher for postage and telegram, electricity, hot and cold weather charges, stationary, advertisement, printing, Cost of other stores, Medicines, local purchase of medicines, bedding and clothing and other expenditures. Whereas for BHUs under DG Bhawalpur during 2003-2004 nothing was spent on exhibitions, Bedding and Clothing and Medicine Store Depot.

4. HOW IS MONEY SPENT?

From the comparative glance on the performance of BHUs under DGRYK\(^1\) during 2002-2003 and BHUs under PRSP during 2003-2004 and BHUs under PRSP in Rahim Yar Khan during 2003-2004 and BHUs under Bhawalpur District Government during 2003-2004, it is evident that the total amount available for spending is utilized in the form of salary and non-salary budget.

**Salary budget** includes the pay of officers and the pay of other staff. These officers are Medical Officers who have been employed to serve from the platform of PRSP and in the district governments at the BHUs. The services delivered by the CMIPHC\(^2\) have been possible with the ready support of these Medical officers. As some of the medical officers are looking after three BHUs at a time, a large number are being served in clusters of two or are being managed singly by one Medical Officer. Clustering is not an article of the faith with the CMIPHC, it is the result of local requirements at the time PRSP starts its operations in a district. Other staff includes Health Technician, Lady Health Visitor, Dispenser, Sanitary Inspector, Mid Wife, Naib Qasid, Watchman, Sanitary Worker and Ward Servant. A very important thing to notify is that DGRYK and District government

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\(^1\) District Government Rahim Yar Khan

\(^2\) Chief Minister’s Initiative for Primary Healthcare
Bhawalpur both have been spending a portion of their salary budget during 2002-2003 and 2003-2004 respectively in the form of regular allowances and other allowances. On the other hand this head of expenditures is nowhere seen in case of PRSP during 2003-2004.

**Non-Salary** budget includes heads of expenditures as repair and maintenance expenditures for Machinery and Equipment, Furniture and Fixtures, Buildings and Structures and Transportation or Vehicles. Other non-salary expenditures include P.O.L. expenditures, Postage and Telegram expenditures, Electricity expenditures, Hot and Cold Weather Charges, Stationary expenditures, Printing expenditures, expenditures on Fairs, Exhibitions and other National Celebrations , expenditures on Advertisement or Publicity, Cost of other Stores, expenditures on Local Purchase of Medicines, Bedding and Clothing expenditures, medicine store depot expenditures and Others other expenditures.

5. MANAGEMENT COSTS AND SERVICE DELIVERY COSTS

PRSP took over the BHUs of Rahim Yar Khan in accordance with an agreement with the DGRYK in 2003 to ensure that basic health facilities are provided to the people in rural areas. Definitely some management costs are required to run the businesses so should have been the case of PRSP. But Annexure-A of Manual of Primary Healthcare System of PRSP highlights that PRSP shall not charge a fee in any form for performing management functions. It shall, however, have a right to charge the actual cost incurred on the performance of management functions either from the allocation due or to claim and receive it in addition to the budget transferred to it by the District Government. An important feature in this regard is that PRSP does not charge a cost to District Government more than what the operation of BHUs in the District Government would have ordinarily cost. The CMIPHC is ensuring that the cost of management and supervision of one BHU does not exceed the upper limit of **Rs.2000 per month**. An important thing to remember is that the “Cost of Management” of healthcare in a district, as provided by the District Budget, includes funds for salaries and Non-salary expenses on the management and supervision of BHUs.

6. PROCESS OF SPENDING MONEY

Process of spending money is such an important indicator that it gives a glaring contrast between the positions / authoritative powers of District Governments and PRSP. District government is allocated funds with defined heads and no further requirements are entertained without the prior approval of the competent authorities. On the other hand PRSP is given on-line budget without defining the heads of expenditures thus PRSP is empowered to spend money on various heads as it deems fruitful.
DGRYK transfers to the PRSP the budgetary provisions for the relevant financial year as agreed between the parties. Then DG, upon the proposal made by PRSP re-arranges, adjusts and/or increases the budgetary provisions for various heads of expenditures, as is required. An encouraging thing is that DG is committed to giving due consideration and importance to suggestions from the PRSP on financial provisions relating to primary Health Care (PHC) to be incorporated in the District Budget for the next year or amendments in the running budget.

Proposal for estimates for salaries and non-salary items, including the recurring and non-recurring items are prepared by the District Support Managers (DSM) and forwarded to the DG through Project Support Unit (PSU).

As far as deficiencies in the physical infrastructure is concerned a consolidated statement of works required to be carried out and items requiring capital expenditures is prepared for each BHU according to a survey carried out by the DSU. It indicates the rough cost estimates. It is then forwarded to the DG with a copy to PSU for getting funds. These funds are then allocated to various heads as described by the PRSP according to their needs for further improvements.

8. HOW HEADS OF EXPENDITURES ARE SHIFTED AND WHAT ARE THE PROCEDURAL CONSTRAINTS

The amount which is rendered for health services to the District Governments during a fiscal year is properly itemized. It simply means that heads of expenditures are already defined and no re-appropriation of funds from one sub-head to another sub-head can be made without the prior approval of competent authority. Thus spending of money under the control of DG is subject to procedural constraints.

On the other hand PRSP receives budget in one line form and thus no defined heads of expenditures are there. It means that PRSP is not restricted to spend money on various heads. Therefore PRSP enjoys flexibility and is independent to allocate budget as it feels appropriate to ensure that health facilities are provided to the people in rural areas of RYK. Thus PRSP does not face procedural constraints like District Governments.

9. WHO IS WHO IN FINANCIAL DECISION MAKING

Financial decision making has remained the most important factor in the management of organizations or institutions for properly and efficiently running their activities. As far as the district governments are concerned the financial decision making power rests with the competent authorities who are all in all. But it is not the case with PRSP. Though DSM

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3 Manual of Primary Healthcare System of PRSP
is responsible for controlling the budget of BHUs and for meeting their needs for efficient performance of health service delivery but DSM has also further delegated some of the powers to the medical officers at BHUs to the extent of enabling them to avoid any problem in meeting day to day needs in BHUs. An amount of Rs 400 per month in the form of cash is given to the MOs to meet emergent needs for petty expenses on medicines and any other items if required. It means that financial decision making power in case of large or huge amounts rests with the Executive Officers and financial decision making power in case of small or minor amounts rests with the MOs. Thus in case of District Governments the Financial decision making process is centralized whereas in case of PRSP it can be considered as hierarchical. But these powers of the PRSP are also counter checked by the annual audit which is undertaken for ensuring transparency in expenditures.

10. SURPLUS MONEY

As far as the amount of surplus money is concerned in case of DG it is given back to the authorities by presenting a statement of excesses and surrenders so that the unused amount can be utilized or re-allocated to some other needed area for further improvements. But this is not the case with PRSP. PRSP do not give back the amount the DG rather it shifts the surplus amount as an opening balance for the coming or next year to use that money.

11. COST PER PATIENT

Cost per Patient is an important indicator for comparing and analyzing the performance of BHUs in Rahim Yar Khan District and its comparative district Bahawalpur. The figures as calculated from the data provided by the district authorities of the respective districts show that Cost per patient of BHUs in District Rahim Yar Kahn under PRSP is Rs. 34. Whereas in Bahawalpur District Cost per patient of BHUs is Rs 64. This shows how efficiently PRSP is working by utilizing its liberalized powers of shifting various heads of expenditures in the right directions.

Overall, findings speak high of the fact that BHUs under the control of PRSP in Rahim Yar Khan District are doing very well. They are up to the task they are assigned to perform. Efficiency is evident not only with respect to the availability of health facilities to the people of rural areas but also on the basis of costs minimization as well. This all has been possible with the team work. Not only the management is efficient but the Medical officers and other staff also responds in a positive way and it seems as if they were waiting such management to come that could guide them and help them to ensure that health facilities are provided to all. Thus CMIPHC can claim to have undertaken
some serious rehabilitation at the BHUs for the first time since these were established. But the need is admittedly far greater and very pressing.