7 Budget and Financing of Disability Services

7-1 *Introduction*

A nearly impossible task is to estimate the actual spending on the disability services and their source in Egypt. The difficulty arises due to several factors among which stands, the multiplicity of sources, lack of data and the hesitancy of officials to provide researchers with data if available. This case is particularly true for the NGO sector where financing of activity comes from such varied sources such as foreign funding, MOSA, as well as some cost recovery (from service users) in addition to some local donations.

However, in the following section, the different sources will be enumerated and available estimations enlisted as much as possible to provide an idea on its size as well as its roots.

7-2 *Major Sources for funding disability services*

A recent study of health care financing, conduced by Harvard University in collaboration with the MOH, has identified the following major funding sources; namely, Governmental (mainly Ministry of Finance), Private out-of-pocket, employers, donors.

- **The Governmental bodies (Ministry of Finance**). The MOF is the major body responsible for dispensing funds to all governmental and other para-statal bodies. This takes place on account of a five year plan which is approved by the Ministry of Planning (MOP). The MOP asks the different governmental agencies to outline their needs according to their plans and projects for the five years and after bargaining, an estimate of the budget is allocated for each body. This estimate is then dispensed on a yearly basis.
- **The Private out-of-pocket** is the money directly spent from individuals seeking care through the different providers, whether the provider is private or governmental. It includes in addition money spent on drugs and pharmaceuticals...etc. This sector, significantly accounts for the biggest spending on health, namely, 58% of the total spending. It is difficult to estimate how much of that is spent on disability. Yet, as will later be discussed, the financial burden of the families of disabled children is an immense problem, even when other sources of funding share.
- **Employers** includes all money spent on insuring employees under different health insurance institutions or even directly through investing in health such as opening their own health care services, such as the Hospital for Egypt Air, the hospital for the Railways ...etc. This sector accounts for about 9% of money spent on health services. In the field of disability insurance schemes made up to employees cover them for partial or total rehabilitation costs as well as some financial compensations. The amount and type depends on the type of employer and the agency agreed with.
- **The donor community** includes international, bilateral and local agencies. The total percentage of finance on health services by this sector accounts only for about 4% of the total spending. The majority of grants are given through foreign international and bilateral bodies. Among the most known international and bilateral bodies that provide grants to governmental and NGO projects in health in general are: Unicef, WHO, USAID, France, Italy and Danida (Denmark). USAID is by far the biggest provider of foreign funding to governmental health services.

In the field of disability; there are WHO, UNICEF, and recently UNDP. Among the bilateral, the French embassy in collaboration with the European Union, the ODA - U.K., and the Dutch Embassy. Among international NGOs, some of the known organizations which had some input in financing governmental and NGO projects in the disability field are Oxfam - UK and Norad - Norway (DDM, 1995).

From these main sources, finance flows through different financing agents; i.e. agencies which are responsible for dispensing the funds; e.g., the different ministries or other para-statal bodies, as well as NGOs and private firms...etc.

7-3 Agencies, directly responsible for the dispensing of funds

In the field disability we can summarize these agencies according to our identified categories of providers in the following manner:

- The different governmental bodies including:
  - Ministry of Health
  - Health Insurance Organization
  - Curative Care Organization
  - Teaching Hospitals and Institutes
  - Other governmental hospitals, including Army, Ministry of Interior (Police),
  - Ministry of Education including:
    - University Hospitals
    - Special Education schools
    - Facilities for training of trainers, including training of special teachers and therapists, doctors... etc.
- The NGO sector
- Private insurance firms
- Private companies
- Households

7-4 Estimation of the type and weight of funding spent on disability according to areas of intervention

The above agencies or direct fund dispensers will in turn disperse the fund supplying the direct providers including for example, the MOH facilities (hospitals, centres and units), University hospitals and educational departments, NGOs, private hospitals, centres, and clinics, the pharmacies and traditional healers...etc.

To discern the exact portion spent by the different agencies on disability is a task which requires in-depth research. However, the following points relevant to disability according to types of services dealing with it can be outlined.

7-4-1 Expenditure in the area of prevention and early detection

In this area the MOH is the major financier and provider. However, the DDM (Data for Decision Making) study has shown that the contribution of the MOH in the area of preventive and Primary/MCH services accounts for only about 20% of its total expenditure while the Curative care takes around 45.8%. Clearly there is a bias towards curative services rather than preventive and primary care services. In the meantime, it was shown that personal preventive services and public health show both high coverage for immunization and low qualified ante-natal care. However, spending of the MOH in this area is mainly directed into the provision of free immunization to all the child population as well as in some other preventive services such as ante-natal care. However, not much is done in the area of early detection.

Only recently has the MOH attempted to enter the area of early detection of disabilities among children through its MCH outlets. This was done in a project between Unicef-Integrated Care Society and MOH. The project was to be a pilot project for a bigger national plan. However, this project is to be funded by outside foreign donations and is yet to come.

Meanwhile, the private sector through individual clinics seems to be the biggest provider of outpatient visits in Egypt. This entails an important role in the area of curative care on the primary level.

In addition to these two groups, the HIO after its take-over of the school health services, through the national school health insurance scheme, has become an important provider of services in the area of prevention and early detection. However, no estimation of the proportion spent on this is available.

7-4-2 Expenditure in the area of rehabilitation

In the area of medical, surgical and therapeutic interventions nearly all sectors provide an important input.

The following categories of spending could be discerned:

In the area of utilization of medical diagnostic and prescription of drugs, the most utilized is the private clinicians who are financed directly through the pockets of the Households. As shown by the study, most outpatient visits are conducted by the private clinicians even for the poorer sectors of the population.

The Ministry of Health is the most utilized by the poorer sectors of the population for in-patient visits, a fact which shows that although most patients may spend money on private outpatient medical interventions and drugs, the MOH hospitals provides an important portion of surgical interventions and some therapeutic interventions such as physical therapy. However, complaints of the poor quality and treatment from parents of disabled children is very common.

The majority of higher specialized interventions is carried out mainly by University hospitals and teaching institutes. The payment for the former is through the Ministry of Education and the latter transfers from the Ministry of Finance directly.

The HIO as a provider of curative and therapeutic care also plays an important role. In addition it supplies some drugs. It is financed basically through a system of premiums from covered employees and employers which are collected by the Social Insurance Organization (SIO), while the Pensions and Insurance Organization (PIO) collects premiums from the pensioners. In addition, it receives additional transfers for the MOF to cover operating losses or for specific programmes such as the school health insurance programme.

7-4-3 Financing of Aids and Technical Appliances

The following are the major suppliers of technical aids and appliances:

- The private market, through small workshops for aids and appliances - the majority of which are for the physically disabled.
- The NGO sector. The aids and appliances are subsidized by some Quasi-Governmental organizations, such as the organization of the day of the hospital, the social rehabilitation organization ...etc. The aids are provided through a complicated system of subsidy related to the income of the person entitled and the available income of the organization.
- The HIO, which is in theory responsible for supplying workers, and students with necessary technical aids. However, the organization covers only part of the cost.

In the Ain-Helwan study it was found that although 77% of the children who required glasses were in school and are covered in theory by the school health insurance scheme hardly any of them had their eyes checked and only one had received glasses.

7-4-4 In the area of special education and training

The MOE is the major provider of training and education for children with disabilities.

The table below shows the estimated budget of the ministry for special education as well as the average expenditure on the child attending a special school.

Budget of the MOE in thousands

Year	Thousands L.E
1982/1983	1294
1992/1993	7200

The budget increased around 5.56 times. This is probably equal to or less than the inflation rate.

Average expenditure on child in a (MOE) special school

Year	L.E
1979/1980	185
1988/1989	626

The cost of a student increased also during ten years by 3.38 times, again the increase is much less than the general inflation rate. (Kamel, cited in AHED - Unicef workshop report, 1995).

In addition, the NGO sector provides other types of special education as mentioned before, particularly in the areas of vocational rehabilitation. The majority is provided through its quasi governmental sector, supplied mainly by the MOSA, and some foreign donations and to a lesser degree local donations. To a lesser extent, the NGO sector whether independent/secular or with Religious affiliations also provides some training and educational facilities ranging from nurseries to special schools for mentally retarded children. The independent/secular is financed mainly through foreign donor agencies in addition to some cost recovery through fee for service. The religious, through local donations and foreign funding in addition to costs from fees paid by parents.

7-4-5 Finances of projects in the area of Community Based Rehabilitation

As mentioned before, around five new NGOs have started work in the area of Community Based Rehabilitation. The idea is to provide rehabilitation in the communities utilizing community resources, both manpower and material resources; through simpler, low-cost and more appropriate technology. However, up till today the major financing of these projects and their continuity is dependent on foreign donations. Some cost recovery through fees from richer parents to supply the poorer have been given promising results in the Ain-Helwan project (1996). In addition, the use of available infrastructures of services through the creation of a network of backup support such as the governmental health clinics and hospitals also gives grounds for possibilities of better financial sustainability.

7-5 Discussion and Conclusion

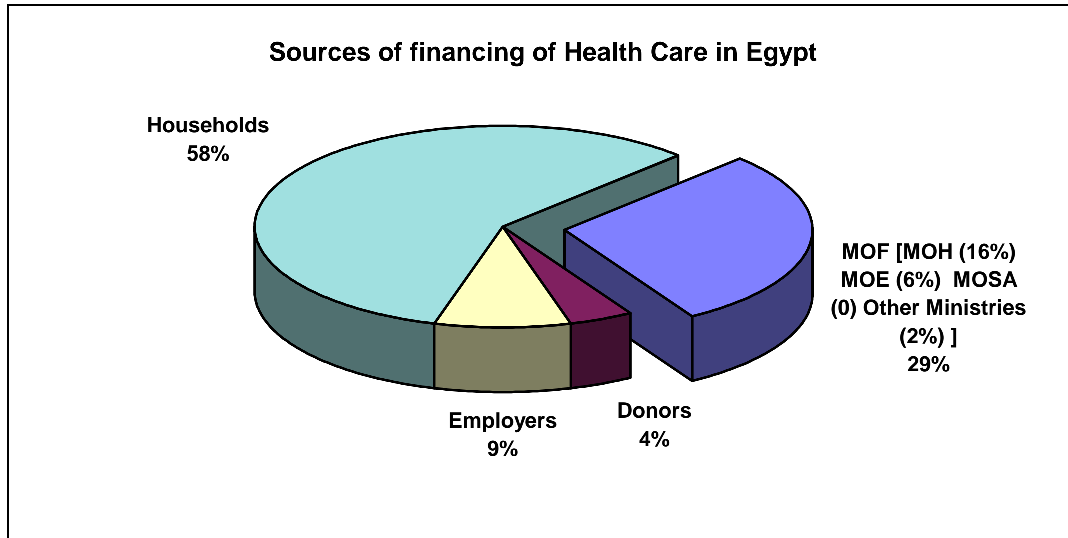
Estimation of Financing of disability is a very complex problem which requires an independent field-work research.

However, based on the knowledge of the providers' utilization of services as well as on the basis of the study conducted by the DDM Harvard University-MOH project for the estimations of the financing of the health sector in Egypt, the following points were identified.

- Inspite of the government's commitment to all those in need for rehabilitation services, the biggest financier of disability services are the Households through private out-of-pocket financing. This case was estimated in spending on health in general at around 58%, constituting 2.3% of the GDP. 90% of this spending is on ambulatory (outpatient) services, while 10% on hospital (inpatient) services. Two thirds of the spending on ambulatory services goes to spending on pharmaceuticals. It is expected to be much higher in the case of disability due to the chronicity of the question and the different needs. This case is also seen in the light of the high spending on drugs by families of disabled children in their search for a magical cure. Drugs which in many instances are unnecessary. This case was shown in the Ain-Helwan survey where nearly 90% of disabled children identified had not received any proper training or technical aids while at the same time nearly all were continuously prescribed unnecessary drugs such as the infamous "Brain Tonics" such as Encephabol and Noortropil.
- The economic burden of the families, particularly the poorer ones, is augmented due to lack of a referral or orientation system in addition to the bad quality of available governmental institutions and their scarcity compared to the needs. These problems lead the families to move from one provider to the other in a seemingly hopeless trip of suffering leading to immense cost.
- The proportion of governmental spending on health and other services has declined over the past twenty years - a fact which has reflected on both the quality of services provided by its personnel due to the dramatic decline in their real wages, and the low quality of the facilities available.
- The contribution of foreign donor funding, inspite of its growing role in policy and decision making, is quite minimal. It was estimated in health not to surpass 4% of the total spending.
- Built on the DDM study it can be discerned that poorer families spend a much bigger share of their income shopping for services rather than rich ones. The report also points out that contrary to the usual international case, the burden of out-of-pocket expenditure is largest for the poorest households and lowest for the wealthiest. Poor households spend an average 10% or more of their income on health care needs, while richer households spend less than 2%. Again in the case of disability in particular, this is augmented by the disappointment of the poor in the governmental services and the lack of coordination and integration between the different disciplines and sectors.
- The NGO sector has been rising; however, its funding to a large degree is still dependent on outside funding which raises many questions on the sustainability of its inputs. Attempts at cost recovery has led to secluding once again the poorer families and those most in need.
- The Private sector is financed mostly through private out-of-pocket (households). However, several private hospitals and private practitioners are increasingly contracted through different insurance schemes. In the highest majority of cases, estimated to be at least 80%, governmental physicians keep their own private

practice. In the meantime, the majority of physicians working in the governmental clinics particularly in the countryside charge fee for service from the patients. This fact has tended to create multi-class service where those who pay get better attention and effort from doctors while those who cannot get much less attention and are treated differently. This fact has contributed to further undermining of the governmental sector.

Figure 15 shows the share of the major financier of health care in Egypt: (Strategies for health, DDM project, 1996).



MOF • MOH (16%) • MOE (6%) • MOSA (0.01) • Other Ministries (2%)	29%
Donors	4%
Employers	9%
Households	58%