

INTRODUCTION

"Investing in health", which is the focus of the World Development Report 1993 by the world bank, and which also constitutes the background to the theme of your annual conference this year, is as relevant in this country as it is topical around the world. It is currently a political flurry in the United Kingdom, the Federal Republic of Germany, Canada, etc. In the United States of America, I submit that, second only to foreign policy, it is the burning issue of President Clinton's agenda, and is, in fact, the direct business of the first Lady who, a contemporary intellectual luminary in her own right, has sought to make her mark in this grey area in the unbalanced socio-economic equation of our time. I therefore congratulate the Pharmaceutical Society of Nigeria for the significant initiative.

Given the time constraints, one can only briefly characterize the challenges presented by the theme; these are fundamental in import and immense in outlook.

I shall also analyse the effort made in the last decade or so in the area of health financing in this country and examine the prospects of working with the Pharmaceutical Society of Nigeria to meet the challenges both on hand and ahead

WHAT ARE THESE CHALLENGES ?

The major problems confronting our planet today revolve around and its consequences of hunger, disease, illiteracy, etc, which are underpinned by an uncontrolled population growth. Related to this are environmental degradation due to unbridled plundering, chemical and industrial poisoning and physical destruction and the ever widening gulf between the developed north and the developing south. No less important is the threat to peace. A macro-economic analysis of these shows that they impact directly and indirectly on health.

Superimposed on these global challenges in this harsh, tropical environment, are the following that confront us locally:

1. Donor fatigue and disaffection.
2. Low priority given to health by government in terms of resources allocation.
3. The increasing cost of care as a result of increasing population, high technology, higher charges and chances of cure.
4. The very high cost of pharmaceutical products; and
5. Weak managerial processes.

The harsh economic climate of the 1980's

the "lost decade", characterized by the debt burden and accentuated by wars, cast a blight on the period. Against all expectations, the 1990's have thus far failed to provide succour; instead, the end of the cold war has rather become a signal for Africa's marginalization. A growing population of the elderly compounds the difficulty of funding social services, the technologies for which are getting more sophisticated and expensive.

Although it is both common pathway to, and base for sustainable development, the politician is interested in health only when he is affected personally, at which time he settles for nothing but the best, locally or abroad, irrespective of costs. In such environments, wealth and not health is the first call of most.

Thus, despite an annual population growth rate of more than 3%, most African governments continue to allocate less than that percentage of the national budget to health, although WHO recommends nothing less than 5%.

A number of surveys (1) and case studies (2) have shown that a high proportion ranging from 24 to over 50% or a mean of approximately 33% of hospital costs are on drugs and medical stores, with pharmacy emerging as the most costly department.

Health Management, with its diverse demands of public and private components that must relate to each other in a fully integrated manner, is a major challenge that has been underestimated over the years. Absence of well defined policies, deficient plans, inadequate mechanisms for programme implementation and monitoring, weak enabling legislative instruments and general mismanagement are the norms rather than the exception.

Difficulties in the development of an appropriate health management information prevents us from presenting the picture as it is in Nigeria. However, it is estimated that government is responsible for about 50% of health financing in the African Region, (3) foreign aid contributes about 16% and employers or private companies and missions, including charities, contributes 1-2%. Thus, while there is substantial dependence on foreign aid, there has been very limited involvement of the private sector.

Health sector achievements

It is however gratifying to note that between 1986 and 1992, Nigeria, sustained by the stability in the leadership of the health sector, made a considerable headway in its drug action programme, which saw the development of an Essential Drugs Policy based on Primary Health

Care. This policy inspired the publication of a Nigerian National Drug Formulary and Essential Drugs List as well as the appraisal and initiation of two vital projects aimed at making quality essential drugs available and affordable. Also initiated were a Health System Fund to develop cost-recovery and self financing schemes and the proposed National Health Insurance Scheme which is still receiving active attention.

Today, approximately 80% of the population is covered by essential health care, using the parameter of, among others, availability of essential drugs. The challenge now is to extend Services to the remaining 20 per cent, sustain the momentum and improve the quality of existing services.

However, "the get-rich-quick-at-all-cost-syndrome" makes it difficult to control the mechanisms for quality drugs procurement, importation and supply. Fake, adulterated and expired drugs have become a major hazard.

The Bamako Initiative (BI), a joint WHO-UNICEF concept aimed at catalyzing the three-phase health development framework for accelerating Health For all Africans by the year 2000, has generated considerable interest (4) from its inception. BI seeks to build confidence and managerial capacity through training and enlightenment, using Essential Drugs as a basic resource, but not oblivious to other commodities of essential needs to the community.

BI has made considerable progress in Nigeria because of its demonstrable potential to improve management, stimulate community confidence, empowerment, equity and sustainability. However, the cost of induction through an initial seed-resources has been a major constraint.

Research, more than any other intervention strategy, holds the long-term key to unlocking the drug supply puzzle. In this respect, WHO is collaborating with three institutions for research and training in traditional medicine, involving distinguished Nigerian pharmacists, pharmacologists and pharmacognosticians, who are mandated to search for and source raw materials and new drugs from our very rich tropical and natural herbaria.

Opportunities, therefore, exist for major indigenous pharmaceutical industries to produce cheaper raw materials and drugs and thus discourage indiscriminate importation at very high costs.

Healthcare financing in Nigeria - a ten point proposal

Health care financing in the declining economy of Nigeria has received some attention in recent times (5). Basically, there are three variables to the equation:

- Governments' budgetary contribution for health care development;
- The extra-budgetary resources that can be mobilized from the private and non-governmental sector; and
- The managerial capacity and capability to operationalize the complex processes that make up the health delivery system through rationalized reduction of costs and waste whilst making health care accessible, acceptable and affordable, but not free, to all.

Government's contribution has been addressed and will be re-emphasized. The crucial variables here are how the private sector can be influenced to make a more significant contribution from the several options which exist (6) and how health management can be given its pride of place in the administration of health care.

All the available evidence indicates that no single system of health care financing will address the Nigerian situation. A public-private mix, in which a National Health Insurance Scheme is supported by private Health Insurance, Bamako Initiative, user charges, etc, will need to be seriously addressed.

The following 10 point proposal is offered,

1. A macroeconomic approach in which a situation analysis is undertaken as a fundamental exercise. This will put the various elements into proper perspective and could even identify more innovative programmes on international cooperation.
2. Government must seriously confront the population problem as a socio-economic development issue. This is also fundamental.
3. Government must its budgetary contributions to the social sector by trimming defence - spending and allocating at least 5% of GDP to the health sector. Taxes on smoking and alcohol must be increased as deterrent and ploughed back into the health budget.
4. The health manpower situation must be addressed through a national manpower policy and development plan, which aligns the health manpower with government's budgetary commitment to the sector.
5. Health management, including effective information supports and operations research, need to be very much strengthened. Mismanagement can be drastically reduced and indeed eliminated through committed leadership, budgetary

and financial discipline and transparent honesty; while the right balance be struck between preventive and curative services.

6. Costs and unnecessary waste must be controlled through limiting the number of high technology tertiary institutions and making more primary and secondary care centres available and accessible. It means reducing importation and encouraging local production, better arrangement for purchasing, control of stock and quality, efficient prescription, distribution and the use of drugs.
7. The private sector must be encouraged to invest in health, while the view of consumers and providers should be harmonized to ensure equity, quality, operational efficiency and political acceptability.
8. Quality control of drugs needs to be emphasized, to reduce the incidence of faking and adulteration. Enabling legislation must be enforceable.
9. Total universal fee-free health is non-functional option although equity can be addressed through community consensus and popular participation fostered by effective information, education and communication.
10. Health care financing is a multi-disciplinary and inter-sectoral exercise in which all members of the health team and other relevant sectors of the community must actively cooperate. To ensure effective management of drugs, the involvement of pharmacists as full members of the health team is an imperative. This means consultation, collaboration and consensus. If the experiences of the developed and developing countries that have attempted and are still struggling with health care finance are things to go by, then these elements that I have referred to above are parts of the major reconstruction reform that have far reaching policy implications beyond the health sector. They involve multi-sectoral strategic planning, inter agency coordination, community mobilization, training and retraining equity, morality and managerial adaptations that can have operational and practical impact.

CONCLUDING REMARKS

In conclusion, because we are in very difficult times and the situation is worsening with the AIDS pandemic, we must not be caught unawares. We must be awake! Let me quote the Honorable Secretary for Health and Social Services, Prince Julius Adelus Adeluyi: "Leadership at this time must excel and create, mobilize and inspire".(7)

At this time, the difficult subject of health

financing, which touches very member of the community, must have a priority rating. Leadership needs to elaborate health policies aimed at reducing those inequalities that keeps our people backward. It is not only peace that must be given a chance; change based on equity must be induced and encouraged more than ever before.

And still talking about leadership, we ought to agree that in the African political firmament, any leader or administration that can tackle health-care financing effectively will go down in history as the champion of the people's cause.

Finally, let me thank the President, the organizing committee of this conference, and indeed the membership of the Pharmaceutical Society of Nigeria, for the honour of this invitation to this year's key note address. I believe at 66, your age, if nothing else, entitles you to the respect of other members of the health team in Nigeria. On the behalf of the World Health Organization and on my behalf, I wish you every success in your search for answers to the challenge of the health care financing in the imperilled economy of this great country.

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