ZIKRE HIG

OF THE COUNCIL OF THE AMHARA NATIONAL REGIONAL STATE IN THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

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Regulation No. 39/2006

The Amhara National Regional State Health Care Financing system Execution, Council of Regional Government Regulation.

Regulation No. 39/2006

A COUNCIL OF REGIONAL GOVERNMENT REGULATION ISSUED TO PROVIDE FOR THE EXECUTION OF THE HEALTH CARE FINANCING SYSTEMS IN THE AMHARA NATIONAL REGIONAL STATE.
WHEREAS, the Health Service Delivery and Administration Proclamation which shall be implemented in the national Region has been issued;

WHEREAS, a health care financing system has been formulated, pursuant to this proclamation, and it has become necessary to launch dexterous and sustainable health service system, on the basis of additional resource mobilization and cost sharing, so as to strengthen the health service in the Region as well as to make it equitable and better in quality;

WHEREAS, it is found appropriate to enforce this health care financing system, put in general terms through a detailed regulation;

NOW, THEREFORE, the council of the Amhara National Regional Government, in accordance with the power vested in it under the provisions of Art. 58(7) of the revised Regional Constitution as well as Art. 36 of the Health Service Delivery and Administration Proclamation No. 117/2005, hereby issues this regulation.

PART ONE
GENERAL

1. Short Title

This Regulation may be cited as the “Health Care Financing Systems Execution, Council of Regional Government Regulation No. 39/2006.”

2. Definition

In this regulation words and phrases such as “Health service”, “Fee Waiver”, “Revenue” “Bypass fee”, “Payment”, “Expense Financing Body” “Private wing”, “Referral system”, “Family” and
others included in the regulation shall have the same meaning as indicated in the proclamation.

3. Scope of the Regulation

This regulation shall be applied to hospitals and health centers under the jurisdiction of the Amhara Regional Government.

PART TWO

MANAGEMENT AND WORKING PROCEDURES OF HOSPITALS

4. Establishment of Hospitals Management Board and Composition of its Members

1. There shall be established a management board which is accountable to the health bureau in any public hospital under the Regional Health Bureau;

2. The management board of each hospital shall constitute at least five and at most seven members, depending on circumstances, and its naming shall take gender and professional mix into account;

3. Chairperson and members of the board shall be named by the Bureau Head upon the recommendation of the relevant zonal or city administration;

4. Notwithstanding the provision of sub-art.3 of this article, one representative of the hospital employees, chosen by the latter, shall be member of the board;

5. The general manager of the hospital shall, having explanatory stand, participate in the board meetings without casting a vote.
5. Candidates for Board Membership

The Bureau head shall select the board members on the basis of the following criteria:

1. One having professional expertise and experience enabling him to contribute to the improvement of the health sector,

2. One prioritizing the benefits of the hospital to his personal benefits,

3. One who resides in the environs of the hospital, and has won favor of the community,

4. One who is voluntary and inspired to serve as a board member.

6. Powers and Duties of the Board

The Board shall, pursuant to the regulation hereby, have the following powers and duties:

1. Oversee and follow up the overall activities of the hospital;

2. Examine and approve the strategic and annual plans of the hospital;

3. Review and approve the execution budget of the hospital on the basis of the block of annual budget allocated to it by the bureau, and of internal revenue of the hospital;

4. Review performance reports of the hospital and then make decision;

5. Devise strategies as to how to expand revenue sources of the hospital;

6. Issue the by-law of the board;

7. Hire the general manager, approve the employment and the promotion of management members of the hospital as well;

8. Determine on the services to be outsourced
contractually, and approve the contract prepared thereof and presented to it by the hospital management;

9. Determine position allowance payable to head posts available in the hospital;

10. Monitor and supervise the performance, the resource utilization and the service delivery of the hospital;

11. Follow up whether the directives issued by the bureau are properly enforced in the hospital;

12. Examine the demand as studied and submitted by the management as to the establishment of a private wing, allocation of the budget and surplus account, and pass decision thereon.

7. Powers and Duties of the Board Chairperson

The chairperson of the board shall have the following powers and duties:

1. Preside over and cause the board meetings to be held in accordance with their schedule;

2. Direct the overall course of action of the board;

3. Participate in necessary meetings representing the board;

4. Outline board agendas for deliberation in consultation with the manager of the hospital.

8. Session and Decision Making Procedure of the Board

1. The board shall convene regularly at least quarterly; provided, however, that it may, as it may be necessary, hold its extraordinary
meetings when the board chairperson happens to call or one-third of the members request for it;

2. A week prior to a board meeting, the agenda of the meeting shall be formulated and sent, together with appendices, to each member;

3. The presence of two-third of the board members shall constitute a quorum;

4. Any proposition supported by a majority vote of the presence shall pass as the decision of the board. Incase of a tie, however, the idea favored by the chairperson shall pass as the decision of the board;

5. Without prejudice to the provisions stated under sub-arts. 1-4 of this article, the board may issue its own detailed executive directive on its meeting and internal working procedures.

9. Rights and Obligations of Board Members

1. Any person selected as a board member shall have the right to attendance of the board meetings;

2. Every member of the board is duty bound to attend the regular and the extraordinary meetings;

3. Board members shall provide the hospital with efficient management and support for its growth and development;

4. Board members shall, pursuant to this regulation, have individual and collective
5. The board members are, based on a relevant government directive, entitled to receive allowance whose amount to be determined by the bureau.

10. Duration of Term of Members

1. The term of mandate of board members shall be five years;

2. Where any board member wishes, due to his personal grounds, to resign from membership before the expiry of his term, he shall notify the chairperson of the board and the bureau head thereof a month prior to the date of his resignation;

3. Where it is proved that a board member has failed to discharge his assigned responsibilities, and the board passes decision thereon, the case shall be submitted to the bureau in writing with the intention of sacking him;

4. Each board member may be selected for the second term upon consideration of his performance;

5. The bureau shall assign other members in place of the outgoing ones.

11. Powers and Duties of Hospital Manager

The hospital manager shall have the following powers and duties:

1. The general manager of the hospital shall, being the chief executive, follow up and manage its activities in accordance with the general guidelines given to him by the Board of the Hospital;

2. Subject to what is stated in sub-art.1 of this article, the general manager shall
12. Responsibilities of the Health Bureau

The bureau shall have the following specific responsibilities:

1. Cause the allocation of annual block of budget to hospitals that are under the administration of the Regional Government;

2. Render appropriate assistance to the hospital in its endeavor to carry out its responsibilities in
line with government health policy, strategy and program;
3. Create conducive environment enabling the hospitals to obtain the necessary human, material and financial resources.

PART THREE
OUTSOURCING NON-CLINICAL SERVICES ON CONTRACT

13. Principles
With the intention of making health institutions devote their full capacity to clinical-related and research activities, the outsourcing of non-clinical services shall be effected on the basis of the principles of

1. cost minimization,
2. dexterous service delivery,
3. improvement of service quality.

14. Preconditions to be fulfilled

Prior to decision to outsource non-clinical services, the prerequisites indicated herein below shall be met; hereby to minimize possible negative impacts that may happen due to loss of jobs:

1. Ensure the availability of adequate number competent entities that may supply the services to be outsourced to them contractually;
2. Collect ample information that helps for decision making and analyze it;
3. Build contract administration capacity;
4. With regard to the employees who were undertaking the services that are intended to be
outsourced:

a. develop a contract that facilitates for some of them to have job opportunities through the contract taker;

b. create ways whereby those staff members may organize themselves and they take the services to be outsourced in the form contract; and/or

c. transfer them to other vacant posts according to their educational level and work experience as well as make their job security sustainable.

15. Maintaining Functions of Monitoring and Controlling Under the Management of Health Institution

Functions of monitoring and controlling associated with services to be outsourced on contract shall be maintained under the management of the Health Institution.


A contract document transparently showing the description of services to be outsourced contractually, and the type, the quality and the quantity of inputs which the contractor may utilize in providing the services as well as the expected outcome shall be prepared.

17. Selection of Services to be outsourced

Outsourcing of non-clinical services contractually
shall be made on the basis of Government procurement manual:

1. Where it is ensured that other parties have a better efficiency in the sector;

2. Where the management board of the hospital or the management committee of the primary health care unit selects services from among those listed under article 18 herein below, that it believes may produce more result if accomplished by other parties, and decide pursuant to the directive to be issued concerning the issue; and

3. The contract between health institutions and other parties shall be signed where the hospital board/management committee of Primary Health Care Unit approves the bid analysis result.

18. Types of Service to be outsourced on contract

Consistent with the general provisions under Article 17 above, types of non-clinical services that may be considered for outsourcing shall be the following

a. Cleaning services,
b. Wash or laundry service,
c. Preparation and supply of food,
d. Fixed asset maintenance and services,
e. Printing services,
f. Property and security protection services,
g. Transport services,
h. Legal service, and
i. Other non-clinical services to be determined by the board or the management committee of Primary Health Care Unit.
19. Duration of contract

1. Non-clinical services shall be outsourced for a time duration to be determined by the board or the management committee of the primary Health Care Unit taking the nature of the service and the benefits of the health institution in to account;

2. Without prejudice to the provisions of sub-art. 1 of the article hereof, a detailed directive whereby non-clinical services to be outsourced on contract shall be especially issued by the Regional Council upon the study of the bureau, and put into effect.

20. Mode of Payment

Without prejudice to the provisions stipulated in the civil code, the service charge shall be stated in the contract as consistent and invariable.

PART FOUR
ESTABLISHMENT AND OPERATION OF PRIVATE WINGS

21. Establishment of private wings

1. Pursuant to this regulation, a private wing may be established in a way that it does not interrupt the service the hospital renders in the general ward;
2. With regard to the quality of medical and examination services, there shall not be any disparity between that of the beneficiaries of the general ward and the private wings;
3. The establishment of private wings shall not compromise the effort to reduce the waiting times in the general ward;
4. Private wing may be established where the recommendation studied and presented by manager of the hospital concerning the issue is examined and approved by the Bureau.

22. Types of services provided in private wings

The following are types of services provided in a private wing:

1. Supply facilitated bed and food services for inpatients;
2. Provision of medical services to outpatients out of regular working hours;
3. Provision of medical services which are not rendered in the hospital, in collaboration with other parties.

23. Starting Capital

The private wing may be established with the starting capital drawn from

1. donation,
2. loan sourced from surplus of special pharmacies and internal revenue of the hospital,
3. capital budget support from government, and
4. other sources, as deemed necessary.

24. **setting Service charges**

1. The charge to be paid for the service of the private wing shall be applied where it is studied by the hospital and approved by the bureau;

2. The setting of the service charge shall consider assumptions specified herein below:
   a. quality of medical services,
   b. expense of the services,
   c. the payment which the private health institutions charge for similar services;

25. **Working Hours**

The working hours of private wings shall be determined by the bureau taking each service situation into account and the assignment of professionals should be in turn in away that it is favorable to and does not adversely affect the activity of the general ward.

26. **Distribution and Utilization of Profits**

The profit to be obtained from the activities of the private wings shall due mainly be used to improve the health service being rendered by the private wing and the general ward, and to promote health professionals diligence in their work, the detail shall be determined by directive to be issued by the bureau.

27. **Responsibilities of Hospitals**

With regard to the working procedures of the private wings, the hospitals shall have the following responsibilities:
1. የግል የሕክምና መስጫ ክፍሎችን ወይም ጊዜ ክስ እስካል መስጫ የሚያገኝት ላይ የሕክምና አገልግሎት የሚገኝ መሆኑን ማረጋገጥ፤
2. ከመኖር ክፍሎች፣ ከምግብ አቅርቦት እና ከቆይታ ጊዜ በስተቀር ሁሉም ተካሚዎች የመደበኛ እና የغال የሕክምና መስጫ ክፍሎች የሚያገኝት የሕክምና አገልግሎት የሚያገኝ መሆኑን ማረጋገጥ፤
3. የግል ሕክምና መስጫ ክፍሎች ያስቀረ ከመነፋ እና ሕክምና ፍስጡ ያስቀረ ከመነፋ የሚያገኝ መሆኑን ማረጋገጥ፤
4. የግልና በመደበኛ የሕክምና አገልግሎት መስጫ ክፍሎች የሚያገኝ መሆኑን ማረጋገጥ፤

28. ይልሆኑ ክፍሎች ከስር ከሆኑ

28. Coordinator of the Private Wings

1. The hospital shall assign a coordinator to the private wing;
2. The administrative condition of the private wings, being assisted by the hospital administrative employees, shall be accountable to the hospital management;
3. The coordinator shall, in accord with the guideline given to him from the hospital manager, coordinate, follow up and submit report of the performance of the private wings.

PART FIVE
FEE WAIVER SERVICES

29. Beneficiaries of the Services
Beneficiaries of the free medical services shall be the following:

1. Individuals and families who are residents of the region and whose house-hold income, as is confirmed by the local public officials, with the involvement of local community, cannot afford the expense for their basic livelihood;

2. Street people,

3. Those who are displaced from their residences due to man-made and natural disasters and unable to cover their medical expense; or

4. Those who are beneficiaries of the 24 hours emergency medical service of the health institutions but neither can afford to pay by themselves nor have anyone else to cover the expense for them.

30. Preparation of Fee Waiver Certificate

1. A certificate, listing names of family members who may be beneficiaries of free medical service, and prepared in the name of family head shall be granted by the kebele administration as per the provisions of Article 38 (3) below;

2. The list of free medical beneficiaries shall be prepared in three copies and has to be kept by a. the health institution,

b. the certificate granting authority, and
c. the body administering the fee waiver finance.

3. The certificate granting body shall be responsible for the legality and authenticity of the medical certificate it has granted, and in case the certificate is found falsified, the former shall also be liable to that effect.
31. ከአማካኝነት ያለው የስራ አፈፃፀም ጉዳት አግባብ ተለbart ይሆናል።

31. Useful life of Fee Waiver Certificate

1. A free medical certificate provided by kebele administrations, upon the decision of woreda or city administration, shall be valid for three years;

2. Where the validity period is over, it shall be renewed by the certifying body.

32. ከአማካኝነት ያለው የስራ አፈፃፀም ጉዳት አግባብ ተለbart ይሆናል።

32. Cost Covering of Free Medical Service

1. Twenty five percent of the service charge for free medical service beneficiaries, treated as out-patient and in-patient, in health centers and hospitals shall be repaid to the health institutions on the basis of the service charge per capita to be studied and decided by the regional health bureau;

2. The service charge of the fee waiver beneficiaries in health centers shall be covered by the respective city or woreda administrations;

3. The service charge for free of charge medical service beneficiaries in hospitals, through referral system, shall be covered by the Regional health bureau;

4. The service charge coverage for those free of charge beneficiaries, coming from and going to other regions, shall be treated according to the bilateral agreement reached between the two Regions concerning the issue;
5. The expense for fee waiver beneficiaries shall be requested for quarterly by the health institutions, and reimbursed by expense financing bodies;

6. The service delivery to free medical service beneficiaries of those suburb administrations shall be executed in accordance with the agreement to be reached between the suburb administration and the health institutes in those very cities.

33. Responsibilities of Fee Waiver Service Beneficiaries

Any free medical service beneficiary shall have the responsibility to properly keep, utilize and not to hand over the free service certificate to somebody else.

34. Responsibilities of the Surrounding or Local Community

Each local or surrounding community in which the free medical service beneficiary embraced shall have the responsibility to actively participate in the process of identifying the free medical service beneficiaries, following up and evaluating the accomplishment.

35. Responsibilities of the kebele Administration

For the execution of this regulation, kebele administrations shall have the following responsibilities:

1. Identify those residents who are entitled to fee waiver service, in conformity with the criteria enumerated under Article 32 of this regulation and in such an appropriate way of ensuring community participation;
2. ይህ ከምምር ከእኔ በማህበር ባከተማ ከመጠቃሚዎችን የጤና ጣቢያ እንወጮ በማውቅ ያصاصቸው ያገኙ ከውለ መብር ከአካላት የውለ መጠን ያቀርበ ተቀባይነት ያቀርበ;

3. ከተመረጋገር ያምደር ያሆና በሚፈፀም ከውለ መጠን ያቀርበ በማውቅ ያገኙ ከውለ መጠን ያቀርበ ተቀባይነት ያቀርበ;

4. ያህ ከምምር ከእኔ በማህበር ባከተማ ከመጠቃሚዎችን የጤና ጣቢያ እንወጮ በማውቅ ያصاصቸው ያገኙ ከውለ መጠን ያቀርበ ተቀባይነት ያቀርበ;

36. የወረዳ ወይም የከተማ አስተዳደር ያስቻለት

36. Responsibilities of Woreda or City Administrations.

With regard to the execution of this regulation, woreda and town administrations shall have the following responsibilities;

1. Provide appropriate support to kebele administrative bodies in the process of identifying the beneficiaries of free medical service;

2. Review and approve the list of free medical service beneficiaries selected and sent by kebele administrations, and notify the relevant kebele administrations and health centers of same;

3. Appropriate budget that enables to cover the free medical service expense as per the approved list;

4. Sign a contractual agreement with health centers pertaining to free medical service and its expense coverage;

5. Instruct the woreda finance and plan office to verify and execute the payment so requested by
6. Undertake monitoring and evaluation, in collaboration with the health institutions and kebele administrations nearby, concerning the provision of free medical certificate to beneficiaries once a year in the presence of community representatives.

37. Responsibilities of Health Institutions

The health institutions shall, pursuant to the execution of this regulation, have the following responsibilities:

1. Provide the service to free medical service beneficiaries with no distinction from those who receive it through payment;

2. Make the community aware the way how free medical service is provided and beneficiaries are identified;

3. Sign a contract with the financer of free medical service on service provision and payment execution;

4. Collect the service charge by compiling the list of free medical service beneficiaries and service charge records, and by submitting same to the financing body quarterly.

38. Responsibilities of the Health Bureau

Concerning the execution of free medical service system, the bureau shall have the following specific responsibilities:

1. Allocate budget that enables to cover the charge for the service provided to free of charge service seekers who come to public hospitals of the region through referral system, and execute payment therefore upon request;
2. Provide appropriate technical support for the full implementation of free medical service system;

3. Issue an implementation directive so as to properly undertake the free medical service and ascertain its application.

PART SIX

MISCELLANEOUS PROVISIONS

39. Inapplicable Laws

Any other regulation, directive or customary practice in contrivance with this regulation shall not apply to matters provided for in this regulation.

40. Power to Issue Directives

The bureau may issue directives for the full execution of this regulation.

41. Effective Date

This regulation shall enter into force as of the date of its publication in the Zikre Hig Gazette of the Regional State.

Done at Bahir Dar
This 21st day of May, 2006
Ayalew Gobeze
Head of Government of the Amhara National Regional State