

The

Family Planning Manager

CASE SCENARIOS FOR TRAINING AND GROUP DISCUSSION

Angelino Regional Clinics Deal with Decentralization

"I'm sorry I'm late, I had a phone call from Dr. Cardozo, the head of the Ministry of Health's Task Force on Decentralization," Dr. Mendoza apologized. As the chief of family planning in the Angelino Region, Dr. Mendoza supervised seven district clinics and presided over the monthly supervisory meetings. After looking through her papers she began, "I think we should depart from our normal agenda today. There's been so much buzzing in the corridor about decentralization, I thought it would be a good idea to discuss the Ministry's decentralization initiative that everybody is so upset about. We've been told that the government is going to decentralize many management functions within the Ministry of Health. The focus of the first part of the decentralization initiative will be limited to financial management and will require clinics to charge for services and to use the fees they collect to support clinic operations. This will give us the authority to manage the money that comes from the central level. It will also require us to develop ways to charge for the services we provide. What is distressing, I think, is that they haven't said how we should do this. Everyone in the region seems to be worried that our lack of experience in managing money and making financial decisions could compromise our ability to provide the same level of service that we have in the past."

"Let's face the facts," said Dr. Cruz, one of the clinic managers, "We just aren't prepared for this

kind of change. We don't know anything about charging fees, and we don't know how to manage the money. How could we possibly figure out how much to charge our clients?"

"I'd like to ask a few questions," said Mrs. Arroyo, a manager of one of the smaller rural clinics in the region. "Who is going to decide how to account for the money? Who will have the responsibility of keeping the account books in order? How will we decide how much we should charge? What about you Dr. Mendoza? Will you still supervise us?"

Dr. Mendoza nodded. "I know you all must have a number of questions. I'm sorry that I can't answer them all, but there isn't anything definite yet. Dr. Cardozo didn't give me a clear picture of the roles and responsibilities of the Ministry's central office in carrying out decentralization, but it's clear we will need help from the government."

"I don't know about everyone else," Dr. Rojas, a manager of one of the newer urban clinics in the region, said, "but my staff don't have the skills to manage our finances. We're talking about complicated things here, like projecting financial needs, preparing budgets, and learning standard accounting practices. I'm a doctor. I never studied any of these things in school. For us, this will require an enormous investment in training, technical assistance, and supervision."

Case Scenario: Angelino Clinics Deal with Decentralization

Mrs. Suarez, manager of the clinic in the regional capital, interjected. "I don't feel as nervous about this change as many of you. For me, this seems like a real opportunity. Some of my staff have some excellent financial management skills. We've been wanting to have more control over our budgets for a long time. This is a real opportunity for us, but we'll need to get some training and experience in learning more about our clients and how much they can afford to pay. If we can figure out how much it costs us to provide services, and how much revenue we need to run our clinics, we'll be able to carry out this change without too much difficulty."

"I think you're naive," Mr. Gonzales, the clinic manager who had been in his position the longest, broke in. "Right now, we don't have a bank account for our clinics. We haven't ever been responsible for writing checks. We don't even have an accountant who can show us how to set up our financial systems."

Mrs. Arroyo spoke up, "We have so many poor people in my area, covering our budget with fees

collected from clients will be impossible. How are we going to provide services for those that are unable to pay?"

"What about the IEC program?" asked Dr. Rojas. "Are we going to have to develop our own brochures and posters?"

Dr. Mendoza responded, "That's a good question, not only for IEC activities, but for many other areas in which the Ministry's central office has played a major role. I hope the central Ministry will take responsibility for developing IEC strategies and for some other areas as well, like contraceptive logistics."

"Doesn't it seem strange to you, Dr. Mendoza, that the Task Force hasn't asked us what kind of support we think we will need to be able to make these changes?" asked Dr. Cruz.

"The program is still being discussed," replied Dr. Mendoza. "I'm meeting with Dr. Cardozo next month. Maybe we could start now to make a list of things we hope that they will consider before they launch this decentralization initiative."

Case Discussion Questions: Angelino Clinics Deal with Decentralization

1. In making the decision to decentralize the authority to generate revenues and manage finances, how should the central level support the local level?
2. What main advantages will managers of the district clinics in the Angelino Region have when they have the authority to manage and use their own program money?
3. What are the skills central- and local-level managers may need to implement the decentralization initiative?

Case Analysis: Angelino Clinics Deal with Decentralization

1. In making the decision to decentralize the authority to generate revenues and manage finances, how should the central level support the local level?

As Dr. Cruz implied, the central level plays a critical role in the success of decentralization. First, the central level needs to clarify exactly what responsibility, authority, and accountability will be transferred and what organizational relationships and reporting changes will occur. Although the Ministry has yet to finalize the decentralization initiative, Dr. Mendoza and her colleagues are worried that at the regional level they will not have the skills required to manage finances well. They understand that they will need training and support from the central level to acquire the skills necessary to keep the clinics financially viable. Dr. Rojas raises the possibility of being unable to generate enough fees to cover costs from his client population. One role for the central government is to develop mechanisms that will continue to distribute resources equitably among all regions and among clinics within those regions.

The central office of the Ministry could develop a training program in collaboration with the managers of the district clinics in the Angelino Region based on their program and the skills of their staff. Although central-level managers know how to set up and conduct a training program on financial management, they may be unaware of local constraints that need to be taken into account to make the training useful to Angelino program managers. Obviously, the need in Angelino varies from district to district. In order to be useful, training will need to be tailored to account for the different conditions in each district.

Technical assistance could also help smooth organizational changes that might be brought about by decentralization. This technical assistance should take into account the need for field testing new procedures. Family planning managers in the Angelino Region will most likely make changes in supervision and reporting systems, revise job descriptions, etc. This can be quite difficult without adequate support and help. Without the necessary support, some services could be disrupted and quality could be compromised. Those providing technical assistance should work with managers of the district clinics to review the existing organizational structure and management systems to determine what changes correspond best with the new responsibilities that the local managers will have. Together, central- and local- level managers will need to plan how they will institutionalize the changes with minimal disruption of services. Technical support may be required for a long time, and the central level must monitor and evaluate how effectively field managers are able to make the transition from a centralized to a decentralized family planning program.

Case Analysis: Angelino Clinics Deal with Decentralization

2. What main advantages will managers of the district clinics in the Angelino Region have when they have the authority to manage and use their own program money?

The principal advantage to the clinic managers in the Angelino Region in decentralizing financial management is having greater control over their financial resources. However, with greater control over resources comes greater responsibility for using the funds to help maintain high-quality services and to manage the funds in accordance with accepted accounting practices.

The other advantage to district clinics is that they will have more freedom to introduce different types of income-generating activities such as laboratory testing services, special women's reproductive health services, and other services. A third advantage is that they will be able to adjust fees in accordance with their clients' ability to pay. This can have an important impact on reducing discontinuation rates, particularly when economic hardship forces clients to make choices between contraceptives and other necessities.

3. What are the skills central- and local-level managers may need to implement the decentralization initiative?

Decentralization can encompass many different aspects of the family planning program. Managers at both the central and local level must be trained in the skills and systems they will need to run their programs effectively. Training programs should focus on developing some of the following skills:

At the central level:

- making demographic projections;
- developing long-range goals and strategies for financial needs;
- setting up systems to allocate funds to the local level on an equitable and timely basis;
- establishing guidelines to give local managers access to funds for covering capital and operating costs;
- conducting operations research;
- monitoring national programs.

At the local level:

- setting performance standards;
- developing procedures for collecting fees and handling cash;
- establishing banking arrangements;
- reporting income and expenses;
- analyzing and projecting service costs;
- preparing budgets;
- controlling expenditures in accordance with accepted accounting practices;
- identifying new sources of revenue;
- introducing and managing income-generating projects.