

**THE ROLE OF USER FEE CHARGE IN FINANCING HEALTH SERVICES
AT KILIMANJARO CHRISTIAN MEDICAL CENTRE (KCMC) – MOSHI**

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ABSTRACT

The purpose of this study is to assess the role of user fee charge in financing health services. The study employed a survey method using KCMC as a case study. This study provides some reflections on the role of user fee charge in financing health services. The study highlights the magnitude of the problem of exemptions, waivers, absconders and deferred payments (bonds) and how they impact on the hospital budget. The problem of low Government funding is also discussed.

The findings show that user fee has increased over the whole period of study and is an essential source of revenue for the hospital covering 39% of the hospital budget.

However, despite user fee collections increasing annually throughout the period of study adverse factors such as waivers, absconders and deferred payments reduced the collections to a large extent. Moreover the Government financing has been declining year after year.

Waivers increased over the period under study and on average it accounted for 3% of expected user fee. It has been observed that absconding reduced user fee revenue by 0.3% and the presence of absconding patients may reflect the failure of the waiving system. Deferred payments impact negatively on the hospital financial ability and this is reflected by the fact that deferred payments represented 66% of the total medical bill. The findings show further that the Government subventions financed only 24% of the hospital budget and could be the cause of poor quality in health services.

In view of this the researcher recommended the following:

- User fee price review should be consistent in terms of timing and the rate of uplift in order to reflect the ability to pay of the community members.
- The high rate of patients seeking waivers by the paediatric and obstetrics and gynaecology wards reveal the need for the hospital to avail universal exemptions to women and children.
- The fact that patients are absconding while waivers are available could be a clear indication of failure of the waiving system.
- It is an appeal to the Government to increase funding of the hospital in order to improve health care delivery.