Hypothesis 3

The peri-urban PHCs in Mortalia are under-funded.
Unpacking the Problem

Are the peri-urban PHCs in Mortalia under-funded?

If the peri-urban PHCs in Mortalia do not get enough money to begin with

\[\downarrow\]

then they will never be able to solve the health problems in their community, regardless of what else changes.
Which calculations do I need to do?

1st calculation:

- What share of the Sunrise State Dept. of Health District Services Program budget do the peri-urban clinics get?
- Formula for calculating share of the budget:

\[
\text{Share of the budget} = \frac{\text{Section of the budget}}{\text{Whole budget}} \times 100
\]
Let's Try the Calculation

- Aljana’s share of the overall District Services Program budget for 2008:
  \[(D \ 331,017 \ / \ D \ 67,580,152) \times 100 = 0.49\%\]

- Now it's your turn...
Which other calculations do I need to do?

2nd calculation:

• The formula for adjusting for inflation:

\[
\frac{\text{Nominal value of prior year} \times \text{CPI of most recent year}}{\text{CPI of prior year}} = \text{Adjusted “real” value (in most recent year value)}
\]
Let's Try the Calculation

• Aljana’s 2008 allocation in 2011 terms:
  \[(D \ 347,228 \times 118.5)/105.7 = D \ 389,277\]

• Now, you are on your own…
Which other calculations do I need to do?

3rd calculation:

- Are the allocations for peri-urban PHCs growing from year to year? How does the growth of their allocations compare to the growth in budgets of other PHCs in Mortalia?

- The formula to measure changes over time is:

\[
\text{Growth in budget} = \frac{\text{Amount in most recent year} - \text{Amount in prior year}}{\text{Amount in prior year}} \times 100
\]
Let's Try the Calculation

• The growth in Aljana PHC’s budget from 2008 to 2009 =

\[
\frac{355,318 - 347,228}{347,228} \times 100 = 2.3\%
\]

(Note: this is growth in nominal terms.)

• Now you try…
Who is responsible?

• Sunrise State Department of Health – District Services Program
How to fix this?

• For the District Services Program to provide a fairer share to the peri-urban clinics, they would need either to grow their budget and move extra funds to peri-urban PHCs or move funds from other clinics over to the peri-urban PHCs.

• Taking funds from other PHCs could present a problem in human rights terms. Why?
How to Illustrate the Findings

- Percentage shares normally look good in a pie chart, but in this case…

- Growth over time looks good in a line chart.
On to the Next Hypothesis…

1. The Primary Health Clinics (PHCs) in peri-urban areas of Mortalia are wasting money.
2. The Primary Health Clinics (PHCs) in peri-urban areas of Mortalia are under-spending.
3. The peri-urban Primary Health Clinics in Mortalia are under-funded.
4. The funds the District Services Program is providing to the peri-urban PHCs fall short of the *per capita* primary health care spending standard set by the Polarus Ministry of Health.