Equity on the Path to UHC: Deliberate Decisions for Fair Financing

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In 1978, we set the goal of primary health care for all by 2000.
We missed the mark by a wide margin...

50% of people lack basic health service coverage

100 million people are impoverished every year due to paying for health services

... the population of Afghanistan, Canada, and Malaysia combined

Investments in UHC are highly inequitable...

$90 is needed per capita to guarantee a basic package of health services in LICs and LMICs

<50% of the global population lives in countries that do not reach this benchmark

Global population breakdown by average domestic government health spending per capita, # billions

- 7.3 bn
- 3.7 bn
- 0.7 bn

- ~$560
- <$90
- <$10

No. of countries

- 69
- 25

Average per capita health spending

- LICs
- LMICs

The rate of global progress is *unacceptable* ...

... countries must *lead the charge*
Deep inequities in service coverage exist also within countries ...

**Incidence of skilled birth attendance: Example country in SSA (2014), %**

 SOURCE: HEFPI 2018 Database
Incidence and inequities in catastrophic payments: Example country in EAP (2012)

Threshold: 10% of total consumption

SOURCE: HEFPI 2018 Database
Inequalities in outcomes reflect differences in levels of health investments...

**Inequity in UHC outcomes**

- Adults over 20 with coverage for hypertension control, %
  - Uninsured: +20%
  - Members of social security schemes: -4x

**Inequality in Health Financing**

- Financing of pooling schemes
  - +6x

**SOURCE:** “On the Path to UHC: Deliberate Decisions for Fair Financing” UHCFF 2018 Forum Background Paper
UHC is an equitable destination ...

But it provides little direction on how to get there equitably...
Principles of fairness...

... deduced from UHC goal:

Universal Health Coverage

Benefits
Health services according to need

Burden
Contributions to prepaid pooled financing based on ability to pay

Some priority given to the worse off

Choices do not get easier...

Challenges of applying UHC principles to equitable policymaking

- Balance competing interests
- Principles are not absolute
- Prioritizing the worse off requires good data

Considering fairness in all health financing policy decisions...

1. Avoid unacceptable choices
2. Establish fair processes
3. Monitor policy impact

Policies meet one of two criteria to be unacceptable

Two criteria to identify unacceptable policy choices

1. **Deepen inequalities** deemed unfair
2. **Lack justification** against other policy objectives

The policy can be unacceptable because of **either** or **both** criteria

## Ten unacceptable health financing policy choices ...

<table>
<thead>
<tr>
<th>HF theme</th>
<th>Unacceptable choices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue mobilization</td>
<td>1. Raise additional revenues for health that make contributions to the public financing system less progressive without compensatory measures that ensure that the post-tax, post-transfer disposable income distribution is less unequal.</td>
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<tr>
<td></td>
<td>2. Increase OOPs for universally guaranteed personal health services without an exemption system or compensating mechanisms.</td>
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<tr>
<td></td>
<td>3. Raise additional revenues for universally guaranteed personal health services through voluntary, prepaid and pooled financing arrangements based largely on health status, including pre-existing conditions and risk factors.</td>
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<td>4. Changes in per capita allocations (of domestic general government revenue or donor funds) across prepaid and pooled financing schemes that exacerbate inequities, unless justified by differences in need or the availability of funds from other sources.</td>
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<tr>
<td></td>
<td>5. Within financing schemes, change per capita allocations from higher to lower autonomous, administrative units that exacerbate inequities, unless justified by differences in need or the availability of funds from other sources.</td>
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<tr>
<td></td>
<td>6. Within schemes or pools, change allocations of funds across diseases in ways that exacerbate inequities, unless justified by differences in need or the availability of funds from other sources.</td>
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<td>Purchasing</td>
<td>7. Introduce high cost, low benefit interventions to a universally guaranteed service package before close to full coverage with low cost, high benefit services is achieved.</td>
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<td>8. Increase the availability and quality of personal health services that are universally guaranteed in ways that exacerbate existing inequalities, unless justified by differences in need.</td>
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<td>9. Expand the availability and quality of key inputs (health workers, drugs, etc.) to produce a universally guaranteed set of personal health services in ways that exacerbate existing inequalities, unless justified by differences in need.</td>
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<tr>
<td></td>
<td>10. Increase the availability and quality of core public health functions in ways that exacerbate existing inequalities, unless justified by differences in need.</td>
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**SOURCE:** “On the Path to UHC: Deliberate Decisions for Fair Financing” UHCFF 2018 Forum Background Paper
Raise additional revenues for health that make contributions to the public financing system less progressive without compensatory measures that ensure that the post-tax, post-transfer disposable income distribution is less unequal.

<table>
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<tr>
<th>What happened?</th>
<th>What was the issue?</th>
<th>How was it resolved?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippines successfully raised revenues for health with sin taxes on tobacco and alcohol</td>
<td>This decision would normally have been an unacceptable choice, because sin taxes are regressive (affect the poor more)</td>
<td>The government used revenues from the sin tax to pay insurance premiums for the poorest 40% of people, making this policy acceptable</td>
</tr>
</tbody>
</table>
Establish fair processes

Criteria for fair processes

1. Meaningful public involvement present in decision-making
2. Decision-making is transparent and justified by legitimate criteria
3. Appeal processes are in place and decisions are regularly reviewed when new information becomes available
4. Regulations to govern processes are in place and sanctions exist for misuse of public funds and abuse of public trust

Fair processes make choices acceptable even to those who may dislike the outcome

Ethiopia: tools used in Social Accountability Program

1. Community Score Cards (CSCs)
2. Citizen Report Cards (CRCs)
3. Participatory Planning and Budgeting (PPB)
4. Public Expenditure Tracking Survey (PETS)

Criteria for fair processes

- **Public involvement** in planning and budgeting
- **Transparent** decision-making and **Accountability**
- Decisions can be **reviewed** and **updated**

**SOURCE:** “On the Path to UHC: Deliberate Decisions for Fair Financing” UHCFF 2018 Forum Background Paper
Tracking progress: you can only achieve what you measure...

### Data
- Higher **volume** of data and focus on **health financing** data
- More **disaggregated** data to track inequities across groups
- More **current / real-time** data
- More **administrative** data used in place of survey data

### Methods
- Resolving methodological issues with measuring OOPs
- Higher **investment** in monitoring (2-4% of domestic government health spending)

The newly-launched **HEFPI data portal** is a useful tool for countries to improve monitoring capabilities.

What is the way forward?

1. Avoid unacceptable choices
2. Establish fair processes
3. Monitor policy impact

Policy Development

IMAGE: Mariusz Szczygieł/iStock
The global community must support country efforts...

Countries will lead the charge to improve equity...

- Ensuring equity is part of the dialogue when working with countries
- Investing in building local capacity to make sustained improvements in equity
- Provide global public goods: tools, methods, and approaches
