New Technical Initiative on Innovative Health Financing

Washington DC, 14th April 2016
Why do we need this new track?

- Senior policymakers are very conscious of resource constraints in their pursuit of UHC, and so are as concerned about affordability and sustainability, as they are about implementation know-how.

- With the rapidly changing sources of health financing, especially as countries transition out of external support, innovations in financing need as much peer-to-peer support as is the increasing reliance on technical support within peers.

- Lessons from peers on innovative practices in the health financing space were a demand strongly articulated by JLN members when approving this track. Country-led solutions to common problems are the need of the hour in health financing.

- There was also an expressed need to go beyond the surface and initial appeal, and delve deeper into the exact experience and learnings from what promise to be great ideas, since there is already implementation experience available, but is not documented.

- Replicability and scalability of innovations can be a very different ball game than the original idea, and may need joint thinking through, and the resultant co-production of new knowledge.
Innovations in using existing resources

• Allocative efficiency- affordable mechanisms of using systematic priority setting, HTA and the like
• Technical efficiency- PFM, procurement and supply chain efficiency, performance measurement and other M&E efforts to reduce any waste
• Engaging the private sector- mobilizing private capital, leveraging efficiency and sharing risk
• Earmarking and Sin taxes- pros and cons, country experiences
• Innovations in improving compliance for direct and indirect tax
Innovations around Earmarked Sources of Funds

• Countries seem to be increasingly using earmarking (Going Universal, 2015)
  - Earmarking incremental taxes (such as VAT in Ghana)
  - Using Wage ‘taxes’- social health insurance.
  - Using “sin” taxes (tobacco/alcohol/ sugary drinks) with added emphasis on reducing consumption

• Does earmarking offer an easier ‘political’ solution to raising tax revenues?
• How consequential has earmarking been in raising revenues, or discouraging consumption?
• How about effects on efficiency?
Prioritizing Health Spending

• Prioritization of health in government spending, especially in incremental revenues, can be a key source of fiscal space for health
  – UHC programs prominent in fast growing economies (*Going Universal, 2015*)

• What helps make the health case with MOF better- what have been country experiences and innovations that brought MOF on board?

• Is this only relevant to domestic resources? How have countries been leveraging external financing in better ways?
Emerging Themes based on Country Demand

Revenue Generation

• Feasibility and country experiences (successes and challenges) in mobilizing innovative domestic financing sources e.g. mobile phone taxes in Nigeria and Mali, VAT in Ghana, taxes on plane tickets, taxes on international money transfers, taxes on mining activities and sin taxes

• Earmarking revenues for health: feasibility, implementation experience, achievements, challenges, efficiency issues feared by economists?

• Advocacy at multiple levels; including with Ministry of Finance- ensuring that MOF co-owns the importance of investing in health – and advocacy with beneficiaries and providers - especially around new revenue raising measures that contribute to health

• Tapping new philanthropic and donor resources, such as in-country charitable organizations and corporate philanthropy
Emerging Themes based on Country Demand (contd)

Spending

• Allocating resources for efficiency gains: Systematic priority setting and Health Technology Assessment at an affordable cost and despite capacity constraints in the developing world

• Reducing leakage, preventing fraud: Experiences in using fraud prevention and other preventive measures against leakages for greater efficiency

• Focus on productivity: Measurement and Rewards for greater productivity to improve efficiency

• Public financial management reform: Understanding entrypoints for budget advocacy

• Procurement and supply chain management improvements for efficiency gains
Emerging Themes based on Country Demand (contd)

Reorganizing System

• Integration of vertical programs and vertical flows of funds, avoiding duplication and inefficiencies across domestic and external sources: How to achieve this? Success stories? Enabling factors?

• Institutional roles and arrangements in health financing – how funding flows to and through different agencies (e.g., NHIS, MOH, local governments) and how to reallocate between institutions

• Engaging with the private sector – Understanding and leveraging the non-state sector (e.g., using not-for-profit private providers for enhancing efficiency in service delivery)

Cross-Cutting

• Improving understanding of health financing evidence: Shared understanding of concepts and vocabulary, making better use of health financing data and evidence