In pursuit of UHC: Emerging trends in health financing

YOGESH RAJKOTIA, PHD

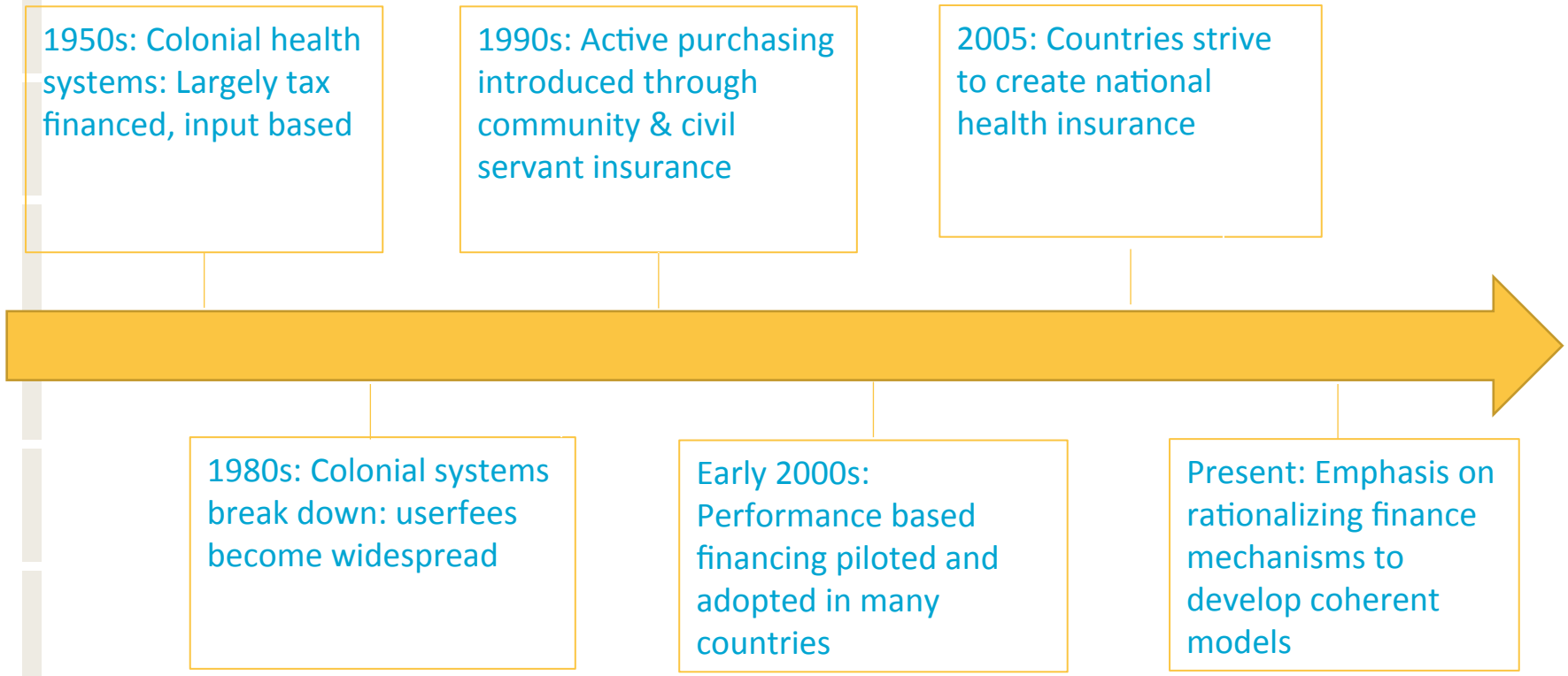
2014 AFRICA FORUM ON UHC, ADDIS ABABA

DECEMBER 1, 2014

UNIVERSAL HEALTH COVERAGE HAS SPURRED MAJOR MOVEMENTS IN HEALTH FINANCING ACROSS LMICS

- **Over 90 countries endorsed UN Resolution to achieve UHC**
- **Over 55 countries have planned or already implemented national health insurance**
  - Even countries with lower capacities, such as Liberia, has plans
  - Mature experiences such as Ghana and Rwanda offer many lessons
- **Over 50 countries have planned or already implemented results-based financing**
  - RBF is working in difficult settings such as rural Mozambique
  - In countries that have scaled up RBF, significant operating costs are being covered by RBF
- **Previous calls for "more money" have been replaced by calls for "smarter money"**
  - Strategic purchasing is back in vogue
  - Accountability for results: development impact bonds

EVOLUTION OF HEALTH FINANCING IN AFRICA: FROM COLONIAL SYSTEMS TOWARDS UNIQUE MIXED MODELS



EMERGING TRENDS IN HEALTH FINANCING: A PARADIGM SHIFT IS OCCURRING

1. **Beveridge, Bismark, and Semashko are dead: Emergence of context-specific models based on functions**
   - Leaders in health financing from LMIC have transcended traditional models: built system customized to local context
   - What arrangement makes the most sense for each function (revenue generation, pooling, purchasing)?
2. **Objectives of health financing are being redefined**
   - Adverse selection as a desirable objective
   - Insurance as a subsidy mechanism
   - Purchasing to improve efficiency and quality
3. **Structure of health financing is evolving – who pays for what, and what does it all look like at the end?**
   - Interesting convergence between different financing modalities: RBF, Insurance, CCTs
   - Reconciliation of input budgets with output payments: salaries, drugs, operating costs

EMERGING TRENDS IN HEALTH FINANCE: POWER AND POLITICS

1. **Health finance mechanisms have created a channel for citizen engagement**
   - Citizens feel entitled to receive services promised by their health card
   - Countries must have capacity to absorb and respond to a growing citizen voice, or face the consequences
2. **Redefining power within health sector: Role of purchaser vis-à-vis MOH**
   - Balance of power is shifting as purchasing agent gains more purchasing power
   - Autonomy of purchaser, especially vis-a-vis traditional MOH roles ex/ quality, benefits
3. **Politics drives progress**
   - Ghana NHIS: An NPP promise
   - Arab Spring: an opportunity for Morocco

EMERGING TRENDS IN HEALTH FINANCE: THE LAST MILE

1. **Increased capacity needs as systems become more refined**
   - South-to-South collaboration: Critical mass of developing country experts to support on-going implementation
2. **Focus is shifting from making it work to making it work efficiently**
   - Innovative partnerships to reach the informal sector
   - Outsourcing functions such as claims, customer service, etc
3. **Inevitability of increased resource needs**
   - Increased demand requires increased public spending on health
   - The search for innovative finance intensifies

WHAT DOES THIS ALL MEAN?

1. It's time to innovate: build a function-based model to suit your own context
2. Think big and plan ahead: Health financing mechanisms have reshaped the health sector
3. Prepare for your moment even if the politics aren't right today
4. You're not alone: country-to-country technical assistance for enhanced 'joint learning'