In pursuit of UHC: Emerging trends in health financing
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— Previous calls for “more money” have been replaced by calls for “smarter money”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

1950s: Colonial health systems: Largely tax financed, input based

1980s: Colonial systems break down: userfees become widespread

1990s: Active purchasing introduced through community & civil servant insurance

Early 2000s: Performance based financing piloted and adopted in many countries

2005: Countries strive to create national health insurance

Present: Emphasis on rationalizing finance mechanisms to develop coherent 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
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’