

# Health Systems: A Philanthropic Perspective

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May 2008 – **Geneva Health Forum**

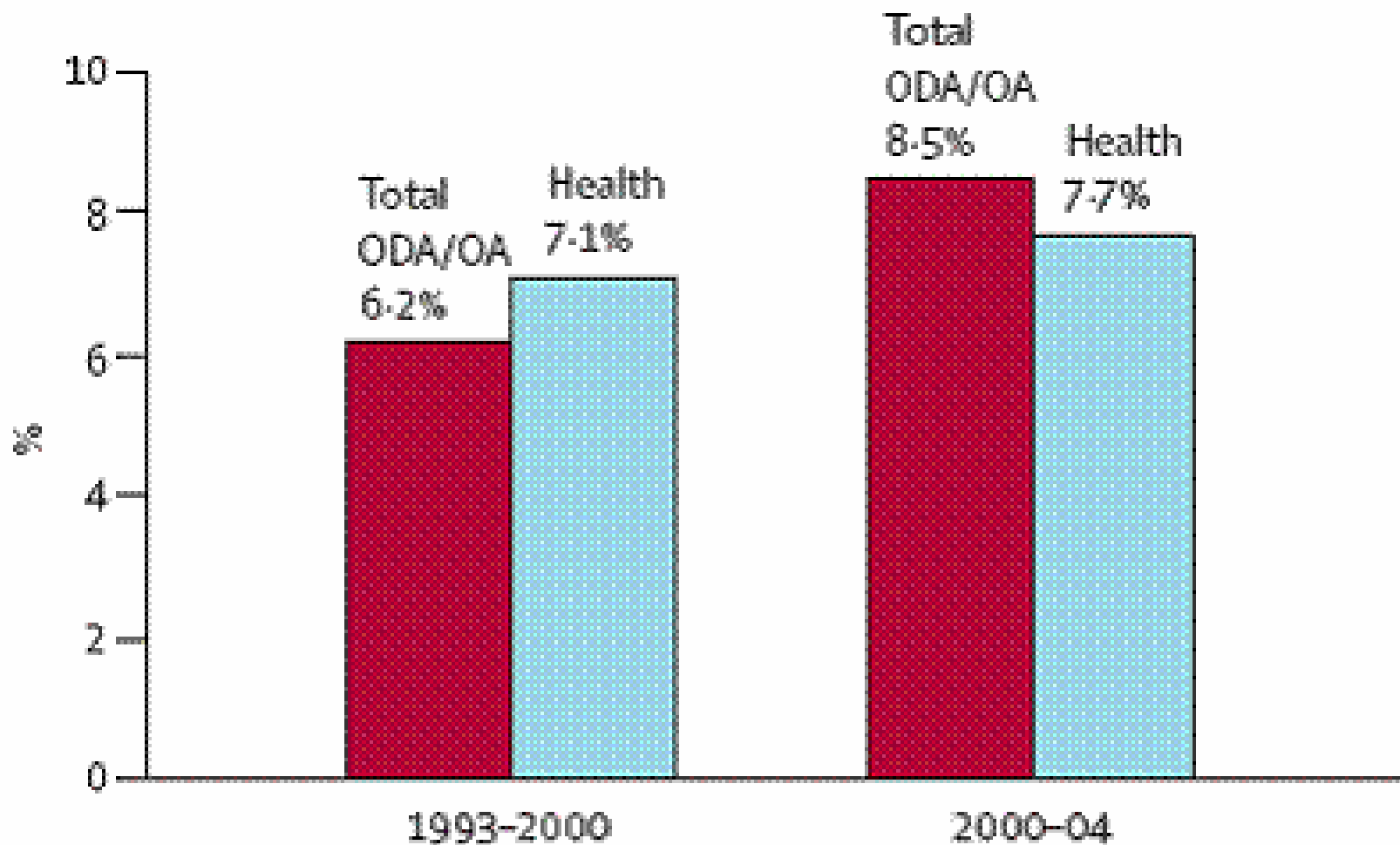
# Today's presentation:

1. Some points on global ODA

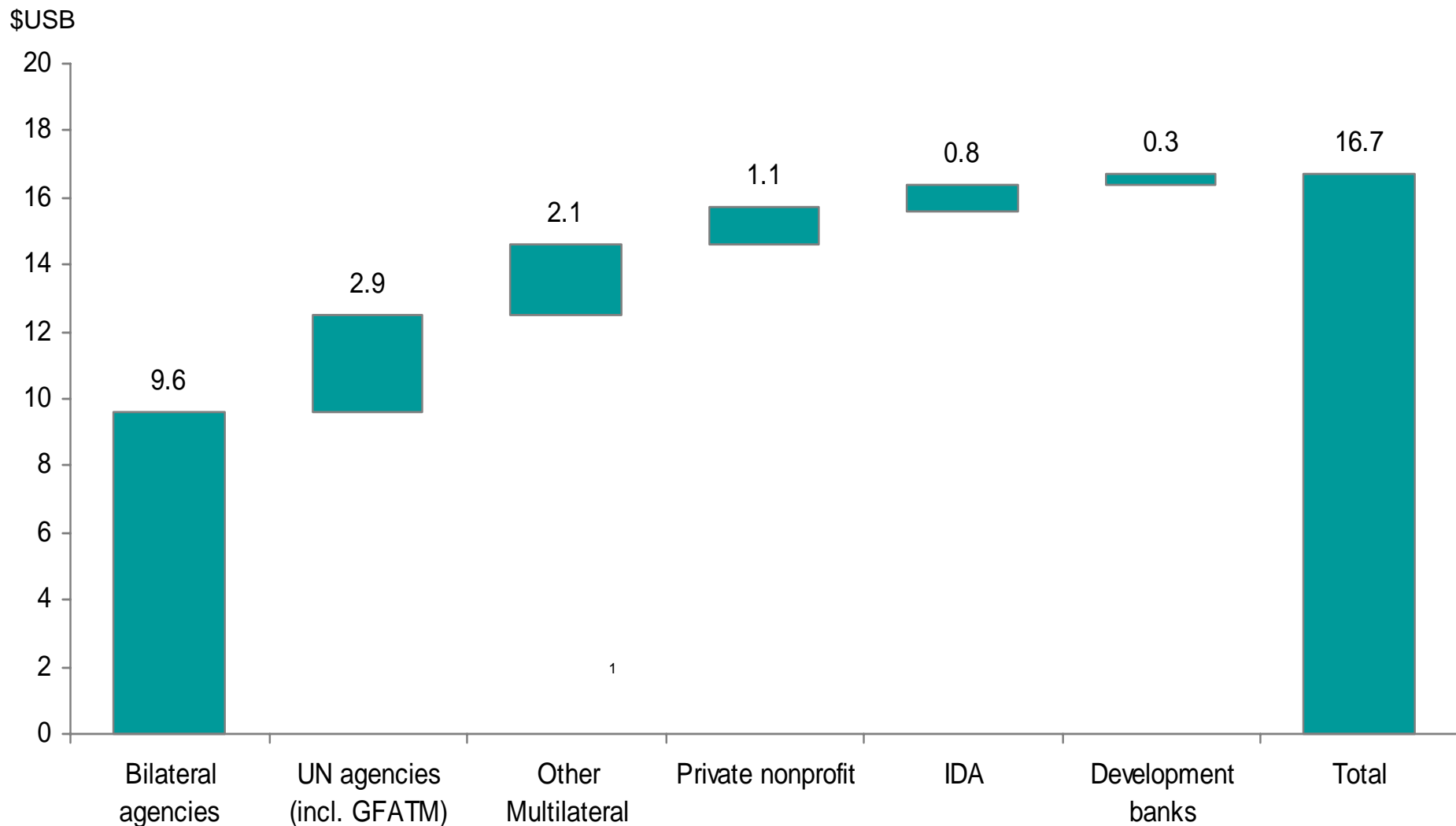
2. RF approaching Health Systems

3. RF new programmatic avenues

# Overseas Development Assistance



# Global health giving, 2006

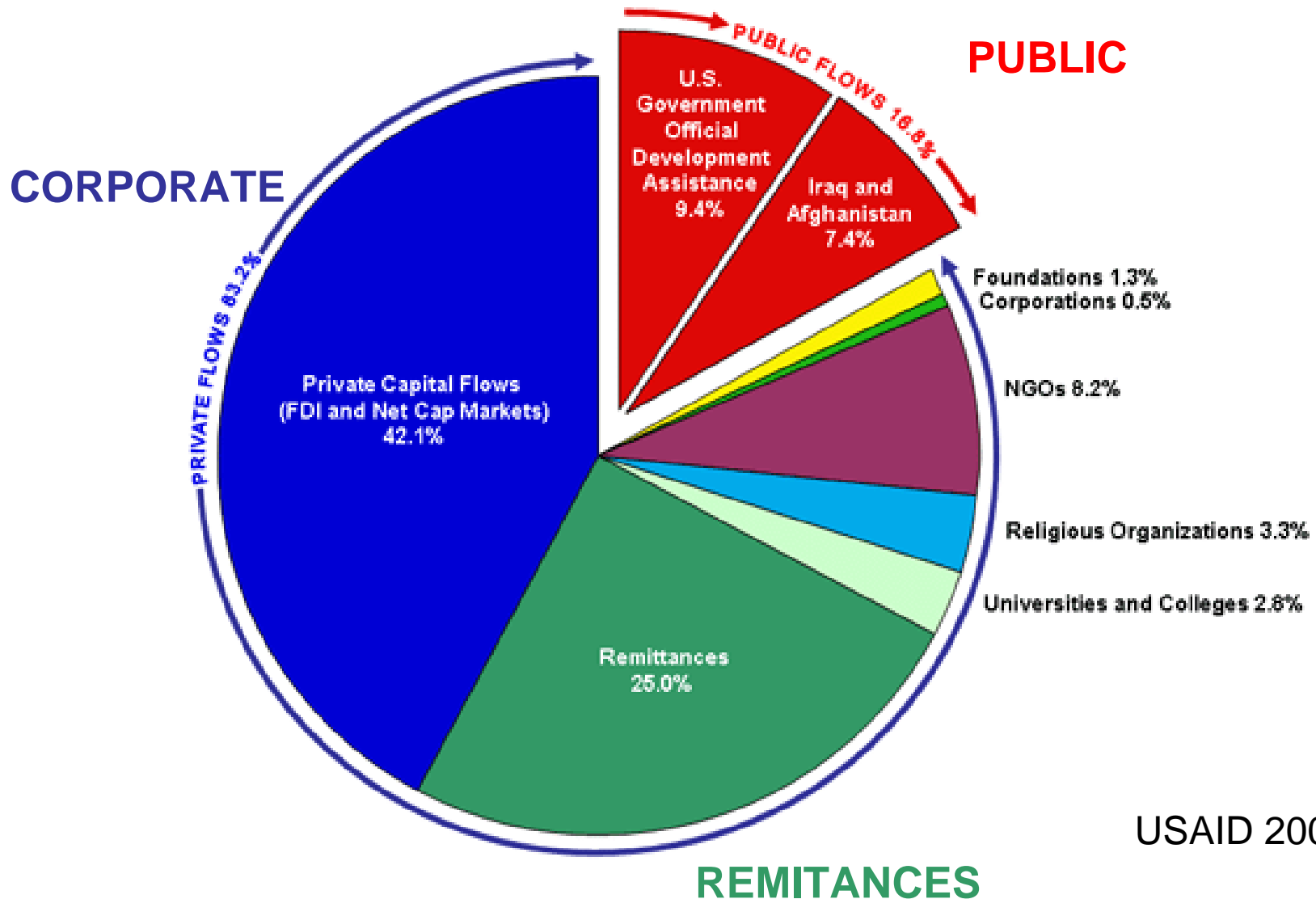


<sup>1.</sup> Sc UN, EC, GAVI, Global Fund and Gates represent >85% global health funding

# American Foundations 2006

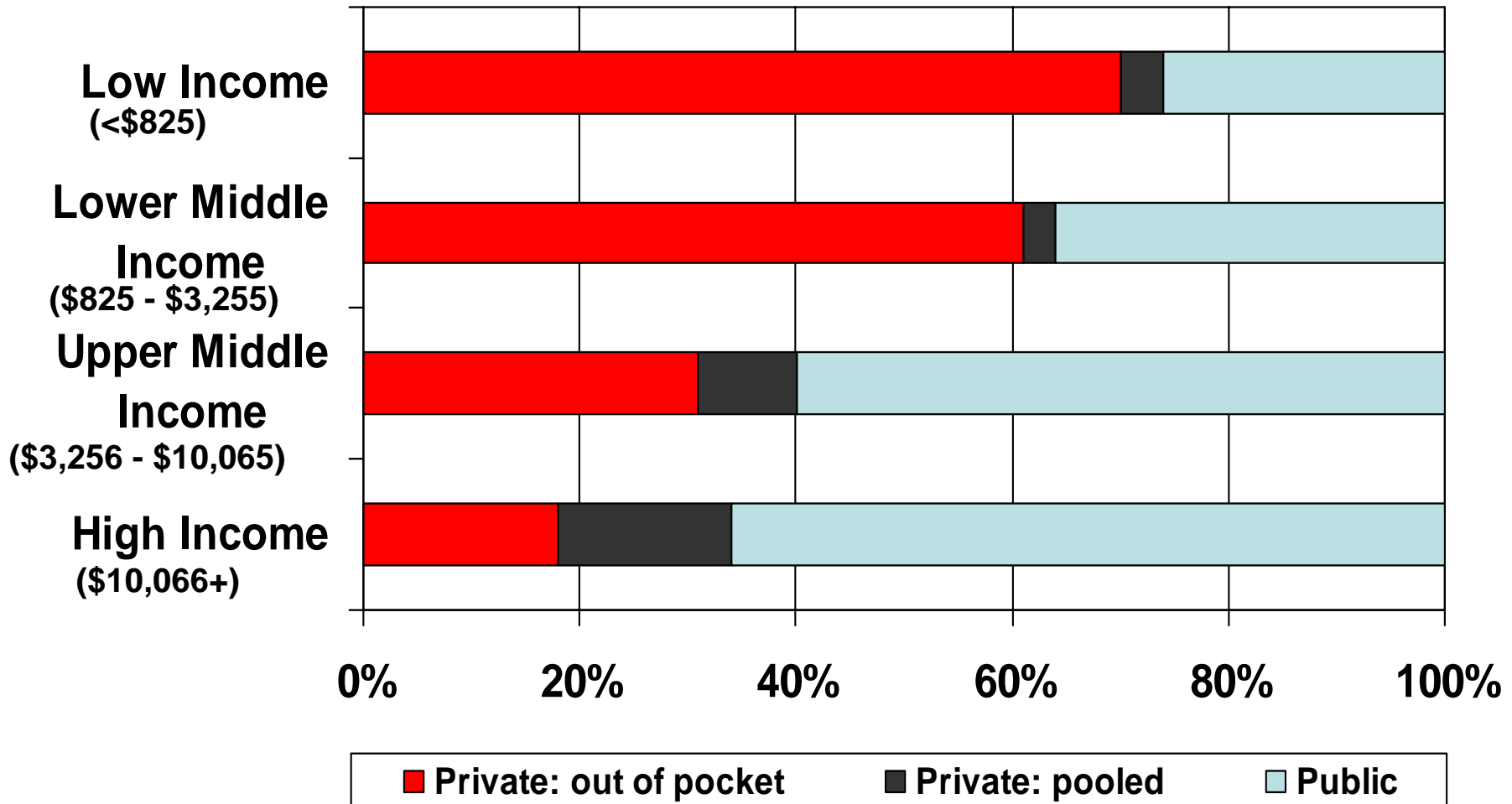
	Number of Foundations	Total private support, millions USD
Education (including universities)	137	\$17, 566
Social services (e.g. United Way)	34	15, 312
<b>International</b>	<b>51</b>	<b>9, 532</b>
<b>Health</b> (including local hospitals)	<b>54</b>	<b>7, 239</b>
Community foundations	28	3, 185
Arts and culture (including libraries, museums, & PBS)	27	2, 526
Religious	17	1, 854
Environmental and animal welfare	13	1, 512

# US Total Resource Flows to Developing Countries



USAID 2007

# LMIC spending their own money



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# A new set of problems

## Availability

- Limited access to health care services
- A global crisis in human resources for health
- Uneven availability of medicines & supplies

## Affordability

- High out-of-pocket expenditure
- Impoverishing catastrophic expenses
- Undeveloped health insurance

## Quality

- From long lines to fatal mistakes
- Varying provider incentive structures
- Lack of enforced quality standards

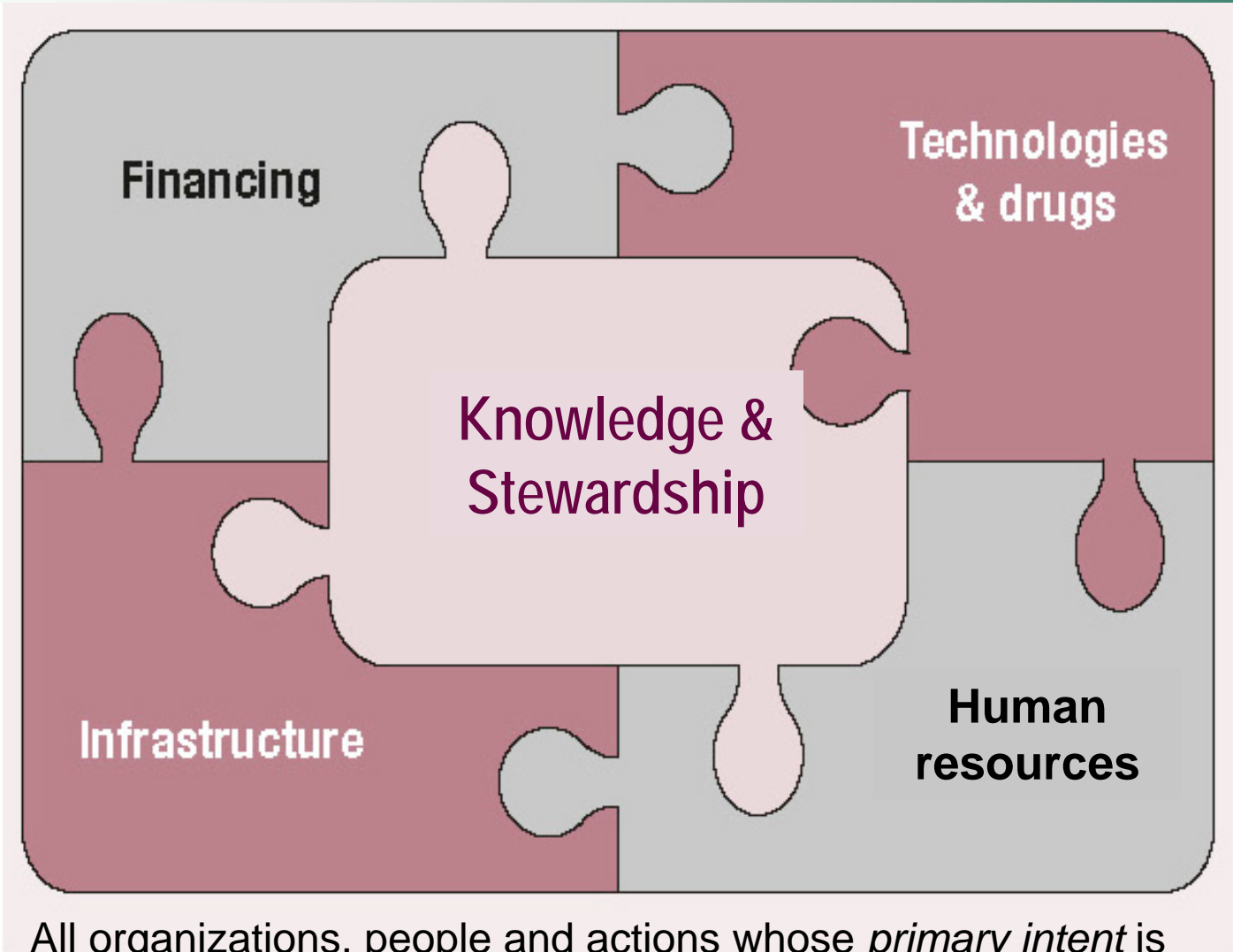
# POCANTICO II

## *The Global Challenge of Health Systems*

THE  
CKEFELLER  
FOUNDATION

September 20–21, 2007

# What are Health Systems ?

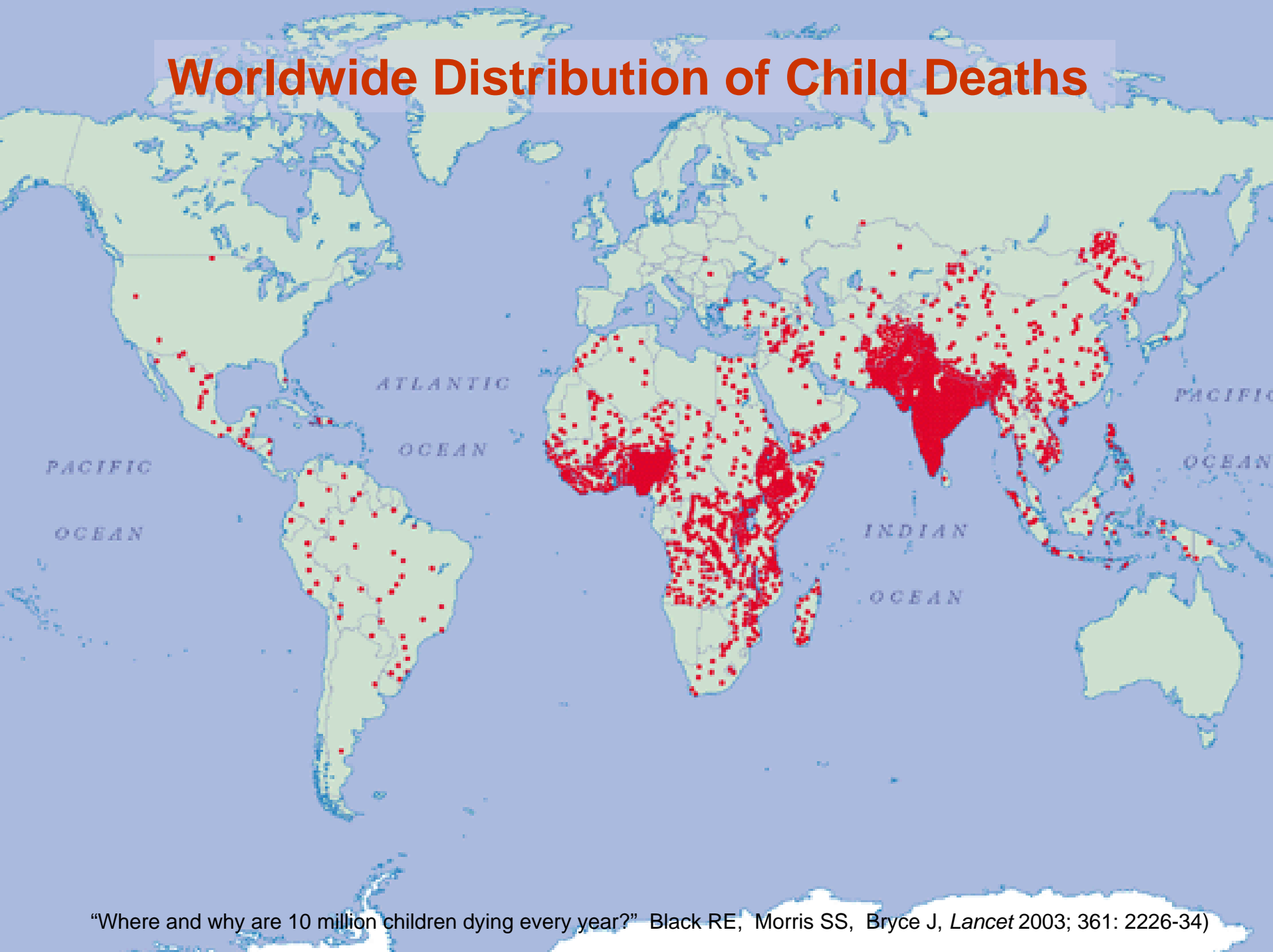


All organizations, people and actions whose *primary intent* is  
**to promote, maintain or restore health**

# RF analytic lenses

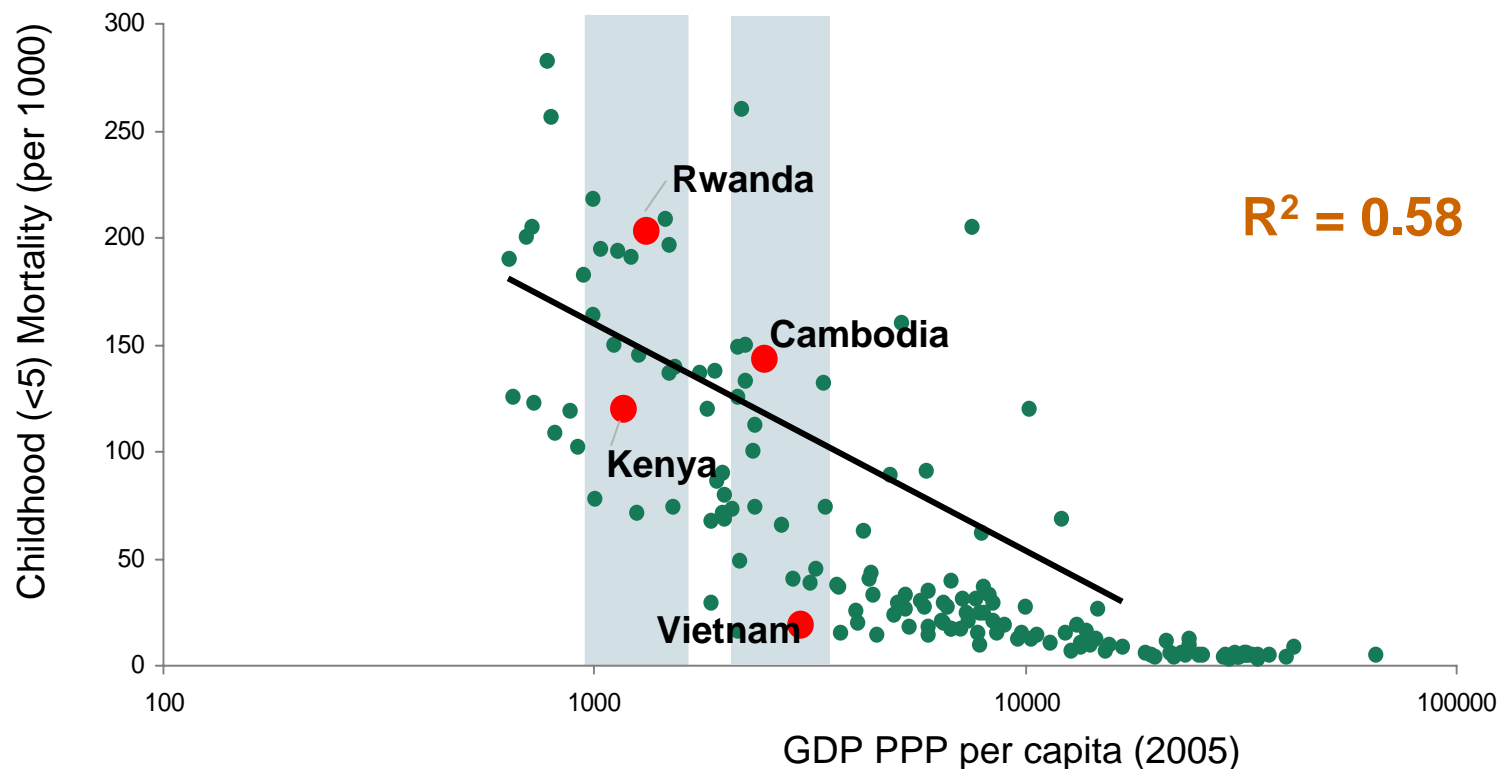
- Health Equity
- “*Good health at low cost*”
- The Economic transition of health

# Worldwide Distribution of Child Deaths



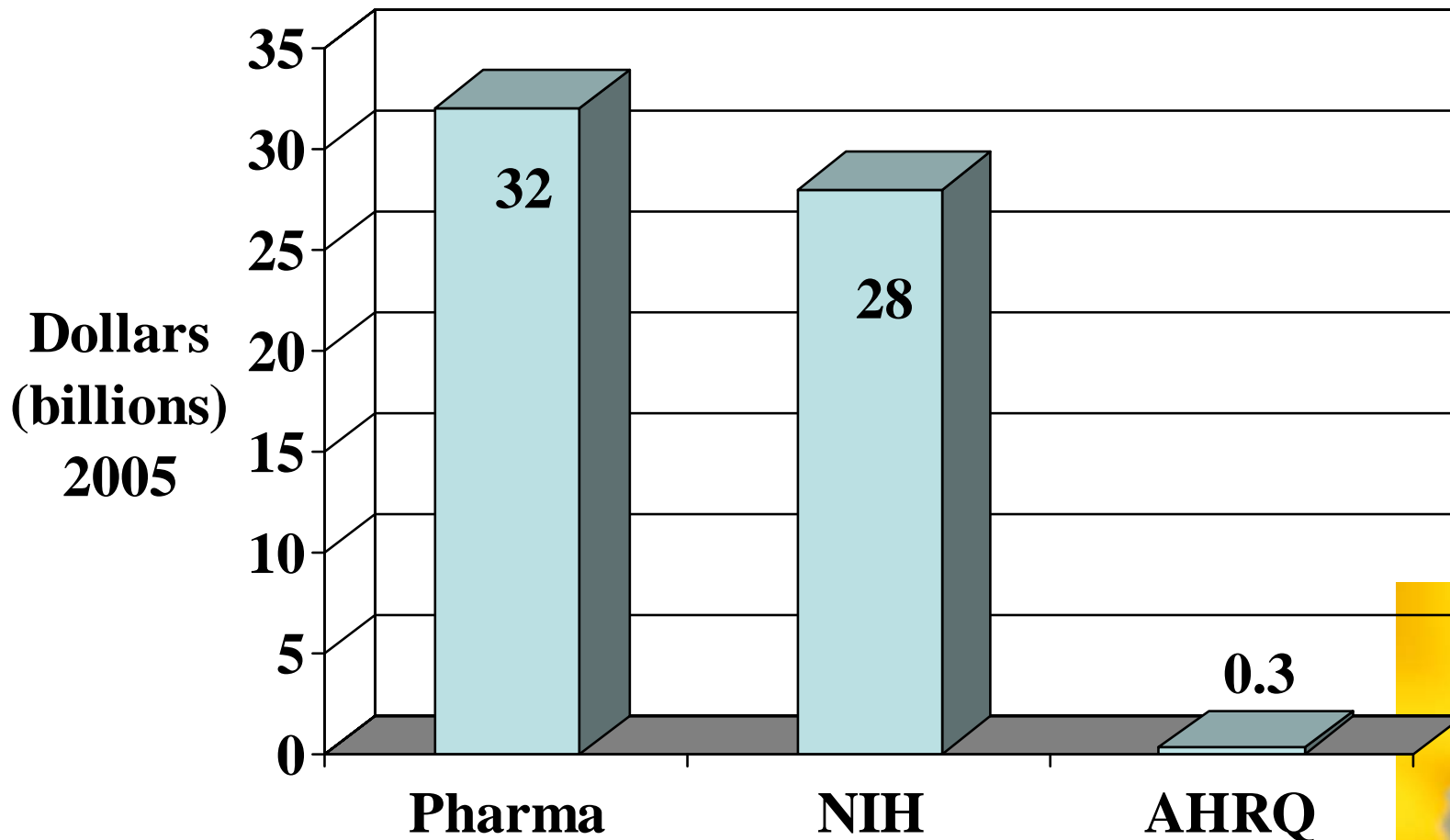
“Where and why are 10 million children dying every year?” Black RE, Morris SS, Bryce J, *Lancet* 2003; 361: 2226-34)

# “Good health at low cost”



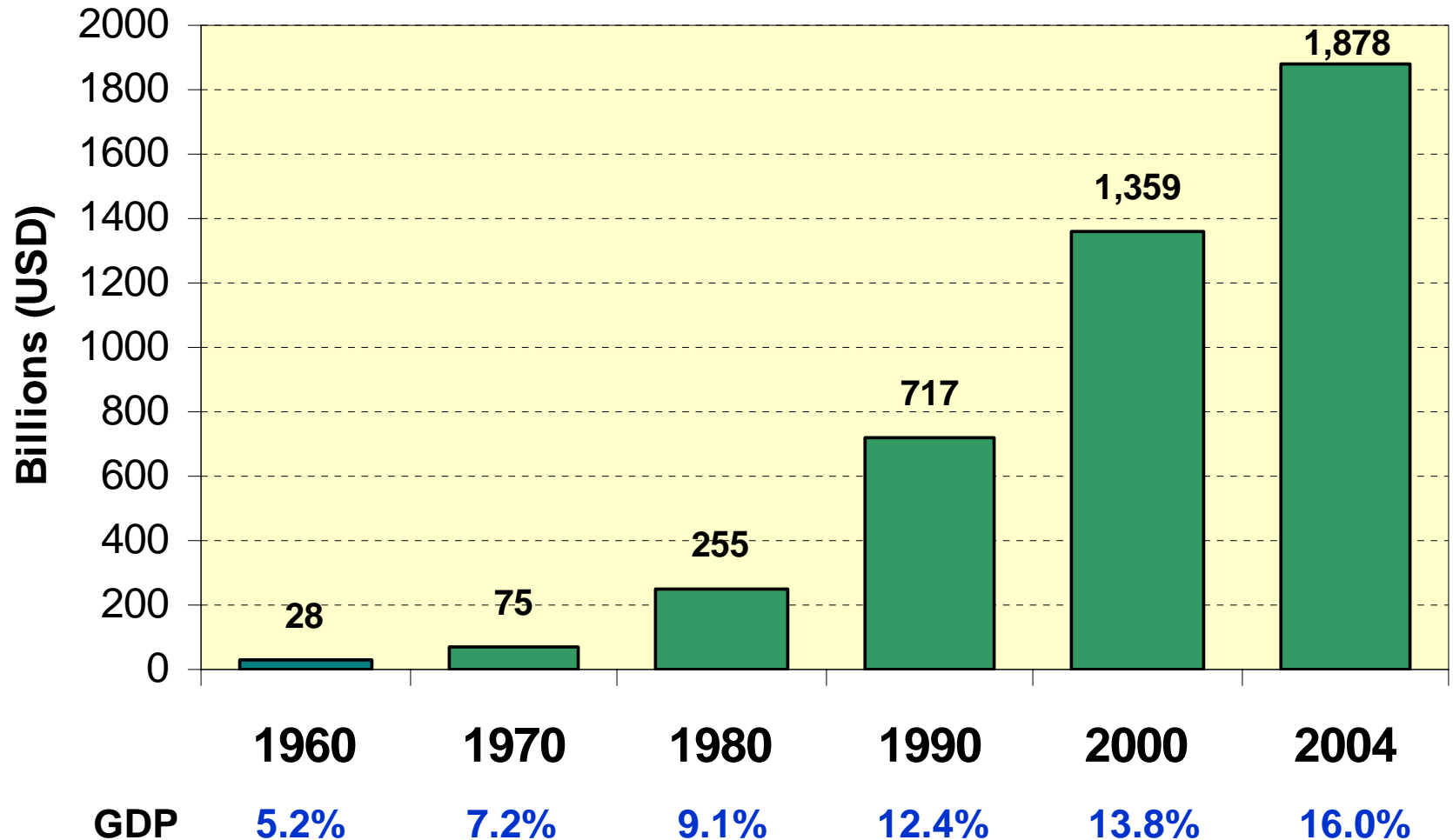
Variation in health outcomes highlights considerable room for improvement in the performance health systems

# “More research is needed”

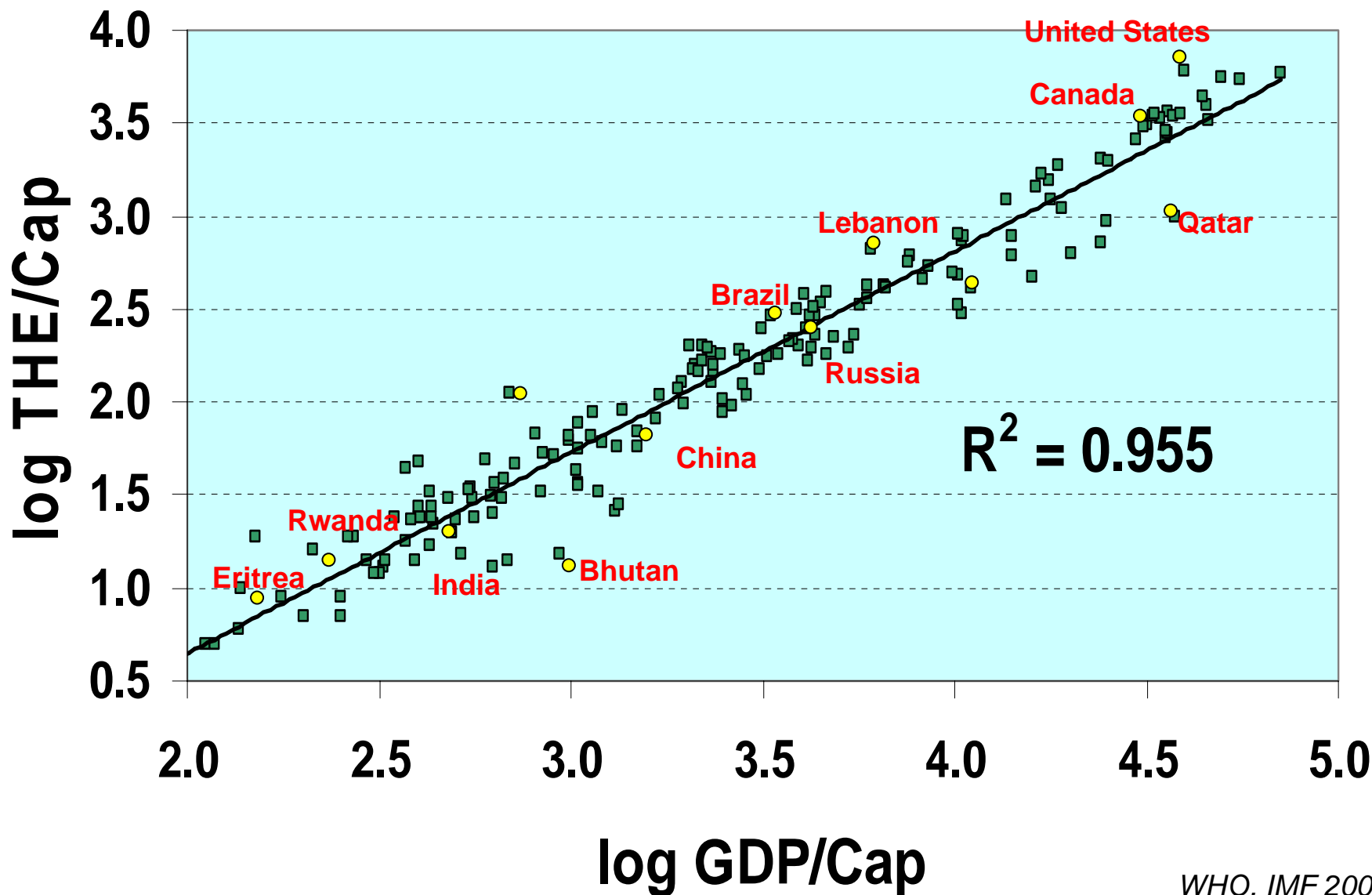


# The Economic Transition of Health

## U.S. Health expenditures



# “The First Law of Health Economics”

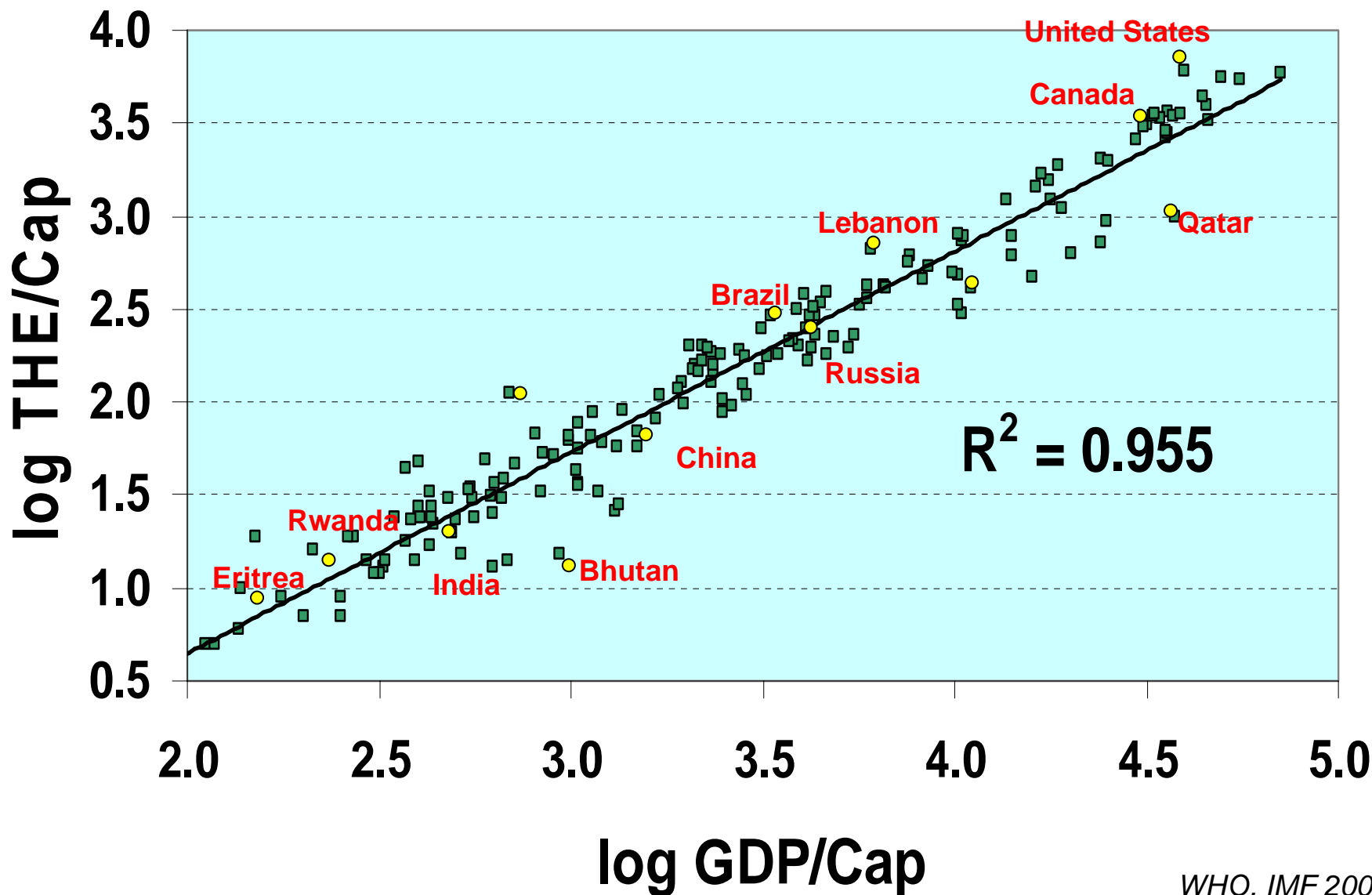


## Relationship between Health Expenditures & GDP

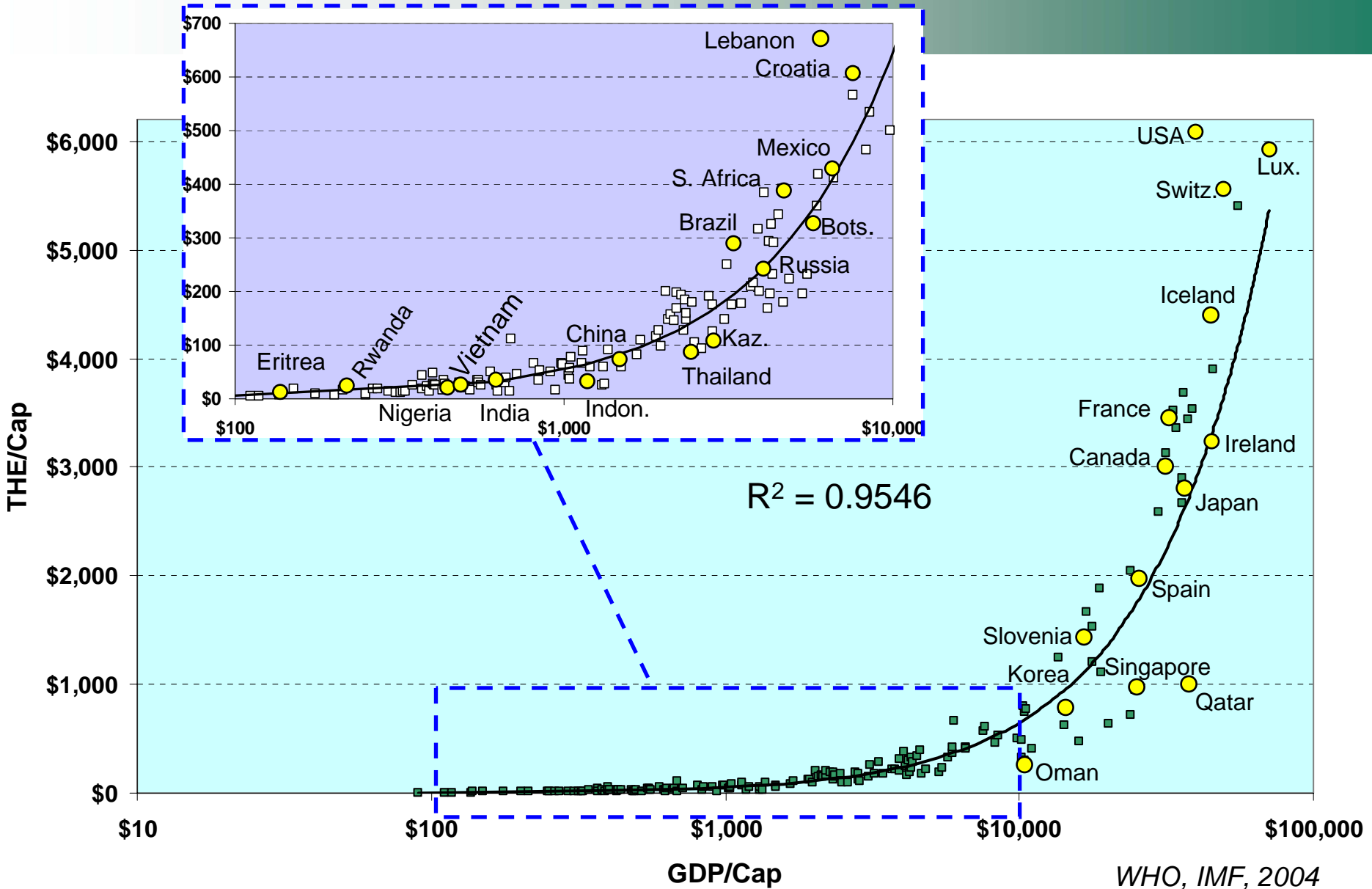
Dependent variable: Logarithm of Health Expenditures/capita

Constant	-3.52***	-3.52***	-3.92***	-4.27** *
Logarithm of GDP/capita	1.08***	1.07***	1.10***	1.11** *
<b>Government share</b>		<b>0.001</b>	0.003*	-0.001
GINI coefficient			0.004	0.011**
Logarithm of Debt Rel./capita (89-04)				0.003
Logarithm of ODA/capita				0.056
<b>R-squared</b>	<b>0.95</b>	<b>0.95</b>	0.98	0.93
N	176	176	123	62

# “The First Law of Health Economics”

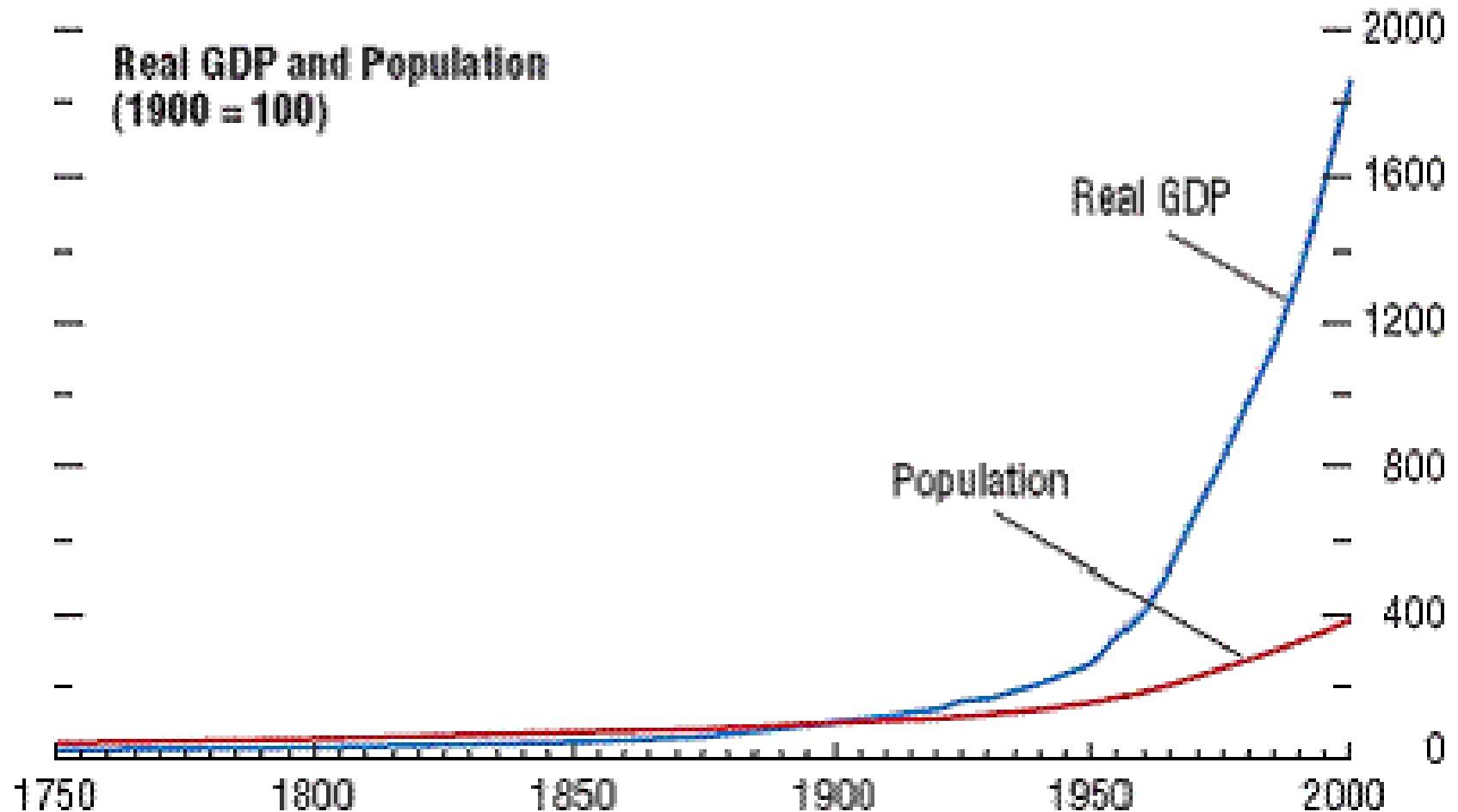


# The Economic Transition of Health



# World GDP and Population Since 1750

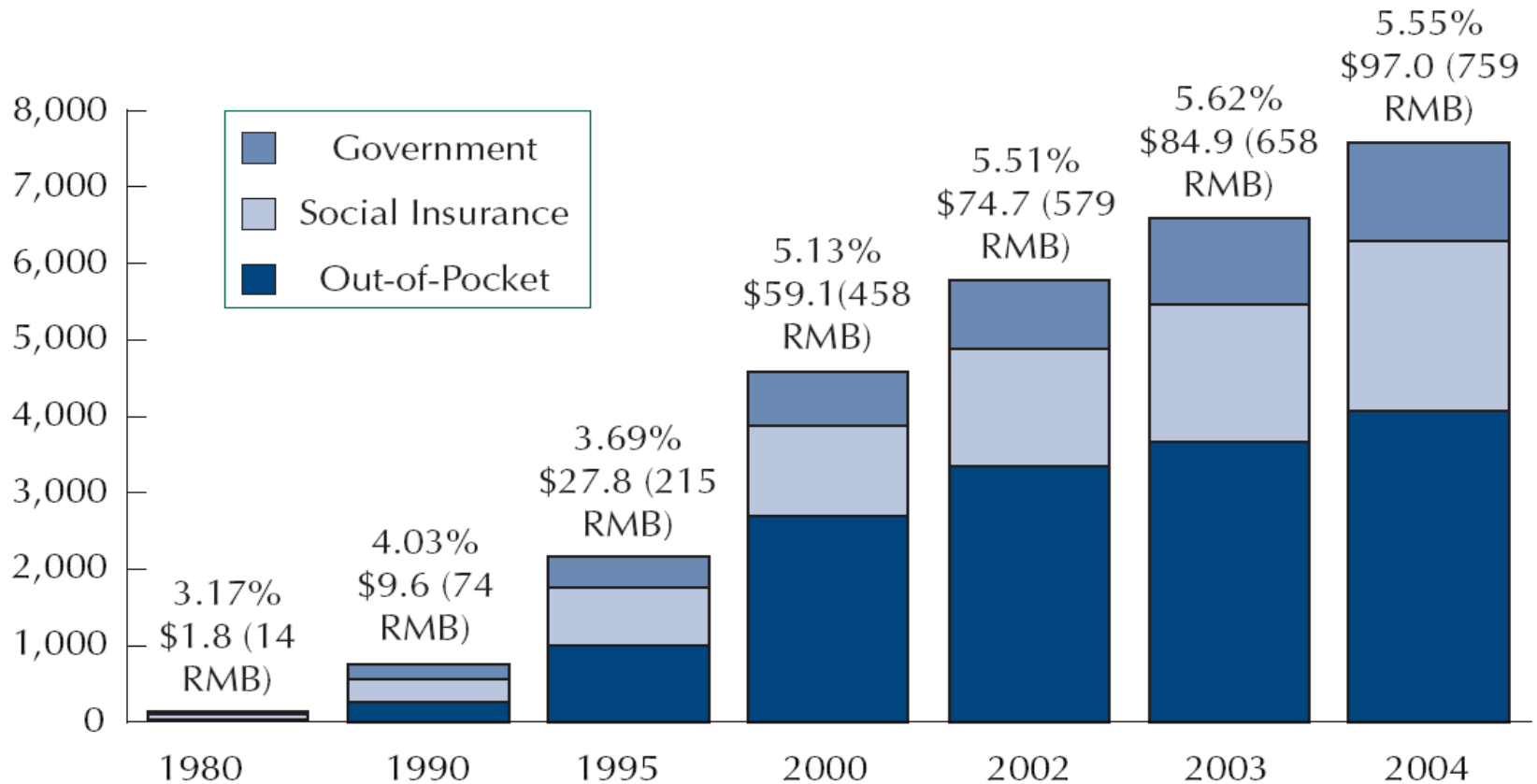
During the twentieth century both output and population growth increased. However, as a result of accelerating technical progress, output growth increasingly exceeded population growth.



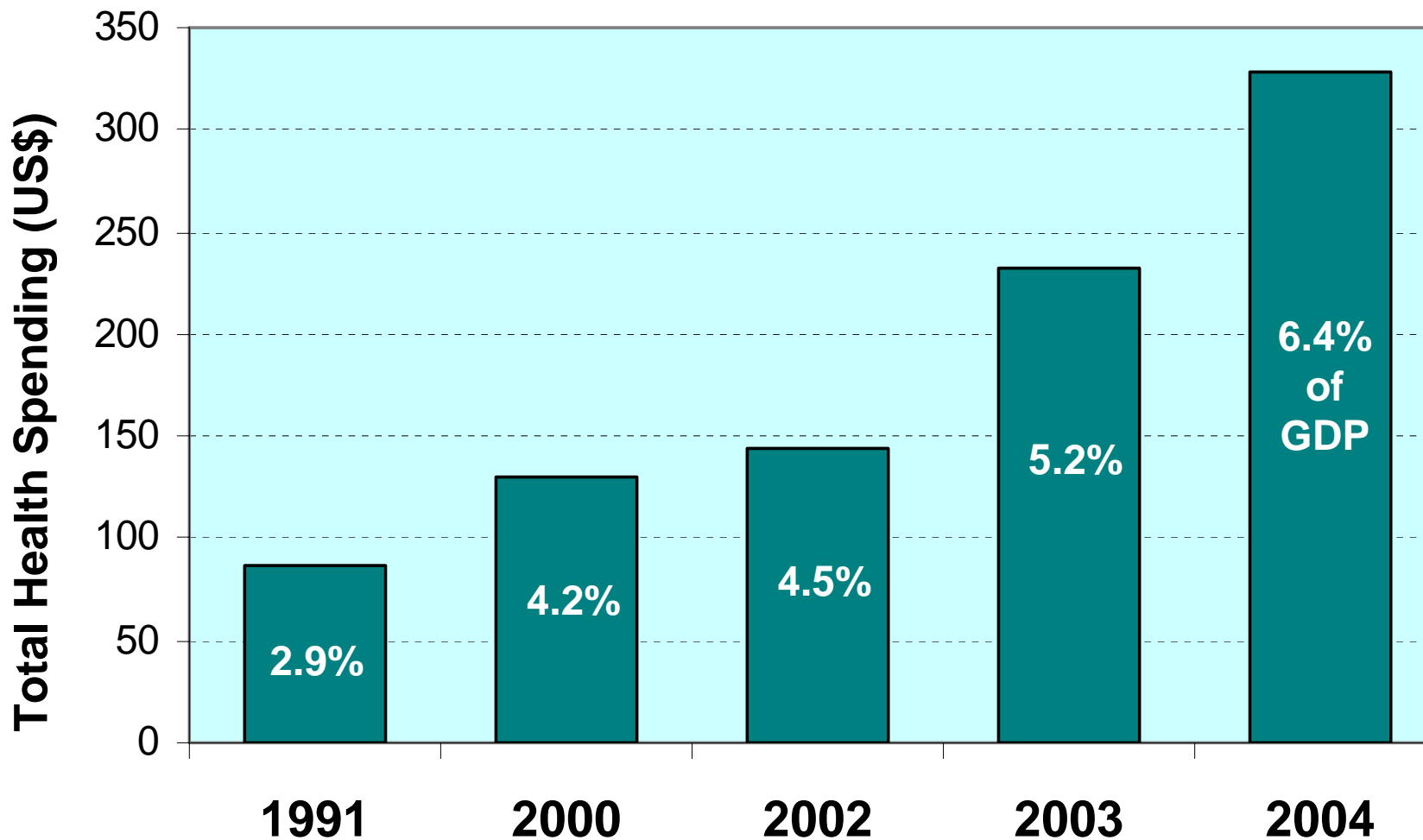
Source: Bradford J. DeLong, 1998

# Health spending takes off in China

Healthcare cost as a percent of GDP (USD and RMB in billions)\*

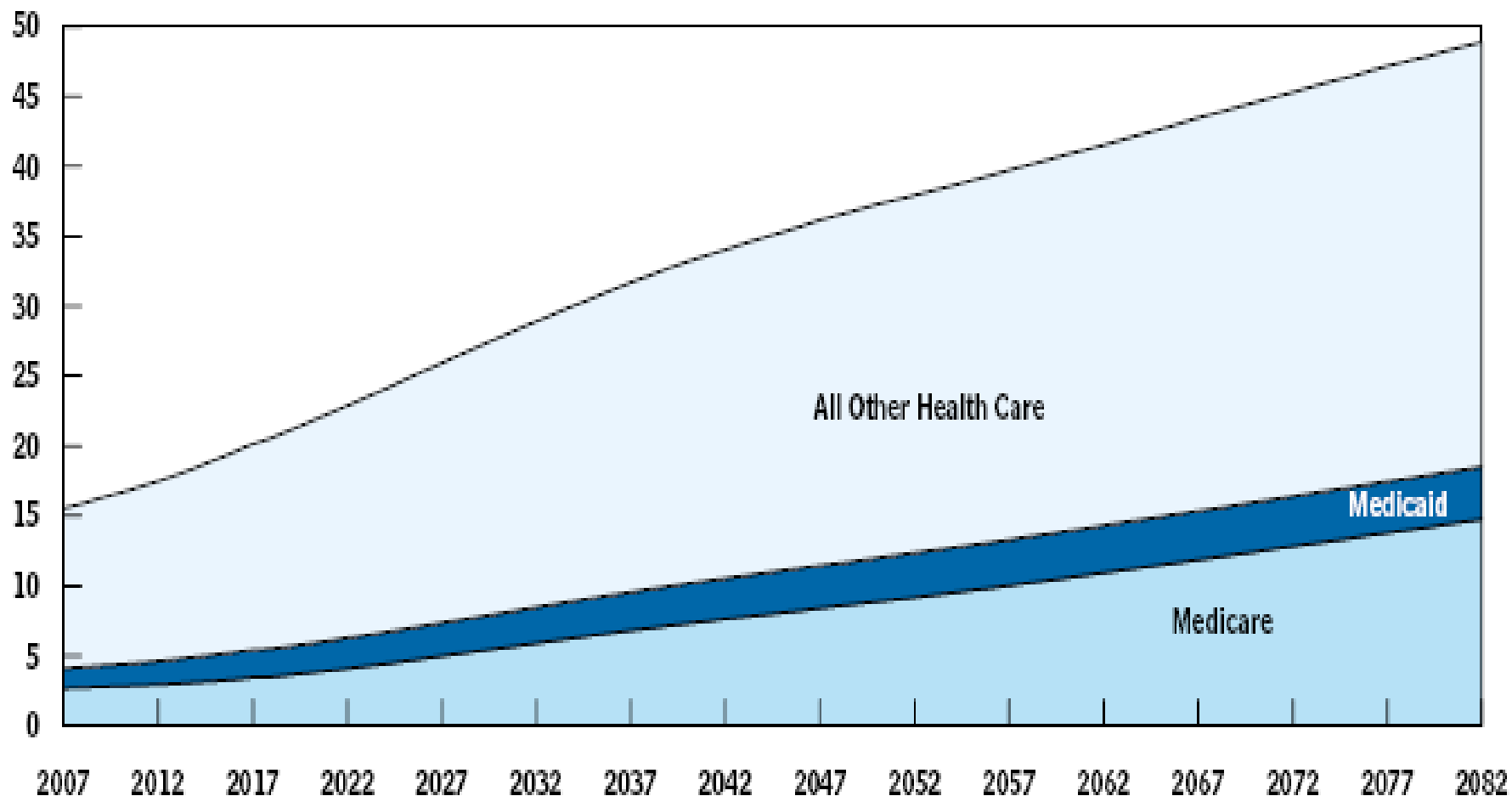


## ... and in Botswana



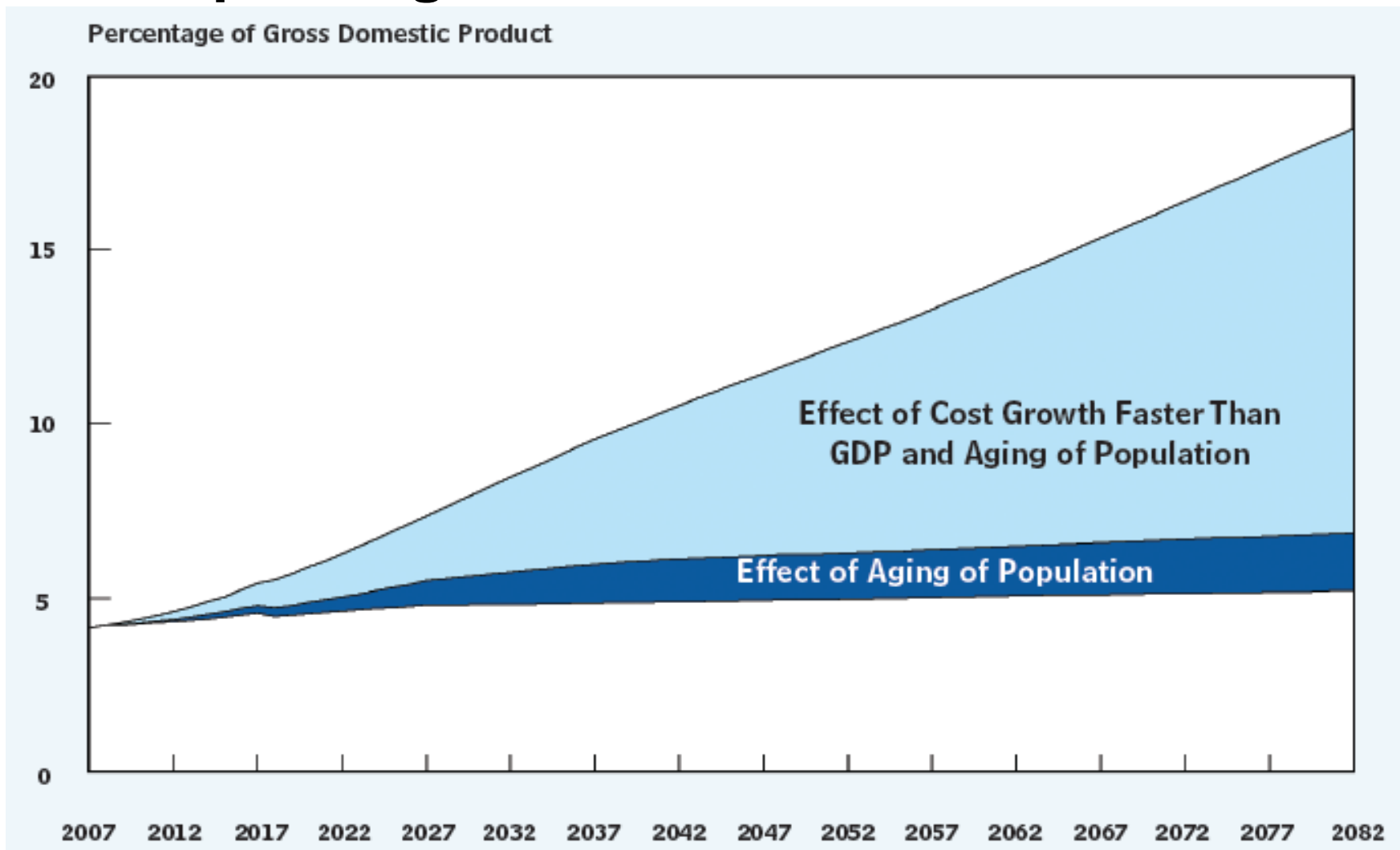
# Projected U.S. Health Spending

% GDP



Source: US Congressional Budget Office, Nov 2007

# Sources of Growth in Projected Federal U.S. Spending on Medicare and Medicaid



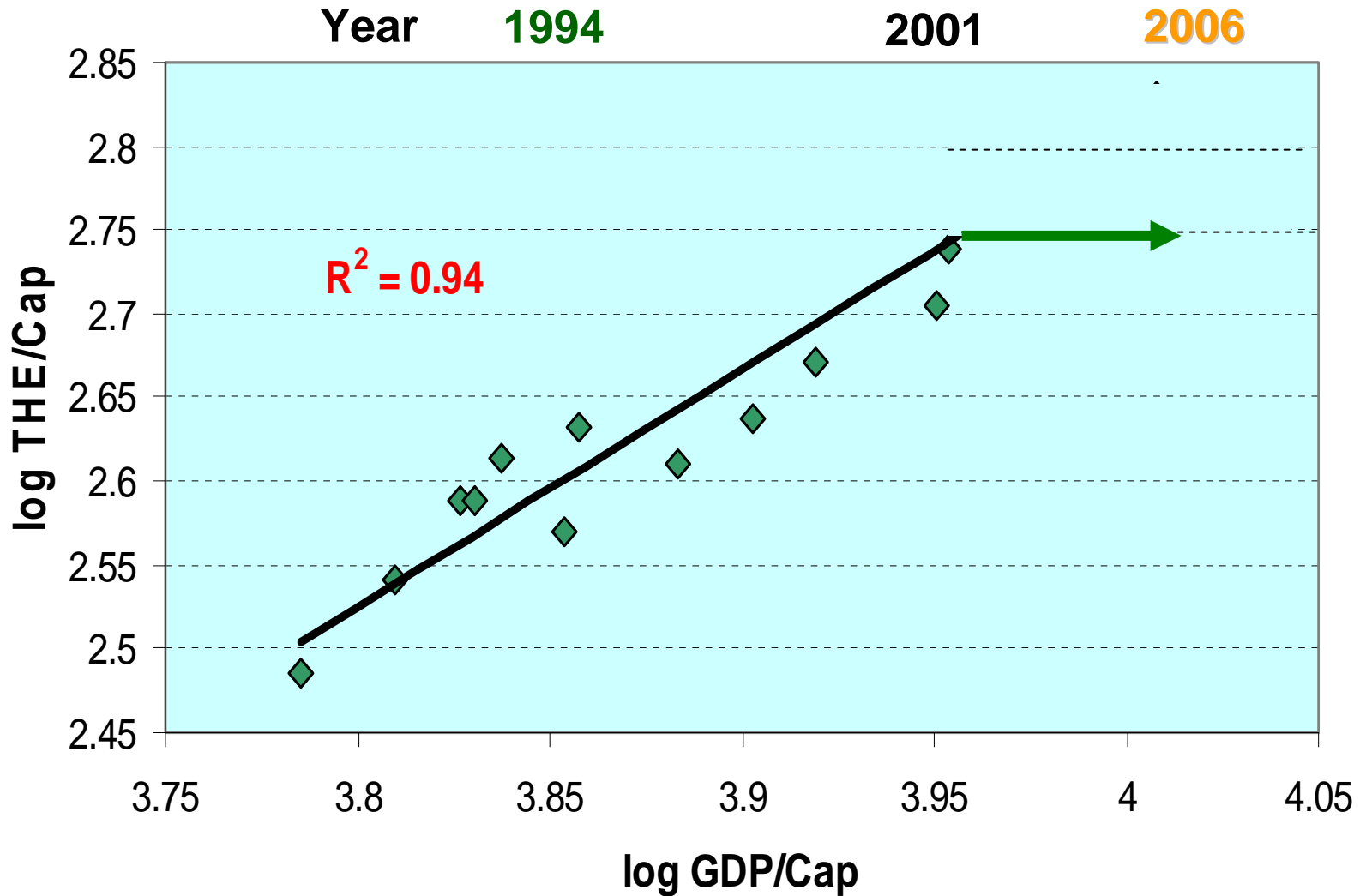
# “Baumol’s Cost Disease”

***Baumol's cost disease:** Labor intensive services, such as health care, face productivity lag - cannot substitute capital for labor as efficiently as the general economy, so the cost of producing them goes up faster than general inflation*



1. Reign on health spending through **cost control** measures
2. Invest the growth in **equity and quality** health services
3. **Improve the performance** of health systems

# Seguro Popular, Mexico



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# RF exploratory initiatives 2008

- **Capacity:**
  - New competencies for public health & HS
- **Technology:**
  - Global eHealth initiative
- **Policy:**
  - The role of the private sector in health

# Why Focus on the Private Sector?

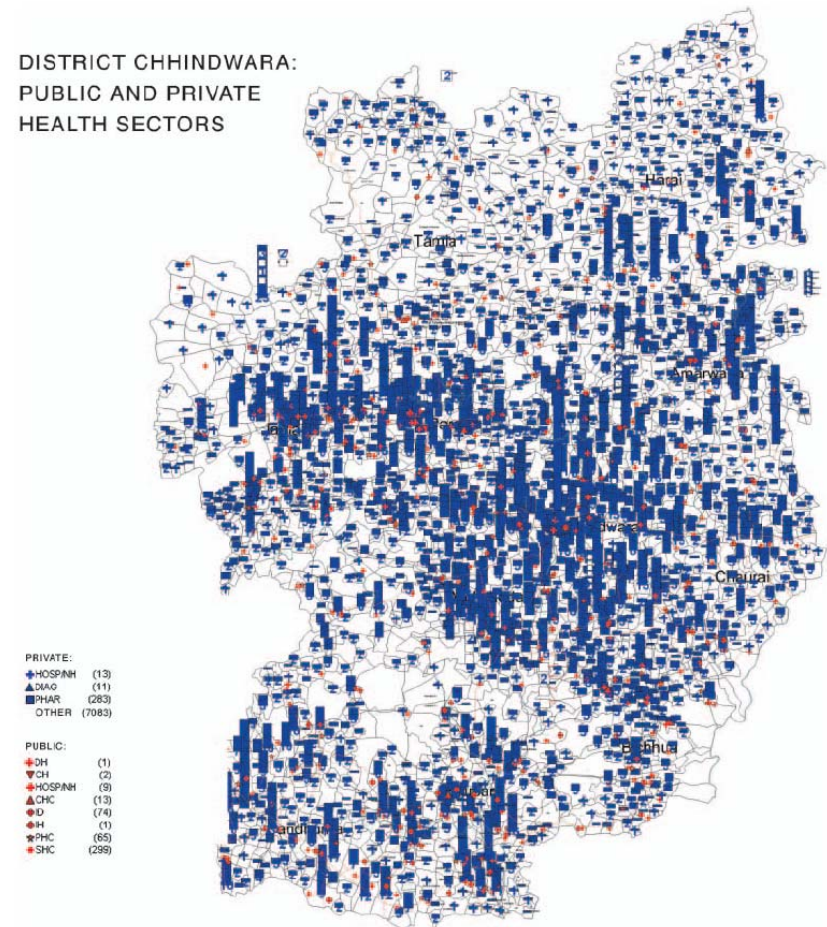
## The private sector in most developing countries is...

**Large:** A large percentage of health expenditure and provision is already private

**Growing:** Much of the expected growth in overall health expenditures is likely to initially be in the private sector.

**Neglected:** Ministries of health, along with international agencies and donors, tend to focus on the public sector.

DISTRICT CHHINDWARA:  
PUBLIC AND PRIVATE  
HEALTH SECTORS



**Madhya Pradesh, India**

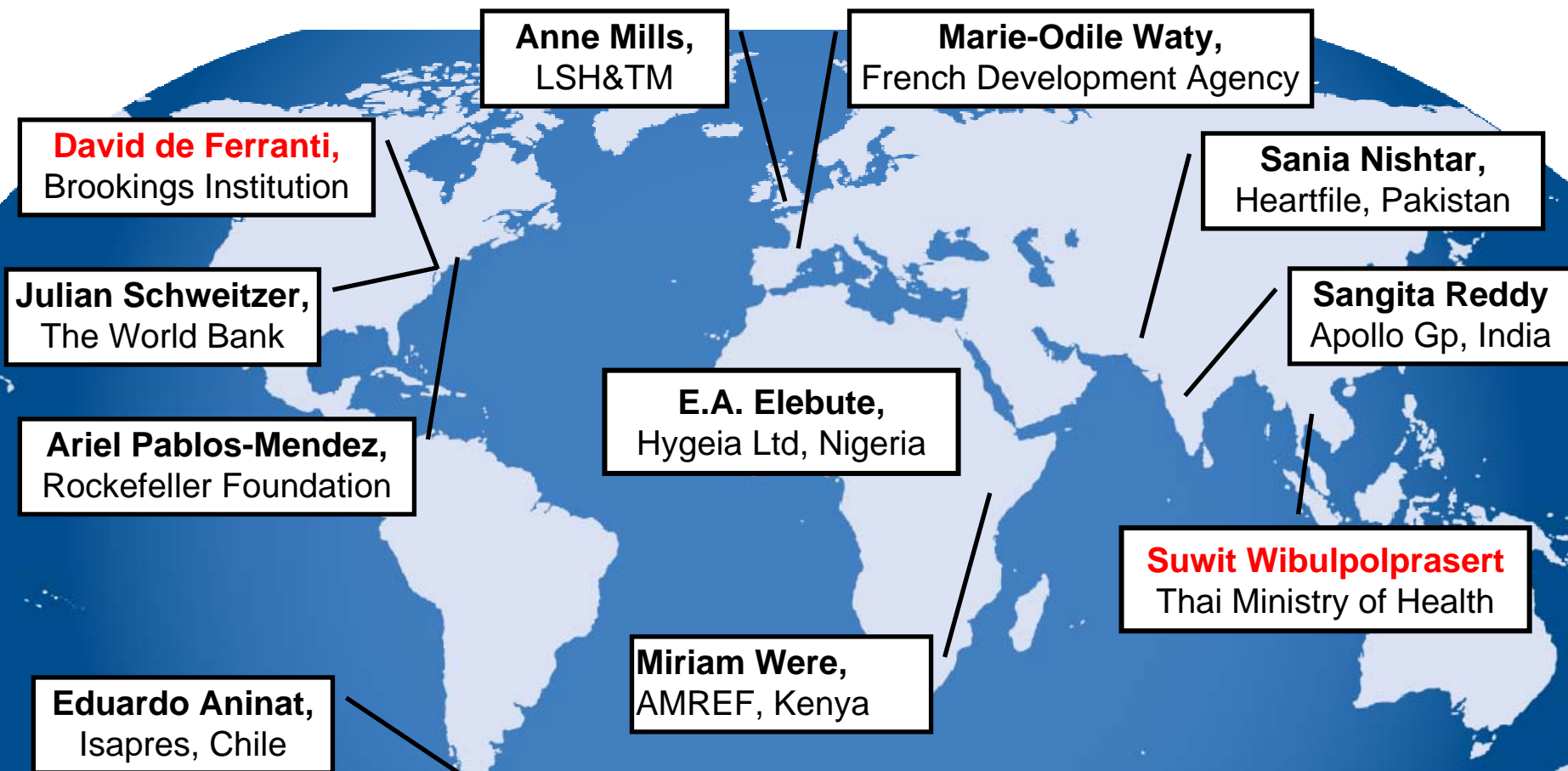
Source: De Costa, 2007

# Objectives of the Development Phase

(January to December 2008)

1. Identify **promising models on the ground** on five health systems areas
2. Advance thinking on **how countries can strengthen health systems** that leverage the public and private sectors
3. Understand the **major barriers to changing policy**, practices and funding priorities related to engagement with the private health sector

# Working Group



# What is eHealth?

**eHealth:**  
*the use of information  
and communication  
technologies (ICT) in  
health systems*

Primary care  
Informatics

Public Health  
Informatics

Systems  
support

Quality

Affordability

Access



# STRATEGIC APPROACH

## GLOBAL SOUTH:

Evidence, capacity building,  
integrated approaches

## POLICY & INTEROPERABILITY:

National and District level,  
Interoperational standards,

## NEW PARTNERSHIPS:

Key players (experts, users, agencies,  
NGOs, corporations, donors)  
Key domains, governance, funding

**Global eHeath Series 2008**

*Bellagio, Italy*

# Month Structure – 8 conferences

- **Week 1: Interoperability and public health**
  - The Path to Interoperability
  - Public Health Informatics
- **Week 2: Capacity and Knowledge**
  - eHealth capacity building
  - Access to information and knowledge-sharing
- **Week 3: Core eHealth Applications**
  - Electronic Health Records
  - mHealth (cell phones) & telemedicine
- **Week 4: Policies and Markets**
  - National eHealth Policies
  - Unlocking the Markets

# CONCLUSIONS

- Global health was transformed in the last 10 y & a new economic transition is underway
- Health systems are weak around the world and have been relatively neglected
- The Rockefeller Foundation looks forward to working with its partners in a new era of better health for all around the world

THANKS !