

Getting the Right Resources the Right Way

by

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World Health
Organization

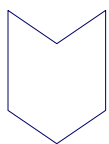
Propositions

1. Health system bottlenecks have restricted the effectiveness of efforts to scale up service delivery to meet the MDGs – human resources, infrastructure, governance, medicine distribution, financing
2. Three financing problems:
 - Raise more funds;
 - Raise them right – e.g. in a way that allows access and do not result in financial catastrophe and impoverishment
 - Ensure they are used to provide or to finance services efficiently and equitably



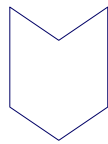
Three major health financing functions

Revenue collection



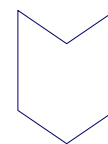
**Contributions
to be collected
efficiently and
equitably**

Pooling



**Sharing of
costs by all and
not borne by
people when
they are ill**

Purchasing



**Buying or
providing
effective health
interventions**



Raise more money

<i>total health exp. per capita,</i>	<i>total</i>	<i>low income</i>	<i>low middle income</i>
< 10\$	13	13	
10-20\$	25	24	1
20-50\$	28	22	6
50-100\$	27	1	25

\$50 - \$100 per capita required to attain health MDGs

Raise more

- 43 low income countries still spending < US\$30 per capita per year on health
- Despite external aid increasing from US\$6 billion in 2000 to \$16 billion in 2006
- Insufficient to ensure universal access to needed services
- Room to raise more domestically. E.g. Sub-Saharan Africa: even though government health expenditure per person has increased by about 30% since 2000, most has come from economic growth increasing overall government expenditure. The share going to health has been relatively static, and has actually decreased in almost as many countries as increased

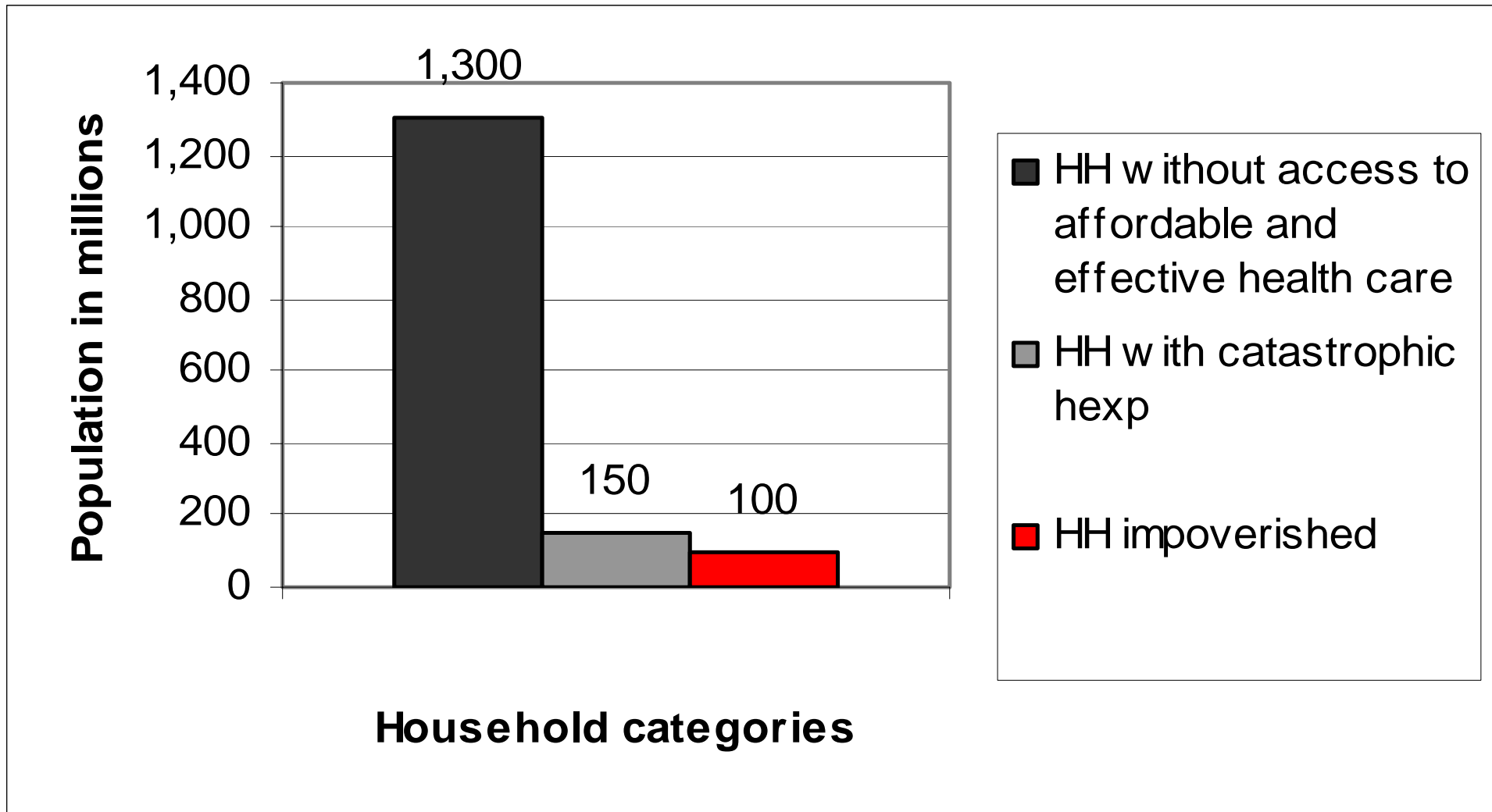


Raise more, the right way

- More external resources will be needed – need to be channelled to countries in ways that support the development of domestic financing systems, capacity and institutions
- 75% of total health expenditure in typical low income country is still raised domestically. Over 50% from user fees on average.
- User fees prevent some people from seeking or continuing care, and results in severe financial hardship and impoverishment for others



Access, financial catastrophe and impoverishment in the world: where are we now?

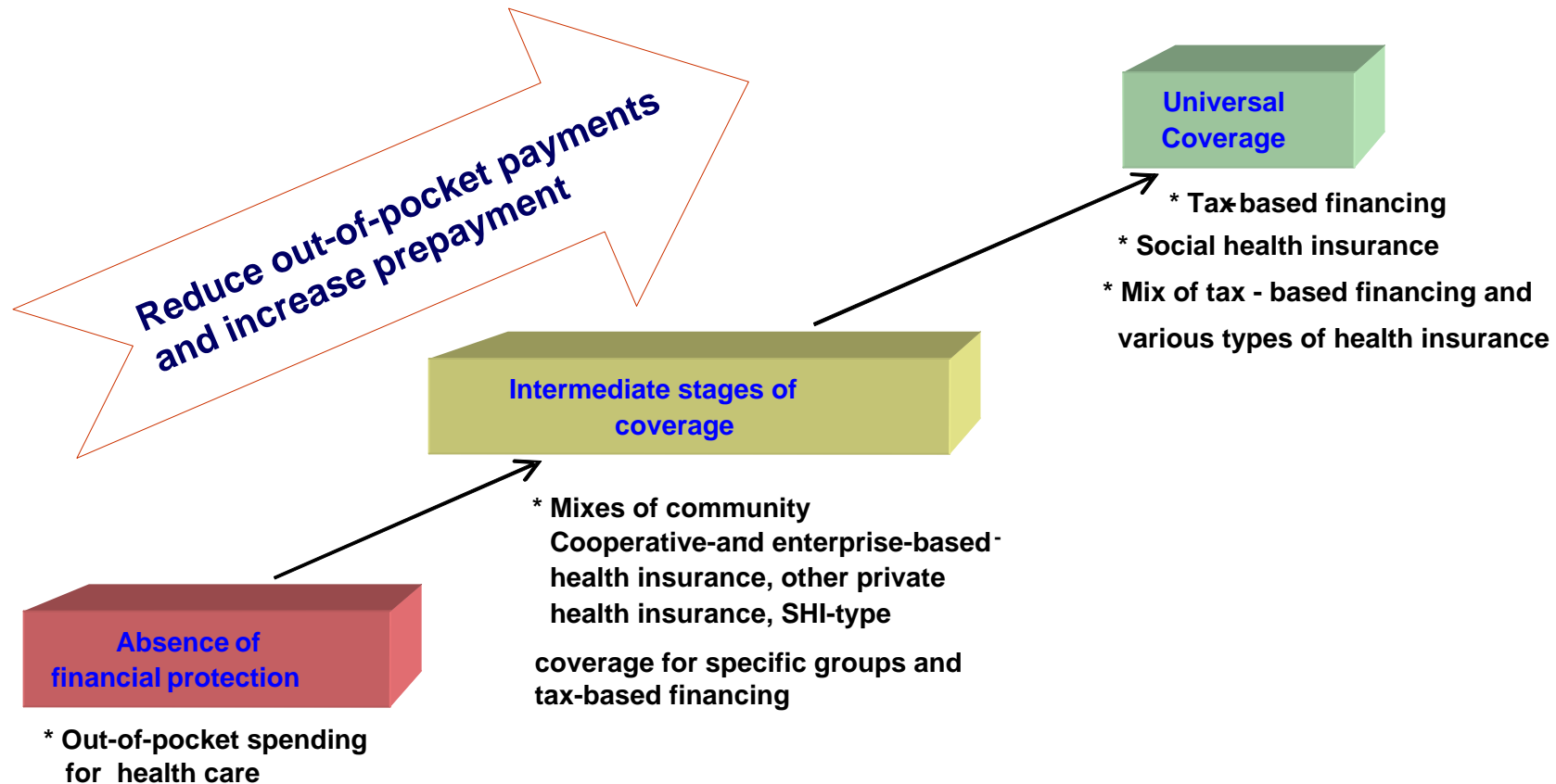


The dominating factor in catastrophic health expenditure

- Financial catastrophe in health care is caused mainly by *out-of-pocket spending*
- out-of-pocket spending as a share of total health expenditure, *exceeding 15%* enhances financial catastrophe



Stages of coverage



Pro-poor policies

- Specific policies
 - Conditional cash transfers subject to fulfilling certain conditions (e.g. vaccinations)
 - Vouchers, e.g. to better access health services
 - Waivers and exemptions

- Policies integrating the poor
 - Universal provision of health services (UK)
 - Explicit inclusion of the poor in social health insurance (F)

CONCLUDING REMARKS

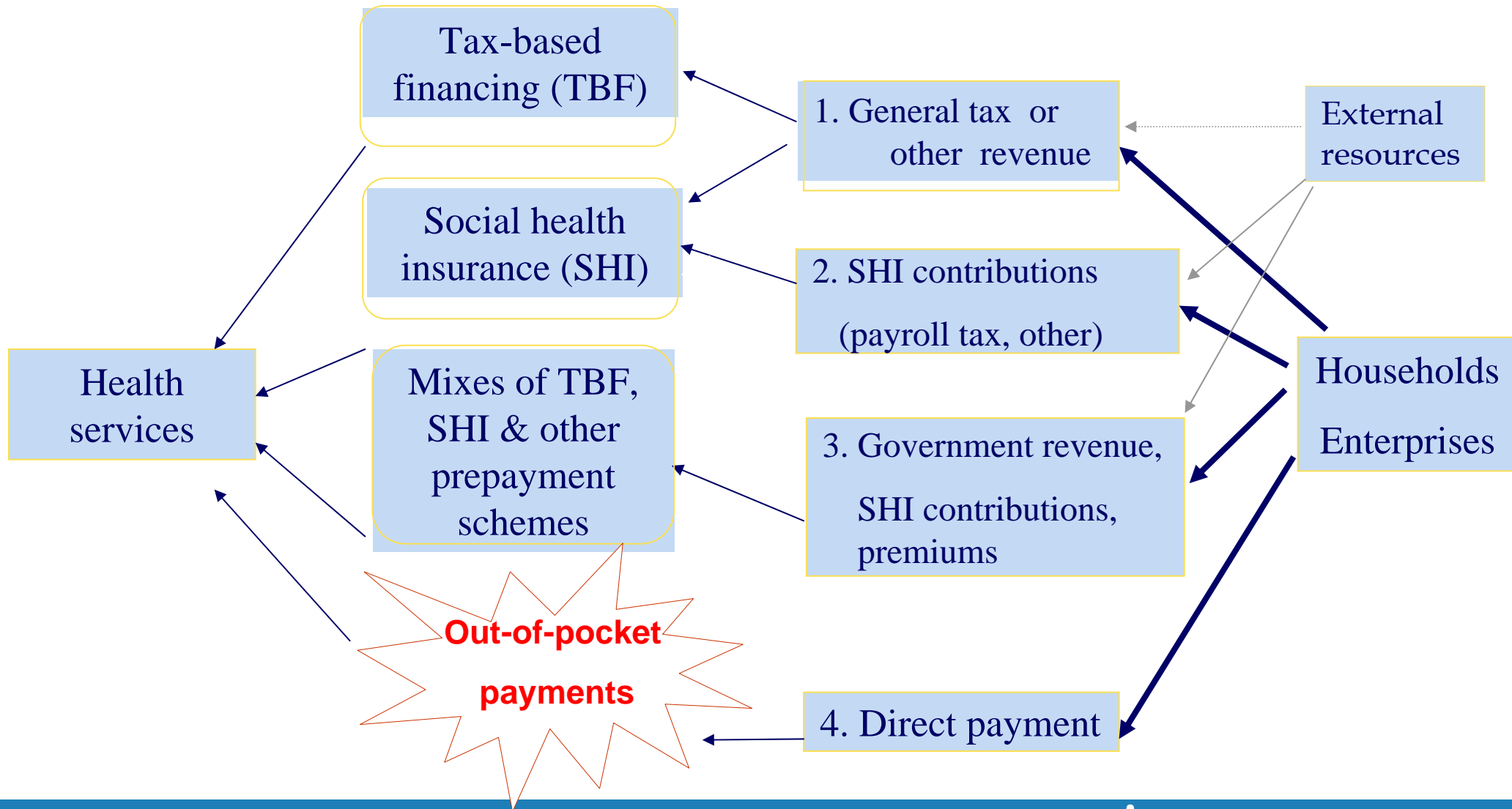
- **We still need to raise more money for health in poor countries – a mix of external and internal funding**
- **At the same time, need to develop domestic financing institutions and capacities – move away from user fees towards some form of prepayment and pooling**
- **Important that inflows of external resources strengthen this process**

Spare slides

Health Financing with Universal coverage

Mechanisms

Sources



2. Provider payment mechanisms

- ❑ *Are payment mechanisms encouraging the appropriate level of health care ?*
- *Concern for overproduction/underproduction of health services ... often leads to mixes of mechanisms*

Cost containment potential of provider payment methods

fee for Service	very poor
case payment	good
daily charge	fair
capitation	very good
salary	fair
budget	very good