Some lessons from global experience on health financing for UHC

World Health Organization

Arogya Manthan 3.0

Session 1: Roadmap for Universal Health Coverage in India

New Delhi, India. 23 September 2021

Joseph Kutzin | Director a.i. | Health Systems Governance and Financing

www.who.int

Messages

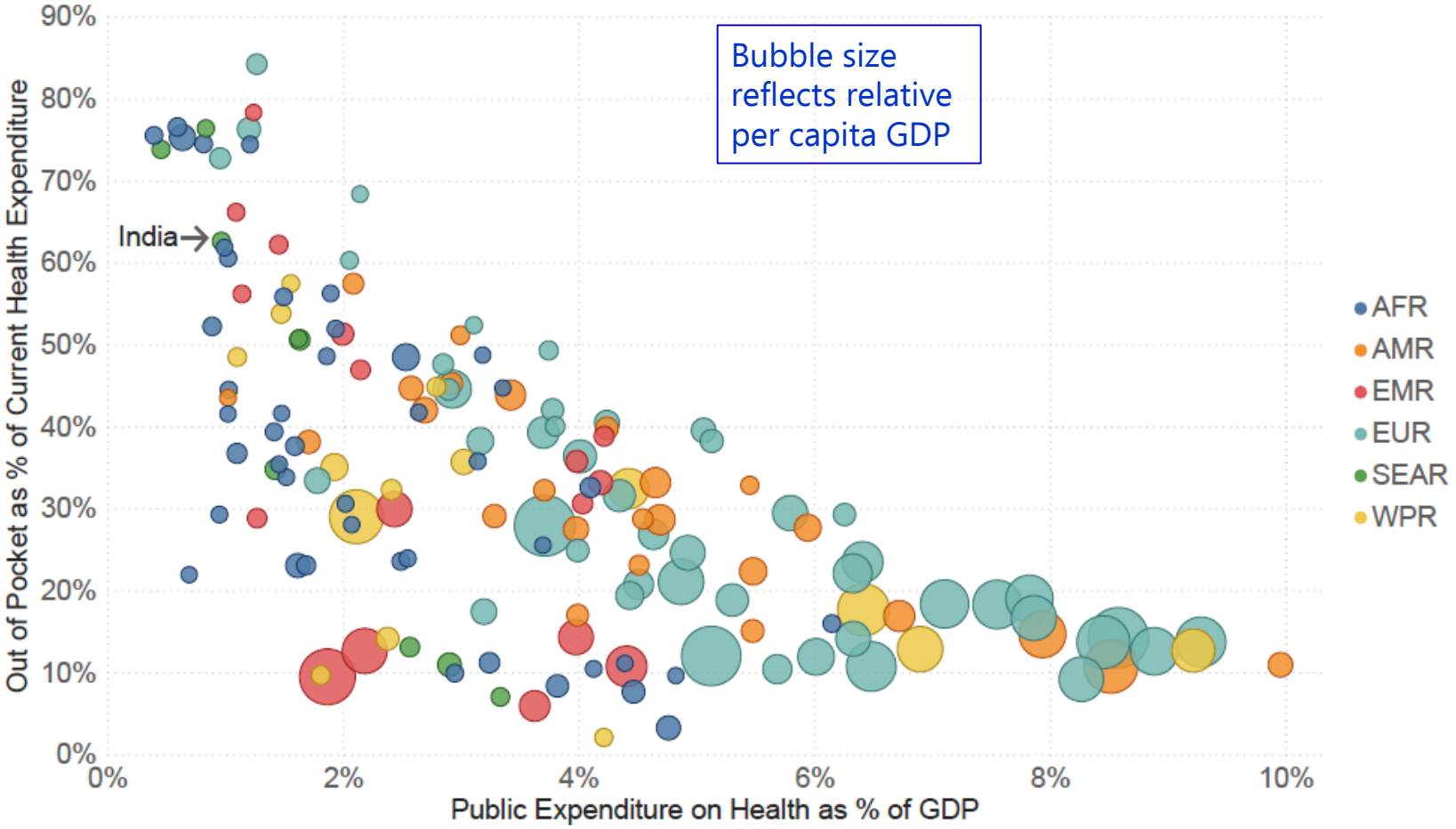
Coverage expansion through public finance can provide strong foundation for UHC if

- Non-contributory entitlement
- Strong purchasing agency using unified/inter-operable database
- Institutional autonomy with accountability for publicly defined goals

PM-JAY reflects many such good practices…but there's always room for improvement

Public spending matters for reducing dependence on out-of-pocket (but so do policies)

World Health Organization



WHO Global Health Expenditure Database, Estimates for 2018.

For LMICs, general revenues driving progress

Context of high informality limits scope for direct taxes such as social health insurance contributions

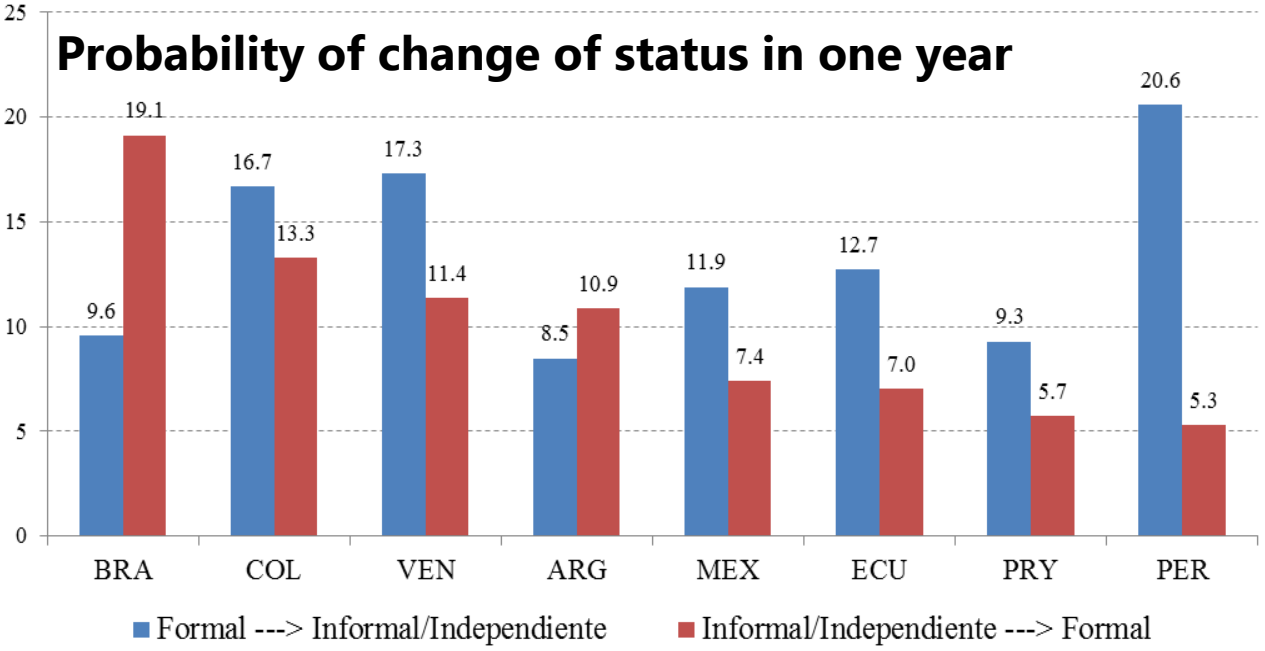
Often but not always involving a non-contributory basis for entitlement

- Entitlement depends on something other than a specific contribution made for coverage (e.g. citizenship, residence, age, poverty status)

A major challenge of contributory approaches: informality is not a fixed condition

World Health Organization

- Formal job entry or exit means gain or loss of health coverage
- That's not consistent with design of systems for UHC
- Tracking this is expensive



Source: Santiago Levy, WIDER Development Economics Lecture, 2019

Understand that you are trying, but manage expectations and recognize that it may be costly (if you want to do it well)

Notable positive non-contributary examples

Health coverage for all not included in social security

- Thai UHC Scheme

Entitlement for defined population groups to range of services

- Cambodia Health Equity Funds
- PM-JAY (!)

Universal entitlement to selected services

- Chile's Guaranteed Health Services program

Budget-funded full/partial premium payment within national insurance programs (e.g. China, Indonesia)

It's not enough, but…

It would be nice if non-government contribution mechanisms worked for UHC…but they don't

Deep "market failures" limit voluntary health insurance growth

- Regulation and strong policy framework can help (and worth doing), but it's difficult and the gains won't be great
- Manage expectations about what can be achieved

So focus on building solid foundation

Strengthen the purchasing function (just throwing money at the problem won't help)

Take a system/population-wide perspective to implementation (from scheme to system)

Move towards dynamic, data-driven approach

- Implement, generate and analyze data, learn and adapt

Designing in universality early in reform sequence

Pool the data even when you can't pool all the money

Kyrgyzstan (all examples are small compared to India)

- From beginning of reform in 1997, with limited population coverage with insurance, took decision to unify the data system
- For 4 years, HIF managed the data on all patients but only money for some
- With this data, they could simulate different policy options for coverage scale up
- When gov't decided to fund rest of population from general revenues, using HIF payment systems for all the money, impacts for providers were modelled and enable them to restructure so they would be ready

Great potential with PM-JAY

World Health Organization

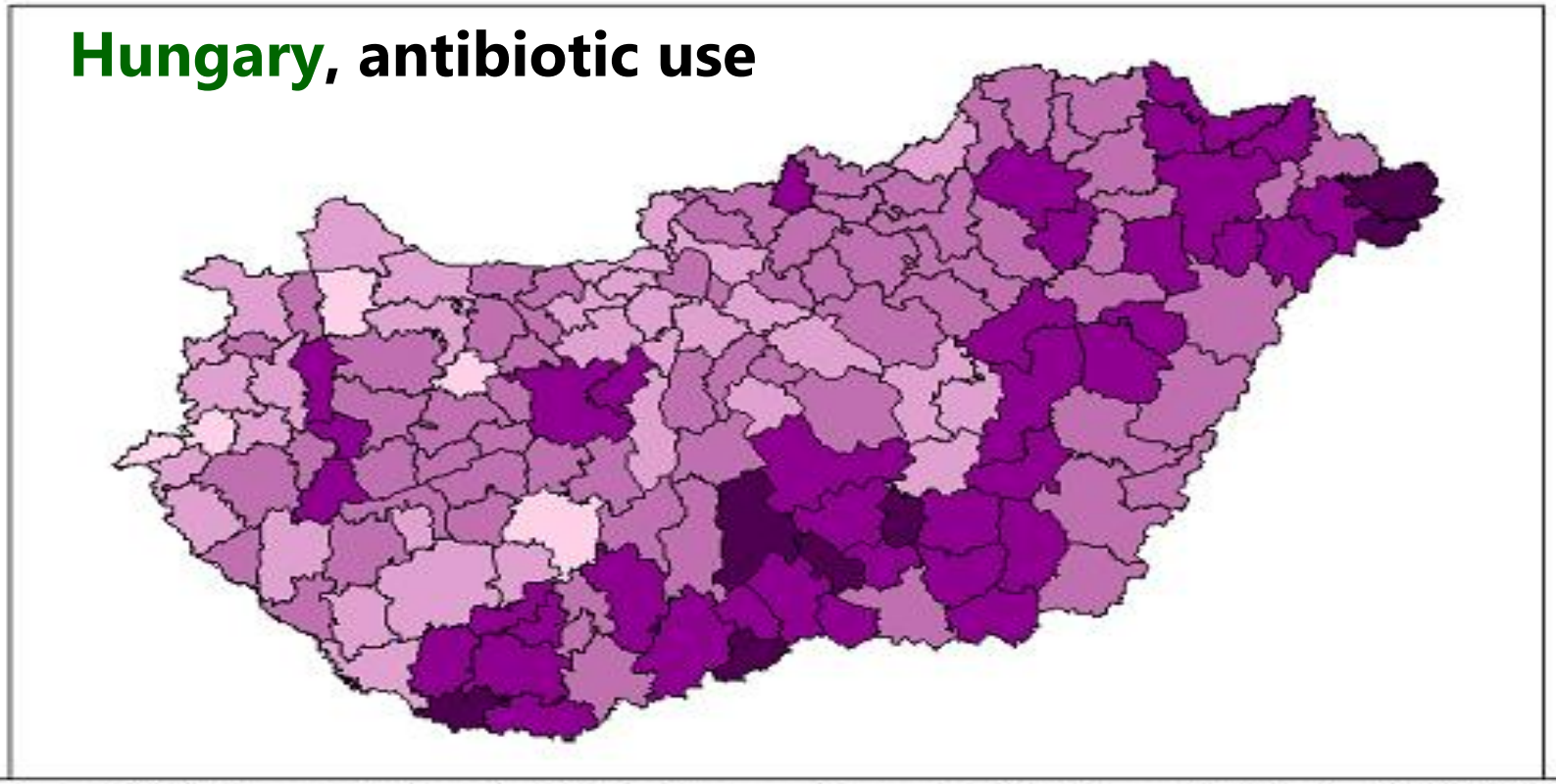
Build on NHA as an institution to transform policy priorities into practice. Some directions to consider

- From "package tariffs" to relative value formula-based payment system with explicit policy coefficients
- Leverage technology (National Digital Health Mission) to move towards unified or inter-operable patient database, offering the potential to drive provider efficiencies
- Establish benefit package ***process*** including, cost surveillance, HTA and budget impact analysis for any proposed changes
- Entry point for stronger, evidence-informed engagement with private (and public) providers
- Build professional capacity of the staff to ask important questions of the data to get at answers related to efficiency, equity or quality issues

For example, look for practice variation

World Health Organization

Hungary, antibiotic use



Source: Belicza, 2004

Source of slide: Tamás Evetovits, WHO

Happy Anniversary!

World Health Organization

PM-JAY reform reflects aspects of global good practice

- Fully non-contributory entitlement
- General revenue funding
- Institution with explicit responsibility for purchasing

But still some distance to travel as one part of the health system architecture of India

- Reform must still address PHC and medicines
- Strengthen capacities for strategic purchasing through more active focus on data analysis for action to enhance quality and accountability for results

World Health Organization

THANK YOU