

18th Annual BHF Southern African Conference

Why the private sector needs to evolve (in
order to contribute) to achievement of
Universal Health Coverage

Rufaro R Chatora

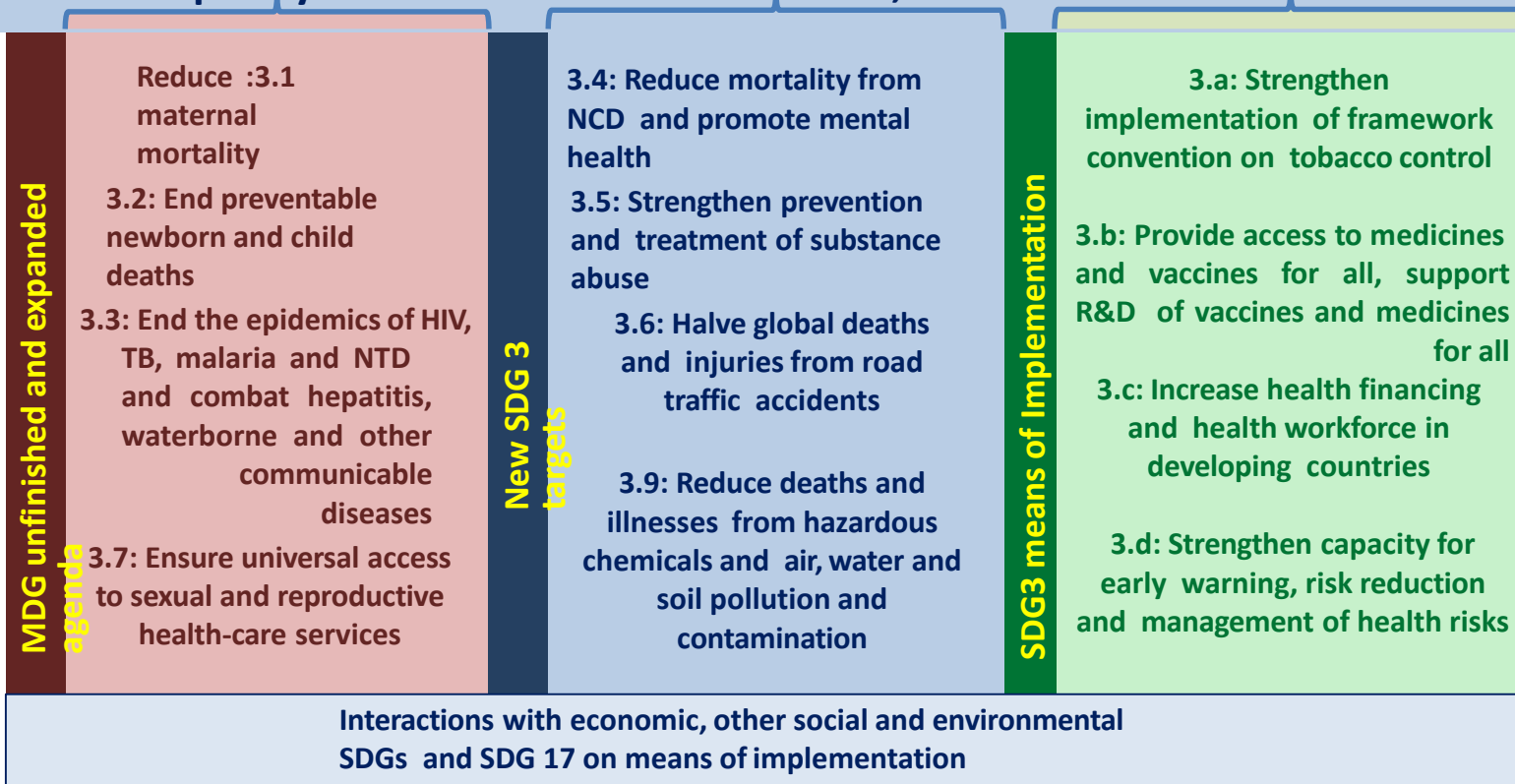
The 2030 Agenda for Sustainable Development

- The SDG are "integrated and indivisible, global in nature and universally applicable":
 - they are applicable to **all** countries
 - they are about addressing the **needs of the poor** disadvantaged groups wherever they may live
- The SDG are "unprecedented in scope and significance"
 - The SDGs cover the economic, environmental and social pillars of sustainable development with a **strong focus on equity**
- Addis Ababa Action Agenda offered general principles on financing
 - Emphasis on **domestic financing**
 - Focus on making tax systems more efficient nationally; combat tax evasion and illicit tax flows globally; to **incentivize the private sector to align their investment with the principles of sustainable development**

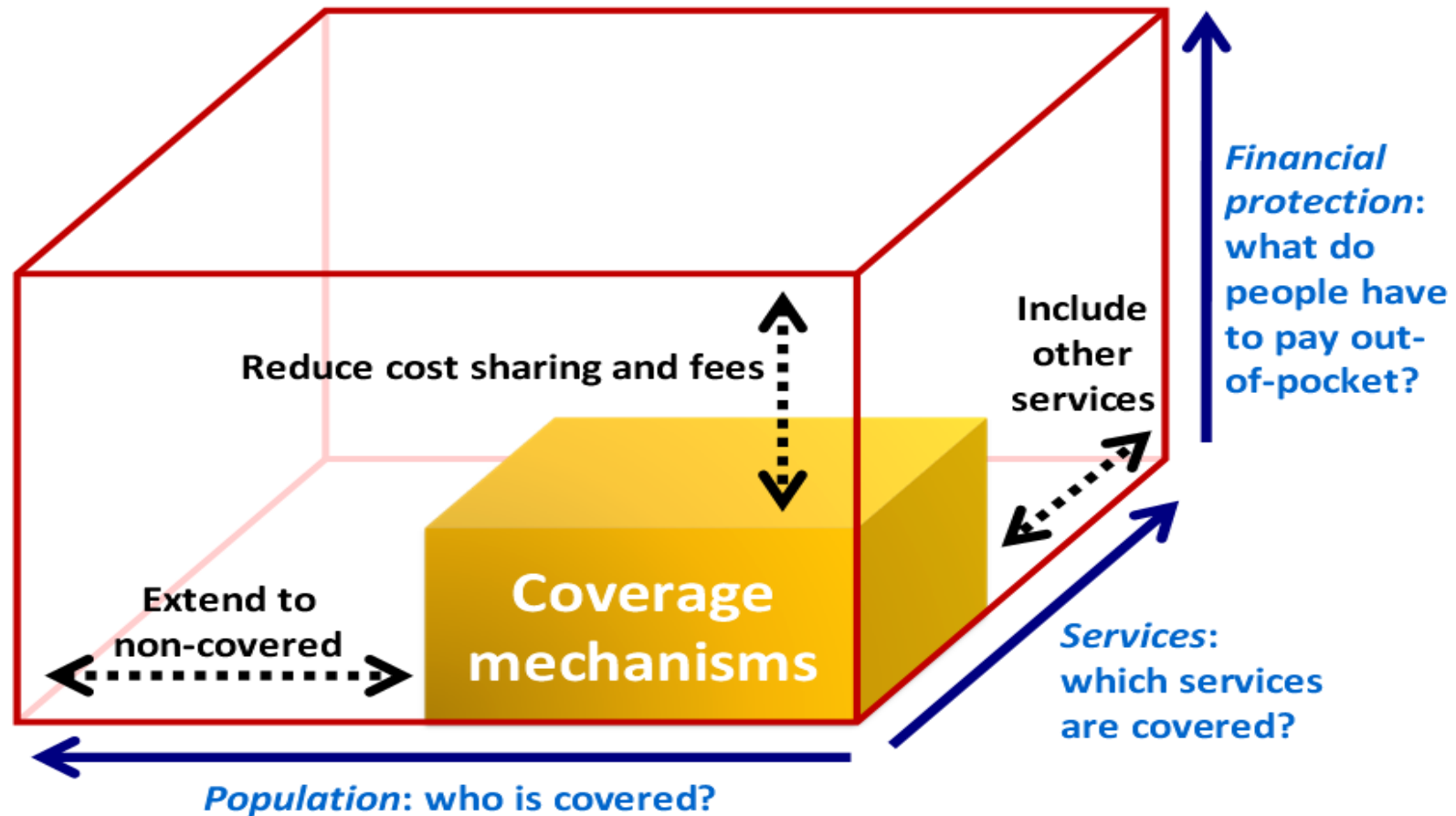


SDG 3: Ensure healthy lives and promote well-being for all at all ages

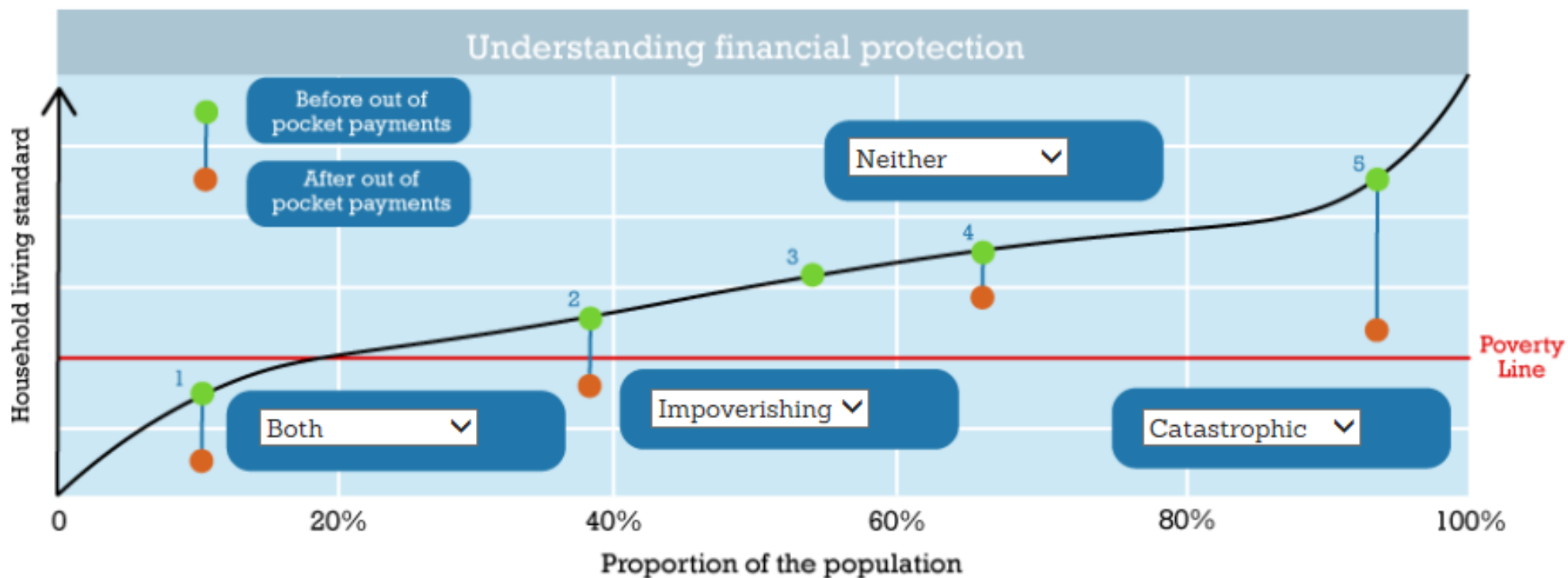
Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services, medicines and vaccines for all

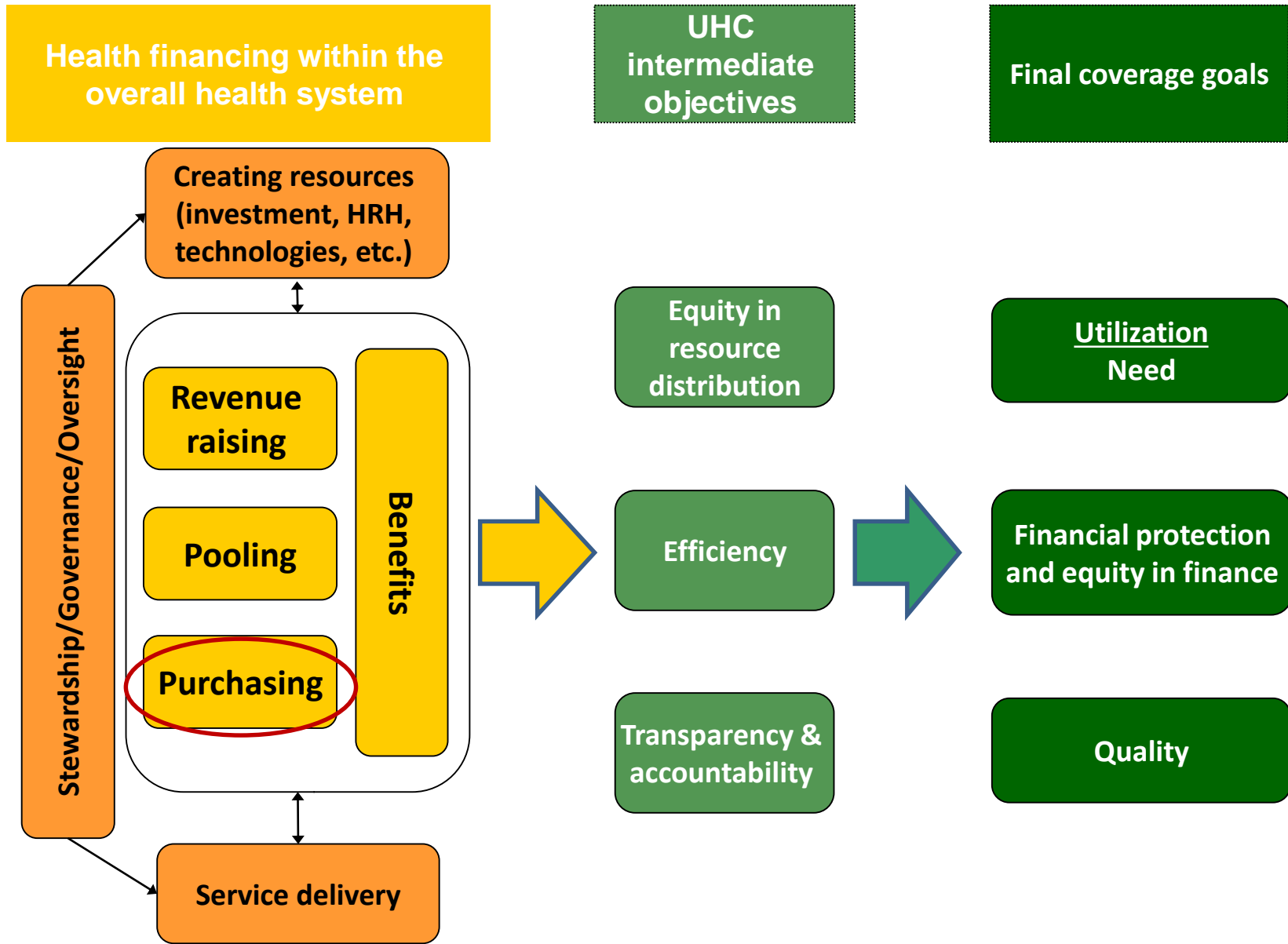


Towards universal coverage

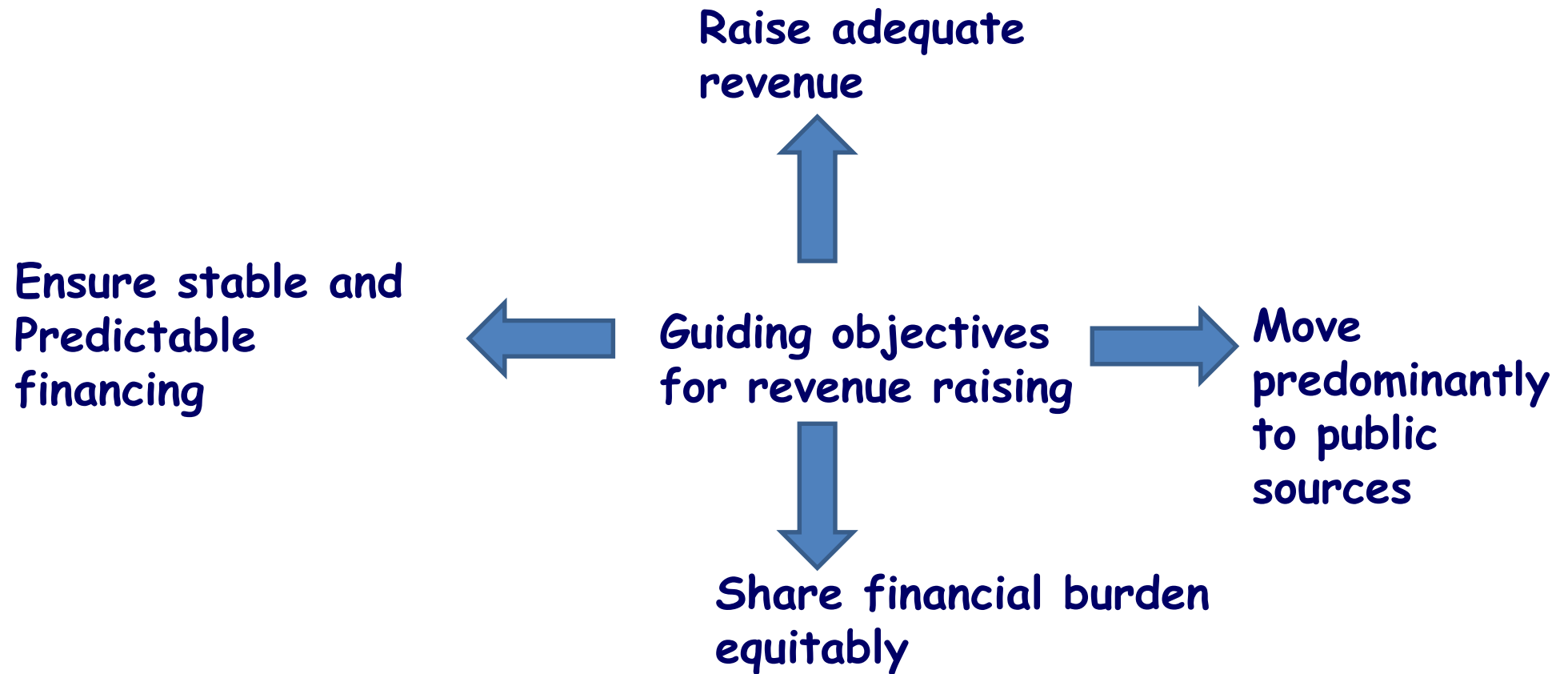


Understanding Financial Risk Protection



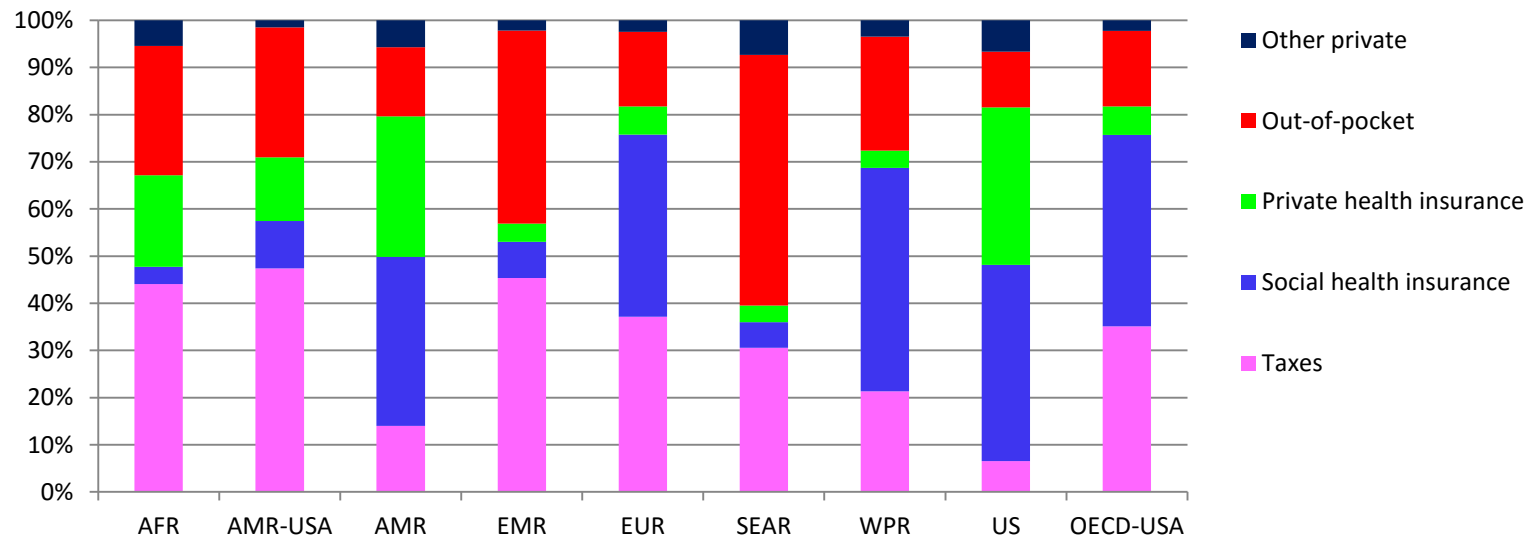


Raising revenue



How are funds raised?

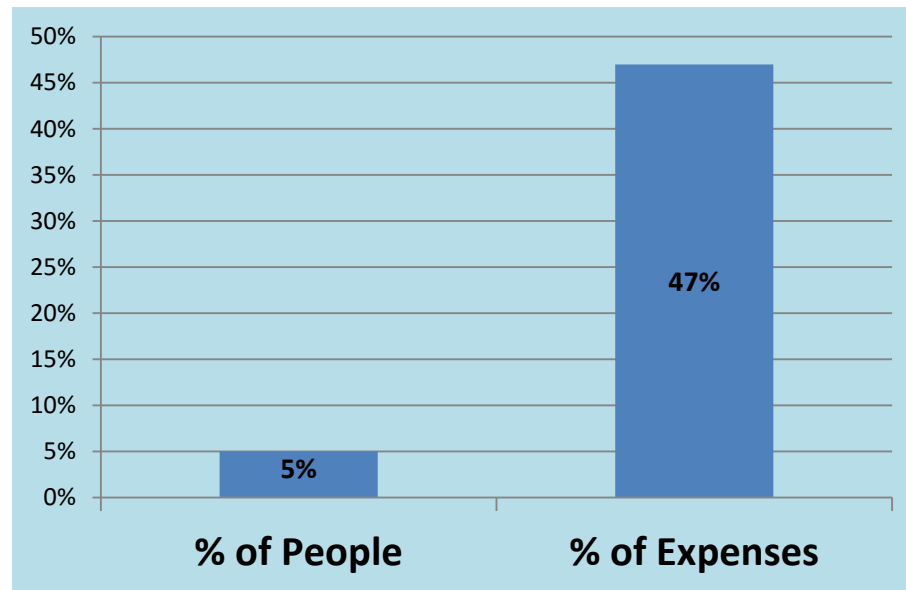
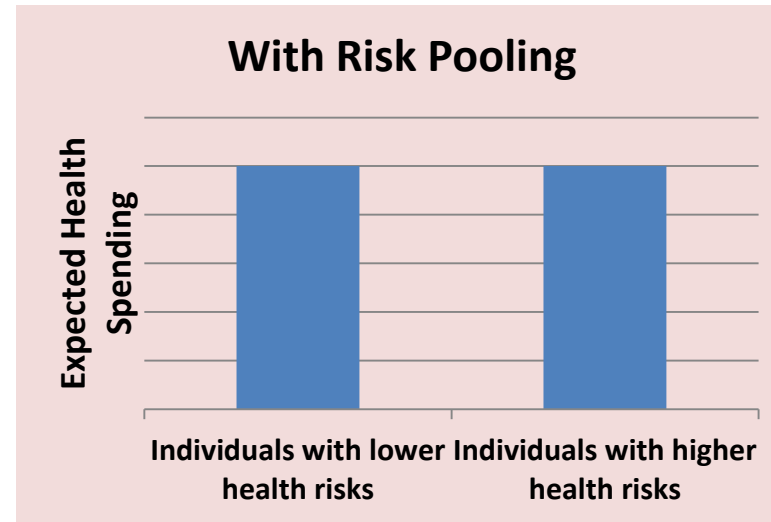
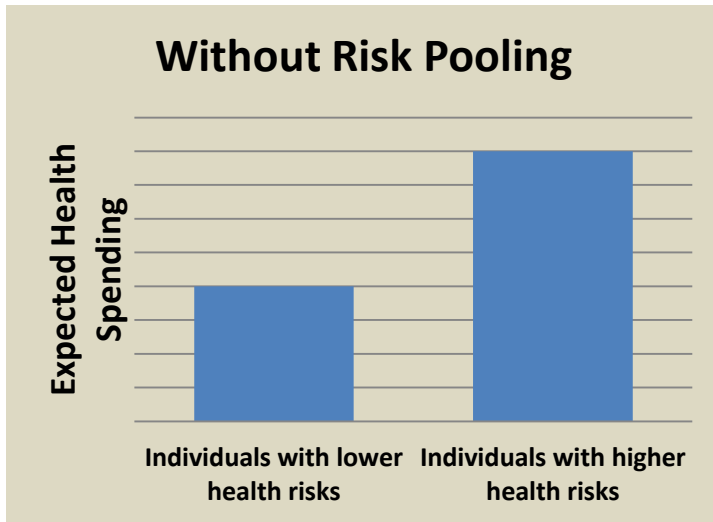
Composition of health spending * 2010

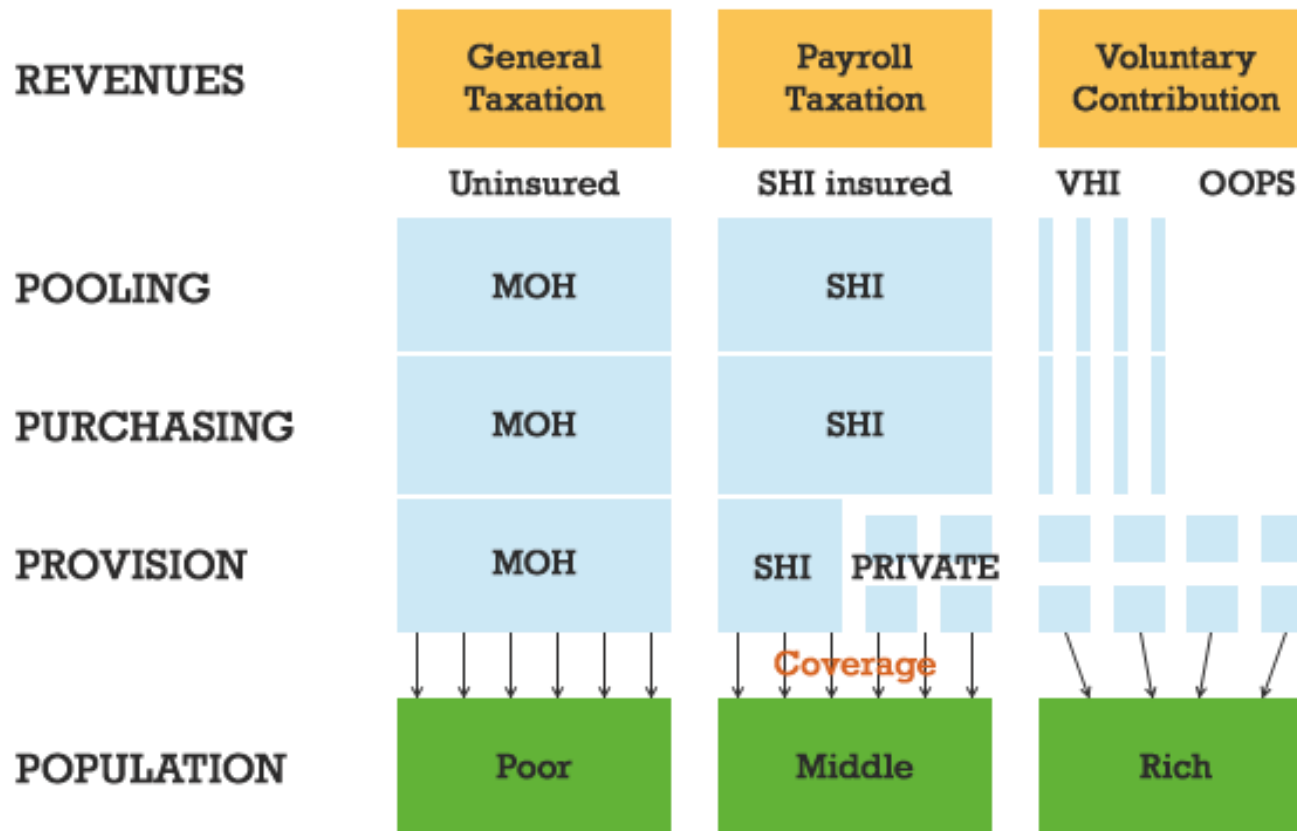


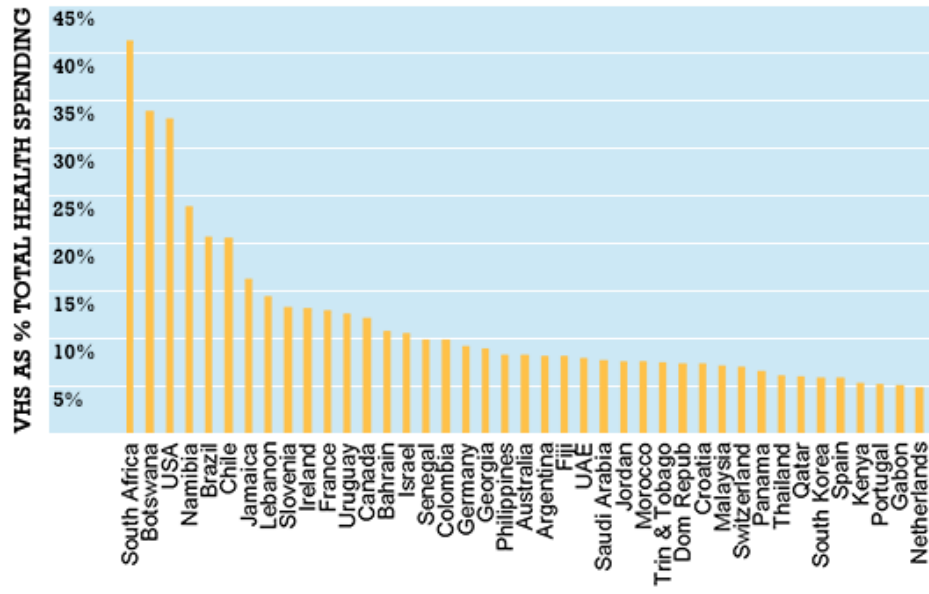
Data estimated using average exchange rates US dollar).
Excludes data for DPR Korea, Somalia, Zimbabwe

Pooling of revenue raised

- Pooling is the accumulation of revenue for eventual payment to Service providers
- Pooling helps spread financial risk across the population so that no individual carries the full burden of paying for health care.
- Features of a good pool are that it must be Large in terms of size; have a Diverse risk and Compulsory.







Strategic Purchasing

This is the process of paying for services:

- relates to the relationship between purchaser and providers
- refers to the allocation of resources from the purchaser to health service providers and concerns:
 - **Benefit package design:** Which services will be purchased
 - **Resource allocation criteria and provider payment methods:** how are providers paid and at what rates?
 - **Selection of providers:** from which types/levels of providers?
- occurs in all countries and in all types of health financing systems
 - A purchaser-provider split makes this more explicit

Objectives of SP contribute to UHC goals

**“more health for the money”
(WHO 2010, Ch. 4)**

Promote quality in service delivery

Manage expenditure growth & promote efficiency

Align funding and incentives with promised health services

Promote accountability of providers and purchasers to the population

No progress towards UHC without efficient spending (funding flows and payment mechanisms)

Enhance equitable distribution of resources

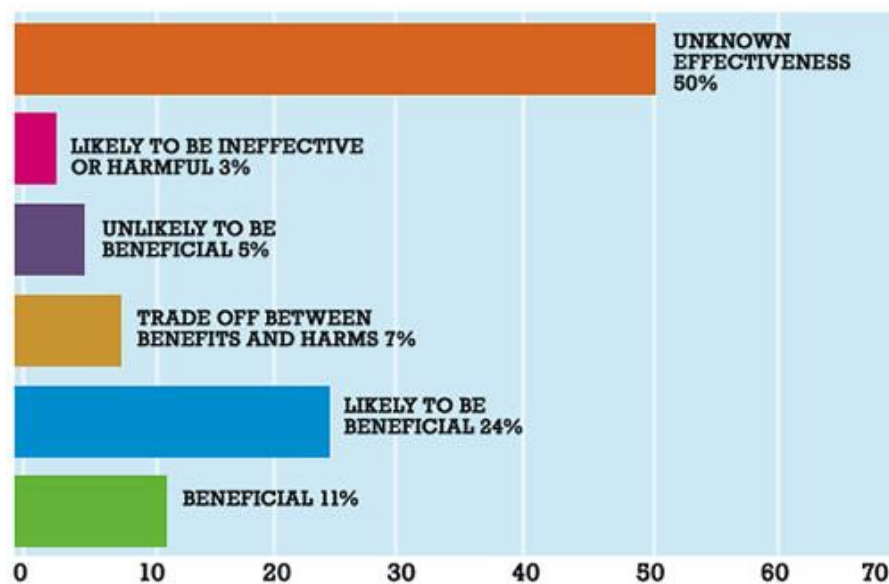
**Countries “cannot simply spend their way to UHC”
(Kutzin et al. 2016)**

Moving from Passive to Strategic purchasing: it is a continuum

- **Passive**
 - resource allocation using norms
 - little/no selection of providers
 - little/no quality monitoring
 - price and quality taker
- **Strategic**
 - payment systems that create deliberate incentives for efficiency and quality
 - selective contracting
 - quality improvement and rewards
 - price and quality maker

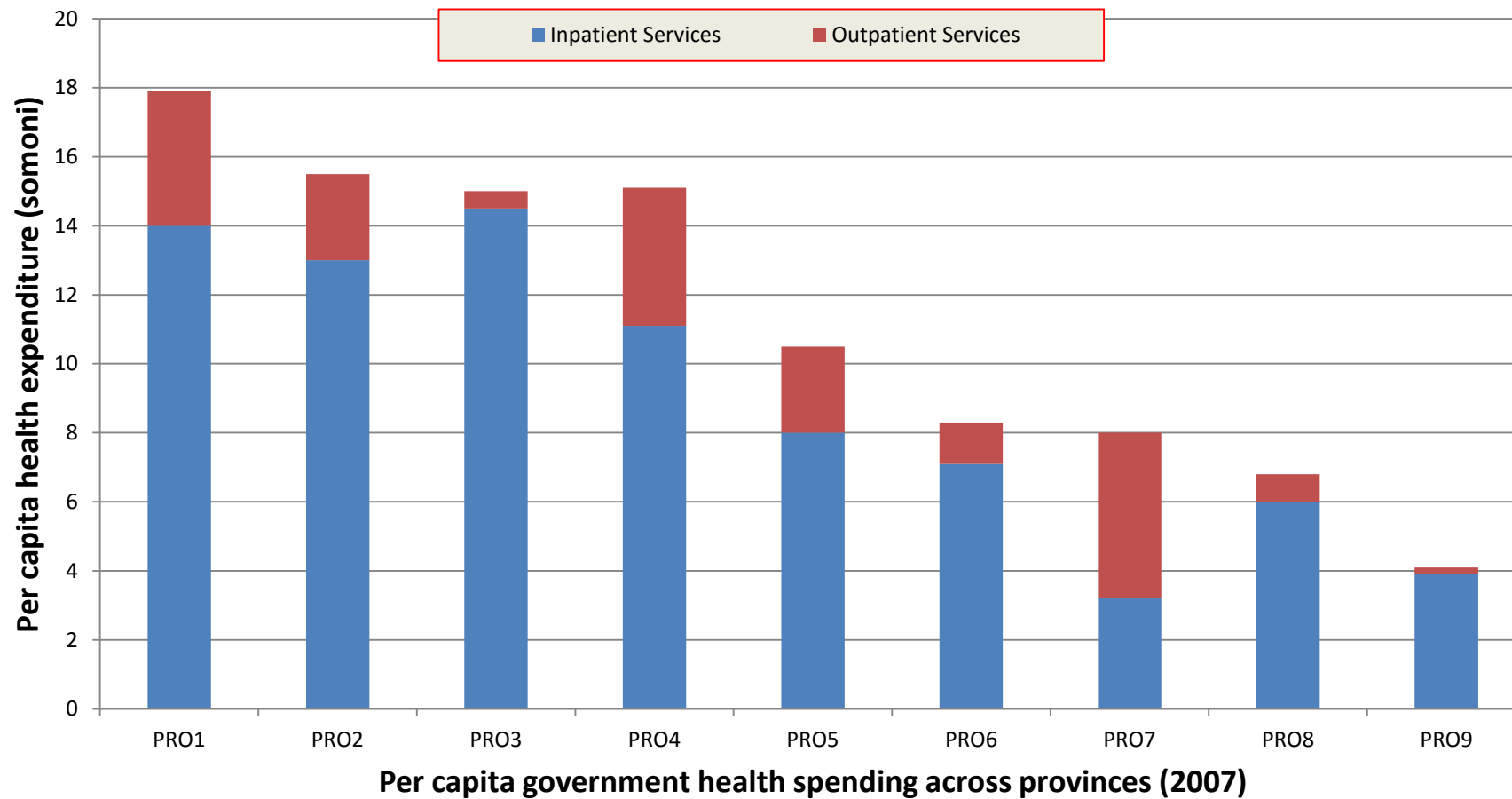
Strategic Purchasing

CLINICAL EFFECTIVENESS & APPROPRIATENESS

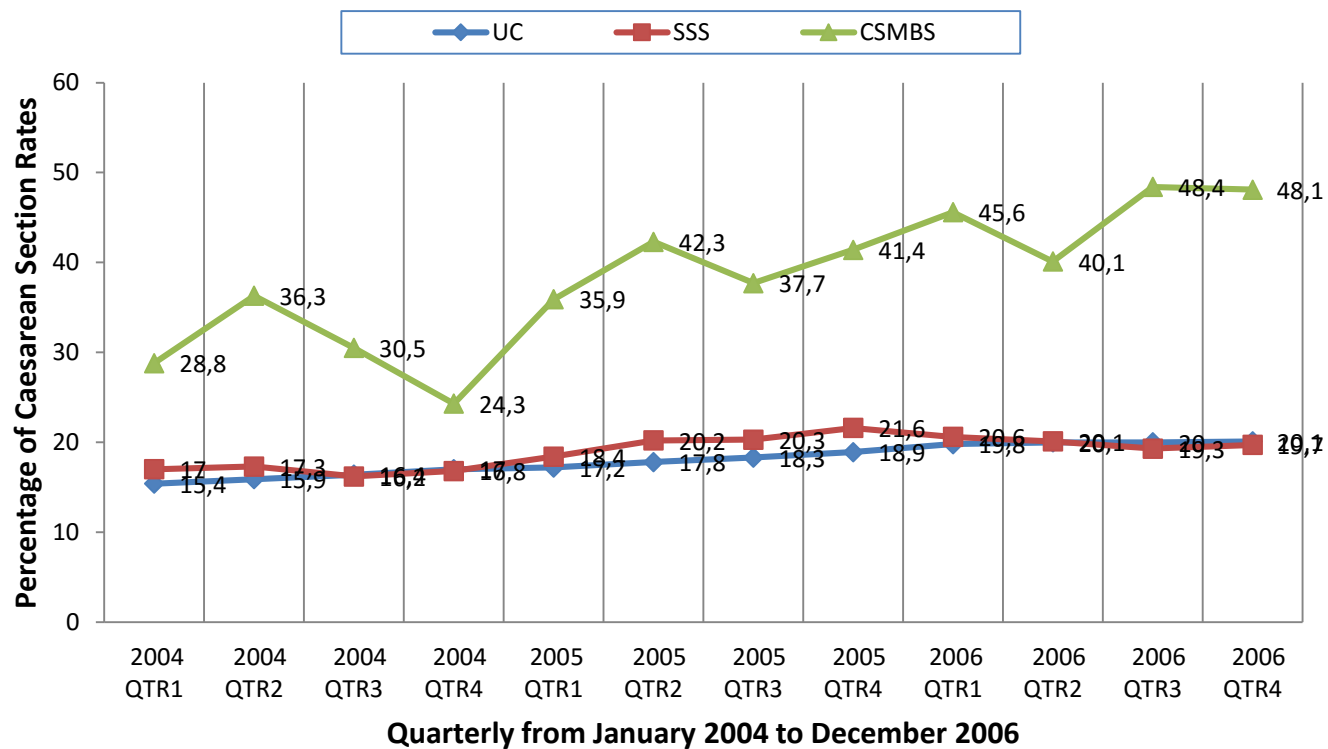


SOURCE: BMJ CLINICAL EVIDENCE

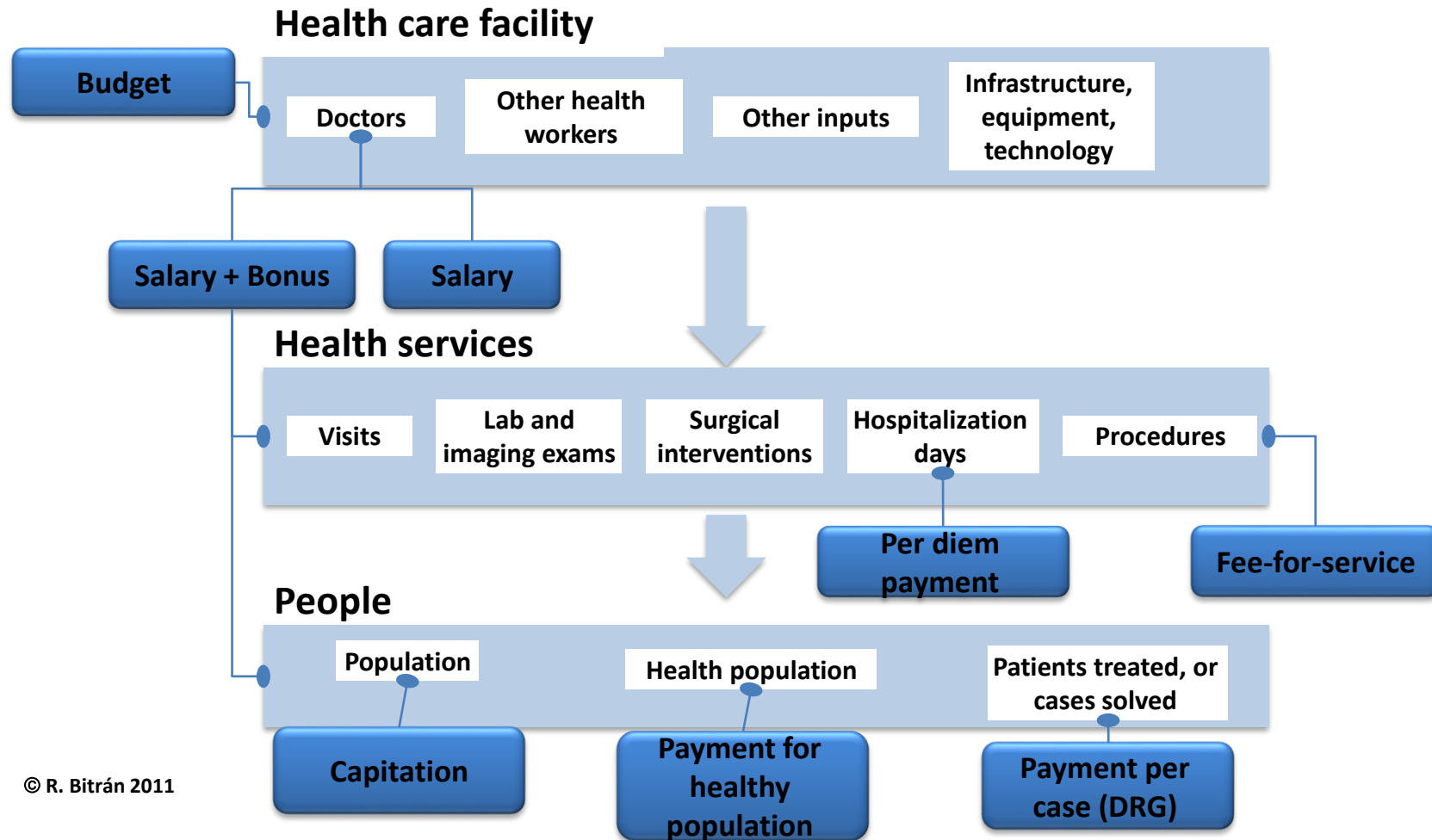
Distribution of Government Health Spending in Tajikistan



Comparison of Caesarean Section Rates by Type of Financing Scheme in Thailand 2004 - 2006



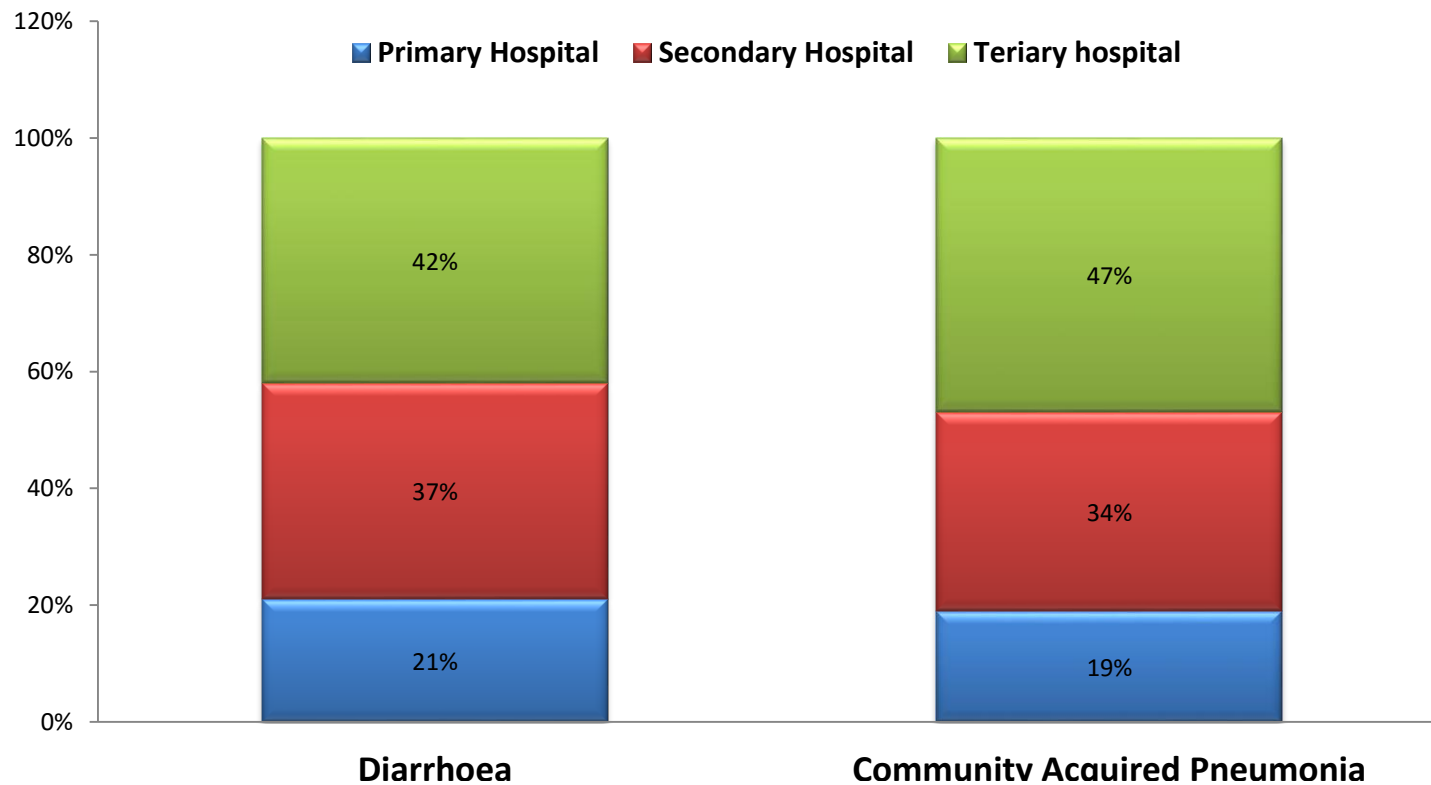
Provider payment methods



Benefit package design

- ✓ The benefit package includes the services and commodities paid for from the pooled funds.
- ✓ Entitlements are services or commodities fully or partially paid from pooled funds.
- ✓ Obligations define what the population has to do to access entitlements.
- ✓ All countries limit service entitlements, this is rationing.
- ✓ Three principles to use on deciding on rationing are Need, Equity and Health maximization.

Philippines: Common Health Problems Paid for by the Philippine Health Insurance Programme. Where are they treated?



Current Private Sector contribution

- Currently provides approx. 50 percent of services
- The private sector in LMIC countries is extremely diverse
- Includes large corporate hospitals, independent sole practitioners and retail sellers of drugs
- Private providers can help to meet gaps in service coverage, be more convenient and usually in or not far from neighbourhoods
- Does relatively better on responsiveness
- Tend to respond to this market opportunity

Challenges and how Governments has responded to date

- Weak regulation, sometimes leading exposure to poor quality, or inappropriate services, and inadequate care provided by unqualified providers
- Governments response has been to
 - Prohibit or ban inappropriate private practice;
 - Control providers through statutory or self-regulation;
 - Encourage improvements in services and quality, for example through training, accreditation or subsidies; or
 - Engage directly by using public funds to contract them.

How private sector can contribute to UHC

Addressing Common challenges

- **Complementary services in the Primary care-Prevention-Secondary-Tertiary care continuum.**
- **Integrated with local system to address issues of common interest eg training.**

How private sector can contribute to UHC

Examples of specific areas

Service provider

- ✓ Ensuring safe, effective, high quality services that meet public expectations.

Access to services

- ✓ Minimise financial, geographical, cultural barriers to access.

How private sector can contribute to UHC

Examples of specific areas

Workforce issues

- ✓ Contribute to assuring equitable availability of the health workforce eg training, workforce management issues such as deployment and salaries

Partner with Government on Stewardship issues

- ✓ Regulatory frameworks, Accreditation, Licencing, Quality, Innovation, Health promotion,

Messages from Africa Health Forum

- ✓ Service delivery incl ICT, telemed, prevention
- ✓ Investment, funding negotiation, funds management
- ✓ HR Cap[acity building, skills dev, planning
- ✓ Management and operations incl logistics, technology transfer,
- ✓ Quality improvement, sequencing of services, operations improvement
- ✓ Innovations incl documentation of models to transform health and health outcomes
- ✓ Partnerships, sharing lessons, leveraging experience,
- ✓ Enabling regulatory framework will enable private sector to work at all levels...

Attaining/Maintaining Universal Health Coverage

UHC is a journey, and not an event. Some challenges along the way include;

- New technologies
- Increasing costs
- Increasing population or change in age structure
- Changing disease patterns

Even the richest countries struggle to maintain & extend their levels of service coverage, quality and financial risk protection