18th Annual BHF Southern African Conference

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

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World Health Organization

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**

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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

MDG unfinished and expanded agenda

- Reduce :3.1 maternal mortality
- 3.2: End preventable newborn and child deaths
- 3.3: End the epidemics of HIV, TB, malaria and NTD and combat hepatitis, waterborne and other communicable diseases
- 3.7: Ensure universal access to sexual and reproductive health-care services

New SDG 3 targets

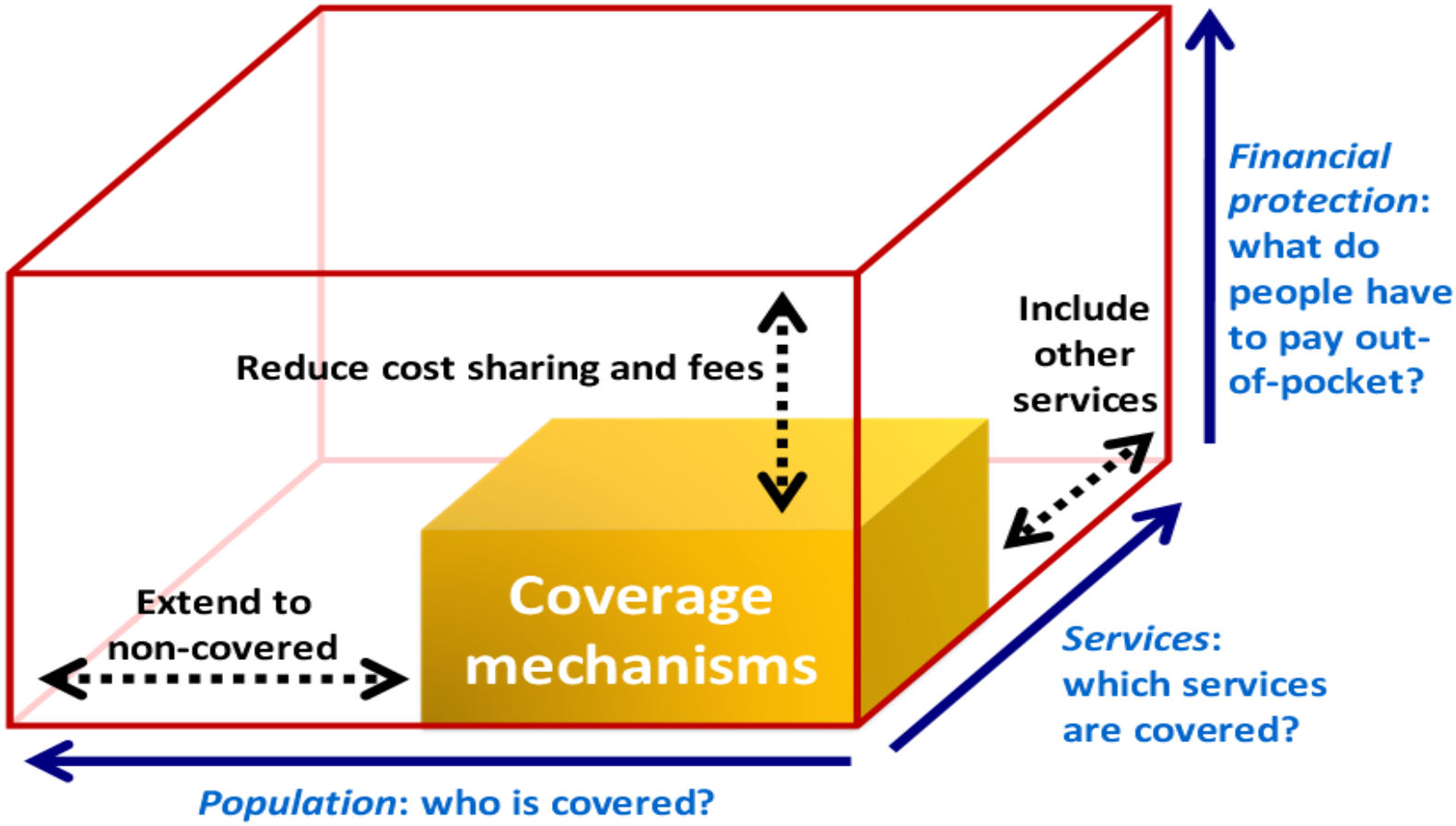
- 3.4: Reduce mortality from NCD and promote mental health
- 3.5: Strengthen prevention and treatment of substance abuse
- 3.6: Halve global deaths and injuries from road traffic accidents
- 3.9: Reduce deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

SDG3 means of Implementation

- 3.a: Strengthen implementation of framework convention on tobacco control
- 3.b: Provide access to medicines and vaccines for all, support R&D of vaccines and medicines for all
- 3.c: Increase health financing and health workforce in developing countries
- 3.d: Strengthen capacity for early warning, risk reduction and management of health risks

Interactions with economic, other social and environmental SDGs and SDG 17 on means of implementation

Towards universal coverage



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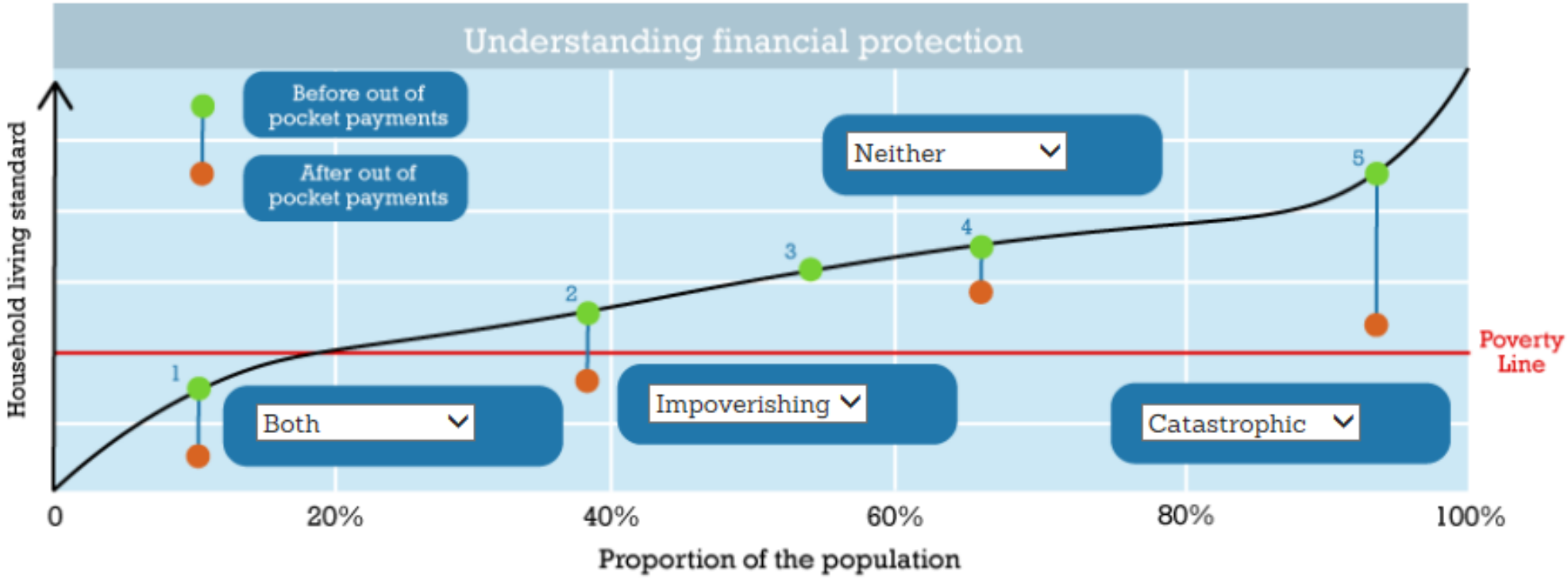
Understanding Financial Risk Protection



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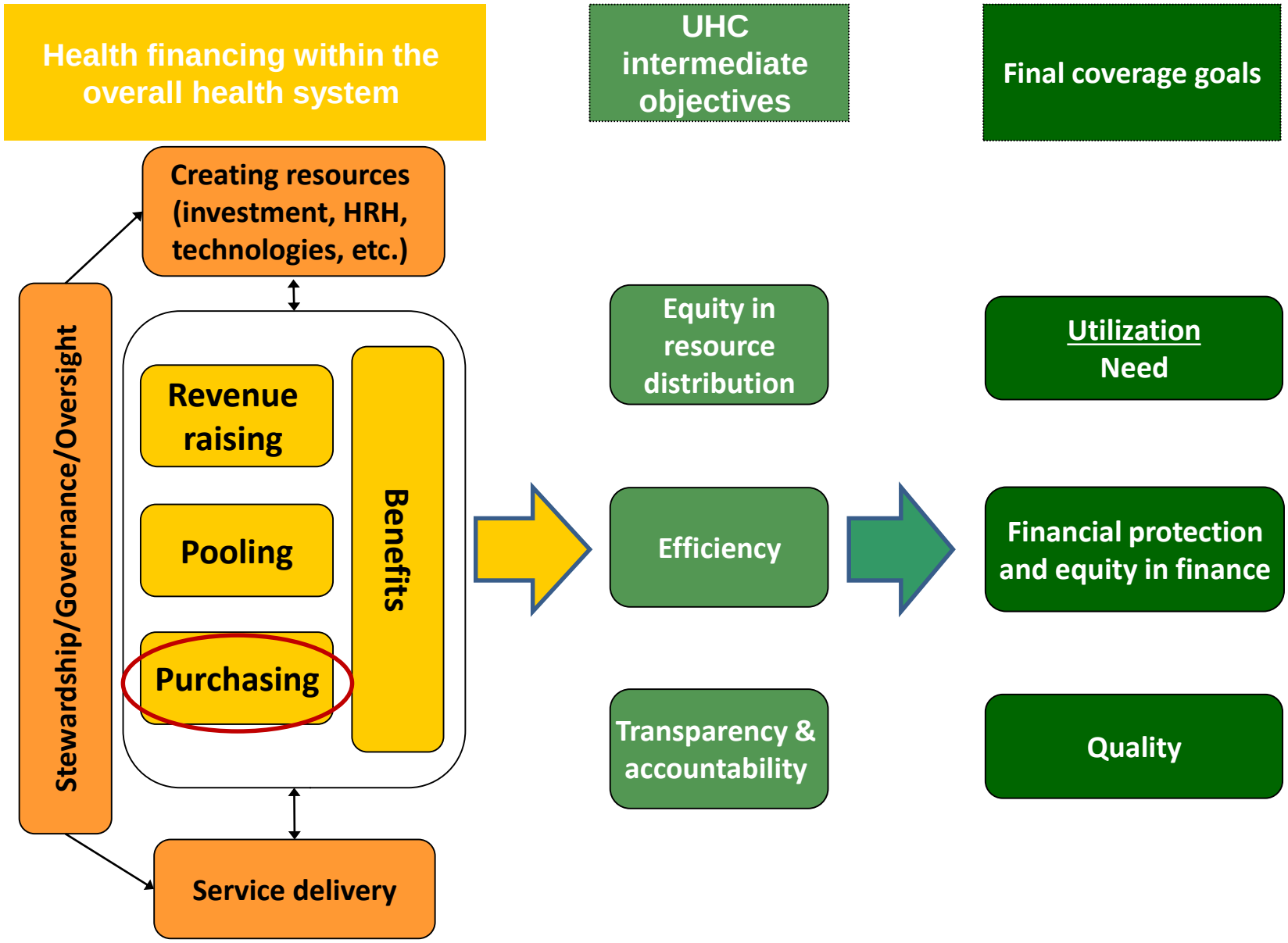

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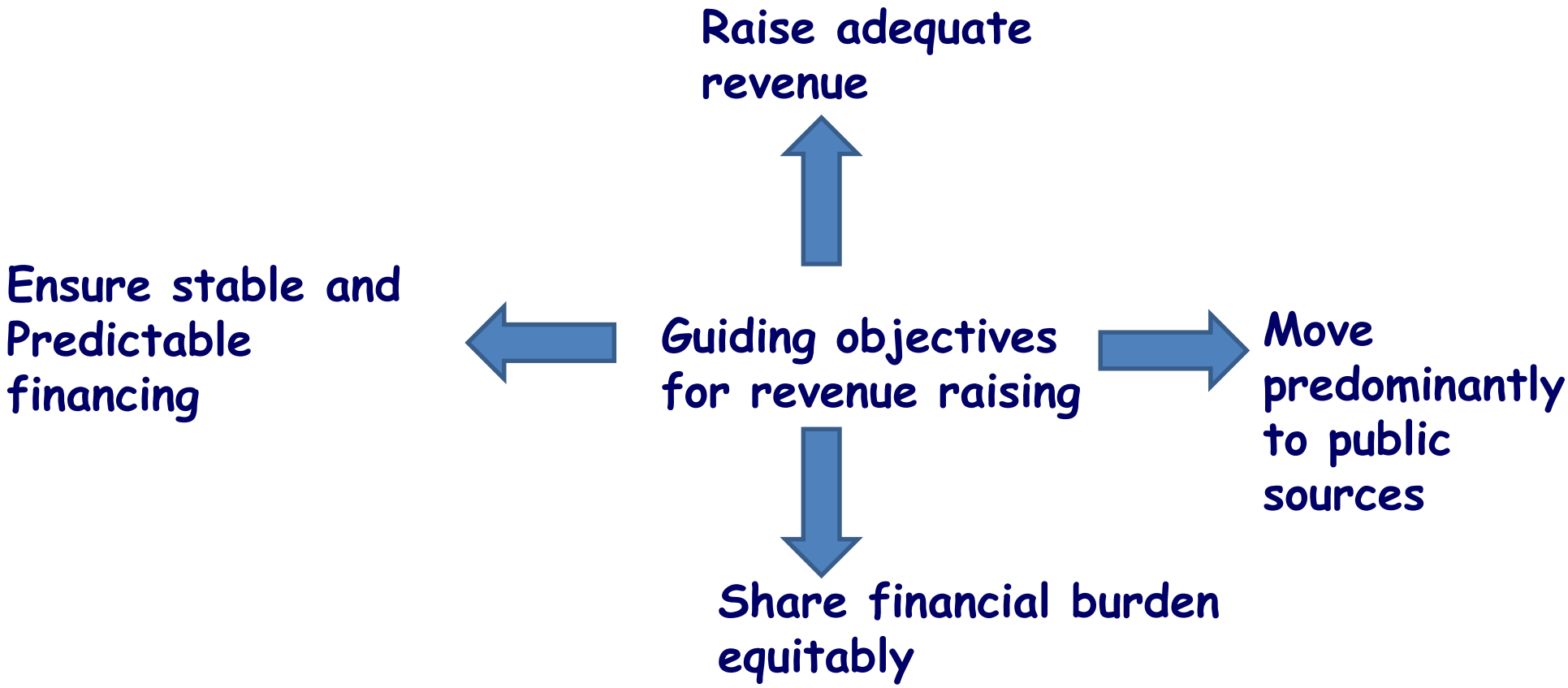
Raising revenue



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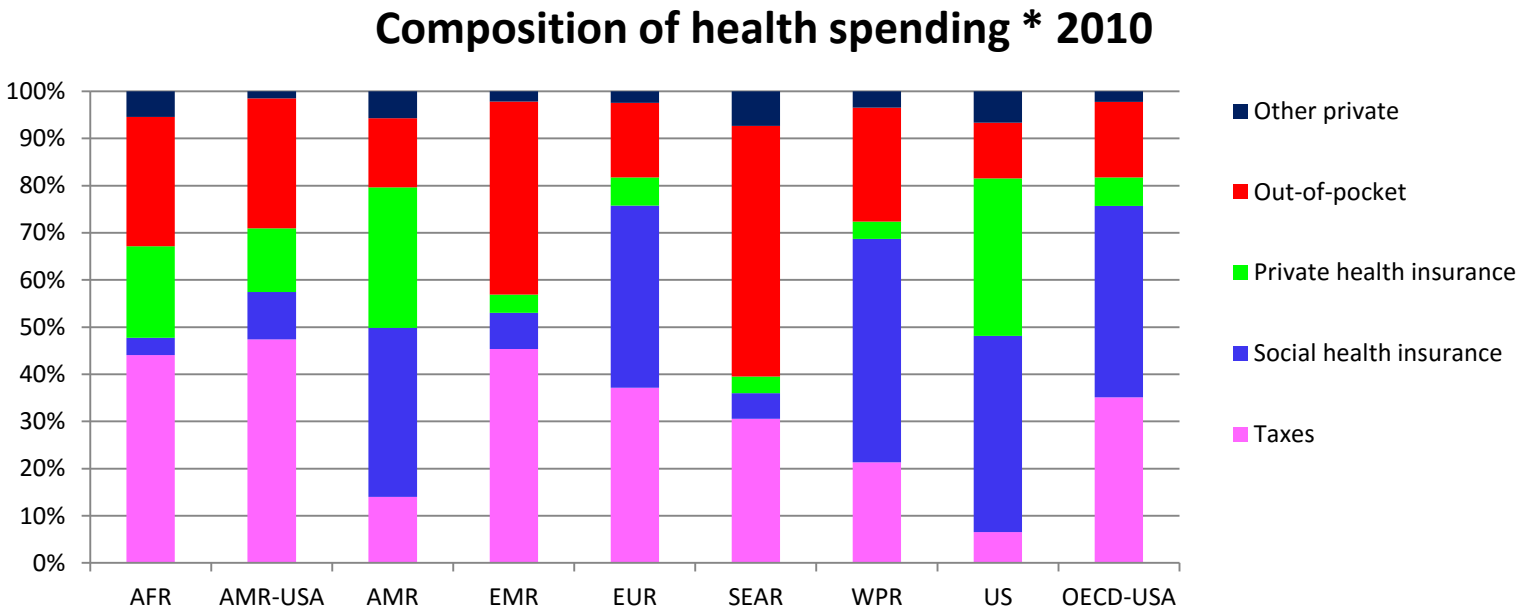
How are funds raised?



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

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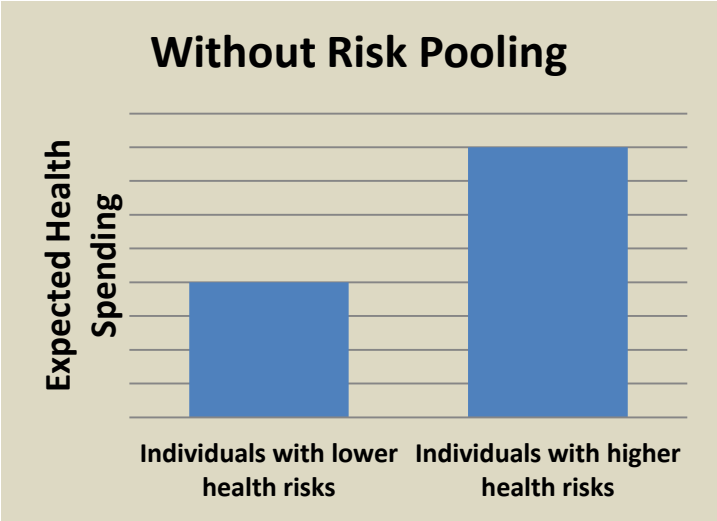
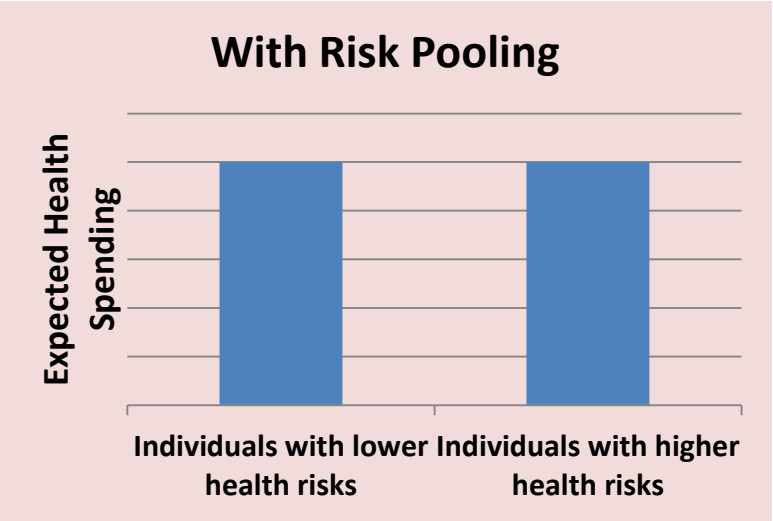
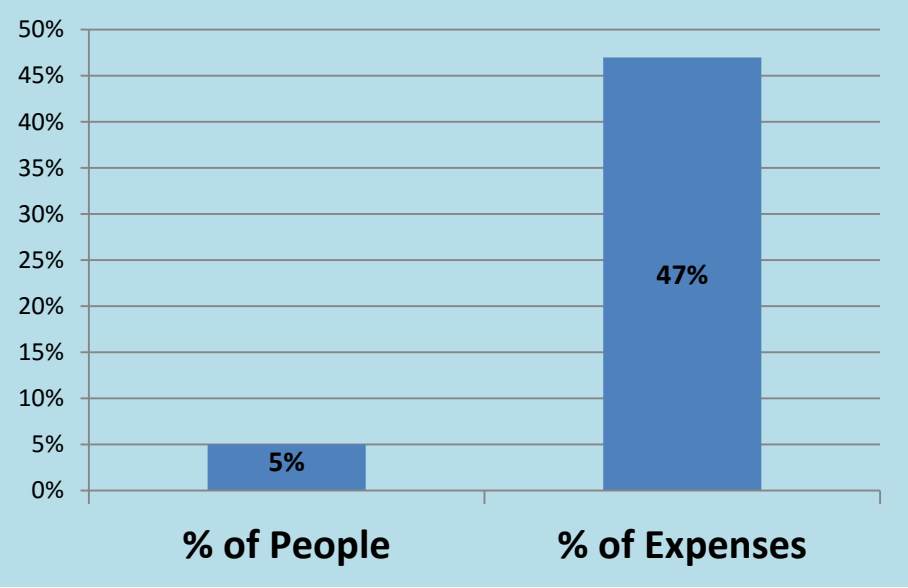
Pooling of revenue raised

- 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.







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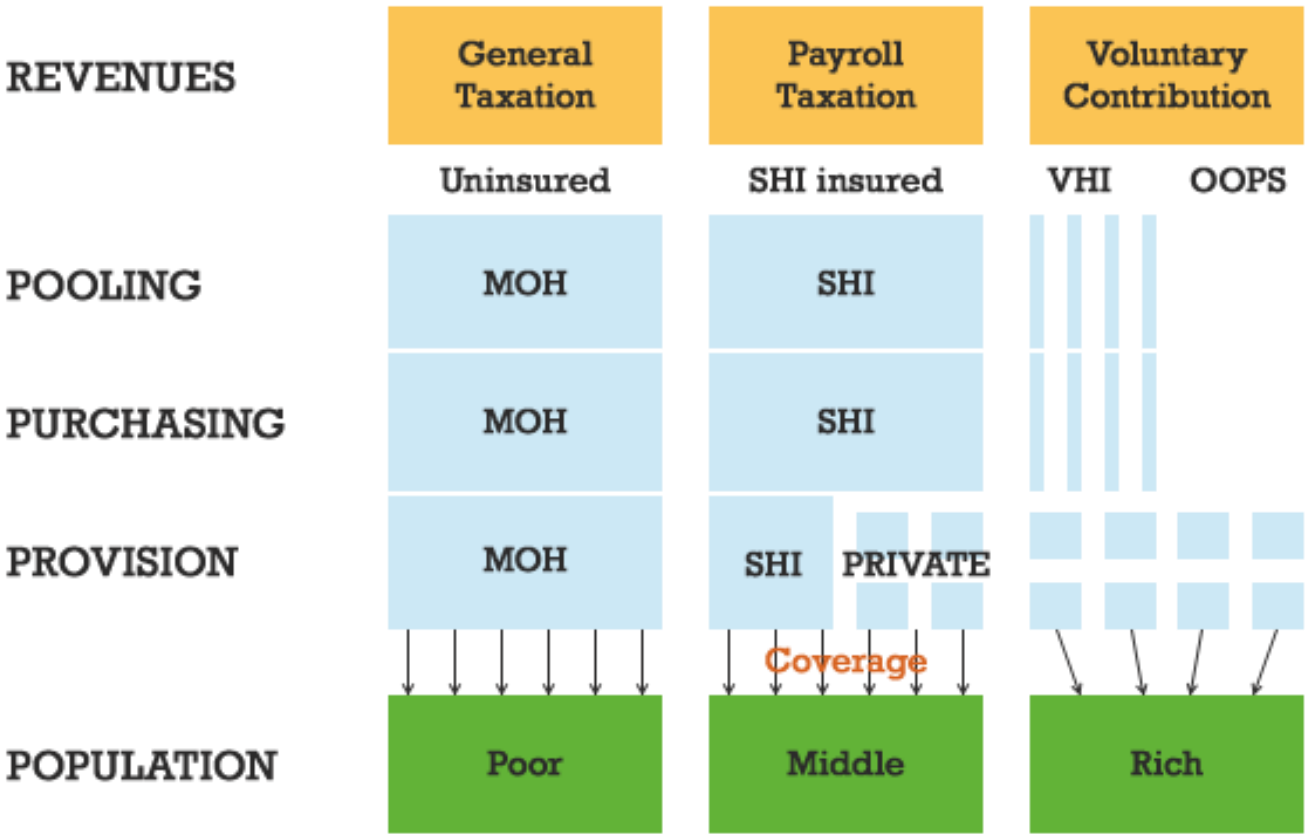

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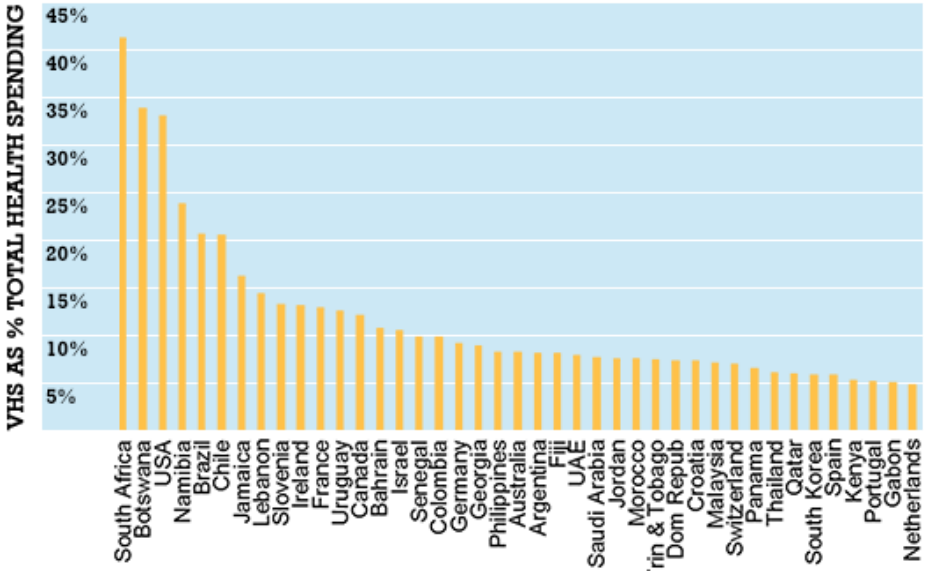

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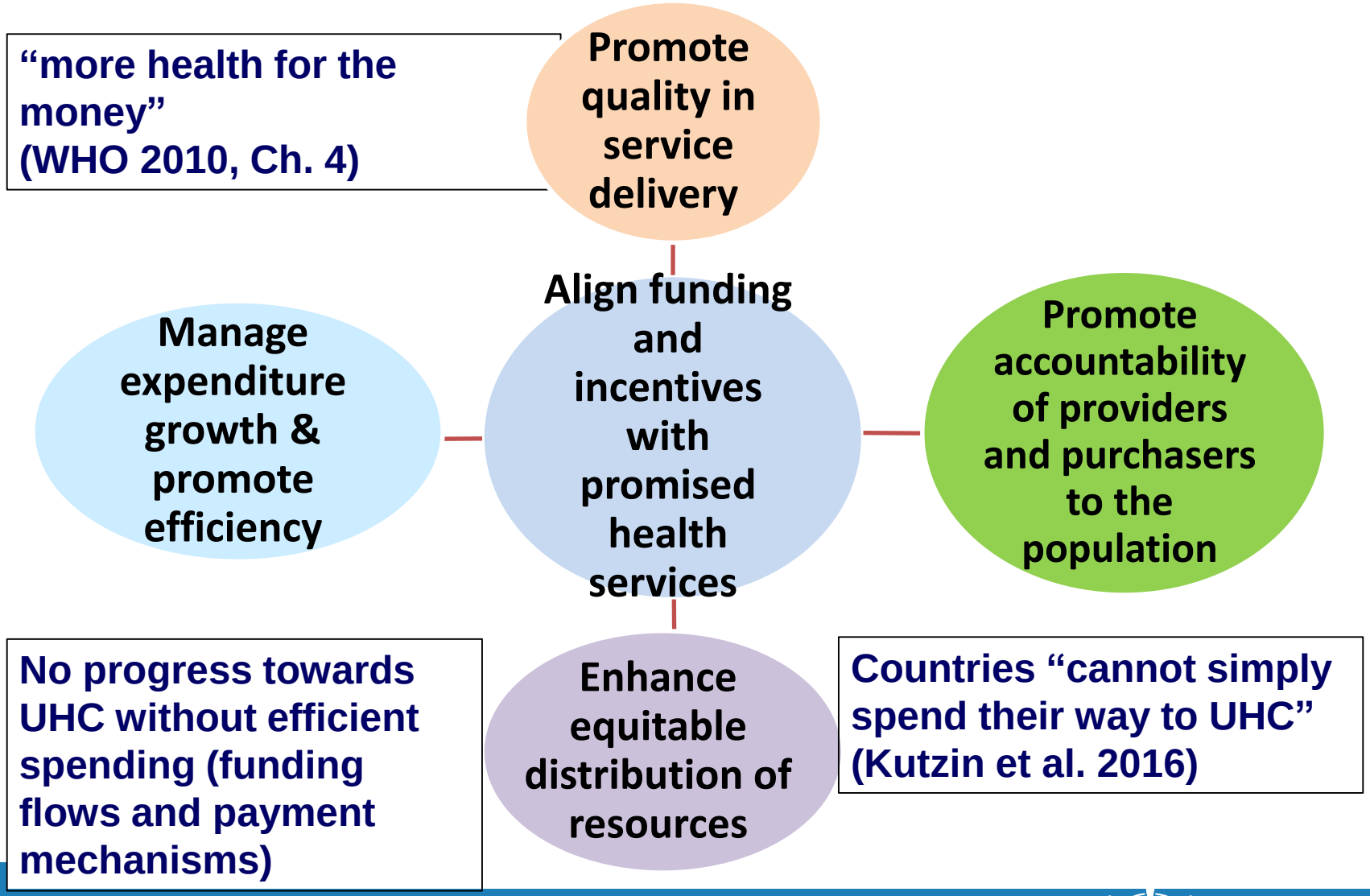
Strategic Purchasing

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



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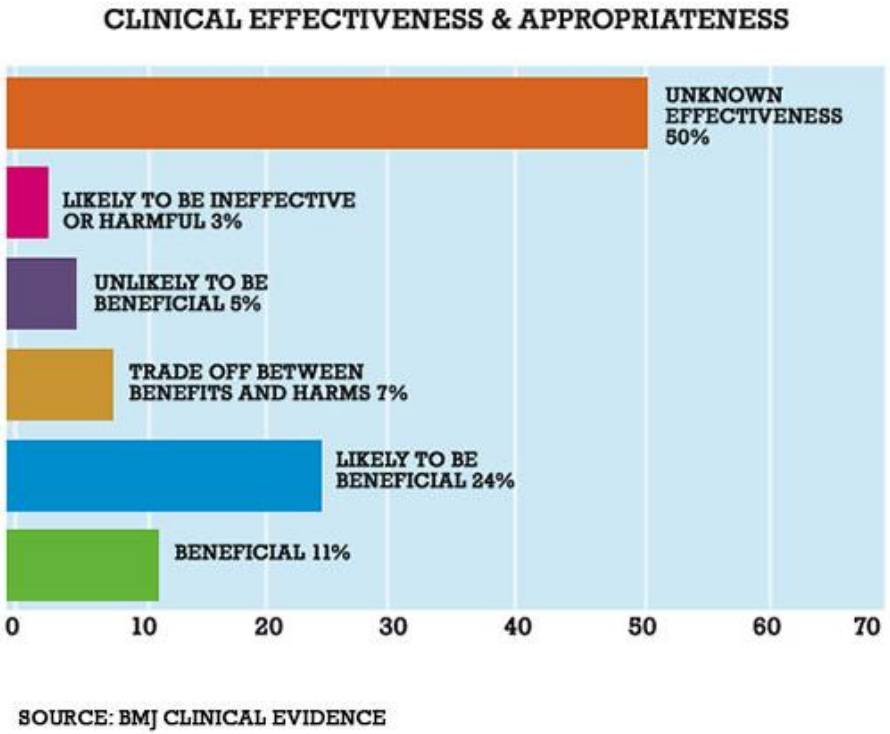
Moving from Passive to Strategic purchasing: it is a continuum

- 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



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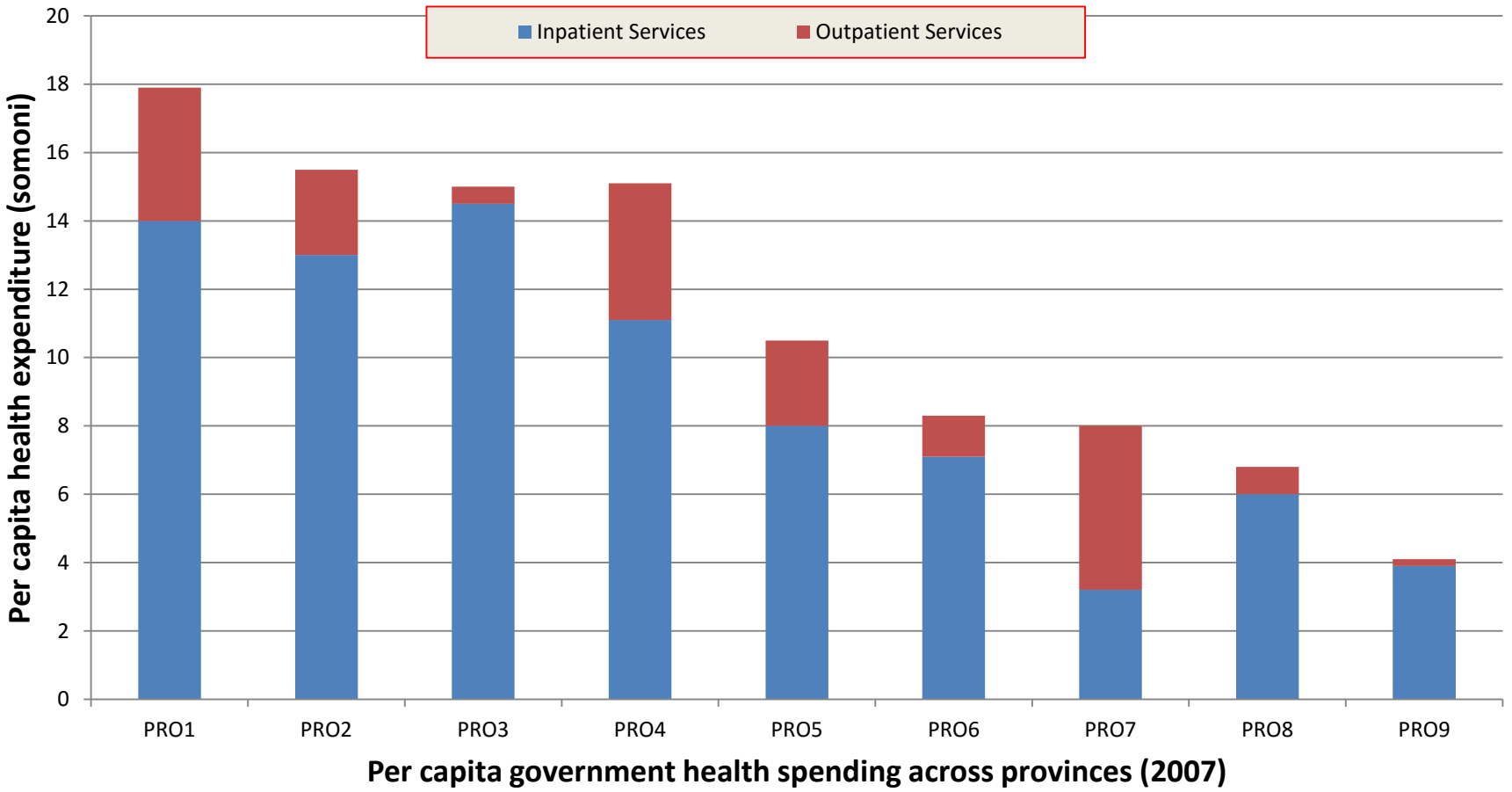
Distribution of Government Health Spending in Tajikistan



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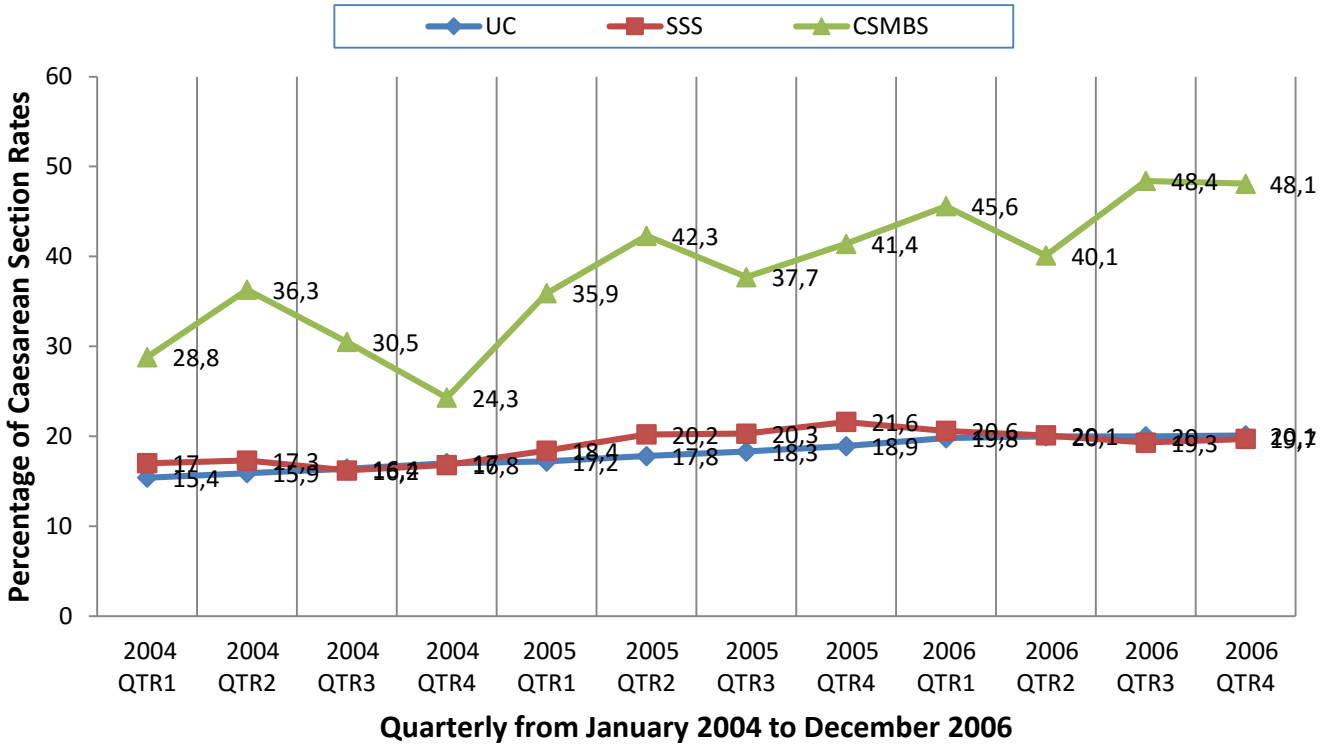
Comparison of Caesarean Section Rates by Type of Financing Scheme in Thailand 2004 - 2006



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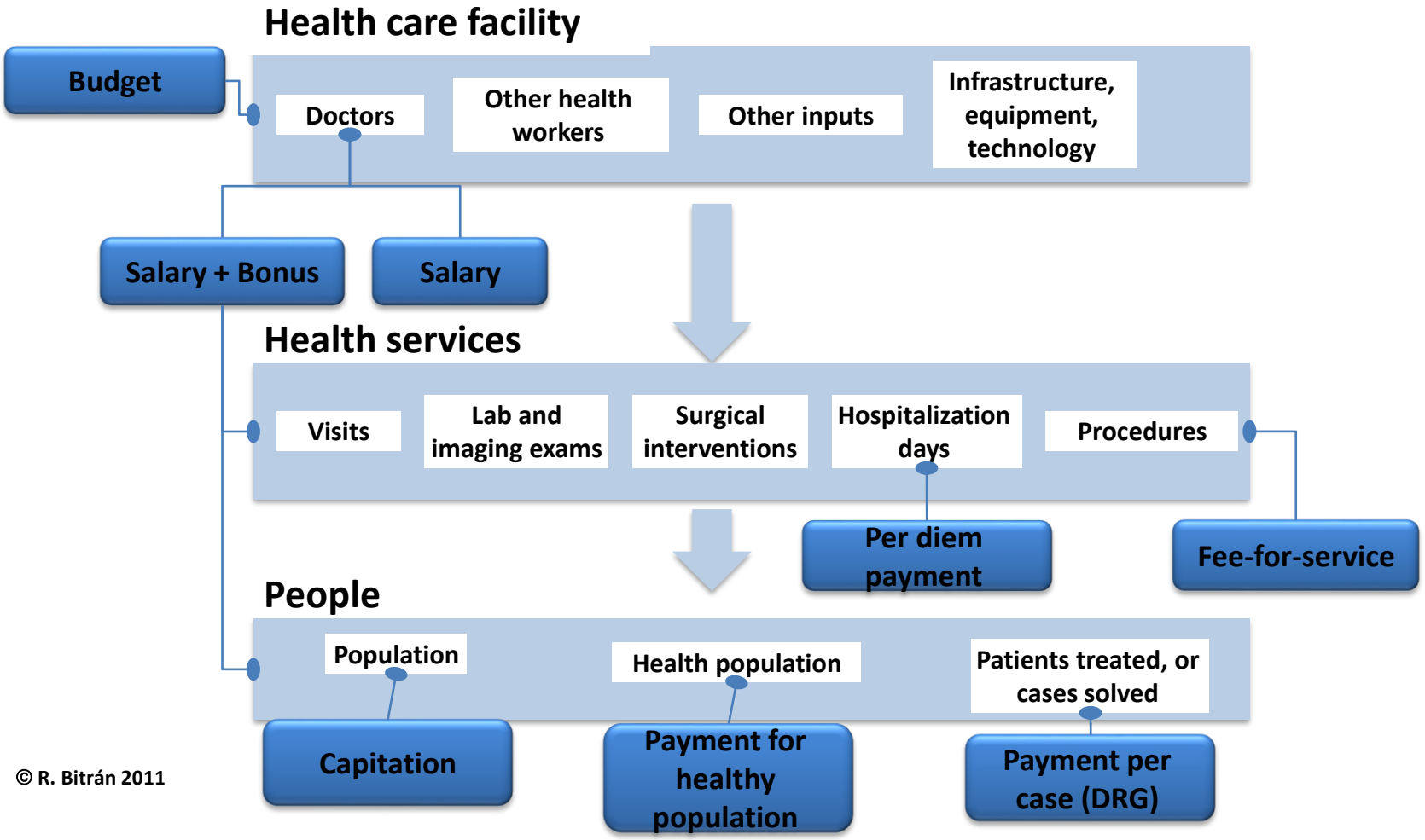
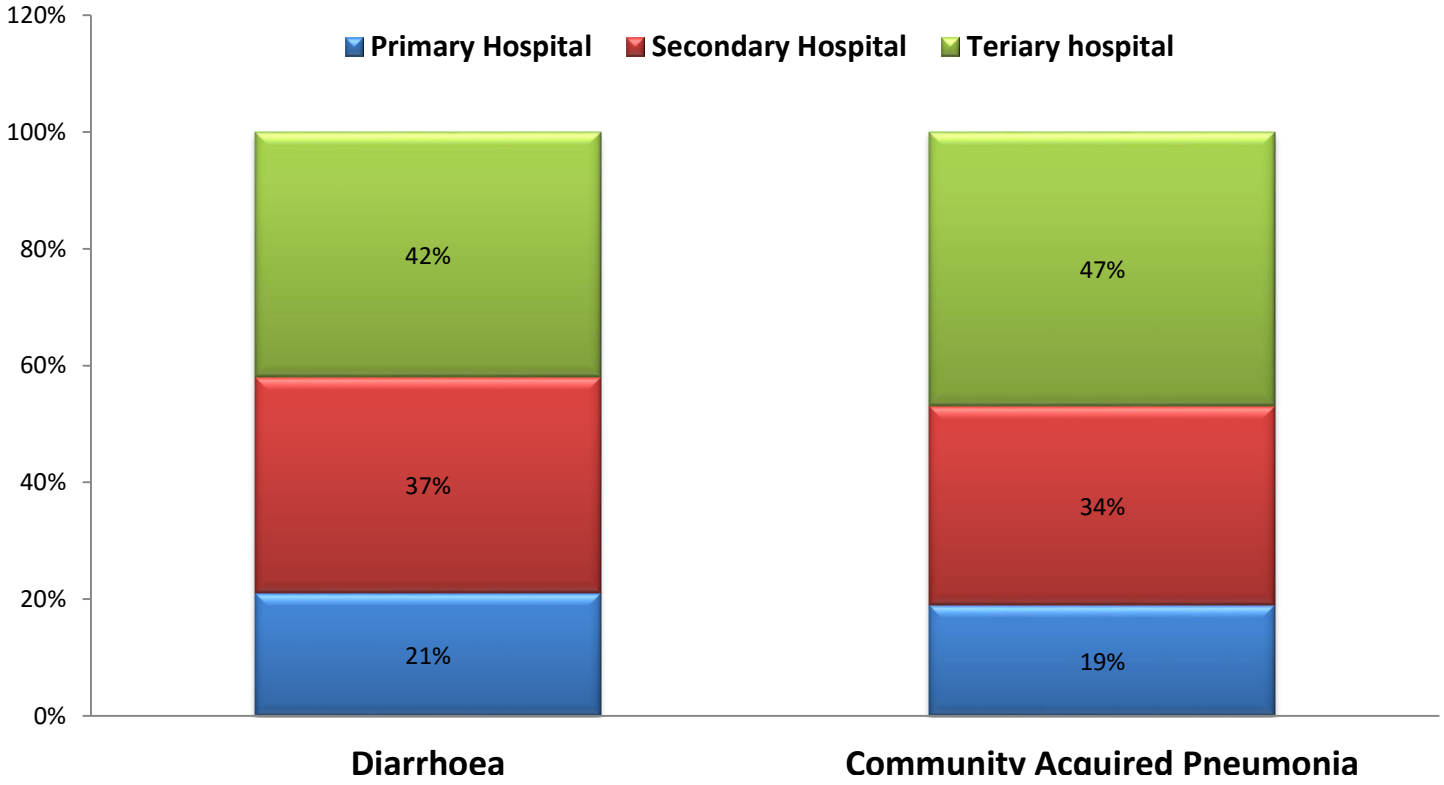
Provider payment methods



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?



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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 workfoce 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
- ✓ Investiment, 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