

**3<sup>rd</sup> Annual UHC Financing Forum:  
Greater Equity for Better Health and Financial Protection  
April 19-20, 2018**

## CONTEXT

The World Bank Group/IMF's Spring Meetings are a key strategic platform for finance and development leaders from the WBG's shareholder countries to engage with a wide range of stakeholders on the goals of ending extreme poverty and boosting shared prosperity by accelerating inclusive and sustainable economic growth, investing in human capital, and building resilience to global shocks and threats. Through a public program of events and related meetings, the Spring Meetings provide diverse stakeholders a platform from which to place a spotlight on global development priorities, catalyze political momentum, and commit to action.

## EVENT OBJECTIVE

This two-day forum at the 2018 Spring Meetings (April 19-20, 2018) builds on the success of the 1st and 2<sup>nd</sup> Annual Universal Health Coverage (UHC) Financing Forums, co-hosted by the World Bank and the U.S. Agency for International Development (USAID). The [1<sup>st</sup> Forum](#) in 2016 focused on how to generate revenue to meet the needs of populations for good quality health services and financial protection, two key components of UHC. The [2<sup>nd</sup> Forum](#) in 2017, explored how governments can use available resources in the most efficient way. Mobilizing and organizing health financing to achieve equity and access to health services will be the topic of focus at the 3<sup>rd</sup> Forum.

By bringing the finance and health sectors together, the UHC Financing Forum creates one of the only global spaces that convenes key actors to help accelerate progress in countries towards sustainable financing of UHC. The forum offers a unique setting for diverse actors to challenge assumptions, learn, and work together. Participants learn from global best practices and actual country experiences of reducing inequity while improving outcomes in the health sector. They have the opportunity to debate and discuss issues that are controversial or where the evidence is still inconclusive. Finally, they leave with policy lessons, new ideas, and tools that will help them push forward the UHC financing agenda in their own country.

## EQUITY: BACKGROUND

### *How are we defining health financing?*

Health care financing covers a variety of functions: revenue generation, pooling revenues and risks, and purchasing (what to purchase, from whom and how to pay).

### *How is equity defined?*

Equity refers to the fair distribution of the burden of paying for health services and the benefits obtained from their use among individuals or groups in the population. Inequalities in these distributions can be measured, but which of these inequalities are inequitable or unfair is inherently a question of values, and views differ. The approach suggested for this forum is that fairness requires financial contributions to the system be based on capacity to pay, and that benefits be based on health needs. The implications of other viewpoints will also be considered.

### *Why is health financing important for equity?*

From an equity perspective, health financing is important because it determines:

- The extent to which different individuals, households and firms contribute financially to the health system;
- The availability (and quality) of health services as well as their distribution across population groups and territories; and
- The degree and distribution of financial protection offered against the costs of paying for health services.

### *Isn't equity implicit in UHC as a goal? Does it really require special attention?*

The vision of UHC is that all people will obtain the health services they need, of good quality, and without financial hardship linked to paying for them out-of-pocket (WHO 2010). UHC is based on the principle that health services should be distributed according to need. It is not explicit about the full distribution of financial contributions across payers other than that out-of-pocket payments should not lead to severe financial hardship. The forum extends this dimension to consideration of the fairness of all financial contributions. Moreover, while the ultimate attainment of UHC is equitable, evidence emerging from countries shows that in spite of gains in health coverage and financial protection, and/or the overall level of population health, inequities can persist and even widen on the path to UHC when there is insufficient focus on equity<sup>1</sup>. To ensure that the push towards UHC does not make the same mistakes and leave the same disadvantaged populations behind, country governments and their citizens must make equity an explicit priority within UHC design and ongoing monitoring and evaluation plans.

### *What aspects of health care (esp. related to delivery) are outside the scope of this forum?*

This forum WILL look at how health financing functions (policy levers) (mobilization, pooling and purchasing) can be used to address pervasive constraints to achieving equitable health outcomes. The forum is NOT intended to focus on how other aspects of health systems -- service delivery/organization; health workforce; health information systems; medicines and technologies; and leadership/governance – or sectors outside health influence equity, which are discussed in other fora. It will, when appropriate, discuss how health financing can influence other health system functions to improve equity.

### *What are the major threats to equitable health financing?*

Reliance on regressive resource mobilization. Health systems in many low- and middle-income countries are financed through key sources such as taxation, social health insurance contributions, private health insurance premiums, and out-of-pocket payments(OOPs). How revenues are collected has a great impact on the equity of the system. OOPs, which comprise more than 50% of total health expenditures in many low-income countries, are usually the most regressive way to pay for health, and the way that most exposes people to catastrophic financial risk. Other sources of pre-paid or pooled revenue sources are an improvement on OOPs, but many LMICs are constrained in their ability to expand these revenue sources.

Supply- and demand-side constraints to accessing pooling mechanisms. While prepayment is preferable, from an equity perspective, to OOPS, it also matters greatly how the revenues are combined so as to

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<sup>1</sup> Rodney and Hill International Journal for Equity in Health 2014, 13:72  
<http://www.equityhealthj.com/content/13/1/72>

share risks: how many pools there are, how large they are, whether inclusion is voluntary or mandatory, whether exclusion is allowed, what degree and kind of competition exists among pools, and whether, in the case of competing pools, there are mechanisms to compensate for differences in risk and in capacity to pay. Even where pooling mechanisms exist, disadvantaged populations face barriers to accessing (enrolling in and then benefiting from) them.

*Supply-and demand-side constraints to accessing health services.* Health services are designed and implemented in such a way that they target the 'best off' and fail to reach the least advantaged. Resource allocation or purchasing mechanisms can exacerbate biases against poor and vulnerable populations. Decisions to prioritize specific health services in essential packages of health services may benefit better off populations and limit resources for poor, rural or vulnerable populations. Public subsidies may disproportionately favor tertiary hospital in urban areas which are more frequented by better off populations. Reliance on OOPs or risk pools comprised of formal sector populations incentivize providers to deliver quality, health care services to those who can well afford them. For many other related reasons, poor populations face barriers to accessing the quality services they need.

## TOPICS FOR PRESENTATION AND DISCUSSION AT THE FORUM

### *What are the issues of relevance to policy makers and implementers?*

The 3rd Forum will explore challenges across several broad areas. The questions in bullet points are illustrative rather than comprehensive:

#### 1. Equity of revenue generation:

- Is there evidence that equity in revenue collection has improved, at global and national (and local) levels?
- Representatives of Ministries of Finance explore how their countries have moved towards pre-payment for health services through improved taxation and social health insurance systems. What strategies have been used to extend collection of taxes or premiums among the informal sector? With what level of success? What were the determinants of success/failure?
- Are there trade-offs that result from revenue collection systems that deduct from salaries or employers but may discourage formalization of the labor force (trapping people in low-paid jobs) and encouraging non-declared salary payments?
- What is the role of Development Assistance for Health (DAH) in promoting equity? How can countries influence and leverage existing DAH so that it improves equity and does not create additional inequities or fragmentation? How might these approaches vary by donor type including new donors, such as foundations and impact investors or countries like China? What are the implications for equity as countries grow wealthier and transition away from donor support?

#### 2. Equity in pooling:

- What are the sources of catastrophic spending and impoverishment (for example, if medicines are the major source of health care spending, have insurance products been designed and implemented in a way that actually address these costs?)
- What measures have worked to reduce these catastrophic and impoverishing spending over the past years?

- What aspects of the political, fiscal, labor force and demographic context help (or hinder) the move towards pre-paid/pooled sources of financing?
- What are the causes of fragmentation and how does it pave the way to inequity? E.g. different schemes for different population groups or simply administrative barriers to redistribution, as with decentralization in many countries
- What can be learned from country experiences to reduce the fragmentation of risk pools?
- What are new, different and innovative ways the informal sector might be shielded from catastrophic expenditures and impoverishment?
- How might social health insurance be structured / managed / up-scaled to ensure equity of health financing and access?
- Can voluntary insurance reduce the burden of public financing or does it worsen inequity in access? How might donors or governments engage voluntary insurance programs to achieve equity in health outcomes?

### 3. Equity in purchasing (what to purchase, from whom and how to pay):

- What is the role of the benefits package in UHC and its potential impact on equity?
- Can explicit priority-setting help to improve health with equity? Under what conditions? Can it work in low-income countries?
- What are the challenges associated with shifting resources to front-line / PHC services?
- How can priority-setting balance health needs with health systems constraints?
- What are the challenges associated with fair distribution of resources over a national territory? How successful are efforts to improve equity in per capita public health budgets across provinces, regions, and districts?
- How can we address equity in allocation of health resources beyond the essential benefits package to include non-personal goods and expenditure on health systems strengthening and governance?
- How can purchasing mechanisms enhance patient-centered care and ensure responsiveness to patient and consumer demands?

### 4. Cross-cutting challenges:

- Is there evidence for targeting vs. universalism, or for one form of targeting vs. another? For example, the relative costs and benefits of free MCH services vs. exemptions for low-income groups for everything. How do you address special categories, such as refugees (non-citizens), especially in fragile states, in the allocation of scarce resources?
- What does universality and progressive realization mean in practice? Are needs-based and rights-based approaches and progressive realization at odds with each other?
- Achieving equity requires a shift to a more equity-based political economy which views health as an investment and an entitlement that benefits all of society. Is such a shift inevitable as countries increase in wealth?
- Exploring and addressing the trade-offs between equity and efficiency.
- Are there any health financing, demand-oriented interventions that have proved effective in addressing inequities? E.g. cash transfers, schemes covering indirect costs and opportunist costs, etc.

### *What issues are likely to be of particular interest to Ministers of Finance?*

The forum will address many topics that are likely to be of great interest to ministers of finance, including for example:

- Synergies between equity approaches and achieving efficiency: often the most efficient option is also the most equitable.
- Mechanisms for redistributing income from the rich to the poor (and the healthy to the sick).
- Designing intergovernmental fiscal transfers and sub-national authority to collect revenues in such a way that they promote equity.
- Raising revenues from those with the ability to pay, but who are not currently contributing.
- Extending revenue collection and social protection to the informal sector.
- Ensuring that that money actually reaches and benefits the poorest.
- Integrating health into a national poverty reduction strategy

### AUDIENCE

The 3<sup>rd</sup> Annual UHC Financing Forum will bring together over 400 participants, including over 30 country delegations from ministries of health and finance in lower and lower middle-income countries that will bring their unique perspectives to the conversation. They will be joined by other experts in public and health finance from bi-lateral and multi-lateral institutions, civil society organizations, think tanks, and academia.

### FORMAT

The forum will be highly interactive and include both plenary and break-out sessions, where participants will be able to deep-dive into discussion topics. The program will review current evidence in the field of health financing and assess gaps in knowledge, brainstorm new approaches and opportunities for capacity building, and debate controversial issues. Several short background papers will be shared with all participants in advance of the forum.

### CONTACTS

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