

POSITIONING NUTRITION WITHIN UNIVERSAL HEALTH COVERAGE:

OPTIMIZING HEALTH FINANCING LEVERS

KEY MESSAGES

- ▶ Wider coverage and improved quality of high-impact nutrition services are crucial to achieving Universal Health Coverage (UHC).
- ▶ Given the well-known rationale for why and what interventions are needed to scale up nutrition, countries should now focus on *how* their health systems can deliver increased coverage and quality of nutrition services. Enhanced financing arrangements that address nutrition policy objectives can spur improvements across health systems pillars.¹
- ▶ By optimizing the specific health financing levers of revenue raising, pooling, and purchasing, countries can:
 - Include and prioritize a costed and well-defined set of nutrition services in the UHC benefits package;
 - Increase domestic nutrition investment through innovative fiscal policies and strategic advocacy on saving future health care costs;
 - Institute and implement strong accountability measures to deploy existing nutrition resources more effectively, efficiently, and equitably;
 - Align health financing arrangements with nutrition objectives to address underlying financing and service delivery challenges; and
 - Strategically invest in strengthening health system components, such as program and financial data systems, to enable nutrition outcomes.



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¹ The six pillars of national health systems comprise policy options for creating an enabling environment that can support the scaling up of nutrition interventions. The pillars include ensuring the availability and affordability of essential nutrition-related commodities and health workforce readiness to deliver nutrition services across the life course, with financing as a critical entry point that can mobilize improvements across these and other pillars. The specific measures to be taken within each of the pillars will depend on the characteristics of each country's health system.



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NUTRITION AND UHC ARE INEXTRICABLY LINKED

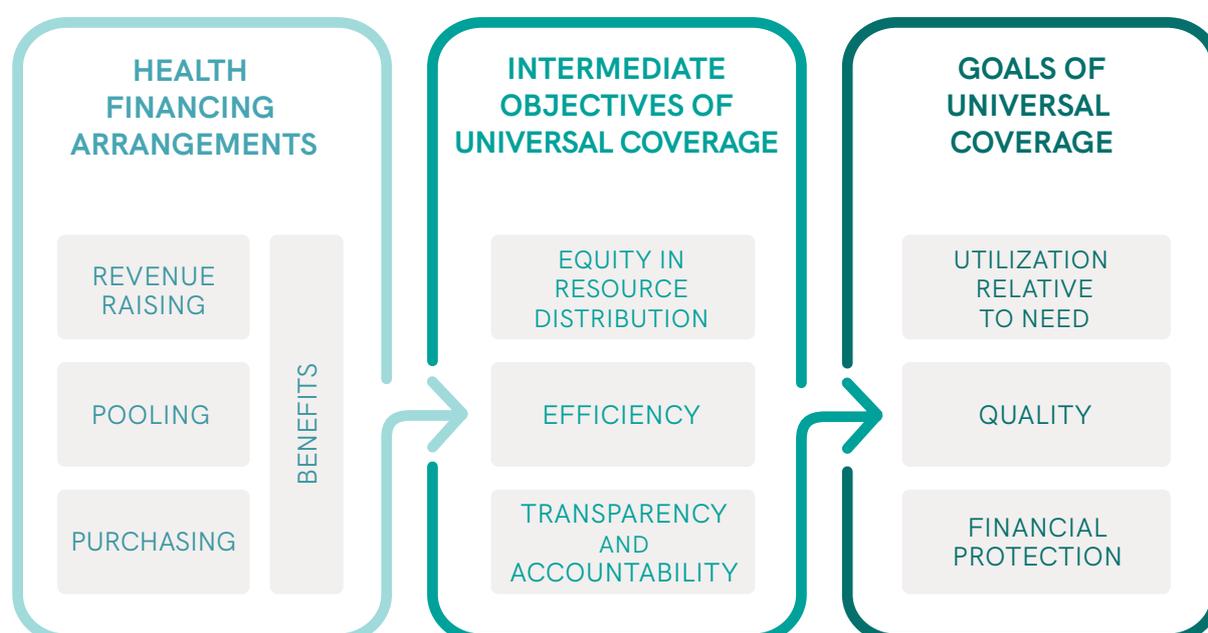
Achieving UHC is a top global priority, and nutrition actions are key to meeting that goal. Throughout the life-course, essential nutrition actions help to reduce the burden of disease and prevent permanent physical and cognitive impairments, ultimately staving off future health care costs for both individuals and health systems. For example, good nutrition in the first 1,000 days (between conception and a child's second birthday) is associated with improved productivity and earnings in adulthood (Black et al. 2013) and reduced risk of overweight and obesity later in life (Barker 1997; Martinez 2018; Rito et al. 2019; Horta et al. 2015). Furthermore, investing in nutrition is a best buy with economic gains up to US\$18 for every dollar spent on high-impact interventions (Hoddinott et al. 2014). At the same time, the total economic gains to society of investing in nutrition could reach US\$5.7 trillion a year by 2030 and US\$10.5 trillion a year by 2050 (Development Initiatives 2021).

To accelerate progress in reaching nutrition goals, both the nutrition and health sectors need to recognize that increased coverage and quality of high-impact nutrition services are foundational to achieving UHC. This brief outlines how aligning health financing arrangements—revenue raising, pooling, and purchasing—with nutrition objectives can address financing challenges and bottlenecks to scaling up preventive and promotive nutrition services, as well as nutrition service delivery challenges across other pillars (such as supply, workforce, and information systems) of the health system.

OPTIMIZED HEALTH FINANCING CAN SUPPORT GLOBAL NUTRITION TARGETS

UHC-oriented reforms offer an opportunity to optimize health financing arrangements to reach global nutrition targets, directly or indirectly. Direct benefits may be conferred by raising revenues to reduce out-of-pocket payments, thereby promoting increased utilization of nutrition services (Kutzin 2013). Even in resource-constrained environments, countries can use financial levers to improve equity, efficiency, and transparency and accountability that can have an indirect, yet significant, effect on increasing coverage of high-quality nutrition services (Figure 1).

Figure 1. How health financing arrangements support movement toward UHC



Adapted from: Cashin et al. 2017; Kutzin 2013

Optimizing health financing levers can address many of the underlying service delivery and financing bottlenecks that contribute to low nutrition service coverage and quality.

- ▶ **Equity** can be improved by pooling prepaid resources to spread financial risk for nutrition services across population groups and/or contracting community-based providers who have greatest access to the most vulnerable target users.
- ▶ **Efficiency** can be improved by incentivizing delivery of essential nutrition services in primary health care using output-based payment methods such as capitation, fee-for-service, and results-based financing.
- ▶ **Transparency and accountability** can be improved by raising awareness among target users, health workers, and community-based workers about nutrition service entitlements and monitoring the use of public funds for nutrition to ensure that they are managed appropriately.



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RECOMMENDATIONS

The following recommendations are largely grounded in country examples and extensive literature reviews detailed in the forthcoming discussion paper.

Revenue raising:

- ▶ Strengthen evidence-based planning and resource allocation to accurately reflect the disease burden of nutrition/diet-related risk factors and the costs of nutrition interventions at both national and sub-national levels.
 - *Indonesia and Rwanda have used the World Bank financing instrument, Development Policy Operation (DPO), to support human capital-focused policy reforms and their argument for more domestic resource allocation to nutrition.*
 - *Peru developed a strong advocacy strategy by placing a health finance specialist within the Ministry of Economy and Finance to strengthen the link between program planning and budgeting.*

Pooling:

- ▶ Institutionalize the use of nutrition budget analyses, such as tagging and tracking in the Integrated Financial Management Information System (IFMIS) and allocative efficiency analyses (Optima Nutrition), to generate timely data on resource availability and spending for nutrition.
 - *Indonesia implemented budget tagging reform to monitor and track nutrition expenditure, service delivery, and results, with an aim to maximize the impact of public spending on nutrition.*
 - *Rwanda is tracking multisectoral resources for nutrition services under IFMIS to make resource availability visible to all concerned, ensure better management of resources, and mitigate inefficiencies.*

Purchasing:

- ▶ Health system reform should be designed to ensure adequate incentivization of preventive and promotive care; for example, countries can move from input- to output-based financing and reduce barriers to contracting community-based providers.
 - *Via performance-based financing (PBF), Rwanda has been able to implement a payment system that incentivizes providers to reach nutrition service delivery goals. PBF has been used at both the facility and community levels to address strategic purchasing challenges.*

Cross-cutting areas:

- ▶ Invest in an integrated, interoperable information system to allow for seamless exchange of financial and service delivery performance assessment;
- ▶ Translate nutrition policy goals into financial targets in annual workplans, supported by resource mapping and tracking across sectors and levels for strategic resource allocation and course correction; and
- ▶ Develop a nutrition-responsive public financial management (PFM) framework and mechanisms that can support further leveraging of the three health financing levers—revenue raising, pooling, and purchasing—through targeted actions to improve coverage and quality of nutrition service delivery and results.

Thailand's success is owed to decades of continuous system-wide reforms, starting from its strategy to equitably distribute health facilities across the country supported by a long-standing cadre of paid village health volunteers, to a strategic use of data systems (for example, the national civil registration system) which allowed all citizens to access care while minimizing loopholes and leakages, and to the rigorous pursuit of the UHC vision in both population coverage and benefit packages.



Photo: Bart Verweij / World Bank

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