

2022 ASIA & THE PACIFIC HEALTH FINANCING FORUM

Funding PHC in the time of COVID-19

Session 5

Financing Primary Health Care:
Opportunities at the Boundaries

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Bangkok, Thailand

Co-hosted by:



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Session 5:

Funding PHC in the time of COVID-19

Panelists:



Ms. Delphine Anne Moretti, Regional PFM Advisor, IMF



Dr. Rachel Koshy, Ministry of Health, Malaysia



Ms. Himali Bogodagedara, Acting Director,
External Resources Department, MOF, Sri Lanka



Mr. Taimur Khan Jhagra, Minister for Finance and
Health, Government of Kyber Pakhtunkhwa, Pakistan



Dr. Viengmany Bounkham, Deputy Director General,
Department of Planning and Cooperation, MOH
Lao PDR



Dr. Alfred Tonganibeia, Deputy Director of Hospital
Services, MOH, Kiribati

Chair

Feng Zhao, Practice Manager, South Asia, WB

Moderator

David Evans, World Bank

Speaker

Emiko Masaki, Senior Economist, Health, WB

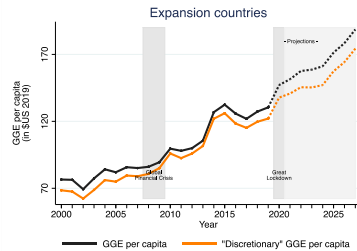
Premise

- **PHC is underfunded in a majority of LICs and LMICs – leads to poor quality of PHC services (stock-outs of medicines and supplies, demotivated staff etc.)**
- **PHC spending is overly reliant on out-of-pocket payments**
- **Out-of-pocket payments deter people from using needed health services AND lead to severe financial hardship for those who use services**

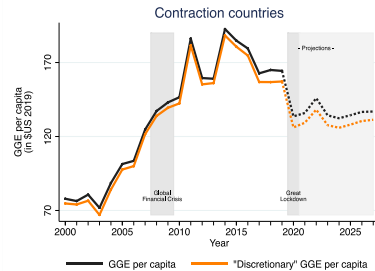
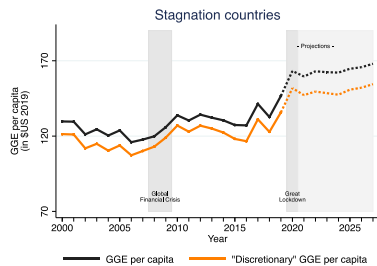
Increasing spending on PHC

Macroeconomic conditions

Increase in general government expenditure



Static or fall in general government expenditure



Impact on PHC spending

Government health spending (GHE) and PHC spending will grow, unless shares of health in government expenditure, and of PHC in health spending fall

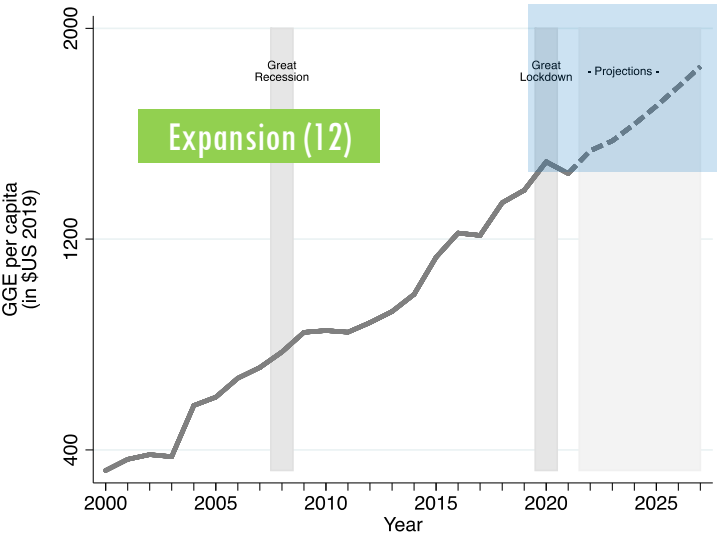
Spending on PHC can increase if:

- GHE increases and PHC/GHE stays constant
- PHC/GHE increases

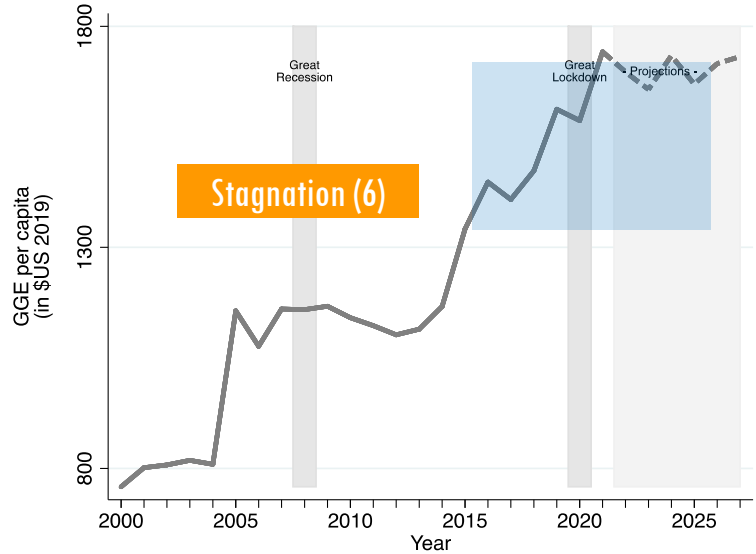
BUT GHE can only increase if GHE/GGE increases (or increase in development assistance for health)

Current challenge: increasing levels of public debt and central bank increases in interest rates associated with inflationary fears entails an increase in interest payments on public debt for many countries. This will reduce the amount that can be allocated through the budget including to health

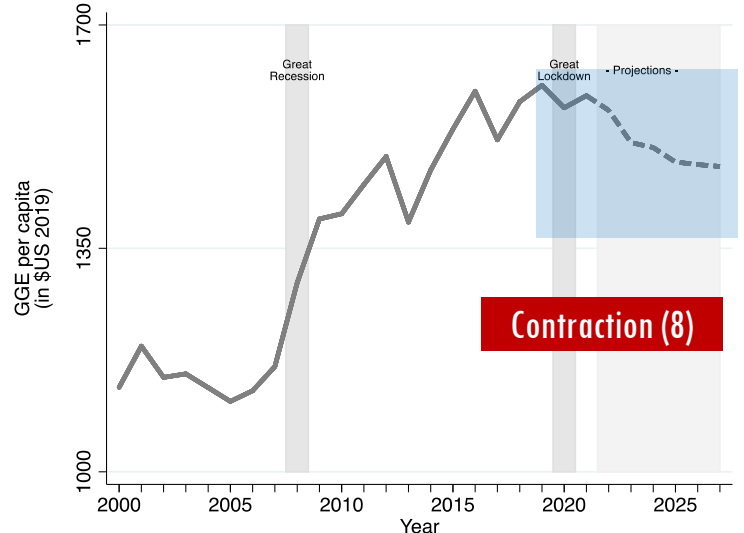
Projections of General government expenditure per capita in Asia & Pacific, 26 MICs



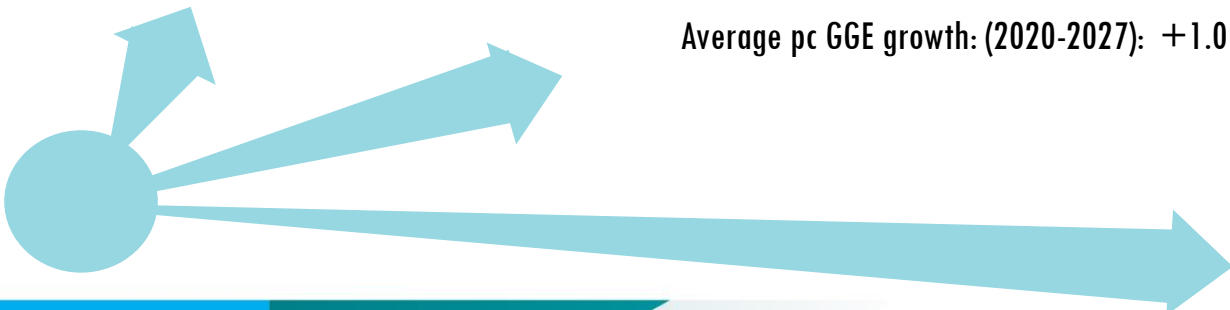
Average pc GGE growth: (2020-2027): +4.3%



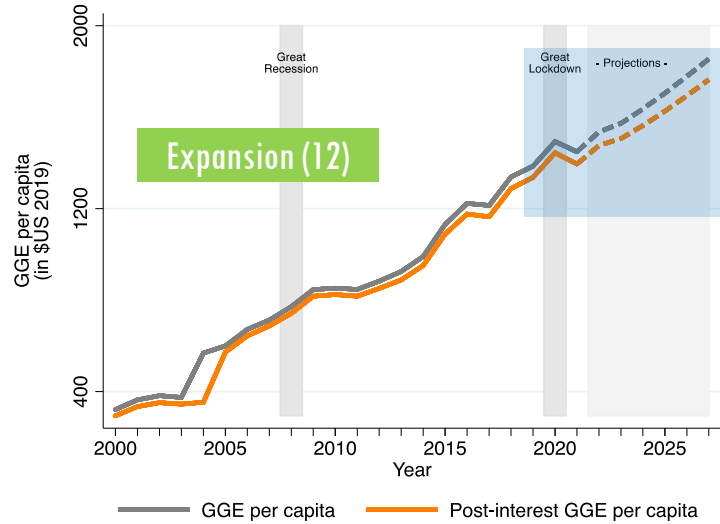
Average pc GGE growth: (2020-2027): +1.0%



Average pc GGE growth: (2020-2027): -1.1%

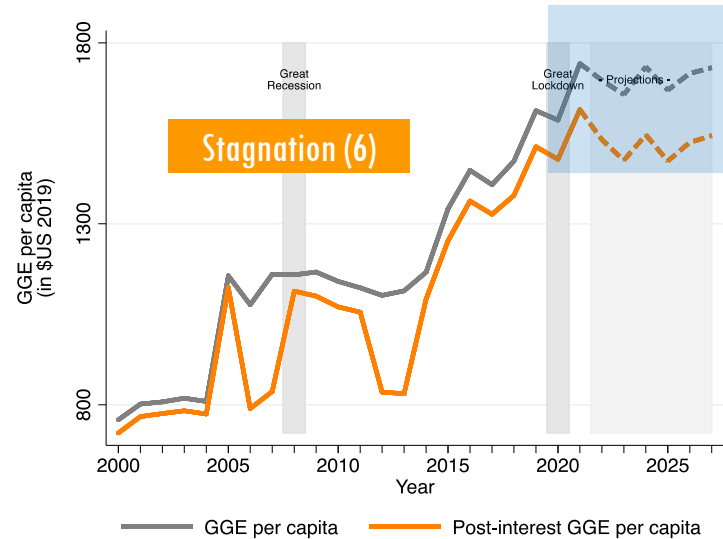


Post-interest GGE per capita forecast / 26 MICs



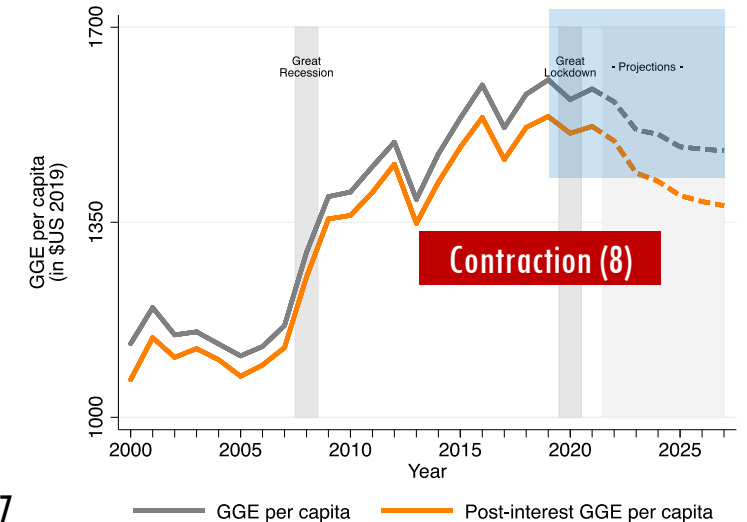
2019 Avg interest payment pc: \$48
Avg interest / GGE: 6.2%

2027 Avg interest payment pc: \$91
Interest / GGE: 8.1%



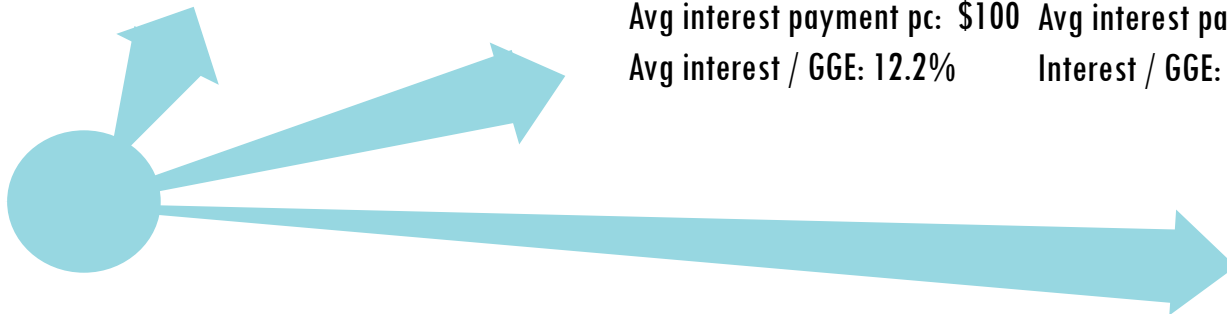
2019 Avg interest payment pc: \$100
Avg interest / GGE: 12.2%

2027 Avg interest payment pc: \$187
Interest / GGE: 16.9%

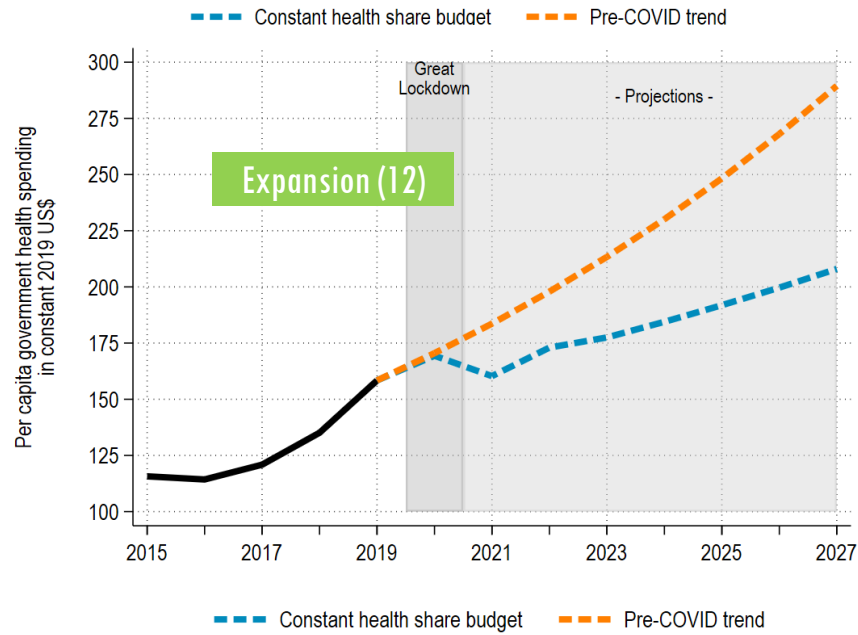
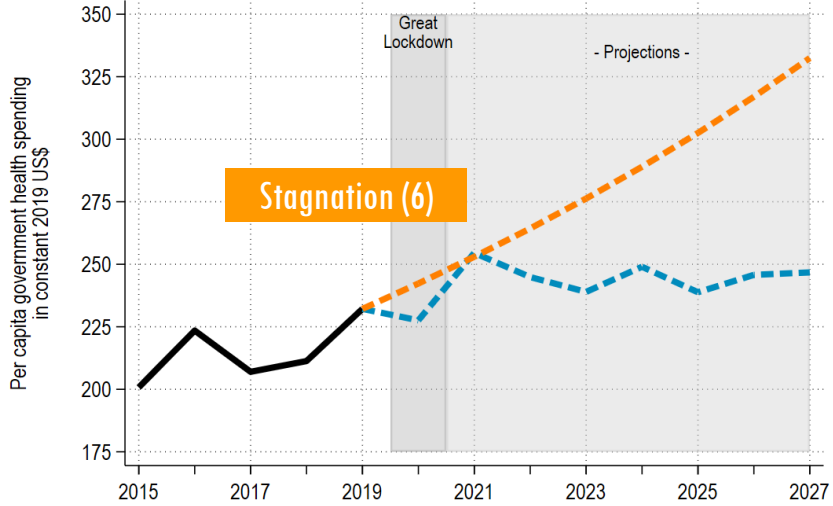
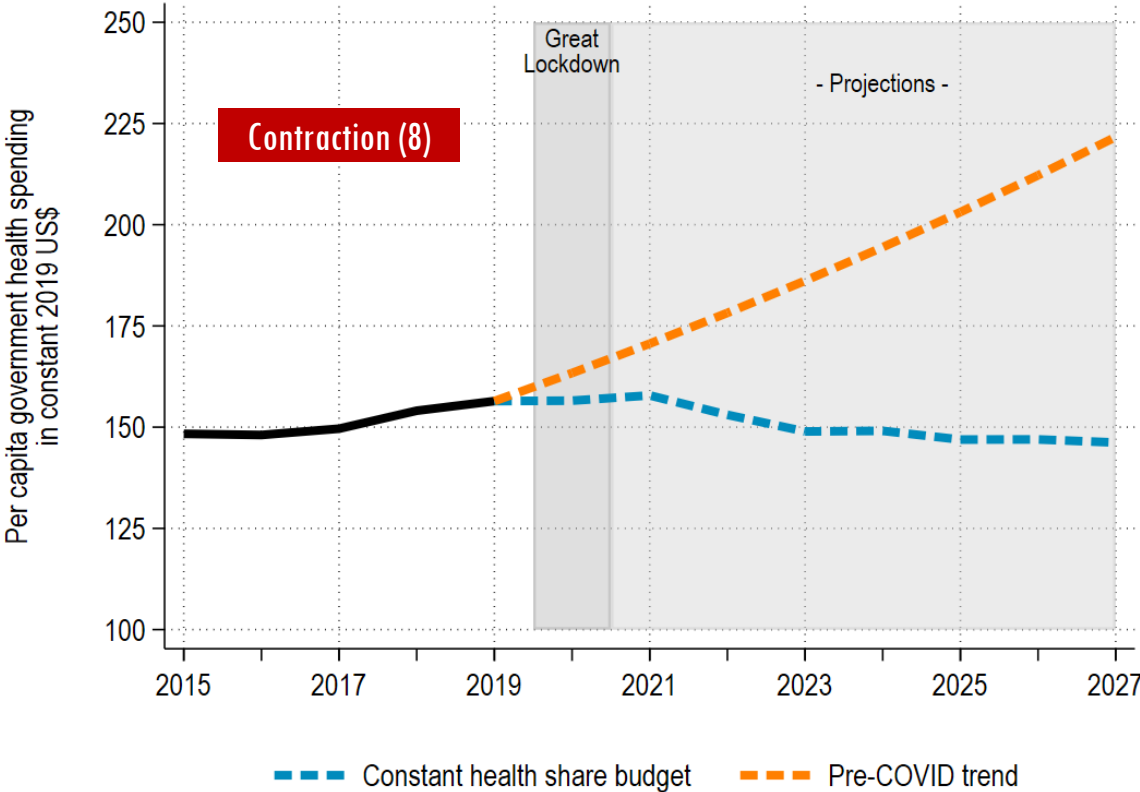


2019 Avg interest payment pc: \$66
Avg interest / GGE: 4.3%

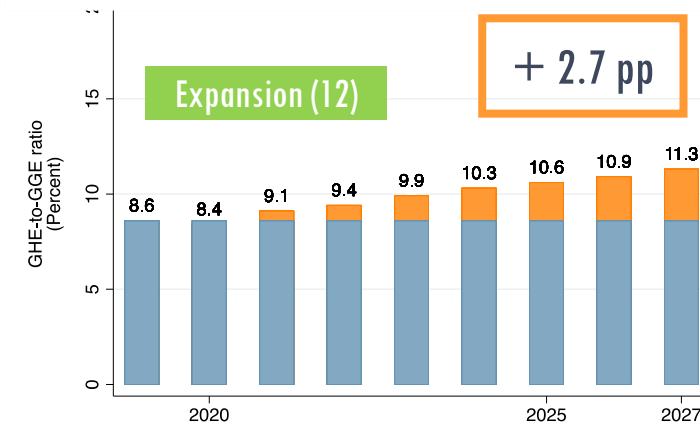
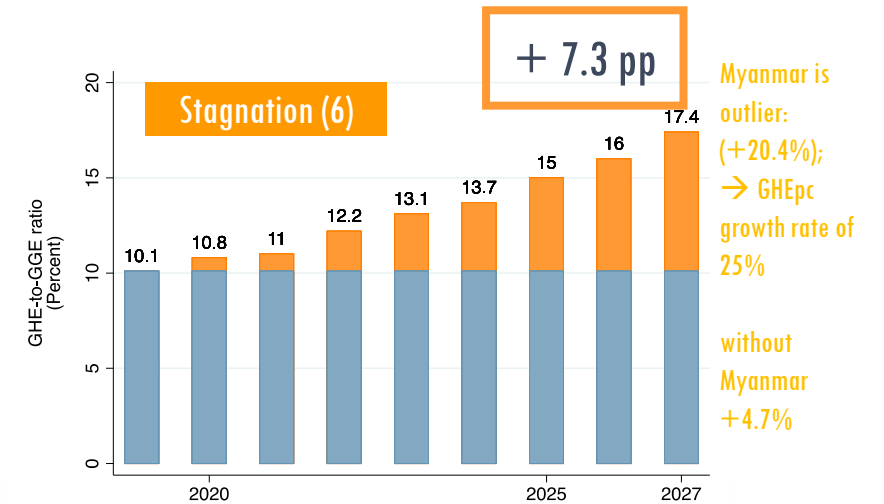
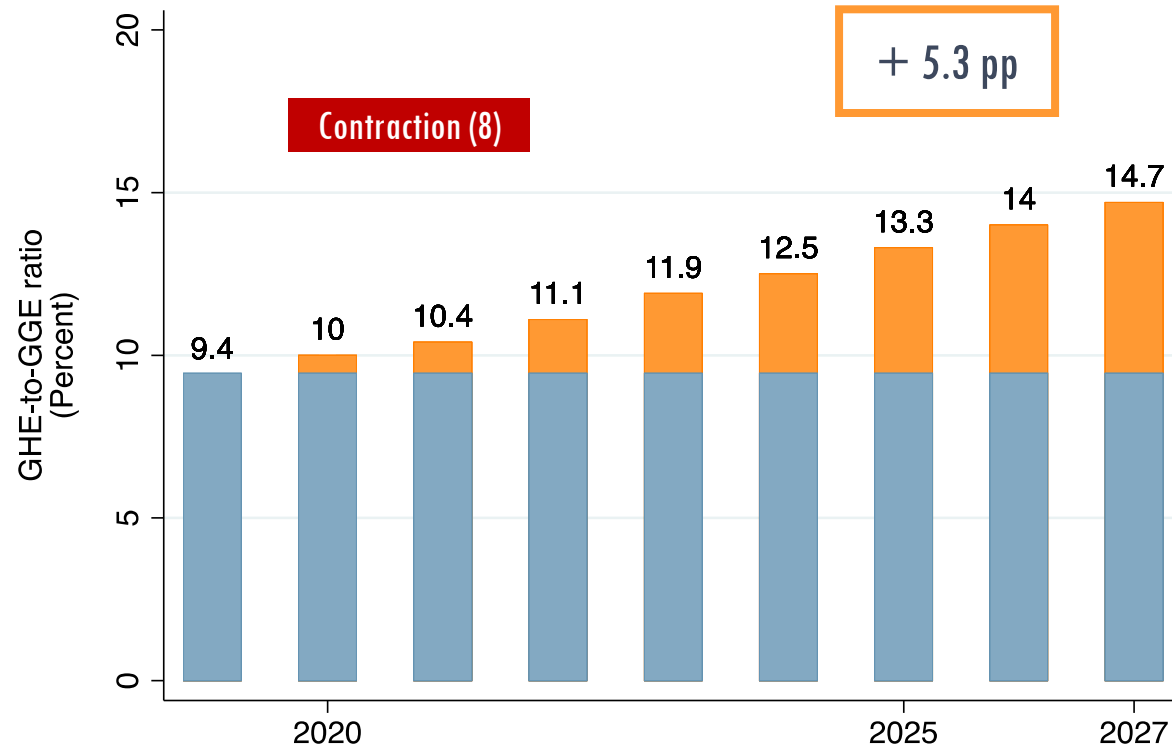
2027 Avg interest payment pc: \$98
Interest / GGE: 6.3%



Government health spending scenarios / 26 MICs



Government health spending: Pre-COVID trend



Objectives of the Session

- 1. What are the options to increase government spending overall – particularly in the contraction and stagnation countries?**
- 2. What are the options for allocating a higher share:**
 - a. of government spending to health, and**
 - b. of health spending to PHC**

particularly in the contraction and stagnation countries?