



Fourth Annual Health Financing Forum
“Exploring frontiers of resource mobilization for health”
Draft Concept Note
April 8, 2019, 2019

1. Objective and Rationale

The Fourth Annual Health Financing Forum (AHFF) will explore frontiers of resource mobilization for health. The three preceding forums reviewed challenges and responses in domestic resource mobilization, identifying areas where policy responses are controversial or lacking. Even where solutions are well-established, recent simulations suggest that new approaches are needed to reach the UHC targets. This Forum therefore aims to explore frontiers in resource mobilization – the central topic of the first UHC Financing Forum. The Forum will be structured around three themes: digital innovations in financial protection programs, the role of private capital investment in the achievement of health and development goals, and the political economy of resource mobilization for health.

This two-day forum held before the 2019 Spring Meetings builds on the success of the three Annual Universal Health Coverage (UHC) Financing Forums, co-hosted by the World Bank and the U.S. Agency for International Development (USAID). The [1st Forum in 2016](#) focused on how to mobilize resources for good quality health services and financial protection to meet the needs of populations. The [2nd Forum in 2017](#), explored how governments can use available resources in the most efficient way. The [3rd Forum in 2018](#) discussed how to mobilize and use resources to improve equity in health financing.

2. Date and Venue

The Forum will take place in Washington DC on Tuesday, April 9, and Wednesday April 10, 2019. As in the past, it will coincide with the World Bank – IMF Spring Meetings. This year’s forum will be hosted at the Washington Marriott Georgetown Hotel.

3. Content and Format

The Forum will be held for two full days with half a day dedicated to each of the three themes/questions of digital innovations in financial protection, role of private capital investment, and the political economy of resource mobilization. Each theme will open with a plenary session that will highlight the key issues, followed by breakout sessions on selected topics and the final session will focus on forward-

looking determination of health sector financing for the forthcoming future and potential topic(s) for discussion at the next Health Financing Fora.

Theme 1: What are some of the digital innovations in financial protection programs that are taking place in LICs and LMICs?

This theme looks to advance the second goal of UHC – financial protection. Out-of-pocket payments (OOPs) drive nearly 100 million people per year into poverty and prevent millions from seeking care. In most developing countries, the capabilities to raise domestic revenues to finance the achievement of UHC targets remain insufficient. Moreover, slow formalization and other challenges make traditional approaches to prepayment and pooling inadequate. This session will present the results of a global stock taking review on novel approaches to health financing that have been introduced and, in some cases, brought to scale in lower income countries— approaches that have harnessed the power of digitization, mobile technologies, and cashless payment systems. The programs that will be presented deliver voluntary health insurance as a stand-alone product or in conjunction with other products and services including telemedicine consultations, health information, and access to credit. Many have progressed well beyond the pilot-phase, enrolling millions of subscribers with plans to go even further.

The session will present the findings of this global stocktaking review and explore the following critical questions:

- What do these innovations look like? What is their scale and scope? Where are they active?
- What have these programs achieved?
- Are these programs overcoming challenges faced by traditional approaches to financial protection? If so, how?
- What limits them currently in terms of scale, distribution, and effectiveness?
- What is the potential of such programs in and of themselves and in conjunction with broader efforts to expand coverage?

Key questions for panelists:

- For panelists representing innovative programs: What bottlenecks have you faced in enrolling subscribers and how have you overcome them? What are your goals moving forward? How will you tap new technologies on the horizon?
- For panelists representing the public sector: What opportunities do you see for integration of these innovative approaches with public sector initiatives? What constrains the uptake of innovation in the public sector?

Breakout sessions (60 min; 10 groups, 15 participants per group, 1 staff moderator per group). Each group will be given a unique question relating to the way forward and untapped potential based on the morning's content. Relevant background information for each question will be provided to each group. After a 40-minute discussion period, each moderator will present their key findings/questions to the audience.)

Key Questions:

- What types of evidence are needed before integrating new technologies into public sector health programs?

- What further information would you need to better assess these programs?
- What limits the participation of the informal sector in voluntary health insurance and how can technology address these limitations?
- What are the risks of disruptive technologies in health and how can regulations mitigate them?
- How can regulations promote innovation in both the private and public sectors?

Theme 2. The political economy of resource mobilization: where are the entry points for the Ministry of Health to engage in decisions about more domestic resources for health?

Decisions about fiscal policy – in particular how general government revenues are generated and from whom - are usually considered to be the domain of a Ministry of Finance (MoF). The Ministry of Health (MoH) and its partners are rarely engaged in, and often unaware of, reforms that are being carried out to increase government revenues as a share of GDP: for example, through increasing the efficiency or equity of revenue generation, increasing the tax base, or expanding the range of taxes and charges. The MoH and partners are also rarely involved in debates about the role of the private sector in revenue generation for development such as through blended finance, unless it is specifically related to financing for health, or in discussions about innovations to make revenue generation more efficient.

On the other hand, the MoH and partners continually seek to argue for a greater share of the available resources or to lobby for increasing taxes on products harmful to health (health taxes) with a subsequent increase in funding for health. In this debate, the MoF often sees the MoH as poorly prepared to request and absorb funds because of perceived inadequacies in budget preparation and in the management of funds, and inefficiencies in the way it is spent. The MoF also tends to see health expenditures as purely consumption that does not contribute to economic growth or the achievement of the other SDGs.

The purpose of this theme is to understand what are the possible entry points for MoH and their partners' engagement in the policy decisions about how to raise more revenue in general (public and private) and what priority should be given to health. It also explores the perceptions of a MoF on the extent to which the private sector might contribute to revenue generation. This will build on country experiences, both successes and failures, in generating additional funding for health.

The theme will involve two inter-related sessions:

1. Raising more revenues (i.e. government revenues as a share of GDP and private sector revenue):

Two MoF representatives from countries which have developed policies to raise the share of government revenues in GDP will discuss what stimulated these plans, the role played by parliament, other sectors, the private sector and civil society, and external partners such as the IMF and USAID. They will discuss progress, particularly focusing on how rapidly it is possible to increase the share of revenues in GDP in reality. The first purpose of this session is to share information on how these processes take place, particularly useful to health experts (including health financing experts) who do not usually get engaged in this. The second purpose is to understand how quickly

these reforms can progress and the factors that make rapid progress easier or more difficult. The third purpose is to explore if there are entry points for the MoH and others to engage in this debate, taking the viewpoints of the MoF and partners, the MoH, and civil society. The final element is to consider what role there might be for the private sector to contribute to greater resource mobilization in general, and for health.

2. **More priority to health:** this session builds on the experience of countries that have sought to increase the share of government revenues going to health to understand what factors determined success or failure. The perspectives of a MoF and its partners on health spending overall, and the capacity of the MoH to absorb and spend additional funds effectively will be part of the discussion. Additional questions that will be explored are: does the establishment of a separate health insurance agency complicate or facilitate more money for health; how have other stakeholders such as civil society, the private sector or external partners facilitated the debate; and would greater intersectoral collaboration such as through the Human Capital Project result in more funding for health?

Theme 3: Can governments and donors successfully and sustainably leverage financing flows from the private sector to achieve health and development goals?

The majority of financing for country efforts to reduce morbidity and mortality and promote health and well-being will come from domestic public resources. However, given stagnating international assistance from donors, investments in health from the private sector – including domestic private activity and private international capital flows – will be increasingly vital to complement domestic public resource mobilization and help set countries on their journey to self-reliance. The private sector is playing a bigger role in the economic development of most low- and middle-income countries (LMICs). In the context of health, this new development finance landscape presents an opportunity for country governments and donors to think strategically about how to (i) create an enabling environment to encourage sustainable private sector investment in health with a focus on equitable health outcomes for those most in need of services and (ii) support development of financial instruments that can effectively draw in impact-oriented private investors at the scale required to bridge funding gaps to achieve country-specific health and development goals.

The purpose of the plenary and side sessions will be to discuss what can be learned from the health and non-health sectors to:

- understand how governments and donors can catalyze sustainable investment of private capital in the health sector with a focus on development objectives;
- identify financing instruments and sustainable business models for mobilizing resources from the private sector to deliver higher impact and value; and
- make strategic choices based on the tradeoffs between financial return and development impact of private investment in health in LMICs.

Plenary Session: The role of governments and donors in helping to catalyze private investment with a focus on development objectives

The plenary session will be structured as a moderated discussion and debate that asks high-level panelists from country governments, the private sector, and development partners to consider provocative questions about how governments and donors can and are working to catalyze sustainable private investment in health and their roles in helping to overcome barriers to investment. Panelists will be asked to discuss:

- tradeoffs associated with a strong policy and regulatory environment for incentivizing sustainable investment of private capital;
- barriers to increasing private sector investment in health, especially related to the lack of evidence for the effectiveness, sustainability, and impact of such investments; and,
- what is needed from the public and private sectors to help mobilize additional resources for health.

Breakout Session 1: Development Impact Bonds (DIB)—early learnings and the way forward

According to the Brookings Global Impact Bond database there are only nine DIBs currently being implemented globally. Despite this small sample size and the limited evidence available (only one DIB to date—Educate Girls—has ended), DIBs, and impact bonds more generally, have generated significant interest from a number of stakeholders including donors, who are looking to maximize the efficiency of their resources, focus on achieving outcomes, and catalyze new partners and resources. Critics however, contend that high transactions costs, complexity of the instrument, the lack of scale and evidence of the “DIB effect,” e.g., risk transfer, cost-effectiveness, resource mobilization, etc., make DIBs a passing fad.

This session will convene a range of stakeholders involved in the design, implementation, funding, and evaluation of DIBs, and unpack these issues as well as discuss why DIBs are so appealing, some of the challenges they have faced working on DIBs, and discuss whether or not impact bonds have lived up to their promise thus far. In keeping with the Forum’s overall theme of resource mobilization, this breakout session will seek to examine evidence and experience related to whether or not DIBs have been successful in bringing new development financiers to the table, and mobilizing new resources for health.

Breakout Session 2: Redirecting private sector investment to align private innovation and profits with public health interests: Is value-based care a viable opportunity for health systems in LMICs and emerging economies?

While the primary mechanism for meeting resource needs to achieve country health development goals will be domestic public revenues, the private sector can help to fill the financing gap by increasing investment and developing sustainable and scalable business models. Currently, private capital has been drawn to volume-based business models and their performance metrics do not always align with public

health outcomes or cost-effectiveness. Private capital growth in healthcare focuses on hospital-based treatment and often results in high utilization rates and prices.

This session will explore how value-based care (VBC) business models can align private interests with the public goal of achieving health outcomes cost-effectively. VBC models are patient-centered and improve measurement, delivery, and payment mechanisms in the following ways:

- Measurement – capture metrics patients care about and track patients longitudinally across the care pathway
- Delivery – integrate care across the care pathway, with a focus on prevention and primary care in communities
- Payment – reward providers or facilities for outcomes across the care pathway, with a focus on subscription or bundled payment models (instead of fee for service)

VBC models, supported by payer-provider partnerships, can help redefine what success looks like and ultimately drive more value from domestic public and private health resources.

Breakout Session 3: Financial return vs. development impact: Can private investment in health in LMICs really maximize both or is there a trade-off?

To target the magnitude of financing gaps for UHC in LMICs, there is a need to tap into private investor capital at a very large scale. One of the bottlenecks to doing this is the availability of investment opportunities that meet the required financial returns and risk profile of private investors, while also delivering the development outcomes that donors and country governments are focused on. This is particularly relevant for institutional investors like pension funds who have enormous pools of capital to deploy but very little flexibility in the level of return and risk they are allowed to take. On the other hand, investment funds putting their capital into country-level deals in service delivery, pharmaceuticals, etc., face other challenges of operating in high-risk environments with limited deal opportunities primarily focused on the better off populations without improving access for poorer populations. This session will bring stakeholders across the investor spectrum together with donors and multi-lateral institutions to discuss:

- The current challenges private investors face balancing financial return and impact on health outcomes for health investments;
- How governments manage the trade-off between incentivizing investment in social sectors such as health, versus others that are private investment-intensive, such as infrastructure, transport, etc.;
- The role of innovative financing solutions (e.g., blended finance, World Bank-GFF partnership for Sustainable Development Bonds for health and nutrition, etc.) in de-risking/helping bridge the gap between risk-return profiles for investors, and whether this is feasible at scale;
- How impact is measured and whether there can be a shift over time among investor perspective to allocate value to impact results (not only financial return).

Session 4: Exploring frontiers for AHFF

The Forum will end with a forward-looking exercise that will examine some of the key challenges and opportunities for health financing in the 21st century. The themes chosen for discussion are:

1. Health Financing Governance and Capacity
2. Social Health Insurance
3. Sustainable Systems

It will be a question-driven panel discussion where the speakers will highlight progress to date, dispel common myths, propose ways to avoid common pitfalls, and offer innovative solutions for each topic.

4. Participation

An audience of no more than 150 participants is anticipated. The audience may differ slightly from the first day to the second. Participants will include: MoF and MoH staff (mid- to high-level policy makers), private sector, academics, representatives of external funding agencies/organizations and CSOs.

5. Contacts

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