



Equity on the Path to UHC: Deliberate Decisions for Fair Financing

When countries commit to pursue equity on the path towards universal health coverage (UHC), they must consider fairness in all financing policy decisions. This requires establishing fair processes, avoiding unacceptable choices, and tracking progress. Keeping the focus on equity produces outcomes that matter: better health; less poverty; greater productivity; and more growth.

Fair Processes

Countries should encourage public involvement and ensure accountability in policy development and implementation.

Fair processes require meaningful public involvement in decision-making.

Accountability requires that:

- ▶ Decisions are transparent and justified with legitimate decision-making criteria.
- ▶ Processes are in place to appeal decisions and decisions are regularly reviewed, based on new information.
- ▶ Regulations are in place that govern these processes; and misuse of public funds and trust is sanctioned.

Unacceptable Policy Choices

As countries pursue strategies to raise revenue for UHC, pool funds, and purchase services, some policy choices are unacceptable.

On the path toward financing of UHC, policymakers must grapple with difficult trade-offs between improving equity and other objectives such as improving efficiency, population health, stimulating employment or economic growth.

In making these trade-offs, policy choices are deemed “unacceptable” when:

1. They deepen inequalities identified as unfair in the UHC principles.
2. They cannot be justified by other policy objectives.

Decisions about which inequalities are fair or unfair rest with principles of social justice implicit in the definition of UHC.

*See chart on back for
Unacceptable Policy Choices.*

Tracking Progress

Countries should monitor, analyze and report impacts on equity.

Policy decisions should incorporate the likely impact on equity.

This requires that:

- ▶ Information systems capture necessary data and the methods, tools and capacity to analyze it are in place.
- ▶ Information is easily digestible and transmitted to policymakers and the public in a timely fashion.

In financing UHC, the following policy choices are considered unacceptable in the three core financing functions:

Raising Revenue

- 1 Raise additional revenues for health that make contributions to the public financing system less progressive without compensatory measures that ensure that the post-tax, post-transfer disposable income distribution is not less equal.
- 2 Increase out-of-pocket payments for universally guaranteed personal health services without an exemption system¹ or compensating mechanisms.
- 3 Raise additional revenues for universally guaranteed personal health services through voluntary, prepaid and pooled financing arrangements based largely on health status, including pre-existing conditions and risk factors.

Pooling

- 4 Change per capita allocations of tax revenue² or donor funds across prepaid and pooled financing schemes in ways that exacerbate inequities, unless justified by differences in need or the availability of funds from other sources.
- 5 Within financing schemes, change per capita allocations from higher to lower administrative levels in ways that exacerbate inequities, unless justified by differences in need or the availability of funds from other sources.
- 6 Within schemes or pools, change allocations of funds across diseases in ways that exacerbate inequities, unless justified by differences in need or the availability of funds from other sources.

Purchasing

- 7 Introduce high-cost, low-benefit interventions to a universally guaranteed service package before achieving close to full coverage with low-cost, high-benefit services.
- 8 Increase the availability and quality of personal health services that are universally guaranteed in ways that exacerbate existing inequalities unless justified by differences in need.
- 9 Expand the availability and quality of key inputs to produce a universally guaranteed set of personal health services in ways that exacerbate existing inequalities unless justified by differences in need.
- 10 Increase the availability and quality of core public health functions in ways that exacerbate existing inequalities unless justified by differences in need.

To download the conference edition of the report, **“Equity on the path to UHC: Deliberate Decisions for Fair Financing,”** go to <http://www.worldbank.org/en/events/2017/10/20/third-annual-universal-health-coverage-financing-forum>

¹ Given the limited evidence-base in support of such policies, proof that these systems and mechanisms work is critical

² Tax revenue excludes social health insurance contributions