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6TH ANNUAL HEALTH FINANCING FORUM

Plenary Session 4

Paying for Essential Medicines for UHC

Financing Primary Health Care:
Opportunities at the Boundaries

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Plenary Session 4

Paying for Essential Medicines for PHC.



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Objective of the session

- **To explore the experiences of selected countries in seeking to reduce OOPs associated with medicines**

Premises

- 1. Out-of-pocket health payments (OOPs):**
 - Prevent millions from seeking or continuing needed health services
 - Result in severe financial hardship for millions who do seek care – latest estimates (2017):
 - 1 billion annually suffer financial catastrophe
 - 43 million pushed into severe poverty
 - 435 million pushed further into poverty
- 2. Paying part or all of the costs of medicines accounts for a high share of OOPs: surveys show over 50%, as high as 70%.**
- 3. Prepaid funding from obligatory prepaid sources – government taxes, levies, charges and obligatory health insurance premiums – preferred way of funding health**

Objective – reduce OOPs associated with medicines

If all medicines that people buy are included in a guaranteed package covered from obligatory prepaid and pooled funds – the problem is solved

BUT:

- a. Not affordable in many low- and lower middle-income countries
- b. Not desirable to include all of them – e.g. WHO estimates that 50% of all medicine consumption involves overuse, underuse, or misuse

Steps to reduce OOPs for medicines

1. Develop plans to progressively include essential PHC medicines into guaranteed packages. (This needs to be accompanied by macroeconomic policy to redress the decline or stagnation in GGE per capita, and to increase the shares of GHE going to health and to PHC (Plenary 2))
2. Better understand the cause of high OOPs on medicines
3. Develop strategies to address these causes as well as 1. above

Possible Causes

1. The medicines people pay for are not covered, or only partially covered, by pre-paid and pooled funds (either through a national health system or social health insurance)
2. Medicines are supposed to be available in the public sector or covered by insurance, but are not, forcing patients to purchase privately *or* the medicines are available but patients seek care elsewhere due to other public sector shortcomings
3. The prices paid by patients are higher than they should be
4. The volume consumed by patients is higher than it should be

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