2020

5TH ANNUAL HEALTH FINANCING FORUM

Setting the Scene: Financing Primary Health Care

Health Financing Resilience

July 7-23, 2020

Co-hosted by: WORLD BANK GROUP USAID FROM THE AMERICAN PEOPLE GLOBAL FINANCING FACILITY

June 14th / 08.30-09.30 EST

Plenary Session 1

AHFF Setting the Scene: Financing PHC

Kara Hanson

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Christoph Kurowski

Global Lead of Health Financing Global Solutions Group, World Bank

6TH ANNUAL HEALTH FINANCING FORUM 2022

Financing Primary Health Care

Kara Hanson, London School of Hygiene and Tropical Medicine

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THE LANCET
Global Health

The Lancet Global Health
Commission on

Financing Primary Health Care

BILL & MELINDA GATES *foundation*

The challenge

- Fundamental importance of PHC
  - Provision of essential health services
  - Prevention and treatment of chronic conditions
  - Front-line role in responding to epidemics
  - A pre-requisite for achieving UHC and the SDGs
- Funding for PHC is often insufficient, and ineffective or inappropriate financing arrangements can lead to:
  - Inefficient and poorly performing services
  - Lack of financial protection
  - Inequalities in access to care
- Covid-19 has created a health and fiscal crisis, highlighting the dangers that societies face without a well-functioning PHC system that protects everyone.

Objectives

- Present new evidence on levels and patterns of global expenditure on PHC
- Analyse key technical and political economy challenges faced in financing PHC
- Identify areas of proven or promising practices that effectively support PHC across the key health financing functions
- Identify actionable policies to support LMICs in raising, allocating, and channelling resources in support of the delivery of effective, efficient, and equitable, people-centred PHC

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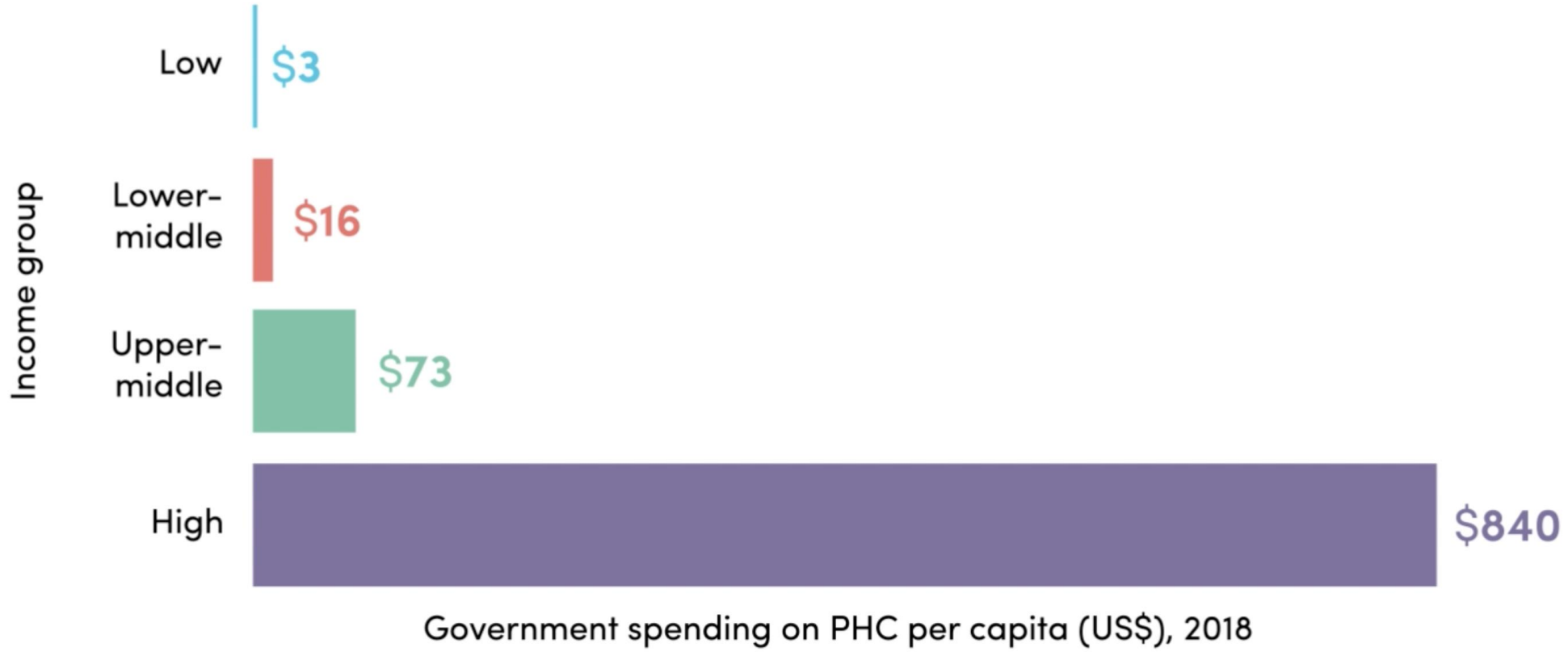
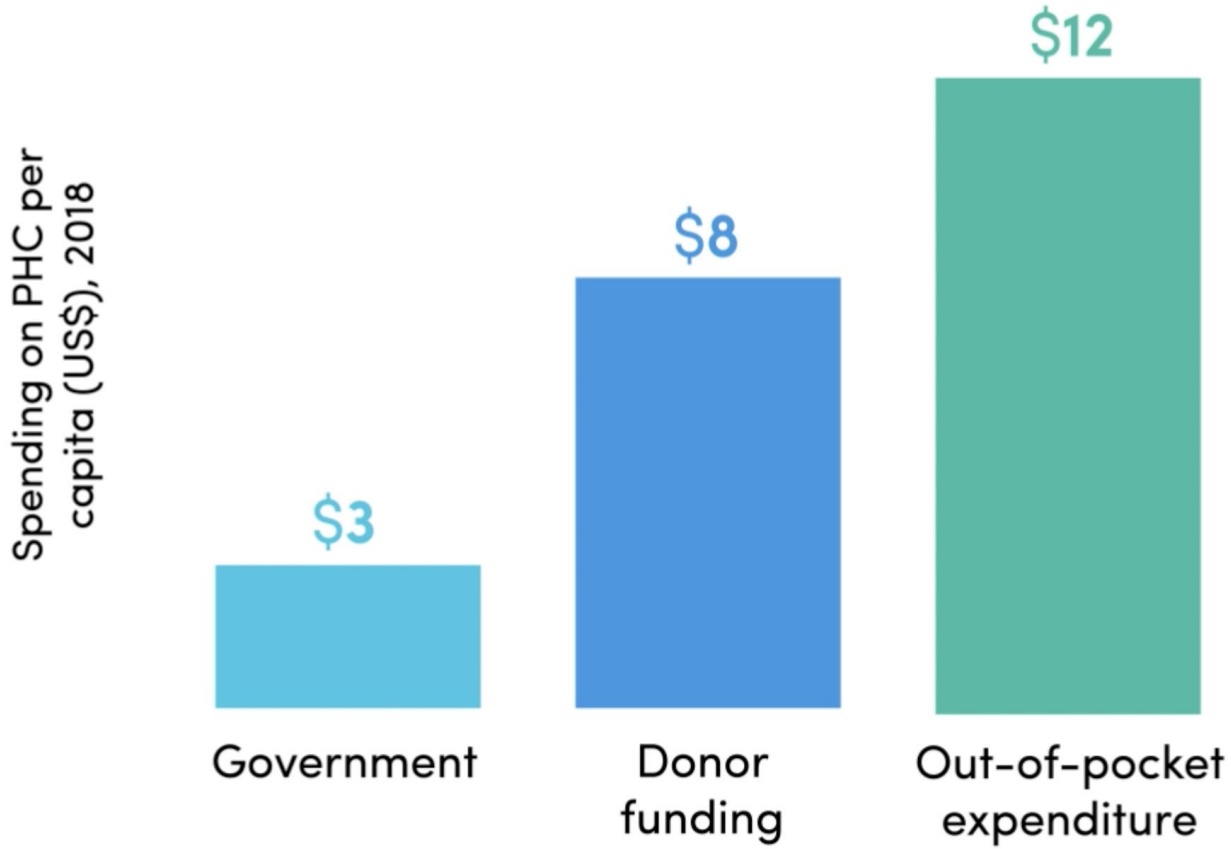
Current landscape of PHC financing

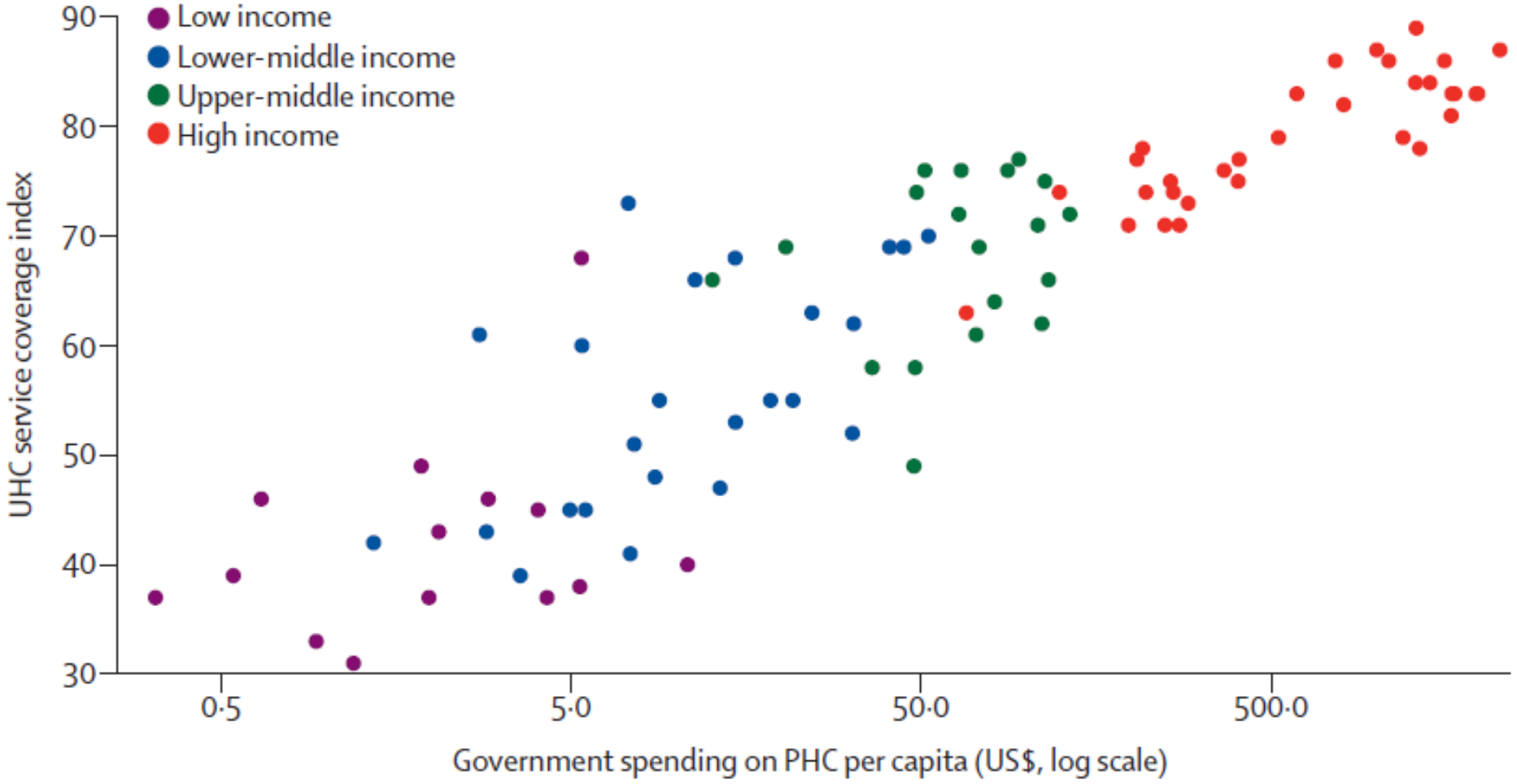
Government spending on PHC in low- and lower-middle income countries is very low



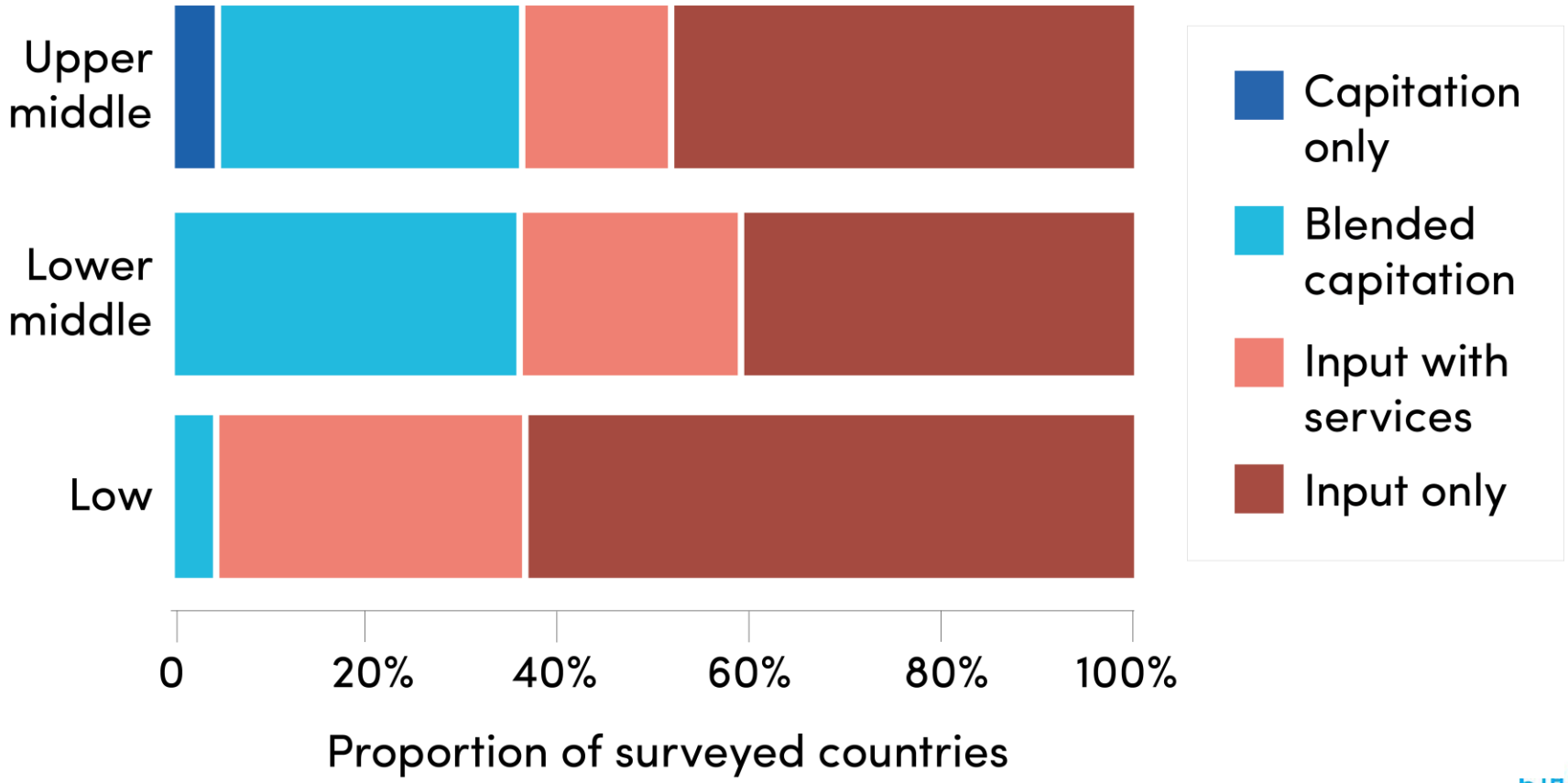
Out-of-pocket payments are the main source of financing PHC in low-income countries



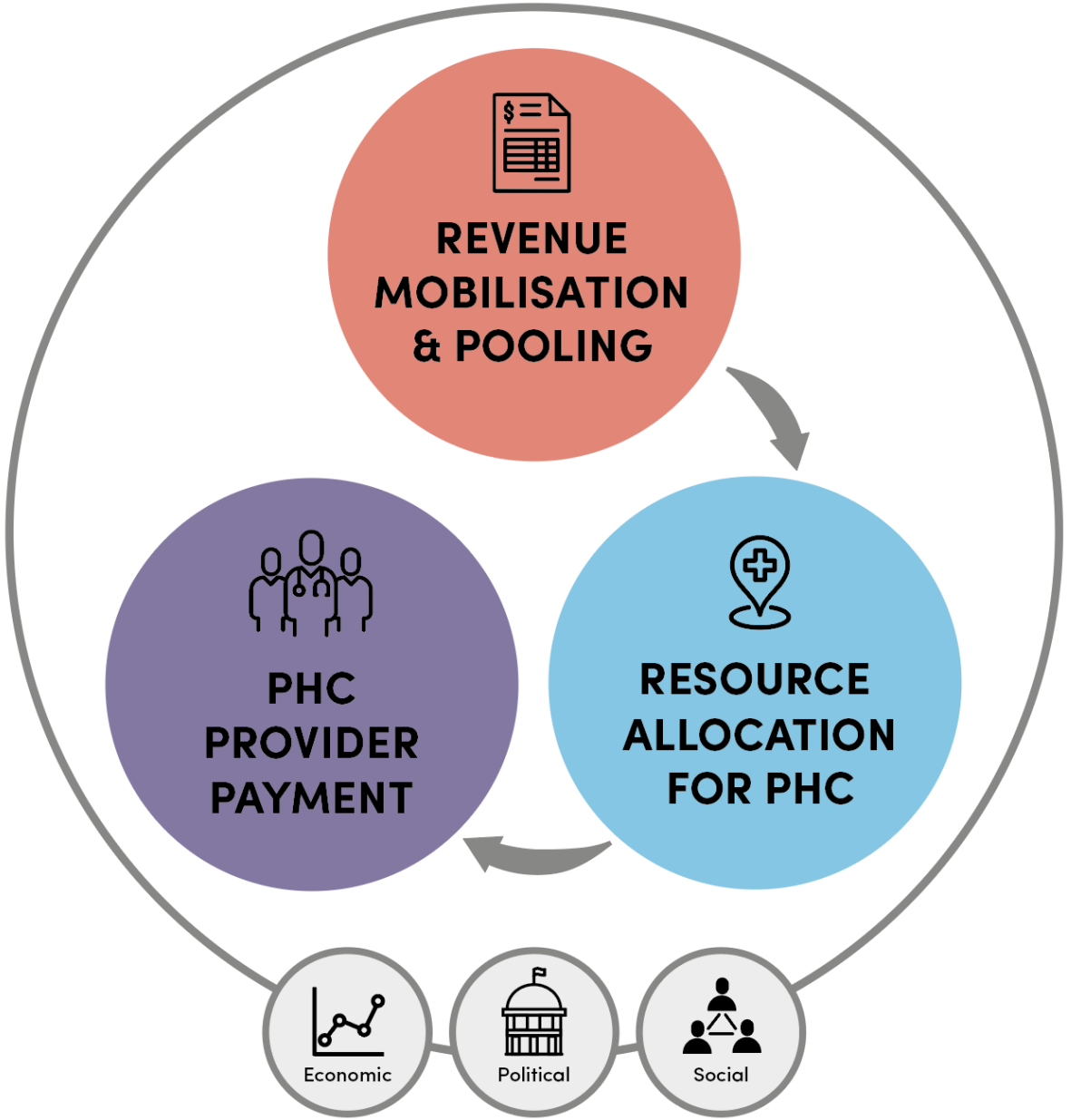
Higher government spending on PHC is strongly associated with better service coverage



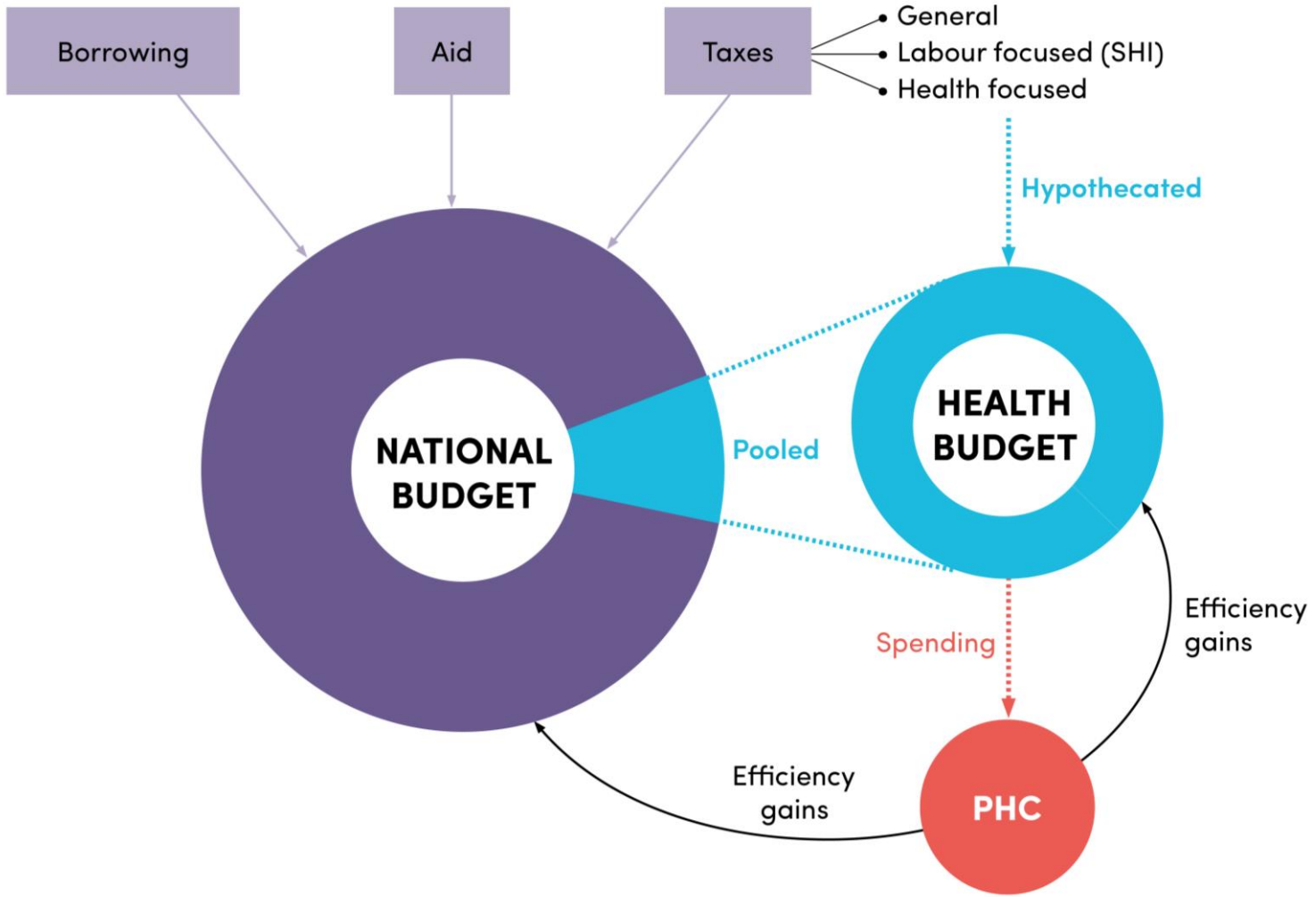
Capitation is rarely used to pay public PHC providers in low-income countries



Key findings



Mobilisation & pooling funds for PHC



Allocating resources to PHC

BUDGET FORMULATION

- Programme budgets
- Budget rules and statutory appropriations
- Conditional grants

BUDGET EXECUTION

- Resource allocation formula
- Provider payments
- Contracting and monitoring
- Direct Facility Funding
- Benefit specification

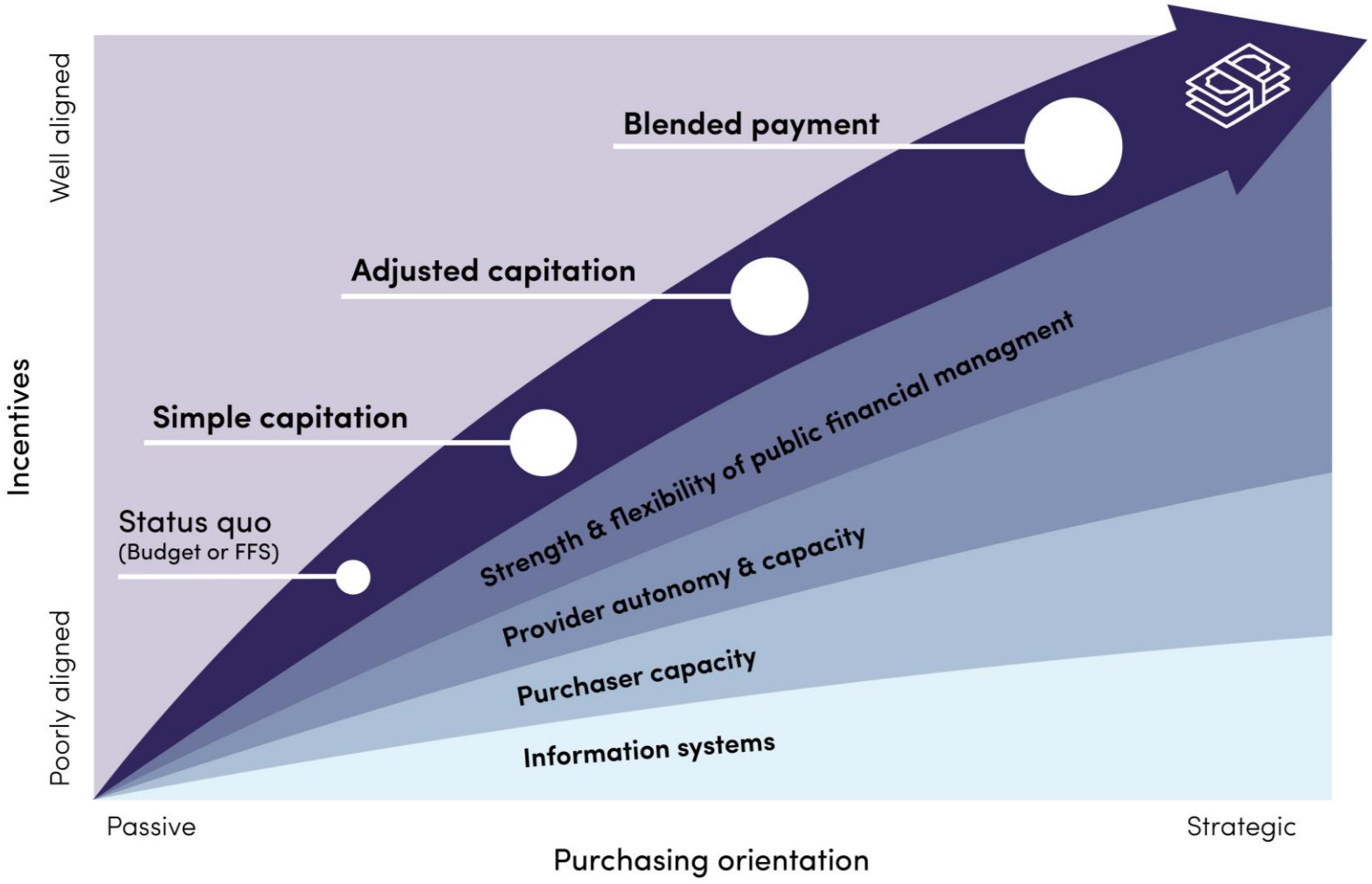
SERVICE DELIVERY

- Operational definition of PHC
- Norms or standards
- Referral system and gatekeeping
- Service delivery models

Provider payment mechanisms & incentives

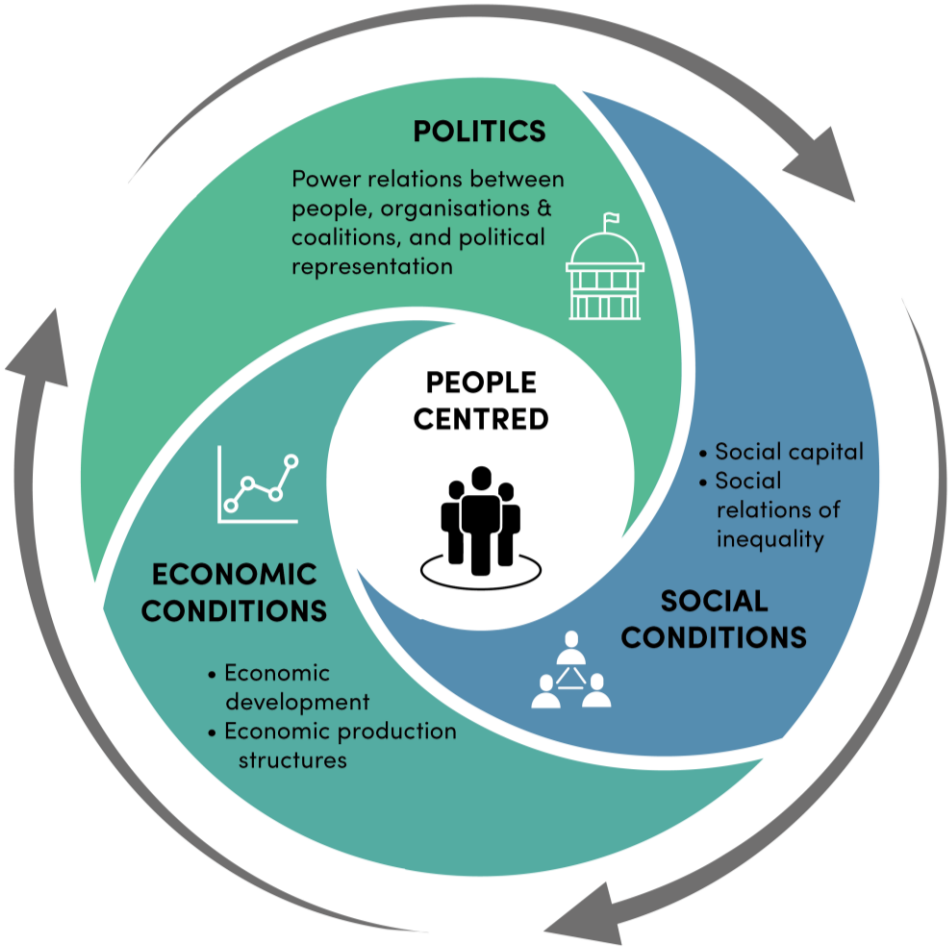
- The way that PHC providers are paid, and the incentives that these payment mechanisms create, are a tool that can ensure resources reach frontline providers and are used efficiently.
- PHC providers are commonly paid through input-based budgets, fee-for-service, capitation or performance-based payment
- Population-based, or capitation, payment systems create the strongest incentives for providers to deliver people-centred PHC.
  - An equal fixed payment per person
  - Adjustment based on health needs
  - Pays providers to manage population health, prioritise health promotion and prevention
  - Provides a predictable and stable revenue stream to PHC providers
- Countries should work towards using a blended payment model for PHC with capitation at its centre.

Moving from the status quo to chart a pathway to a more strategic provider payment system



The political economy of financing PHC

- Political, social and economic conditions are as important as technical elements in the design and implementation of efficient and equitable financing for PHC.
- These political economy factors represent both constraints and opportunities.
- Advancing people-centred financing for PHC relies on politically informed technical strategies – requiring understanding and navigating the evolving political economy context.



Recommendations

Recommendation 1

Attributes of people-centred financing for PHC

- Increasing allocations to PHC from tax revenue
- Pooling arrangements should cover PHC
- Resources should be allocated equitably across levels of service delivery and protected to reach frontline PHC service providers and patients
- Blended provider payment system with capitation at its core

Recommendation 2

Countries should take a whole of government approach to spending more and spending better

Recommendation 3

Technical strategies are underpinned by an understanding of the social, economic and political conditions

Recommendation 4

Global agencies should reform the way PHC expenditure data are collected, classified and reported

Commissioners

- **Abebe Abelachew**
  Breakthrough International Consultancy, Ethiopia
- **Mark Blecher**
  National Treasury, Pretoria, South Africa
- **Cheryl Cashin**
  Results for Development, Washington DC, USA
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  University of Heidelberg, Germany
- **Alexo Esperato**
  Bill and Melinda Gates Foundation, India
- **David Hipgrave**
  UNICEF Iraq Country Office, Iraq
- **Ina Kalisa,**
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  University of Nigeria
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  Bill and Melinda Gates Foundation, Seattle, USA
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The Lancet Global Health
Commission on

Financing Primary Health Care

www.lshtm.ac.uk/research/centres-projects-groups/commission-financing-phc

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THE LANCET
Global Health

LONDON SCHOOL of HYGIENE &TROPICAL MEDICINE

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Opportunities at the Boundaries

Christoph Kurowski, World Bank

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WHO chief: The COVID pandemic is 'most certainly not over'

The head of the World Health Organization has warned that the COVID-19 pandemic is "most certainly not over" despite a decline in repo since the peak of the omicron wave

By The Associated Press
May 22, 2022, 8:24 PM

ECONOMY

Inflation surges 7.5% on an annual basis, even more than expected and highest since 1982

PUBLISHED THU, FEB 10 2022•8:30 AM EST | UPDATED THU, FEB 10 2022•9:52 AM EST


"All the News That's Fit to Print"

The New York Times

Late Edition

VOL. CLXXI . . . No. 59,345 NEW YORK, FRIDAY, FEBRUARY 25, 2022 $3.00

WAR IN UKRAINE

RUSSIANS PUSH INTO OUTSKIRTS OF CAPITAL AS DEATHS RISE AND THOUSANDS FLEE WEST

The New York Times

European Central Bank says it will raise interest rates for the first time in 11 years in July.

After a decade of low inflation, the bank is facing the highest rate of price increases since the creation of the euro currency.

UHC 3120

General Assembly

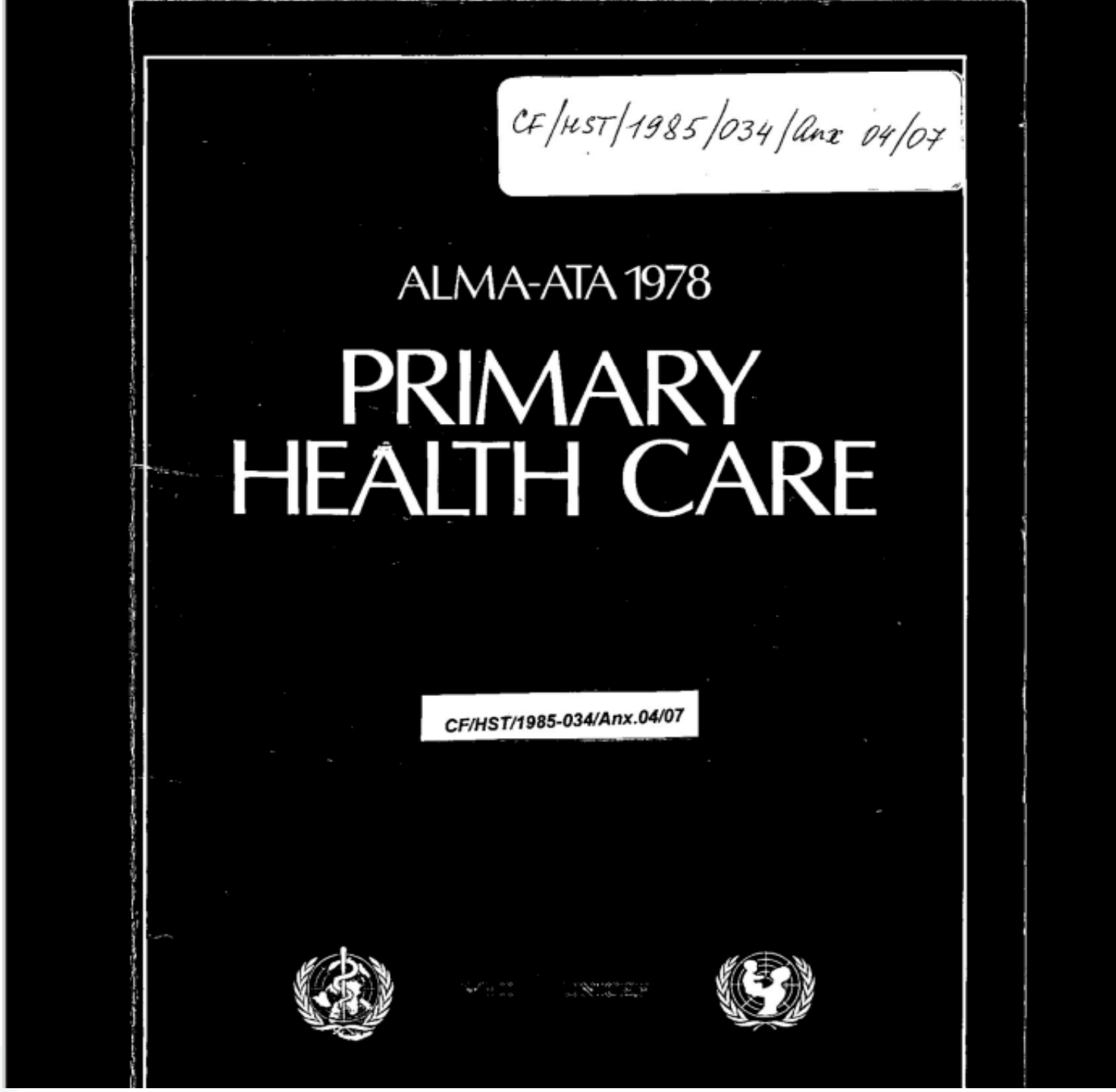
Distr.: General
21 October 2015

Seventieth session
Agenda items 15 and 116

Resolution adopted by the General Assembly on 25 September 2015

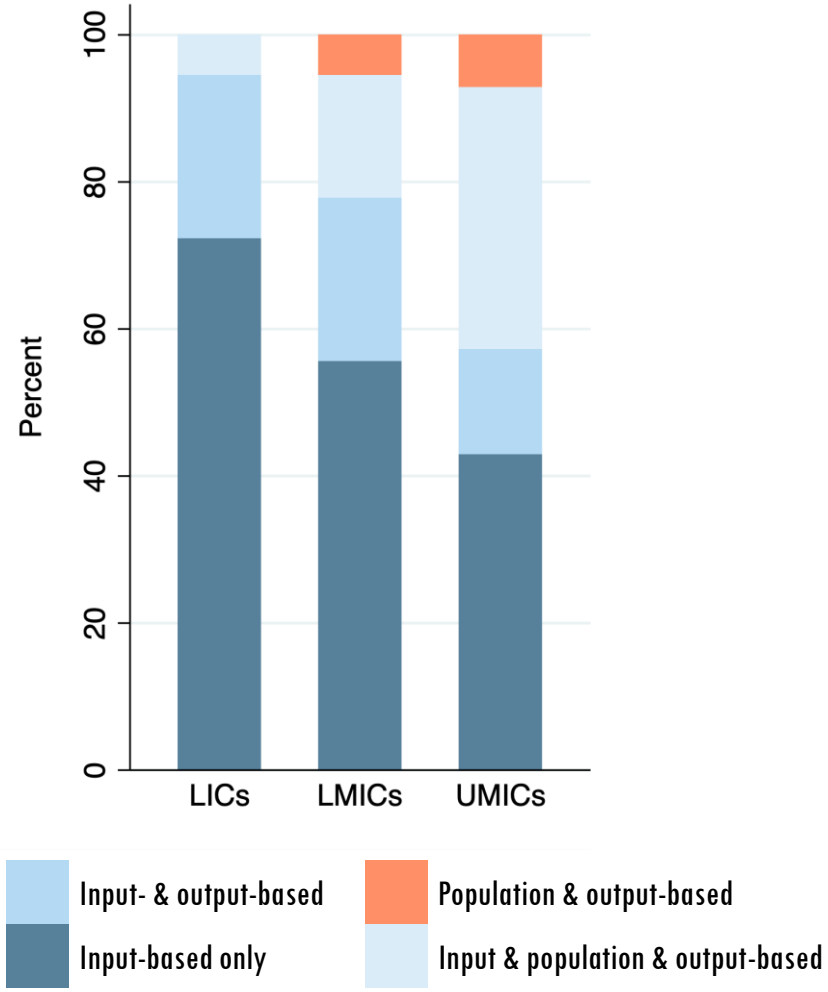
[*without reference to a Main Committee (A/70/L.1)*]

70/1. Transforming our world: the 2030 Agenda for Sustainable Development




END
Implementation issues
Partial solutions
Changing context
Uncharted territories

Implementation issues: Making output- and population-based financing work in budget systems



Input-based payment mechanisms → Providers do not receive, manage or account for government funds → Discontinuity and low quality of health services

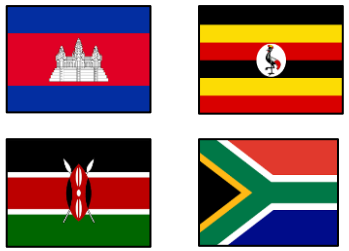
Implementation issues: Making output- and population-based financing work in budget systems

How to channel funds through national PFM systems to public PHC providers?

Changes to:

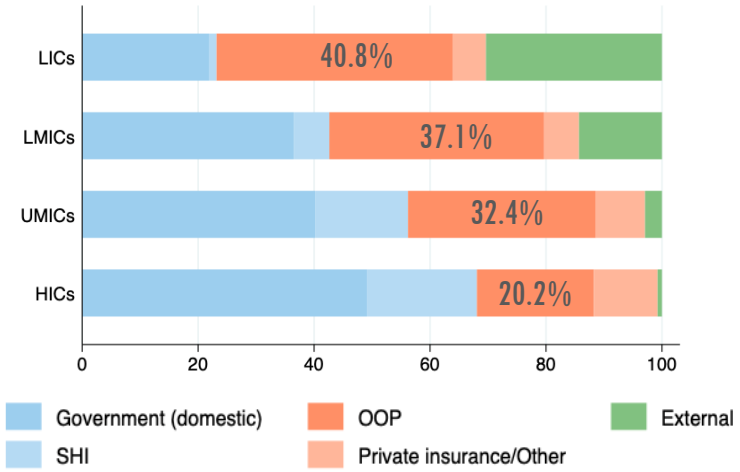
- Budget preparation
- Budget execution
- Budget monitoring

Three models emerging

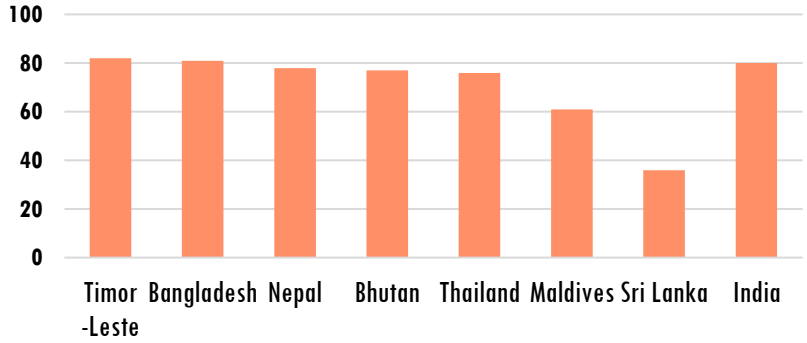


Partial solutions: Paying for essential medicines for PHC

Sources of total health spending (%)

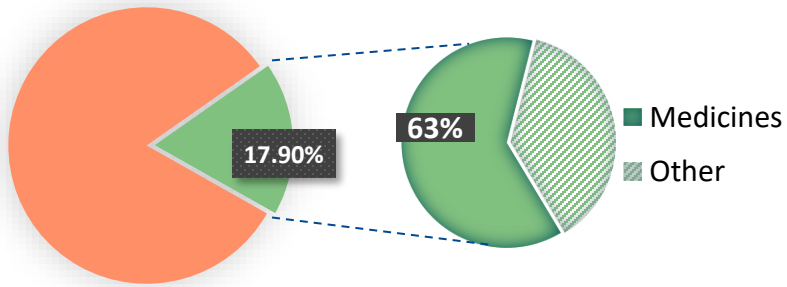


Average OOPs on medicines as a share of household total OOPs (%)



Source: Wang, H, et al , (2018)

Indian HHs with catastrophic OOPs in 2011-12 (%)



Source: Selvaraj, S et al, (2018)

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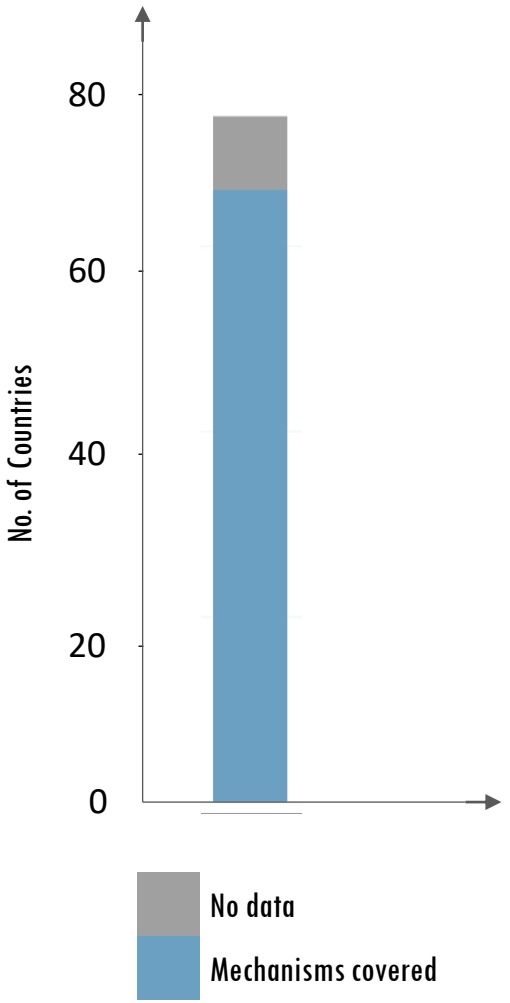
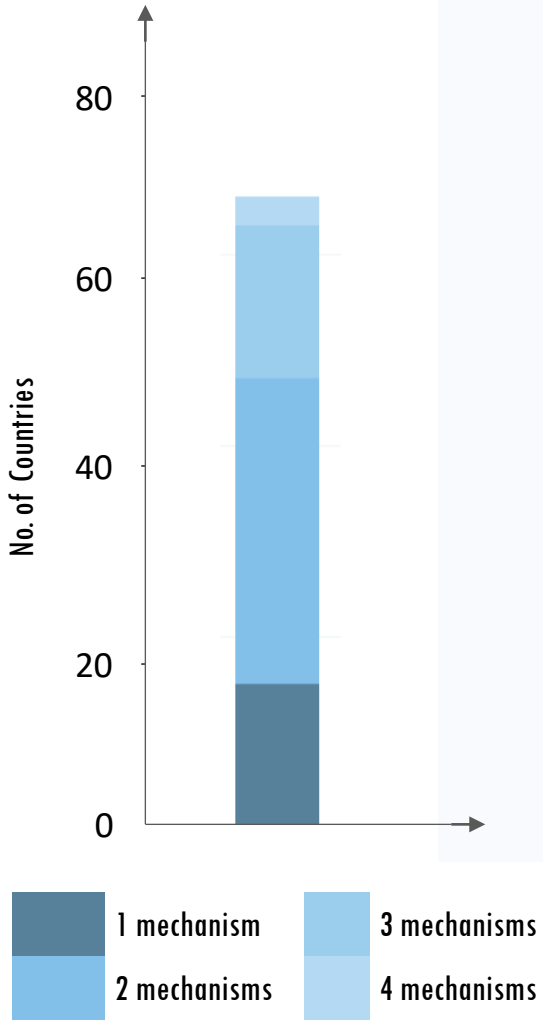
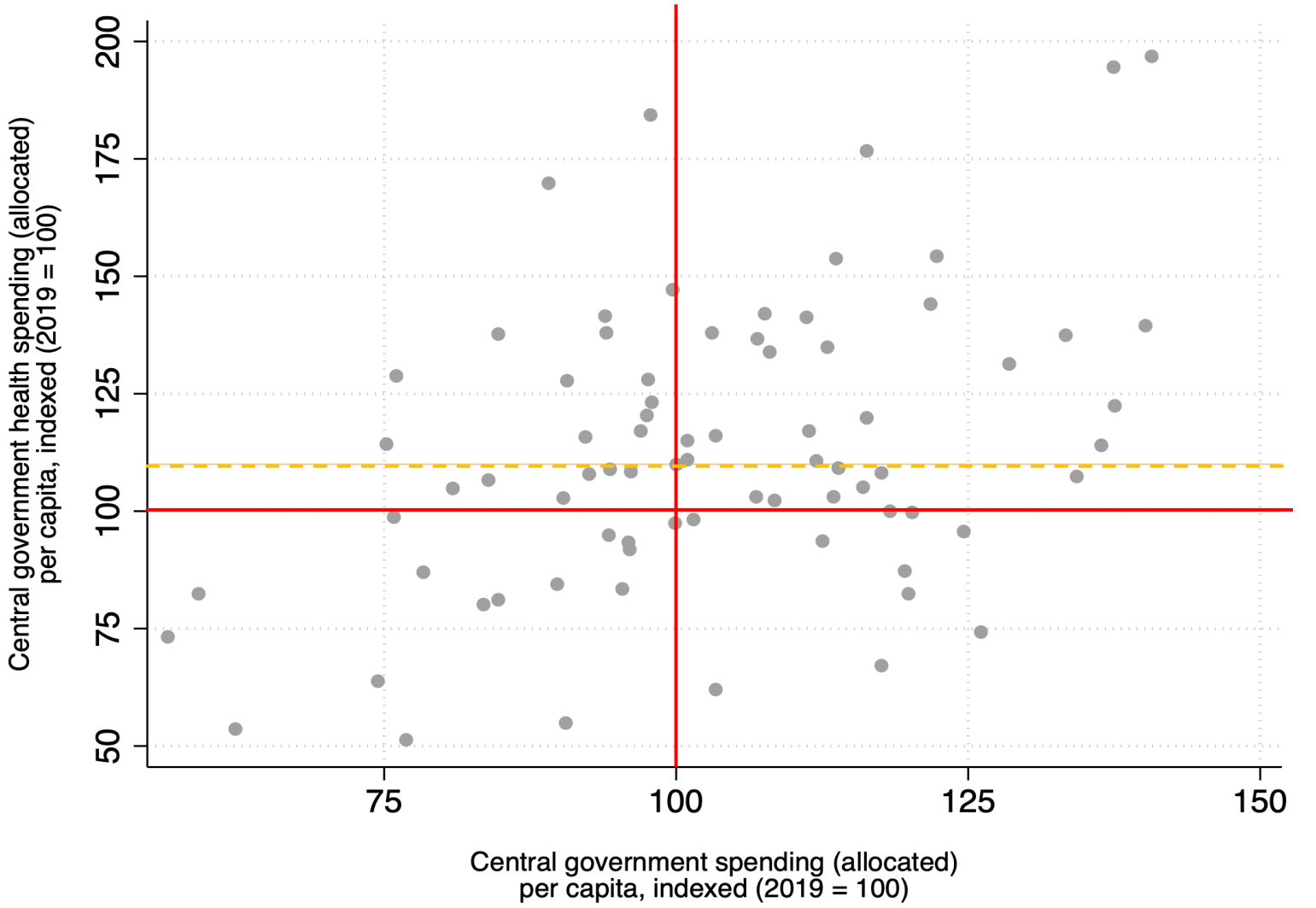
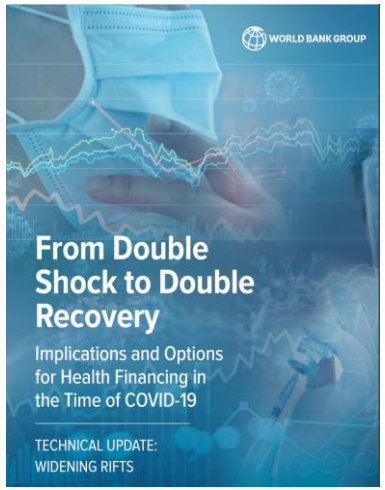




Changing context: Funding PHC in the time of COVID-19



Changing context: Funding PHC in the time of COVID-19

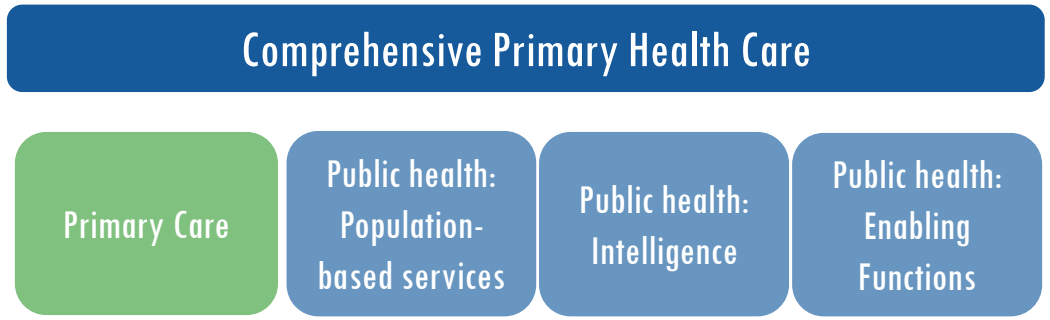


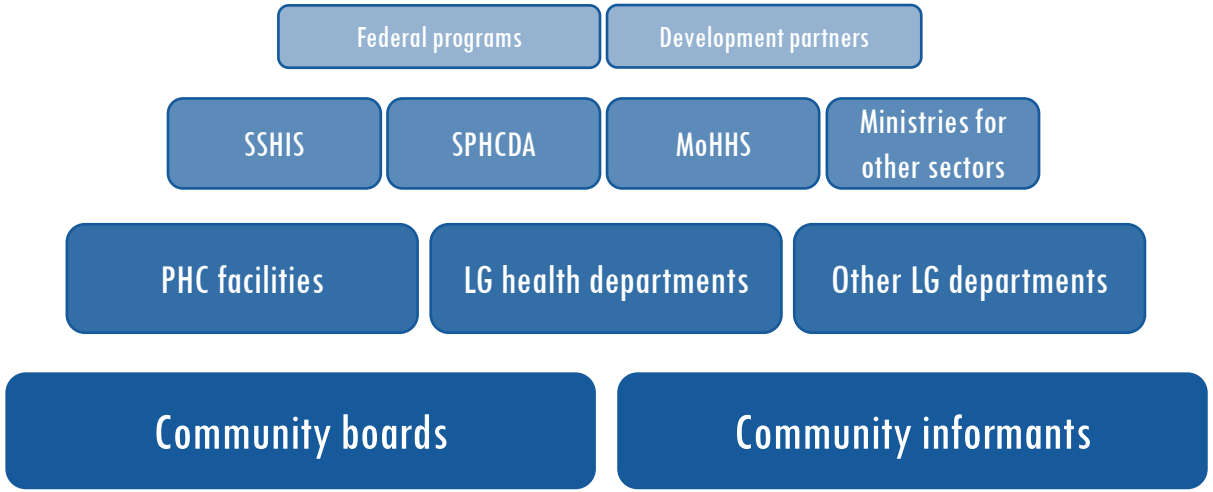
Increase

- Government spending
- Government spending on health
- Government spending on PHC

Uncharted territories: Financing comprehensive PHC

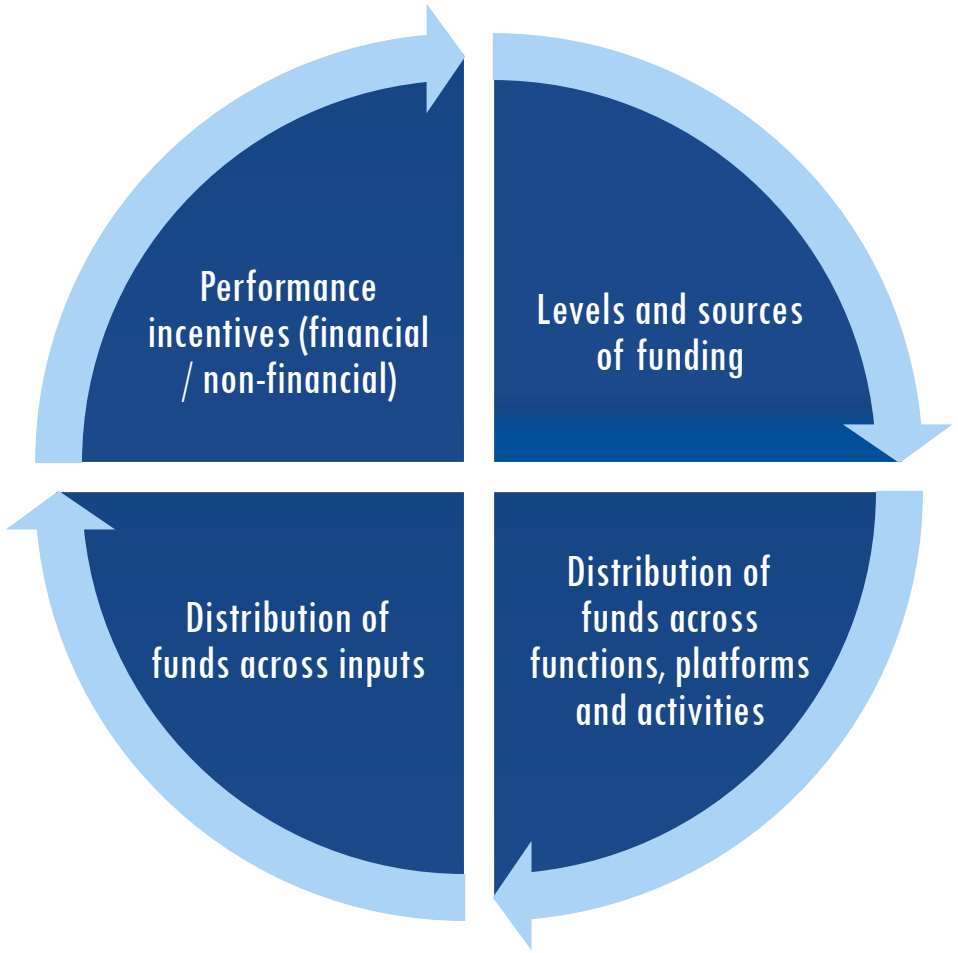
Functions

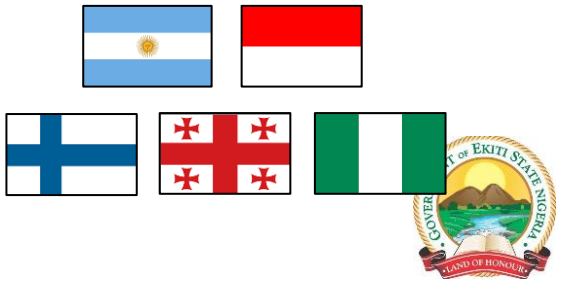




Platforms

Uncharted Territories: Financing comprehensive PHC





Adam Wagstaff
1959 –2020

Owen O'Donnell

Radhika Jain

Giancarlo Buitrago

United Nations Monetary and
Financial Conference
Bretton Woods, New Hampshire
July 1 to 22, 1944