

2022 ASIA & THE PACIFIC HEALTH FINANCING FORUM

Putting People at the Center:
Lancet Global Health Commission on
Financing Primary Health Care

Financing Primary Health Care

September 15-16, 2022
Bangkok, Thailand

Co-hosted by:



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Plenary Session 4

Putting People at the Center: LGHC on Financing PHC



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The Lancet Global Health Commissions

The Lancet Global Health Commission on financing primary health care: putting people at the centre



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Executive summary

The COVID-19 pandemic has brought the need for well-functioning primary health care (PHC) into sharp focus. PHC is the best platform for providing basic health interventions (including effective management of non-communicable diseases) and essential public health functions. PHC is widely recognised as a key component

and protecting sufficient funds for PHC, and incentivising providers to maintain the health of the populations they serve—in ways that place people at the centre and by addressing inequities first.

Financing is political

Answering the question of how to make these changes

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10: e715–72

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See [Comment](#) pages e602, e604, e606, e609, and e611

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.
- How can we use this opportunity to develop financing arrangements that will advance people centred PHC?

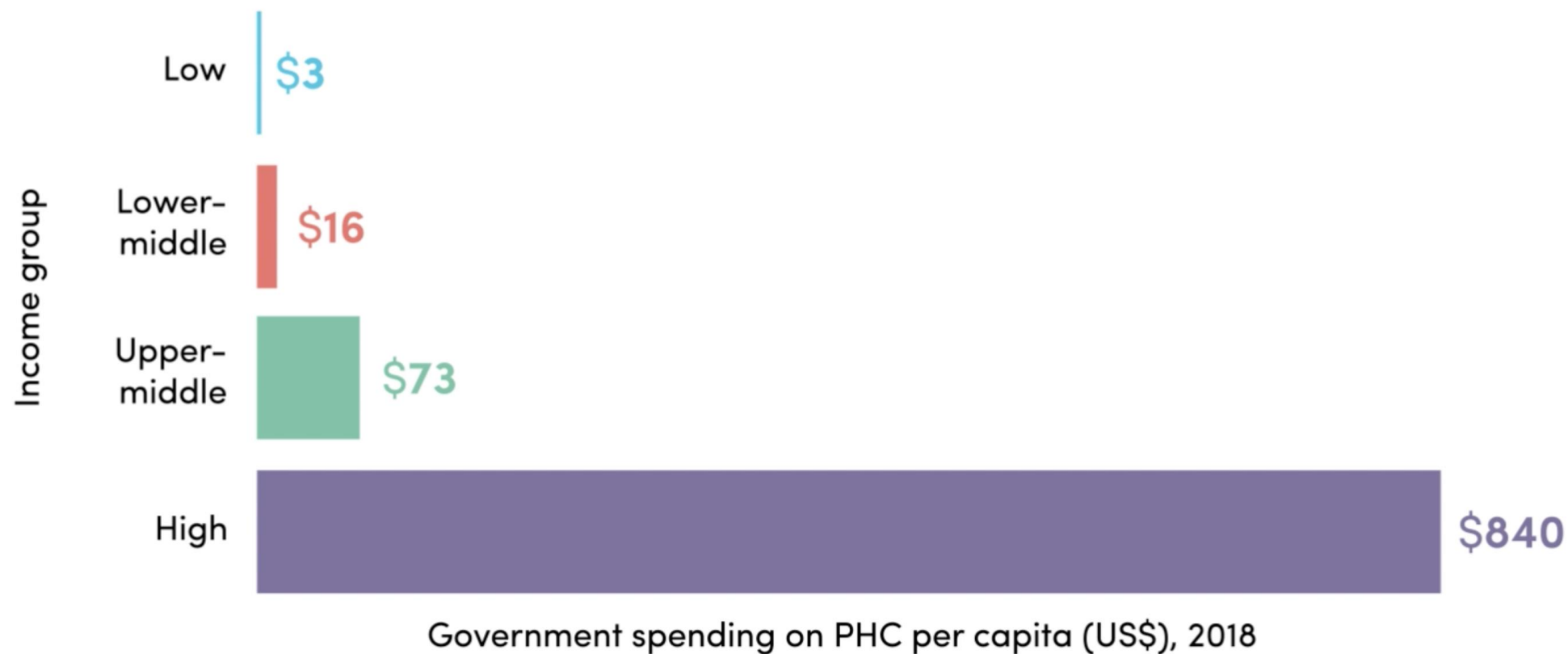
Objectives

- 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

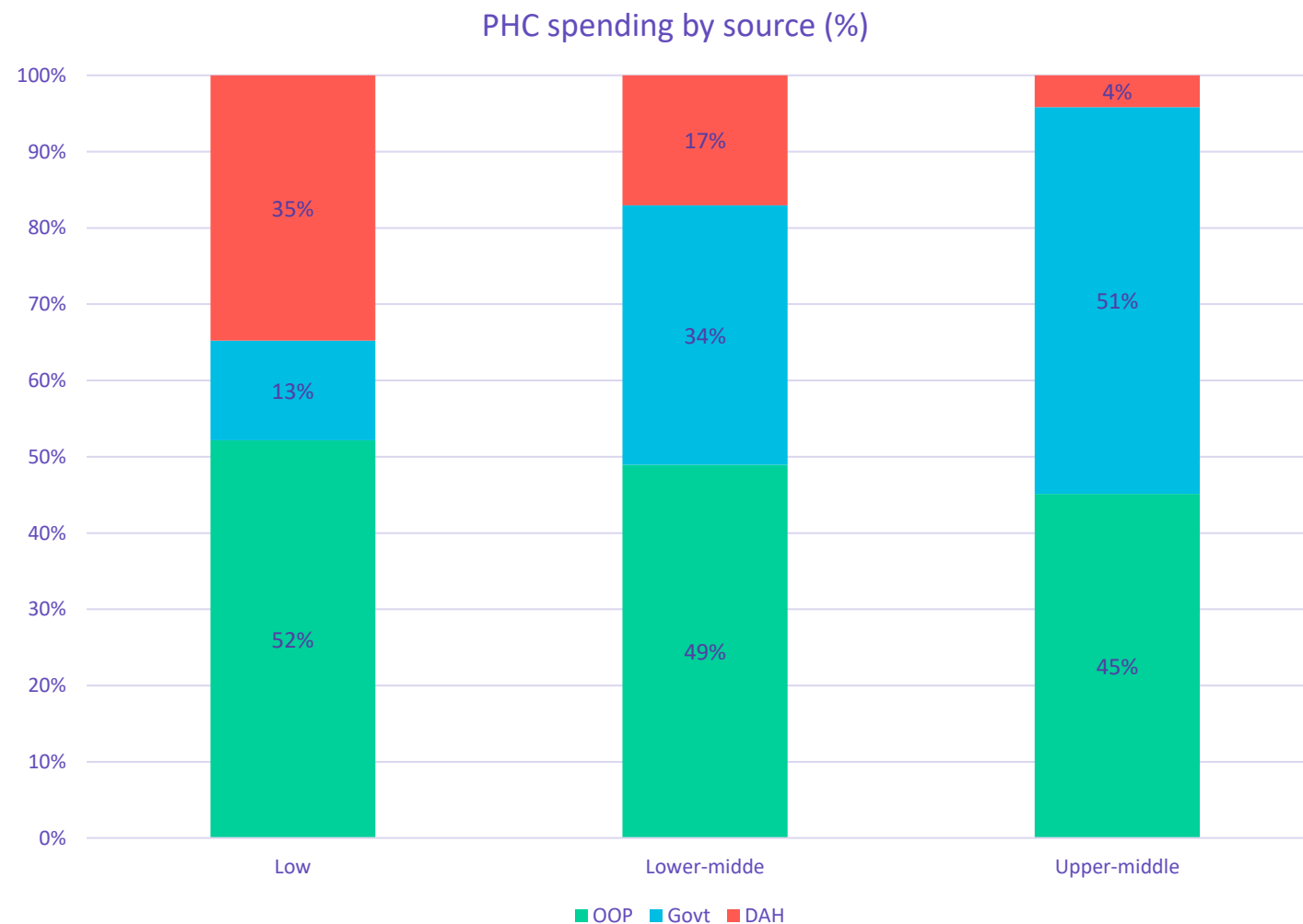
Current landscape of PHC financing



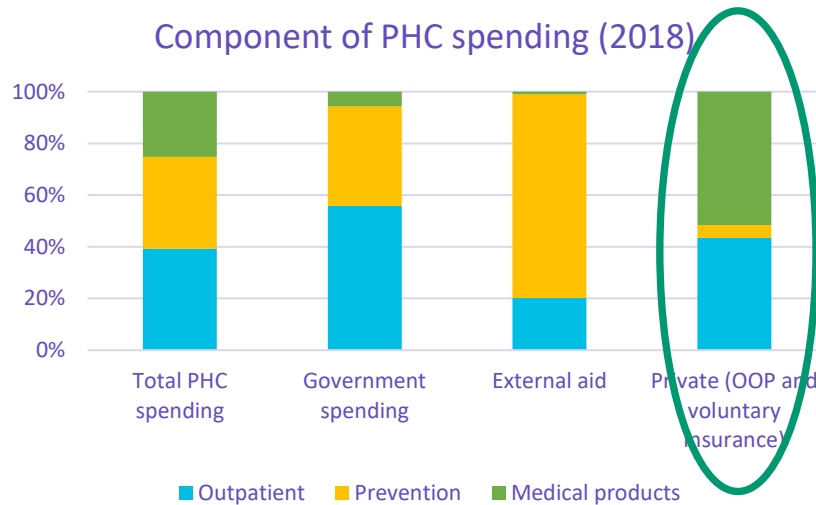
Government spending on PHC in low- and lower-middle income countries is very low



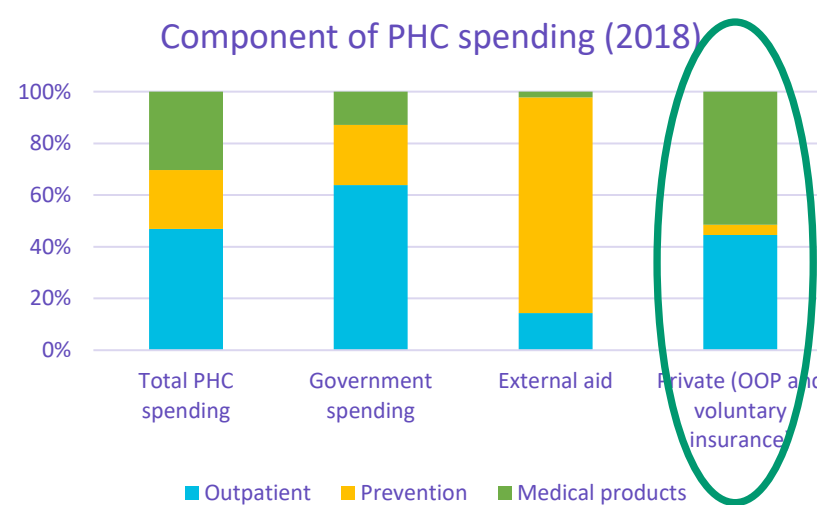
Out-of-pocket payments remain an important source of PHC financing, even in upper-middle income countries



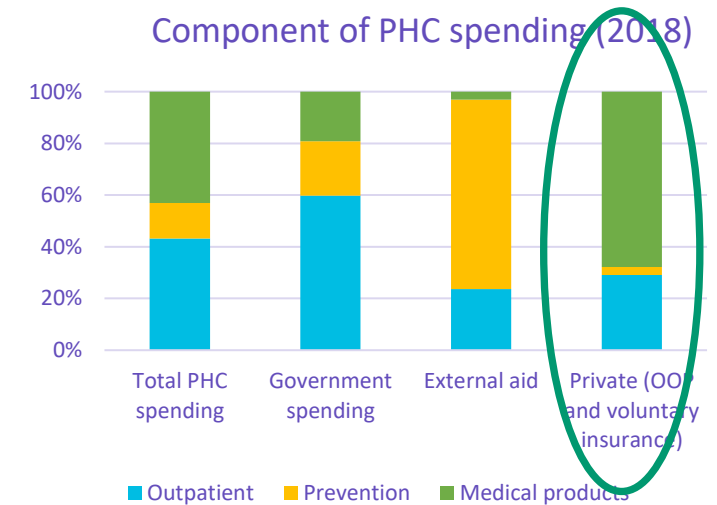
And much OOP PHC spending is on medicines



Low income

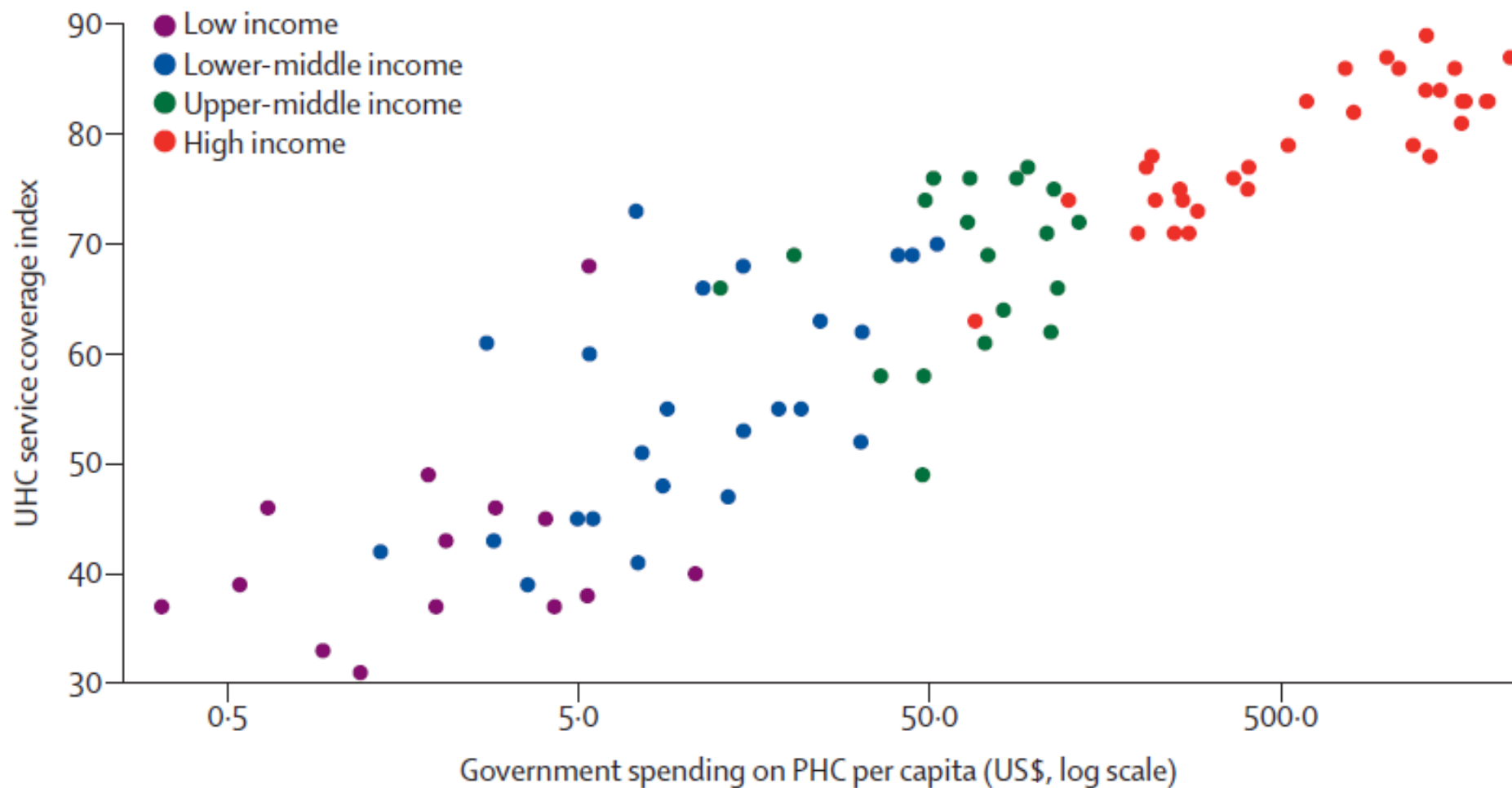


Lower-middle income

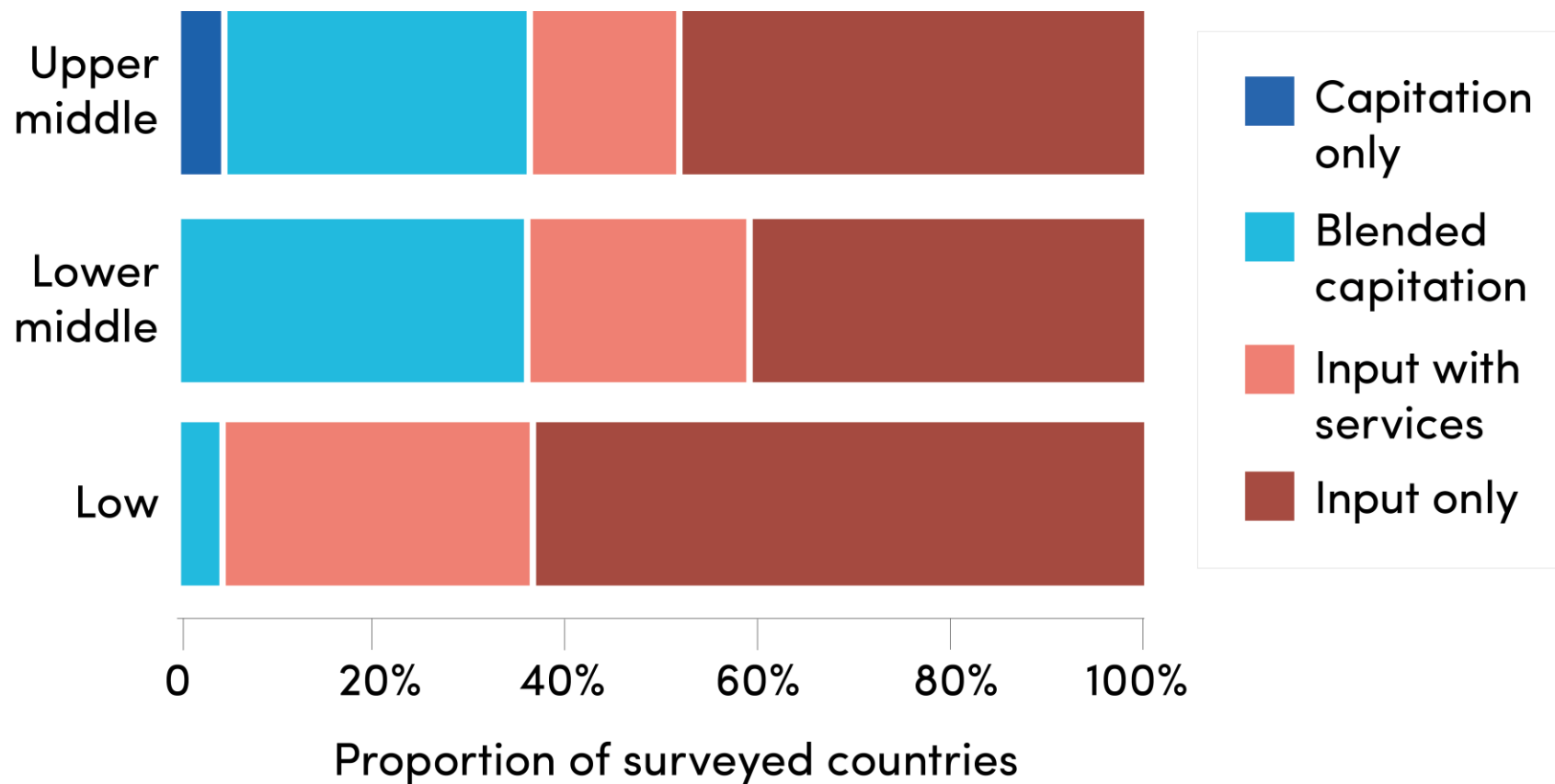


Upper-middle income

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

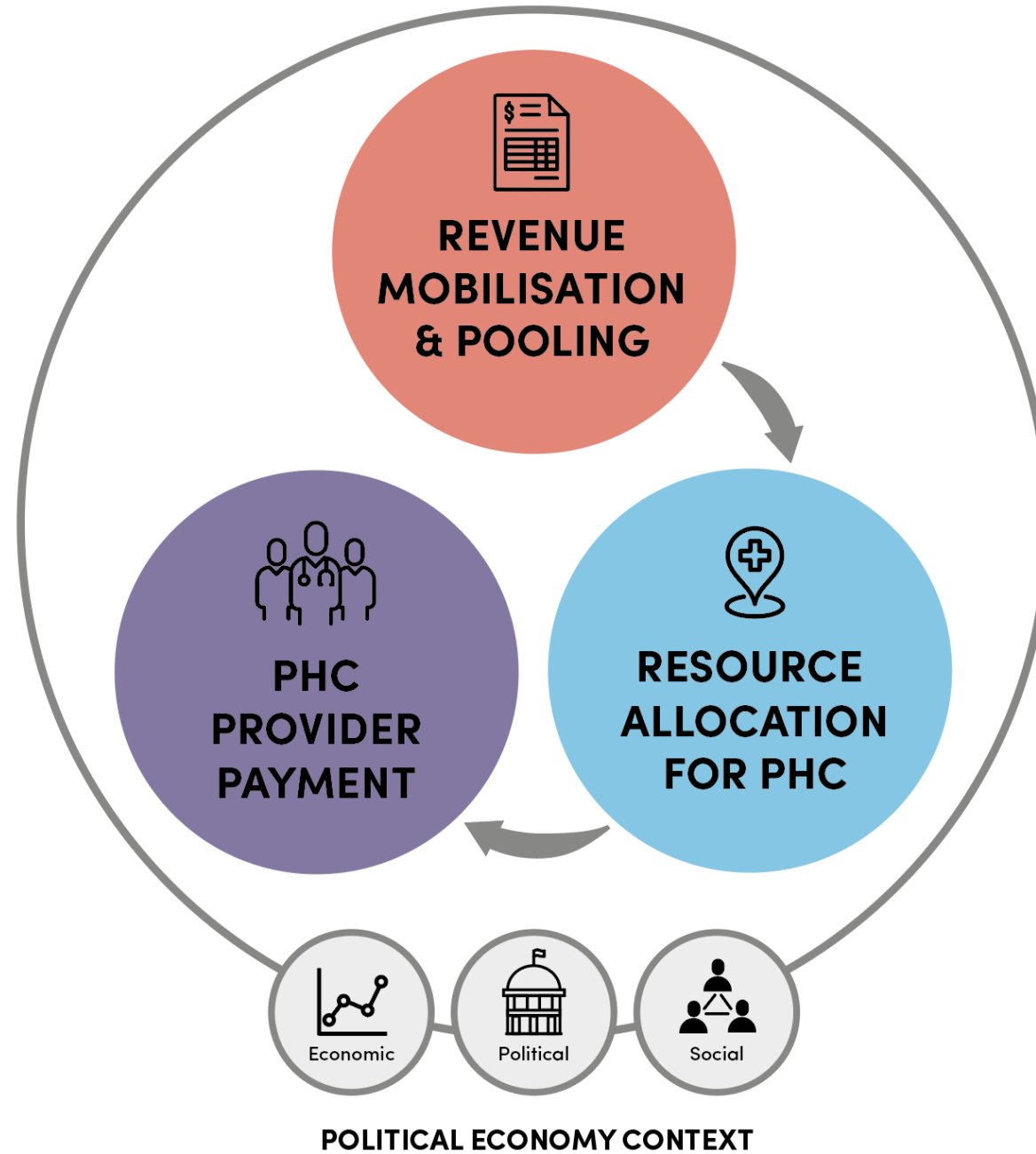


Public PHC providers are predominantly paid through input-based and service-based budgets

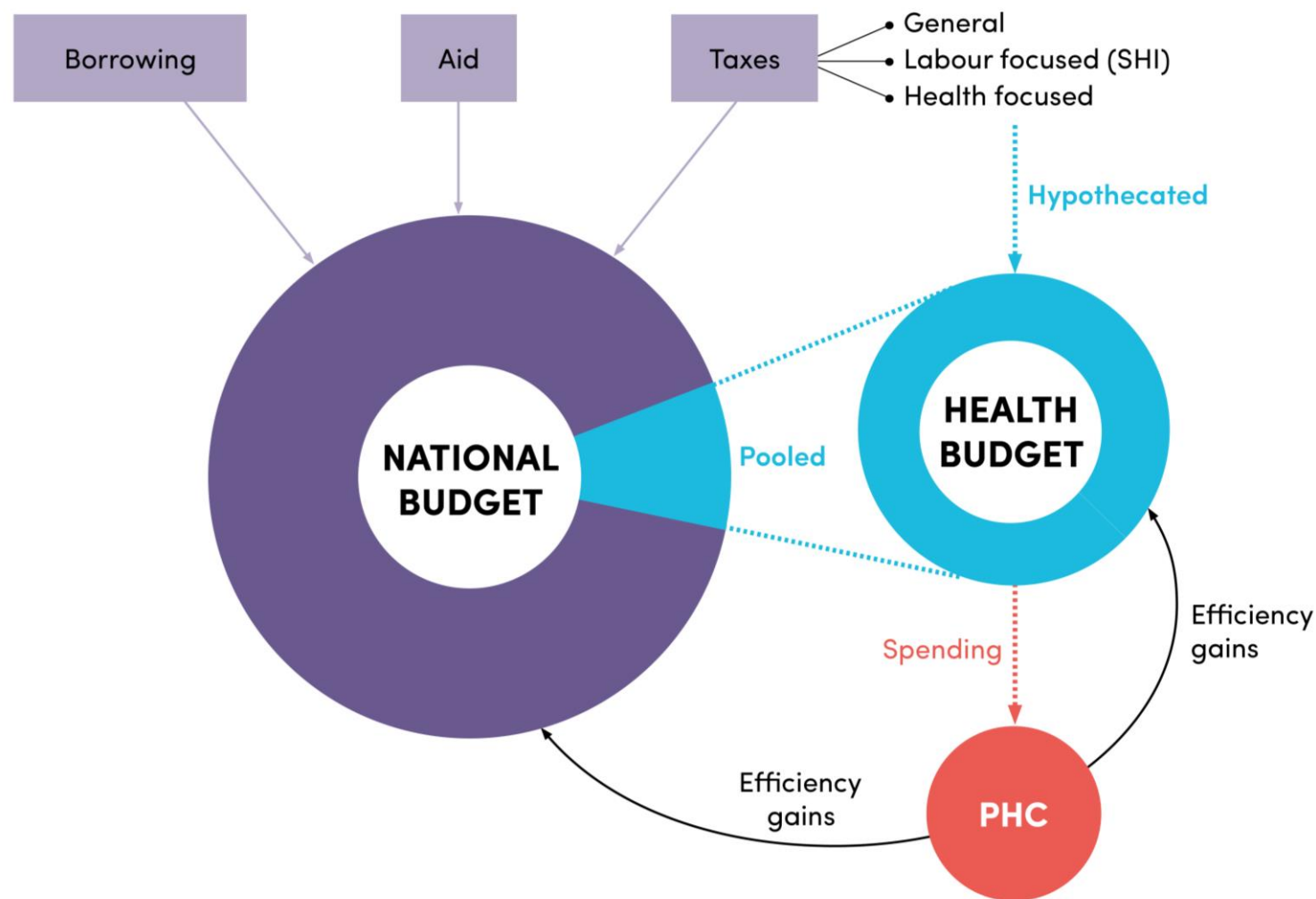


Key findings

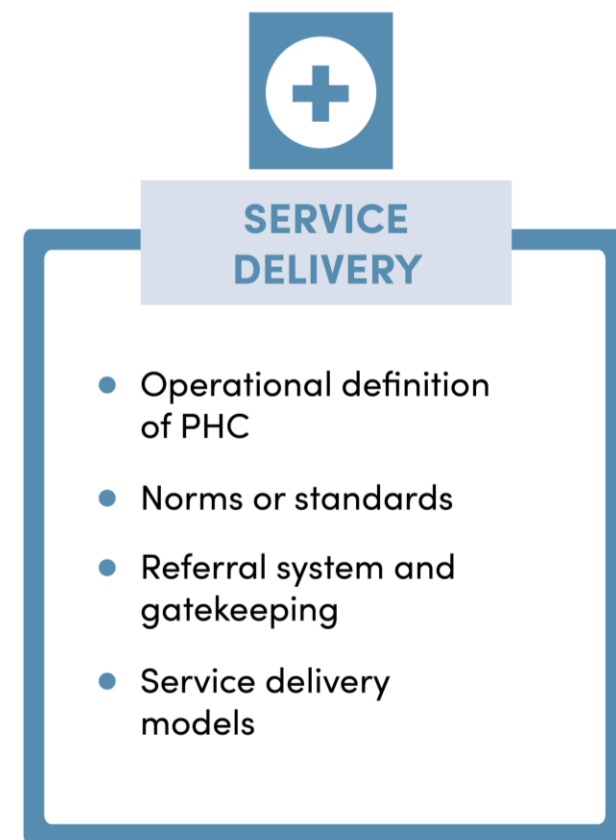
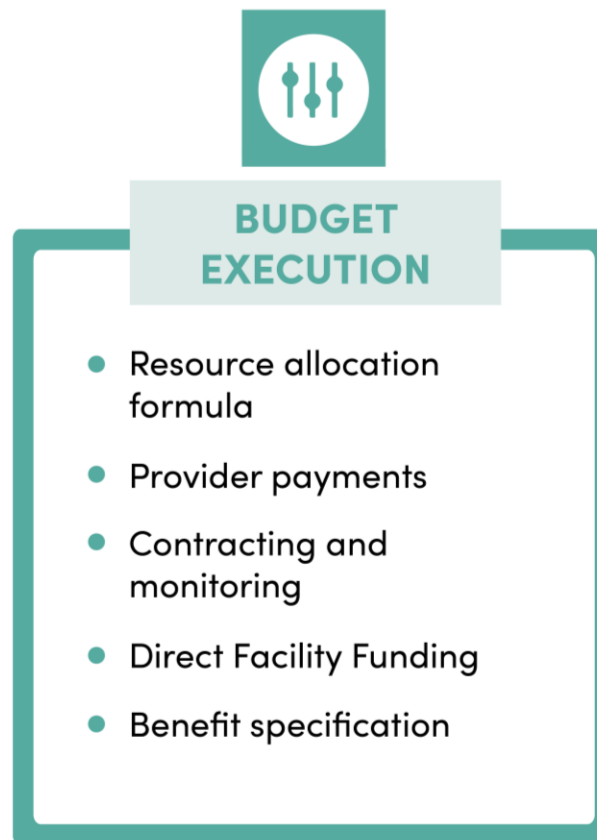
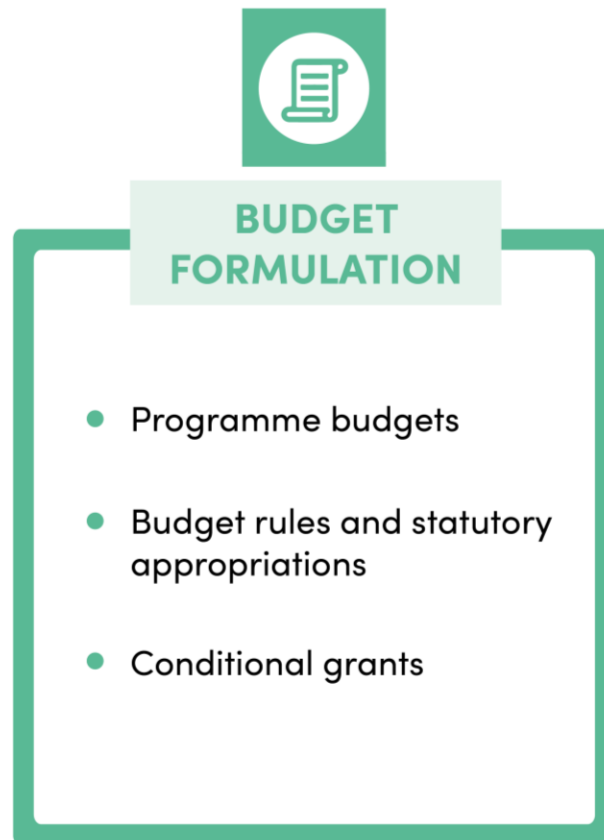




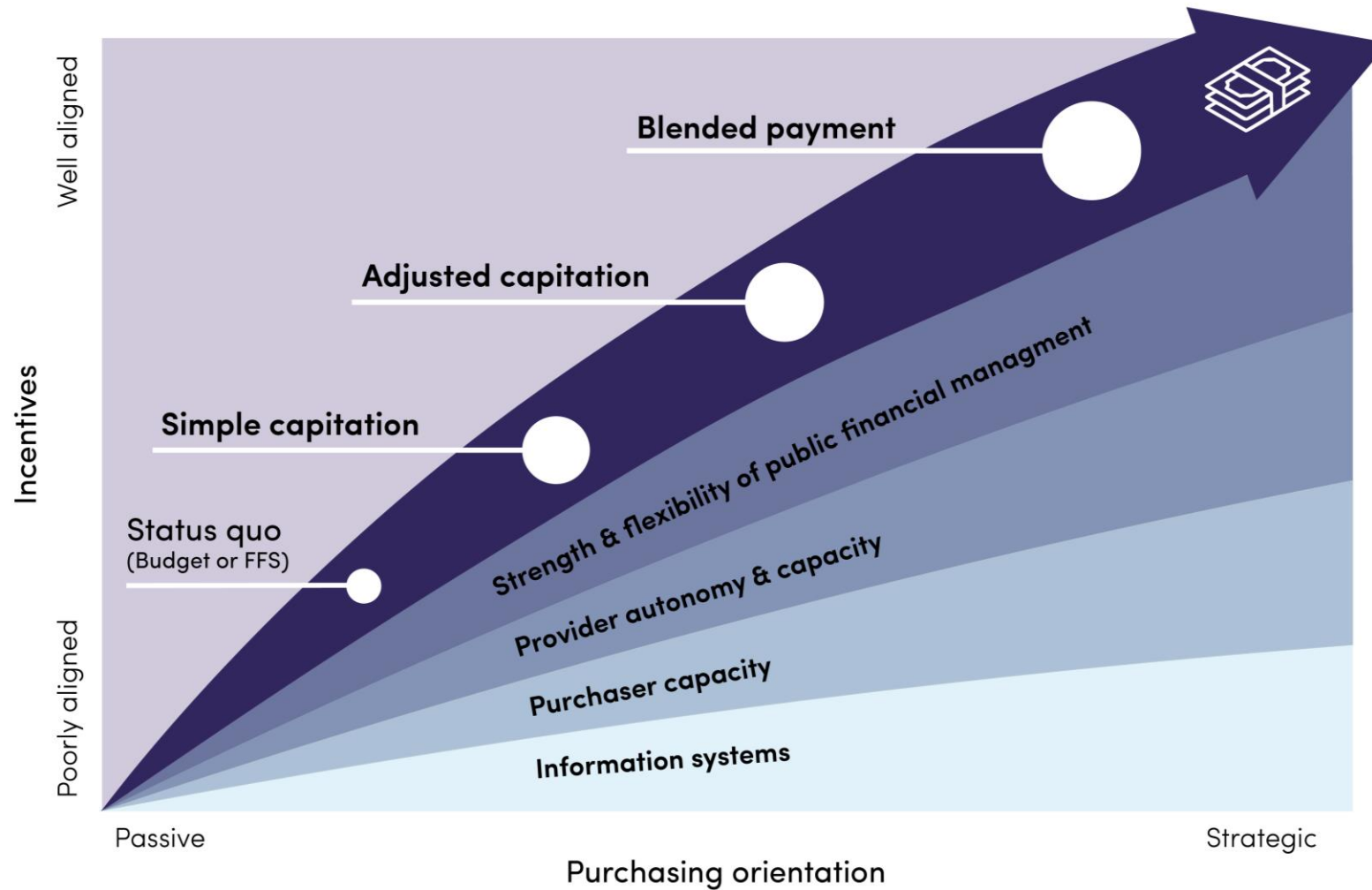
Mobilisation & pooling funds for PHC



Allocating resources to PHC

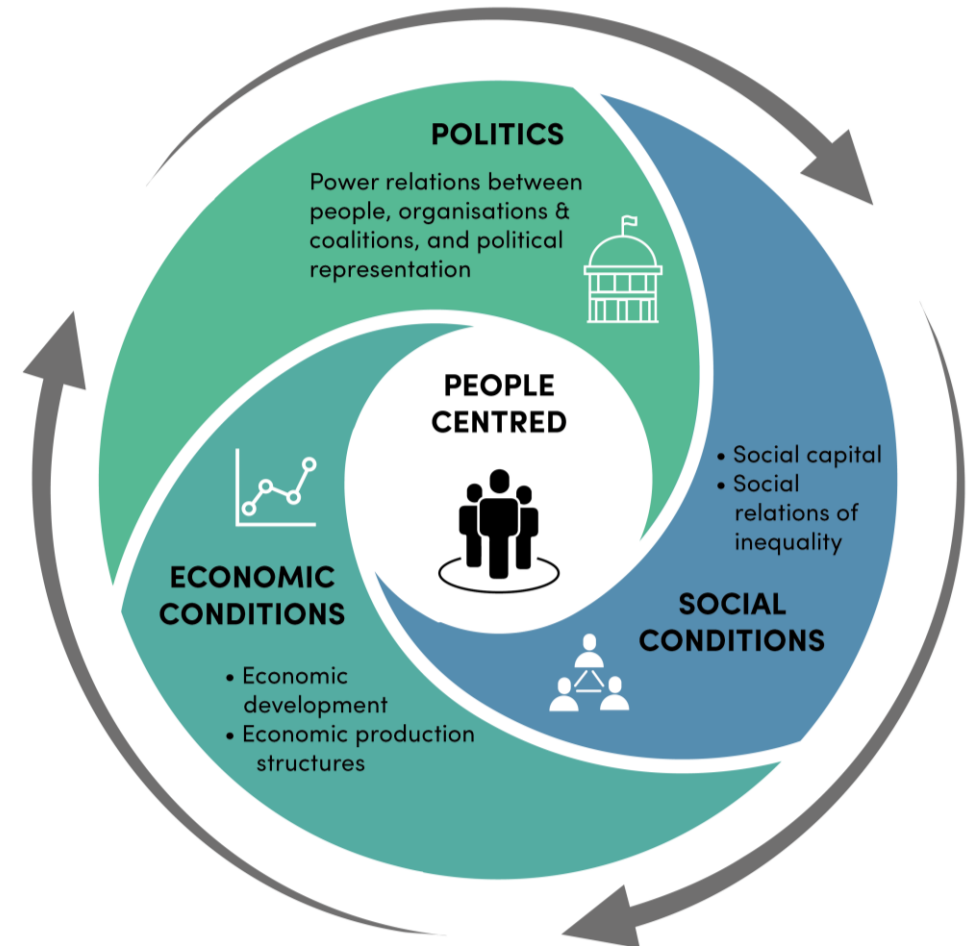


Pathway to a more strategic provider payment system



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.



Spending more and
spending better on PHC



People-centred financing for PHC

Recommendation 1

Attributes of people-centred financing for PHC

- Predominantly funded from tax revenue
- Covered by pooling arrangements
- Equitable allocation of resources 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

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Commission on

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

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Opportunities at the Boundaries

Financing Primary Health Care

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PRESS RELEASE | APRIL 4, 2022

East Asia and Pacific Economic Recovery Faces Risks from the War in Ukraine, U.S. Monetary Tightening, and China Slowdown

Asia Growth Slows on Commodities, Covid and Rising Interest Rates

APRIL 25, 2022

IMF Downgrades Asia Pacific Forecast as Shocks Keep Rolling

July 28, 2022 at 7:00 PM EDT

Growing debt is 'biggest risk' for East Asia: World Bank VP

August 19, 2022 04:43 JST



UHC

Towards an international treaty on pandemics



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



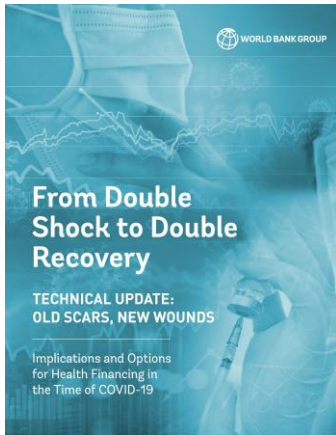
CF/HST/1985/034/Annex 04/07

ALMA-ATA 1978

PRIMARY HEALTH CARE

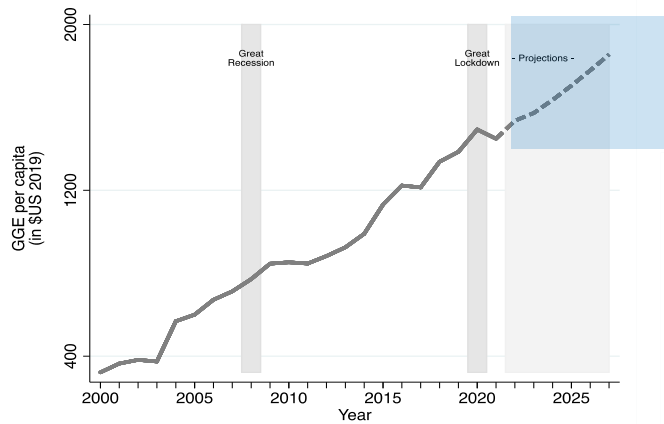
- 
- Funding PHC in the time of COVID-19
 - Making output- and population-based financing work in PFM systems
 - Paying for essential medicines in PHC
 - Financing comprehensive PHC

Funding PHC in the time of COVID-19



To be launched
22 September

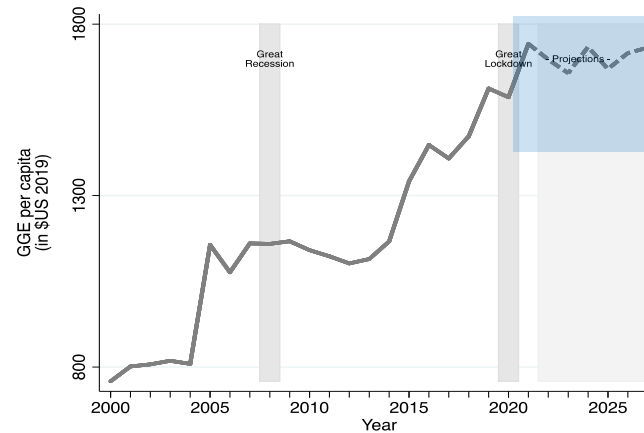
Expansion (12)



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

Average years of pc GGE cuts: 0.6

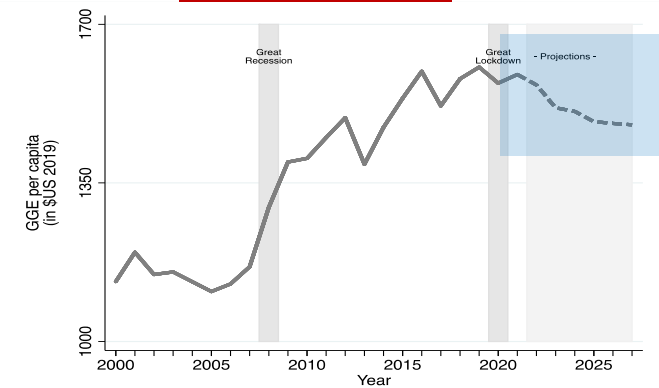
Stagnation (6)



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

Average years of pc GGE cuts: 1.3

Contraction (8)



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

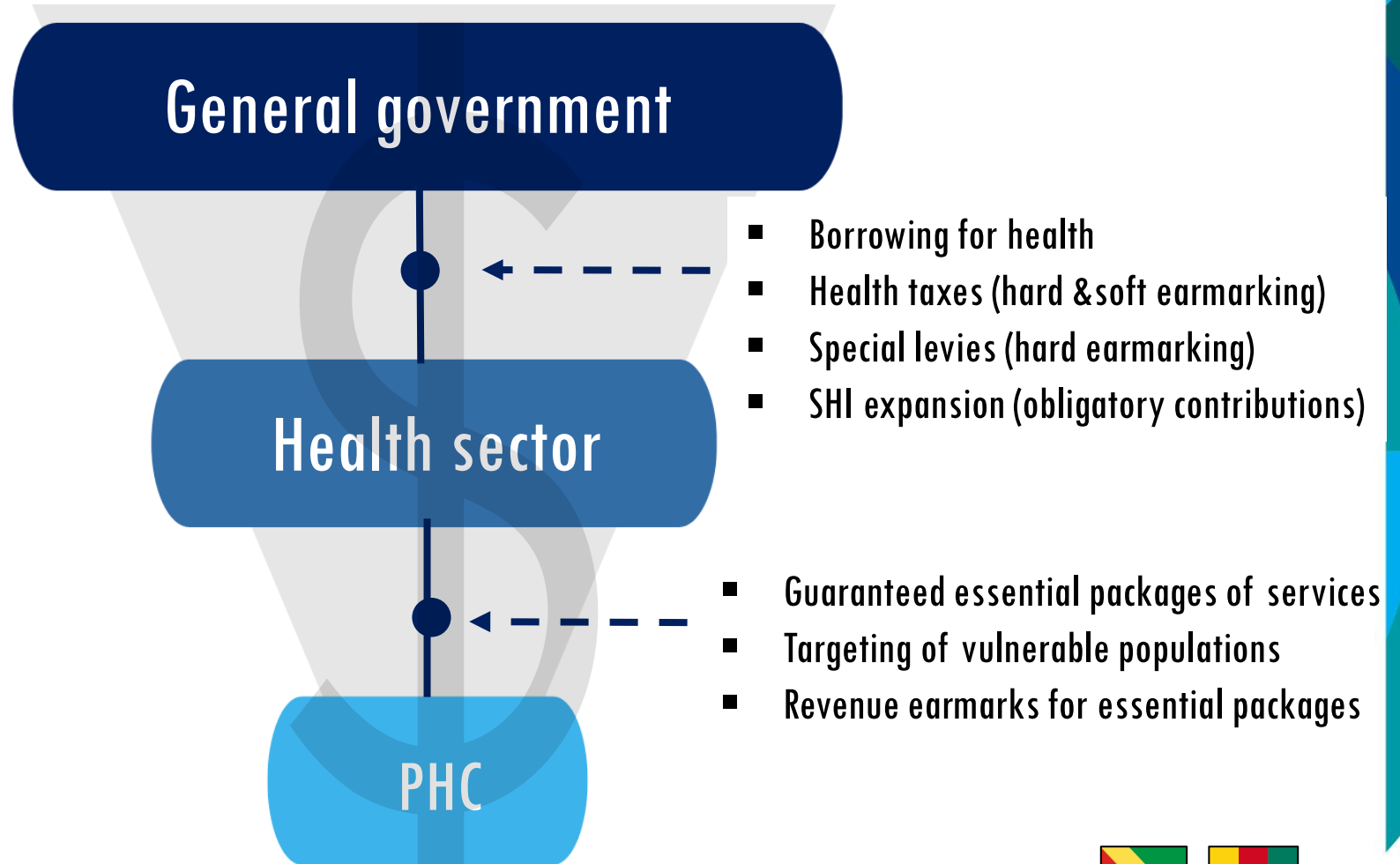
Average years of pc GGE cuts: 3.6

Funding PHC in the time of COVID-19

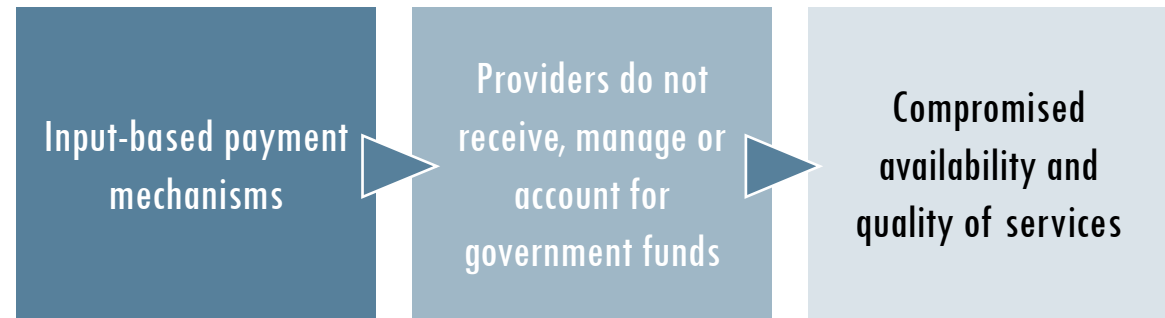
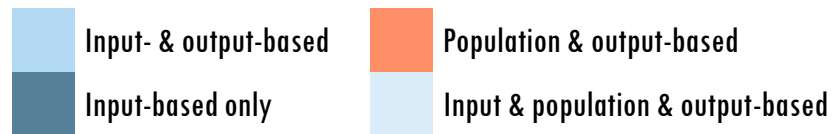
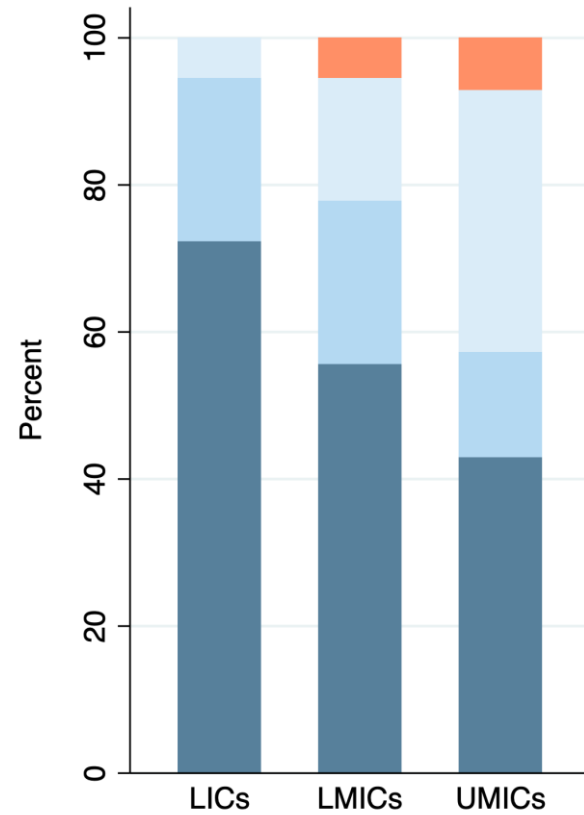
- Medium-term revenue strategies
- Target setting

- High-level political commitment
- Target setting

- Investment in PHC infrastructure
- Efficiency improvements at PHC level



Making output- and population-based financing work within public financial management systems



Making output- and population-based financing work within public financial management systems

■ Determine budgets

■ Channel funds

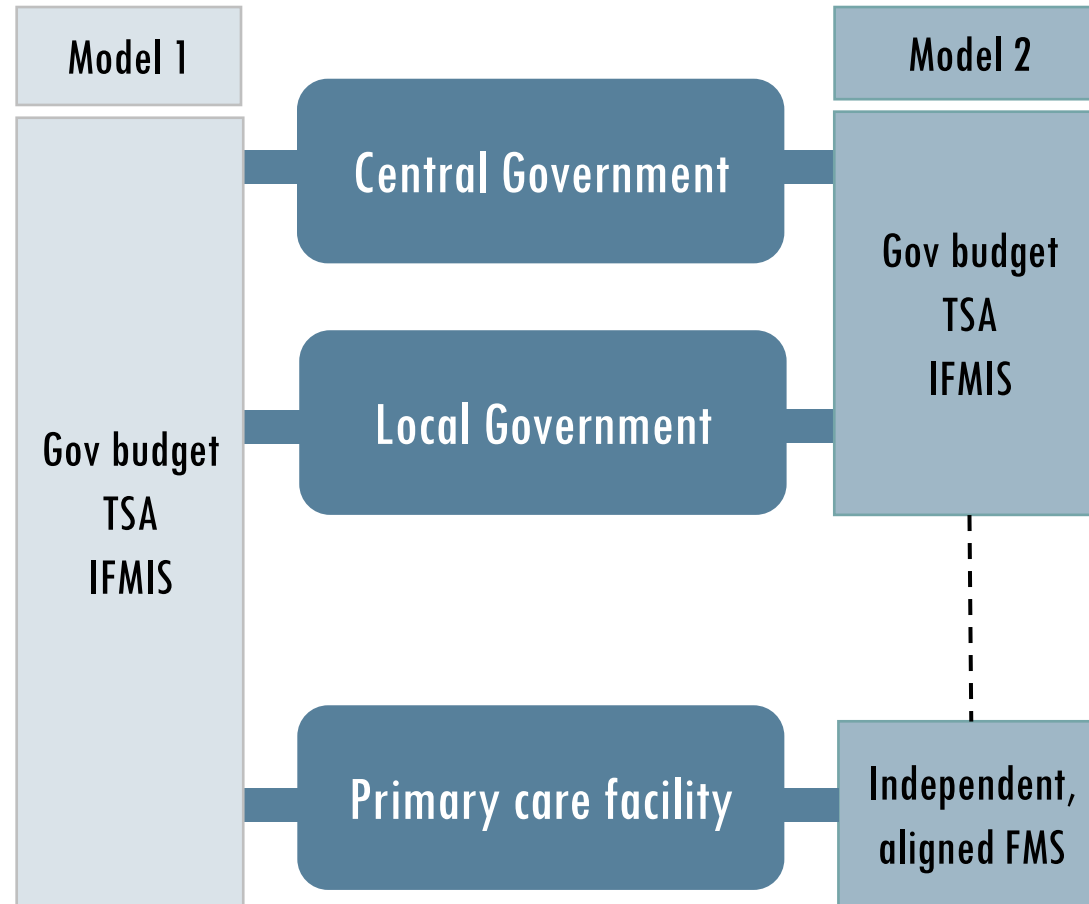
■ Transfer authority

Benefits:

- Transparency
- Automatic reporting & accounting

Pitfalls:

- High IT capabilities
- Limited timeliness and flexibility in the use of funds



Benefits:

- Low IT capabilities
- Flexibility in the use of funds

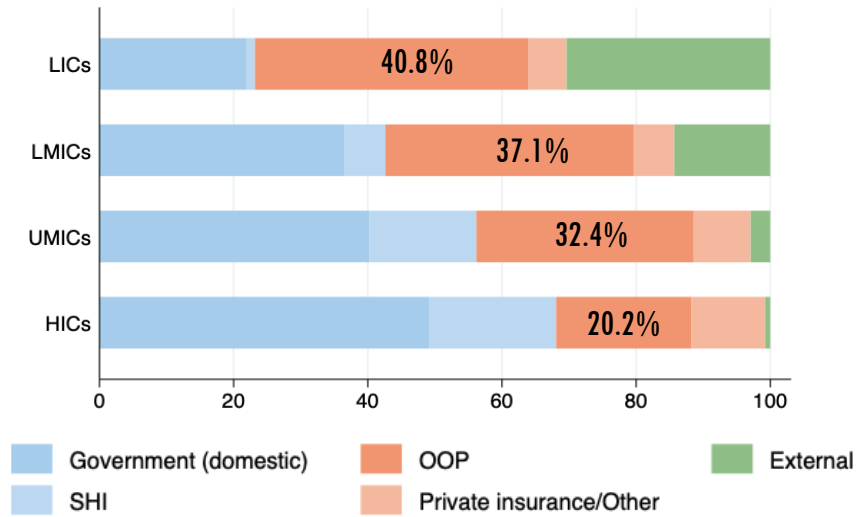
Pitfalls:

- Limited transparency
- Substantial FM capacity

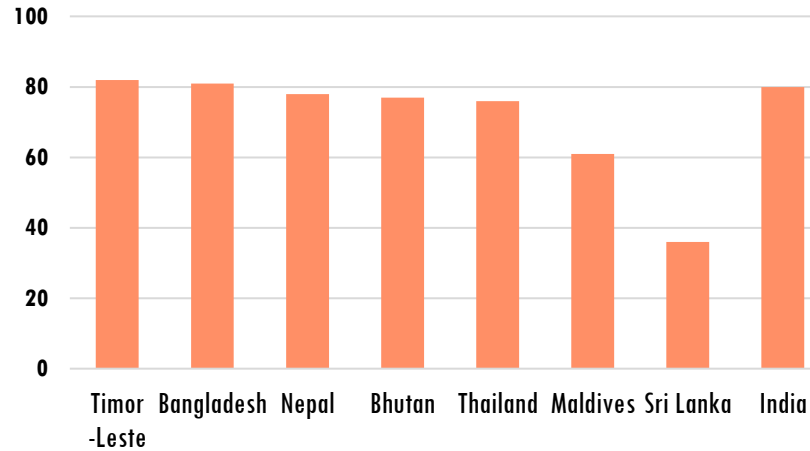


Paying for essential medicines for PHC

Recurrent health spending by source (%)

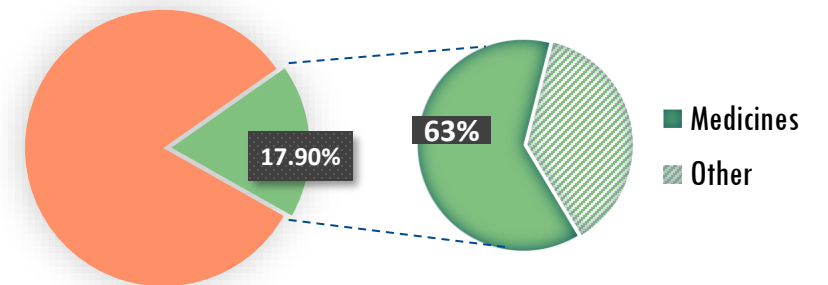


Average OOPs on medicines as a share of household total OOPs (%)



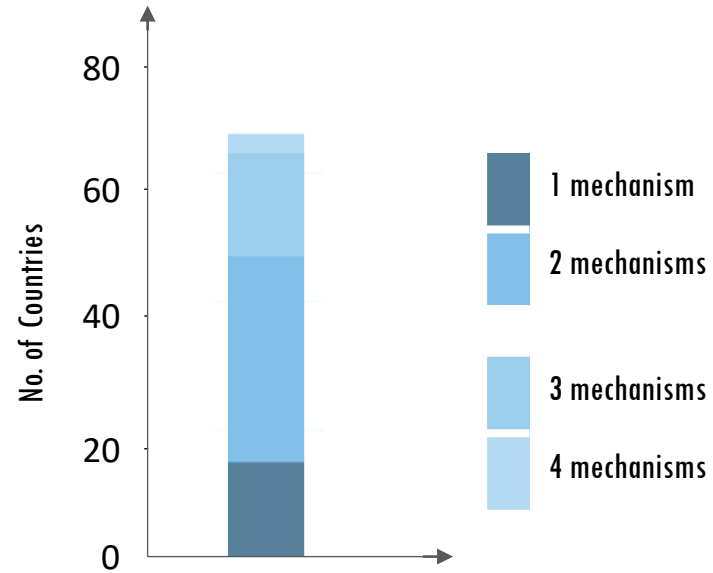
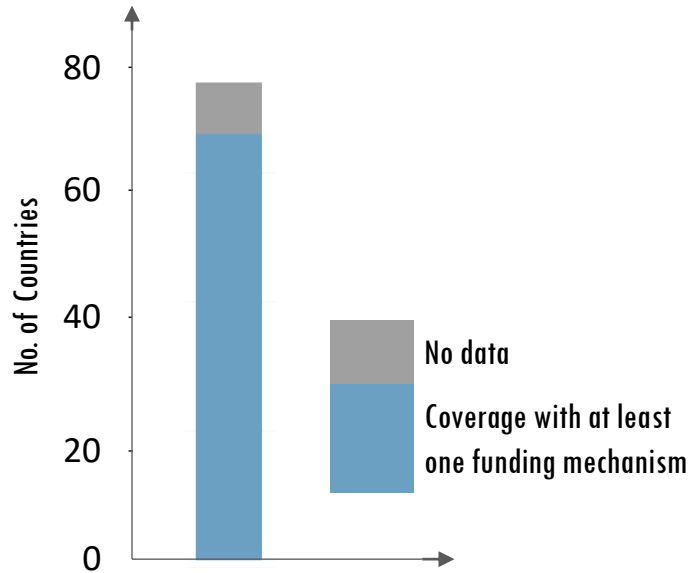
Source: Wang, H, et al, (2018)

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



Source: Selvaraj, S et al, (2018)

Paying for essential medicines for PHC



Coverage

- Revise/update benefits package
- Decrease co-pays
- Increase reimbursement rates

Availability

- Improve supply chain
- Increase opening hours at public facilities

Pricing

- Increase use of generics
- Register drugs from cheaper origins
- Centralize procurement
- Eliminate import duties
- Reference pricing
- Legislate & regulate to reduce power of oligopolies
- International bidding

Usage

- Develop essential drug list
- Develop clinical protocols
- Regulate and enforce standards for industry promotion
- Increase information to providers & patients



Financing comprehensive PHC

Functions

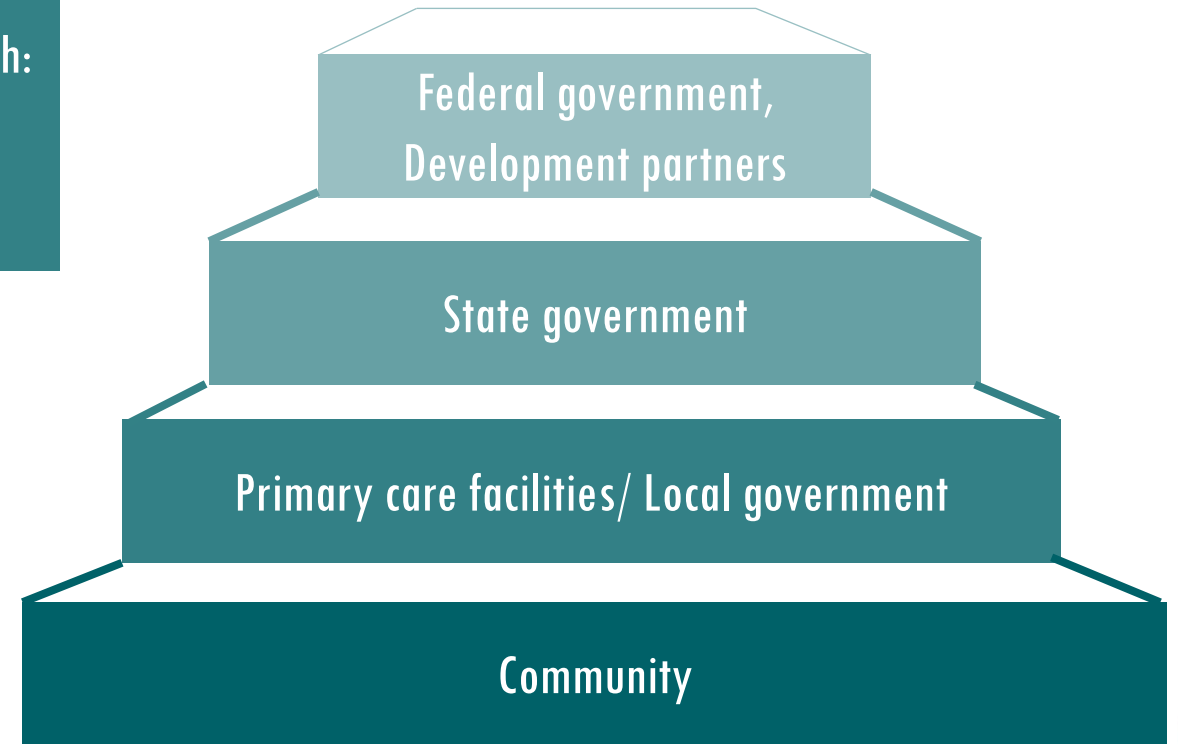
Comprehensive Primary Health Care

Primary Care

Public health:
Population-
based
services

Public health:
Intelligence

Public health:
Enabling
functions



Platforms

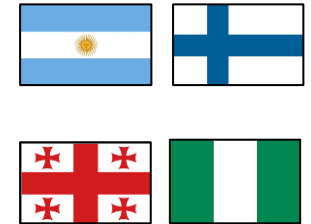
Financing comprehensive PHC

Public health

Low levels and fragmentation of funding

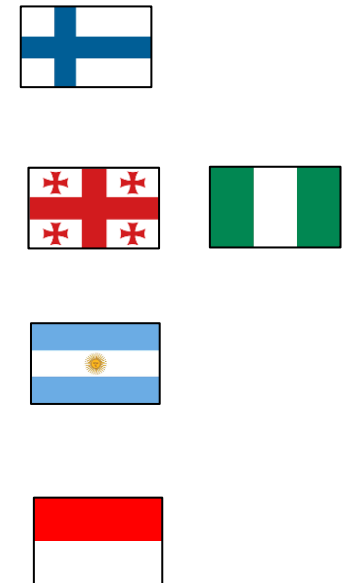
Consolidate and increase federal funding through :

- Conditional grants
- Institutional structures



Poor accountability, highly variable capacity and performance

- Reorganization of public health services
- Supervision & capacity development through central institutions
- Conditional grants with performance components
- “Contracting out” public health activities from local governments to primary care providers





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