

2022 ASIA & THE PACIFIC HEALTH FINANCING FORUM

FINANCIAL PROTECTION IN HEALTH IN THE COVID-19 ERA

Financing Primary Health Care:
Opportunities at the Boundaries

September 15-16, 2022
Bangkok, Thailand

Co-hosted by:



Supported by:



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FINANCIAL PROTECTION IN HEALTH IN THE COVID-19 ERA

Patrick Eozenou (World Bank)
Gabriela Flores (WHO)

Outline

Tracking financial
protection: overview and
Measurement

Global Perspectives from
the 2021 GMR

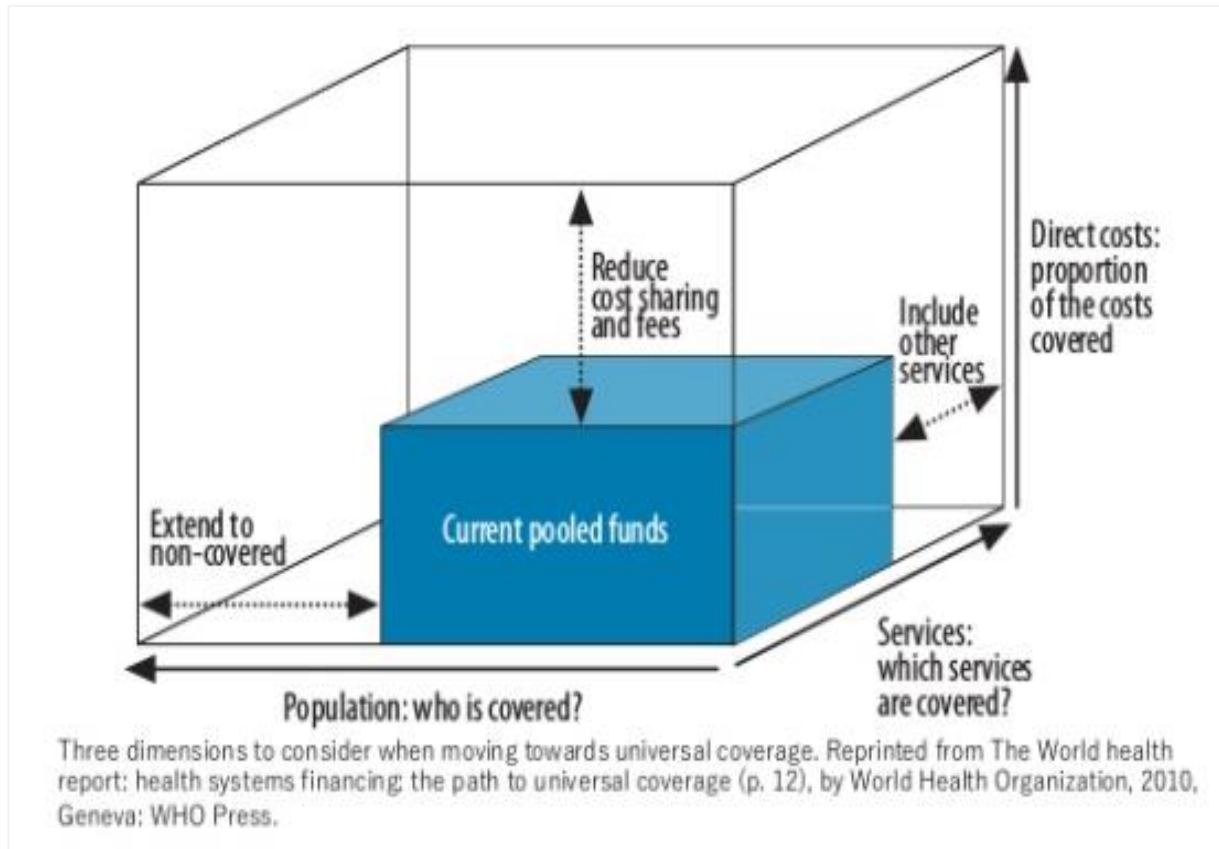
Regional Perspectives



Tracking financial protection is critical for UHC

Universal Health Coverage (UHC)

- UHC is a direction towards more people, more health services, and:
- **a greater share** of financing for health coming from **compulsory prepaid/pooled** funds:
 - Prepaid/pooled funds → **general taxes, compulsory earmarked payroll tax (SHI), premiums** from public/private insurance, etc.
 - **Compulsion** and **redistribution** are key for UHC: compulsory prepayment, subsidization for those who cannot prepay.
- **a smaller share** coming from OOP financing.



OOP financing is particularly high in South Asia and in LMICs

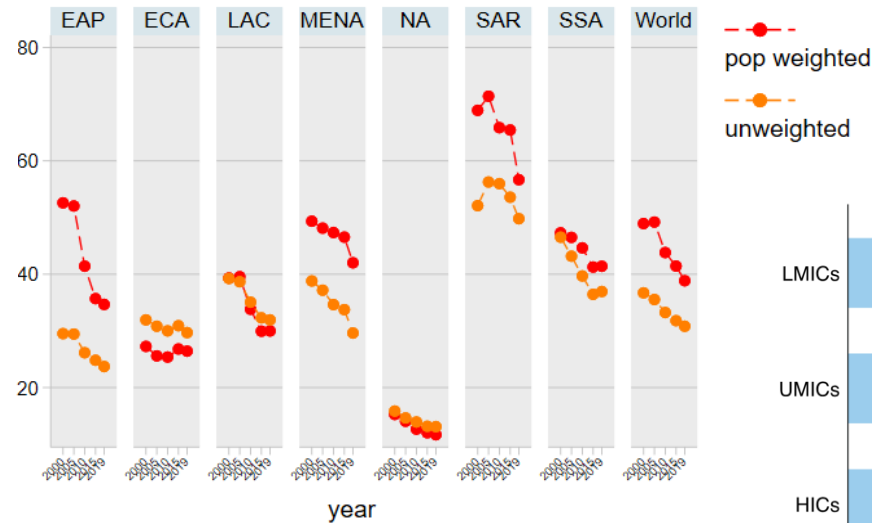
OUT-OF-POCKET HEALTH PAYMENT DEFINITION

Any spending incurred by a household when any member uses a health good or service to receive any type of care, from any provider for any disease or health condition, and at any setting. It includes:

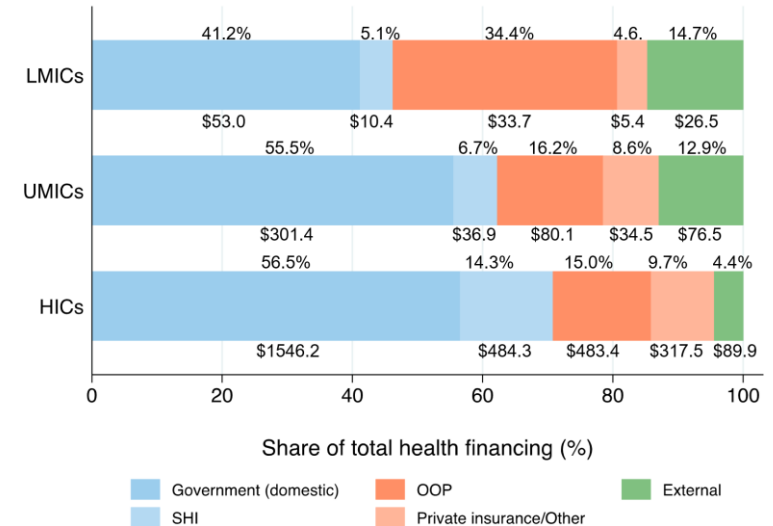
- formal and informal payments
- direct payments made at point of using any health good or service
- delivered by any type of provider
- exclude any third-party payer reimbursement.**
- Include cost-sharing

- **Inefficient, inequitable, lack of risk pooling**
- **Its requirement represents a barrier to access**
- **Source of financial hardship**

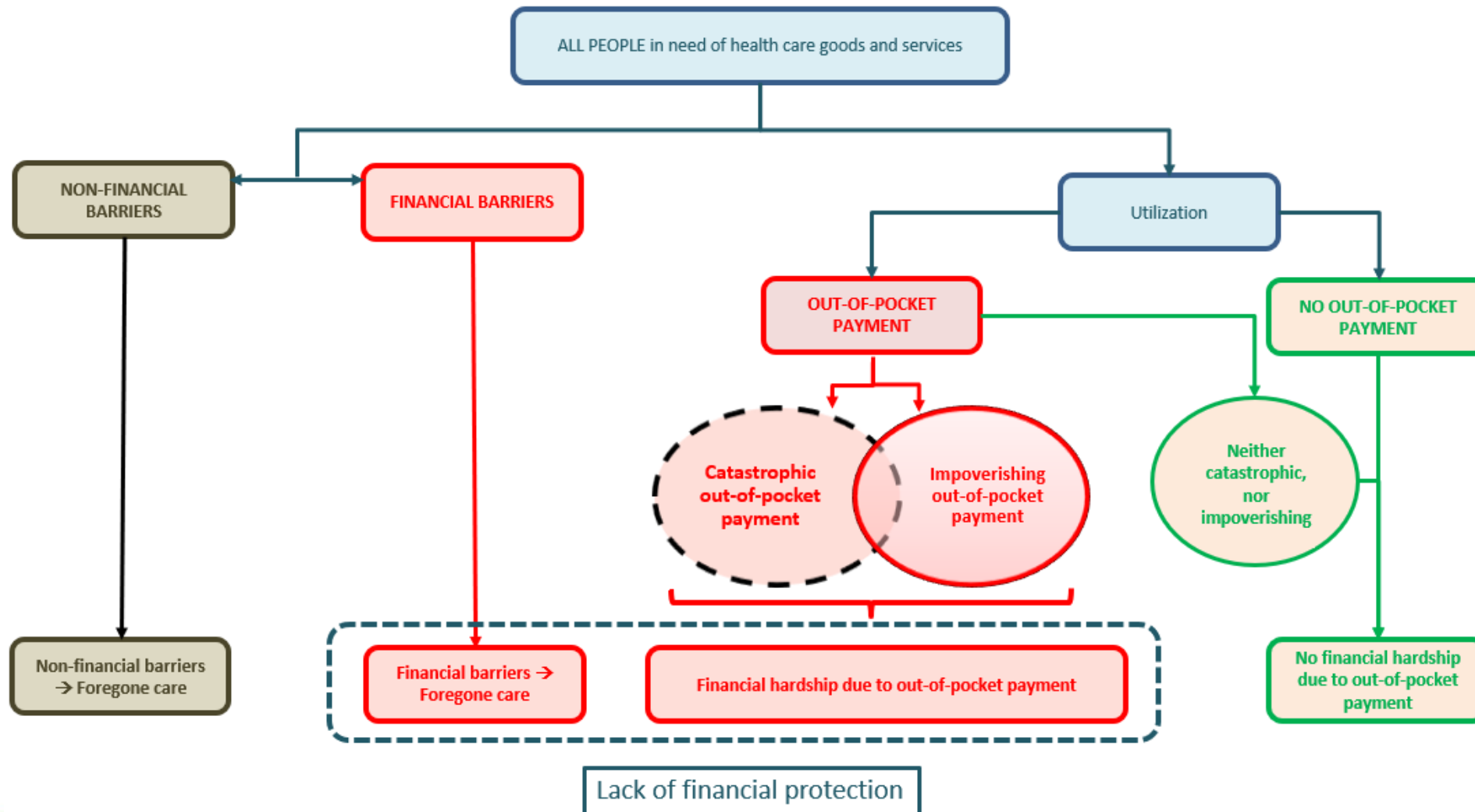
OOP health spending as a % current health spending
2000-2019



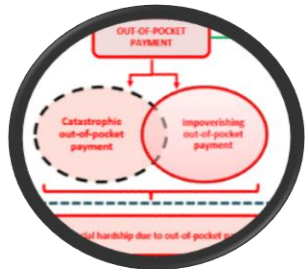
Source: Global Health Expenditure Database, 2021 update



Financial hardship and financial barriers to access are key consequences of inadequate financial protection mechanisms



Tracking financial hardship across the whole population: catastrophic and impoverishing health spending



Undue financial hardship

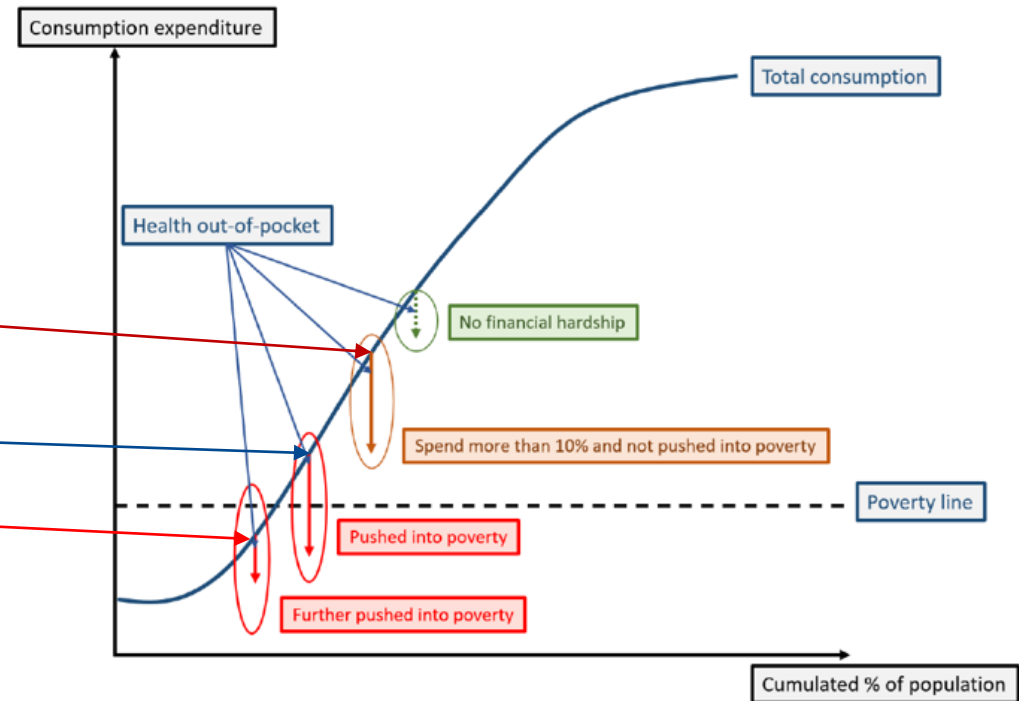
Data source: HH surveys with "consumption aggregate" and OOP data (> 900, representing > 80% of world population for new estimates in 2021 report)

CATAstrophic OOP
Share of population with out-of-pocket medical spending (OOP) exceeds 10% (25%) of household budget

IMPOVerishing OOP
Share of population pushed under (absolute and relative) poverty line by OOP

Pushed further into poverty by OOP
Share of already poor population (absolute and relative) with any OOP

New in 2021 report



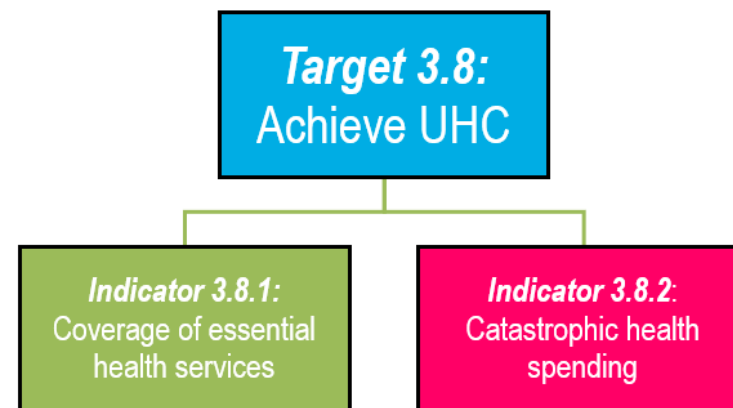
Within the SDG monitoring framework, financial hardship tracking is focused on

Incidence of catastrophic payments (SDG indicator 3.8.2):

- Proportion of the population with household expenditures on health
- greater than 10% of total household's expenditure or income.
- greater than 25 % of total household's expenditure or income.

UHC is an SDG

SDG 3: 'ensure *healthy lives* and promote well-being for all ages'

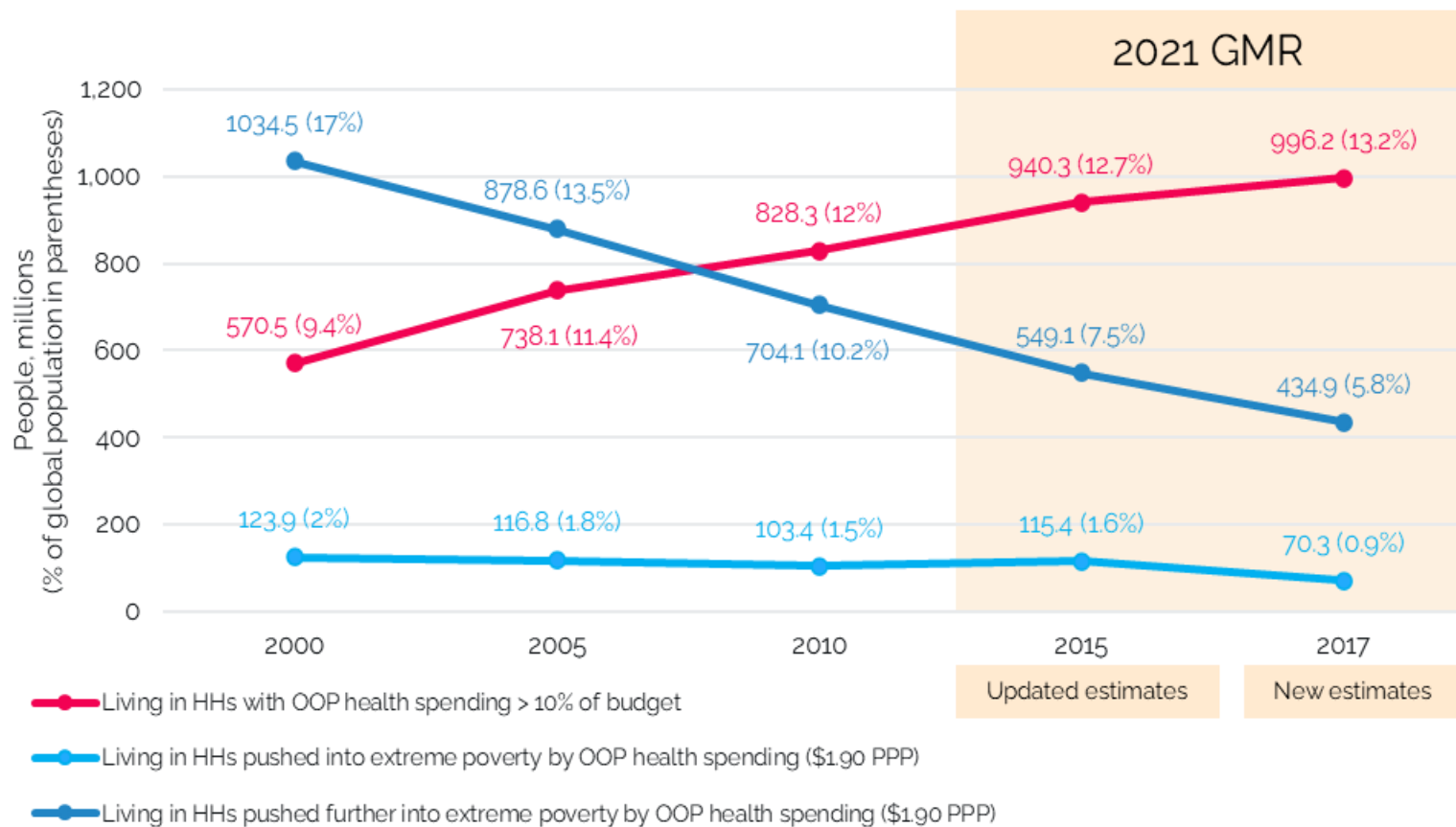




Global Perspectives from the 2021 Monitoring Report

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The world was off-track to reduce financial hardship prior to the pandemic



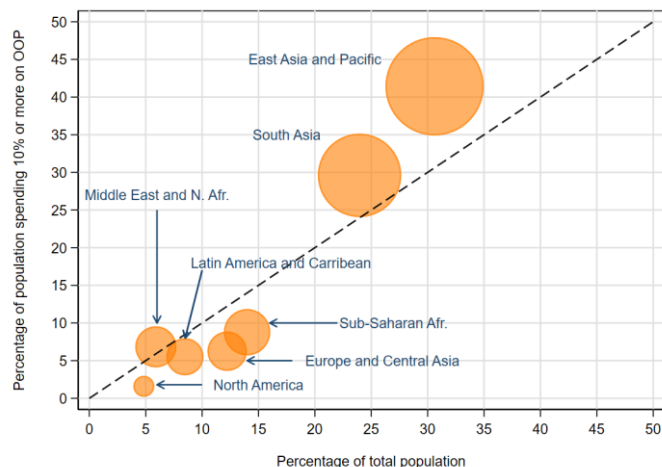
- Incidence of catastrophic health spending increased continuously
- Incidence of extreme impoverishing health spending decreased continuously



A large part of the population facing financial hardship is concentrated in East and South Asia

1

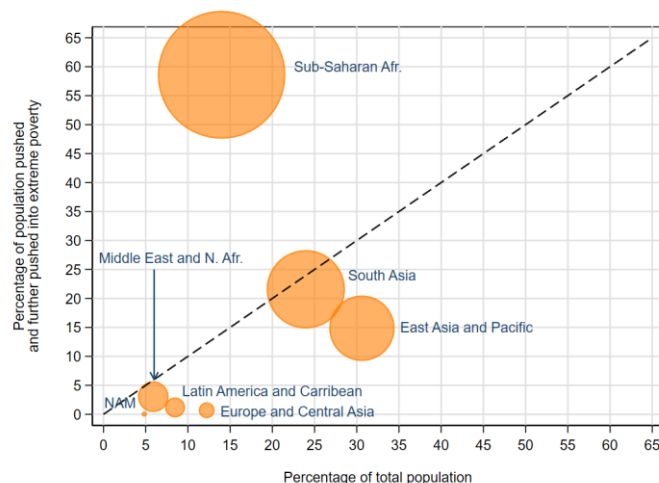
The population facing **catastrophic payments** is concentrated in **EAP (42%) and SAR (30%)**



Reason: Population much larger and incidence higher in EAP and SAR than elsewhere

2

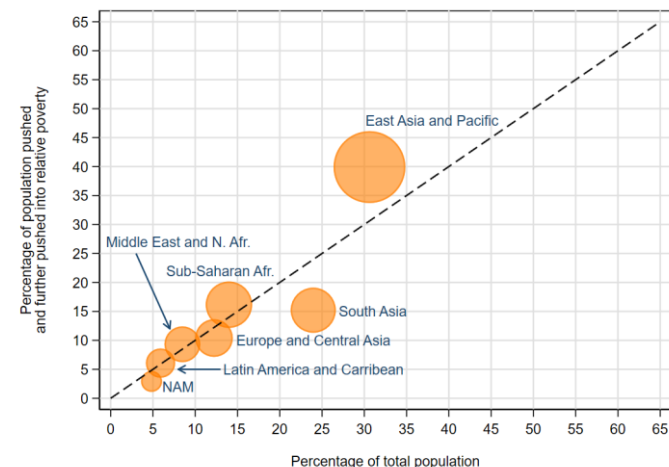
Population facing **impoverishment into extreme poverty** (pushed & further pushed) is concentrated in **SSA (21%), SAR (34%) & EAP (39%)**



Reason: Very high incidence in SSA, large population in SAR and EAP

3

The population facing **impoverishment into relative poverty** (pushed and further pushed) is concentrated in **EAP (41%)**



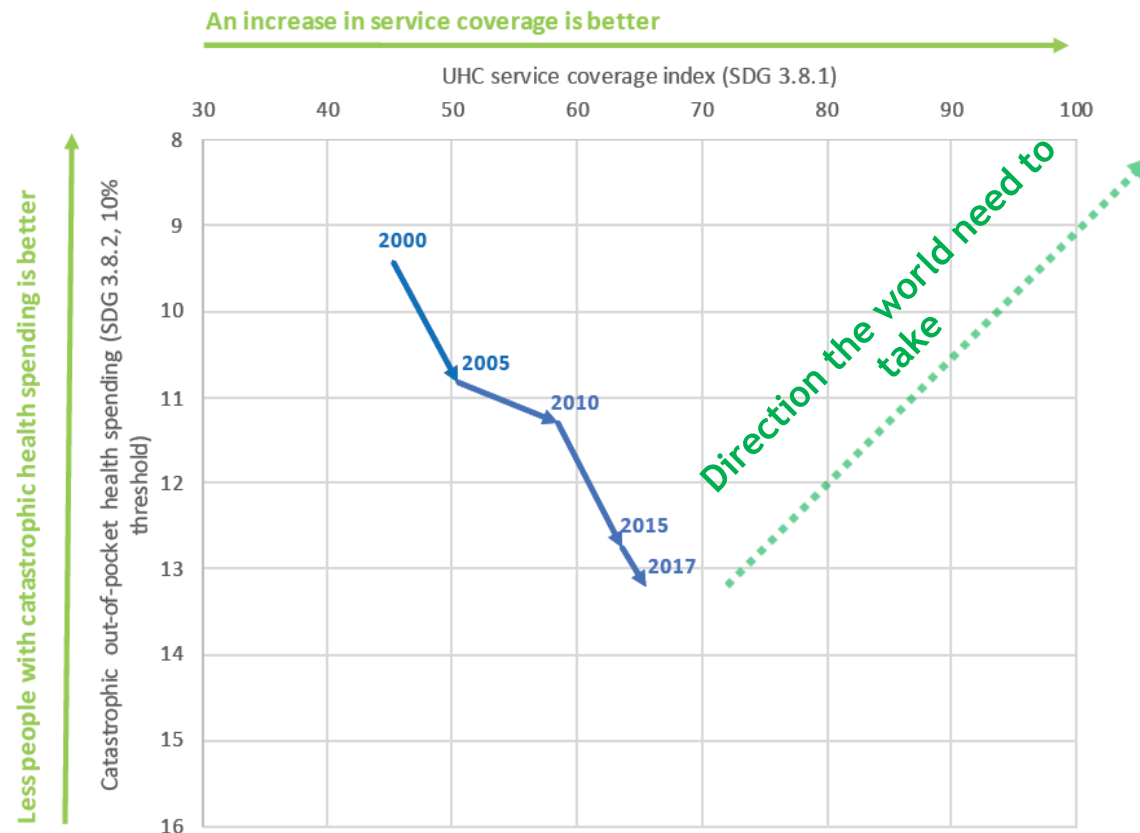
Reason: Large population and high incidence in EAP



As a result, the world was also off-track on the path to UHC

Globally service coverage increased but catastrophic spending due to accessing health services worsened over the past two decades

Figure ES.1 Progress in service coverage (SDG indicator 3.8.1) and catastrophic health spending (SDG indicator 3.8.2, 10% threshold), 2000–2017



1. Income is a driver.

2. People with more money spend more.

3. Public finance and public policy matters.

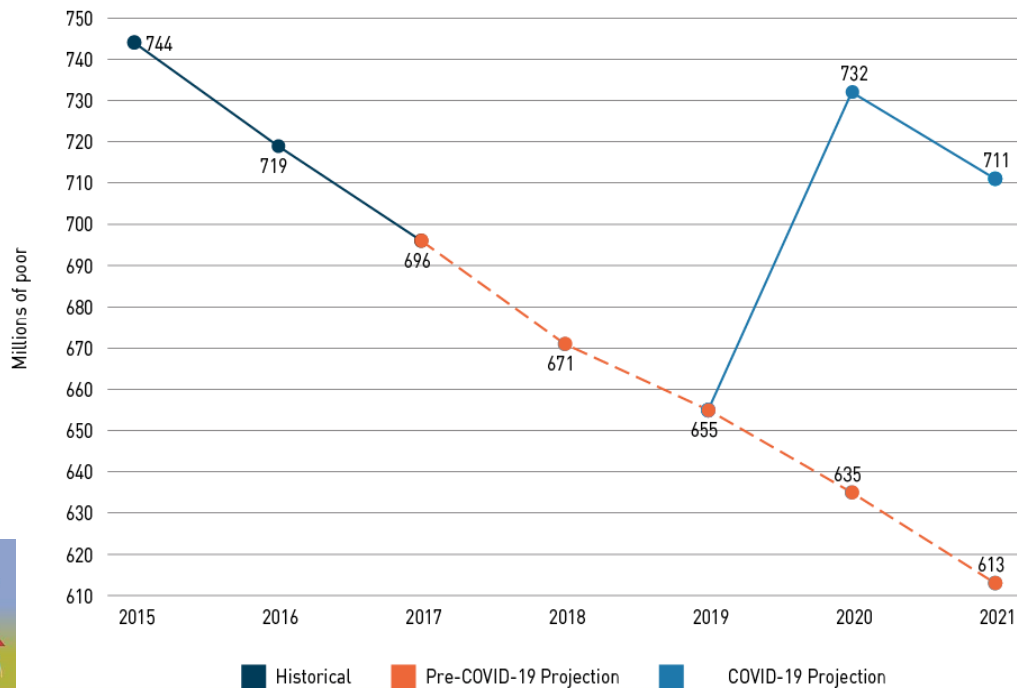
Understanding the past matters because it helps us identify priorities going forward during this period. Would it be possible to reverse this course?



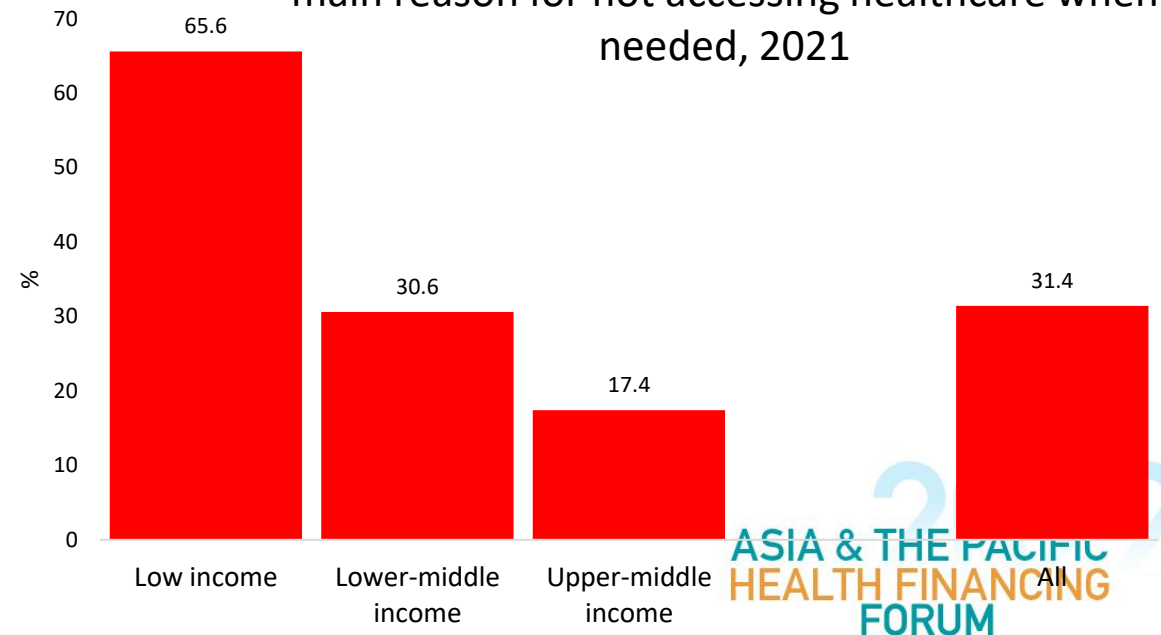
Most likely, COVID-19 has worsened financial protection globally

The Economic and Health Impacts of the COVID-19 Pandemic are Leading to a Significant Worsening of Financial Protection

Global Extreme Poverty, 2015-2021



Percent of households reporting affordability as the main reason for not accessing healthcare when needed, 2021



Source: Authors calculations using data from the World Bank High Frequency Survey (2021) (4). Data collected between Apr-20 and Aug-20.

Source: Mahler et al. (2021)





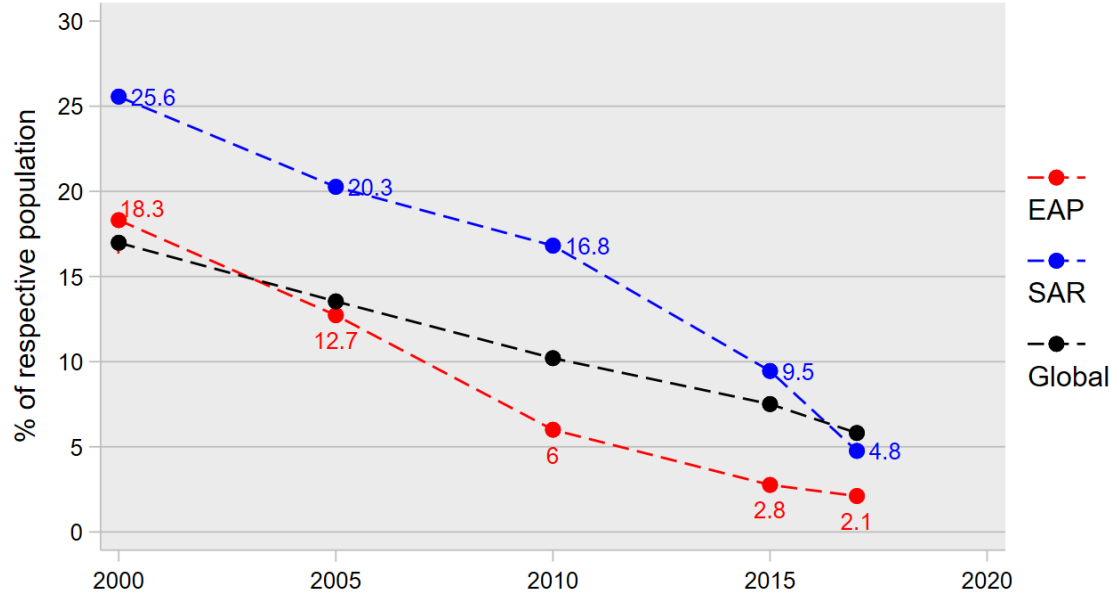
Regional Perspectives

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Both regions reduced impoverishing health spending before the COVID-19 pandemic, especially among the poorest

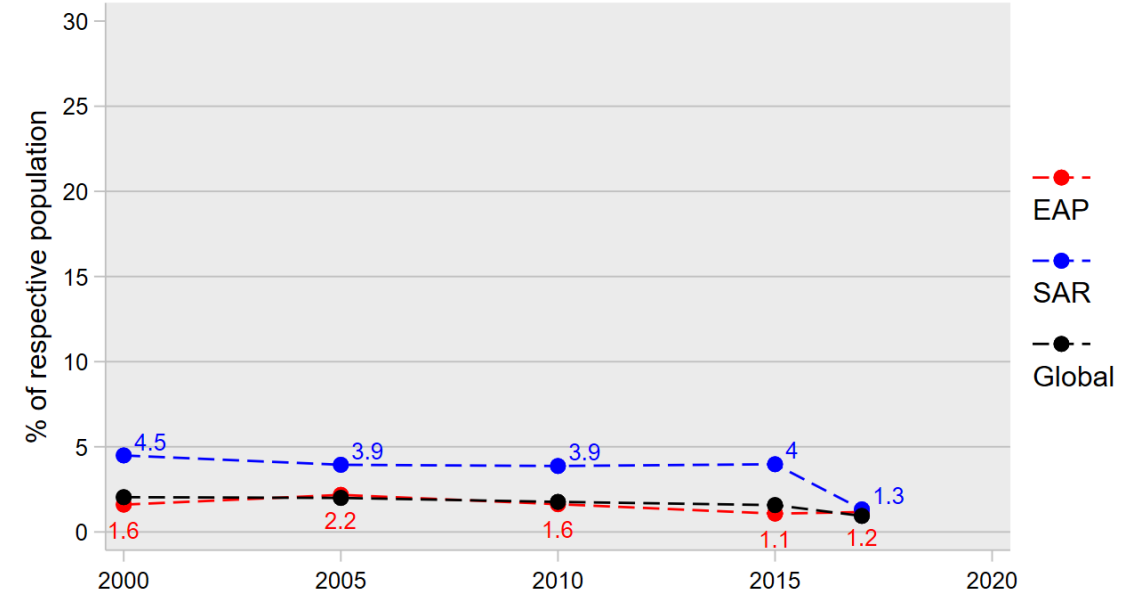
- In both, OOP health spending incurred by the poorest (those living in extreme poverty) decreased sharply and continuously. Hence, fewer people were further impoverished when seeking care
- In EAP, the population pushed into extreme poverty decreased slightly, while in SAR, the rate of reduction accelerated markedly after 2015

Incidence of further impoverishment pushed further below PPP\$1.90 a day



Source: Global database on financial protection assembled by WHO and the World Bank, 2021 update

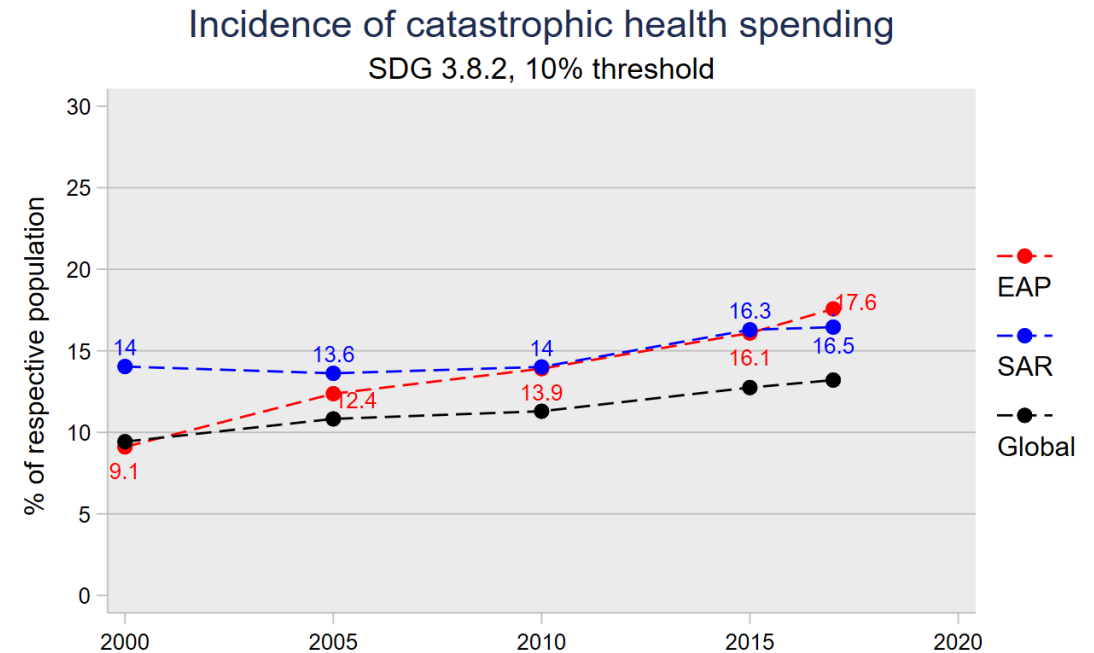
Incidence of extreme impoverishment pushed below PPP\$1.90 a day



Source: Global database on financial protection assembled by WHO and the World Bank, 2021 update

But, in both regions catastrophic health spending was on the rise before the pandemic

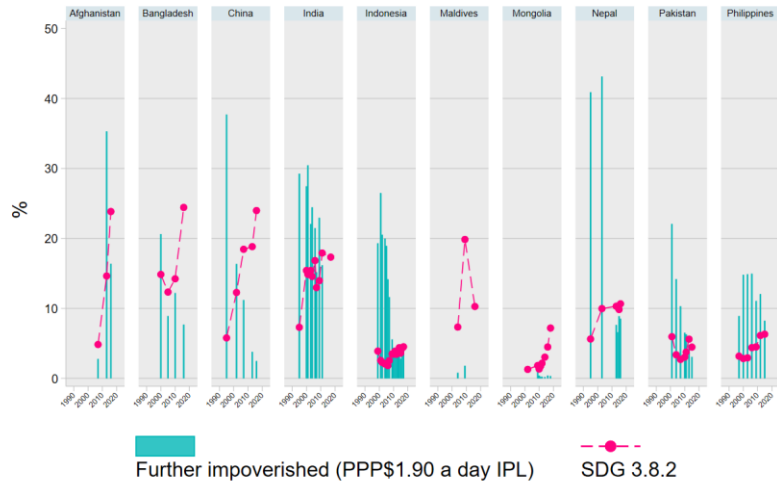
- The proportion of the population with large OOP health spending (exceeding 10% of budget) increased continuously
- The rate almost doubled in EAP and by 2017, 41.5% of the world's population with such large OOP health spending was concentrated in EAP.



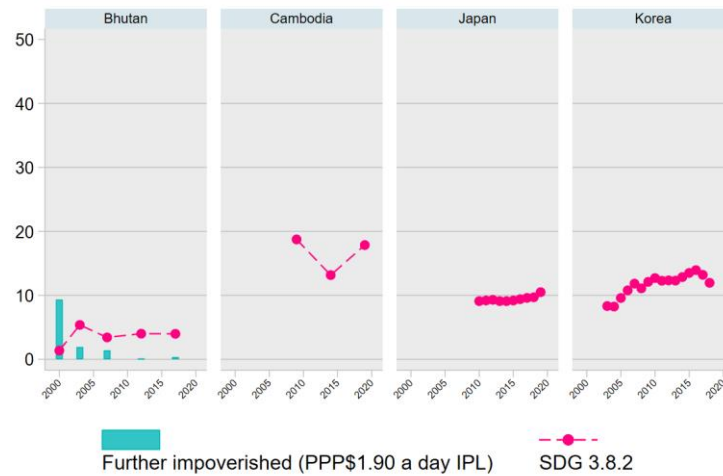
Source: Global database on financial protection assembled by WHO and the World Bank, 2021 update

Across most countries OOP health spending incurred by the poorest decreased sharply, but catastrophic health spending increased

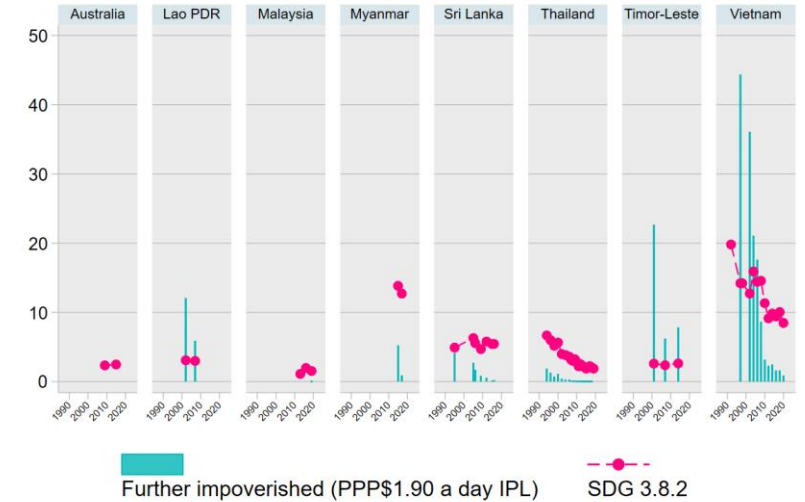
Trends in catastrophic health spending (SDG 3.8.2, 10% threshold) and further impoverishment due to OOP health spending



Source: Global database on financial protection, WHO and the World Bank, 2021 update



Source: Global database on financial protection, WHO and the World Bank, 2021 update



Source: Global database on financial protection, WHO and the World Bank, 2021 update

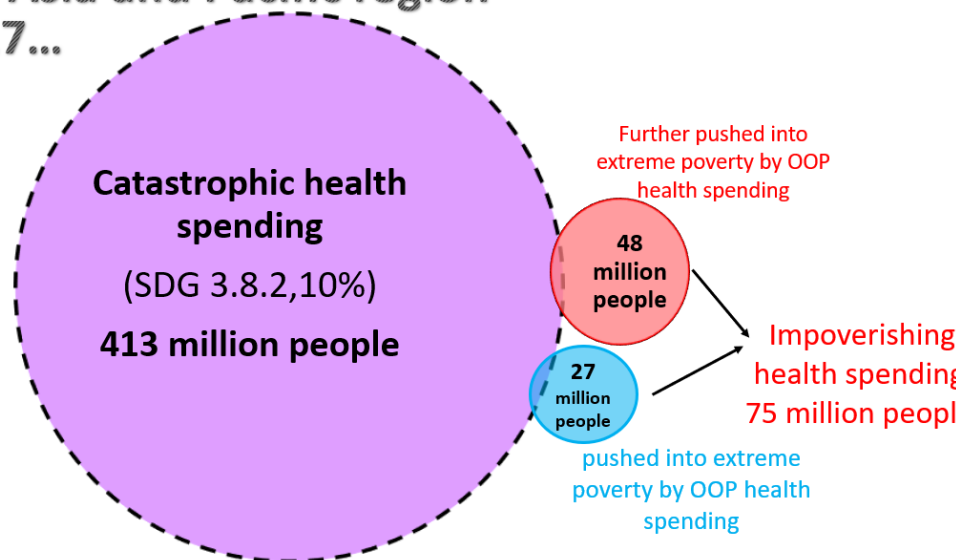
Catastrophic health spending increasing

Catastrophic health spending decreasing or no change

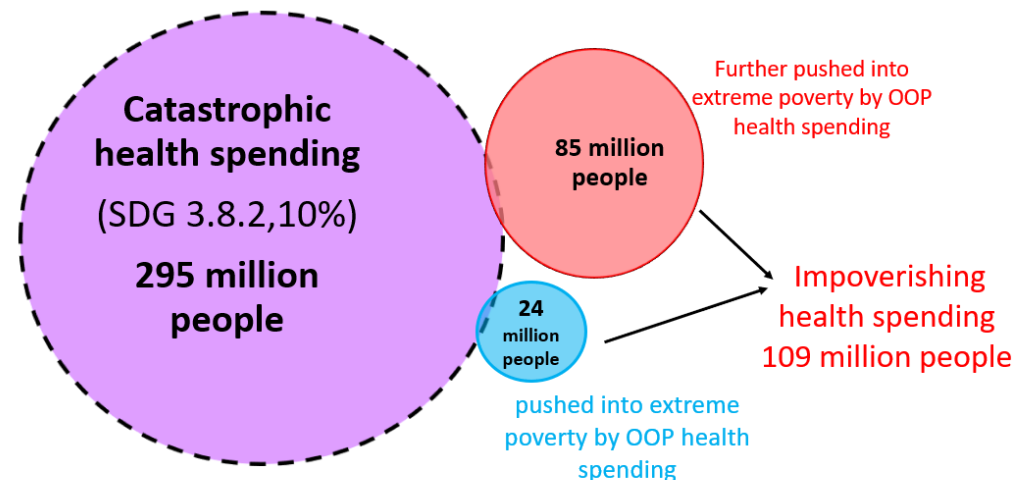
Note: Trend data is not available for Kiribai, Fiji, Singapore

The overall number of people exposed to financial hardship remained high in both regions

WB East Asia and Pacific region 2017...



WB South Asia region 2017...



Who was incurring financial hardship?

In most countries in SAR:

People living in rural areas had higher rates of impoverishing OOP health spending as compared to people living in urban areas.

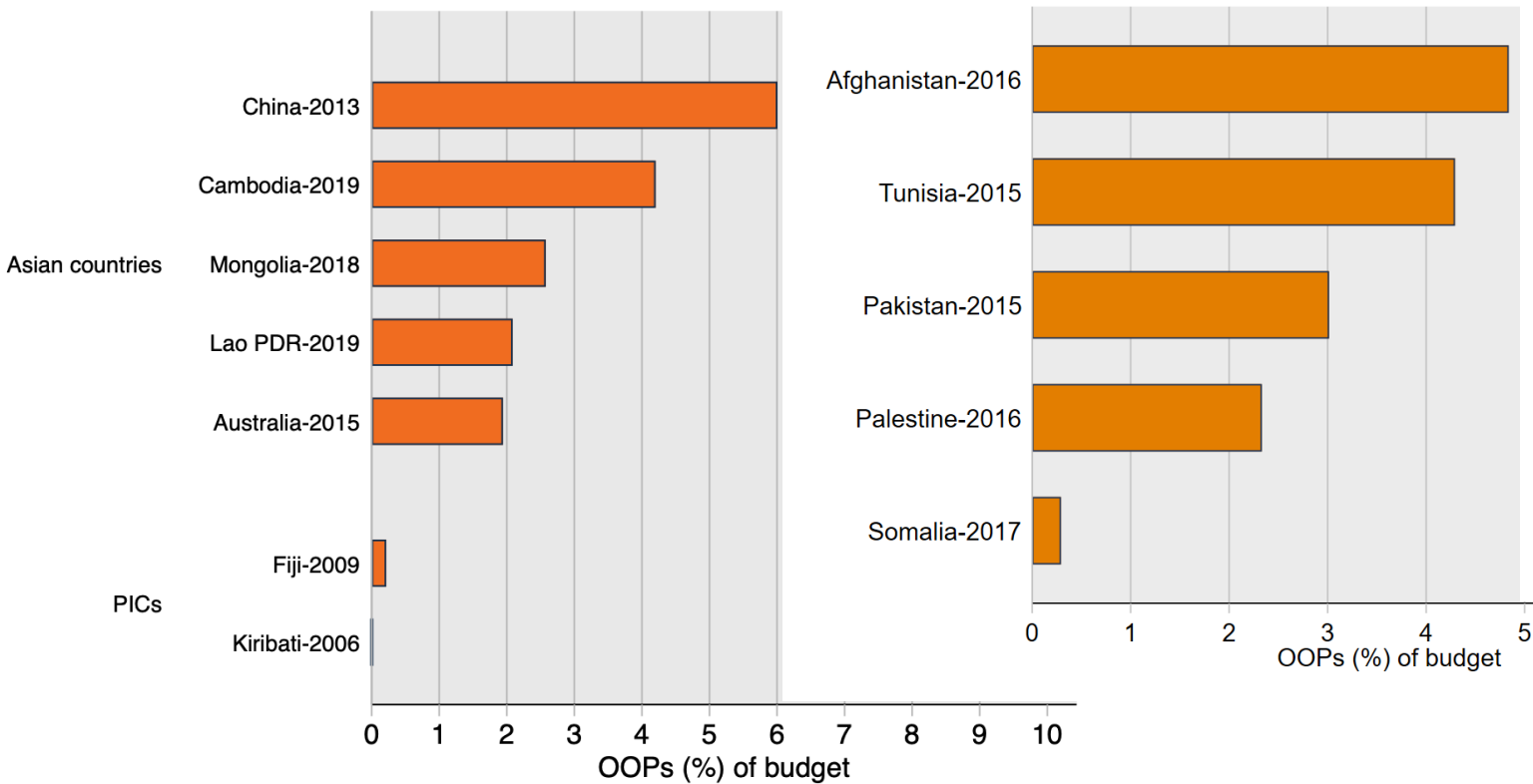
In most countries in EAP:

people living in rural areas faced the highest rates of both catastrophic and impoverishing health spending, with larger differences for the latter

People living with an older household head (>60) faced higher rates of catastrophic spending; those living with younger heads face higher rates of impoverishing health spending. Age-related inequalities were greater for the incidence of catastrophic health spending

Three out of the four countries with available data had higher rates among older households (Lao PDR higher rates among multigenerational households)

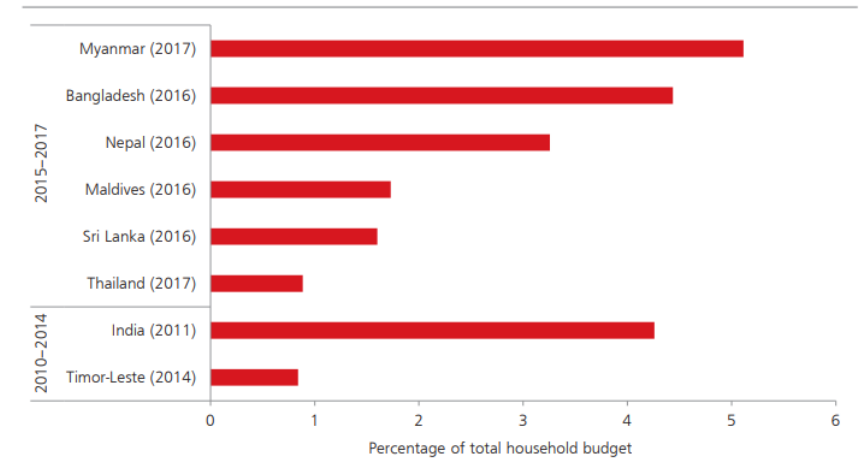
How much were those in the lowest quintile spending on health out-of-pocket?



Source: Background data prepared by WHO for the 2021 update of the WHO global financial protection database.

Forthcoming in WHO report for the Western Pacific region and Eastern Mediterranean regions

Fig. 13. Average health expenditure budget share for those in the poorest quintile in select countries, latest available year



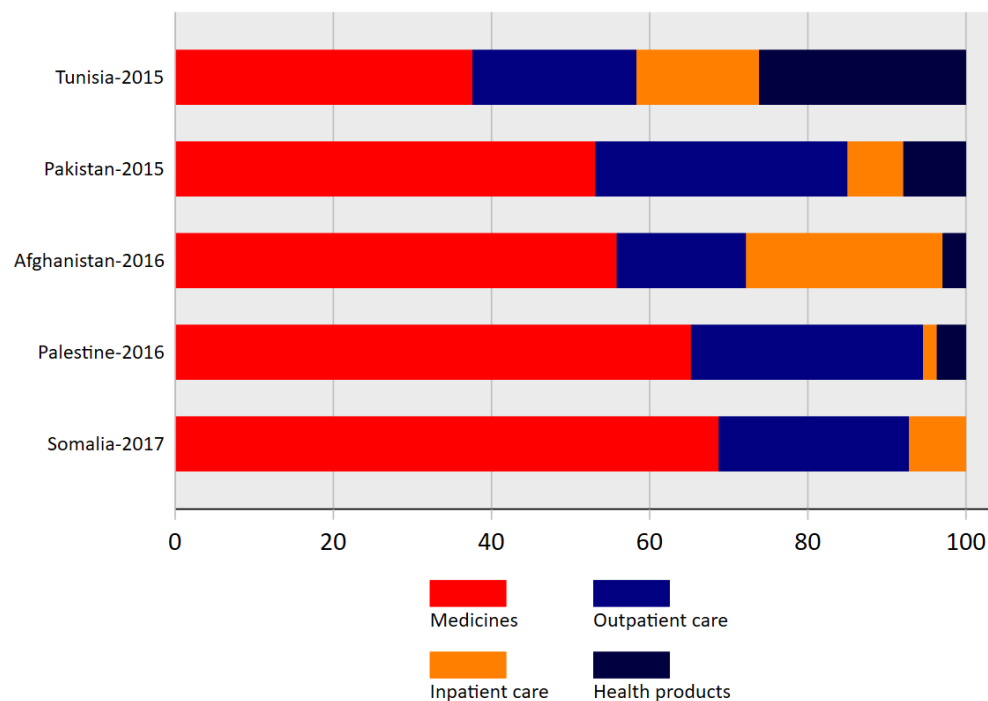
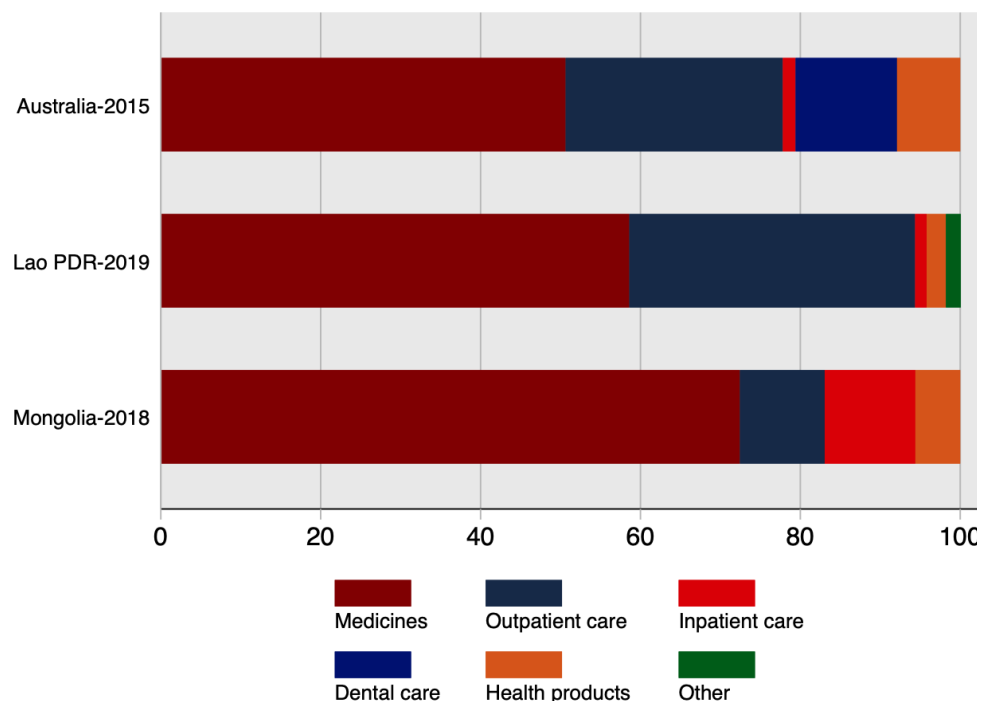
Source: Background data prepared by WHO for the 2021 update of the WHO and World Bank global financial protection database.



2022 update
SDGs, UHC and financial protection: Leaving no one behind

In countries with available data, medicines were the main drivers of OOP health spending...

Average composition of OOP health spending, latest year available, selected countries



Monitoring progress on universal health coverage and the health-related Sustainable Development Goals in the South-East Asia Region



2022 update

SDGs, UHC and financial protection: Leaving no one behind

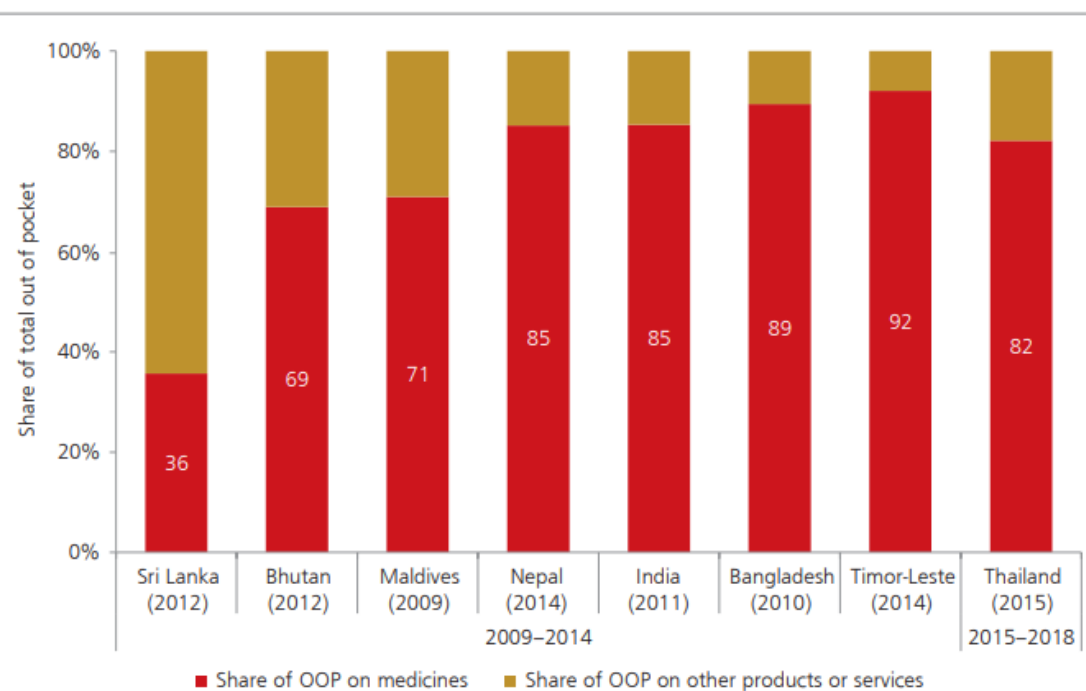


Source: Background data prepared by WHO for the 2021 update of the WHO global financial protection database.

Forthcoming in WHO report for the Western Pacific region and Eastern Mediterranean regions

...especially for the poorest

Average for the lowest quintile, latest year available, selected countries



Source: Data extracted from Table 7 in¹² and data for Timor-Leste based on background data prepared by WHO for the 2021 update of the WHO and World Bank global financial protection database.

Monitoring progress on universal health coverage and the health-related Sustainable Development Goals in the South-East Asia Region

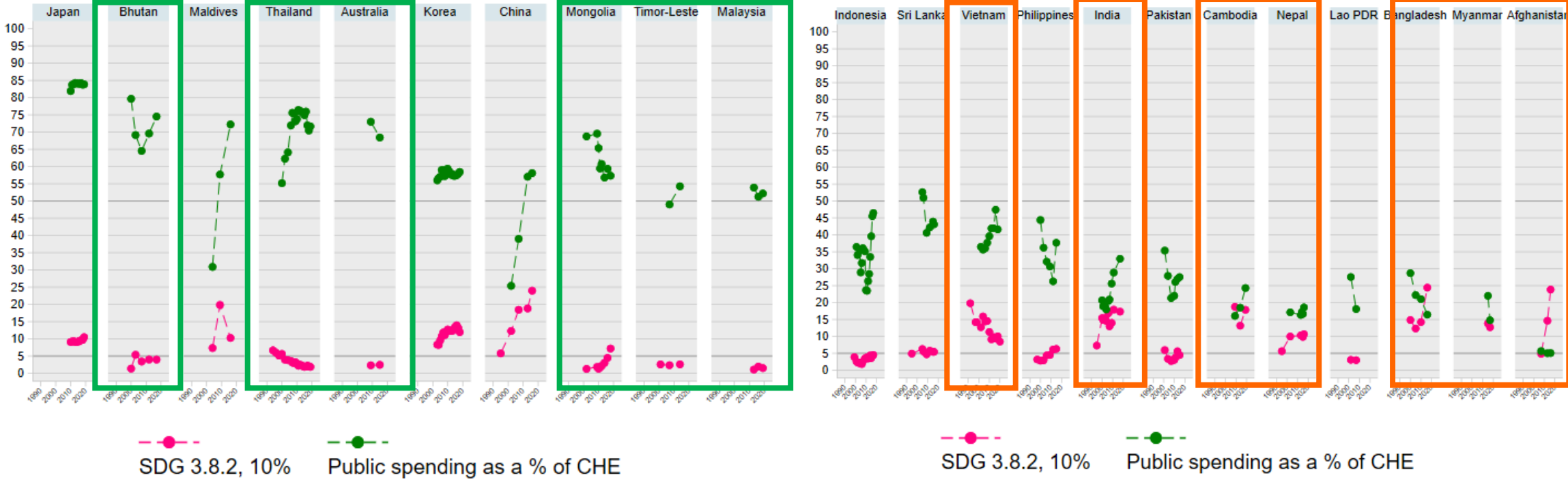


2022 update

SDGs, UHC and financial protection:
Leaving no one behind



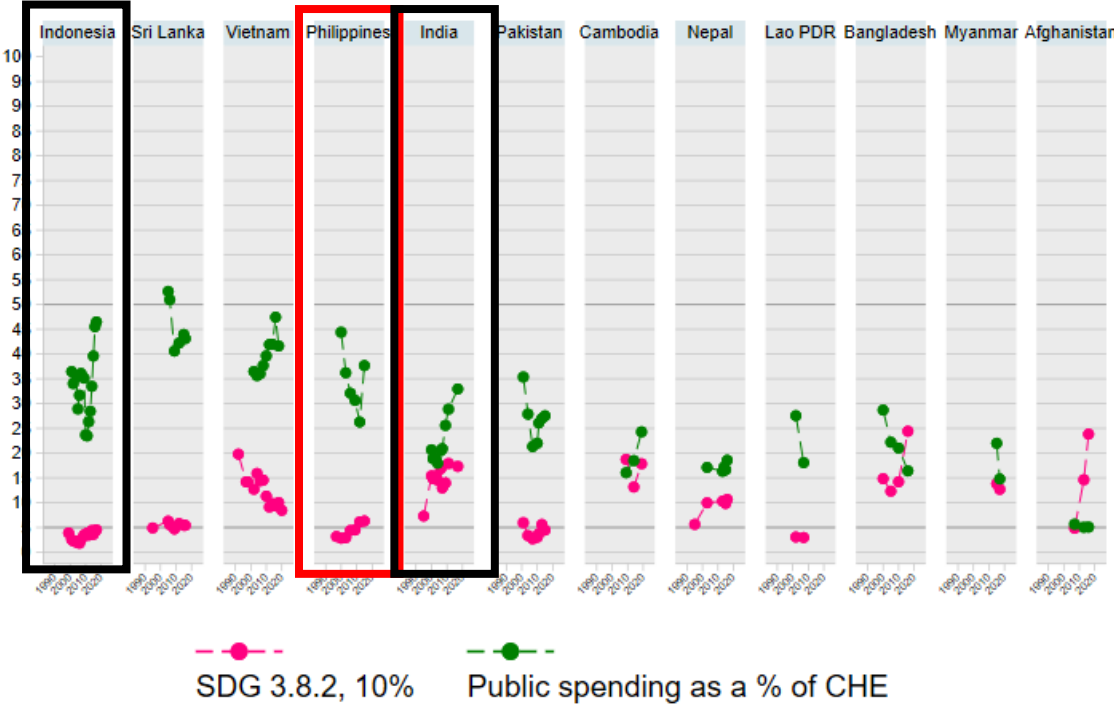
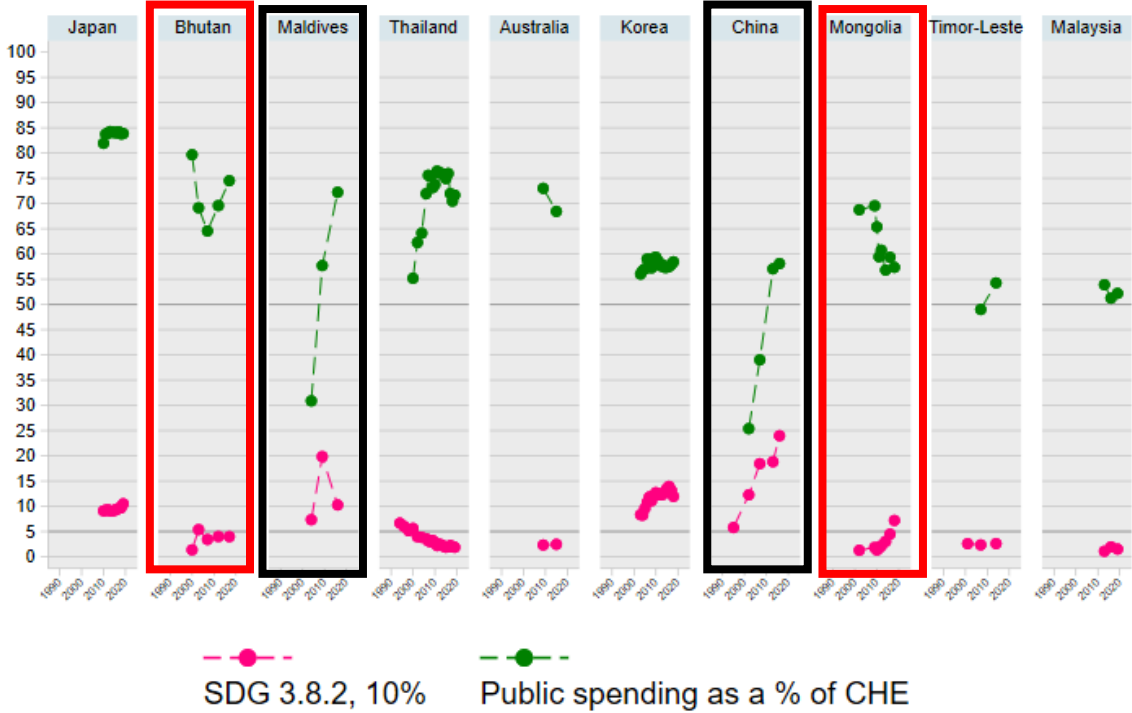
Higher public spending was positively associated with lower rates of catastrophic health spending



Source: Global database on financial protection, WHO and the World Bank, 2021 update and Global Health Expenditure Database , 2021 update

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Higher public spending was positively associated with lower rates of catastrophic health spending



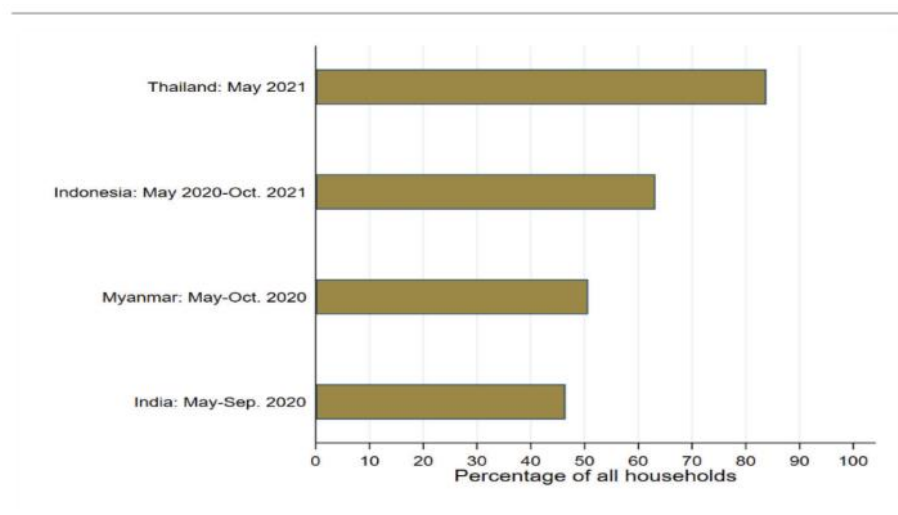
Source: Global database on financial protection, WHO and the World Bank, 2021 update and Global Health Expenditure Database, 2021 update

Source: Global database on financial protection, WHO and the World Bank, 2021 update and Global Health Expenditure Database, 2021 update

The Economic and Health Impacts of the COVID-19 Pandemic most likely led to a Significant Worsening of Financial Protection

- Many households had to reduce their consumption of essential goods and services

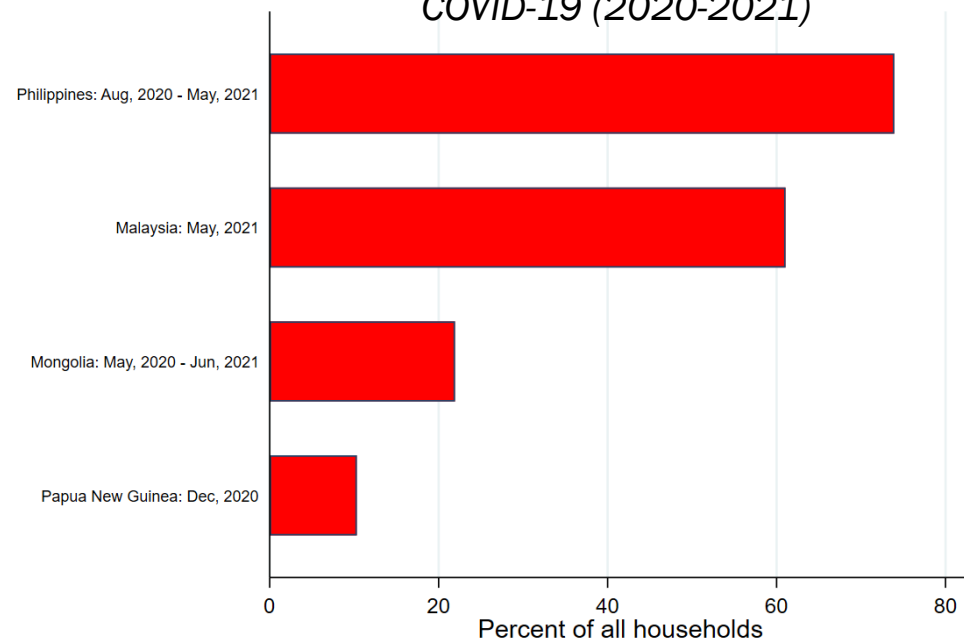
Fig. 18. Reducing consumption of (essential or non-essential) goods during COVID-19 (2020 and 2021)



Source: The High-Frequency Phone Survey-based estimates and in the case of India, figures are based on COVID-19-related shocks survey in rural India 2020. Accessed May 2022. Note: Countries are included based on data availability. The average percentage of households over multiple waves is used except for nd; the rate corresponds to 2021.



Reducing consumption of (essential or non-essential) goods during COVID-19 (2020-2021)

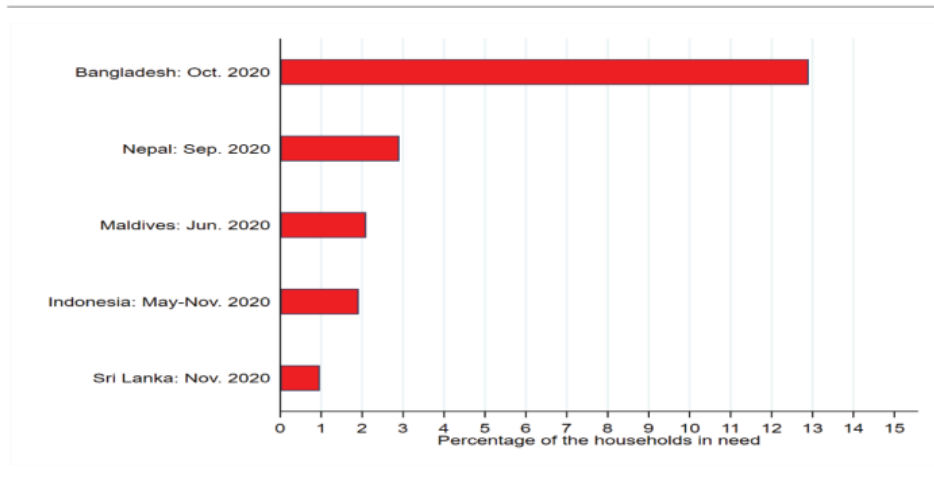


NOTE:
78% of countries have more than 1 point estimate over multiple waves.
Average estimate over the multiple waves is used.

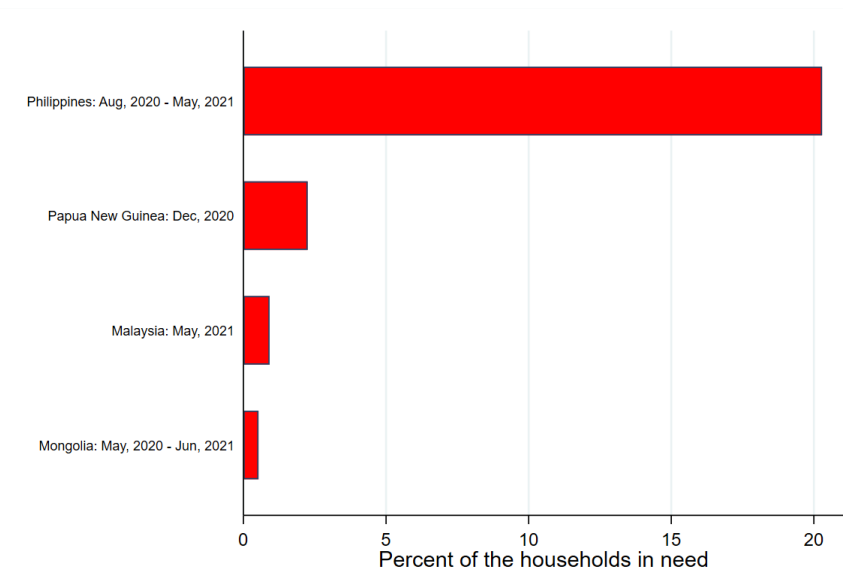
Source: World Bank High-frequency phone survey. Background data prepared by WHO for the 2021 update of the WHO global financial protection database.

Many household reported financial barriers to access needed care during the pandemic

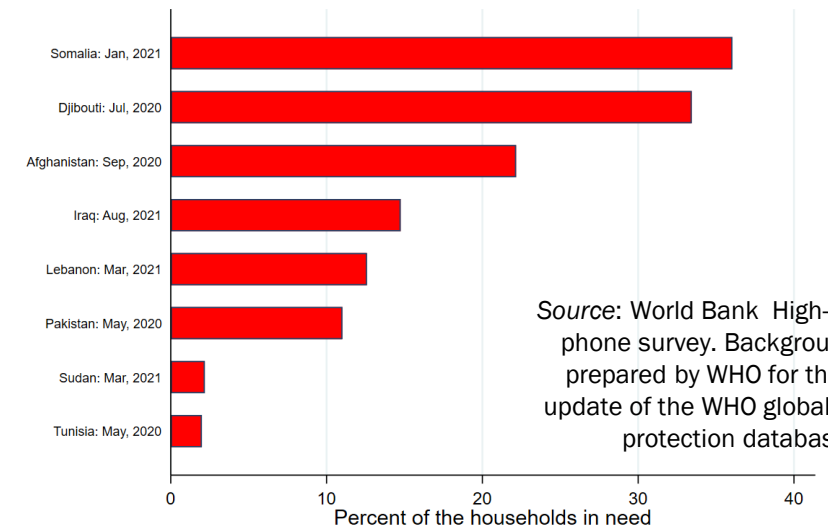
Fig. 19. Financial barriers to access health care within 2020/2021: proportion of households in need unable to receive medical attention due to lack of money



Source: World Bank COVID-19 Household Monitoring Dashboard (Accessed May 2022). Note: Countries included based on data availability. Rates are based on the first wave except in Indonesia, for which average across multiple waves were conducted.



NOTE:
78% of countries have more than 1 point estimate over multiple waves.
Average estimate over the multiple waves is used.



NOTE:
65% of countries have more than 1 point estimate over multiple waves.

Source: World Bank High-frequency phone survey. Background data prepared by WHO for the 2021 update of the WHO global financial protection database.

What are the implications of the available evidence?

- **Shift from a (heavy) reliance on OOP spending to increasing and efficiently using public spending on health accompanied by robust coverage policies and targeting to reduce the financial hardship on households, especially among the poor and vulnerable**
- **Reduce OOP related to medical products and outpatient care through comprehensive benefit packages supported by adequate levels of public spending on health.**
- **Do not consider the benefit package in isolation from user charges to ensure that vulnerable and disadvantaged population groups have access to an essential health care package, including medicines and outpatient care, without financial hardship**
- **Where feasible, introduce targeted policies to overcome barriers to access healthcare services, including eliminating OOP health spending for the poorest and near-poor segments of the population to ensure they are not paying for healthcare or foregoing care**
- **Advocate and enable timely monitoring of financial protection to understand the impact COVID-19 as well as of policies in place to mitigate any negative outcome**

Monitoring progress on universal health coverage and the health-related Sustainable Development Goals in the South-East Asia Region



2022 update

SDGs, UHC and financial protection:
Leaving no one behind



Tracking Universal Health Coverage

2021 Global Monitoring Report



Global monitoring report on financial protection in health 2021



Progress toward UHC: Monitoring financial protection in the Western Pacific Region

Regional Brief

September 2022

THANK YOU

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