Universal health coverage: challenges

Ricardo Bitrán

Summary

- Defining Universal Health Coverage (UHC)
- Measuring UHC
- Developing a strategy, roadmap, and vision for achieving UHC
- Key points
Consequences of direct payments

Expenses that result in impoverishment

- Poverty line
- Household income before health spending
- Household spending
- Other

Catastrophic health expenses

- Line arbitrarily defined as catastrophic
- Household income before health spending
- Household spending
- Other

> Creates catastrophic financial risk
> Pushes households into poverty
> Reduces spending on other essential needs
> Discourages individuals from seeking needed care, leading to consequences of disease
Consequences of direct payments

- 1.3 billion poor individuals do not have access to the health care they need
- 150 million individuals face financial disaster & 100 million pushed into poverty as a result of direct payments
- 20-40% of health resources are wasted

Direct payments

Situation in selected Latin American and Caribbean (LAC) countries

Health care financing structure in 7 LAC countries, most recent year (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Government spending</th>
<th>Social security</th>
<th>Household spending</th>
<th>Other private spending</th>
<th>Private insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominican Republic</td>
<td>38.7</td>
<td>32.4</td>
<td>53.3</td>
<td>31.3</td>
<td>45.6</td>
</tr>
<tr>
<td>El Salvador</td>
<td>32.4</td>
<td>31.3</td>
<td>33.7</td>
<td>45.6</td>
<td>35.7</td>
</tr>
<tr>
<td>Guatemala</td>
<td>31.3</td>
<td>33.7</td>
<td>45.6</td>
<td>35.7</td>
<td>38.7</td>
</tr>
<tr>
<td>Guyana</td>
<td>33.7</td>
<td>45.6</td>
<td>35.7</td>
<td>38.7</td>
<td>32.4</td>
</tr>
<tr>
<td>Haiti</td>
<td>45.6</td>
<td>35.7</td>
<td>38.7</td>
<td>32.4</td>
<td>31.3</td>
</tr>
<tr>
<td>Honduras</td>
<td>35.7</td>
<td>38.7</td>
<td>32.4</td>
<td>31.3</td>
<td>45.6</td>
</tr>
<tr>
<td>Peru</td>
<td>38.7</td>
<td>32.4</td>
<td>53.3</td>
<td>31.3</td>
<td>45.6</td>
</tr>
</tbody>
</table>

March 2015 Bitrán-Universal Health Coverage
Is this problem unique to LAC countries?

Health care financing structure in developing economies, 2012 (%)

- China 34.3%
- India 57.6%
- Indonesia 45.3%
- Congo 25.1%
- South Africa 7.2%

Is the situation improving?

Health financing structure in developing economies, 2002 and 2012 (%)

- China 58% to 42%
- India 71% to 29%
- Indonesia 55% to 42%
- Congo 45% to 53%
- South Africa 12% to 88%
Direct payments

- Is the situation improving in your countries?
- How you get the data necessary to determine whether the situation is improving in your countries?
  - ...
  - ...

Universal Health Coverage: definition

- Resolution of the General Health Assembly of the World Health Organization in 2005, asking member countries to develop health care financing systems that would:
  - Ensure that all citizens have access to the health care they need without facing financial risk.
- The idea of pushing towards UHC dates back to the 1948 WHO constitution and the 1978 Declaration of Alma-Ata.
Three issues to consider in the drive towards UHC: population, services, and costs

- **Width** (proportion of the population covered)
- **Depth** (services covered)
- **Height** (proportion of direct costs covered)
Three issues to consider in the drive towards UHC: population, services, and costs

- **Width** (Proportion of the population covered)
- **Depth** (services covered)
- **Height** (proportion of direct costs covered)

Health promotion, prevention, treatment, and rehabilitation (personal and collective services)

What does it mean to progress towards UHC?

- Extend coverage to more people
- Reduce direct payments
- Include more services

- **Width** (proportion of the population covered)
- **Depth** (services covered)
- **Height** (proportion of direct costs covered)
Achieving comprehensive UHC is out of reach for most countries

- **Width**: proportion of the population covered
- **Depth**: services covered
- **Height**: proportion of direct payments covered

Total health spending needed for universal coverage

Pooled funds

Measuring progress towards UHC

- **Coverage of direct costs**
  - Incidence of catastrophic financial burden due to direct payments
  - Incidence of impoverishment due to direct payments
  - Amount of direct payments as a proportion of total health spending

- **Coverage of services/care**
  - Coverage of essential services – care for transmissible diseases; reproductive health services; care for non-transmissible diseases; mental health services

- **Coverage of the population**
  - Who is covered and who is not – eligibility criteria
The Post-2015 Development Agenda and UHC

Goal: Achieve Universal Health Coverage: *i.e., everyone should have access to the health services they need, without facing financial risk*

Objectives:
- Cover 80% of services for the poorest 40% of the population
- Financial protection from direct payment for health services for all

Some key points
- All countries, at all levels of development, should accelerate and maintain their progress towards UHC.
- LAC countries should implement concrete steps to accelerate progress towards UHC.
- The political will of the government and the population, as well as good leadership, are necessary conditions for achieving UHC.
- Gathering data (for example: current coverage, costs of services, funding necessary, policy analysis, etc.) and translating it into actions is necessary for progressing towards UHC.
Ambitions of politicians in developing countries

1. Cover the entire population, rapidly
2. Cover all health care services that exist
3. Provide full financial protection for everyone

Question 1: Can countries provide all medically-available health care services to the entire population?

NO: The amount of health services that can be covered is limited by the financial resources available in the given country.

The richer the country, the more health services it can cover.
Question 1: Can countries provide all medically-available health care services to the entire population?

- Achieving UHC implies difficult choices.
- Everything cannot be covered.
- If the system were to cover expensive services for a few individuals, millions of others would go without access to more cost-effective services.

```
US$ 1000

Monthly cost of biologic treatments for arthritis

US$ 1

Cost of treating an episode of pediatric diarrhea
```

Question 2: Can the entire population be covered quickly?

- NO. Providing effective or “true” coverage of the population may take decades.
- However, politicians and the population are naturally impatient.
Question 2: Can the entire population be covered quickly?

- **No.** Even in rich and middle-income countries, true coverage takes decades.

Number of years needed to achieve UHC in 3 countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costa Rica</td>
<td>1941-1991</td>
</tr>
<tr>
<td>Austria</td>
<td>1980-1967</td>
</tr>
<tr>
<td>Germany</td>
<td>1883-1988</td>
</tr>
</tbody>
</table>

Question 3: Can full financial protection for the entire population be achieved in the short term?

- **No.** Financial protection requires financial resources.
- Creating insurance plans spreads the risk over a larger group, reducing individual financial risk.
- However, an insurance system that provides effective financial protection for all citizens is expensive, and most individuals are unable to pay their part. Large public subsidies are needed to fund the system.
Given the preceding, what can we hope to achieve?

- Some governments spend relatively little on health. In these cases, the government should be encouraged to increase public spending on health.
- The resources available can be put to better use, by improving efficiency.
- Creating insurance systems can help to provide financial protection for the population.
- Governments and populations should be encouraged to prioritize public health spending in general, and to prioritize coverage of cost-effective health services as well as services that would be financially catastrophic for individual households.

March 2015  Bitrán-Universal Health Coverage