Health Financing Reforms and Priority Setting for Accelerating Progress in the Path to UHC: Challenges and Opportunities in Federal Context

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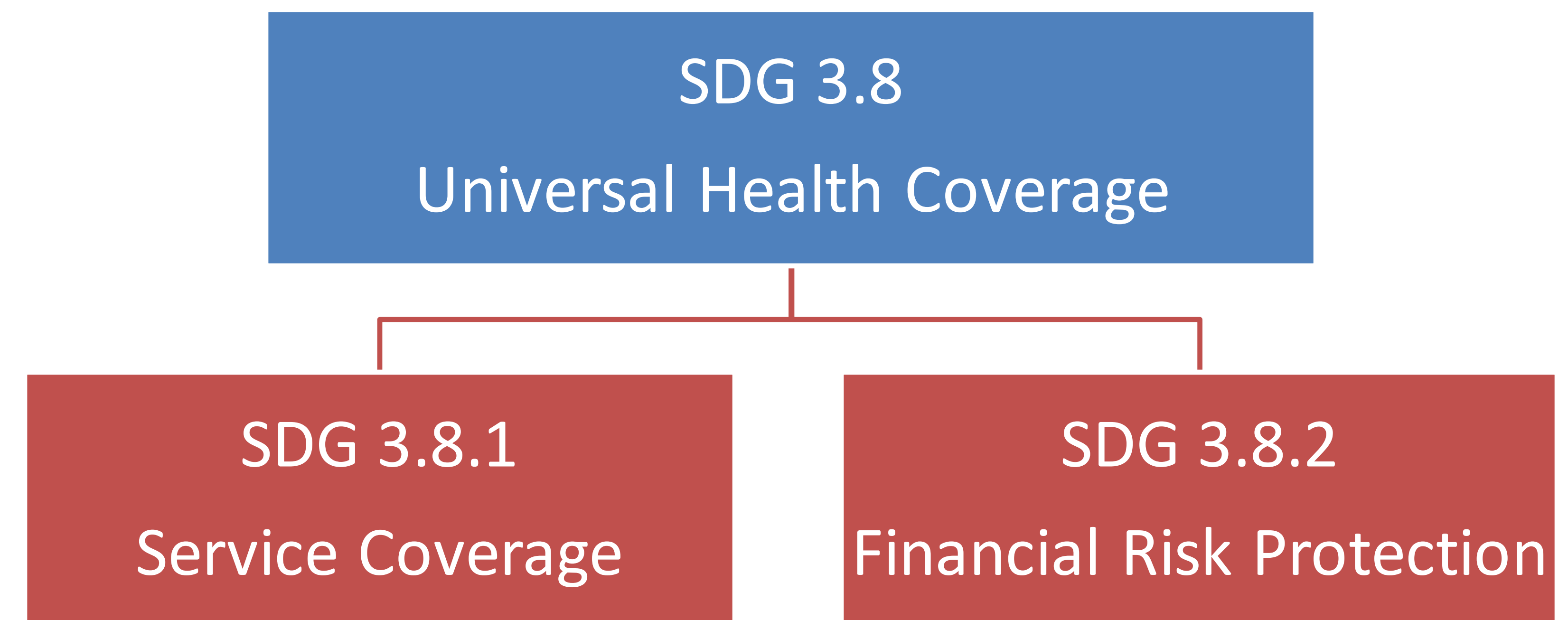
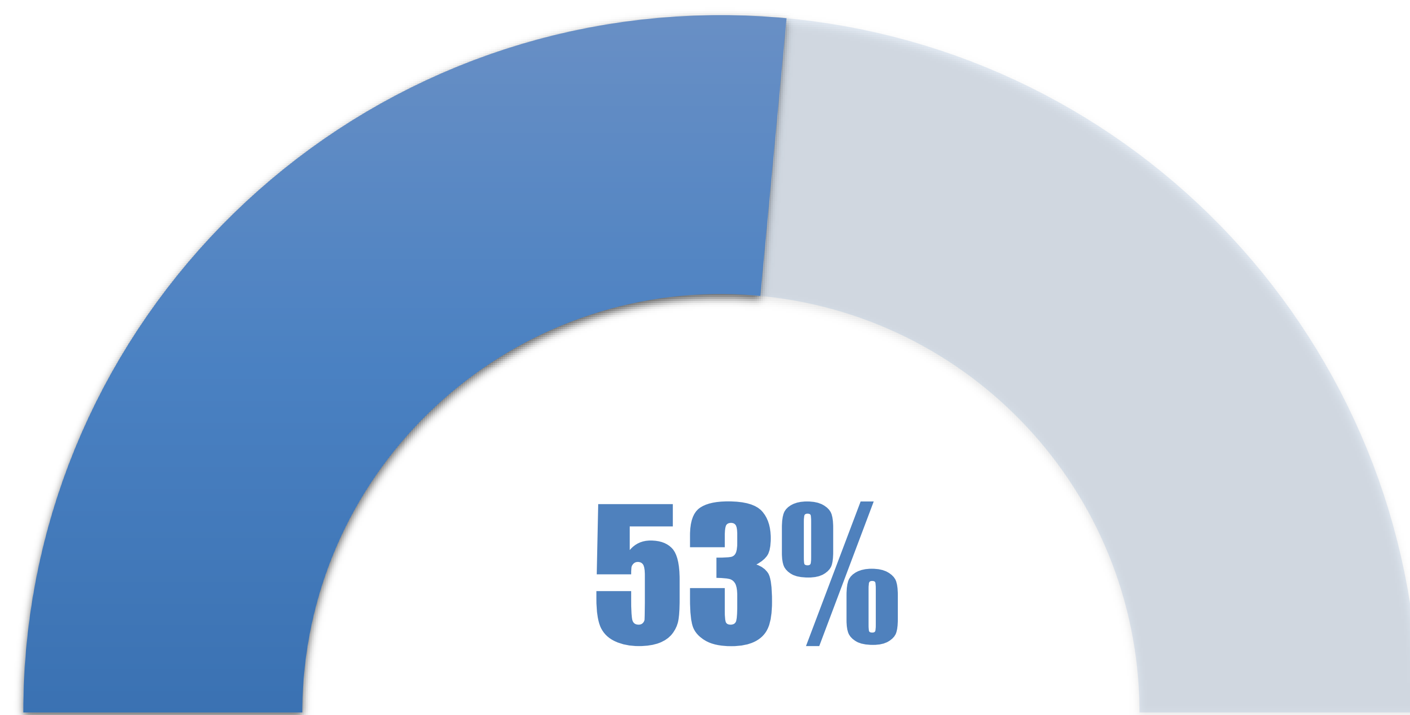
Universal Health Coverage (UHC)

A policy **commitment** for ensuring that all people can use the promotive, preventive, curative, rehabilitative, and palliative health services they need, of **sufficient quality to be effective** while also ensuring the use of these services does not expose the individuals to financial hardship.



UHC in Nepal: Current Status

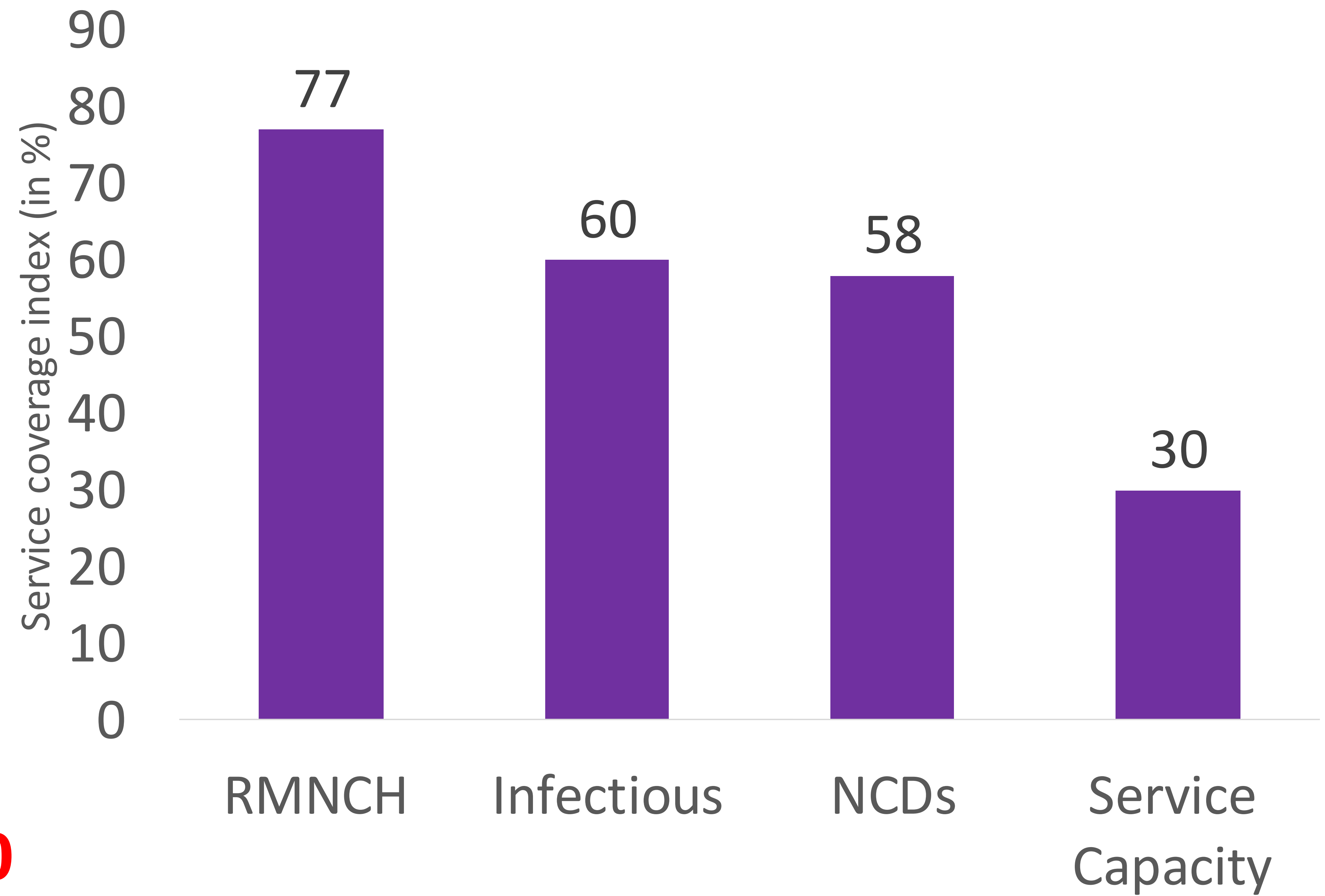
Service Coverage



Service Coverage Index

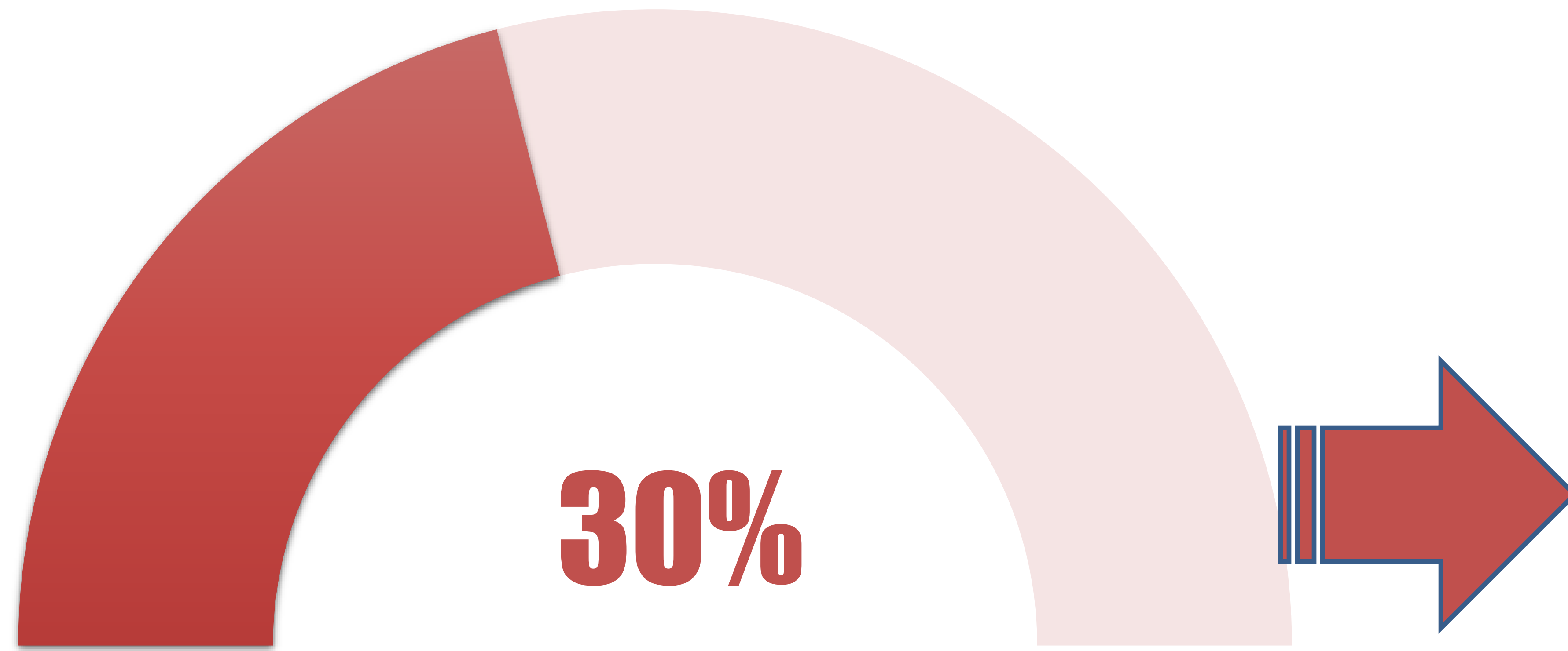
If current trend continues, we may have UHC index around **57% by 2030**

The 14 tracer indicators of health service coverage scaled from 0-100.



Source: World Health Organization, Coverage of essential health services (SDG 3.8.1) available at: https://www.who.int/data/gho/data/themes/topics/service-coverage

Additional health needs for UHC



Service Capacity and Access sub index

Additional needs to meet UHC

- 113,559,000 outpatient visits,
- 2,207,000 inpatient admission

Does this look achievable?

Why financing reform

01 **Improving efficiency through policy reform is critical for UHC**

02 **Protracted epidemiological transition with limited opportunity for resource diversion**

03 **Context of federalized health system with additional opportunities and challenges**

04 **Health financing transition to ‘missing middle’**

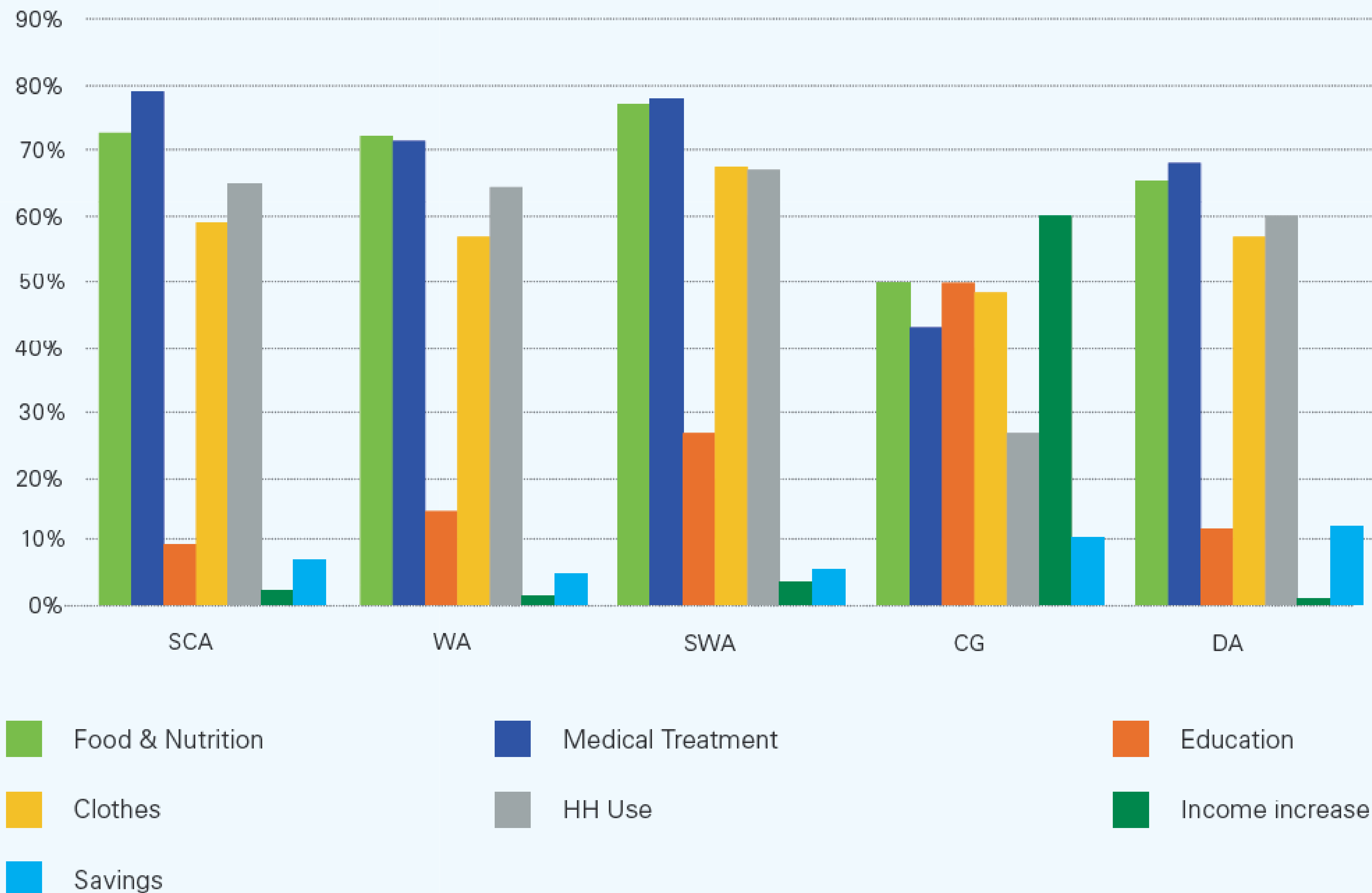
Possible areas of health financing reforms

Reform 1: Harmonization of social protection programmes/ interventions

Total social security programmes/intervention = 87	Implemented by 13 line ministries
Contributory social security programmes = 11	**Jumped from 66 to 106 billion from 2016/17 to 2022/23**
Related to free health checkups = 6	**3.6% of total GDP**
Immunization and disease control=3	**11.3% of total budget**

Source: European union, UNICEF **Social Protection Budget Brief Update: Fy 2022/23**

Most SSA is Spent on Food/Nutrition and Health



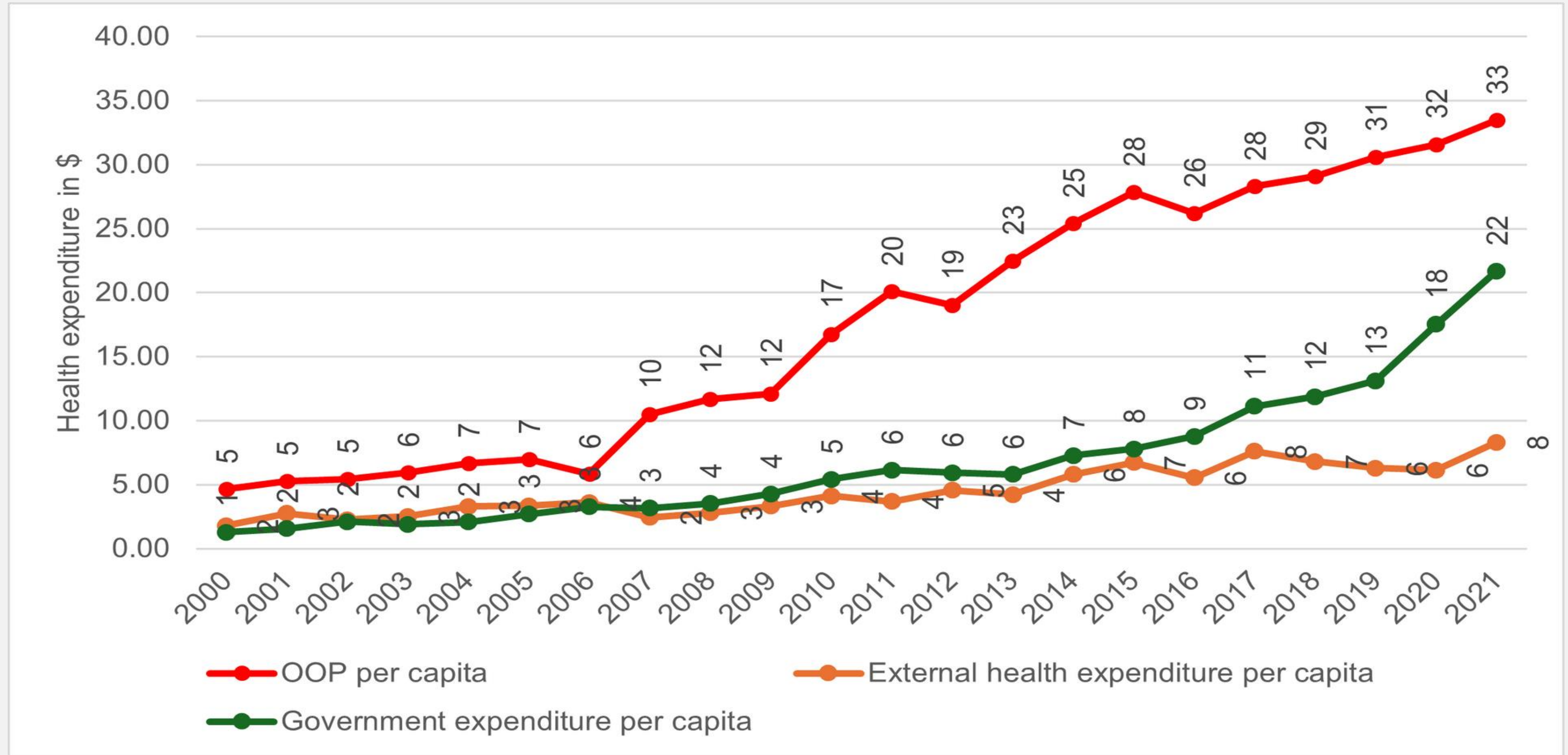
From social security schemes like Senior citizen allowance, single women allowance, widow allowance, child grant and disability, <u>highest proportion is spent on either food and nutrition or health</u>

Source: European union, UNICEF Coverage of Social Security Allowance In Nepal (A further a analysis of MICS 2019 Nepal)

Confusing and conflicting schemes restrict publics ability for informed decision making

1. Health Insurance
2. Free health care
3. Bipanna Nagarik Kosh
4. Employee provident fund
5. Social security fund
6. Safe motherhood and newborn care
7. Subsidized care for civil servants
8. Coverage through private insurance

Reform 2: Investing more, investing better



Source: World Health Organization. Global Health Observatory

Reform 2: Investing more, investing better

- Government spending per capita=22$
- Chatham House recommends per capita spending of 86$

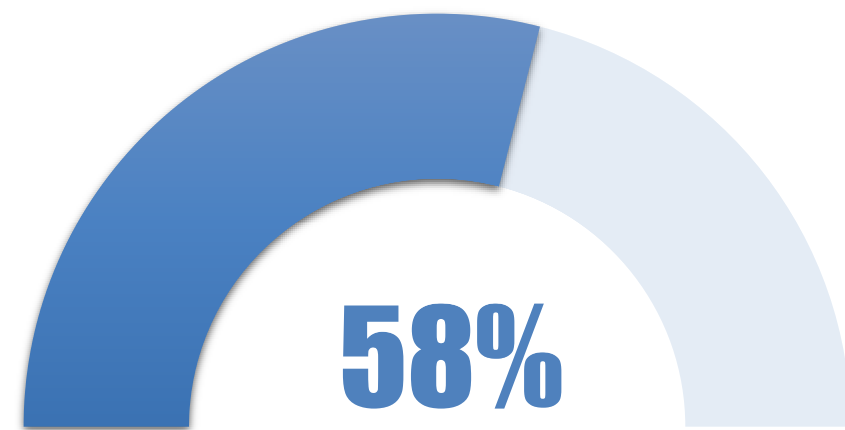
- Desirable level of OOP for UHC=15-20% of CHE
- Current level of OOP in Nepal=54%

Source: Nepal Health Research Council. Towards Universal Health Coverage: Addressing Financial Hardship and Improving Access to Healthcare in Nepal [Policy Brief]

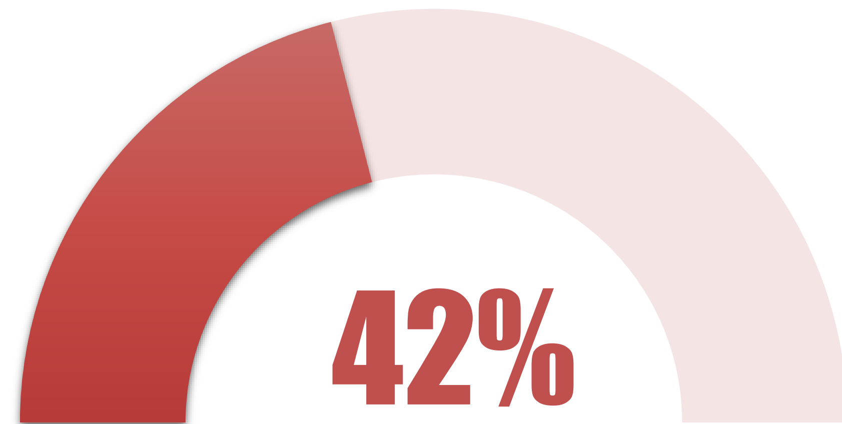
Reform 2: Investing more, investing better

Improving efficiency within health system

Of total gains in UHC (LMICs)



By
Increased health



Improved
Efficiency

Are we having enough discussion on this part?

- Resource allocation based on cost-effectiveness
- Appropriate use of allocated resource
- Burden of OOP needs to be nudged towards the rich until core levels of public financing are adequate to provide similar levels of coverage for all; and

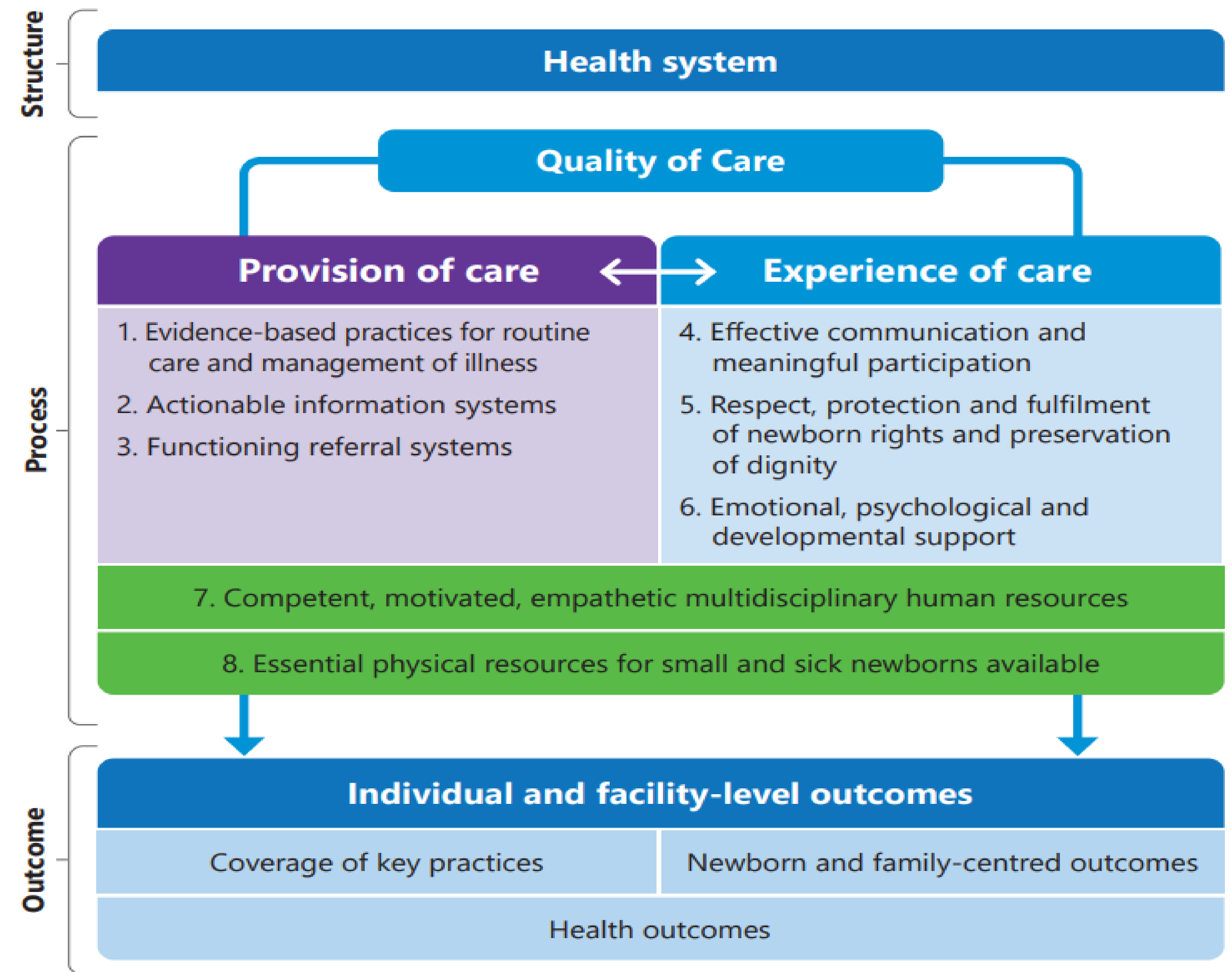
Source: Trends in future health financing and coverage: future health spending and universal health coverage in 188 countries, 2016–40. Lancet. 2018;391:1783-98. DOI: 10.1016/S0140-6736(18)30697-4. [PMID:29678341]

Reform 3: Investing in quality of care

Why quality matters?

A study by Kruk et al estimates that:

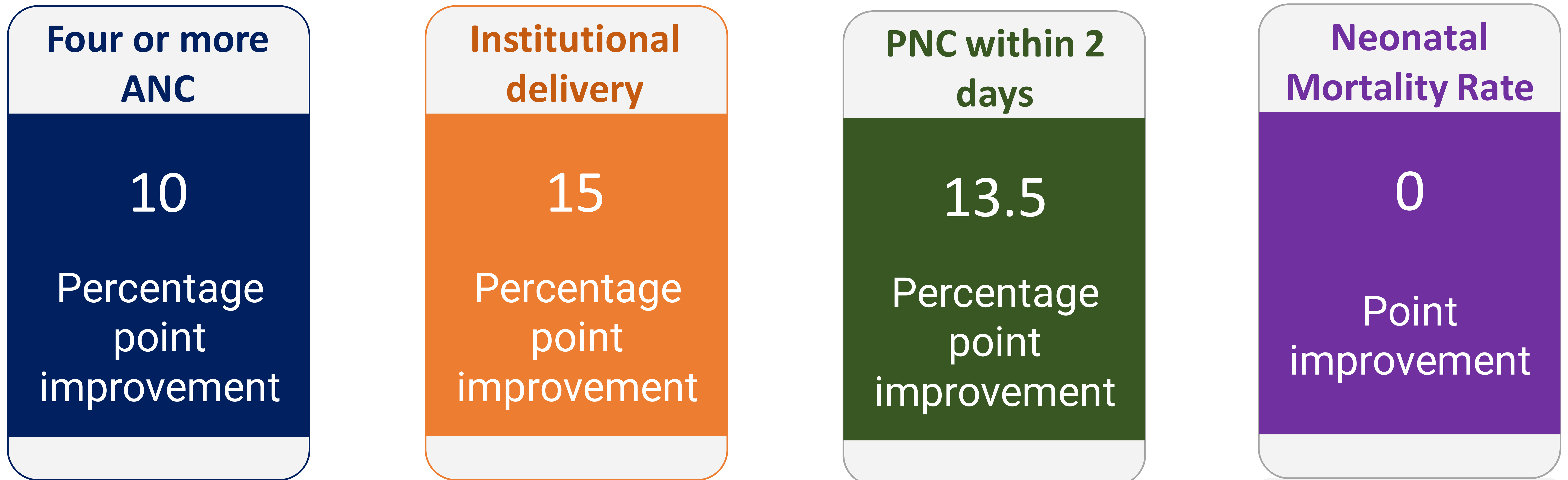
- Annually 26,556 deaths are attributable to submittal service quality
- Annually 19,845 deaths are due to under-utilization of service



Source: Kruk ME, Gage AD, Joseph NT, Danaei G, García-Saisó S, Salomon JA. Mortality due to low-quality health systems in the universal health coverage era: a systematic analysis of amenable deaths in 137 countries. The Lancet. 2018 Nov 17;392(10160):2203-12.

World Health Organization. Standards for improving the quality of care for children and young adolescents in health facilities.

Reform 3: Investing in quality of care

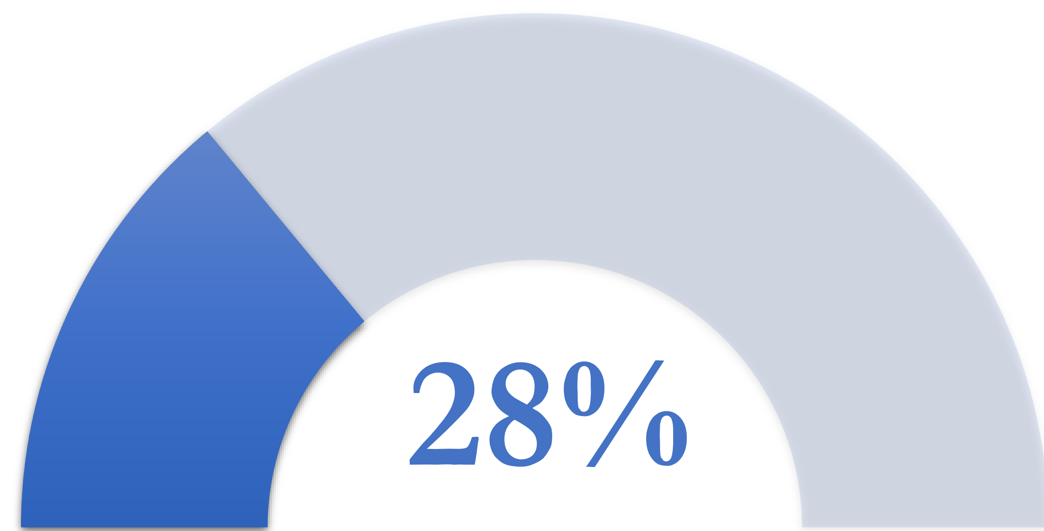


What could be the reasons? Is quality the factors behind stagnant NMR

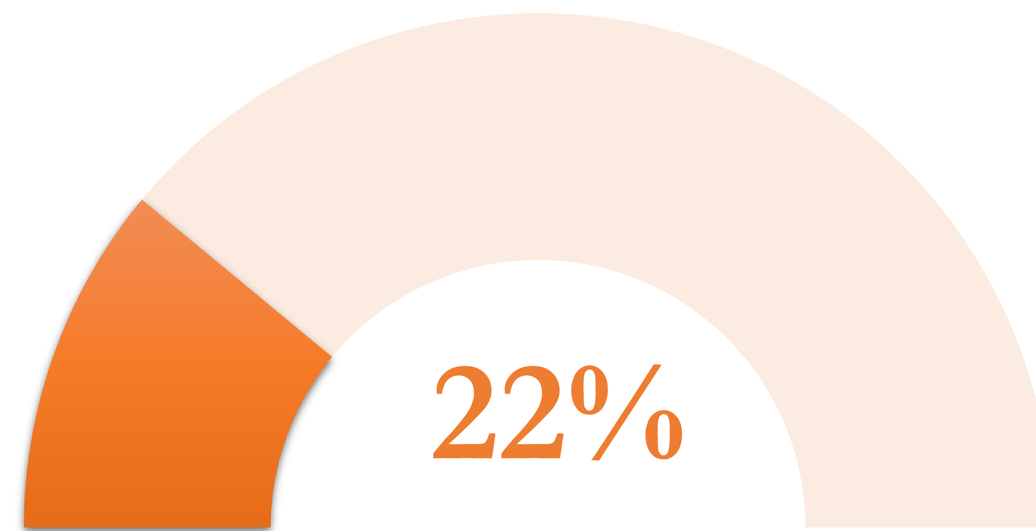
Source: Nepal Demographic and Health Survey 2016 and 2022

Reform 3: Investing in quality of care

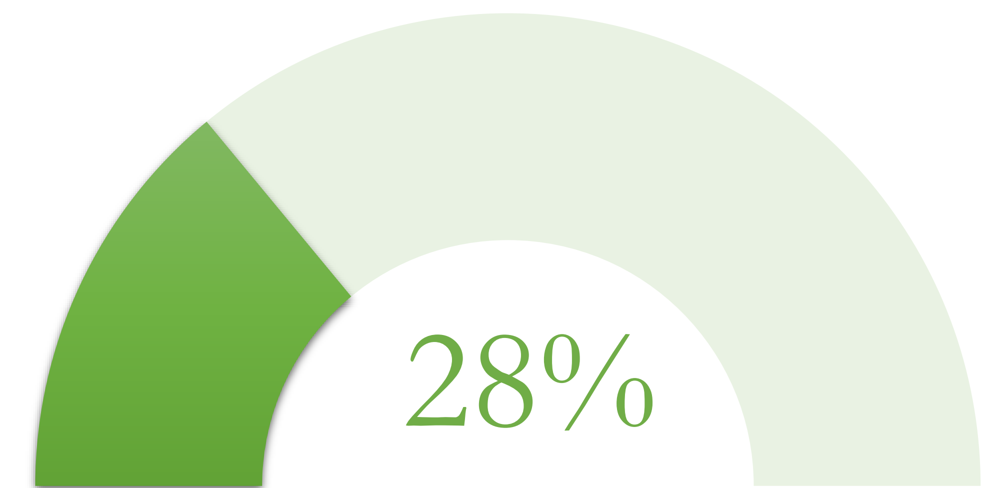
A study in 81 LMIC shows that, if the quality of care is improved with current coverage level, there could be notable reduction in maternal and newborn mortality



Less Neonatal Mortality Rate



Less Stillbirths Rate



Less Maternal Mortality

Source: Chou VB, Walker N, Kanyangarara M. Estimating the global impact of poor quality of care on maternal and neonatal outcomes in 81 low-and middle-income countries: a modeling study. PLoS medicine. 2019 Dec 18;16(12):e1002990.

Reform 4: Revisiting incentive schemes

Inverse equity hypothesis: Nepal

Health interventions would be initially adopted by the wealthier segments of a population, who likely had relatively lower need for such interventions

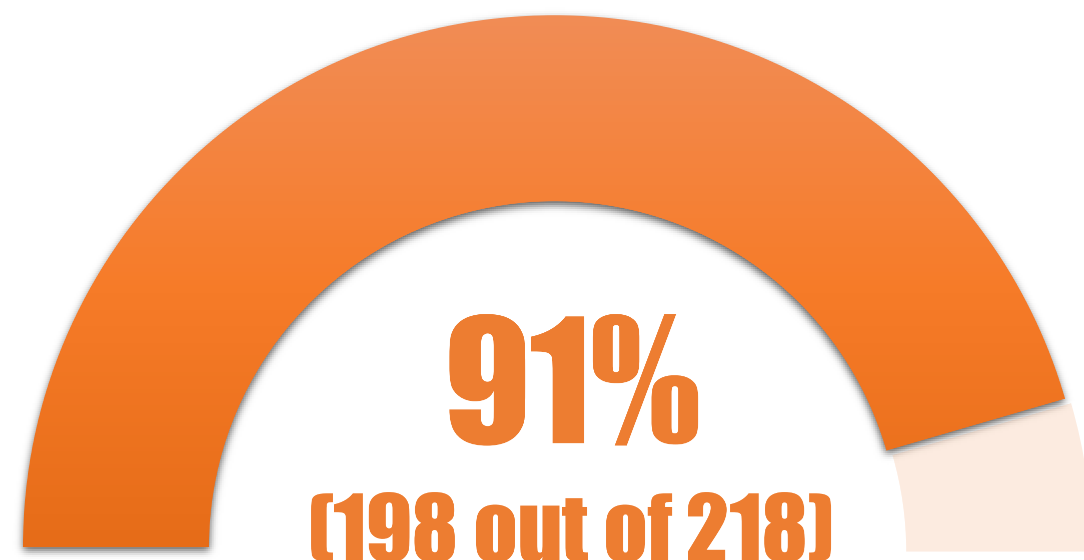
What evidence suggest

Low coverage at national level	High coverage and bottom inequality	Rolling out new schemes
Blanket incentives could be an option	Targeted interventions for poor	Starting from most affected group

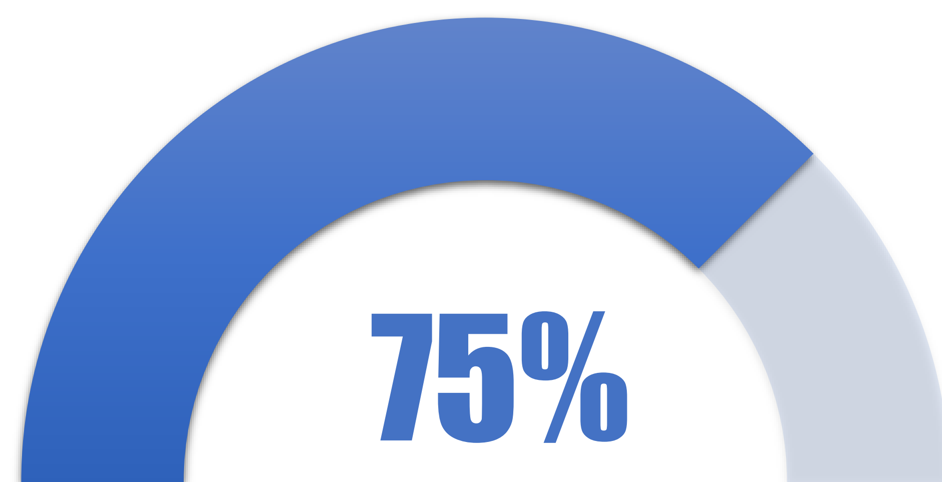
Source

- Victora CG, Joseph G, Silva IC, Maia FS, Vaughan JP, Barros FC, Barros AJ. The inverse equity hypothesis: analyses of institutional deliveries in 286 national surveys. American journal of public health. 2018 Apr;108(4):464-71.
- World Health Organization, Health Equity Monitor, https://www.who.int/data/health-equity/country-profiles

Reform 5: More budget, more flexibility for LGs



Essential interventions for UHC that can classified as PHC
(Watkins et al, 2019)



Gains in SDG can be realized through PHC (Stenberg et al, 2019)

PHC largely falls under the domain of local governments, which could be a challenges as well as an opportunity

- Two third LG budget as conditional grant

Challenges

- Low technical capacity for planning
- limited flexible budget

Opportunity

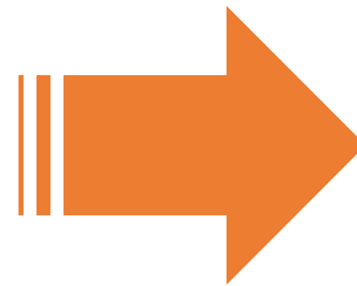
- Contextualized planning
- More responsive to people's need
- Alignment with other sectors

Source:

- Watkins DA, Yamey G, Schäferhoff M, et al. Alma-Ata at 40 years: reflections from the Lancet Commission on Investing in Health. Lancet 2018; 392: 143–60
- Stenberg K, Hanssen O, Bertram M, et al. Guide posts for investment in primary health care and projected resource needs in 67 low-income and middle-income countries: a modelling study. Lancet Glob Health 2019; 7: e1500–10.
- Moses MW, Pedroza P, Baral R, Bloom S, Brown J, Chapin A, Compton K, Eldrenkamp E, Fullman N, Mumford JE, Nandakumar V. Funding and services needed to achieve universal health coverage: applications of global, regional, and national estimates of utilisation of outpatient visits and inpatient admissions from 1990 to 2016, and unit costs from 1995 to 2016. The Lancet Public Health. 2019 Jan 1;4(1):e49-73.

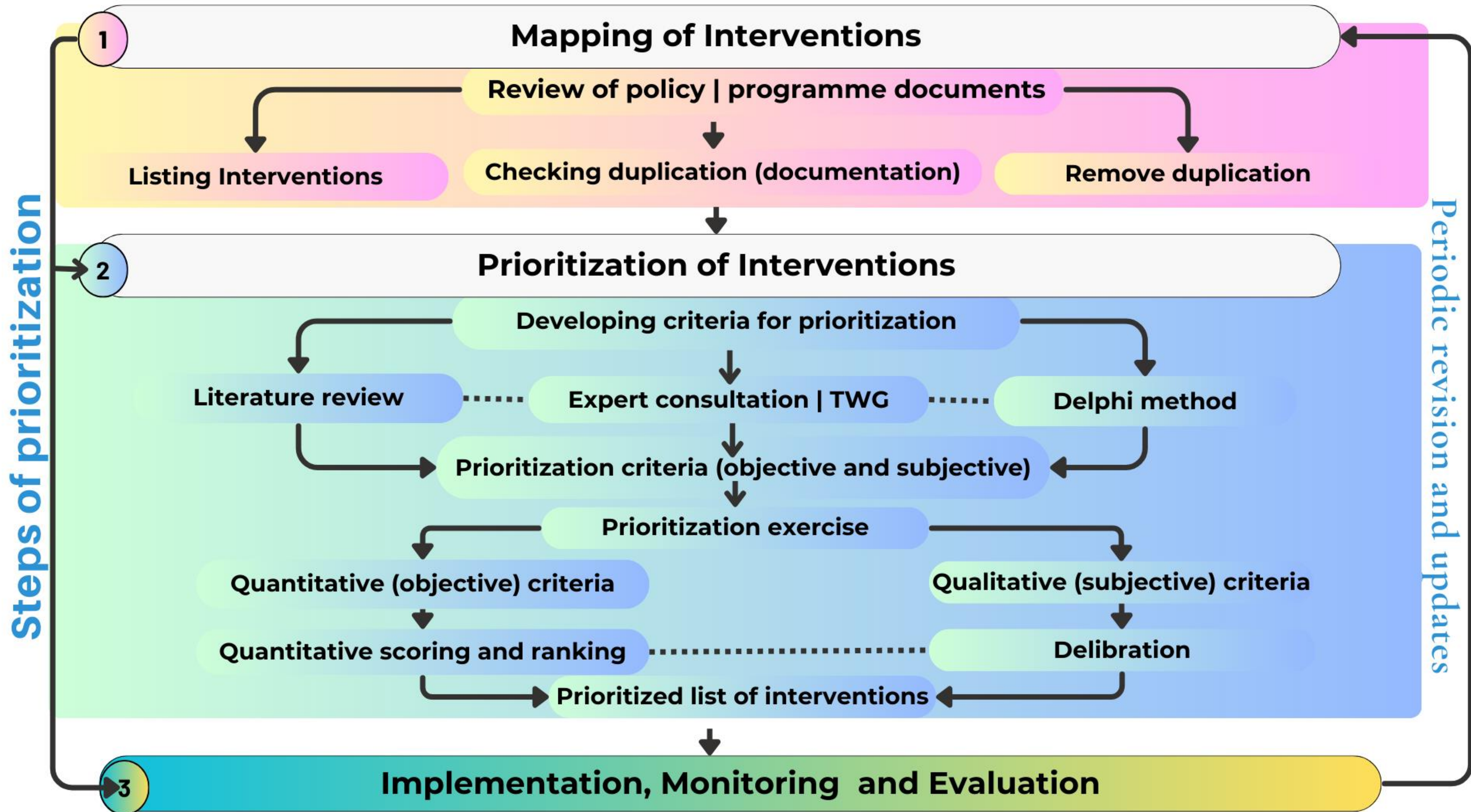
Reform 5: More flexibility for local governments

What if LGs deprioritize health for more tangible development that offers them political advantage?



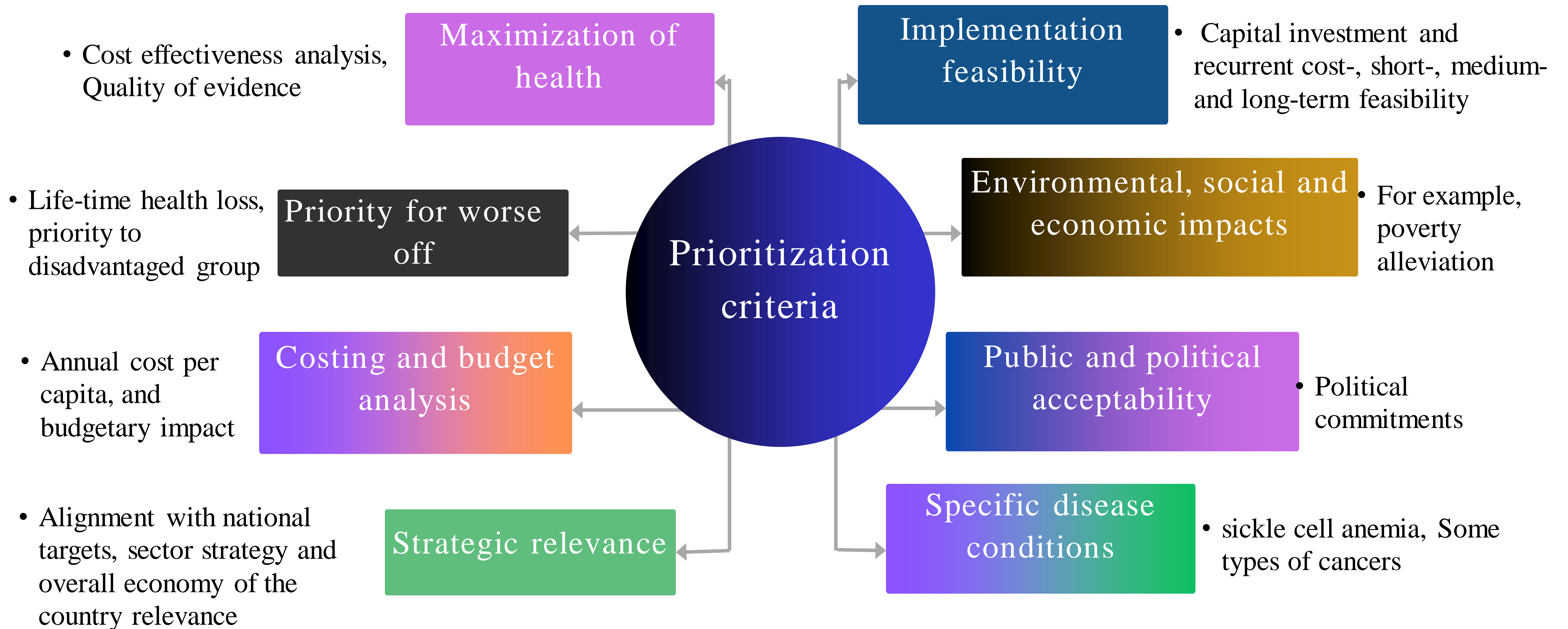
To prevent de-prioritization of some critical health interventions, we may participatorily identify criteria for prioritizing health interventions and revisit at periodic interval

Reform 6: Institutionalization of priority setting process



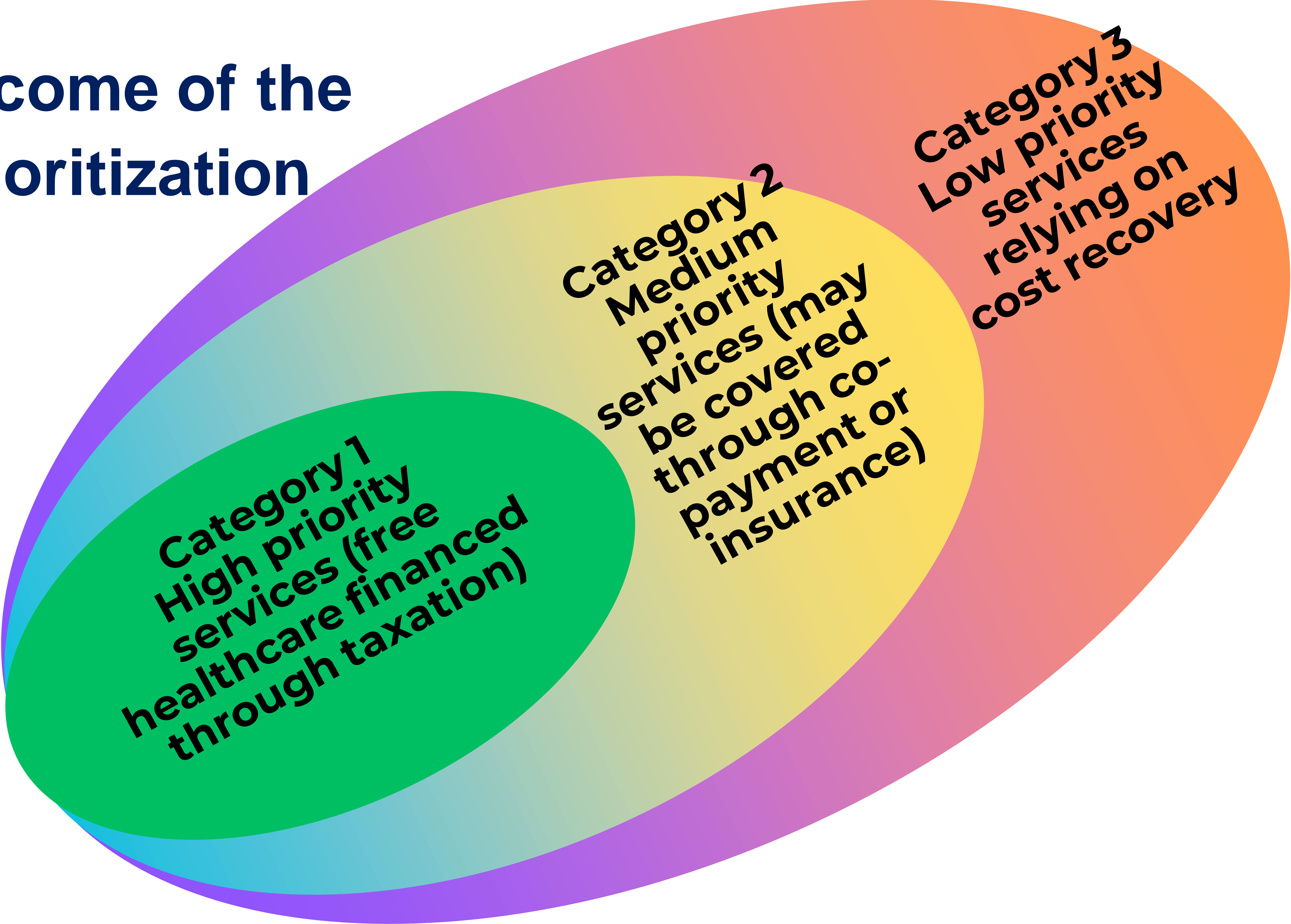
Reform 6: Institutionalization of priority setting

Priority Setting Criteria



Reform 6: Institutionalization of priority setting

Outcome of the prioritization



Reform 7: Policy informed evidences

Take away message

Seven key reforms required in health system of Nepal

1. Harmonizing social security interventions/programmes
2. Investing more and investing better (securing additional resources and improving efficiency)
3. Investing on quality of care
4. Revisiting incentive schemes aligning with public health theories
5. More budget, more flexibility for LGS
6. Institutionalizing priority setting process
7. Shift towards policy informed evidences

- These reforms need coordination among three tiers of government, government and other stakeholders, health and non-health sectors

Thank You

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