

## Policy brief three

# Access to care and financial protection for all

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**Most societies support the view that everyone, mothers and children in particular, should be able to get the health care they need, when they need it. In principle, exclusion on the basis of age, sex, income, culture or location is rejected throughout the world. This concern for equity is the basis for the push towards universal coverage. Universal coverage — access to care and financial protection for all mothers and children as well as for the whole population — is a condition for improving health; it also corresponds to what populations, across the world, expect their governments to guarantee. Universal coverage is the key to improved equity in health; it carries increasing popular support in most countries, but has particular support where mothers and children are concerned. Progress towards universal coverage is therefore as much a political question as a strategy to improve the health of mothers and children.**

### **MOVING TOWARDS UNIVERSAL COVERAGE**

**Universal coverage** ► Universal coverage is reached when a sufficient supply of services is available for all, financial barriers to the uptake of services are removed and families are given protection against the financial consequences of their use of health care; thus, they are not impoverished as a result of seeking care. There is ample evidence that even where health care is available, the poorest often forego the care they need because it is unaffordable. One of the many barriers, the expected cost of care is an important, obstacle to the uptake of services.

When people use available services the costs incurred can force them to miss out on other necessities such as food, clothing or children's education. Household expenditure surveys suggest that more than 150 million individuals globally face severe financial hardship each year because of health care costs. More than 100 million individuals in the world each year are pushed into poverty as a result of health spending. These are not necessarily just the poorest households in a country: in some countries, households at all levels of income are at risk.

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**The challenge of scaling up towards universal coverage** ► Many countries are far from achieving universal coverage because there is still a large supply gap, financial barriers may deter families from the uptake of services, or there is no system offering financial protection. The magnitude of the challenge of scaling up and financing health services so as to establish universal coverage should not be underestimated. There is a long way to go. For example, in the 75 countries in which almost all of the world's burden of maternal, newborn and child ill-health are concentrated, 57% of mothers and children do not have access to the care they need, because of insufficient supply, because of financial barriers to access, or for other reasons. The remaining 43% currently do receive care, but usually not the full range of what they need. They often spend considerable amounts of money to get care; their expenditure on health care may be high enough to push them into poverty.

**Organizing the financing of the health sector for universal coverage** ► The organization of the financing of the health sector must combine three key concerns: first, ensuring that there is a sufficient supply of service networks to respond to the need and demand for care of all mothers and children; second, keeping financial barriers to service uptake low enough as not to exclude any mother or child in need; and third, protecting all mothers and children against the financial hardship that results from paying for care.

### **TAKING THE LEAD: POLICY RECOMMENDATIONS**

**Phase out user fees** ► In many places the lack of services is the immediate impediment to universal access. Filling the supply gap is then the first priority. To help them do this many countries have turned to user fees. In the countries where the health of mothers and children is worst out-of-pocket payments for user fees can be two to three times the combined expenditure of governments and donors. Out of pocket payments occur in many settings: to private providers and drug sellers; as official user fees in public facilities; and as 'informal payments' in supposedly free public facilities. Experience suggests that even where official user fees are well-regulated and help revitalise previously moribund services, the drawbacks for the poorest usually exceed the benefits. By and large, the introduction of user fees is not a viable answer to the under funding of the health sector and the need to expand supply; it institutionalizes exclusion of the poor and does not accelerate progress towards universal coverage. Nevertheless, abolishing user fees where they exist is not a panacea. It needs to be accompanied, from the very day they are brought to an end, by structural changes and a refinancing of the health services.

**Shift from out of pocket payments to pre-payment and pooling** ► Rather than relying on collecting user fees from sick individuals, it is possible to organize systems of prepayment. Collecting funds ahead of time has several advantages. It means individuals do not have high expenses when sick - when their income may be lower than usual. It allows for pooling of funds so that there can be cross subsidies between the rich and the poor, and the healthy and the sick. These pooled funds can then be used to pay for services, available when people need them, that significantly increase protection against the financial consequences of ill-health. There is a wealth of evidence that financial protection is greater in those countries in which there is more pre-payment for health care and less out-of-pocket payment. Studies suggest that if out-of-pocket spending could be reduced to levels lower than 15% of total health spending very few households would be affected by catastrophic payments. There is a strong case for replacing out-of-pocket payment of user fees by pooled prepayment systems.

**Respect basic principles of prepayment and pooling** ► Pre-payment for health care can be organized by collecting health revenues through general taxation, social health insurance schemes or mixed systems. Whichever way financing is organized, two design features are especially important for governments striving for universal access with financial protection. First, no population groups should be excluded. Second, maternal, newborn and child health services should be part of the set of core services that are covered in the benefit package; policies to move towards universal coverage are just empty shells if they do not have the whole range of MNCH interventions at the core of the package of guaranteed benefits. If these two conditions are met, whether care can best be provided through public employees, or purchased from non-for-profit NGOs or private entrepreneurs, is a matter of what is most effective and efficient in a given context.

**Rapidly achieve universal coverage in countries where dense health care networks already exist** ► To organize universal coverage it is necessary to consider all sources of funding in a country: public, private, external and domestic. Sometimes the political and economic context allows for a very rapid combination and extension of pre-payment schemes. Some low-middle income countries have made a quantum leap in extending entitlements to the whole population and achieving near-universal coverage. This is possible in conditions where the health care network is already well developed and political will can be mobilized to commit the additional public funds necessary for health care to include all citizens.

**Start early** ► In many countries, it may take many years before access and financial protection are available for all. The road ahead may seem very long indeed, particularly for the poorest countries, where health care networks are sparsely developed, financial protection schemes hardly exist and health financing is highly dependent on external funds. It is important, particularly for the poorest countries, to move towards prepayment systems from a very early stage and to resist the temptation to rely on user fees. This builds the institutional capacity to manage the financing of the system along with the extension of supply. It is also important that international funding, which often has a strategic role in these countries, be channeled through such nascent pre-payment and pooling schemes and institutions rather than through project or programme funding. This channeling must be done for two reasons. First, it helps build the institutional capacity to develop and extend supply, access and financial protection in a balanced way. Second, it makes external funding more stable and predictable – an essential condition to become more effective in tackling major system constraints such as the human resource crisis.

**Combine schemes** ► There is no single road map for achieving universal coverage. As countries expand their health care networks, and simultaneously try to move away from user fees and provide financial protection, they often also supplement the limited coverage of public tax-based financing or social health insurance schemes through a multitude of voluntary insurance schemes: community, cooperative, employer-based and other private schemes. It requires a great deal of political savoir-faire to creatively combine all these schemes in view of moving towards universal coverage. Where the voluntary private prepayment schemes protect middle or higher income groups from financial catastrophe, limited public resources are earmarked for the poorest. Where social health insurance covers workers in the formal sector, it may be possible to extend coverage to dependents and the self-employed, using general tax revenue to pay insurance contributions for the poor. Various routes are possible, but during such a transition, population coverage is by definition incomplete. A major concern is how

to protect the most vulnerable populations relatively quickly, as these tend to be left until last. Effective oversight by government becomes critical - to ensure progress is actually being made in a balanced way.

**Increase and redirect the funding for the health sector** ► Few countries would be able to speed up progress towards universal coverage without significant increases in the volume of tax-based, social insurance based and other prepayment contributions to the health sector. Attaining universal coverage, even for MNCH alone, requires significant injections of domestic and external funds; it also requires political authority and a wide support base in society to harness and combine existing schemes in a universal coverage framework, and to protect the poor in the process. In countries where external resources play an important role, it is necessary to redirect these funding flows so that they are channeled increasingly through the institutions that organize the pooling and prepayment schemes – be they tax based, social health insurance based, or mixed schemes. This will increase the predictability, stability and ultimately the sustainability of funding access to care and the financial protection of all mothers and children.

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