

# FINANCING, SUSTAINABILITY & EVALUATION

Topic 4

# Financing:

The 3 main roles of health financing systems are:

- Raising sufficient funds for health
- Pooling funds to minimise financial risks to those paying for health
- Using funds to purchase and provide needed health services.

*However, every health system has insufficient finances to meet all their needs so difficult financial decisions need to be made and having evidence as to what works and for whom is crucial.*

▫The paper 'Health care systems in low and middle income countries' by Anne Mills ( available in full : [here](#)) considers some of the most pressing financial debates under the section health system constraints and responses.

Recent analyses have drawn attention to the weaknesses of health care systems in low- and middle-income countries. For example, in the 75 countries that account for more than 95% of maternal and child deaths, the median proportion of births attended by a skilled health worker is only 62% (range, 10 to 100%), and women without money or coverage for this service are much less likely to receive it than are women with the means to pay for it. Lack of financial protection for the costs of health care means that approximately 100 million people are pushed below the poverty line each year by payments for health care, and many more will not seek care because they lack the necessary funds.

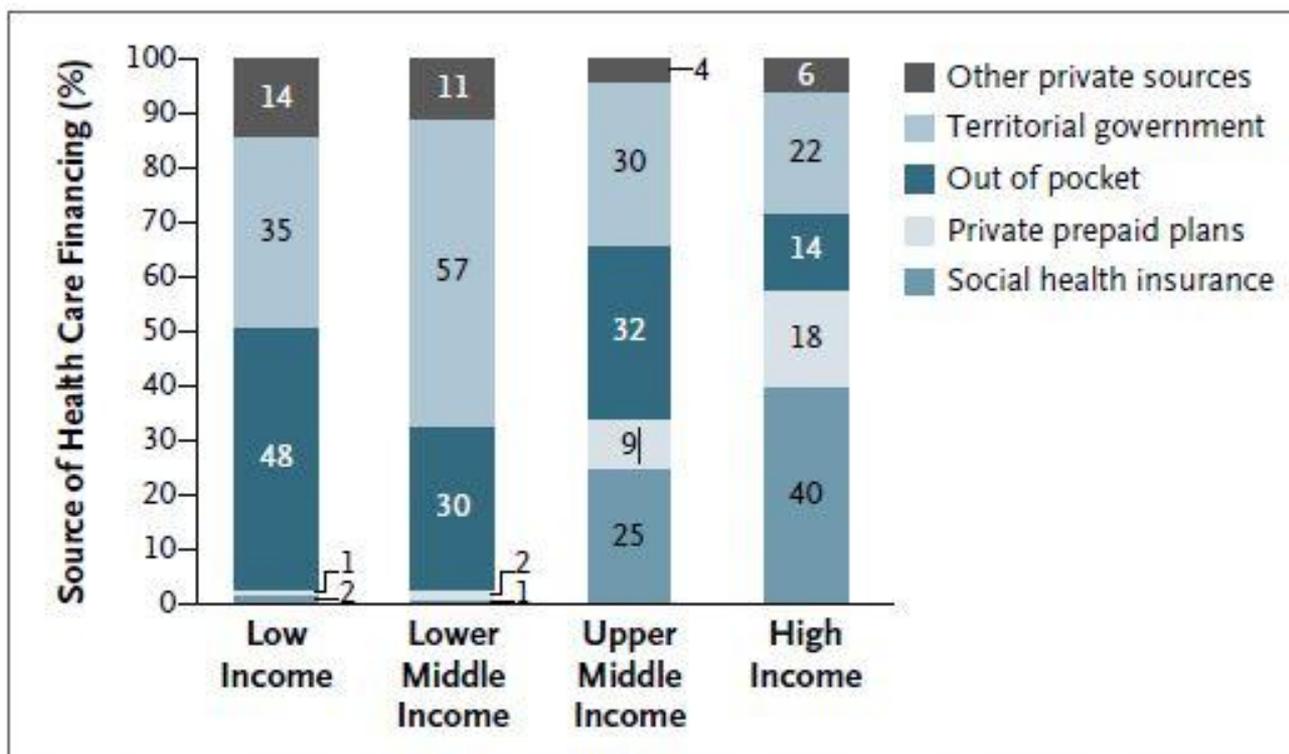
## The Mills paper outlines 3 major issues:

### General Taxation vs. Contributory Insurance

On average, almost 50% of health care financing in low-income countries comes from out-of-pocket payments, as compared with 30% in middle-income countries and 14% in high-income countries

Countries need to and do draw on a mix of financing sources, but their key concern should be to determine which financing arrangements, given their particular economic, social, and political environment, will best protect the most vulnerable segment of the population and ensure both breadth of coverage (the number of people protected) and reasonable depth of coverage.

# From the Mills paper:



**Figure 1. Sources of Health Care Financing According to Country Income.**  
Data are from the World Health Organization.<sup>10</sup>



## The Mills paper outlines 3 major issues:

**Financial Incentives for Households and Providers**  
Financial incentives represent just one means of improving levels of health care utilization and the quality of services, but virtually no studies in low- and middle-income countries have compared the use of financial incentives with alternative ways of achieving these outcomes, such as nonfinancial approaches to changing professional behavior

## The Mills paper outlines 3 major issues:

### Use of Private Entities to Extend Coverage

The engagement of the private sector remains a topic of considerable controversy, seen by some as inviting the privatization of health care and making it a commodity.

However, when the capacity of the public sector is limited and there is a concentration of human resources in the private sector, seeking a mix of public and private provision of services can be seen as a pragmatic response.

# From the Mills paper:

**Table 2. Characteristics of Successful Health Systems.**

- Have vision and long-term strategies
- Take into account the constraints imposed by history and previous decisions (path dependency)
- Build consensus at the societal level
- Allow flexibility and autonomy in decision-making
- Are resilient and learn from experience, feeding back into the policy cycle
- Receive support from the broader governance and socioeconomic context and are in harmony with the culture and population preferences
- Achieve synergies among sectors and actors
- Demonstrate openness to dialogue and collaboration between public and private sectors, with effective government oversight

Adapted from Balabanova et al.<sup>32</sup>



▫The paper ‘Health-financing reforms in southeast Asia: challenges in achieving universal coverage’ (can be accessed [here](#)) Key points are:

▫We review health-financing reforms in seven countries in southeast Asia that have sought to reduce dependence on out-of-pocket payments, increase pooled health finance, and expand service use as steps towards universal coverage.

▫Expanding coverage of good-quality services and ensuring adequate human resources are also important to achieve universal coverage. As health-financing reform is complex, institutional capacity to generate evidence and inform policy is essential and should be strengthened.

# Sustainability

- Sustainability refers to the continuation of an intervention or its effects
- As the health and social challenges that impact children become more complex, interventions are attempting to address these sustainably in different ways.
- For example: In Kenya the 'Call to Action' programme aimed at improving health and social outcomes among vulnerable children that had lost parents to AIDS. School fees was abolished and cash transfers were made to carers of these children. The report (available [here](#)), makes it apparent that the impact of this programme is wide-ranging.

# Further reading

- The WHO webpages on child health and development are available : [here](#)

*You can explore the situation in each country and can link through to other resources of relevance such as: more on Child and Adolescent health and the Integrated Management of Childhood Health*