

Designing health financing policy towards universal coverage

Guy Carrin,^a David Evans^a & Ke Xu^a

How health systems are financed largely determines whether people can obtain needed health care and whether they suffer financial hardship as a result of obtaining care. Both design and implementation of an adequate health financing system are essential in the pursuit of universal coverage, i.e. essential health services and interventions provided at a cost affordable for all. Universal coverage implies equity of access and financial risk protection; this health policy goal clearly imposes important demands on those responsible for health system financing.

In May 2005, the World Health Assembly endorsed Resolution WHA58.33¹ urging Member States to work towards universal coverage and to ensure that their populations have access to needed health interventions without the risk of financial catastrophe. Enhancing pre-payment for health services, determining household contributions according to ability to pay and introducing risk pooling are core guiding principles of such efforts.² These principles imply solidarity between the healthy and the sick, and between population groups in all income classes, considerations that are valid for all countries. Yet these safety nets for societies' poorest and most vulnerable groups may not be sufficiently strong to provide financial risk protection. This concern is of international significance, and it also applies to some developed countries whose health financing systems have been established for many years.

This resolution is particularly relevant to the poorest countries, where available funds are insufficient for equitable access to essential health services. In just under a third of the world's countries, total health expenditure from all sources, including external donors, is still less than the US\$ 40–45 required for equitable provision of a basic set of needed services³ to their populations. In many of these countries, health

financing relies on out-of-pocket payments for services. These costs prevent people from seeking or continuing care, while some who do seek care incur catastrophic financial burdens that push them into poverty.⁴ Every year, approximately 44 million households worldwide, or more than 150 million individuals, face catastrophic health-care expenditures; of these, about 25 million households containing more than 100 million people are pushed into poverty by these costs.

A special *Bulletin* theme issue in November 2008 will examine health financing policy and its linkage to the goal of universal coverage. Several papers will be commissioned, but submissions from interested authors are also welcome. We intend to first present a quantitative overview of health funding levels and sources worldwide; this will help to identify which countries need additional health funding from domestic and/or external sources. Second, an evidence-based outlook will be taken on the analysis and formulation of key components of health financing policy: revenue collection, risk pooling and allocation of financial resources to provide or purchase health services. Various mixes of tax funding with social, community and private health insurance provide alternative institutional frameworks. These papers will explore how countries' specific socioeconomic and political contexts influence development of workable health financing systems. Governments' roles in exercising overall stewardship in the transition to universal coverage will also be addressed.

Third, the issues of equity and efficiency merit particular attention. Analysis will focus on the lack of risk-sharing's impact on the poor and on equity in access to health interventions in various countries. Mature universal coverage systems in developed countries also need to address problems of inequity and to monitor the impact of

policies that increase households' direct payments or co-payments for services. Mechanisms to safeguard equity also will be discussed. The appropriate design of health services benefit packages and provider payment mechanisms are key instruments in the efficient use of available resources. The potential contributions of health prevention and health promotion to overall system efficiency will be analysed as well. The role of priority programmes such as HIV/AIDS efforts in health financing will be assessed, including how such programmes can be integrated in existing health financing systems or whether innovative financing methods are more appropriate for them.

This special theme issue will contain analytical papers, policy-oriented studies and country-level lessons on the expansion of health financing schemes towards universal coverage. As such, it will contribute important information to help policy-makers devise practical steps towards attaining the goal of universal coverage.

Manuscripts on any of the above topics should be submitted to <http://submit.bwho.org> by 1 April 2008. ■

References

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4. Xu K, Evans D, Carrin G, Aguilar-Rivera AM, Musgrove P, Evans T. Protecting households from catastrophic health spending. *Health Affairs* 2007(26:4):972-83.

^a Department of Health Systems Financing, World Health Organization, 20 avenue Appia, 1211 Geneva 27, Switzerland. Correspondence to Guy Carrin (e-mail: carrin@who.int).

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