Funding health

COVID-19 has threatened to overwhelm health systems worldwide. What lessons can we learn about how to achieve 'good health and well-being for all'?

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At the dawn of the new decade, the world's focus has coalesced around containing the social, economic and health effects of the novel coronavirus (COVID-19) pandemic. Mitigation strategies reflect that the pandemic is not just a public health crisis, but an all-sector crisis. Strategies include countercyclical economic stimulus measures, cash transfers and food distribution, and new health investments. Yet, the consequences of COVID-19 are affecting all human development sectors that the Sustainable Development Goals (SDGs) aim to improve.

The pandemic has worsened the health–poverty trap and exposed existing health inequities. National lockdowns and partial

▲ A nurse makes a home visit in Central Java province, Indonesia. Indonesia introduced its national health insurance scheme in 2014. It now provides coverage for 221 million of the country's total 271 million population – the goal is universal coverage

social distancing measures intended to stem the spread of disease have created economic shocks that will leave lasting human development effects in emerging markets.

The World Bank projects a global GDP contraction of 5 per cent and an increase in poverty by 2.3 per cent in 2020, or the equivalent of 350 million additional people living below the $5.50 a day poverty line. Globally, we have also witnessed drastic health sector disruptions in essential services like rehabilitation, vaccinations, HIV/AIDS and tuberculosis control, and maternal and child health. All of these services are core priorities to achieving SDG 3 (good health and well-being).

Countries' abilities to cope with the pandemic have varied widely. Some have succeeded in controlling the spread of the virus, while others have experienced health system collapse. Many social, economic and health factors can explain this variation. These include social inequity, economic informality, political leadership and health system capacity to respond to the pandemic.

The level of health investment and the question of how health is paid for, pooled and purchased, can influence the degree to which outcomes worsen health inequity. Although mixed, the evidence suggests three key health-financing trends will need to be addressed in the post-COVID health agenda: degree of privatisation, system fragmentation and flexible resource allocation.

Differences in coping and unintended outcomes

Countries with greater healthcare privatisation are worse off than countries with greater public health spending. Countries with higher health investment are coping better than countries with lower health investment. One study found that private health expenditure was positively correlated with COVID-19 cases and deaths, while an increase in hospital beds was negatively correlated with COVID-19 deaths.

These results are unsurprising. While the private sector can improve health coverage and access, an over-reliance on private health spending, including out-of-pocket payments, can widen health inequities and increase household vulnerability to health-related financial shocks. We also know increased health investments in health system capacity lead to improved health outcomes, especially for key SDG targets like reductions in infant mortality.

Greater fragmentation of risk pools may offer an explanation, but the emerging evidence during the pandemic is mixed. Latin America is a region known for fragmented health systems despite reforms to increase insurance coverage through universal health coverage (UHC) to leave no one behind, a key pillar of the 2030 Agenda. As of October 2020, the region is a global hotspot of the pandemic, and contains five of the 10 countries with the highest number of confirmed cases of COVID-19. Fragmentation also hindered the Italian response. Yet, even the highest-performing and resilient health systems with lower fragmentation remain vulnerable to COVID-19 resurgence.

Flexible measures such as strategic purchasing can help direct resources where they're most needed. Emerging success during the pandemic aligns with evidence that strategic purchasing is a key policy tool for achieving universal health coverage

Flexible measures such as strategic purchasing can help direct resources where they're most needed. Emerging success during the pandemic aligns with evidence that strategic purchasing is a key policy tool for achieving UHC. Countries like South Korea, Argentina and Ghana have adopted flexible models to build new infrastructure, create bonus payments for health workers treating patients with COVID-19, or redesign primary care through partnerships with the private sector.

The debate about the role of the private sector in health and the effect on equity is not new. The South Korean experience shows that public–private partnerships are possible, but require good governance and the right regulatory environment to mitigate the risk of worsening health inequities.

The future agenda for health financing

The post-COVID health agenda for health financing will need to broaden beyond healthcare and take an all-sector view of health. Through prior work, colleagues and I noted the intersectionality of health and offered a roadmap for using the SDG 3 priorities to inform the global response to COVID-19. Building on those opportunities, below are three health financing strategies to strengthen health systems and make them more equitable to all populations.

1. Shift from labour tax to general taxation for raising revenue for health

The pandemic has heightened awareness of the perils of linking revenue generation to formal employment, especially in countries with high rates of economic and labour informality that make it difficult to collect taxes.

Calls for general taxation for health financing are not new, with research by the World Bank, World Health Organization and other leading experts spotlighting the negative effect of labour tax revenue generation on health equity. Compared to general taxation, labour tax systems lead to regressive distribution of health financing that deepens social inequities. While fiscal constraints and the global recession will make it harder to generate revenues, there are many policy levers that policy makers can implement to generate resources for health through general taxation.

2. Reduce health system fragmentation

UHC is a cornerstone of health system

resilience and health equity. While many insurance pooling arrangements exist to achieve this SDG, pursuing coverage through fragmented pooling mechanisms can create downstream effects that worsen inequities and reflect entrenched economic class divisions. People are placed in different risk pools based on formal employment, which creates different health systems for different populations based on socio-economic status. The result of fragmentation is different access to health systems that vary on quality, patient satisfaction and health outcomes.

3. Accelerate efforts to advance strategic purchasing arrangements

Closing the health financing gap to meet SDG 3 will require increased prioritisation and investment from all levels of global health leadership. Many global leaders and organisations have already called for increased investments to fund community health and primary healthcare, which are key delivery channels to achieve UHC.

Coupled with much-needed increased investments, we also need a new way of purchasing health services. Growing experience with strategic purchasing or value-based payment before and during the pandemic shows that these purchasing arrangements provide increased flexibility for allocation of resources and can encourage health innovation to fill health system gaps.

Reigniting the SDGs

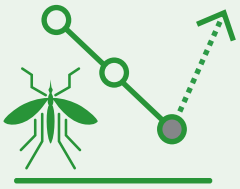
The SDGs are an established global framework for all sectors of human, social and economic development that can guide leaders as they respond during times of crises and prepare health systems for the future. This means advancing the three evidence-based health financing strategies outlined above.

But these strategies cannot be implemented in isolation. Current and future policy responses will need to span health, social and economic sectors. In sum, leaders need to reignite the SDGs as countries continue to fight the pandemic while simultaneously preparing health systems for the future. The time to act is now. ●

3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages

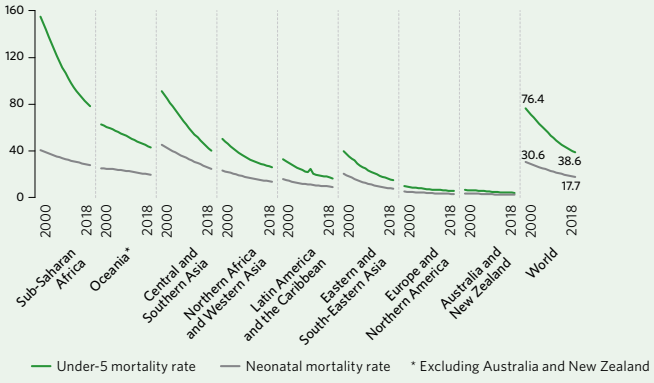
The pandemic has interrupted childhood immunisation programmes in around 70 countries



Illness and deaths from communicable diseases will spike. Service cancellations will lead to **100%** increase in malaria deaths in sub-Saharan Africa.

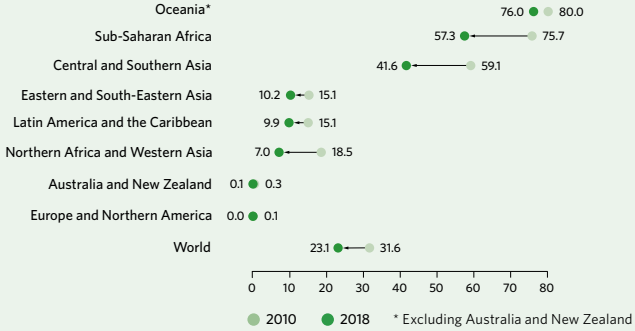
Under-5 and neonatal mortality rates, 2000-2018 (deaths per 1,000 live births)

By 2018, 121 countries had already met the SDG target on under-5 mortality, and 21 countries are expected to do so by 2030. However, progress will need to accelerate in 53 countries, two thirds of which are in sub-Saharan Africa.



Proportion of people requiring interventions against neglected tropical diseases out of the total population, 2010 and 2018 (percentage)

Progress in neglected tropical disease control, elimination and eradication was notable over the past decade.



Source: Sustainable Development Goals Report 2020