

Improving Health Financing to Advance Towards Universal Health Coverage



Abt Associates works with governments, the private sector and local citizens to strengthen health financing mechanisms and help countries advance towards universal coverage. Our **systems approach to technical assistance promotes country ownership and sustainability** and helps countries navigate alternative reforms.



photo credit: Arturo Sanabria

Various options for improving health financing in developing countries have surfaced over the last 30 years, including cost recovery, decentralization, removal of user fees, pay-for-performance and insurance. However, only a carefully informed and technically sound combination of health financing mechanisms, including innovative pooling and purchasing arrangements combined with improvements in service provision, can move countries towards universal coverage of quality health services. Abt understands the available and realistic financing options and how they complement one another, so they can operate effectively and in a sustainable manner.

Our Systems Approach to Technical Assistance

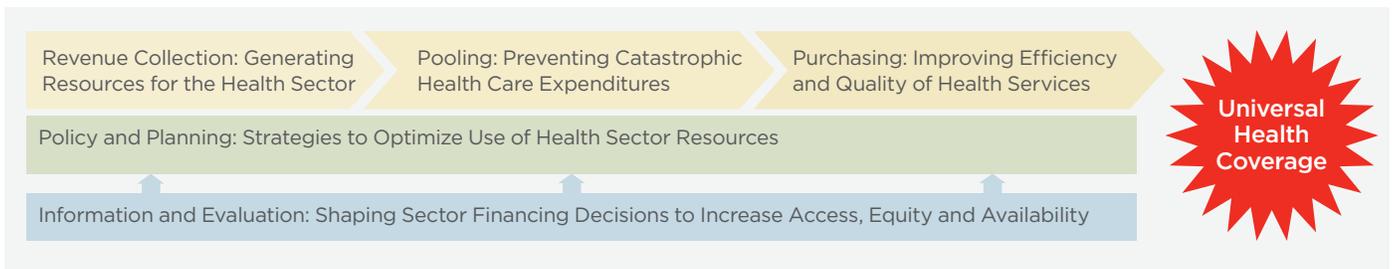
To help countries navigate alternative policies and reforms, Abt applies a systems approach to technical assistance which explicitly addresses both public and private sectors, as well as the space where health systems strengthening and service delivery converge. The approach is based on a health financing framework that links health financing functions (revenue collection, pooling and purchasing) to broader health financing and health system goals. In addition, we emphasize that country ownership and clear institutional roles and relationships are key for sustainable, scalable change in health financing. Finally, we support establishing relationships between health financing functions appropriate to each unique country environment.

Revenue Collection: Generating Resources for the Health Sector

Abt helps countries identify, generate and mobilize financing sources to increase revenue collection through the public or private health sectors. For example, our work in Ethiopia over the past 13 years has involved helping the government establish standardized user fees and systematize the fee waiver and exemption systems to expand access to care for poor and vulnerable groups. We also assisted the government to institute a system for facility revenue retention so that health facilities can effectively use fee revenue to support quality improvement. Now patients and health workers are enjoying visible improvements in quality and productivity, such as new construction, infrastructure renovation, reduction of drug stock-outs and improved health worker retention.

Enhancing Resource Utilization

For the Wajibika project in Tanzania, Abt worked with national, regional and local counterparts to strengthen public financial management through strategic training, advocacy, mentoring, and supportive supervision for improved fiscal and programmatic accountability in 27 councils. Eighty-five percent of all councils in the project-supported area had clean (unqualified) external audit reports for FY 2011 as compared to 44 percent at the beginning of the project (FY 2010).



Pooling: Preventing Catastrophic Health Care Expenditures

Abt helps countries design, manage and implement resource pooling arrangements to increase financial risk protection and reduce excessive out-of-pocket spending for health care for poor and vulnerable populations. In Kyrgyzstan, Abt provided technical assistance to establish innovative pooling arrangements for general revenue and social health insurance, enabling the country to improve equity, financial risk protection and efficiency to move towards universal health coverage.

Purchasing: Improving Efficiency and Quality of Health Services

Abt helps counterparts identify what health services or goods to purchase and how to purchase them to increase access to quality health services. We help counterparts use cost and epidemiological evidence to select cost-effective benefits packages. We also support the design and implementation of provider payment systems, strategically using financial incentives to increase efficiency and improve service delivery quality. In Nigeria, Abt’s Partnerships for Transforming Health Systems 2 (PATHS2) helped the Jigawa State government to introduce strategic health purchasing. The assistance enabled counterparts to better target health budget funds towards priority maternal and child health services and poor populations—contributing to a 20 percent increase in skilled birth attendance between 2008 and 2012.

Policy and Planning: Strategies to Optimize Use of Health Sector Resources

Abt’s assistance encourages countries to develop or strengthen an overarching health financing framework that optimizes a mix of different policies and mechanisms and strengthens relationships between public and private financing. In Bangladesh, Abt co-facilitated the drafting of the first-ever Health Care Financing Strategy. The inclusive, participative yet rigorous process resulted in the adoption of a 20-year financing strategy introducing social health insurance with the aim of moving Bangladesh towards universal health coverage. Abt is also supporting the implementation of the strategy.

Information and Evaluation: Shaping Sector Financing Decisions to Increase Access, Equity and Availability

Abt provides strategic costing, resource tracking, and operational research assistance to help governments and private sector counterparts make evidenced-based decisions. For example, in Liberia, Abt collaborated with the World Bank to assist a local team to complete a National Health Accounts exercise, a benefit incidence analysis, a synthesis of health financing performance and policy options, and a series of consultations at local and central levels—all in less than 18 months. The effort culminated in a balanced and practical policy with an essential service package offered for free, user fees for services outside the package and options to wean the system off external funding.

Contact

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