

GLOBAL TRENDS & CHALLENGES IN HEALTH FINANCING

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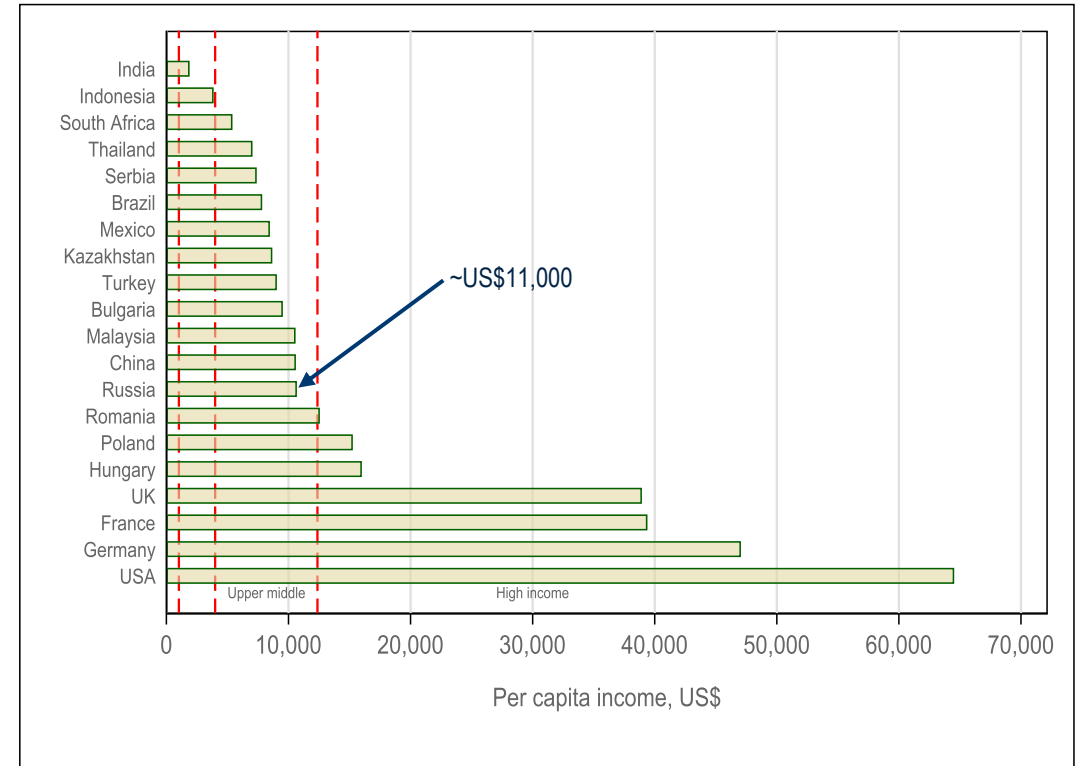
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World Bank

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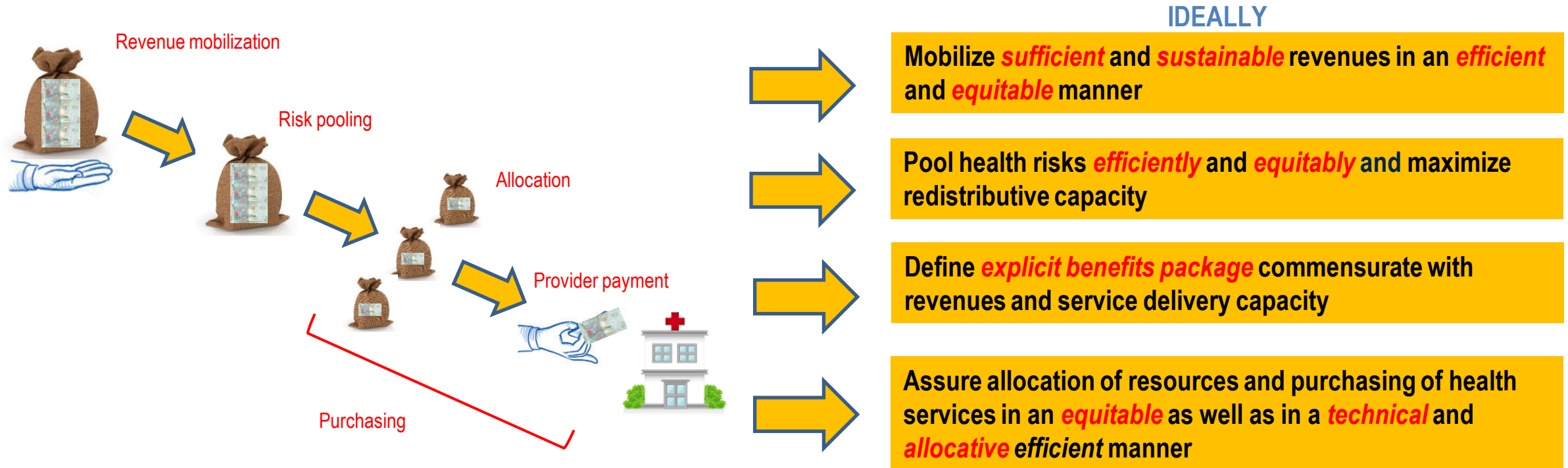


Global Country References



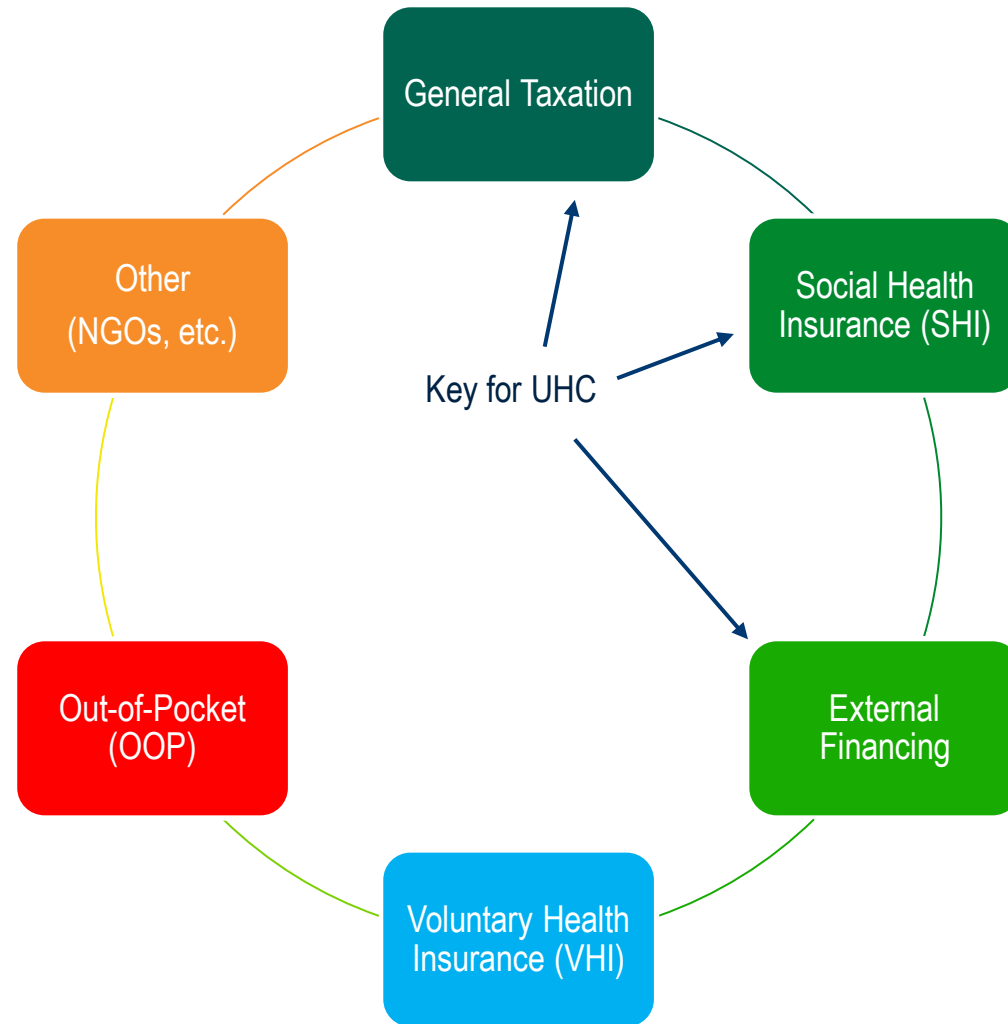
Health Financing as a Broader Concept

Health financing is concerned with the functions of revenue mobilization, risk pooling, allocation, and provider payment in order to help countries make progress towards objectives such as universal health coverage (UHC)...



...the amount of revenues raised and spent on health matters, but countries cannot simply spend their way to UHC: where revenues come from and how resources are allocated and utilized is just as important.

Revenue-Raising Modalities

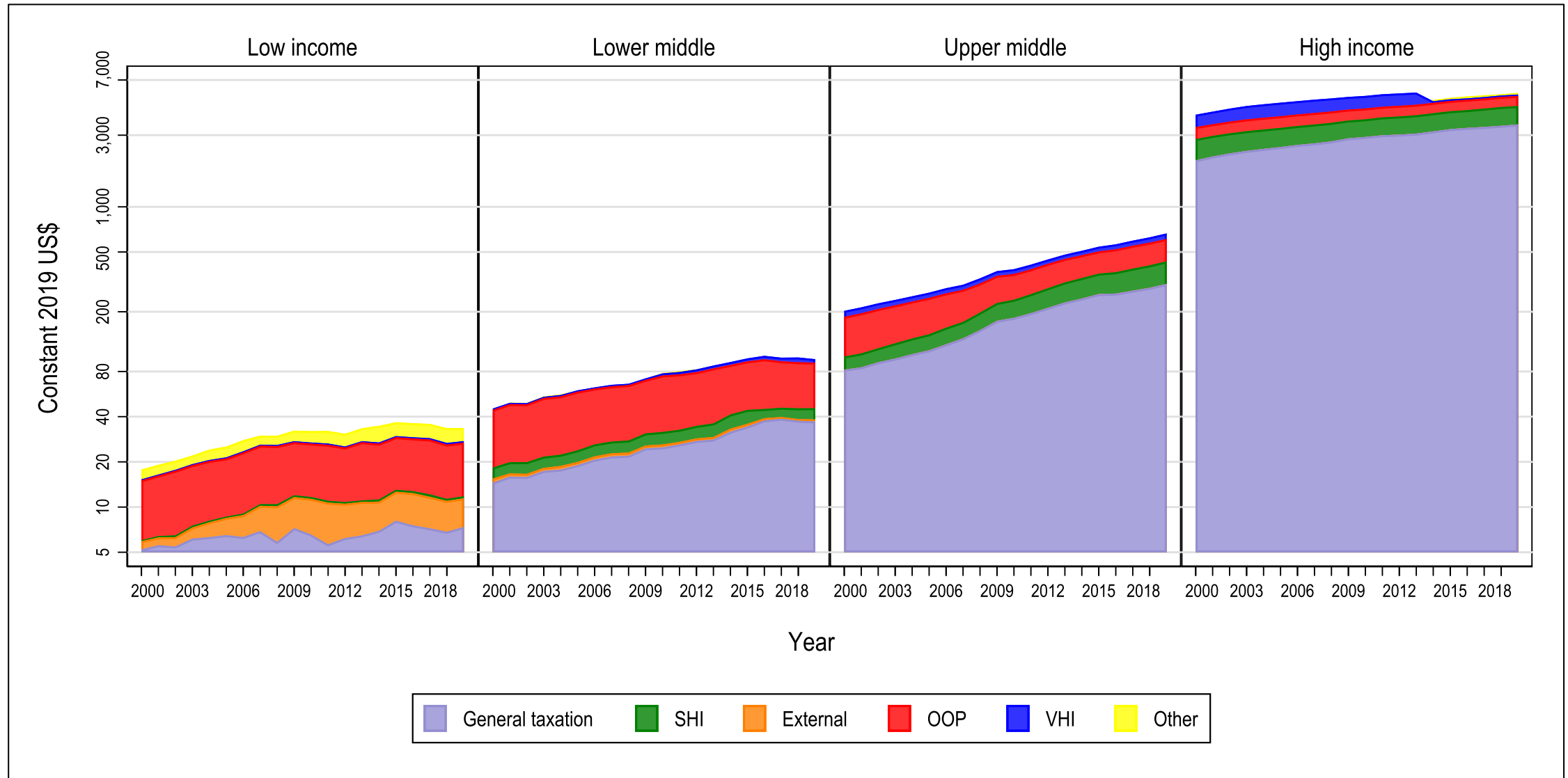


- Each modality associated with different mechanisms for how **revenues are raised**.
- Can assess **pros** and **cons** of each mechanism based on facilitating progress towards health system objectives such as UHC.
- **Rarely** do we see a 'pure' form exist and all countries are **hybrids**.

Global Health Financing Landscape

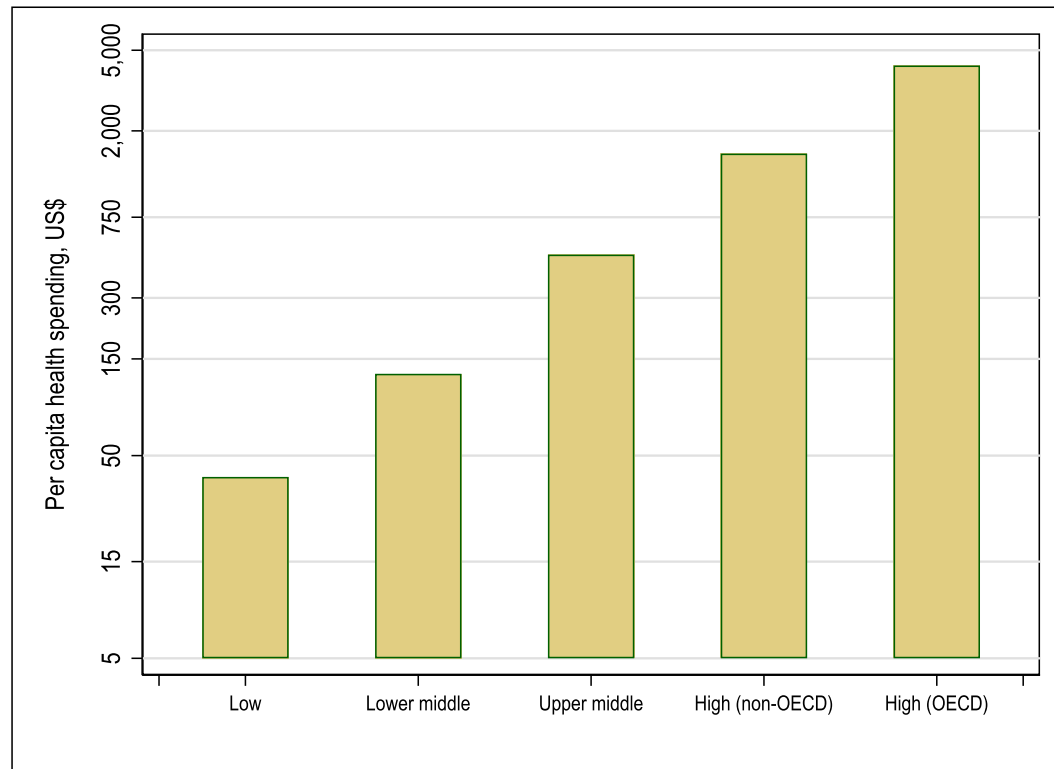
Indicators	Low income	Lower middle	Upper middle	High income	All countries
Current health spending per capita	US\$34	US\$95	US\$553	US\$5,741	US\$1,132
<i>Share of GDP</i>	5.2%	3.6%	5.9%	11.5%	5.7%
Public share of current	36%	36%	56%	67%	48%
<i>Per capita</i>	US\$11	US\$38	US\$307	US\$3,545	US\$678
<i>Share from general taxation</i>	64%	83%	60%	66%	71%
<i>Share from SHI contributions</i>	2%	11%	40%	34%	24%
<i>Share from external sources</i>	33%	5%	0%	0%	5%
OOP share of current	41%	52%	32%	16%	39%
VHI share of current	2%	5%	9%	3%	6%
Other (NGOs, etc.)	21%	7%	3%	14%	7%

Global Health Financing Landscape

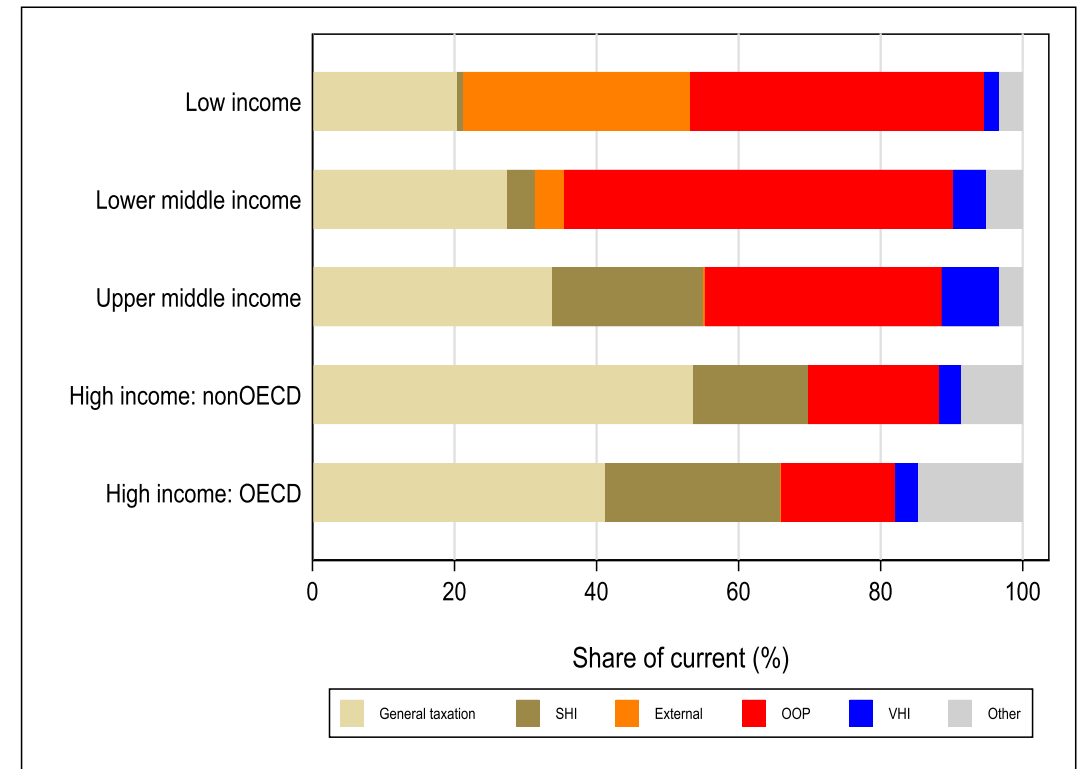


Global Health Financing Landscape

Levels

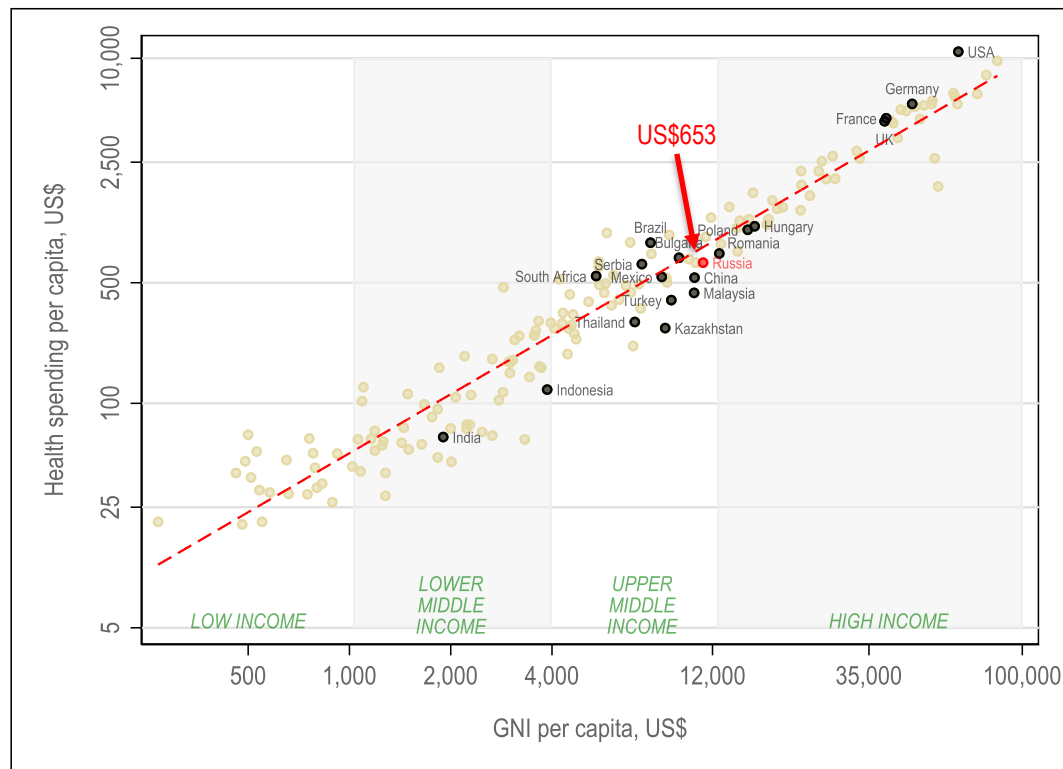


Composition

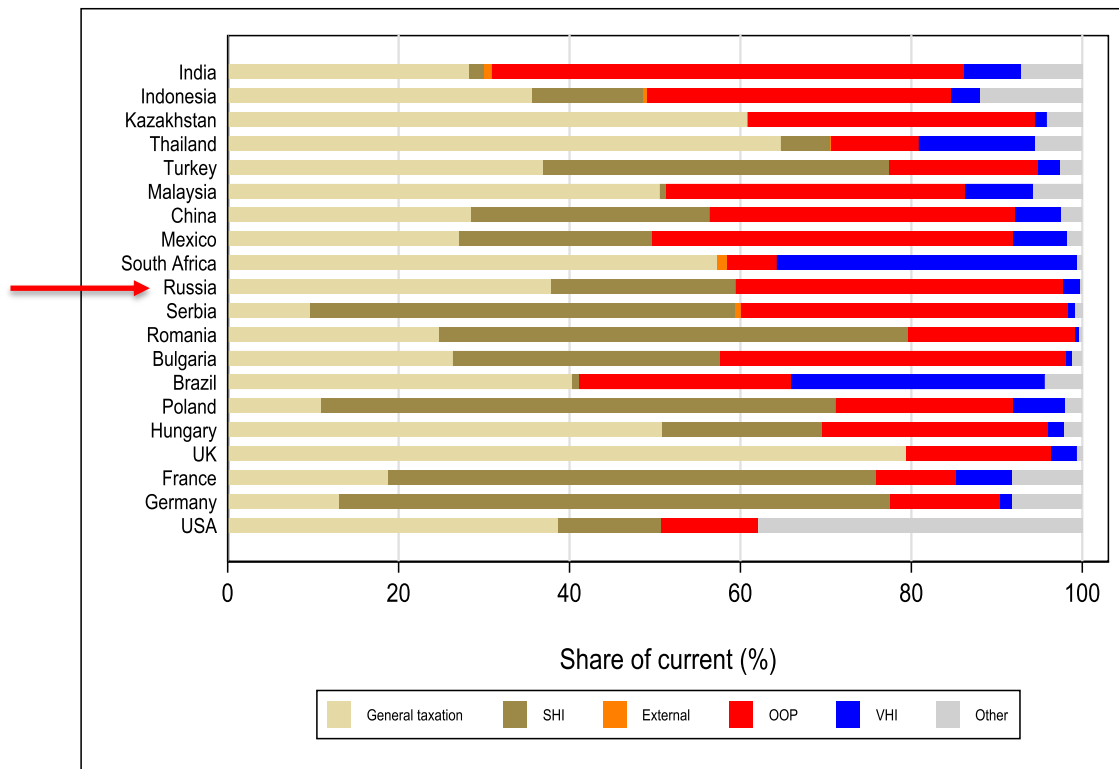


Global Health Financing Landscape

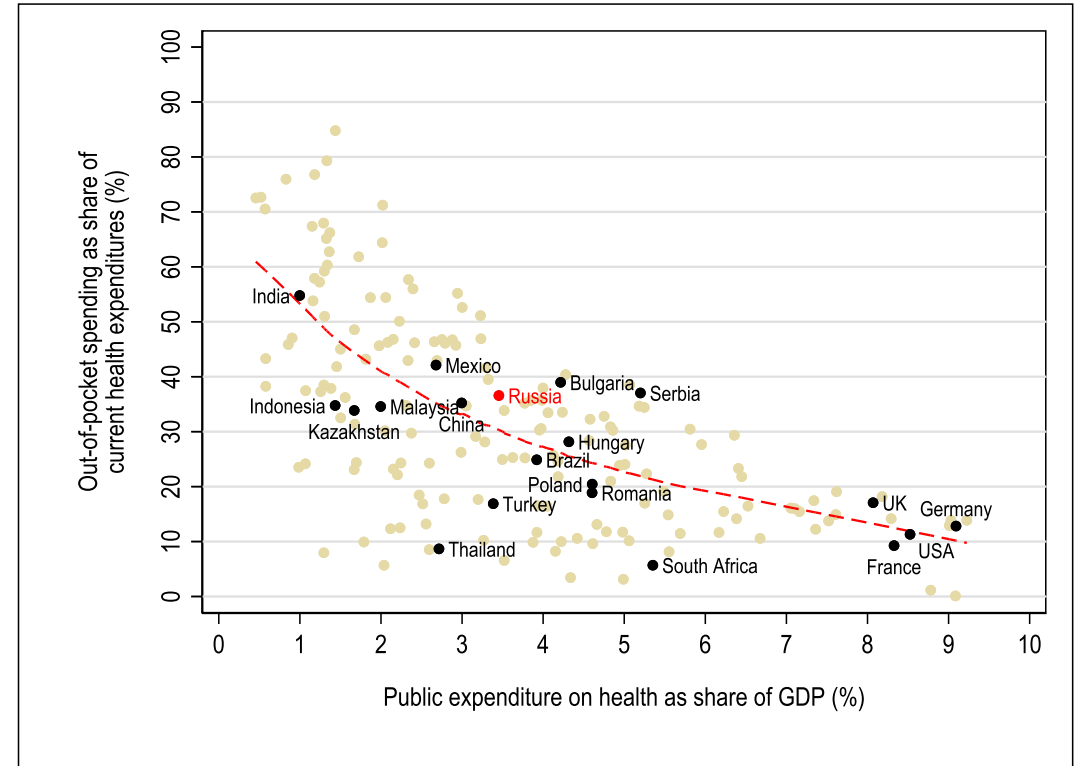
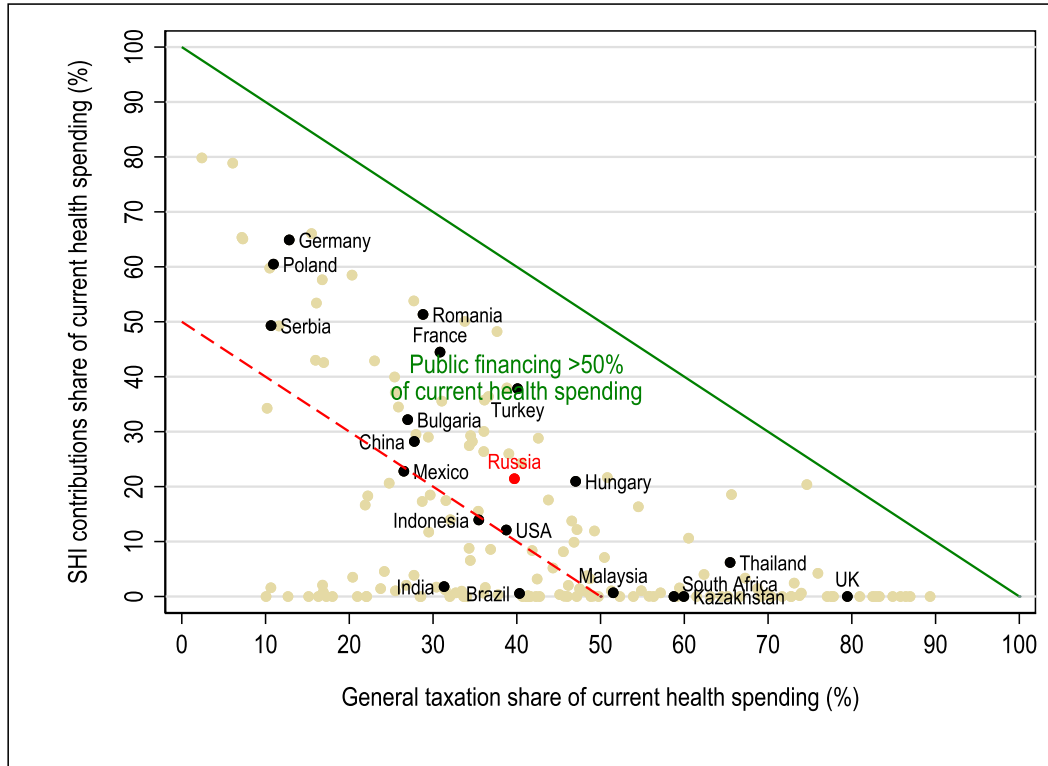
Levels



Composition



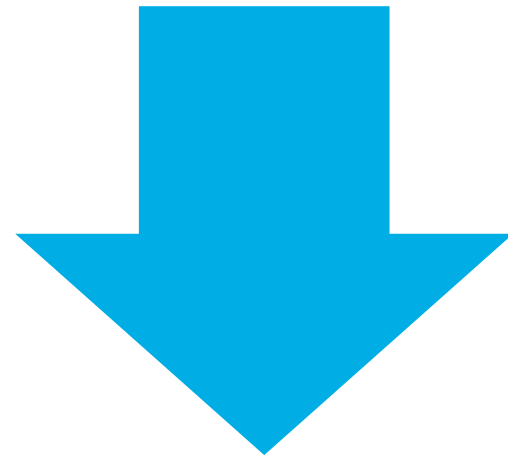
Global Public Financing Landscape



General Taxation ↔ SHI

- Many countries that started with **SHI subsequently abolished** them and moved to general taxation (e.g., UK, Norway, Denmark, Greece, Italy, Portugal, Spain, Brazil). And vice-versa.
- In some countries, **both general taxation and SHI** systems co-exist separately, often covering different population sub-groups (e.g., Thailand, India, Nigeria).
- In some countries, **SHI agencies own and operate providers** (e.g., Costa Rica).
- In some countries, **general taxation is augmented by earmarked taxes** to contribute towards health (e.g., UK, India).
- More and more countries with **SHI systems co-finance via general taxation**, e.g., to cover vulnerable groups, due to informality, ageing, etc. (e.g., Indonesia, Hungary, Vietnam).
- Differences between general taxation and SHI systems **increasingly blurred** as countries move towards diversified public revenue sources of financing for health.

Common Challenges



Higher-income countries:
Ageing, chronic conditions,
lack of coordination, financial
sustainability, cost control,
long-term care



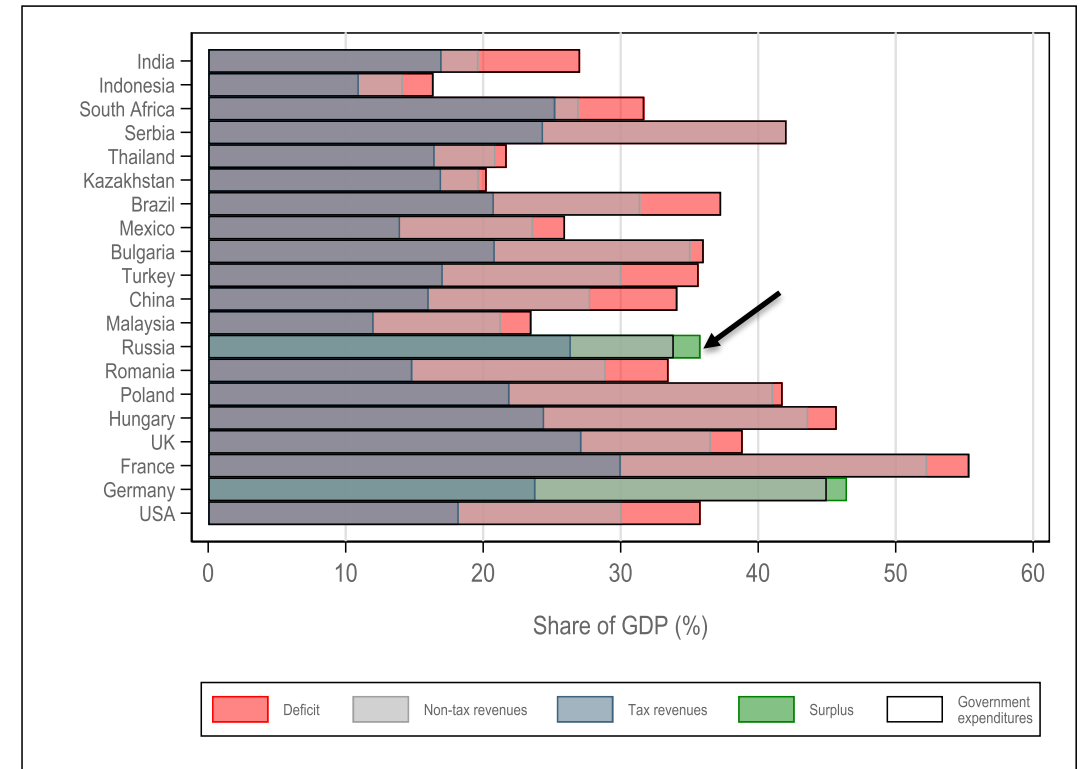
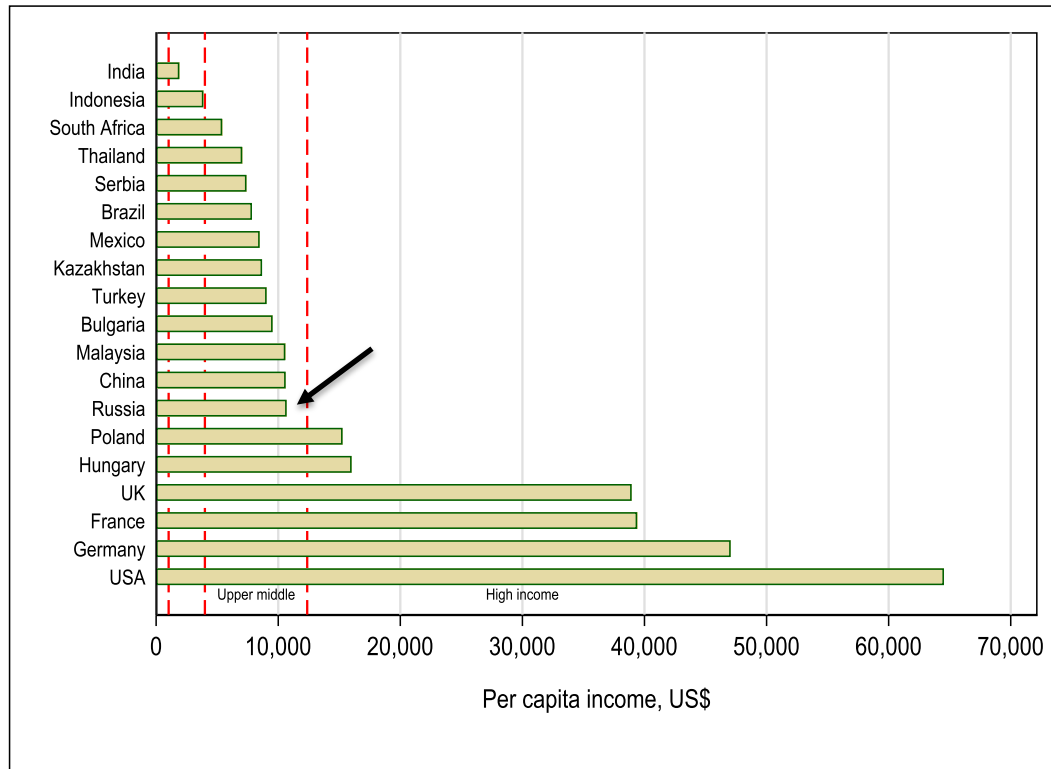
Lower-income countries:
Informality, poverty, high OOP
spending, low effective
coverage, lack of financial
protection, foregone care



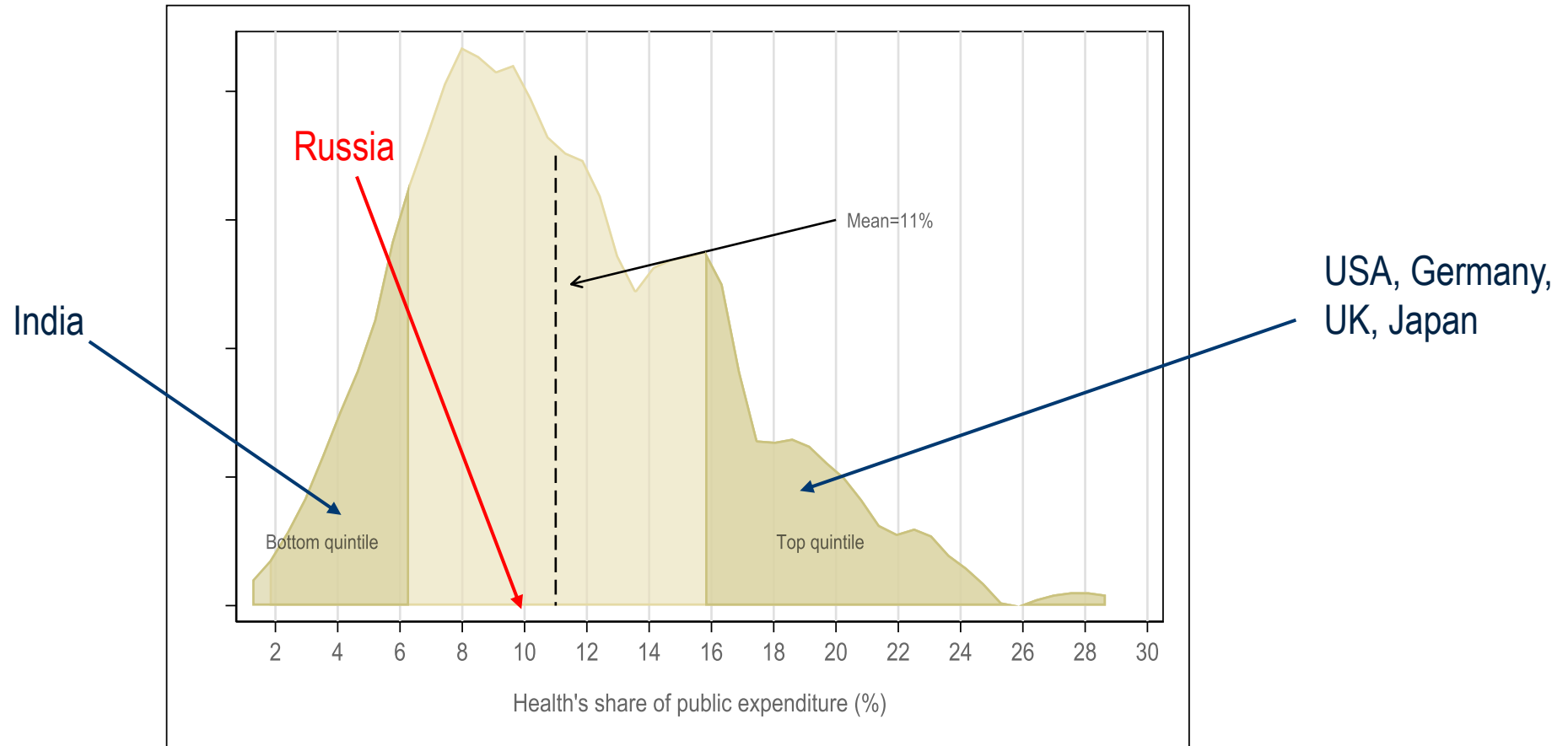
Trends in Public Financing for Health: Tyranny of Mathematics



General Government Revenues/Expenditure, 2019



Health's Share of Public Expenditures



Globally, large variations in health share of public expenditures: ranges from **<3%** (e.g., South Sudan, Cameroon, Azerbaijan) to **>25%** (e.g., Costa Rica)

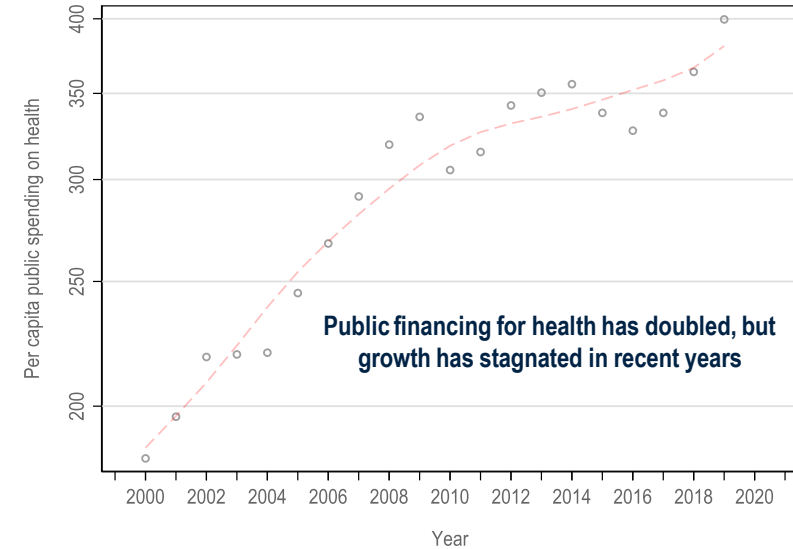
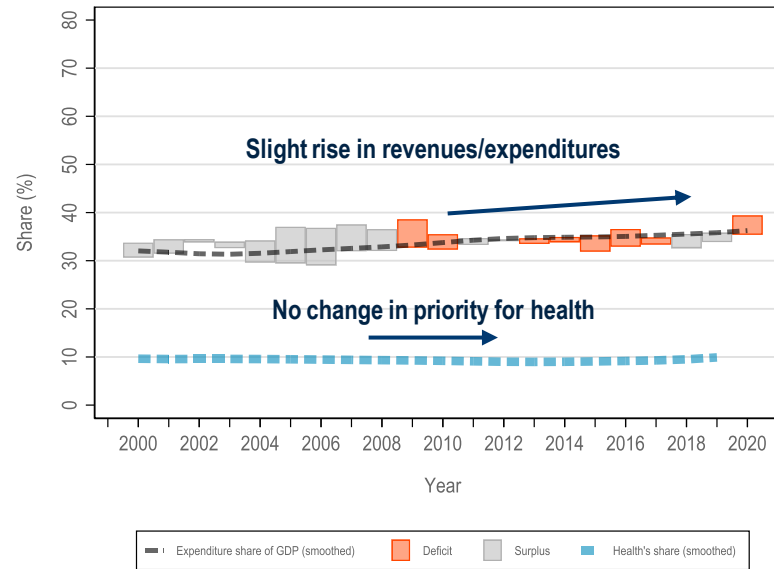
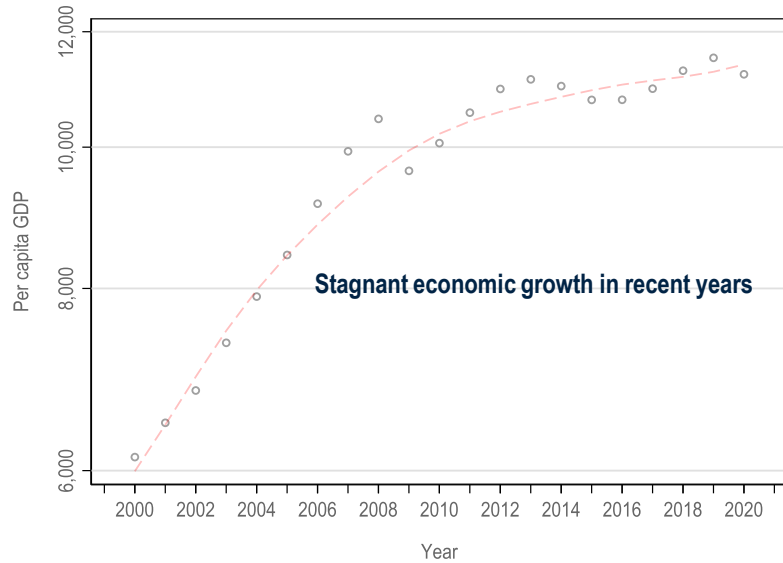
Tyranny of Mathematics



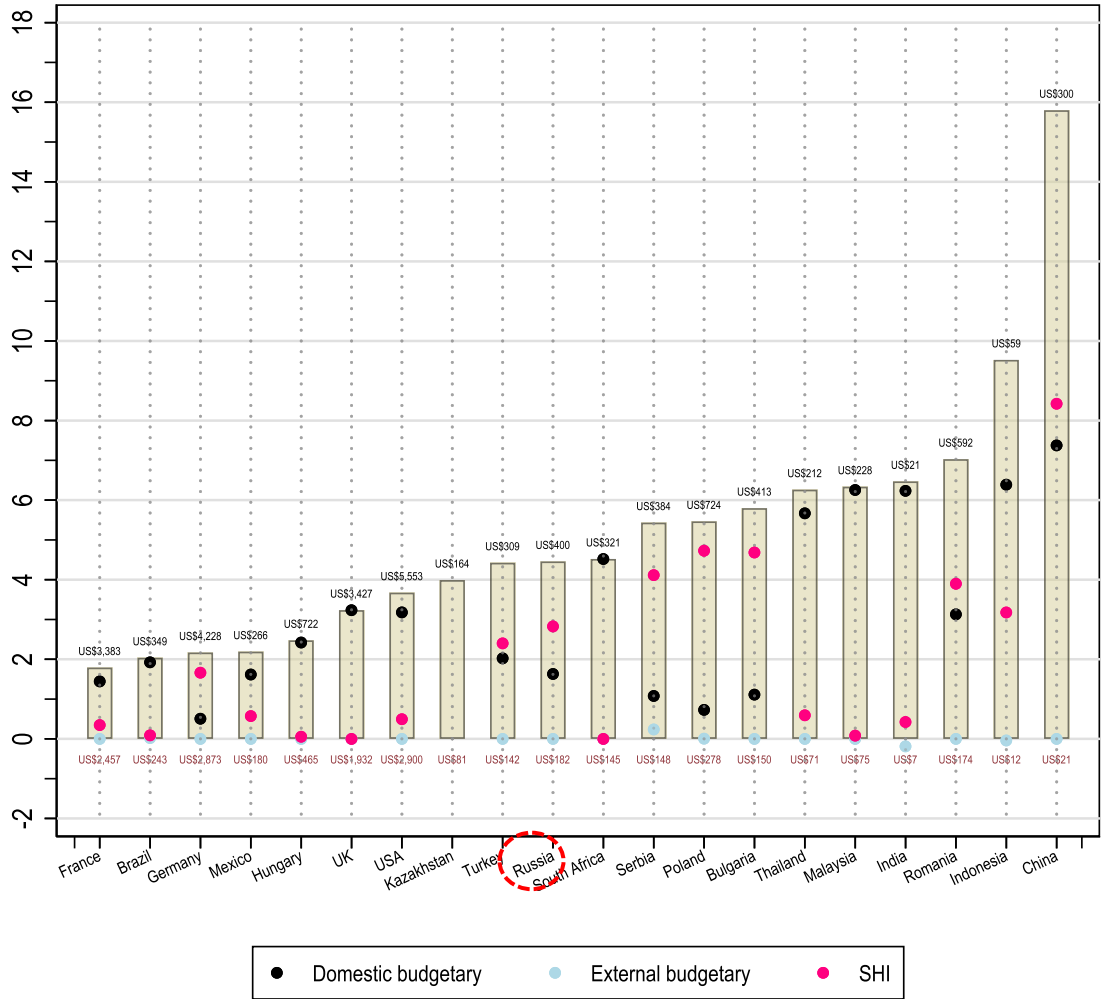
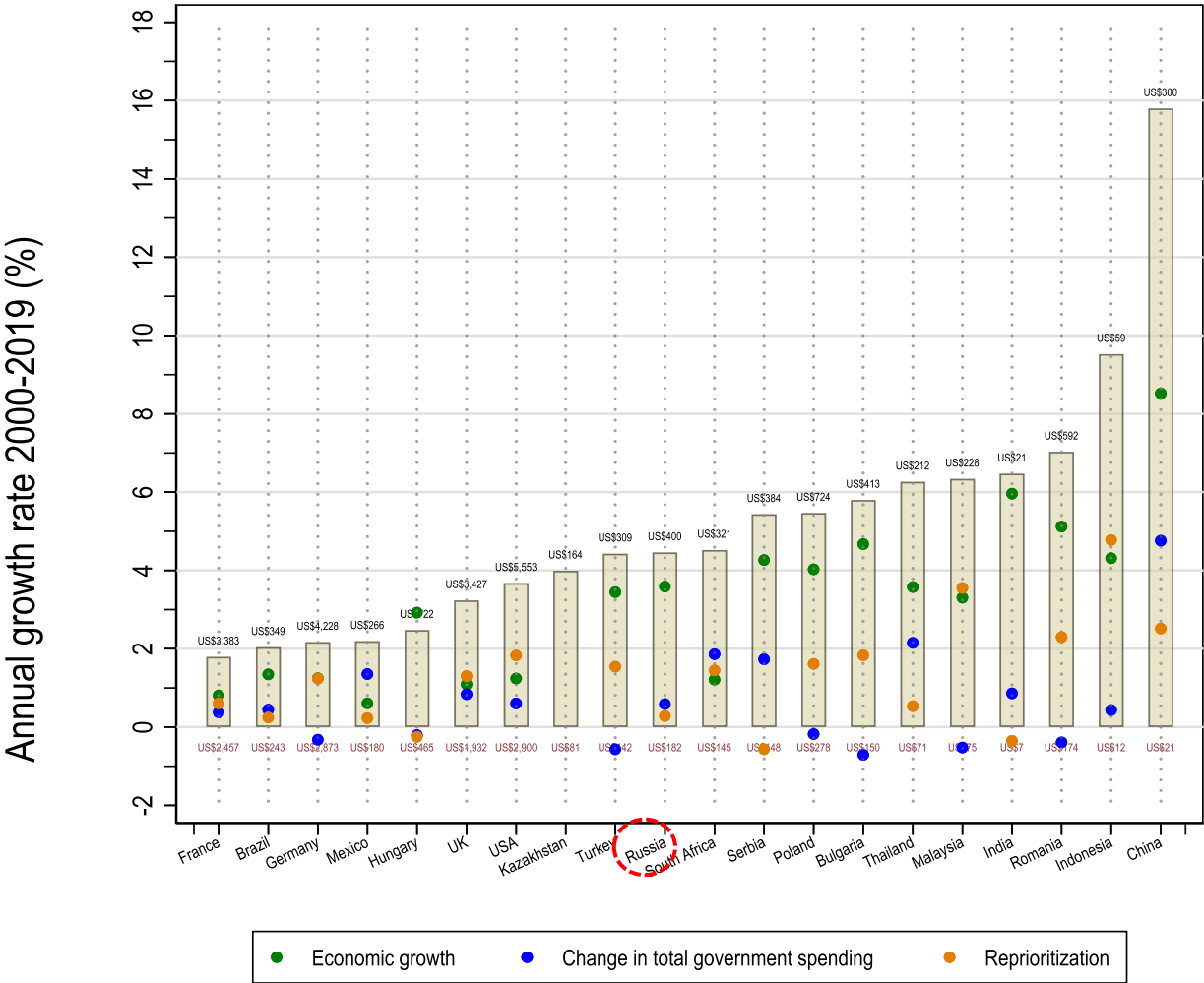
$$10\% \times 31\% \times \frac{2000}{\text{US\$6,130}} = \text{US\$182}$$

$$9\% \times 34\% \times \frac{2019}{\text{US\$11,516}} = \text{US\$400}$$

Tyranny of Mathematics

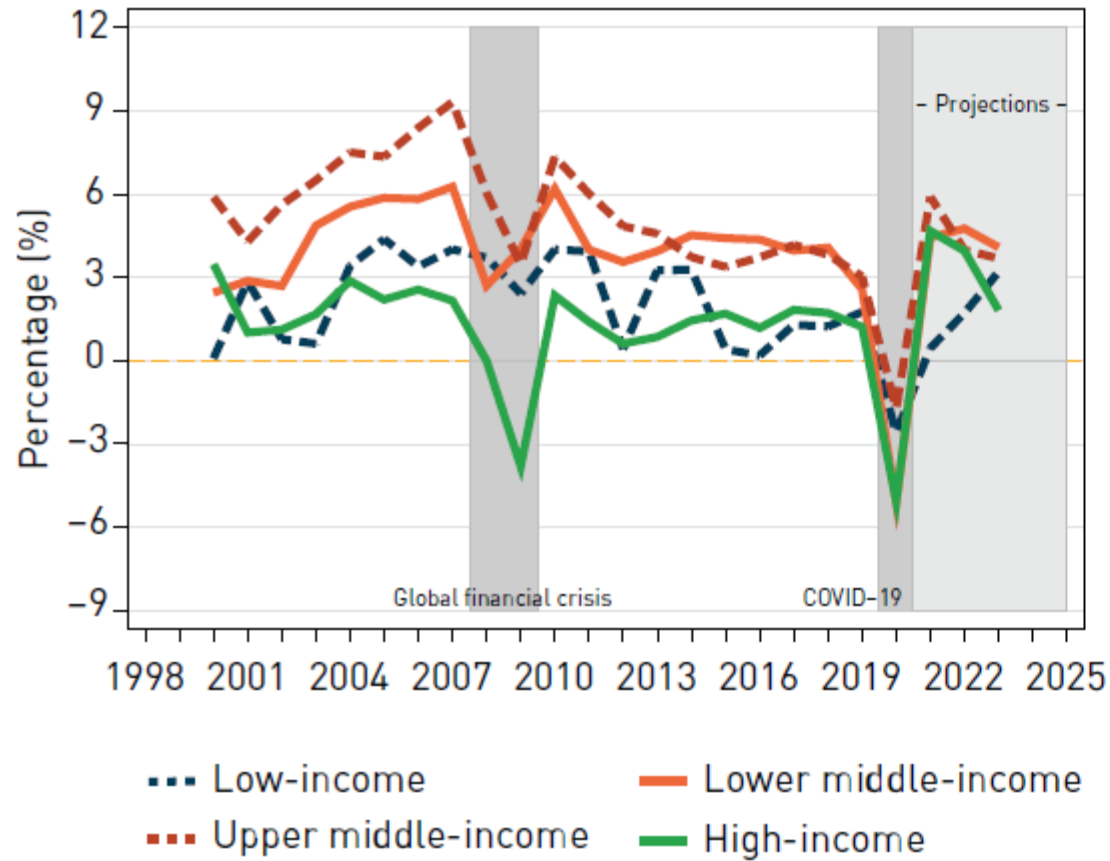


Decomposition of Public Spending on Health

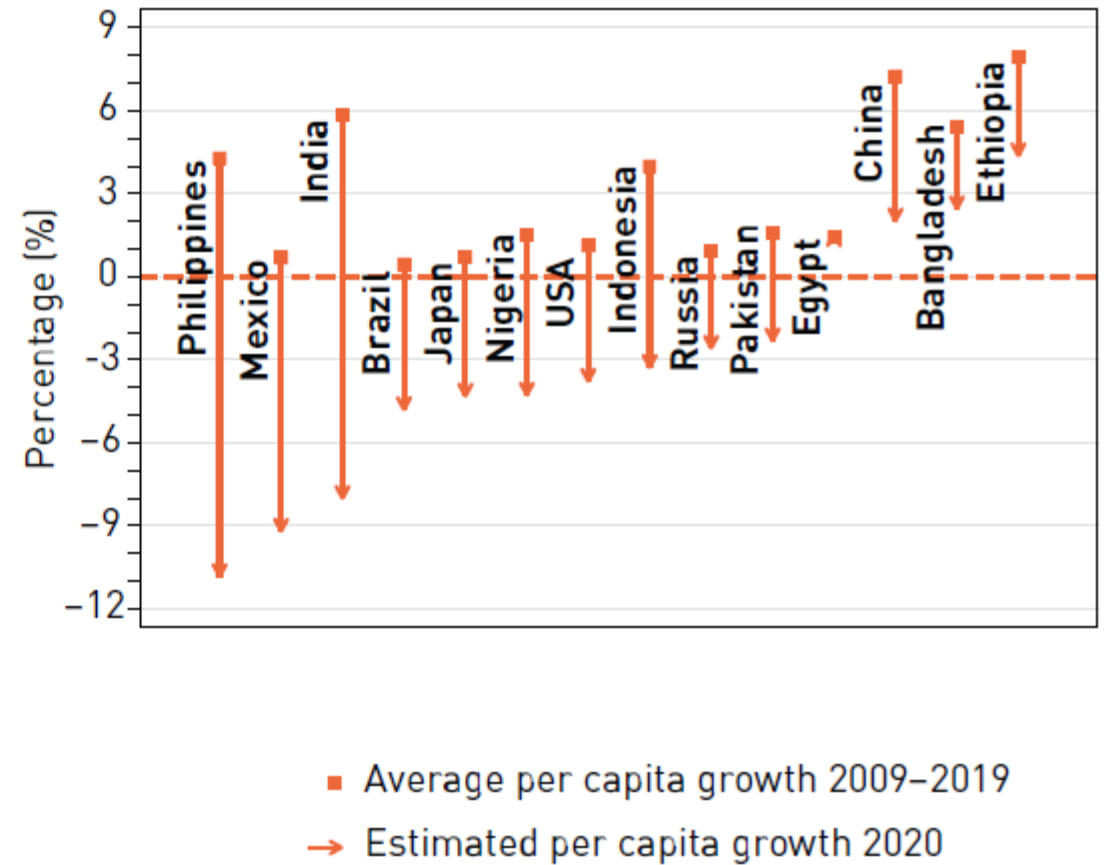


Macro-Fiscal Impact of COVID-19

a) Per capita GDP growth (%), 2000–2023, by economic group



b) Per capita GDP change (%), 2009–2020, selected countries



References

McKenna et al (2017), *How Health Care is Funded?*, London: King's Fund.

OECD & EU (2019), *State of Health in the EU: United Kingdom*, Country Health Profile.

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