9th Caribbean Conference on National Heath Financing Initiatives:

Main Remarks

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Pan American Health Organization

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Outline

1. Conference objectives: Content and focus
2. Review of key issues, strategies, gaps identified
3. Scope for regional collaboration, cooperation and experience sharing
4. Best practices being implemented
5. Proposed areas/issues to be examined in future conferences

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Content and Focus

- Setting the scene (Prof. Theodore, CARPHA rep., Mrs. Groome-Duke, Mr. London)
- Introduction: Universal health coverage
  - Social and political considerations (Dr. Gonsalves)
  - UHC and reducing the burden of NCDs (Dr. Sealey)
  - The role of SHI in UHC (Dr. Lao)
- The 9th Conference 4 main objectives:
  1. To share progress updates on performance, challenges and strategies from National Health Financing Plans (countries w/NHFPs)
  2. To consider the role of costing analysis in health and review new health financing initiatives / changes planned by countries (HEU/UWI; Dr. Cumberbatch; countries planning NHI or restructuring HFIs)
  3. NCDs:
     - Burden of disease (Dr. Hospedales)
     - Results based financing (RBF) (Dr. Carpio/Dr. Pantanali)
     - Case studies in RBF and NCDs control/managing (BAH,BEL,DOM,SCL,SUR)
  4. Efficiency: in health interventions and health financing (ARU,DSM, BER,JAM)

Universal Access to Health and Universal Health Coverage

"Universal access to health and universal health coverage imply that all people and communities have access, without any kind of discrimination, to comprehensive, appropriate and timely, quality health services determined at the national level according to needs, as well as to safe, effective and affordable quality medicines, while ensuring that the use of such services does not expose users to financial difficulties, especially groups in conditions of vulnerability."

Values

- ☑ Right to health
- ☑ Equity
- ☑ Solidarity

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Regional Strategy for Universal Access to Health and UHC

- Recently approved by PAHO/WHO Member States. It considers 4 strategic lines for countries to focus their policies and measure the speed and success of their progress:
  - **Strategic line 1:** Expanding equitable **access** to comprehensive, quality, people- and community-centered health services.
  - **Strategic line 2:** Strengthening **stewardship** and **governance**.
  - **Strategic line 3:** Increasing and improving **financing**, with equity and efficiency, and advancing toward the elimination of direct payment that constitutes a barrier to access at the point of service.
  - **Strategic line 4:** Strengthening **intersectoral coordination** to address social determinants of health.

Universal access to health and UHC: Transforming/Strengthening H. Systems

A Conceptual Framework

Political commitment w/ the right to health and universal access and UHC

- Legal framework
- Policies, plans and strategies
- **Fiscal priority**
- HIS to monitor universal health coverage

Population coverage
(adm. & transaction costs)
Service coverage
(costing ss, incentives)
Cost coverage
(financial protection)

Enabling factors

- Intersectoral approach and action on SDH
- Social dialogue and social determinants
- Regulatory capacity
- **Efficiency**

(aligning payment mechanisms, econ. eval., strategic purchasing)

A financing-based approach is not enough

People-centered model of care based on PHC with adequate (quality, quantity, type) and motivated HHRR4H **(financing and payment mechanisms aligned)**

Main challenges: NCDs, aging, new threats

Remaining Challenges in advancing toward Universal Access to Health and UHC

- Political commitment to response to health needs of their population. Need for intersectoral approach and regional collaboration.
- Very high inequity levels in health outcomes.
- Acknowledgement of epidemiological (NCDs) and demographic (aging) patterns but also (new) public health threats challenging health systems response: chikungunya (ebola?)—do not recognize borders.
- Problems of exclusion and lack of access to quality services.
- Escalating costs: Health systems segmentation and fragmentation.
- Weak/lack-of regulatory capacity and integration.
- Lack of adequate financing and remaining inefficiencies.
- NCDs and UHC:
  - mapping of strategies toward NCDs and UHC in the Caribbean – synergies
  - Leverage of regional experience on HIV
  - Need to strengthen HIS, health accounts and resource tracking

Obj. 1. To share progress updates on performance, challenges and strategies from NHF Plans

- Dr Lao's presentation set the scene sharing SHI experiences from LA countries (CHI,COL,COR, MEX).
- Main lessons:
  - Enabling conditions to expand coverage: Economic (stable economic policies & social programs toward poverty reduction); Political (democratization & right to health); demographic and epidemiological (aging & NCDs)
  - Main challenges: quality improvement; integrate levels of care; enhance sustainability in financing & organization of health care; improve governance; structured system for determining benefits expansion & Htechnology adoption
- Main issues emphasized by presenting countries:
  - Population coverage
  - Size of benefit packages
  - Financial sustainability of current schemes
- Comments: Further analysis needed on strategies to address barriers to access: quality of HSs and financial risk protection

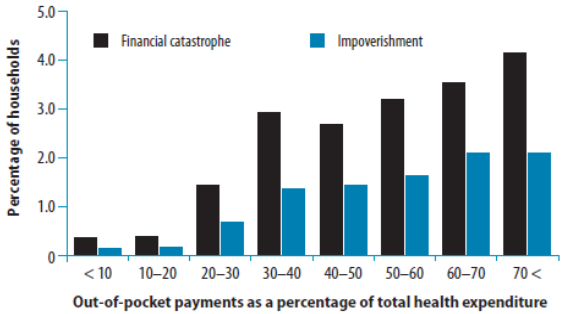
Obj. 2. Review of new HFIs / changes planned by countries and (…)

- Countries presentations:
  - Bonaire: Main challenges being faced are rising costs, sustainability of the financing model. Solutions under study: introduction of OOP, premium rise; moving from public to private health care
  - BVI: Adoption of NHI – division of the Social security Board; offering of an equitable basic package of services; developing an overseas PPO
  - Saint Lucia: reform based on strengthening governance role of MoH; review of the model of care toward integrated health services delivery model; development of an essential package of HSs (EPHS).
- Comments:
  - Ultimate goal: universal access to health and universal health coverage
  - Are changes at the institutional and regulatory level in place? Key role of MoH related to NHI
  - Analysis of sources of funding? Financial sustainability?
  - Payment mechanisms aligned w/ H System objectives? Population-based?

Making the case for financial protection: some key ideas

- **Pooling pays**… Evidence shows is the most equitable mechanism
- **Consolidate/integrate or compensate**… Integrate existing pools & develop risk adjustment and compensation mechanisms
- **Combine tax & Social Insurance**… Resources from workers & the whole population need to be together
- **Compulsory contribution helps**… All countries closest to UHC pool funds either from taxes or from social security through mandatory arrangements
- **Voluntary schemes may be a useful 1st step**… Some coverage is better tan no coverage
- **Eliminate direct payments**… OOPs the most inequitable and regressive. Should not exceed 15-20%

Fig. 3.2. The effect of out-of-pocket spending on financial catastrophe and impoverishment



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Obj. 2. … the role of costing analysis in health

- UEH/UWI review of methodologies and studies for cost analysis and efficiency in health.
- Lessons learned:
  - Bottom-up approach although more comprehensive, is too costly. Recommended top-down approach applied.
  - Main findings: efficiency gaps found during costing of HSs; cash-based accounting prevents recording of transactions of in-kind goods; weak tracking of HHRR; paper-based data recording systems
- Comments:
  - create awareness and advocacy on the relevance of data recording;
  - a certificate program in costing could help to raise level of skills;
  - pool of experts to be conformed at the regional level
  - Costing and economic evaluation of health interventions and health technologies introduction are instruments to help priority setting at decision making level.

Obj. 3. NCDs: RBF and Case studies

- WB review of RBF methodological framework and experiences in LAC countries (Argentina, Mexico)
  - Lessons: need to define what to purchase?; who to purchase from?
  - Need to define contractual issues: clear indicators; penalties to providers
- Four Caribbean countries applying different forms of RBF: BAH (CCT), BEL, DOM, SCL; most of them are work in progress or pilot programs. Some with WB support (DOM, SCL)
- Main findings:
  - Dynamic process. Need for permanent review and evaluation
- Main question raised:
  - Is RBF related to NCDs being applied at the individual or population level?

Obj. 4. Efficiency

- Examples provided address efficiency issues mainly in following areas:
  - Value-based health care: combination of: Model of care and organization of health services; Financing system; Introduction of performance based payments (bundling, diagnostic based); Rational use of technologies, including medicines (pharmaceutical care; pharmaceutical and laboratory efficiencies; CVRM and diabetes care in Suriname, Sint Marteen)
  - “Paradigm shift” (DSM): providers get paid for the value they give
  - Analysis of barriers and prioritization of strategies
  - Hospital efficiency (JAM): “doing more with less” emphasis in financial constraints. Patient satisfaction driven; improving quality and services standards; spending efficiency
  - Managing care for the elderly (BER): planning and managing risk; HHRR
  - Business intelligence (JAM): data availability critical to support decision making

Obj. 4. Efficiency

- Examples of quality based policies: Aruba (AZV), Dutch speaking co's.
- Main constraints:
  - Availability of DATA and of good quality – But, analysis and interpretation skills
  - Institutional barriers to change, providers resistance to change of culture
  - HHRR: Physician/specialist shortage: Rationing of care?; prioritization of urgent or complex cases
  - Infrastructure
  - Silver linings? (BER): technology, outsourcing offshore
- Comments:
  - Lessons learned (impact analysis); knowledge transference
  - Feasibility of applying/ institutionalizing these models in other co's? buy-in? legislation requirements? Institutional arrangements required?
  - Need for an integrated model based on systems thinking; moving from hospital centered (curative) to people centered (strong first level of care)-PHC based

Inefficiencies: 30-40% of all health expenditures

Source of inefficiency	Common reasons for inefficiency	Ways to address inefficiency
1. Medicines: underuse of generics and higher than necessary prices for medicines	Inadequate controls on supply-chain agents, prescribers and dispensers; lower perceived efficacy/safety of generic medicines; historical prescribing patterns and inefficient procurement/distribution systems; taxes and duties on medicines; excessive mark-ups.	Improve prescribing guidance, information, training and practice. Require, permit or offer incentives for generic substitution. Develop active purchasing based on assessment of costs and benefits of alternatives. Ensure transparency in purchasing and tenders. Remove taxes and duties. Control excessive mark-ups. Monitor and publicize medicine prices.
2. Medicines: use of substandard and counterfeit medicines	Inadequate pharmaceutical regulatory structures/mechanisms; weak procurement systems.	Strengthen enforcement of quality standards in the manufacture of medicines; carry out product testing; enhance procurement systems with pre-qualification of suppliers.
3. Medicines: inappropriate and ineffective use	Inappropriate prescriber incentives and unethical promotion practices; consumer demand/expectations; limited knowledge about therapeutic effects; inadequate regulatory frameworks.	Separate prescribing and dispensing functions; regulate promotional activities; improve prescribing guidance, information, training and practice; disseminate public information.
4. Health-care products and services: overuse or supply of equipment, investigations and procedures	Supplier-induced demand; fee-for-service payment mechanisms; fear of litigation (defensive medicine).	Reform incentive and payment structures (e.g. capitation or diagnosis-related group); develop and implement clinical guidelines.
5. Health workers: inappropriate or costly staff mix, unmotivated workers	Conformity with pre-determined human resource policies and procedures; resistance by medical profession; fixed/inflexible contracts; inadequate salaries; recruitment based on favouritism.	Undertake needs-based assessment and training; revise remuneration policies; introduce flexible contracts and/or performance-related pay; implement task-shifting and other ways of matching skills to needs.

6. Health-care services: Inappropriate hospital admissions and length of stay	Lack of alternative care arrangements; insufficient incentives to discharge; limited knowledge of best practice.	Provide alternative care (e.g. day care); alter incentives to hospital providers; raise knowledge about efficient admission practice.
7. Health-care services: Inappropriate hospital size (low use of infrastructure)	Inappropriate level of managerial resources for coordination and control; too many hospitals and inpatient beds in some areas, not enough in others. Often this reflects a lack of planning for health service infrastructure development.	Incorporate inputs and output estimation into hospital planning; match managerial capacity to size; reduce excess capacity to raise occupancy rate to 80–90% (while controlling length of stay).
8. Health-care services: medical errors and suboptimal quality of care	Insufficient knowledge or application of clinical-care standards and protocols; lack of guidelines; inadequate supervision.	Improve hygiene standards in hospitals; provide more continuity of care; undertake more clinical audits; monitor hospital performance.
9. Health system leakages: waste, corruption and fraud	Unclear resource allocation guidance; lack of transparency; poor accountability and governance mechanisms; low salaries.	Improve regulation/governance, including strong sanction mechanisms; assess transparency/ vulnerability to corruption; undertake public spending tracking surveys; promote codes of conduct.
10. Health interventions: Inefficient mix/ Inappropriate level of strategies	Funding high-cost, low-effect interventions when low-cost, high-impact options are unfunded. Inappropriate balance between levels of care, and/or between prevention, promotion and treatment.	Regular evaluation and incorporation into policy of evidence on the costs and impact of interventions, technologies, medicines, and policy options.

Scope for Regional Collaboration, Cooperation and Experience Sharing

- PAHO Technical cooperation to design road maps toward universal access to health and UHC. (COR, PAN)
- Different PAHO/WHO collaboration initiatives:
  - Institutionalization of SHA2011 methodology and use of HAPT production tool (Regional workshops, Guyana, Oct 13-17;Lima, Peru – Nov 17-21); building methodological bridges (HAS – SHA) Brasil, Oct 2014.
  - Available tools: OneHealth (financial costing tool) , OASIS (Organizational Assessment for Improving and Stregthening Health Financing), global financial risk protection; CHOICE (cost-effective interventions).
- Online course on health economics and financing – CVSP; and country-content adaptation (CHI, MEX) eventually converging into communities of practice.
- Joint FLACSO – PAHO course on economics and health (yearly, Nov 2014)

(cont….) Scope for Regional Collaboration, Cooperation and Experience Sharing

- Introduction of a module on costing of HSs in PERC tool to design more appropriate payment mechanisms
- Joint work PAHO/GF to incorporate HSS component in concept notes
- Economics and NCDs: DCP3 standalone publication for LA; joint OECD/WB/INSP/CGD/PAHO on economic models capturing economic dimensions of NCDs
- **PROPOSAL**: Establishment of communities of practices in different topics of health financing.

Best practices being implemented

- Introduction of performance based payment mechanisms to improve quality of health services;
- Practices of standardization of care and definition/review of protocols of treatment;
- Costing analysis allowing to identify weaknesses and efficiency gaps in health services delivery;

Proposed areas /issues to be examined in future conferences

- Under the framework of the regional strategy for universal access to health and universal health coverage, we propose future focus in the following areas:

1. Barriers to access: Quality health services and financial risk protection
2. Payment mechanisms providing the right incentives aligned with health system objectives
3. Economic evaluation of health interventions and introduction of new technologies, including medicines
4. How to improve data availability (micro and macro) Institutionalization of health accounts production

Mission accomplished!

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