



# HEALTH POLICY PLUS

## Health Financing

*Increasing Affordable Access to Key Health Services*

Strained government budgets and reductions in external funding mean that developing countries must find new and innovative ways to finance their health systems and cover healthcare costs. As countries move from low- to middle-income status and increase their tax revenues, they are being asked to shoulder greater financial responsibility for financing health services. This shared responsibility for funding health is reinforced by financing mechanisms such as the Global Financing Facility and PEPFAR, both of which emphasize the increasing role of domestic resource mobilization.

The USAID- and PEPFAR-funded Health Policy Plus (HP+) project is providing technical assistance to governments, civil society, and private sector players in low- and middle-income countries to effectively engage in domestic resource mobilization, put in place sustainable financing mechanisms that will go beyond meeting the short-term needs of specific disease programs, and make progress toward universal health coverage (UHC) goals. The project is:

- Building the capacity of governments to undertake the challenge of correctly allocating and fully spending scarce public funds to benefit the most vulnerable, while also ensuring that critical commodities and services are consistently available.
- Engaging ministries of finance in health financing reform.
- Supporting private sector players, many of whom are not yet fully engaged in domestic resource mobilization or service provision, to effectively contribute to a sustainable health financing agenda.
- Using improved data collection and information to inform policies and prioritize health funding.
- Strengthening civil society's ability to advocate for adequate and sustained health funding, and helping establish platforms from which they can participate.

The project's health financing work falls into six main categories:

### SUPPORTING HEALTH FINANCING REFORM FOR UHC

Health financing reforms assist a country on its path towards UHC. HP+ provides technical assistance for the development of national health financing strategies that focus on how to sustainably improve the quality, availability, and equity of health service delivery while providing protection for the poor. The project also supports the scale up of health insurance mechanisms as a way to mobilize additional, sustainable revenue; promote cross-subsidization through risk pooling; and incentivize quality service delivery of essential health





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services through appropriate provider payment mechanisms. HP+ generates evidence, builds capacity, and convenes stakeholders to accelerate the adoption and implementation of these reforms.

## **INCREASING DOMESTIC RESOURCES FOR HEALTH**

Under the USAID-led PEPFAR Sustainable Financing Initiative, HP+ is building an evidence base to advocate for increased government allocations to health. HP+ is sensitizing parliamentarians, civil society, and the media on the importance of domestic resource mobilization to help influence budget formulation processes in the short term and the adoption of a sustainable health financing mechanism in the long term. The project is also developing investment cases for reproductive, maternal, newborn, child, and adolescent health.

## **IMPROVING TECHNICAL EFFICIENCY OF HEALTH SERVICES**

Technical efficiency of health services relates to delivering the same scale of health services with fewer quantifiable resources (commodities, human resources, and other inputs), or increasing the amount of health services delivered for the same level of inputs. Savings generated through improved technical efficiency represent better value for money for donors, while making health programs more affordable and accelerating the shift from development assistance to domestic financing.

HP+ conducts financial flow analyses to identify bottlenecks that impact service delivery and promotes efficiency through the harmonization of parallel supply chains and a reduction in wastage. The project also supports public financial management initiatives that promote better planning and budgeting processes that ultimately lead to improved budget execution.

## ENGAGING THE PRIVATE SECTOR FOR UHC

The private sector (non-profit, faith-based, non-governmental, and commercial players) can be a payer or provider of healthcare products or services, or a financier to catalyze growth of the healthcare market. To achieve UHC, the public sector needs to engage with the private sector to ensure affordable and sustainable healthcare. HP+ supports governments to engage with the private sector through evidence generation, building government stewardship capacity, and acting as a neutral convener to bring together various stakeholders.

## MAINSTREAMING VERTICAL HEALTH PROGRAMS

Programs are typically managed and implemented through specific health areas, such as family planning/reproductive health, HIV and AIDS, and maternal and child health. However, within the context of UHC, country decisionmakers are being asked to consider how they can best allocate their resources for health across various health areas to yield the most health benefit, as equitably as possible. At the same time, ministries of health are wondering how they can advocate for more health funding when other sectors, such as education and infrastructure, are also competing for more government resources to improve the social and economic welfare of the country. HP+ uses policy models, such as OneHealth, DemDiv, and RAPID and the Financing Framework to End Preventable Child and Maternal Deaths to generate evidence for governments to make such strategic decisions.

## GENERATING EVIDENCE

HP+ conducts costings of national strategic plans and program operational plans to help in-country stakeholders prioritize activities and create an evidence base to advocate for resource mobilization. HP+ also conducts cost-effectiveness analyses to determine the economic benefit of rolling out new drugs or health products which can inform policy and programmatic decision making and optimize limited resources.

## CONCLUSION

HP+ supports country governments and partners to generate, analyze, and use data to effectively advocate, mobilize resources, and plan for the future. HP+ also supports and facilitates collaborative and comprehensive processes to develop universal health coverage. For more information about HP+'s health financing work, please visit [www.healthpolicyplus.com/healthfinance.cfm](http://www.healthpolicyplus.com/healthfinance.cfm).



Arturo Sanabria, Courtesy of Photoshare



## COUNTRY/REGIONAL EXAMPLES

<b>Ghana:</b>	Calculating the resource needs for the scale-up of ART to meet UNAIDS 90-90-90 targets.
<b>Guatemala:</b>	Supporting health financing reforms, the expansion of priority health interventions, and improved functioning of the Ministry of Public Health & Social Assistance.
<b>Indonesia:</b>	Providing analytics on a compulsory national health insurance system and conducting private sector landscape analyses to identify market opportunities to improve maternal and newborn health.
<b>Kenya:</b>	Developing capacity for program-based budgeting at the county level, generating evidence for sustainable financing of the HIV and AIDS response, and improving tracking of health expenditure at all levels.
<b>Latin America and the Caribbean:</b>	Examining the current status and country experiences of family planning (FP) financing to help address disparities, improve FP access, and extract lessons for countries outside of Latin America and the Caribbean who are working to achieve UHC.
<b>Madagascar:</b>	Supporting the development of UHC through evidence generation, advocacy, stakeholder engagement, and capacity building; developing an investment case for reproductive, maternal, newborn, child, and adolescent health.
<b>Malawi:</b>	Using a total market approach to support the development of a national condom strategy; embedding health financing support at the highest levels of the Ministry of Health to further the reform agenda; employing the OneHealth tool to cost a revised health sector plan.
<b>Mozambique:</b>	Developing an investment case for the Global Financing Facility and supporting the Ministry of Public Health to finalize the country's health financing strategy.
<b>Pakistan:</b>	Using modeling tools, such as DemDiv and RAPID, to assess the contribution of specific health areas to the country's overall development.
<b>Tanzania:</b>	Crafting a framework to determine appropriate levels of domestic health funding; conducting actuarial feasibility analyses for the health financing strategy proposals; reducing user fees for maternal healthcare; and improving sustainability of HIV and AIDS financing.



### For information on how to work with HP+, please contact

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