THE LANCET
Global Health

The Lancet Global Health
Commission on

Financing Primary Health Care

BILL & MELINDA GATES *foundation*

About the Commission

The challenge

- Fundamental importance of PHC
  - Provision of essential health services
  - Prevention and treatment of chronic conditions
  - Front-line role in responding to epidemics
  - A pre-requisite for achieving UHC and the SDGs

- Funding for PHC is often insufficient, and ineffective or inappropriate financing arrangements can lead to:
  - Inefficient and poorly performing services
  - Lack of financial protection
  - Inequalities in access to care

- Covid-19 has created a health and fiscal crisis, highlighting the dangers that societies face without a well-functioning PHC system that protects everyone.

Who we are

Technical team **LSHTM**

Chair: Professor Kara Hanson

22
COMMISSIONERS

- National government
- Technical agencies
- Bilateral & multilateral donors
- Universities
- Think-tanks

Objectives

- Present new evidence on levels and patterns of global expenditure on PHC
- Analyse key technical and political economy challenges faced in financing PHC
- Identify areas of proven or promising practices that effectively support PHC across the key health financing functions
- Identify actionable policies to support LMICs in raising, allocating, and channelling resources in support of the delivery of effective, efficient, and equitable, people-centred PHC

Current landscape of PHC financing

To estimate PHC expenditure you have to start by defining PHC

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1. Broad definition (multi-sector) vs. health sector perspective

Alma Ata – multi-sector

Health financing – seek to influence health budgets

2. Health care functions vs. health care provider

OECD – cross-classification

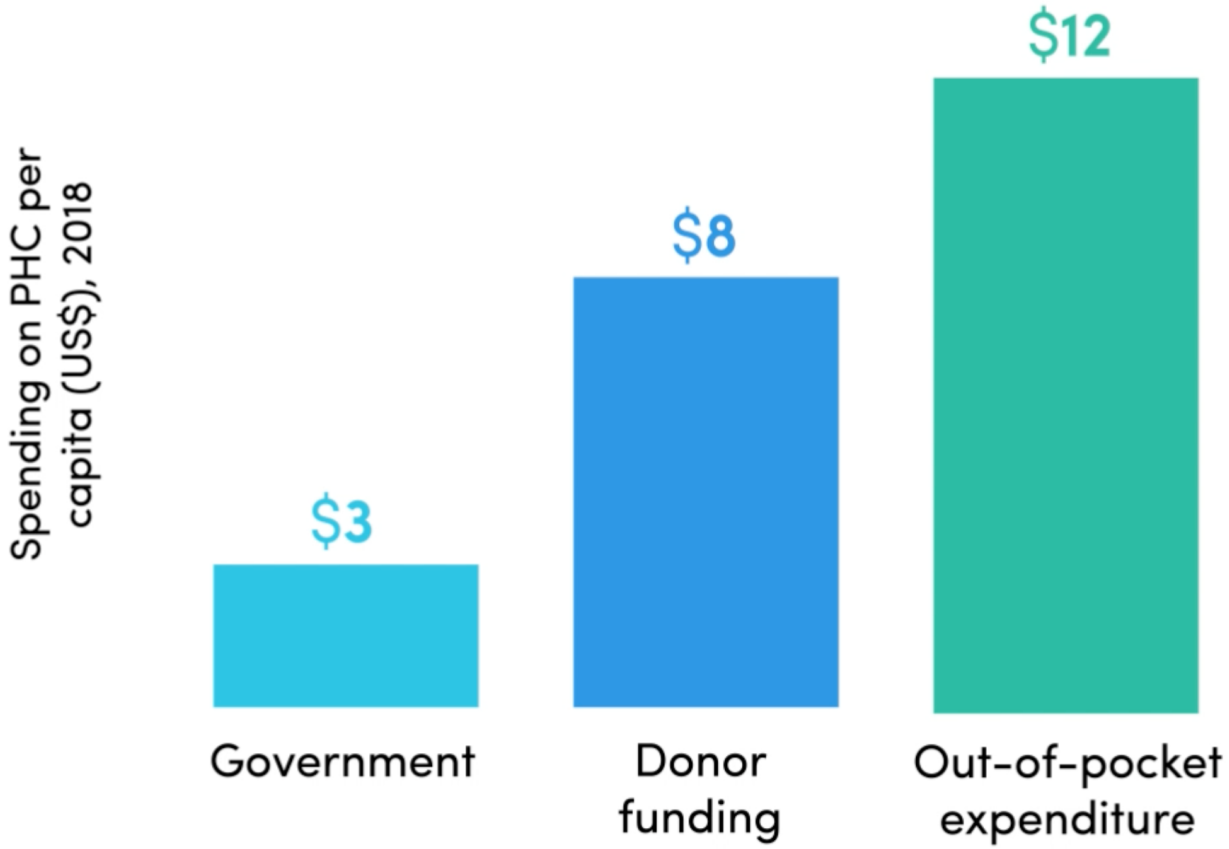
WHO – only health care functions (so over-estimates)

3. ”Comprehensive PHC” – Primary care, essential public health functions, community health platform

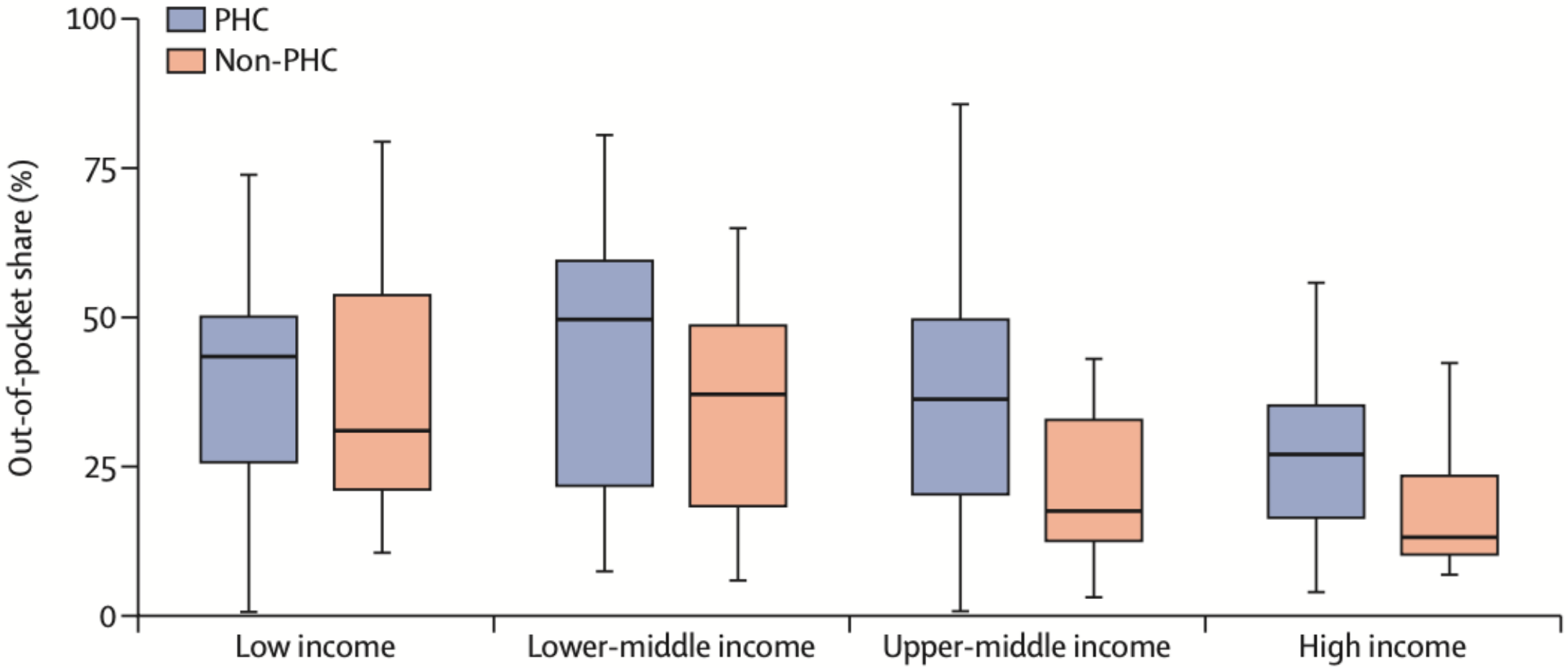
Why important? Consistency of measurement, accountability for budgeting and spending.

Government spending on PHC in low- and lower-middle income countries is very low

Out-of-pocket payments are the main source of financing PHC in low-income countries



Households are more exposed to OOP for PHC than for non-PHC



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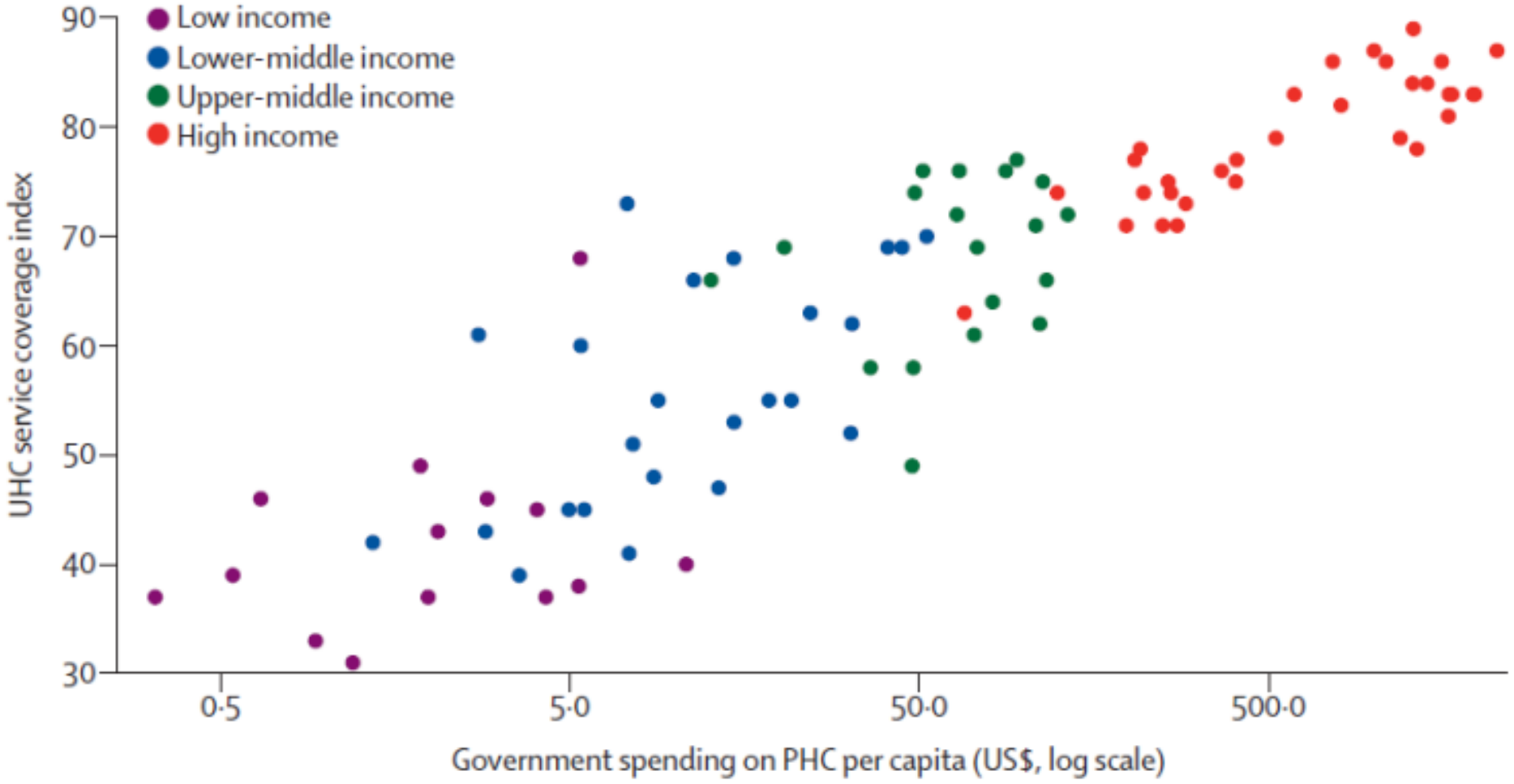
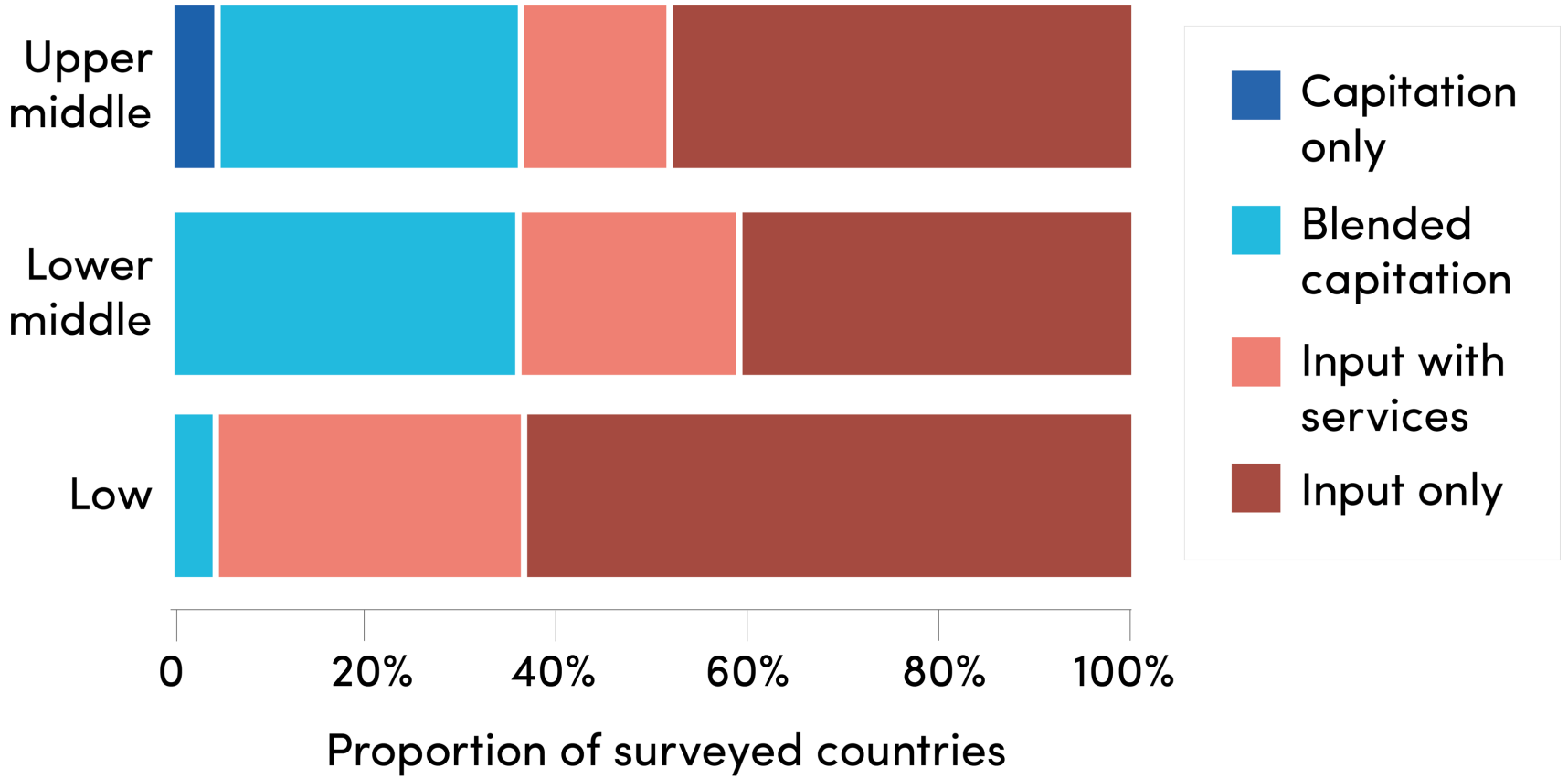
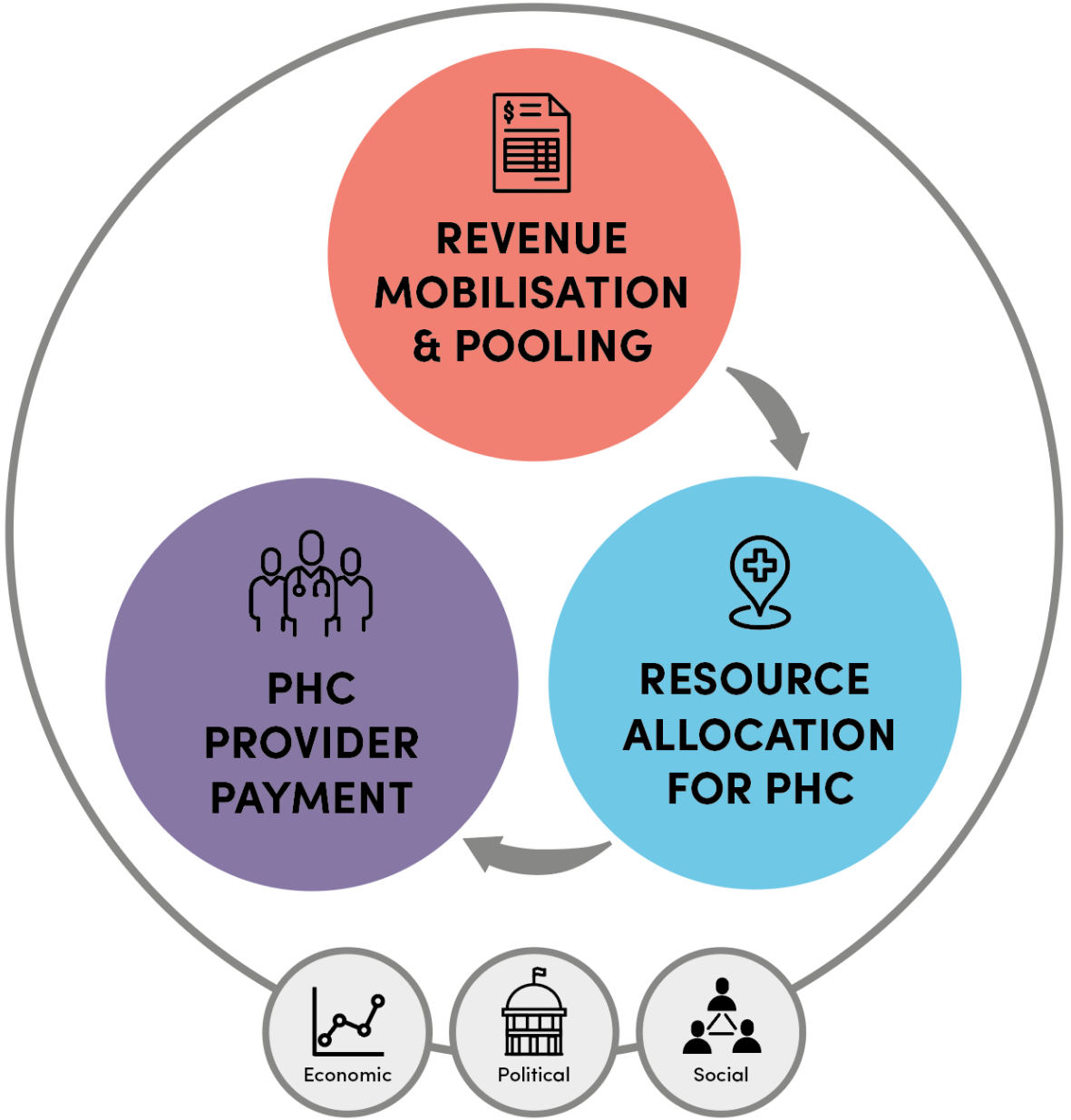
Higher government spending on PHC is strongly associated with better service coverage



Capitation is rarely used to pay public PHC providers in low-income countries



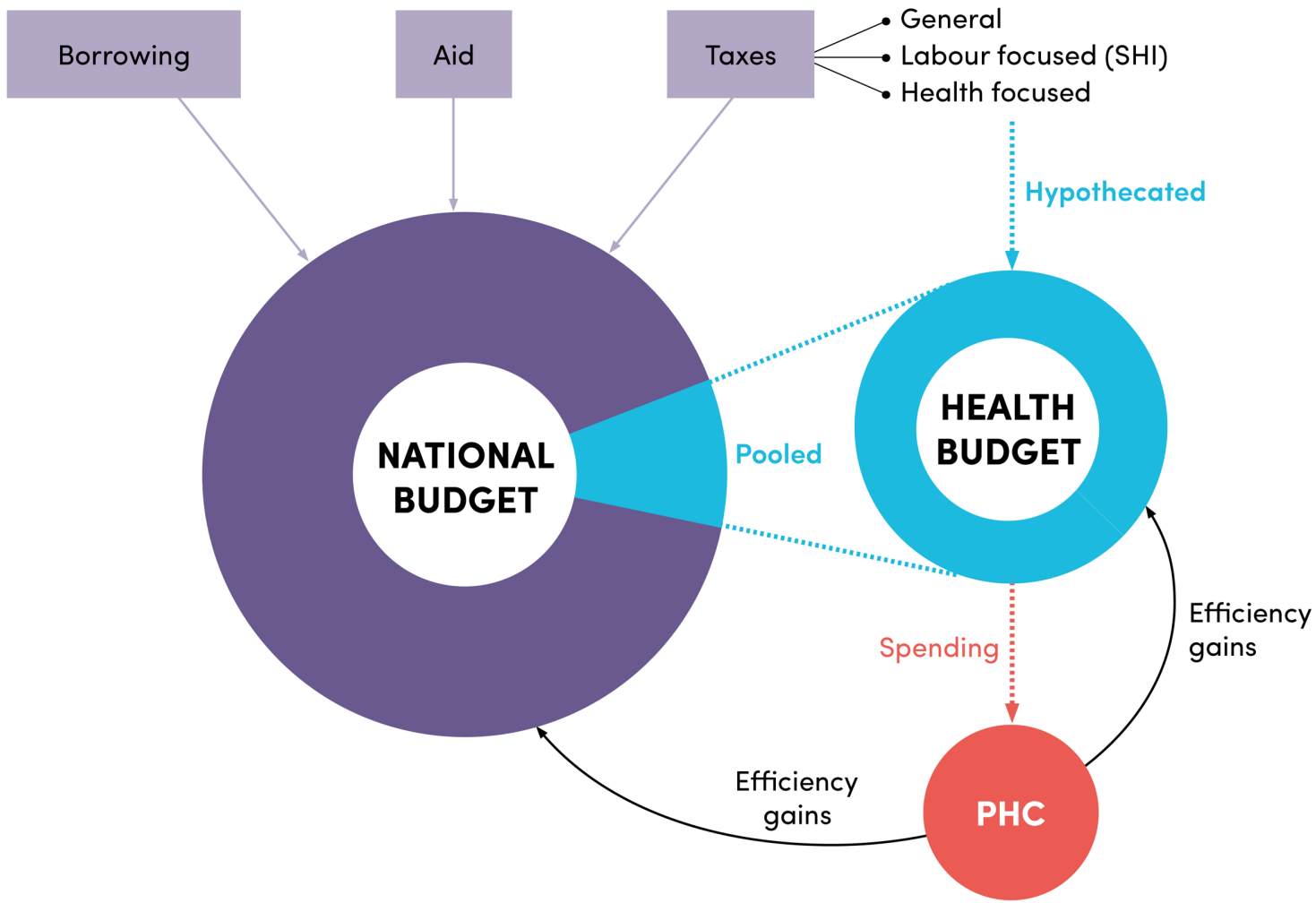
Key findings


REVENUE MOBILISATION & POOLING
RESOURCE ALLOCATION FOR PHC
PHC PROVIDER PAYMENT
Economic
Political
Social
POLITICAL ECONOMY CONTEXT

Mobilisation & pooling funds for PHC

- Mobilising sufficient public resources for health is essential to support PHC and limit the need for harmful user fees.
- Increasing public funding through tax revenue is possible by improving collection of existing taxes, increasing the tax base, and expanding the number and types of taxes levied.
- Increasing tax revenue is both a technical issue (how to increase tax capacity and how to broaden the tax base) and a political issue (acceptability, compliance).
- Better spending of available resources is key, although the potential to generate efficiency savings in the health sector is limited.
- Pooling arrangements should cover PHC.

Mobilisation & pooling funds for PHC



Allocating resources to PHC

- Government spending on PHC in LMIC falls far short of the minimum amount needed to finance a basic package of health services.
- The process of securing budgets for PHC is not merely technical but is also influenced by political forces.
- A range of policy levers are available to channel and protect PHC resources: these involve budget formulation, budget execution, and service delivery arrangements.
- In decentralised systems, allocations to health / PHC at the decentralised level are less visible; more tools may be needed to increase, and track, PHC expenditures
- Multiple tools can be applied at the same time. Many of them require a clear operational definition of PHC.
- It must be clear where responsibility for budgeting and planning for PHC lies in the ministry of health to improve accountability and increase political support for PHC.

Allocating resources to PHC

BUDGET FORMULATION

- Programme budgets
- Budget rules and statutory appropriations
- Conditional grants

BUDGET EXECUTION

- Resource allocation formula
- Provider payments
- Contracting and monitoring
- Direct Facility Funding
- Benefit specification

SERVICE DELIVERY

- Operational definition of PHC
- Norms or standards
- Referral system and gatekeeping
- Service delivery models

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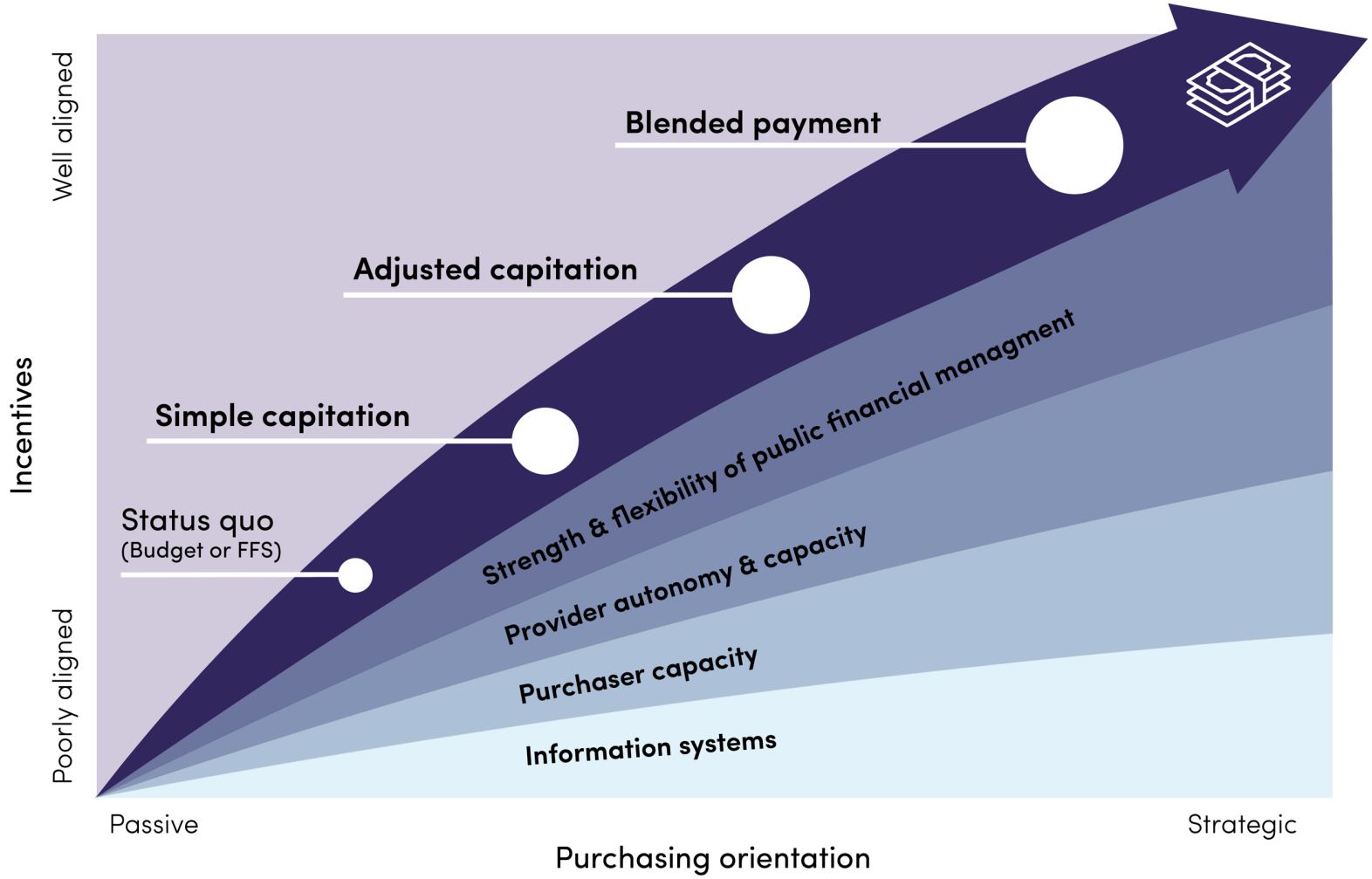
Provider payment mechanisms & incentives

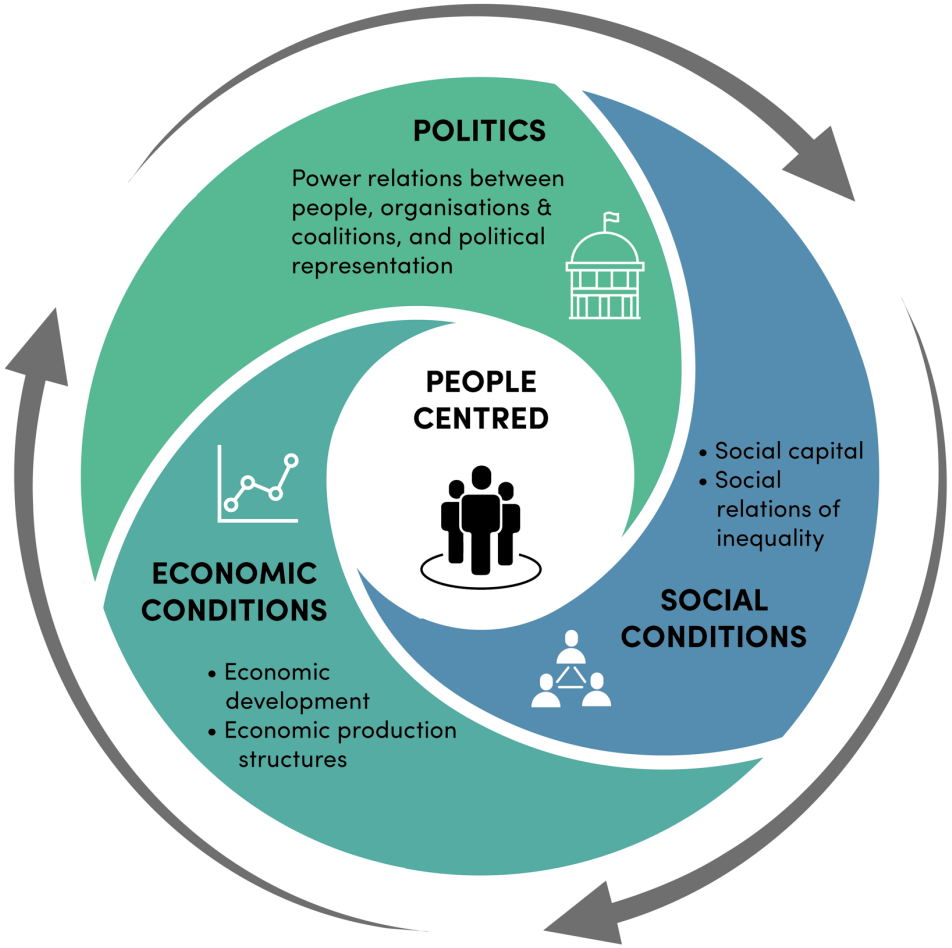
- The way that PHC providers are paid, and the incentives that these payment mechanisms create, are a tool that can ensure resources reach frontline providers and are used efficiently.
- PHC providers are commonly paid through input-based budgets, fee-for-service, capitation or performance-based payment
- Population-based, or capitation, payment systems create the strongest incentives for providers to deliver people-centred PHC.
    - An equal fixed payment per person
    - Adjustment based on health needs
    - Pays providers to manage population health, prioritise health promotion and prevention
    - Provides a predictable and stable revenue stream to PHC providers
- Countries should work towards using a blended payment model for PHC with capitation at its centre.

Moving from the status quo to chart a pathway to a more strategic provider payment system



The political economy of financing PHC

- Political, social and economic conditions are as important as technical elements in the design and implementation of efficient and equitable financing for PHC.
- These political economy factors represent both constraints and opportunities.
- Advancing people-centred financing for PHC relies on politically informed technical strategies – requiring understanding and navigating the evolving political economy context.



The political economy of financing PHC

- Prioritising PHC is possible at every income level and in any type of political governance model given the presence of effective political alliances and socioeconomic conditions.
- Having a clearly articulated long-term vision is essential for making progress towards efficient and equitable PHC financing.
- Developing PHC financing policy and ensuring strategic investment in PHC require coherent policy that is aligned with the interests of key actors through collaboration and building coalitions among stakeholders and across sectors.
- Sequencing is key: planners must have the technical fundamentals and strategies ready in anticipation of windows of opportunity which arise as a result of political dynamics and social and economic forces.

Recommendations: People-centred financing for PHC

Recommendation 1: **Attributes of people-centred financing for PHC**

- Increasing allocations to PHC from tax revenue
- Pooling arrangements should cover PHC
- Resources should be allocated equitably across levels of service delivery and protected to reach frontline PHC service providers and patients
- Blended provider payment system with capitation at its core

Recommendation 2: Countries should take a whole of government approach to spending more and spending better

Ministry of Health: promote technical strategies embodying attributes of people-centred financing arrangements; ensure sufficient resources allocated to PHC; elaborate political strategies to improve PHC financing

Ministry of Finance: enable sufficient revenue to be mobilised to fund PHC; flexible and responsive PFM systems that make allocations to PHC visible, protect resource flows, allow strategic payment systems

Local government: bridge between populations and central government

Communities and civil society: demand change, hold providers accountable, monitor progress

Providers and representative organisations: engage in design of provider payment mechanisms, provide people centred care

Donors and technical agencies: First, do no harm. Reduce fragmentation. Serve as strategic partners

Recommendation 3: **Technical strategies are underpinned by an understanding of the social, economic and political conditions**

- Map the political landscape
- Assess opportunities to align interests and build coalitions
- Work towards strategic collaboration and compromises in support of key technical policies
- Strengthen basic health system functions – data collection, analysis of resource flows, monitoring and evaluation, public financial management

Recommendation 4

Global agencies should reform the way PHC expenditure data are collected, classified and reported

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Commission resources in Spanish

Comisiones de Salud Global de The Lancet

Comisión de Salud Global de The Lancet sobre financiación de la atención primaria de salud: ponemos a las personas en el centro

Kara Hanson, Nouria Brikci, Darius Erlangga, Abebe Alebachew, Manuela De Allegri, Dina Balabanova, Mark Blecher, Cheryl Cashin, Alexo Esperato, David Hipgrave, Ina Kalisa, Christoph Kurowski, Qingyue Meng, David Morgan, Gemini Mtei, Ellen Nolte, Chima Onoka, Timothy Powell-Jackson, Martin Roland, Rajeev Sadanandan, Karin Stenberg, Jeanette Vega Morales, Hong Wang, Haja Wurie

Available at: https://www.thelancet.com/commissions/financing-primary-health-care

FINANCIACIÓN DE LA ATENCIÓN PRIMARIA DE LA SALUD - CENTRADA EN LAS PERSONAS

INFORME DE INVESTIGACIÓN | ABRIL 2022

PUNTOS CLAVE

- Los acuerdos de financiación de la salud tienen una función clave en la atención primaria de la salud (APS) como el instrumento para lograr una cobertura médica universal y de calidad. Estos acuerdos deben ser adecuados para promover la prestación de un servicio de APS eficaz, eficiente y equitativo.
- En muchos países de renta media y baja, la APS no cubre las necesidades de las personas a quienes está dirigida, que deberían tener la prioridad. Los niveles actuales de gasto gubernamental asignados a la APS son insuficientes, y una parte considerable de la financiación proviene de recursos propios, no mancomunados.
- La Comisión sobre Financiación de la Atención Primaria de la Salud de The Lancet ha identificado la mejor evidencia con miras a fortalecer los acuerdos de financiación de la APS, y establece una nueva visión sobre cómo priorizar a las personas en la financiación de la APS.
- Todos los países deben invertir más e invertir mejor en la APS diseñando sus acuerdos de financiación de la salud de modo tal que prioricen a las personas y aborden las desigualdades en primer lugar.
- Promover la financiación de la APS se basa no solo en estrategias técnicas, sino

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www.lshtm.ac.uk/research/centres-projects-groups/commission-financing-phc

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