

FROM DOUBLE SHOCK TO DOUBLE RECOVERY - IMPLICATIONS AND OPTIONS FOR HEALTH FINANCING IN THE TIME OF COVID-19

DISCUSSION PAPER

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*Christoph Kurowski
David B. Evans
Ajay Tandon
Patrick Hoang-Vu Eozenou
Martin Schmidt
Alec Irwin
Jewelwayne Salcedo Cain
Eko Setyo Pambudi
Iryna Postolovska*



Ajay Tandon

Global Practice on Health, Nutrition, Population

World Bank

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Double Shock from COVID-19

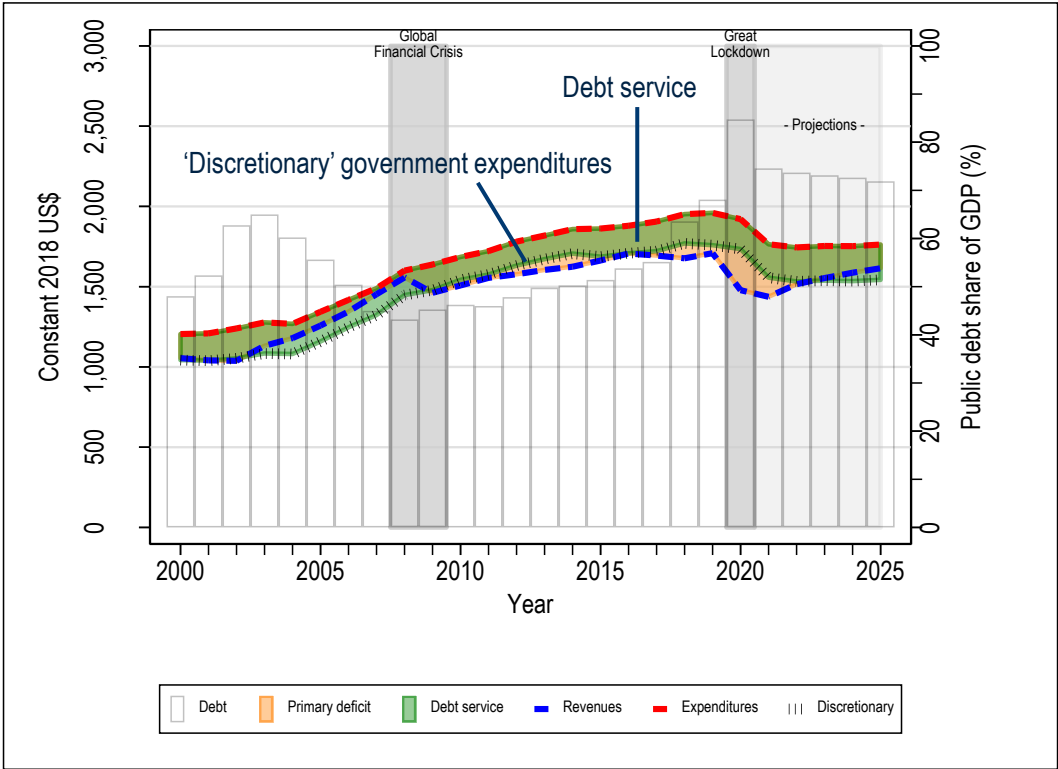
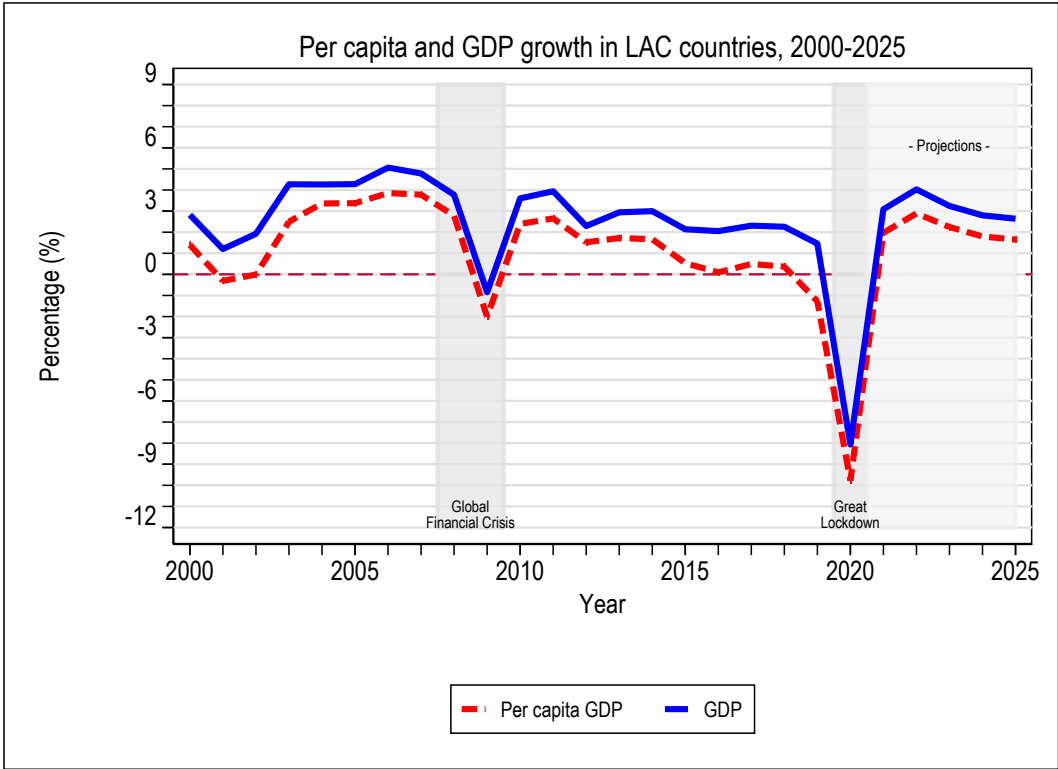
COVID-19 has resulted in both a **health shock** as well as an **economic shock**



- Globally, **~191 million cases**; **~4 million deaths**.
- **Long-term**, lingering effects from infection leading to chronic conditions among some.
- **Spillover** impact on demand and supply of **routine health** interventions and services as well as on **risk factors**.

- Globally, **massive economic contraction**; uncertain prospects for recovery; lingering effect on levels of economic activity.
- Economic impact severe even in countries with low/no infections.
- Rising **poverty**, inequality; change in **public financing landscape**.

Deep Economic Contraction with Fiscal Consequences



Double Recovery from COVID-19

Getting over the **economic crisis** depends on solving the **health crisis**



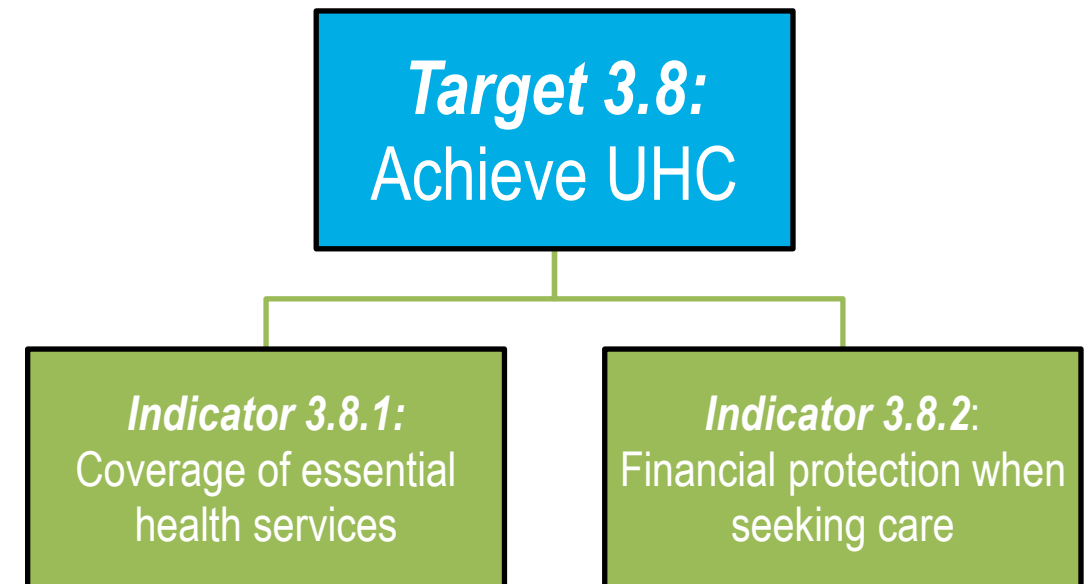
- In the short-term: an end to the pandemic can only come through enhanced **surveillance**, **treatment** of clinical cases, and strengthening delivery platforms and rolling out COVID-19 **vaccines**.
- In the long-term: progress toward **universal health coverage (UHC)** and sound population health are vital for a sustainable and inclusive longer-term economic recovery and poverty reduction.
- To deliver the levels of health spending necessary to solve the health crisis, health and finance officials must work together on a **three-pronged** agenda, coordinating across levels of government: **increasing government funding for health**, expanding overall **fiscal space**, and improving the **equity**, **efficiency**, and **quality** of health spending.
- Ensure **sustained progress** towards UHC.

UHC is a 2030 Sustainable Development Goal (SDG)

SDG 3: 'ensure *healthy lives* and promote well-being for all ages'



UHC is a policy commitment that all people can use **essential** promotive, preventive, curative, rehabilitative, and palliative **health services** they need, of sufficient **quality** to be effective, while also ensuring the use of these services does not expose the individual to **financial hardship**.



The way a health system is **organized** and **financed** is critical for making progress towards UHC: moving away from reliance on user fees and **out-of-pocket (OOP) financing** at the time and place of seeking care towards higher **public financing** and 'negative user fees' (e.g., conditional cash transfers for incentivizing preventing and promotive care) are core elements, especially for enhancing access for the poor.

Recommended UHC Monitoring Tracer Indicators



Reproductive, Maternal, Newborn, Child:

- Proportion with access to modern contraceptives
- Antenatal care coverage (4+)
- DTP3 vaccine coverage
- Care-seeking behavior for suspected pneumonia

Infectious Diseases:

- TB effective treatment
- HIV treatment
- Proportion sleeping under bed net
- Access to improved sanitation

Noncommunicable Diseases:

- Normal blood pressure

- Mean fasting plasma glucose
- Tobacco nonsmoking

Service Capacity & Access:

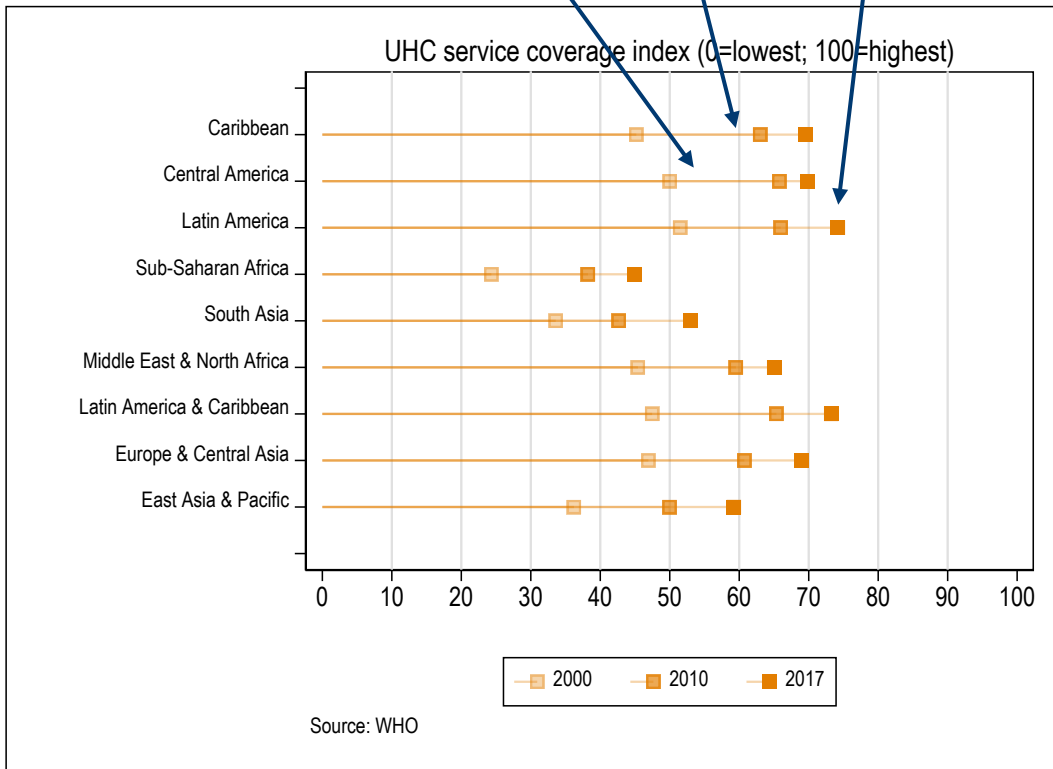
- Hospital bed density
- Health worker density
- International Health Regulations (IHR) core capacity index

Financial Protection:

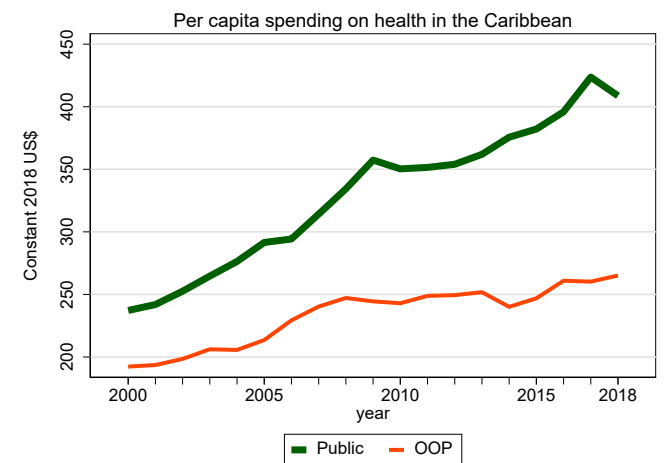
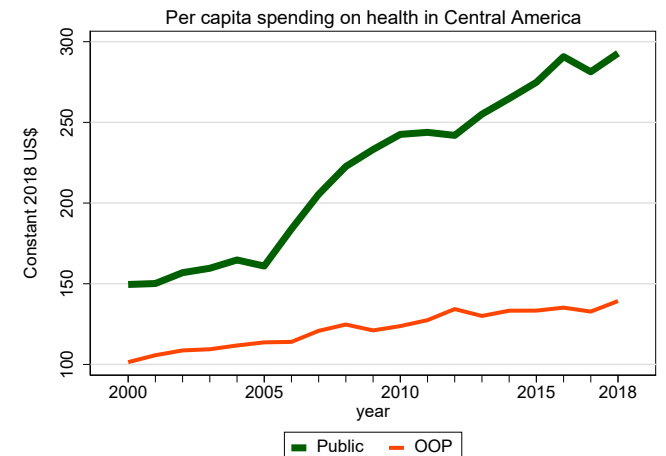
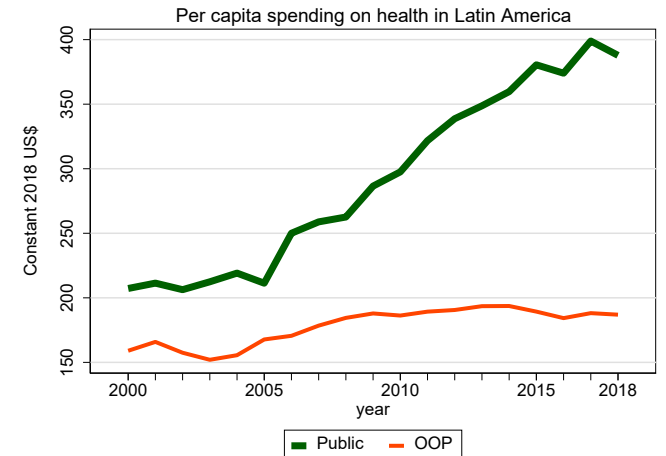
- Proportion with 'large' OOP spending as share of household budget
- Proportion of households impoverished or pushed deeper into poverty as a result of OOP spending

Large Gains in UHC...

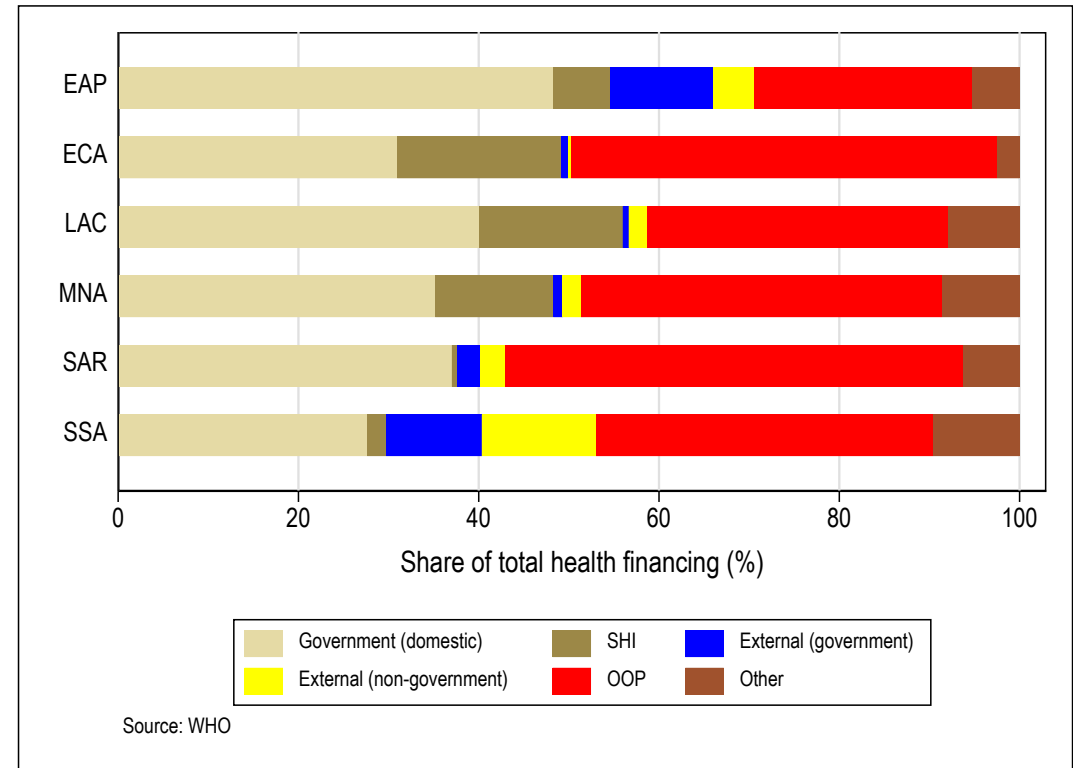
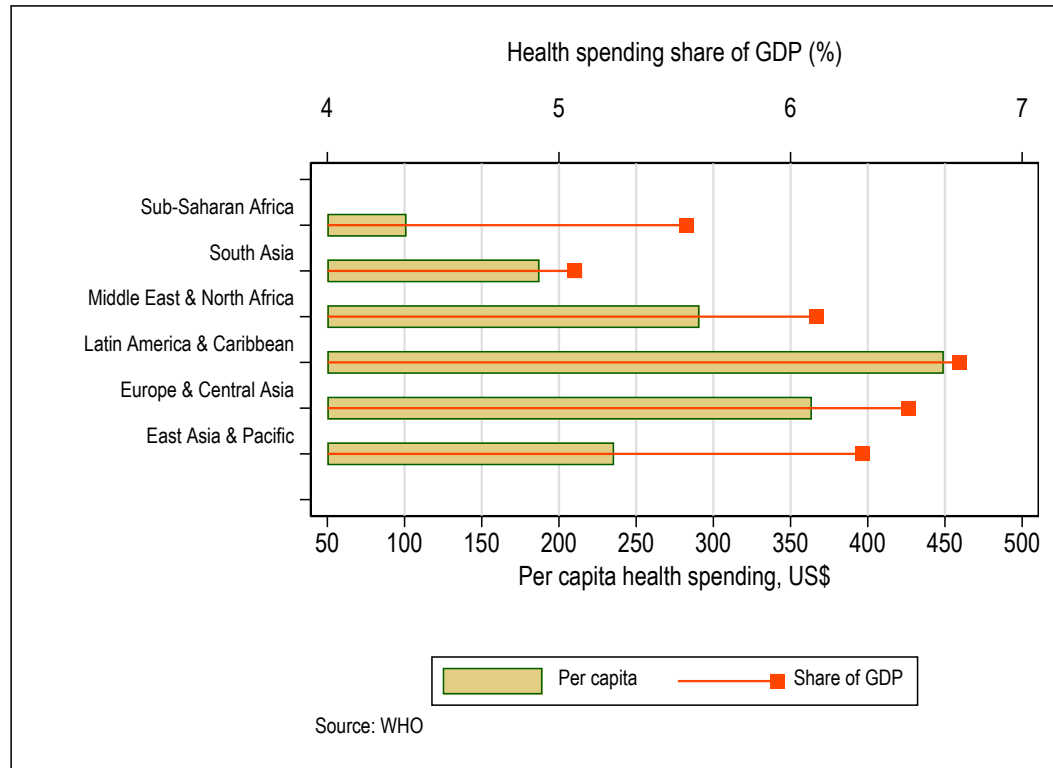
Large gains in UHC over past few decades in LAC region



Huge gains in levels of public financing for health across LAC region



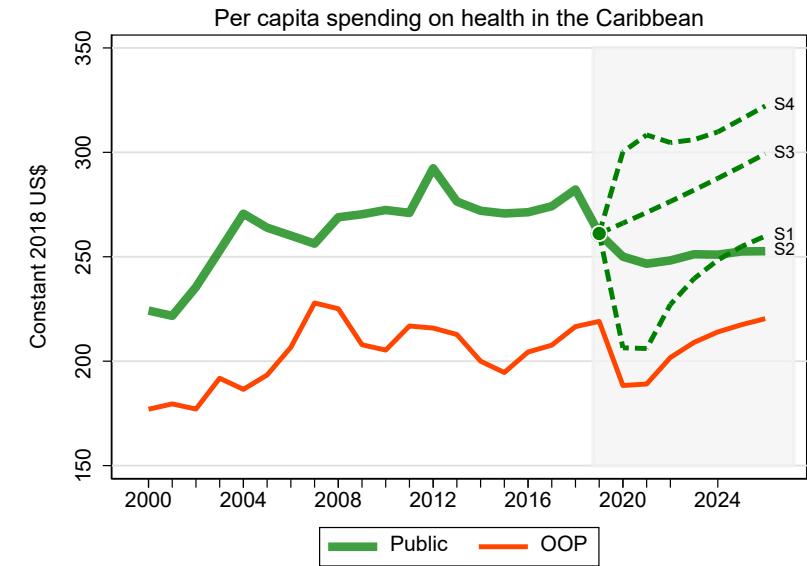
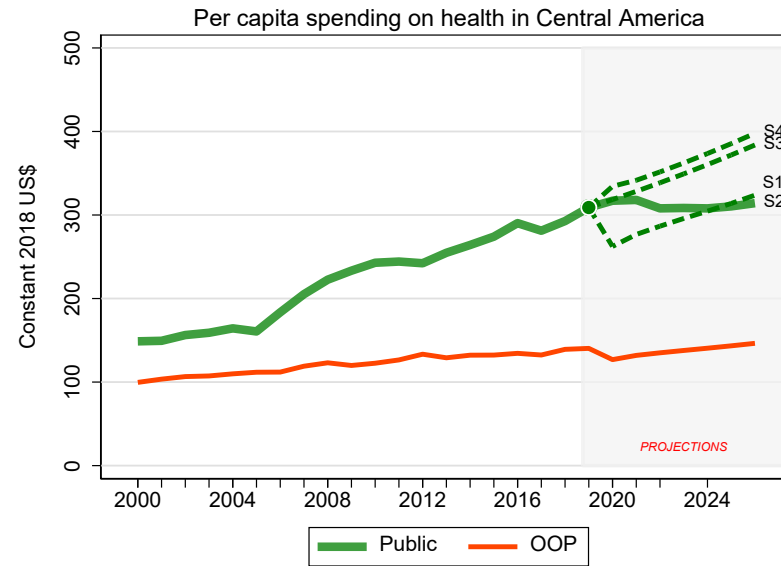
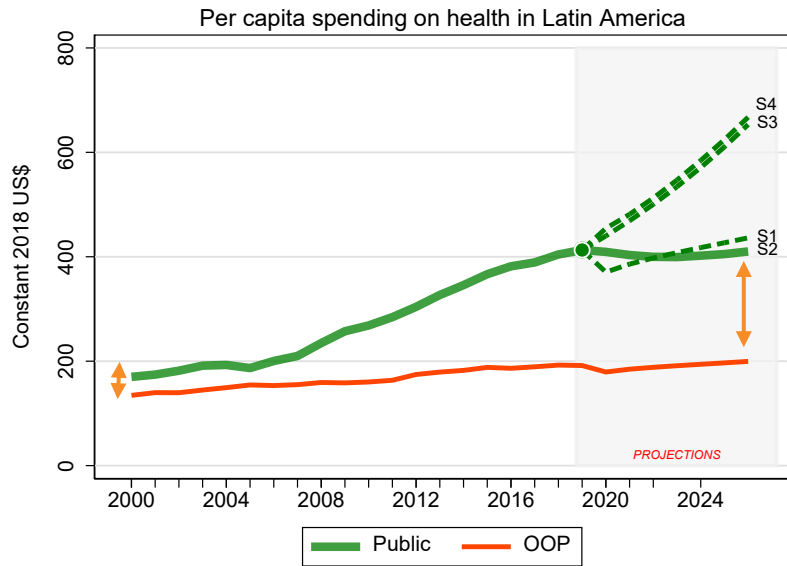
...But Challenges Remain with Health Financing



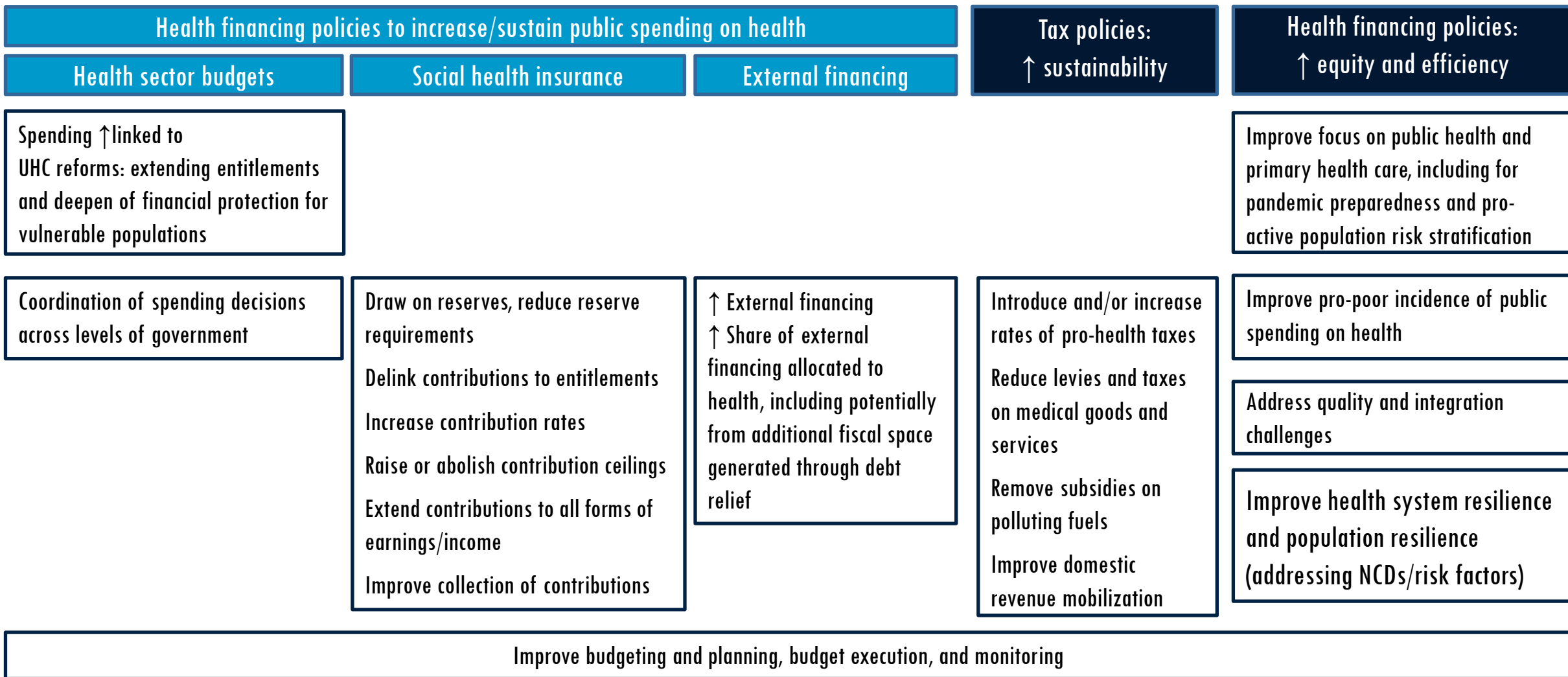
COVID-19 has put at risk several sources of health financing: **public financing risks** due to macro-fiscal stress and greater needs for financing vaccines and emergency response, **external financing risks** due to the economic shock in high-income countries; and **risks to OOP spending** due to lowering of incomes and greater foregone care; **reprioritization** of health in government budgets within and across sectors will be necessary.

Risks to Levels of Public Health Spending

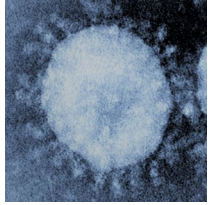
Projections indicate that, in the absence of sustained reprioritization, growth in public spending for health could decline across many low- and middle-income countries in the region post-2020, including becoming negative in some cases, risking reversal of gains made towards UHC in recent years.



What Are Countries Doing? What Could Countries Do? What Are Lessons from Previous Crises for Health Financing?



What Makes the COVID-19 Crisis Different?



Investment in health are critical for recovery not only in the short-term ...

...but also in the long-term

