Out-of-pocket health payments (OOPs) made to obtain health services do not expose people to financial hardship and do not threaten living standards.
Out-Of-Pocket health payments

- barrier to access → foregoing care
- For those paying:
  - No solidarity between the healthy and the sicker
  - No possibility to spread cost over the life-cycle
- source of financial hardship

https://www.who.int/publications/i/item/9789240017788
INDICATORS OF FINANCIAL HARDSHIP WITHIN THE SDG MONITORING FRAMEWORK

**Catastrophic payments (SDG indicator 3.8.2):** Proportion of the population with household out-of-pocket spending on health > 10% or 25% of household’s total consumption or income.

**Impoverishing payments (related to SDG 1.1):** Proportion of households pushed below a poverty line because of OOPs.

For both, alternative definitions exist but all are constrained by the availability of household survey data.

Within WHO, joint work across all levels to conduct country consultations & provide technical assistance to * Build analytical capacity * Identify priority research areas * Develop relevant methods

At global level, joint WHO-WB monitoring of financial protection indicators since 2014.
IN 2015, ABOUT **930 MILLION PEOPLE INCURRED CATASTROPHIC HEALTH SPENDING** AS TRACKED BY SDG INDICATORS 3.8.2 AND...

927 million spent > **10%** of their household budget on health out-of-pocket

209 million spent > **25%** of their household budget on health out-of-pocket

**mostly in Asia and middle-income countries**

\[
\begin{array}{cccc}
\text{WHO regions, 2015} & \text{Income groups, 2015} \\
\hline
\text{Afr} & 7.3 & 6.9 \\
\text{Amr} & 11.3 & 14.9 \\
\text{Emr} & 11.7 & 14.2 \\
\text{Eur} & 7.4 & 7.4 \\
\text{Sear} & 16.1 & \\
\text{Wpr} & 15.9 & 6.9 \\
\end{array}
\]

90 MILLIONS WERE PUSHED INTO EXTREME POVERTY & 180 MILLION INTO RELATIVE POVERTY

Due to out-of-pocket health payments:

- Some households become poor after paying for health services
- Households under the poverty line become even poorer

Impoverishing payments by income groups (2015)
A GLOBAL CHALLENGE ON THE PATH TO UHC AS FINANCIAL HARDSHIP WAS INCREASING PRIOR TO THE PANDEMIC

The incidence of catastrophic health spending increased in regions at all income levels except LICs; extreme impoverishment due to OOPs was decreasing but relative impoverishment was increasing.

IN THE AMERICAS, CATASTROPHIC HEALTH SPENDING HAD STARTED TO DECREASED BUT IMPOVERISHING HEALTH SPENDING AT THE RELATIVE POVERTY LINE WAS INCREASING

IN SOME REGIONS, MEDICINES IS THE MAIN DRIVER OF OOPS BUT NOT ALWAYS OF CATASTROPHIC AND IMPOVERISHING HEALTH SPENDING

Average OOP spending on medicines as a share of household total OOP spending, WHO South-East Asia Region, latest year available

CUADRO 1. Gasto de bolsillo en medicamentos y servicios ambulatorios en porcentaje del gasto total de bolsillo de los hogares (promedio por país) en siete países de la Región

<table>
<thead>
<tr>
<th>País (año)</th>
<th>Pagos por medicamentos</th>
<th>Pagos por servicios ambulatorios</th>
<th>Total de gasto en medicamentos y servicios ambulatorios</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolivia (2015)</td>
<td>74,2%</td>
<td>19,9%</td>
<td>94,10</td>
</tr>
<tr>
<td>Barbados (2016)</td>
<td>53,0%</td>
<td>46,7%</td>
<td>100,0%</td>
</tr>
<tr>
<td>Chile (2016)</td>
<td>36,3%</td>
<td>49,3%</td>
<td>85,6%</td>
</tr>
<tr>
<td>Colombia (2016)</td>
<td>68,5%</td>
<td>18,6%</td>
<td>87,1%</td>
</tr>
<tr>
<td>Ecuador (2011)</td>
<td>61,2%</td>
<td>24,1%</td>
<td>85,3%</td>
</tr>
<tr>
<td>México (2016)</td>
<td>73,0%</td>
<td>24,9%</td>
<td>97,9%</td>
</tr>
<tr>
<td>Perú (2017)</td>
<td>48,0%</td>
<td>25,0%</td>
<td>73,0%</td>
</tr>
</tbody>
</table>

En Barbados, los pagos por servicios ambulatorios incluyen también gasto por servicios hospitalarios de internación.


Barbados - 2016

Average OOPs on medicines/products and services for people with and without catastrophic health spending

Note: among spenders.
Source: BHS - BLCS; 2016, survey based estimated total population= 205573
POSITIVE CORRELATION BETWEEN THE SHARE OF OOPS IN CURRENT HEALTH SPENDING AND FINANCIAL HARDSHIP

- association only partially explains variations across countries
- reductions in out-of-pocket spending are insufficient to improve financial protection in all contexts
- Policies need to be carefully designed
Policies need to be carefully designed to provide financial protection and reduce financial hardship.

- Evidence from the WHO European region:
- Pay attention to the design of user charges – especially for medicines

Countries can improve financial protection (and access) by redesigning co-payment policy.

**WEAK design**
- x no exemptions
- x no caps
- x percentage co-payments

- makes people pay for system failures

**STRONGER design**
- ✓ exemptions for poor
- ✓ protective caps
- ✓ low, fixed co-payments instead

- protects people from system failures

WHO regional office for Europe: can people afford to pay for health care?

In SEARO spending on medicines accounts on average for more than ¾ of household total OOP.
Progress towards UHC between 2000 and 2015 was driven by improvements in service coverage rather than reductions in financial hardship.

Achieving UHC is one of the targets under SDG 3.

Target 3.8 Achieving Universal Health Coverage

Indicator 3.8.1 Coverage of essential health services

Indicator 3.8.2 Financial protection

Figure 2.20 A global challenge on the path to universal health care arises in diverging trends on health service coverage and catastrophic health spending, as tracked by Sustainable Development Goal indicators 3.8.1 and 3.8.2.

Service coverage index and percentage of the global population with out-of-pocket health spending exceeding 10% or 25% of the household budget, 2000–2015.

Source: Service coverage indicator (SDG indicator 3.8.1) based on Chapter 1 of this report. SDG indicator 3.8.2 adapted from Global monitoring report on financial protection in health 2019 (4).
2019 REPORT WAS A CALL TO DOUBLE EFFORTS TO PROVIDE FINANCIAL PROTECTION EVEN BEFORE THE PANDEMIC

WHAT TO EXPECT IN THE CURRENT CONTEXT?

Recent WB estimates project +71 - 100 million more individuals will likely be pushed into extreme poverty as a result of the COVID-19 pandemic

Poverty levels are expected to increase
PEOPLE ARE CUTTING BACK SPENDING ON ESSENTIAL AND NON-ESSENTIAL GOODS AND FACING BARRIERS TO ACCESS

KEY MESSAGES

Before the pandemic the world was not on track to provide financial protection in health to all due to financial hardship resulting from Out-of-pocket health payments.

In the current context, household surveys have been interrupted, it is important to support alternative data collection approaches for monitoring.

Policies recommendations related to covid-19 further discussed in the rest of the presentations include:

- Remove financial barriers to access
- Mobilize additional public funds for health
- Give health service providers flexibility to respond