

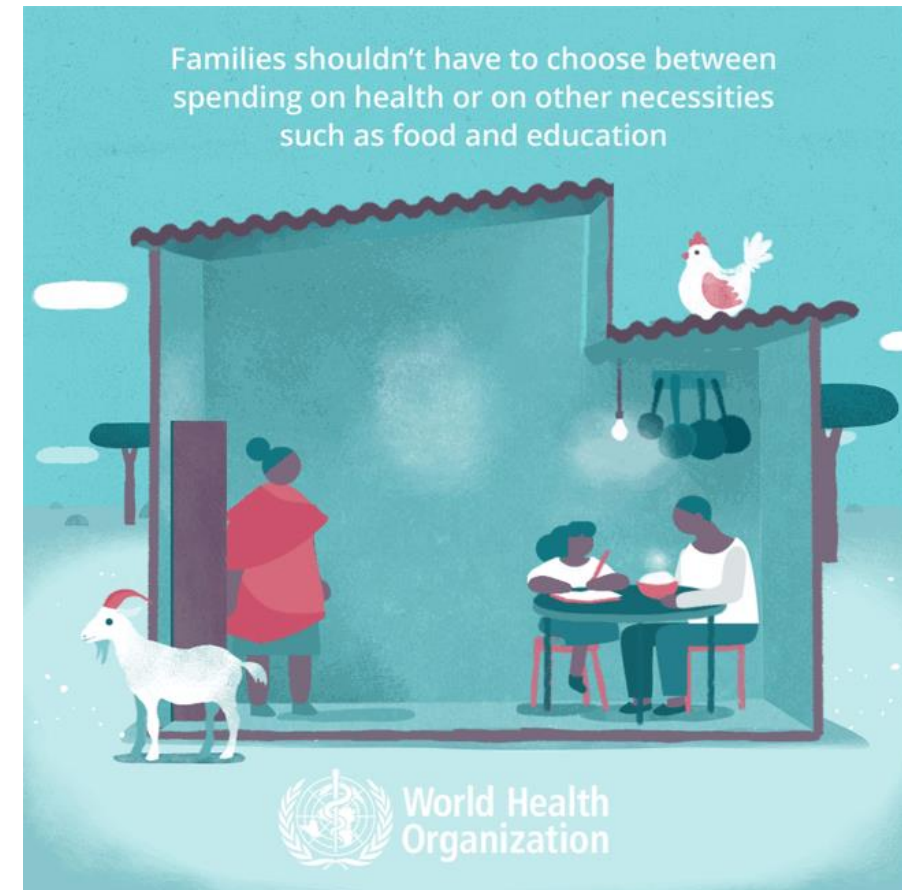


FINANCIAL PROTECTION IN HEALTH: A GLOBAL PERSPECTIVE PRE COVID-19

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FINANCIAL PROTECTION IN HEALTH DEFINITION

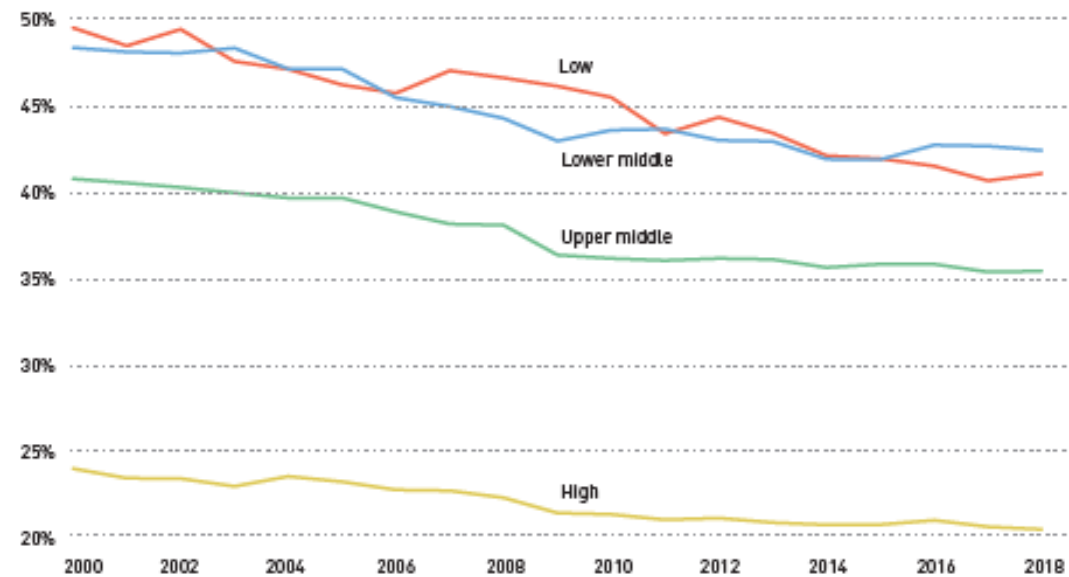
Out-of-pocket health payments (OOPs) made to obtain health services **do not expose people to financial hardship** and do not threaten living standards.



OOPS PLAY A ROLE IN ALL COUNTRIES AT ALL INCOME LEVELS

FIGURE 1.14 Out-of-pocket spending declined in all income groups but remained high in low and middle income countries

Out-of-pocket spending as a share of total health spending, by income group, 2000–2018



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**

Source: Global spending on health: Weathering the storm. Geneva: World Health Organization; 2020

<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.

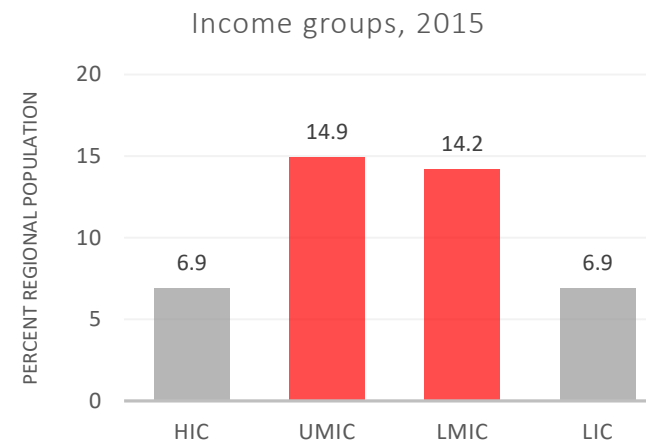
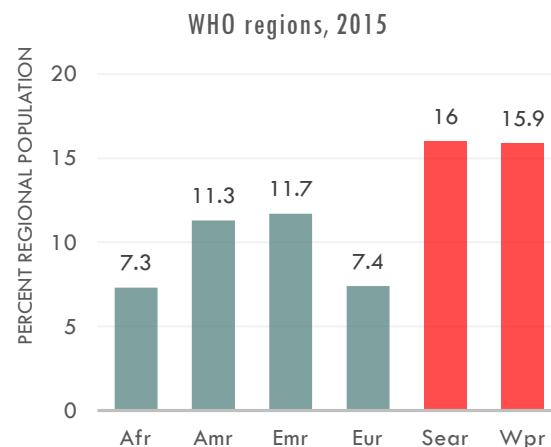
IN 2015, ABOUT **930 MILLION PEOPLE** INCURRED **CATASTROPHIC HEALTH SPENDING** AS TRACKED BY SDG INDICATORS 3.8.2 AND...

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**

% population with OOPs > 10% household budget



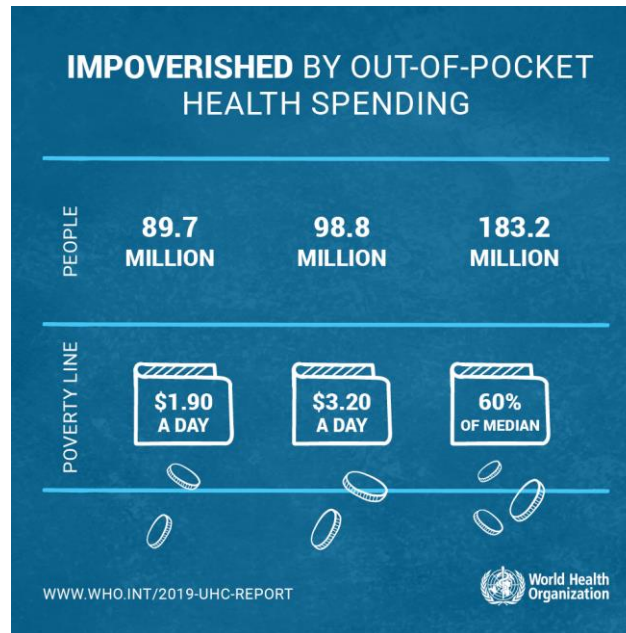
Data available from <http://apps.who.int/gho/portal/uhc-financial-protection-v3.jsp> and <http://datatopics.worldbank.org/universal-health-coverage/>



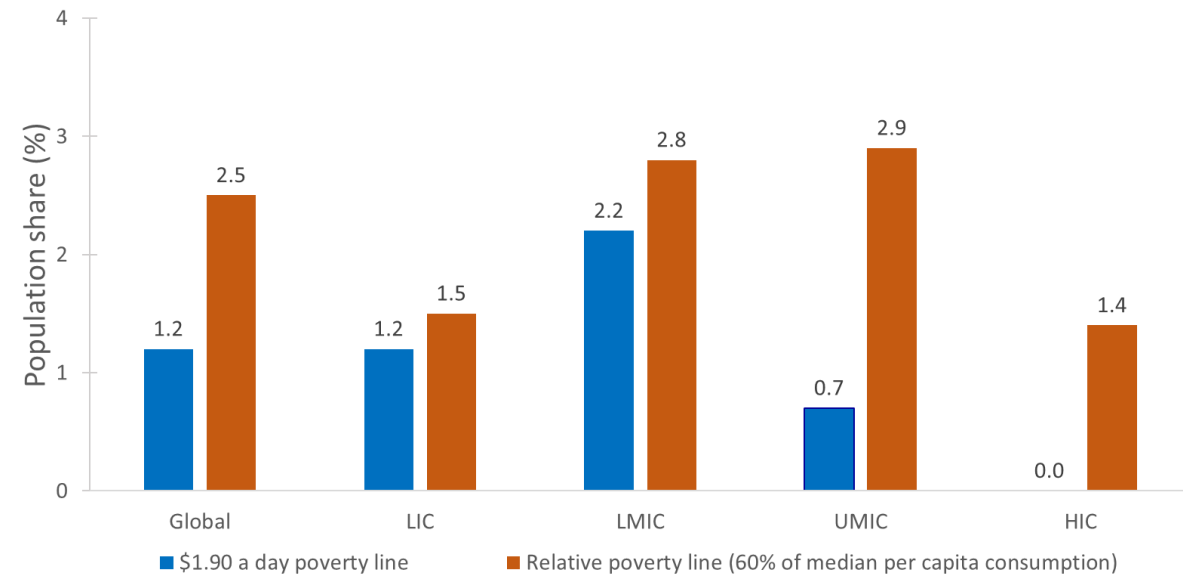
90 MILLIONS WERE PUSHED INTO EXTREME POVERTY & 180 MILLION INTO RELATIVE POVERTY

Due to out-of-pocket health payments:

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

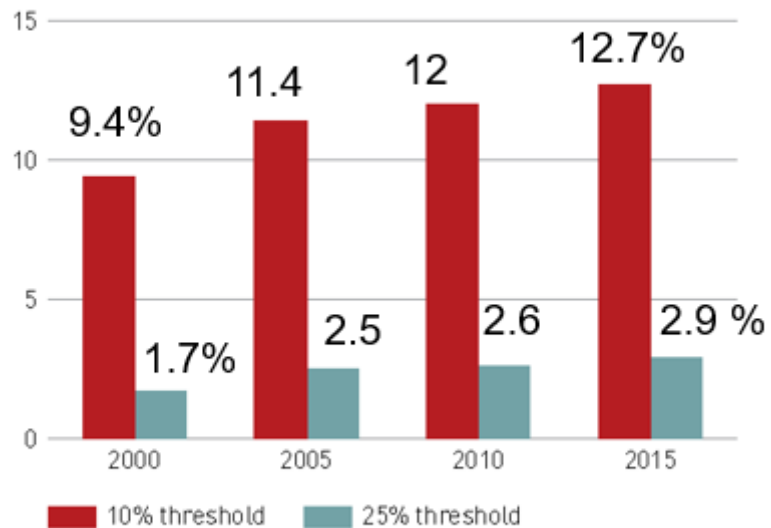


Impoverishing payments by income groups (2015)

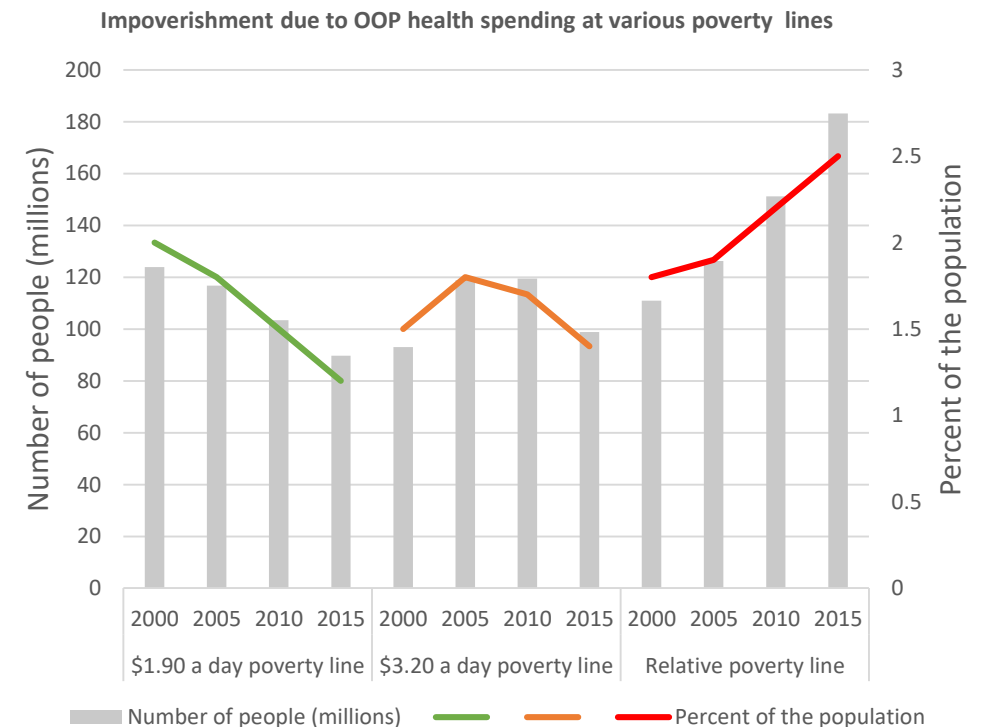


A GLOBAL CHALLENGE ON THE PATH TO UHC AS FINANCIAL HARDSHIP WAS INCREASING PRIOR TO THE PANDEMIC

Percentage of the population with out-of-pocket health spending exceeding 10% or 25% of the household budget



Source: Global monitoring report on financial protection in health 2019 (4).



Data available from <http://apps.who.int/gho/portal/uhc-financial-protection-v3.jsp> and <http://datatopics.worldbank.org/universal-health-coverage/>

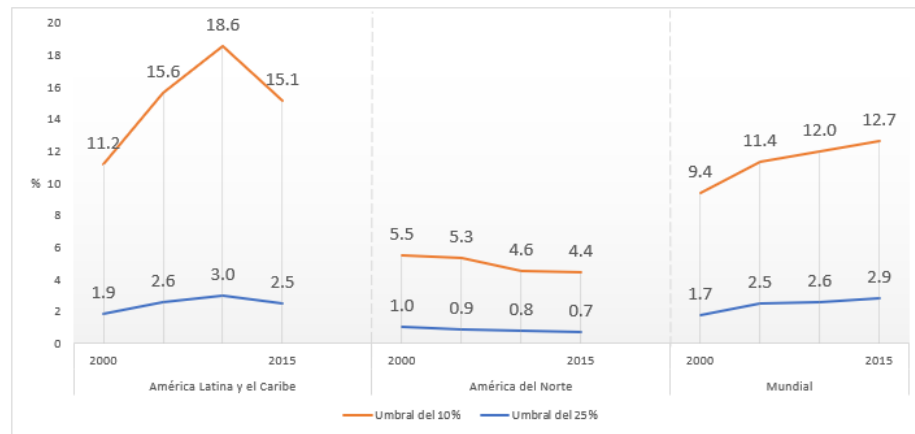
THE INCIDENCE OF CATASTROPHIC HEALTH SPENDING INCREASED IN REGIONS AT ALL INCOME LEVELS EXCEPT LICs; EXTREME IMPOVERISHMENT DUE TO OOPS WAS DECREASING BUT RELATIVE IMPOVERISHMENT WAS INCREASING.



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

La region de America Latina y el Caribe es la unica region en la que la proporcion de la poblacion con gastos catastroficos disminuyo entre el 2010 y 2015

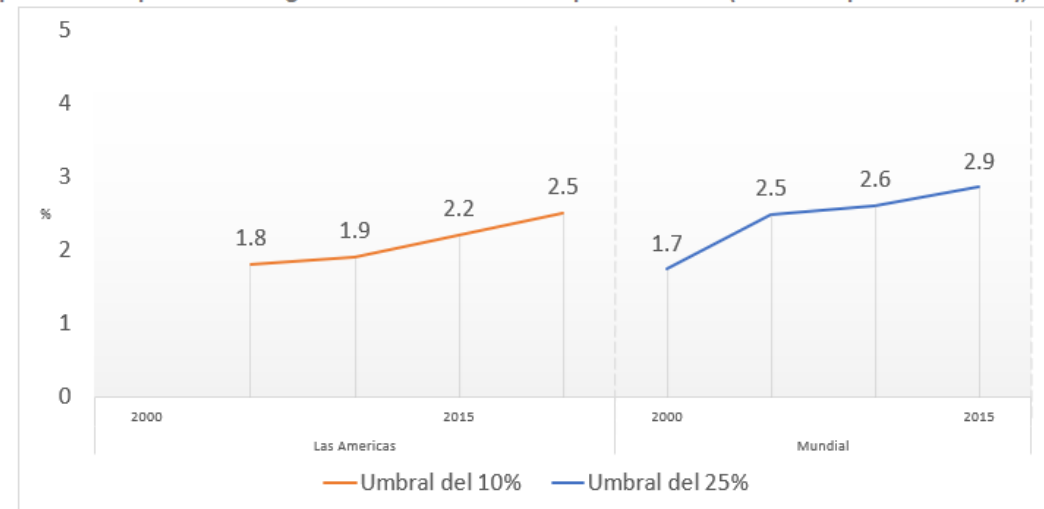
Proporcion de la poblacion cuyos gastos sanitarios directos superan el 10% o el 25% del presupuesto del hogar (indicador 3.8.2 de los ODS), 2000-2015



Source: WHO & World Bank estimates based on Global monitoring report on financial protection in health 2019.

Pero la proporcion de la poblacion con gastos empobrecedores siguio creciendo

Proporcion de la poblacion con gastos directos en salud empobrecedores (umbral de pobreza relativa), 2000-2015

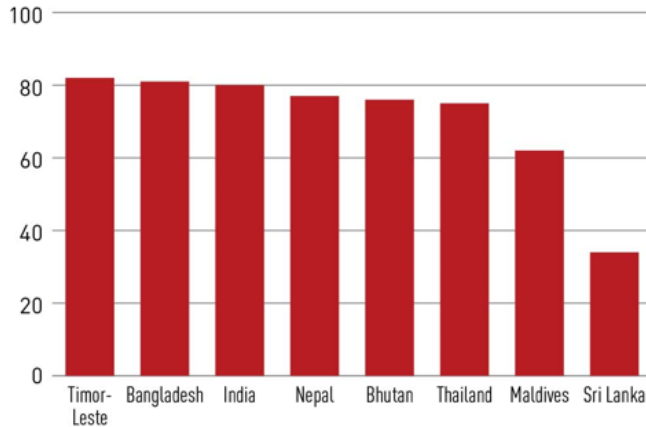


Source: WHO & World Bank estimates based on Global monitoring report on financial protection in health 2019.

Data available from <http://apps.who.int/gho/portal/uhc-financial-protection-v3.jsp> and <http://datatopics.worldbank.org/universal-health-coverage/>

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

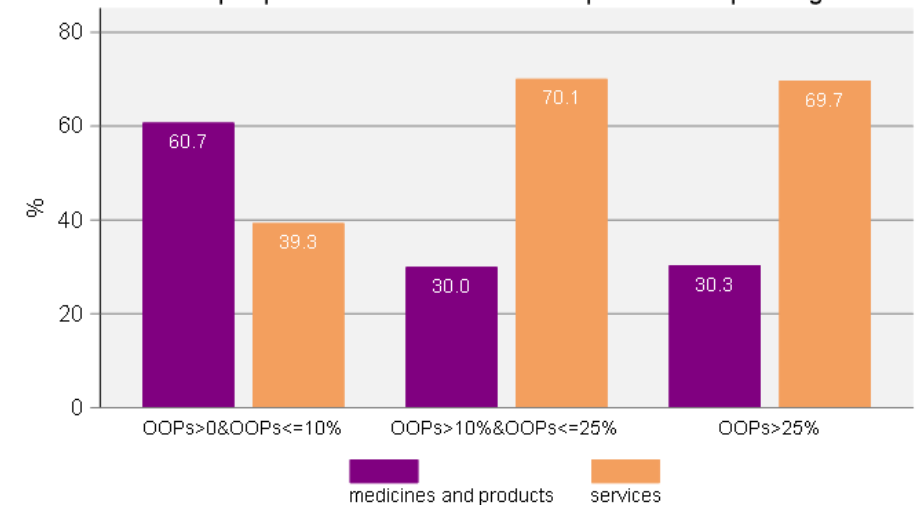
| País (año) | Pagos por medicamentos | Pagos por servicios ambulatorios | Total de gasto en medicamentos y servicios ambulatorios |
|------------------------------|------------------------|----------------------------------|---|
| Bolivia (2015) | 74,2% | 19,9% | 94,10 |
| Barbados (2016) ^a | 53,0% | 46,7% | 100,0% |
| Chile (2016) | 36,3% | 49,3% | 85,6% |
| Colombia (2016) | 68,5% | 18,6% | 87,1% |
| Ecuador (2011) | 61,2% | 24,1% | 85,3% |
| México (2016) | 73,0% | 24,9% | 97,9% |
| Peru (2017) | 48,0% | 25,0% | 73,0% |

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

Fuente: datos provisionales de la Organización Panamericana de la Salud, obtenidos en el Taller de estimación de indicadores de protección financiera. Washington D.C.: OPS; 2019. Los cálculos se obtuvieron de la última encuesta de gasto de hogares disponible de cada país.

Barbados - 2016

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



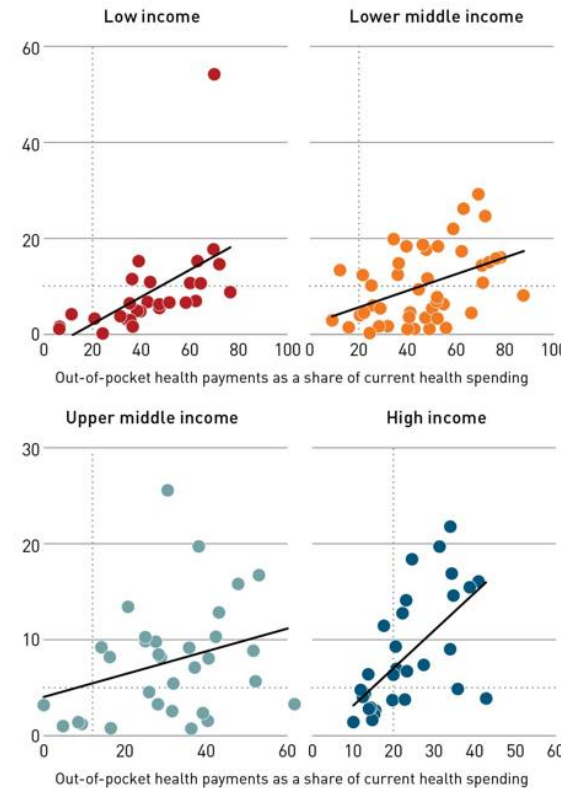
Note: among spenders
Source: BRB - BLCS, 2016, survey based estimated total population= 205573

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

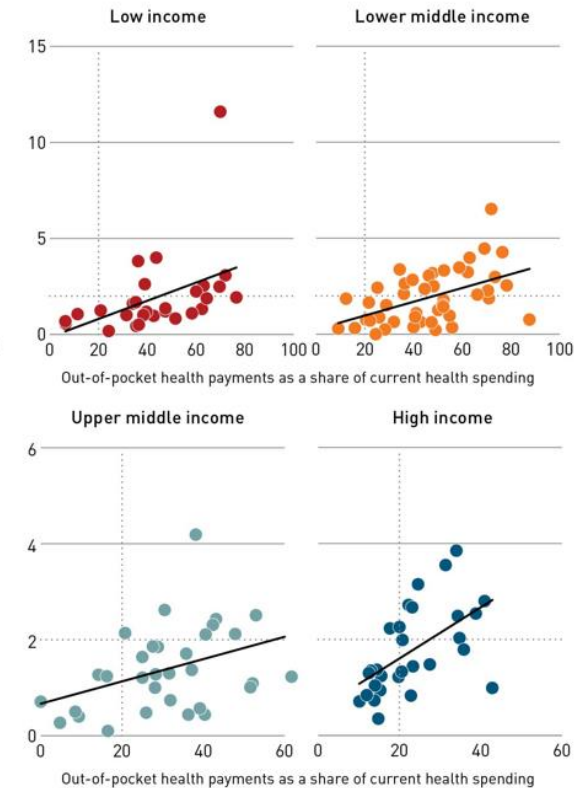
Catastrophic health spending

a. Percentage of the population with out-of-pocket health spending exceeding 10% of the household total consumption or income [Sustainable Development Goal 3.8.2]



Impoverishing health spending

b. Percentage of the population with impoverishing health spending at the relative poverty line of 60% of median per capita consumption



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

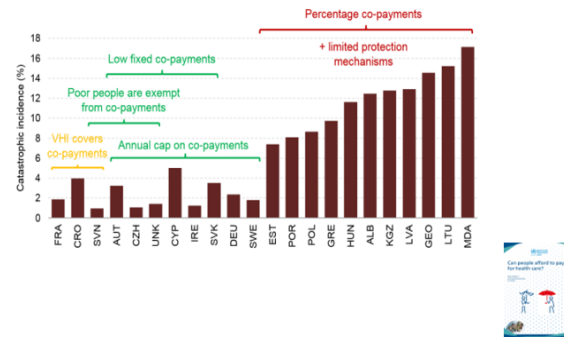
- x no exemptions
- x no caps
- x percentage co-payments

makes people pay for system failures

STRONGER design

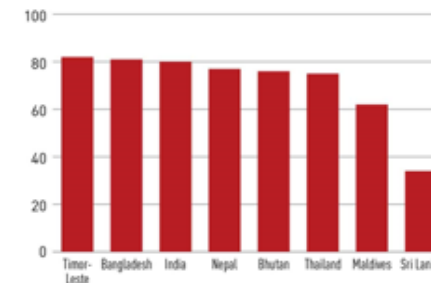
- ✓ exemptions for poor
- ✓ protective caps
- ✓ low, fixed co-payments instead

protects people from system failures



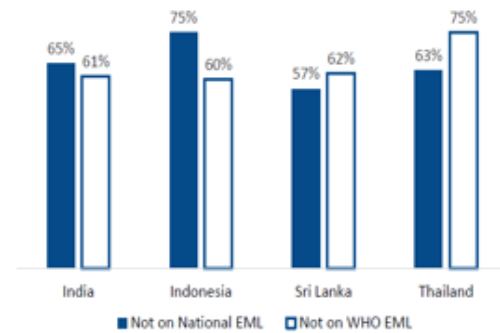
[WHO regional office for Europe: can people afford to pay for health care?](#)

In **SEARO** spending on **medicines** accounts on average for more than $\frac{3}{4}$ of household total OOP



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

More than half of the top 100 medicines by expenditure were not on essential.



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

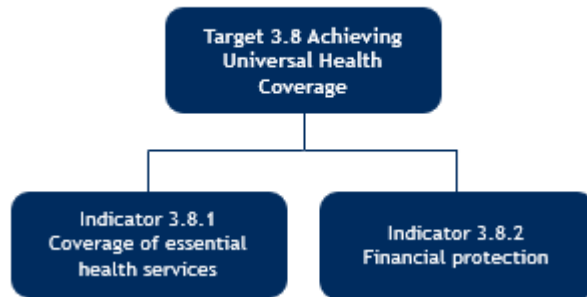
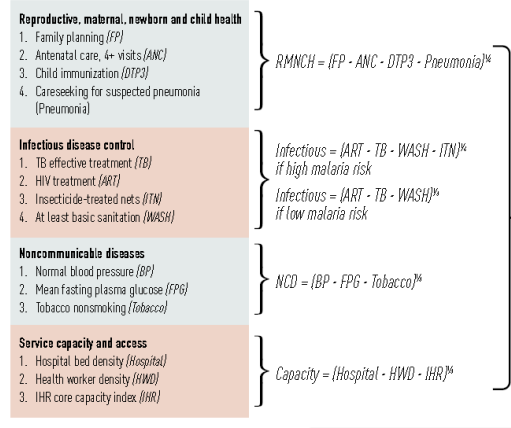


FIGURE 1.1 The UHC service coverage index (SCI): summary of tracer indicators and computation



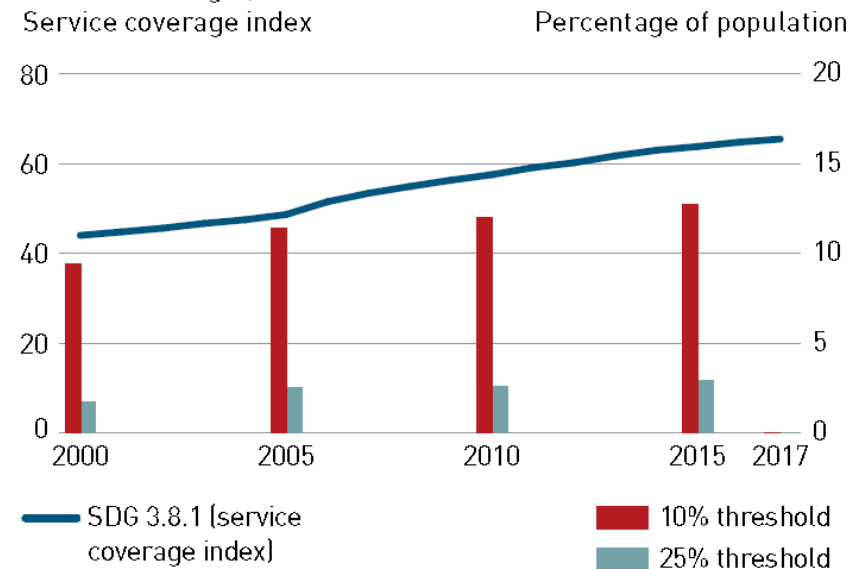
$$UHC \text{ service coverage index} = (RMNCH \cdot Infectious \cdot NCD \cdot Capacity)^{1/4}$$

Note: For more detail on UHC SCI calculation methods, see Annex A1.2.

SDG 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

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

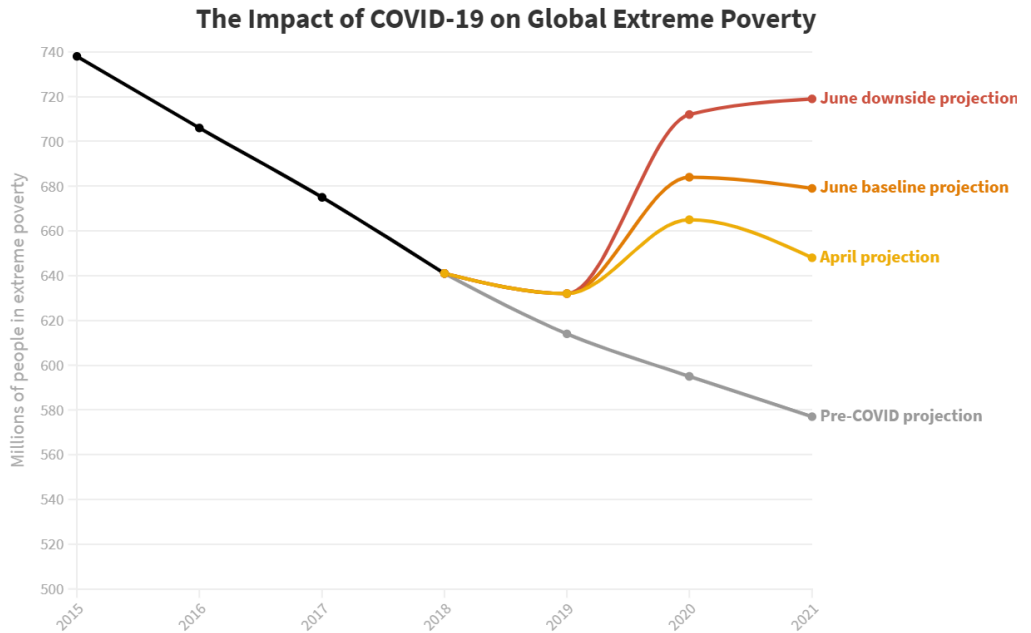


Source: Service coverage indicator (SDG indicator 3.8.1) based on Chapter 1 of this report. SDG indicator 3.8.2 adapted from Global monitoring report on financial protection in health 2019 (4).



2019 REPORT WAS A
CALL TO DOUBLE
EFFORTS TO PROVIDE
FINANCIAL PROTECTION
**EVEN BEFORE THE
PANDEMIC**

WHAT TO EXPECT IN THE
CURRENT CONTEXT?



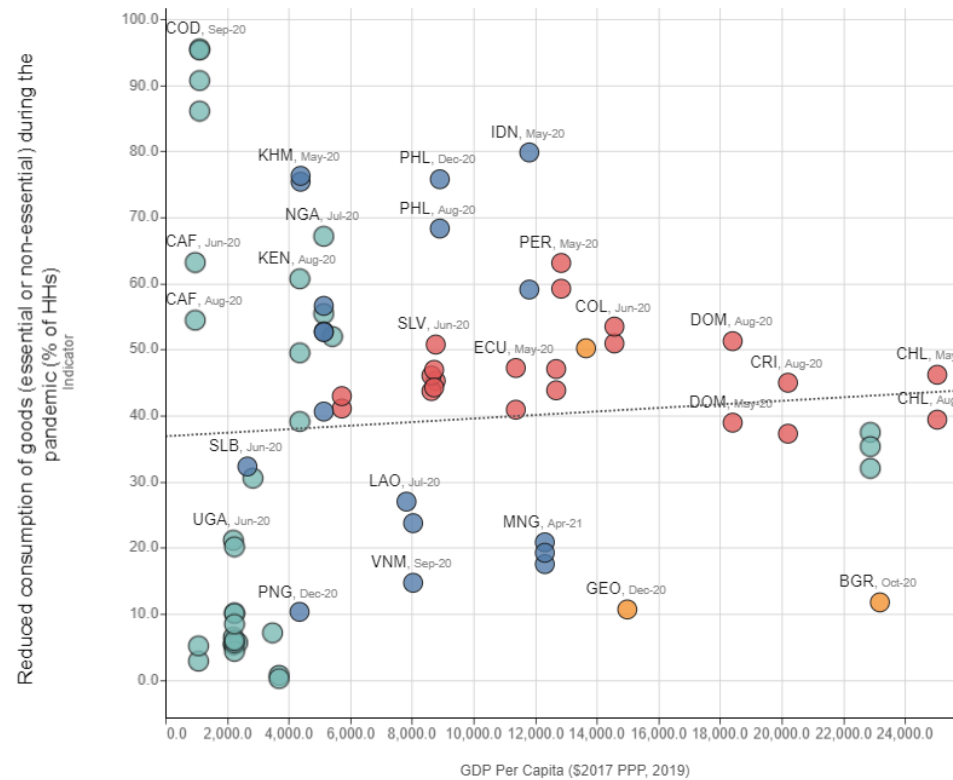
Source: Lakner et al (2020), PovcalNet, Global Economic Prospects, • Extreme poverty is measured as the number of people living on less than \$1.90 per day.

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

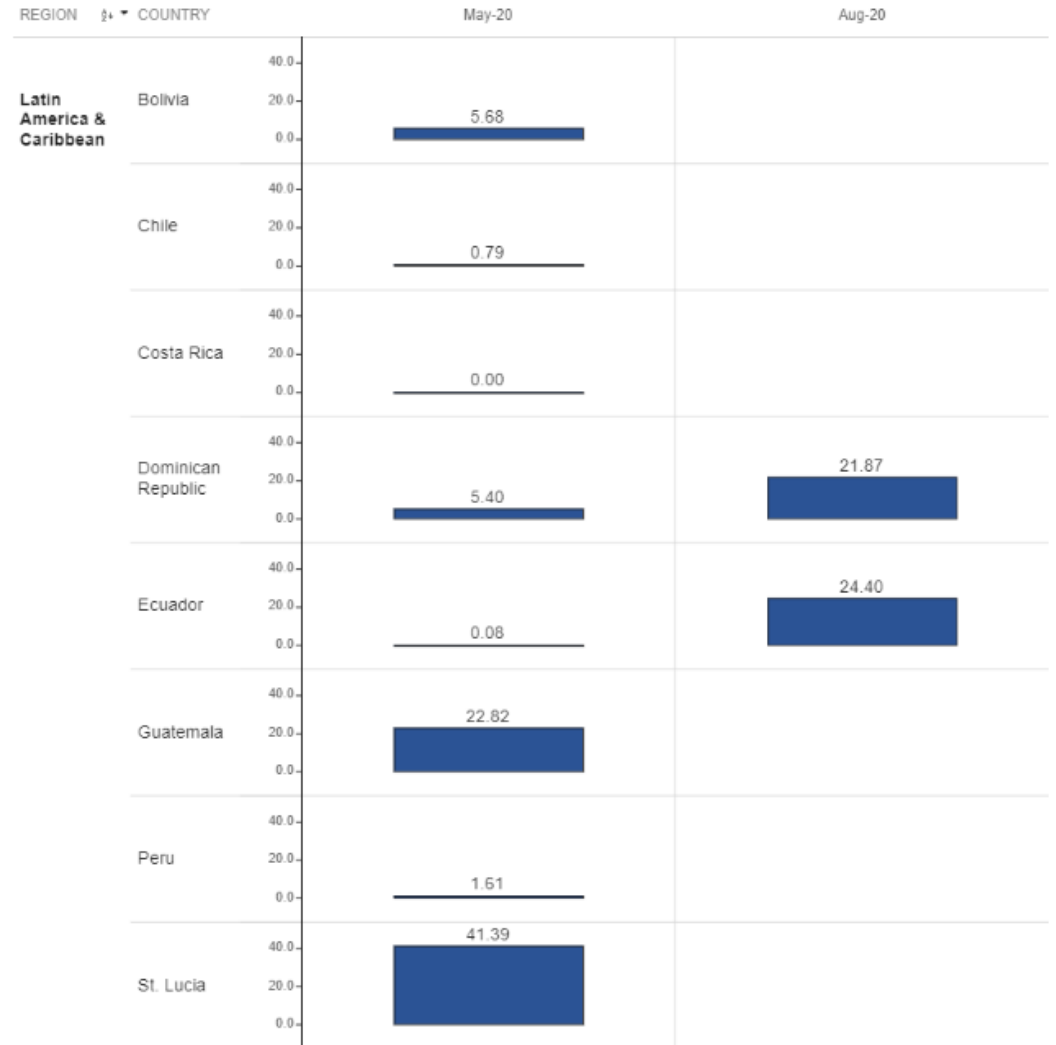
Poverty levels are expected to increase

PEOPLE ARE CUTTING BACK SPENDING ON ESSENTIAL AND NON-ESSENTIAL GOODS AND FACING BARRIERS TO ACCESS

- East Asia & Pacific
- Europe & Central Asia
- Latin America & Caribbean
- Sub-Saharan Africa



TOPIC: Health
 INDICATOR: Could not receive medical attention due to lack of money (% HHs that could not receive medical attention when need..)
 COMPARISON: Latin America & Caribbean



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