

have a larger pool of low and high risks and also cater to both ambulatory and inpatient care.

- **Existence of socially cohesive groups:** Some countries are promoting development cooperatives, microcredit organizations or other social groups based on people's trust. It might be easier to initiate CHI in such communities. The health care system in China was successful in the 1970s with a wide coverage of the rural cooperative health care systems which were in place in almost 98% of villages. With the breakdown of collective economic units in the communes which resulted from market economy reforms, the collective health care financing schemes were reduced to less than 10% by 1993. After some years of gap, the Chinese Government re-introduced in 2002, the rural community-based health insurance schemes based on prepaid risk-sharing principles, in a phased manner. Similar approaches may need to be revived, introduced or expanded in some countries of the Region.

It is not a good strategy to promote sporadic CHI schemes but to integrate them as much and as fast as possible into the national health insurance framework. The government may provide support and augment the coverage with subsidy, as the CHI schemes usually operate in areas where government health care delivery system is not able to provide full coverage. The CHI schemes also flourish where institutional capacity is too weak to organize nation-wide SHI schemes.

6. CONCLUSIONS AND RECOMMENDATIONS

All countries in the Region are facing a formidable challenge in expanding social health insurance as an alternative mix, together with other mechanisms of health care financing. The situation is much more complex, especially in least-developed countries (LDC) of the Region, where most payments are made at the time when people seek allopathic or traditional health care, which is sometimes more than they can afford to pay. For the poor, who are unlikely to have any prepayment schemes and are frequently unable to benefit from tax-funded subsidized public health care, the out-of-pocket payment (OOP) is the only mechanism for them to ensure adequate health care. It is thus difficult to have a sustainable, effective and equitable health care system facing a heavy burden due to the heavy OOP expenditure in the long run.

The following are some of the possible health care financing policy options for national health policy-makers and planners to consider while formulating health policies and reforms.

6.1 Increasing Public Allocation

Almost all countries in the Region have low investment in health, with limited government revenue, especially due to the downturn in economic situation, increasing unemployment and high inflation Etc. While they have realized that health sector has to compete with all other sectors and the government budget is subject to political decision, the most obvious option of health financing for all governments still to be considered is to increase the level of resources in health financed through general revenue and also by increasing the level of public and quasi-public finance (social health insurance).

There are many valid reasons for countries to increase the public investment in health care. Policy-makers need to review the differential allocation among sectors and adopt their fiscal policy in order to adjust the financial allocations so that the health sector can have a higher level of resources. According to the WHO-CMH, each 1% rise in income leads to a slightly more than 1% rise in health spending. The national income in countries of the Region is rising steadily over the years. While the annual economic growth might have been slowing down a while due to the Asian economic crisis of the late 1990s, most countries are recovering quickly. The annual growth of the health budget for public spending should be at par with, or even more than the overall annual economic growth.

While a few countries are continuously facing internal civil strife and political unrest, many have experienced stable political situations. Even in countries experiencing conflict, peace initiatives are in progress. Once the socioeconomic burden of civil strife or political instability is under control, there could be increasing concentration on social development including health.

There is also the possibility of increasing the allocation to health sector through foreign assistance in grants and loans. National policy-makers need to be aware of the drawbacks of such external inputs, imposing a greater share of in non-priority areas, limitation to pay health workers' remuneration, poor governance, and heavy investment in material capital rather than human and social capital.

6.2 Expansion of the SHI Coverage

SHI schemes in most countries are of different types and have varying degrees of coverage, and their development too is in different stages. Governments should further develop, expand and consolidate them. Most countries especially LDCs, would need financial inputs from external sources for expanding appropriate risk-pooling systems, especially those schemes designed to expand the membership among the poor.

With improvement in employment conditions both in quantity and quality, SHI schemes have the highest potential to improve health care coverage. Social security and social health insurance schemes that are covering only regular income earners/employees could extend their coverage to their families/dependents, without additional investment. Those countries where community health insurance schemes are well established should also find ways and means to expand and consolidate them. There is potential for expansion in countries which are already experienced with community-based SHI schemes and other community-based financing programmes. Some form of subsidy, such as parliamentarians supporting prepayment for indigents, or some other forms of government subsidy for poor families and informal workers, could pave the way for enhancement of the expansion programmes. Those countries which have implemented the fee-for-services model should redirect their strategy to capitation, and global budget, etc.

6.3 Research into Policy and Practice

The policy stakeholders, including parliamentarians and the ministries of health, require vision, understanding and influence. Without a good understanding of what is happening in financing health care, it will not be possible for these stakeholders to develop appropriate policies and strategies to successfully implement the appropriate mix of health care financing options. Periodic summary reports showing geographical and temporal variations of the socioeconomic and health status have to be prepared. Information on the distribution and impact of public sector health inputs and of budgetary allocations could reveal crucial variations. For policy analysts and health planners, a detailed analysis of stakeholders, including political mapping is required to indicate as to whom the results of policy analysis should be addressed to.

Regular updating of National Health Accounts (NHA) will provide necessary guidance for policy options and useful insights into the finances of the health sector. It would also provide appropriate interpretation and analysis to decision-makers and planners to review how they can and should allocate public resources for health, what should be the level of public and private expenditure, and how private resources can be mobilized for public health expenditure, etc. Practical difficulties might arise in updating NHA in many countries, such as difficulty in getting the total expenditure of private sector health care institutions; estimating community financing (donations/trust funds); estimating external donor inputs in the health sector, especially when these donor agencies work directly with NGOs and communities and the need for capacity-building for national NHA teams.

Health care financing is one of the key functional areas for improving health system performance. Appropriate stewardship or governance of health systems is required to achieve better health financing reform. Each country needs to review how these organizational and institutional arrangements on health financing can be improved, in order to increase as well as reallocate financial resources for health care while, at the same time, not having to overburden the poor.

6.4 Development of Social Capital

Gathering, sharing, analysing and reporting information on health systems development could be done by agencies within and outside the ministries of health. In addition to the health planning and policy units, bureaus and departments usually established under the direct responsibility of the ministries of health, there are enough institutions and individual expertise, both in public and private institutions like national research institutes, institutes for policy studies, academic departments of universities, semi-government and nongovernmental organizations, local and international research and development institutions, which could be exploited for the national cause. Many of such institutions are parastatal, not-for-profit institutions and they could be effectively utilized to gather and share intelligence and expertise. These institutions could be set up at some distance, but they should not be too dissociated, too academic and irrelevant. The ministries of health could still play a role on appropriate contract-setting, and in facilitating and overseeing the work of these institutions.

6.5 Conclusion

In conclusion, it is critical to recognize that in recommending any policies for financing the health system, no country starts from a blank slate. The appropriateness of particular strategies in any particular country will depend on its specific history, institutions, culture, politics and economic resources. The development of various types of mix of health care financing mechanisms could be judged by how well they are likely to achieve the goals of equity, better health and responsiveness, and fair financing. There is a need to have a higher level of fairly distributed prepayment schemes with appropriate strategic purchasing.

The existing systems of taxation, social security institutions, and the organization of health care service providers and insurers have been developed out of historical processes and conditioned by experiences of nation-building, colonialism, labour movements, wars, communal and kinship patterns, and technological changes. Out of this, citizens have already developed their beliefs and expectations, with regard to payment mechanism. As with all social arrangements, there are ways and means to undertake reforms, but it requires inputs from social institutions and support from all stakeholders.

The out-of-pocket payment, which is the major mode of financing in most countries of the Region, tends to be quite regressive and often impedes access to health care. The challenge in revenue collection is how to expand pooling mechanisms through general tax revenue and/or social health insurance contributions. The experience on implementing nation-wide mandatory health insurance schemes in low- and middle-income countries could be shared and appropriate adaptations could be made in accordance with the respective socioeconomic conditions of countries.

The existing social health insurance schemes mainly covering the formal employed sector could be reviewed thoroughly and appropriate organizational and institutional reforms could be introduced in order to improve their efficiency and effectiveness. At the same time, their coverage could also be increased. Many other forms of risk-pooling schemes such as community-based or population-based trust funds and foundations could be introduced so that the financial and health risks of the poor are adequately protected.

Further, they emphasize the need to attend to the process of health financing reform and its related transitions because such a reform requires changes in institutions, management, accountability mechanisms and population behaviours that take time and resources. SHI is not merely a new method to collect money to co-finance services. It is a promising tool of alternative health care financing which ensures equitable access with sustainable source of finance. It is a method to achieve stable financing for a package of health services (health insurance benefits), while at the same time achieving greater access to health care. While SHI is a promising alternative financing mechanism, it cannot be the main solution to bridge the financial gaps for resources required for additional health funding. The SHI scheme is not a panacea or remedy to replace other mechanisms or forms of health care financing, particularly financing based on general tax revenue. The government should not shirk its responsibility to ensure and regulate the provision of health care, including essential public health functions, whether directly by public or private health care providers.

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