OECD Survey on Budgeting Practices for Health LAC and CESEE countries: preliminary results

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Public Financing for UHC: Towards Implementation

Montreux, 31 October - 2 November 2017
Joint Network on Fiscal Sustainability of Public Health Systems

- Surveys
- Case studies
- Annual meetings
- Analytical research

Document health budget tools and practices

Benchmark good practices and identify bottlenecks

Catalyze processes for better alignment between budgeting and health

More effective and efficient use of financial resources

Increase coverage and improve service quality

Reduce morbidity and increase life expectancy

Reduce poverty and increase economic growth

Improve capacity and create dialogue
Global transfer of knowledge – the OECD Joint Network on Fiscal Sustainability of Health Systems

OECD countries (annual)
next meeting February 2019

Latin America & Caribbean
July 2016
April 2018

Central Eastern Europe
December 2016,
December 2018

Asia
May 2017,
May 2109

Africa (w/CABRI)
December 2015,
November 2018

+ country case studies + surveys on budgeting practices for health
Budgeting for Health Surveys
Survey implementation: collaborative approach
Who is the survey targeted to?

Officials working in Budget Authorities who focus on health issues

Officials working in the Ministry of Health in relation with the budget authorities
What is the current status?

<table>
<thead>
<tr>
<th>Region</th>
<th>Status</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAC (short version)</td>
<td>Fully implemented</td>
<td>13 (Argentina, Peru, Uruguay, Honduras, Colombia, Mexico, Guatemala, Ecuador, Paraguay, Chile, Belize, Costa Rica and Brazil)</td>
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<tr>
<td>CESSE</td>
<td>Data cleaning process ongoing</td>
<td>12 (Armenia, Azerbaijan, Czech Republic, Estonia, Georgia, Greece, Kazakhstan, Kyrgyzstan, Lithuania, Malta, Slovakia, and Republic of Slovenia)</td>
</tr>
<tr>
<td>Asia and Oceania</td>
<td>Implementation ongoing</td>
<td>9 (Australia, South Korea, Japan, Laos, Myanmar, New Zealand, Philippines, Papua New Guinea and Vietnam)</td>
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<tr>
<td>Africa</td>
<td>About to start</td>
<td></td>
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</tbody>
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What is the scope of the survey?

1. Basic characteristics of health systems
2. Health budget formulation
3. Purchasing and provider payments, Health Budget execution
4. Budget monitoring
5. Fiscal sustainability
6. Budgeting for social insurance funds/agencies
7. Management of development assistance for health
8. Decentralization
Health financing systems remain highly fragmented in the LAC region
In most CESEE surveyed countries there is a single main health financing scheme.
... but, boundaries between schemes have become blurred: trend towards mixed revenue sources
In both regions, countries are planning to increase publicly funded health coverage. Many countries are also seeking to increase service coverage and financial protection.
In CESSE countries most public health expenditure is included in the CGB.
Most countries have a separate budget for the social health insurance system.

**CESSE**
- No 25%
- Yes 75%

**LAC**
- No 8%
- Yes 92%
Use of ceilings

**LAC**
- Floors and ceilings: 18%
  - Floors: 8%
  - Ceilings: 17%
- Ceilings: 27%
- Floors: 27%

**CESEE**
- Floors: 8%
- Ceilings: 17%
- None: 75%

Countries:
- LAC: COL, ARG, URY, CHL, BLZ, HND, ECU, GTM, MEX, PRY
- CESEE: SVN, GRC, SVK, KAZ, SZE, MLT, LTU, EST, AZE, ARM, KGZ

Legend:
- LAC: Heavily shaded
- CESEE: Lightly shaded
In LAC, reporting delays vary depending on the health financing scheme.

Most CESEE countries tend to have timely information available for central government HE.
In contrast with OECD, LAC countries have an underspend problem.
There is a mixed picture regarding budget execution in CESEE
Most budget agencies in the LAC region have a multi-year vision of health spending

Number of future years estimated in the budget for health care spending

- Uruguay
- Belize
- Guatemala
- Peru
- Argentina
- Promedio OECD
- Chile
- Paraguay
- Colombia
- Honduras
- Ecuador

CESE countries tend to estimate less years in the budget for health care spending

Number of future years estimated in the budget for health care spending

Long term projections are less common

CESE

Yes 42%

LAC

Yes 29%

No 58%

No 71%
Public health expenditure has outpaced economic growth in OECD countries in the last couple of decades and is expected to continue growing as a share of GDP in the decades to come.

Most OECD countries enjoy universal health coverage. Their main challenge is ensuring the fiscal sustainability of the system.
In contrast, for non-OECD countries some of the bigger challenges are:

- Increasing publicly funded health coverage
- Reducing fragmentation and increase coordination of functions across subsystems (LAC)
- Fully execute budget allocated to health
- Improve cost containment strategies
- Develop long term projections
Areas for further research

• Decentralization in the health sector and capacity building at the subnational level

• Reasons behind under-spending and ways to overcome it

• Budget rigidities and mechanisms to increase flexibility

• Additions and cuts in budget allocations made during the budget execution year

• Effectiveness and challenges of using performance budgeting tools
THANK YOU

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