Recap of 2014 Montreux meeting and relevance of this agenda to UHC

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Fiscal Space, Public Financial Management, and Health Financing: Sustaining Progress towards UHC

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MOTIVATION FOR THE ISSUE AND THIS INITIATIVE

Fiscal Space, Public Financial Management (PFM), and Health Financing:
Summary rationale provided at first meeting: if we are serious, recognize that the path to UHC runs through PFM

- **Coverage as a right**
  - Foundation for UHC

- **Towards compulsory sources**
  - What the evidence tells us

- **General gov’t budget is main source**
  - Context of informality

- **Strategic purchasing**
  - Efficiency key to sustaining progress

- **Align PFM & HF to sustain progress**
  - Flexibility and new forms of accountability
Aim is to institutionalize and sustain progress in domestic health systems

- Frustration with many years of “tinkering at the margins” with health financing reforms
  - SHI for formal sector, CBHI, RBF “programs”, mostly operating outside core budgetary processes
  - In relatively few places have we seen serious, institutionalized and sustained system change and not merely interesting pilots

- Input- and program-specific accountability in aid, rather than outputs and results
  - Lots of talk but little action to address the silo problem
Another way of describing the rationale for this initiative

- More money for health will not help move towards UHC if funds can’t be directed to priority populations and services

- Build capacity for national health authorities to engage more effectively with national budgetary authorities
  - Evidence-based health financing strategies that incorporate fiscal realities are needed to move towards UHC
  - Essential to address inefficiencies arising from programmatic silos while strengthening accountability for results
  - Alignment between PFM systems and health financing functions is needed to ensure public funds are used efficiently to institutionalize reforms and sustain progress towards UHC
Why we (WHO health financing team) need a “collaborative agenda”

- Recognize that no country can do health financing reform without a Finance Ministry, but we don’t typically have good access to finance ministries.

- Can’t easily influence health program power structure from a health systems department in WHO.

- Need to work collaboratively to be effective
  - IMF, World Bank, regional development banks, OECD, UN Economic Commissions…
  - Disease-specific funders and programs (GFATM, GAVI, UNAIDS, WHO health programs)
  - Bilateral donors and foundations
SINCE LAST WE MET
What has changed in the past 18 months?

December 2014
1. Scope the territory
2. Identify priority issues and questions
3. Catalyze collaboration and identify a shared/coordinated program of work

April 2016
1. Present concrete pieces of work to build evidence base
2. Focus on country experience and implementation issues
3. Reinvigorate collaboration and formalize technical work
4. Identify priority areas and issues for ongoing collaborative agenda, focused on implementation support
## Stated objectives of the meetings

### December 2014

1. Identify priority issues and related products and processes as the basis for a jointly agreed work program on fiscal policy, PFM, and health financing for UHC

2. Generate technical inputs to improve the methodologies used for projections of fiscal space for health

### April 2016

1. Present and discuss work that has been completed or is in progress as part of the jointly agreed work program on fiscal space, PFM and health financing, including country applications and experiences.

2. Map out priority issues to be addressed and steps to move forward as part of the ongoing collaborative agenda among countries and agencies.
Output of the 2014 meeting: four work streams

- Health financing, fiscal sustainability and PFM: aligning for implementation
- Benchmarking and targets, fiscal space, and health spending projections
- Integrating global health initiatives with health financing policy
- Development of "health and budget officials" networks and improve understanding of health budgeting practice
We have since done some re-packaging

- **Pillar 1**: Aligning health financing and PFM systems to implement and institutionalize results-oriented reforms

- **Pillar 2**: Informing global debates and country policy dialog on sustainability and transition from aid in the health sector

- Agenda for this meeting built around these pillars
OVERVIEW OF MEETING AGENDA
Day 1: aligning health financing and PFM

- Diving right in: output-based payment in PFM
  - Through the eyes of public finance and health reformers
  - Health reform perspective: concept paper on alignment between PFM and health financing for fiscally sustainable UHC
  - Country reform illustrations (focused on “how we implemented”)

- Step back for big picture
  - IMF perspective on PFM and health spending
  - Perspectives from finance and health

- Health-PFM diagnostics and regional networks
  - Building on OECD survey
  - Development and application of process guide to analyze and document health budget processes
  - Regional networks as mechanism for health-finance dialog
Day 2: Efficiency, sustainability and transition for health programs and systems

- Balancing revenue raising and expenditure management
- UHC and health expenditure targets
- Cross-programmatic efficiency analysis, with initial Estonian application
- Perspectives on sustainable financing for health programs
  - From WHO programs, countries and funders
- Earmarking revenues for health
  - Typology and database
  - Experience from tobacco and HIV/AIDS
  - Country perspectives
Day 3: Fiscal space for health, and future directions

- Why fiscal space for health?
- Uses and abuses of fiscal space for health analysis
  - Preliminary findings from stock-taking paper on using and interpreting fiscal space analysis
  - Country experience with use of such analyses in their health financing policy dialog
- Brainstorming on future directions for this work agenda
  - Refining the issues and ensuring relevance
  - Coordinating (or at least mutually informing) the activities of various partners
  - Establish a health/finance dialog network?
Sequencing of agenda items

- Starting with PFM/expenditure management and ending with revenues/fiscal space is by design
  - “if you don't address the inefficiencies – the health sector is going to keep costing more money and then you need to keep asking for more money”
### Process of the meeting

- Mexican keynote: benefit from rich experience of effective engagement of health reformers with finance authorities

- Camera in the back – we are webcasting to the world

- But everyone seems to be here: 90+ people
  - Still want to keep informal style, discussion, debate
  - Need some discipline to start and finish on time, get coffee, etc. with these numbers
  - Will do our best to ensure that we don’t miss anyone’s important contributions