

Improving Health Financing to Advance Toward Universal Health Coverage



Abt Associates works with governments, the private sector, and local citizens to strengthen health financing mechanisms and help countries advance toward universal coverage. Our **systems approach to technical assistance promotes country ownership and sustainability** and helps countries navigate complex reform options.

Various options for improving health financing in developing countries have surfaced over the last 30 years, including cost recovery, decentralization, removal of user fees, pay-for-performance, and health insurance. However, only a carefully informed and technically sound combination of health financing mechanisms, including innovative pooling and purchasing arrangements combined with improvements in service provision, can move countries towards universal coverage of quality health services.

Our Systems Approach to Technical Assistance

To help countries navigate alternative policies and reforms, Abt applies a systems approach to technical assistance which explicitly addresses both public and private sectors, as well as the space where health systems strengthening and service delivery converge. The approach is based on a health financing framework that links health financing functions (revenue collection, pooling, and purchasing) to broader health financing and health system goals. In addition, we emphasize that country ownership and clear institutional roles and relationships are key for sustainable, scalable change in health financing. Finally, we support establishing relationships between health financing functions appropriate to each unique country environment.

Revenue Collection: Generating Resources for the Health Sector

Abt helps countries identify, generate, and mobilize financing sources to increase revenue collection through the public



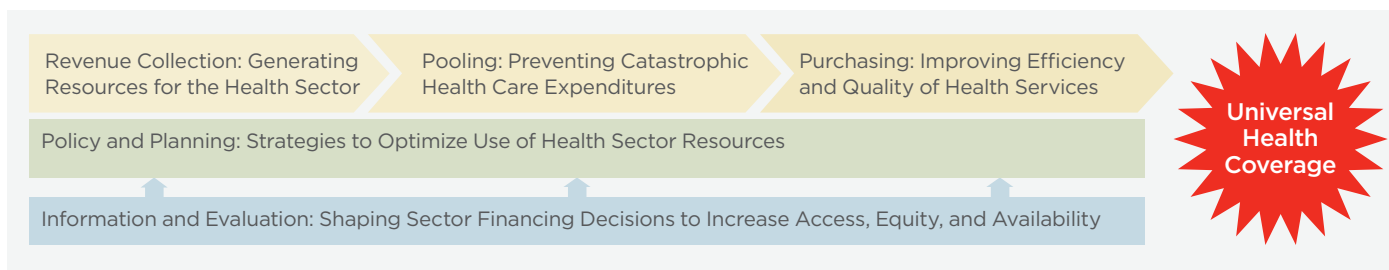
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or private health sectors. We support Ministries of Health to more effectively engage Ministries of Finance and legislative bodies to augment public financing for health. Our experts help countries better harness private resources to purchase priority health services, and provide advice on other innovative financing approaches.

For example, our work in Ethiopia over the past 15 years has involved helping the government establish standardized user fees and systematize the fee waiver and exemption systems to expand access to care for poor and vulnerable groups. We also assisted the government to institute a system for facility revenue retention so that health facilities can effectively use fee revenue to support quality improvement. Now patients and health workers are enjoying visible improvements in quality and productivity.

Pooling: Preventing Catastrophic Health Care Expenditures

Abt helps countries move toward universal health coverage (UHC) by strengthening national health insurance schemes, scaling up community-based health insurance (CBHI), covering the informal sector, and incorporating priority services into health benefits plans. In Kyrgyzstan, Abt provided technical assistance to establish innovative pooling arrangements for general revenue and social health insurance, enabling the country to improve equity, financial risk protection, and efficiency to move toward UHC.



Purchasing: Improving Efficiency and Quality of Health Services

Abt supports strategic purchasing by establishing performance-based provider payment mechanisms that incentivize efficient provision of high-quality priority health services. We apply standardized resource tracking tools, such as Health Accounts, cost-benefit analysis, and cost-effectiveness studies, to ensure that finite health funds are allocated where they are needed most and will have greatest impact.

In Nigeria, Abt's Partnerships for Transforming Health Systems 2 (PATHS2) helped the Jigawa State government to introduce strategic health purchasing. The assistance enabled counterparts to better target health budget funds to priority maternal and child health services and poor populations—contributing to a 20 percent increase in skilled birth attendance between 2008 and 2012.

Policy and Planning: Strategies to Optimize Use of Health Sector Resources

Abt's assistance encourages countries to develop or strengthen an overarching health financing framework that optimizes a mix of different policies and mechanisms and strengthens relationships between public and private financing. In Bangladesh, Abt co-facilitated the drafting of the first-ever Health Care Financing Strategy. The inclusive, participative yet rigorous process resulted in the adoption of a 20-year financing strategy introducing social health insurance with the aim of moving Bangladesh toward UHC. Abt is also supporting the implementation of the strategy.

Information and Evaluation: Shaping Sector Financing Decisions to Increase Access, Equity, and Availability

Abt provides strategic costing, resource tracking, and operational research assistance to help governments and private sector counterparts make evidence-based decisions. For example, in Liberia, Abt collaborated with the World Bank to assist a local team to complete a National Health Accounts exercise, a benefit incidence analysis, a synthesis of health financing performance and policy options, and

a series of consultations at local and central levels—all in less than 18 months. The effort culminated in a balanced and practical policy with an essential service package offered for free, user fees for services outside the package, and options to wean the system off external funding.

Contact

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Abt Associates is an engine for social impact, dedicated to moving people from vulnerability to security. Harnessing the power of data and our experts' grounded insights, we provide research, consulting and technical services globally in the areas of health, environmental and social policy, technology and international development.

