

HEALTH FINANCING PROGRESS MATRICES

Supporting the systematic assessment of health financing reforms over time, in support of UHC



World Health
Organization

WHO Symposium on Health Financing for UHC: managing politics and assessing progress
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Why develop a series of health financing matrices?

How can a country gauge whether its health financing policy will have a positive impact, in terms of strengthening its health system and making progress towards UHC? How can we better demonstrate and shine light on efforts to strengthen health systems? How can qualitative information complement quantitative SDG monitoring indicators, in order to better inform government policy? These are some of the questions prompting the development of a series of health financing progress matrices, with the aim of getting closer to "real-time" monitoring of health financing policy making and implementation at the country level.

A qualitative approach

The progress matrices allow a qualitative assessment of current policy and implementation in health financing; they are not a substitute for quantitative measures such as financial protection, benefit incidence, or the mix of revenue sources; indeed, the matrices are best used in conjunction with such quantitative evidence. The matrices are deliberately parsimonious; rather than aiming to cover all aspects of health financing in detail, they seek to capture the key elements of progress. Rather than duplicating, the matrices use and build on existing analyses.

Building on existing frameworks & guiding principles for health financing

Built around the different functions of health financing policy, a separate matrix has been developed for revenue raising, pooling, purchasing and benefit design, all guided by the objectives of UHC and health system goals (see framework diagram overleaf). Additional matrices have been developed to assess the policy development process, public financial management, and governance issues in health financing in a country.

Individual matrices comprise a series of questions, each embodying a guiding principle. These principles (see table

overleaf), are also built around WHO's functional approach to health financing, and are a set of evidence-informed hypotheses about the key attributes of health financing arrangements associated with progress towards UHC.

Providing a general framework adaptable to any type of health system, the matrix questions aim to capture a situation in which, for example, two countries have different policies on a particular issue, but both embody the same principle and both support progress towards UHC. Clearly, not all issues and questions are equally relevant across countries, and judgment must be used regarding the relevance of a particular question.

Applying the progress matrices

WHO recommends that the matrices are used in two stages: first a technical expert should review the matrices and compile relevant and useful information and evidence e.g. policy documents, quantitative indicators. Secondly, the technical expert should facilitate a discussion based on the matrices and evidence collected, with key stakeholders engaged in the development and implementation of health financing policy.

Countries use the matrices to conduct a self-assessment of their health financing policies, with a view to capturing progress over time, rather than directly comparing with other countries. The matrices can also support the evaluation of ongoing reforms or policies, and the development of new strategies. The results will not be used by WHO without the consent of the Member State concerned.

A user-friendly format allows rapid feedback and summaries for policy-makers, with heat-maps highlighting key areas of weakness or strength, as well as the expected effect on health system goals and UHC objectives.

Further information can be found at:

www.who.int/health_financing

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Guiding principles for health financing reforms in support of UHC

a) Introduction

Health financing reforms cannot simply be imported from one country to another given the unique context of each country and its starting point in terms of health financing arrangements; the underlying causes of performance problems differ in each country and it is these causes which the reforms proposed in a health financing strategy must address. However, there are lessons from international experience that allow a number of guiding principles for reforms which support progress towards UHC, to be specified. These do not constitute a “how-to” guide, but rather a set of “signposts” that can be used to check whether reform strategies (and more importantly, reform implementation) create an appropriate incentive environment and hence are pointing and moving in the right direction in terms of objectives and goals in Figure 1. These principles, or signposts, are presented below for each of the health financing sub-functions and policy areas:

1) Revenue raising

- Move towards a predominant reliance on public/compulsory funding sources (i.e. some form of taxation)
- Increase predictability in the level of public (and external) funding over a period of years
- Improve stability (i.e. regular budget execution) in the flow of public (and external) funds

2) Pooling revenues

- Enhance the redistributive capacity of available prepaid funds
- Enable explicit complementarity of different funding sources
- Reduce fragmentation, duplication and overlap
- Simplify financial flows

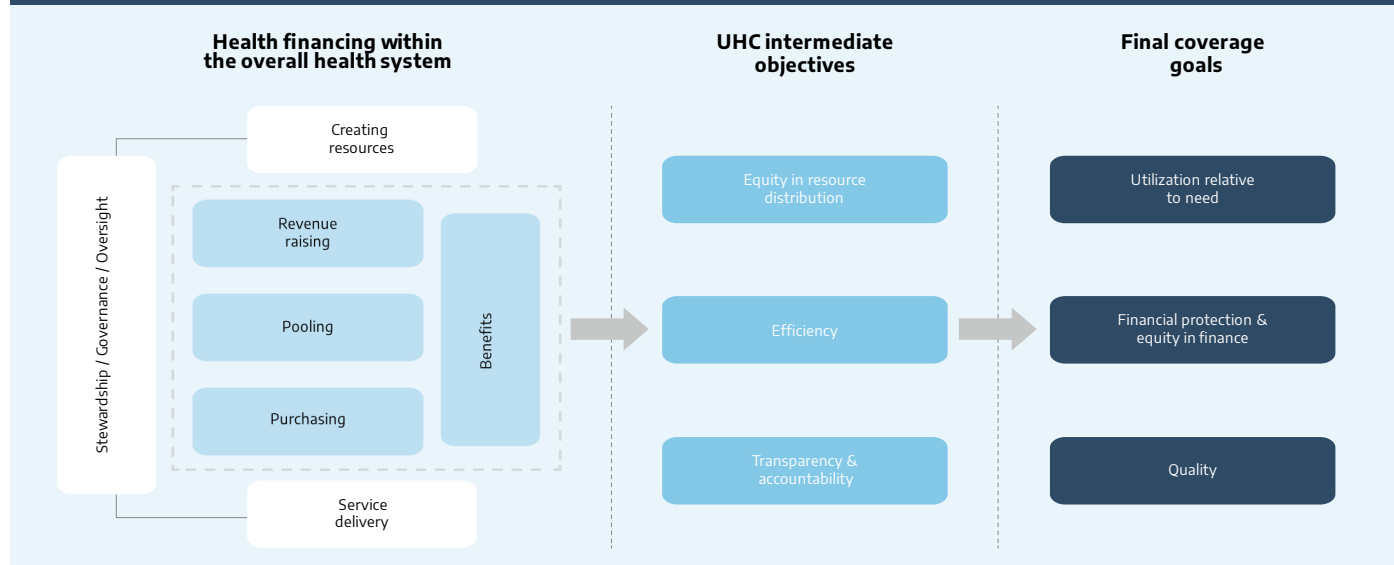
3) Purchasing services

- Increase the extent to which the allocation of resources to providers is linked to population health needs, information on provider performance, or a combination of both
- Move away from the extremes of either rigid, input-based line item budgets or completely unmanaged fee-for-service reimbursement
- Manage expenditure growth, for example by avoiding open-ended commitments in provider payment arrangements
- Move towards a unified data platform on patient activity, even if there are multiple health financing / health coverage schemes

4) Benefit design and rationing mechanisms

- Clarify the population's legal entitlements and obligations (who is entitled to what services, and what, if anything, they are they meant to pay at the point of use)
- Improve the population's awareness of both their legal entitlements and their obligations as beneficiaries
- Align promised benefits, or entitlements, with provider payment mechanisms

UHC goals and intermediate objectives influenced by health financing policy



Reference: Developing a national health financing strategy: a reference guide. Joseph Kutzin, Sophie Witter, Matthew Jowett, Dorjsuren Bayarsaikhan. Health Financing Guidance Series No 3. World Health Organization 2017. ISBN 978-92-4-151210-7