

Policy Brief

Actualizing Investing More and Investing Better for UHC Through PHC Strengthening

Center for Indonesia's Strategic Development Initiatives

Background

UN Member States are meant to set new political commitments and targets on universal health coverage (UHC), pandemic prevention, preparedness and response (PPPR), and tuberculosis (TB) in the three HLM scheduled around September 2023 at the UN headquarters in New York. Recognizing that the UN HLM Political Declaration are expressions of the world governments' collective vision, political commitment, and priorities, we appeal for a stronger, target-specific, and more progressive language in the upcoming political declarations for people-centered, equitable, gender transformative, and rights-based approach UHC, PPPR, and TB approaches and responses.

In this brief, we specifically appeal for a stronger commitment to robust and impactful investment on primary health care strengthening, as well as effective and efficient allocation of financial resources to ensure equitable and sustainable financial protection for everyone but mainly the most vulnerable. This appeal is based on the belief that health is a human right, enshrined in the 1945 Indonesia constitution and the 2018 Astana declaration. This brief also responds to the UN emphasizing that during the pandemic, a lot of people still need to pay out-of-pocket and fall into poverty to access quality health services. PHC is the first point of care for communities that plays a central role in providing essential-affordable services, thus paving the way for UHC. Financial protection should be available through strengthening worldwide primary health care (PHC) systems and making them accessible and affordable.

Overarching Principles

This statement and call to action are guided by the below overarching principles :

- A **people-centered** approach that focuses on responses and systems centered on the health needs of individuals and communities and is grounded on universally held values and principles such as human rights, dignity, non-discrimination, participation and empowerment.
- A **multi-sectoral** approach that involves public, private, and community, ensuring that all stakeholders are included in meaningful engagement from planning to evaluation of health policies.

- A **just and equitable** approach that focuses on the absence of unfair, avoidable or remediable differences, in which everyone has a fair and just opportunity to attain their highest level of health.
- A **gender transformative** approach that addresses the different intersections between health, gender and socio economic perspective and seeks to eradicate systemic forms of gender-based inequality and discrimination by creating and strengthening equitable gender norms, dynamics and systems that support gender equality.
- A **rights-based** approach to support better and more sustainable development outcomes and one that develops the capacity of duty-bearers to meet their obligations and encourages rights holders to claim their rights.
- The **meaningful participation and leadership** of socially, economically, and politically marginalized communities and civil society in decision making fora that respect diversity, and are safe and enabling for various forms of engagement.
- An **accountability mechanism** that adheres to the principles of transparency with the meaningful participation of communities and civil society.

Call to Actions

Financial protection for everyone to achieve UHC can be gained by improving the health financing arrangements to support PHC services quantity and quality. This ensures that PHC can be free at point of service, provide high quality basic services, and can prevent chronic and high cost illnesses. The health financing arrangements must be reformed first by expanding the resource collected (investing more), and then by improving the allocation mechanisms (investing better). The additional investment will need to be translated into strengthening PHC by ensuring strong and resilient capacity of leadership, essential medicines and health technologies deployment and distribution, integrated health information system, refined quality health data, more qualified human resources for health, and improved service delivery. To achieve this, there must be coordination of international cooperation for sustainable and integrative UHC across the world.

1. Increasing financial resources for PHC at the national to global level

- **Expanding the fiscal space for health**

To spend more on PHC, the overall public fund and health budget must be raised. Ways to raise the budget start from increasing taxation. Countries can start to progressively improve their taxation capacities by strengthening the financial institutional capacity and innovating with new forms of taxes or collection mechanisms. Other than making income

taxes more progressive, countries can employ health-focused or excise taxes such as taxes on tobacco, alcohol, and sugar-sweetened beverages. The World Bank predicted that would result in a raise of the tax–GDP ratio by an average of 0.7 percentage points in low-income countries (LICs) and low-and-middle-income countries (LMICs). Taxes on carbon emissions, transport, or airline levies can also be considered. This additional fund has to be earmarked for PHC systems that supports UHC, particularly including the promotive and preventive measures.

International development assistance should be allocated to overall reform of the health system which include PHC improvement that is mainly determined by the implementing countries' priorities. To ensure that aids are used for PHC, contracts must be adjusted to spending on PHC as conditionalities. Other global financial instruments such as Pandemic Fund can also be used to increase countries' health budget while requiring the recipients to use the fund for PHC strengthening. Of note, investing in one global financial instrument or pooling should not reduce investment in other pools. Countries' contributions, especially coming from high-income countries (HICs), ideally is in the form of fresh surge of new financing - on top of the amount previously allocated.

Global Public Investment (GPI) may provide an avenue of innovative and more sustainable health financing approach. Globally, to ensure that contributions are not dominated by HICs, the GPI framework¹ can be considered. Based on a principle of co-creation where all contribute and all benefits; each country, institution, and civil society organization will make a contribution based on a proportional formula and are empowered as decision makers.

- **Whole-of-government approach for budget formulation to ensure meaningful investment**

Whole-of-government approach is needed to ensure that collaborations within the government and between governments, civil society organizations, and other agencies are prioritized. Although the ministry of health must lead in budget formulation, the ministry

¹ Global public investment (GPI) is a proposed new model for international public finance in which countries globally “all contribute, all benefit, and all decide.” It is based on four principles consisting of universal contributions (no donors or recipients), ongoing commitments (funding does not stop when it reaches a certain threshold), co-governance, and co-creation (all relevant stakeholders including NGO are involved in the design and development of the GPI arrangement and principles that will govern everyone). The model promotes transparency and accountability, and the focus on public money. For further reference, see <https://globalpublicinvestment.org/resources/>.

of finance and other ministries must be committed in supporting health goals. The ministry of finance plays an important role in devising public finance management systems that will allow the overall government budget to be allocated to health priorities including PHC. In line with the Health in All Policies (HiAP) framework, the overall public budget must be reviewed. Each sector spending should be assessed whether it supports or hinders health and especially PHC development. It should be noted that the health budget is not just a budget under the ministry of health, but also budgets in other sectors that are related to health, for example, budgets in the sanitation sector.

An Establishment of the National Health Assembly may provide a participatory and inclusive platform across actors. To ensure that the government spending is aligned with the needs of the population, the initiation of a national health assembly such as the one created in Thailand can be considered. The national health assembly that puts civil society organizations' voices as a critical and strategic thinking partner of governments as a critical and strategic thinking partner of governments can ensure budget formulation to align with populations' needs and also be able to identify inefficiencies.

2. Improving efficient spending to strengthen PHC and increase financial protection

- **Improving data access and collection to monitor political commitment on PHC investments**

Robust and reliable data and its management system must be the prerequisite to push for better investment commitment on PHC. As such, this strong system enables policy makers even from non health sectors to track accountability. Open monitoring depends on data collection, analysis, and publication. Governments and global institutions need to agree on a key set of PHC indicators that can then be used to monitor national and global spending. In relation to financial protection, data on catastrophic health expenditure (CHE) can be measured using the normative food, housing (rent) and utilities method developed by the WHO Regional Office for Europe that has been found to be more sensitive in estimating financial hardship experienced by poor households. In this way, countries can track in parallel the amount of spending in PHC and the financial hardships experienced by the communities.

Communities and civil society organizations can use the open data to advocate and demand accountability. Social accountability is crucial to improve PHC that are people-centered. Furthermore, an open budgeting and accountability system can provide insights into other stakeholders such as those from the private sector to understand the PHC gaps that can be filled by them.

In future treaties such as the newly proposed Pandemic Treaties to reform the 2005 International Health Regulations, PHC strengthening needs to be explicitly stated. Mechanisms to increase and allocate spending for PHC must be stated in a legally binding document. That way, tracking global spending and cross-country comparisons on PHC can be defined and included in countries' annual reporting of health expenditures to WHO for the Global Health Expenditure Database.

- **Utilizing National Health Account to analyze and evaluate for more comprehensive overview in formulating and improving health financing policies**

There are two levers, policy and health system level. Both should be able to exercise the process of budget formulation and budget execution in the context of health and public finance management systems. The budget formulation processes used by many governments can sit at odds with the unpredictability and complexity of resource needs for health. In most countries, PHC is not a visible line item in the national budget, making it hard both to pinpoint how much is being allocated and to monitor whether PHC funds are actually received. Instead, PHC budgets are often embedded in, and absorbed by, the budgets of hospitals or local governments. Therefore, it is important for the National Health Account to switch its paradigm, not necessarily following 'the Byzantine' line-item budget structure but more focused on the activities, level of care, or population health needs. On the budget execution, the government should focus on the creation of resource allocation formulae and the advancement of strategic purchasing. Resource allocation formulae need to consider the impact and cost-effective analysis evidence of the interventions or services.

Taking into account allocated resources (among geographical units and levels of care) as policy levers that can promote equity in allocation. In the context of Indonesia, a resource allocation formula allocates an equal per-capita amount across the recipient units. These formulae can be refined by adding adjustments, such as for differing health needs or local cost differences. On strategic purchasing, there are at least three key strategies, consisting of: (1) Benefit Specification; (2) Provider payment mechanism; and also (3) Contracting and monitoring. First strategy called Benefit Specification can be translated *as providing an explicitly, defined and appropriate benefit package* that is oriented to secure and protect allocation **towards Primary Health Care (PHC) strengthening**. In several country examples such as Thailand and Brazil, health technology assessment integration through the health system is the prerequisite to realize this strategy. **Second is provider payment mechanism**, which determines how money is

paid from pooled resources to service providers (Karl Hanson et.al, 2022). In real world context, this strategy could be translated into **the adoption of a capitation mechanism directly into PHC** – makes PHC expenditures more visible, equitable, and helps to protect allocation . Last but not least, contracting and monitoring can be designed **to channel funds for PHC strengthening and constrain resources from being paid to hospitals**. In the case of Estonia, the national health insurance fund, by making a contract, guarantees a minimum amount of revenue for a defined list of PHC providers in rural areas (Karl Hanson et.al, 2022).

- **More collaborative research between scientists, policymakers, and other stakeholders to innovate and implement health financing arrangements suited for each contexts**

Countries committing to follow all the above recommendations will face challenges. Adopting a new innovation or model of health financing arrangements can be difficult and risky. To counter the challenges, proper analysis of current capacities and political economy factors are important to pick, implement, evaluate, and adaptively improve the new financing system or mechanism. Implementation science and operational research for PHC strengthening including its financial arrangements should be funded and supported domestically and globally.