

Health Financing Group

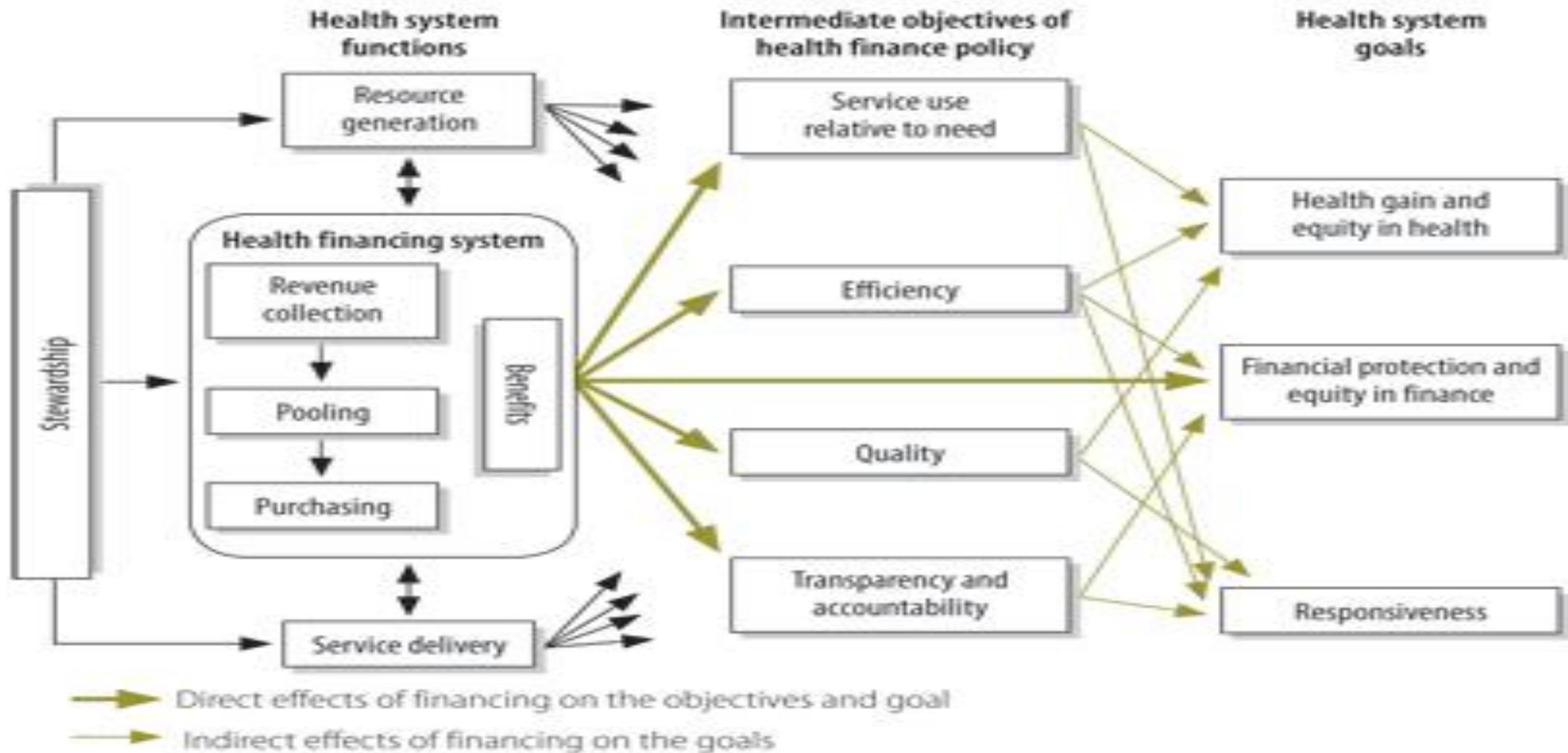
27th June, 2019

P4H and its evolution

- Providing for Health (P4H) was created in 2007 in the G-7 meeting. First members: WHO, ILO, WB, SDC, GIZ, USAID.
- Based in WHO HQ (Geneva). Active in around 20 countries in Africa and Asia. Co-funded by GIZ, WHO, SDC, WB, ILO.
- Main goal: **Co-ordinate efforts in the area of Health Financing**, with all relevant stakeholders involved. And impulse sustainable health financing.
- Specialization: **Technical assistance** and Partner co-ordination in Hfinancing.
- The title “**Social Health Protection**” was assumed to be linked with a specific financing mechanism (SHI), also promoted by ILO. This is to change.
- UHC – 2010 – WHReport: “All citizens receive the preventive and curative services they need, without facing catastrophic expenditure”. Mixed funding.
- Change of name and spirit in 2019: Probably ***Global Collaborative on Health Economics and Finance (GCHEF)***. *Complementary to HFTN*.
- **P4H in Mozambique** initially formed by WHO, SDC, ILO, WB. To be opened to interested partners. Proposal: **Health Financing Group**. ToR to be discussed.

Updates in Health financing policy

- 1. Integration of recommended WHO Health financing functions towards Universal Health Coverage (UHC)



Updates in Health financing policy

- **1. Integration of recommended WHO Health financing functions**

- **Revenue raising**

Compulsory, pooled, pre-paid, diversified, progressive and with simple collection. Priority will be given to State Budget.

Alignment of external funding with the Benefit package and service provision at SNS.

- **Pooling**

Aggregating funds in “one pot” to redistribute risks and costs amongst citizens. Avoid fragmented approaches and “scheme” views (for segmented parts of the population and leading to unequal distribution of health resources)

- **Purchasing / Allocation**

Cost-effective allocation, strategic payment mechanisms

- **Benefit package design and entry forms**

Explicit and implicit rationing, user fees/pre-paid mechanisms of entry

Updates in Health financing policy

- **2. Joint Group MISAU-MEF on Health Financing (DPC-DEEF) started Jan.2019**

Main topics on the agenda: State Budget for Health, Taxation, User fees simplification and unification.

- **3. Taxation for Health**

Joint meeting MEF-Tax Authority- MISAU (DNSP Nutrição e Saúde Mental).
Review of evidence and actual Imposto de Consumos Específicos (ICE).

Taxation as not the only way of changing life habits. Crucial role for MISAU.

Revision of ICE in 2020 for the period 2021-23, in collaboration with MISAU.

No earmarking expected: It introduces rigidity in the allocation process and funds are fungible (can be detracted from the Health Budget). We prefer to negotiate global budgets based on need.

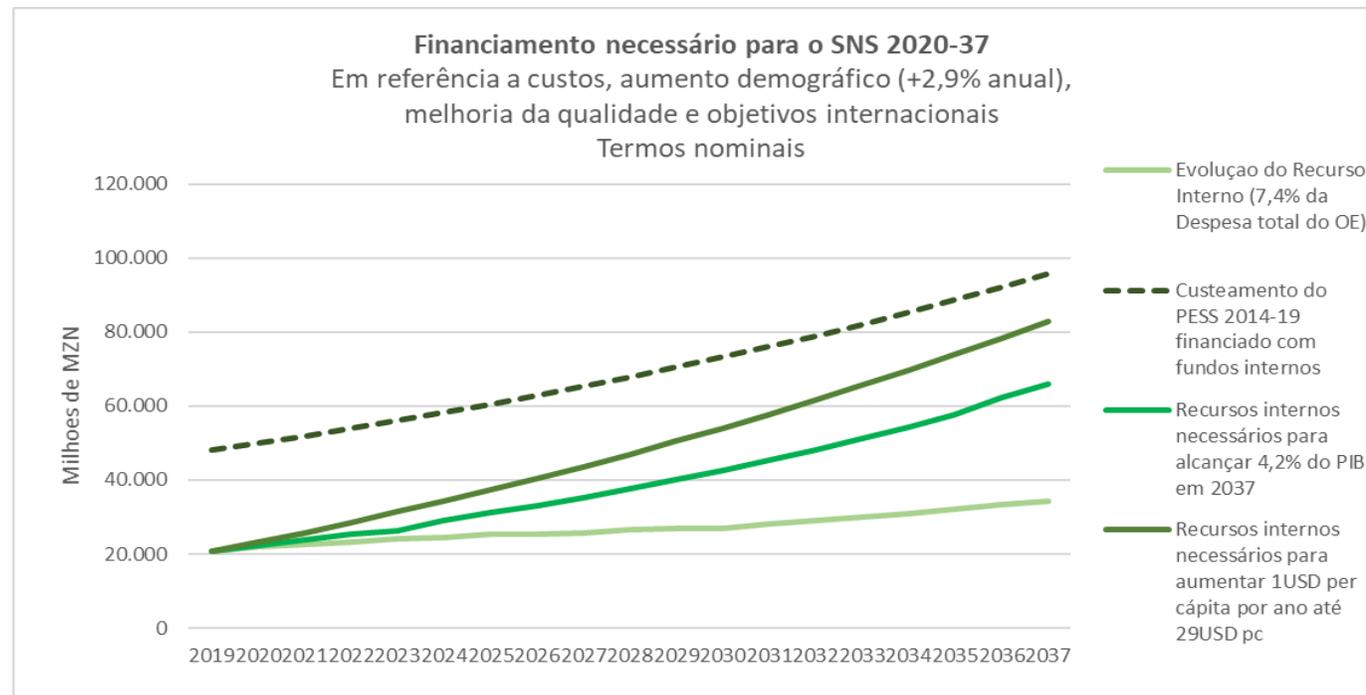
Updates in Health financing policy

• 4. Prioritization of Health in the State Budget

“Investment case” for MEF: Main challenges and areas to be funded 2020-37.

Forecast of **future financial needs**, based on: i) PESS costing exercise ii) demographic trends, iii) Plus for quality and cronic illness-NCD

Priority to **internal funding** of the public health sector. Measure taken: Increase 1 USD per capita per year with internal funding: From 11 to **29 US\$** in 2037.



Definition of investment priorities will be crucial. Links between planning and budgeting.

Updates in Health financing policy

- **5. Social Health Insurance**

Consultants contracted by ILO presented a proposal in Dec.2018.

Costed upon quality indicators: Triples the actual expenditure. 50% funded by salaries and 50% by State Budget. Public provision with exceptional private provision- Contracts managed by SNS.

- **6. User fees**

Mozambique has a **good position in financial protection** (SDG 3.8.2). Highly complex and controversial topic that is being discussed – Committee

Low on-SISTAFE collection (0,8% of total execution). Could reach 2,5% if off-SISTAFE was included.

High administrative complexity (Treasury, consignment). No information circuit available.

Priority given to unification, simplification, regulation, legalization of some payments.

Catastrophic risk at **hospital level**. Need to gather info on **rapidly increasing payments**.

Politically feasible options: Reduction of highest fees, increase of lower ones.

Ongoing: Study of **pre-payment options within catastrophic limits** (payroll tax + flat-rate Health annual co-payment for the informal economy). Political economy challenges: Q5 would fund 85%.

ToR of the Health Financing Group

- **Objectives**

- To share information on Health Financing in Mozambique, especially from those technical assistants focused on Health Financing: Expenditure, Financial protection, equity in resource use, financing mechanisms, etc.
- To coordinate actions in Health Financing and related áreas in Mozambique

- **Placement in the SWAp structure**

- Parallel to the Grupo Técnico de Orçamento e Financiamento (GTOF), led by MISAU-DPC-DPES with presence of partners.

- **Actions**

- Information sharing
- Shared presentation of proposals
- Shared organization of events

- **Membership**

- International development partners and NGO interested in the area of health financing, including local stakeholders (civil society)

- **Leadership**

- P4H Focal Point, with a specific role of partner coordination