

Notes of P4H CD Visit to Bangladesh, 17-19 Feb 2014

Context

The Health Economics Unit (HEU) of the Ministry of Health and Family Welfare (MoHFW) in collaboration with WHO, the World Bank and GDC organised a **National UHC Workshop** on 18 Feb 2014 and a **Round Table Discussion** on the way forward on 19 Feb 2014.

Several **P4H members sent their experts** to participate in these events. The visiting team comprised WHO: Rob Yates, Priyanka Saksena; WB: Mukesh Chawla, Jean-Jacques Frere; GIZ: Roland Panea; KfW/GFA: Lars Kyburg; and P4H CD: Michael Adelhardt.

The **P4H CD** organised an informal meeting at the WHO country office prior to the UHC workshop to provide the visiting team with an update on the current process (see presentation in annex 1) and to exchange views on each other's perspectives and positions. The CD then participated in the UHC workshop, moderated the Round Table Discussion and attended a HEU/DP meeting after the RTD.

Highlight / main result

The most prominent result of the visit was a suggestion - taken up by the HEU - that MoHFW should **send a bold funding proposal to the MoF for covering the approx. 50 Mio. poor** under the Health Financing Strategy (HFS).

Events and interactions

1. P4H informal meeting on 17 Feb 2014 at WHO office

WHO provided an update on the status of the implementation of the Health Financing Strategy (HFS). The visiting team could familiarise themselves with the current situation and discuss some of the DPs positions: it is important that the politicians drive the UHC agenda; we need to sell the political benefits, social and development benefits. The CD pointed out that though there may be some differences on details it would be in the spirit of P4H to speak with ONE voice in the context of the bigger goal of UHC. The upcoming events would provide a good platform for inclusive dialogue. *Critical issues raised:* Some DPs question the GOB commitment to implement HFS; DPs would like to see additional resources allocated instead of *reallocating funds from the SWAp budget* to finance the HF strategy. Others pointed out the capacity and staffing issues at the HEU; though numbers have increased, there would be only a few which are committed and competent to support the HFS implementation. KfW mentioned that the decision by the German Government (BMZ) of moving forward with the SSK (SHI scheme for the poor) is still pending.

2. National UHC conference on 18 Feb 2014 at Ruposhi Bangla Hotel)

The agenda and presentations can be accessed [here](#)

The **new MOHFW Minister commits to supporting the goal of UHC** and the National UHC Workshop was his first official event. The event was an opportunity to strengthen the advocacy for UHC and support for implementing the HFS, to have a common understanding of UHC and elevate the HCFS beyond the health sector. On several occasions, the HF DP group has requested the MOHFW for broad inter-sectoral dialogue on health financing issues. So in this view, this event served as a starting point towards active engagement of national stakeholders and the establishment of an Inter-ministerial Committee on HF – a kick-off for a series of technical discussions to follow.

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The Ministry of Finance reported a nominal increase in the health budget over the past decade. On the other hand, *some Development Partners (DPs) are questioning the commitment to UHC* since the government spending on health in relation to GDP is rather declining. However, during both national events, the MoF representative indicated that there was more room for pending on health, in particular when the tax to GDP ratio could be increased from 10 to 12%.

The HEU pointed out the low government spending on health (1.4% of GDP), the high level of direct payments (64% OOP) and inefficient resource allocation. The HEU would like to start implementing the HFS, however has still many open questions, e.g. about effectively targeting the poor, as near-poor can easily fall below the poverty line due direct payments for health.

For the key messages from the DPs see: [P4H Intranet](#)

3. Round Table Discussion (RTD) on 19 Feb 2014

The objective of the **Round Table Discussion (RTD)** was to come up with practical recommendations and next steps regarding the implementation of the Health Financing Strategy 2012-2023. The RTD was structured in four sessions: resources and how to make a case for health; pooling for UHC; benefits package development; supply side issues.

Session1: Mobilising resources for the implementation of the HFS - how to make a case for health and social health protection

Nominal spending on health has steadily increased, however Total Health Expenditure as % of GDP has declined; DPs well aware of this; MoF recognises the constitutional obligations to health, and sees room for improving the tax/GDP ratio and fiscal space; overall message: more funds could be allocated to health.

WHO outlined the importance of resources are generated and spent in an equitable, efficient and effective manner: direct payments (OOP 64%) are a tax on the sick, inequitable and inefficient; voluntary private health insurance does not work if a country wishes to move towards UHC; key message: public finance - either raised through taxes or mandatory social health insurance contributions are the way forward. GIZ asked to also consider innovative ways of financing, e.g. tapping into remittances. WB would like to move away from having the same discussions over and over again and suggests a bold proposal to MoF! It would be time to move on and be more practical. The HEU welcomed the suggestion to **send a funding proposal to the MoF for covering the approx. 50 Mio. poor** under the HFS.

Making a case for health, KfW stated that health should not only be seen as a cost. The health sector is in many developed countries one of the biggest sector for employment (e.g. in Germany the health sector employs more than 2 Mio people, more than the German car industry). The WB points out that money is often not the issue - it is more important to convince the MoF (and the population) that funds are being spent properly.

Session2: pooling - prompt the bigger picture question of an overall architecture for various schemes

The idea of having one fund with the same benefits and contributions according to income appeared to be acceptable to all participants. Fragmentation through various schemes (SSK, RMG, CBHI, etc.) should be dealt with right from the start that all schemes work under a common framework of principles and rules. It was also proposed that the health fund should be initially managed by the MoF.

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The questions about pooling health with SP funds: There was a clear *yes* to conceptual and strategic coherence of Health and SP policies and strategies, however, physical pooling of funds of health with other social security funds is *NOT advisable* as they are operating on different principles.

Session 3: benefits package development

The question of what to include from essential services to 'everything under the sun', whether to work with positive or negative lists and how to go about it in terms of process (who to involve, role of costing) seems to be a burning question. The WB suggested to get on with it and work with the limited resources we have. One important suggestion (mainly to the SSK team) was not to cover inpatients only. KfW mentioned that they would be flexible to include out patient services as well.

Session 4: supply side readiness

Key findings were that HR for Health in Bangladesh would require a 400% increase to reach WHO recommended levels; DPs have raised the HR issue repeatedly during policy meetings, however no action - some voiced their frustration. Can the HFS contribute to changing the incentives for improving the HR situation?

WHO: HR can spend money quickly and wisely; salary increase difficult because of general civil servants issue (though it can happen in some cases: Sierra Leone)

WB: concluded that service delivery important [shortage of funds slows down UHC agenda, no services kills it]; however there would be no quick fix; the main issue would be political will for change.

3. HEU/DP meeting after the RTD

The HEU again pointed out that they need some break through regarding the implementation of the HFS and picked up on the idea of a substantial funding proposal to the MoF.

Some suggested elements of the proposal:

- Start with asking for funds to cover 48 Mio. poor
- Work on supply side issues, define the benefits and use the SSK as learning experiment; define benefits
- Explain the main effects of this investment, how the world will change
- Include options on how to include the rest of the population (formal sector + 86 Mio. informal)
- List indicators for the implementation of the proposal

The World Bank and WHO offered their support to developing the proposal.