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Challenges and Opportunities for Tajikistan to Move Towards UHC Including MHI Pre-conditions and Health Financing Roadmap

Senior Policy Seminar Tajikistan
Health System Financing
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Outline of Presentation

- Challenges
 - Low level of health financing
 - Issues in other health system functions
 - Implementation capacity
- Opportunities
 - Implementation accelerating
 - Health financing and universal health coverage:
 - Relationship three health financing functions
 - MHI pre-conditions
 - Health financing roadmap

Challenge: Level of Government Health Financing

- Tajikistan government health expenditures as % of total government expenditures is low
- Average proportion 2007-2011
 - Public=23%
 - Private=68%
 - External=9%
- Public expenditures increasing every year
 - MOF meeting commitment to gradually increase
- Out-of-pocket expenditures decreasing
 - But still very high and risk of catastrophic expenditures especially for poor and vulnerable
- Still a challenge....

Challenge: Other health system functions

- Presentation focus on health financing but relationship to other functions key to health system strengthening
 - Financing is necessary but not sufficient
- Service delivery
 - Strengthen PHC and shift from over-hospitalization
 - EBM/CPGs, quality improvement
 - Health promotion and involve communities and population in their own health

Challenge: Other health system functions

- Human resources
 - Issues with number, type and distribution of human resources
- Drugs and other commodities
- Leadership/governance or stewardship
 - Legal and policy
 - Roles and relationships
 - HIS and M&E or better use of information

Challenge: Implementation capacity

- Tajikistan committed to reforms and improvement of health services
- But.....lack of capacity at all levels has hampered implementation of policies, strategies and plans

Opportunity: Implementation accelerating

- Notwithstanding challenges, implementation is beginning to accelerate:
- Health financing
 - BBP Roll-Out
 - PHC full capitation payment system in Sogd Oblast
 - Beginning restructure hospitals and case-based hospital payment system has been developed
- Implementation and improvement in other health systems functions also accelerating

Three Health Financing Functions

- **Revenue collection** is the source and level of funds
- **Pooling** is the accumulation of prepaid revenues on behalf of a population
- **Purchasing** is the transfer of pooled funds to providers on behalf of a population

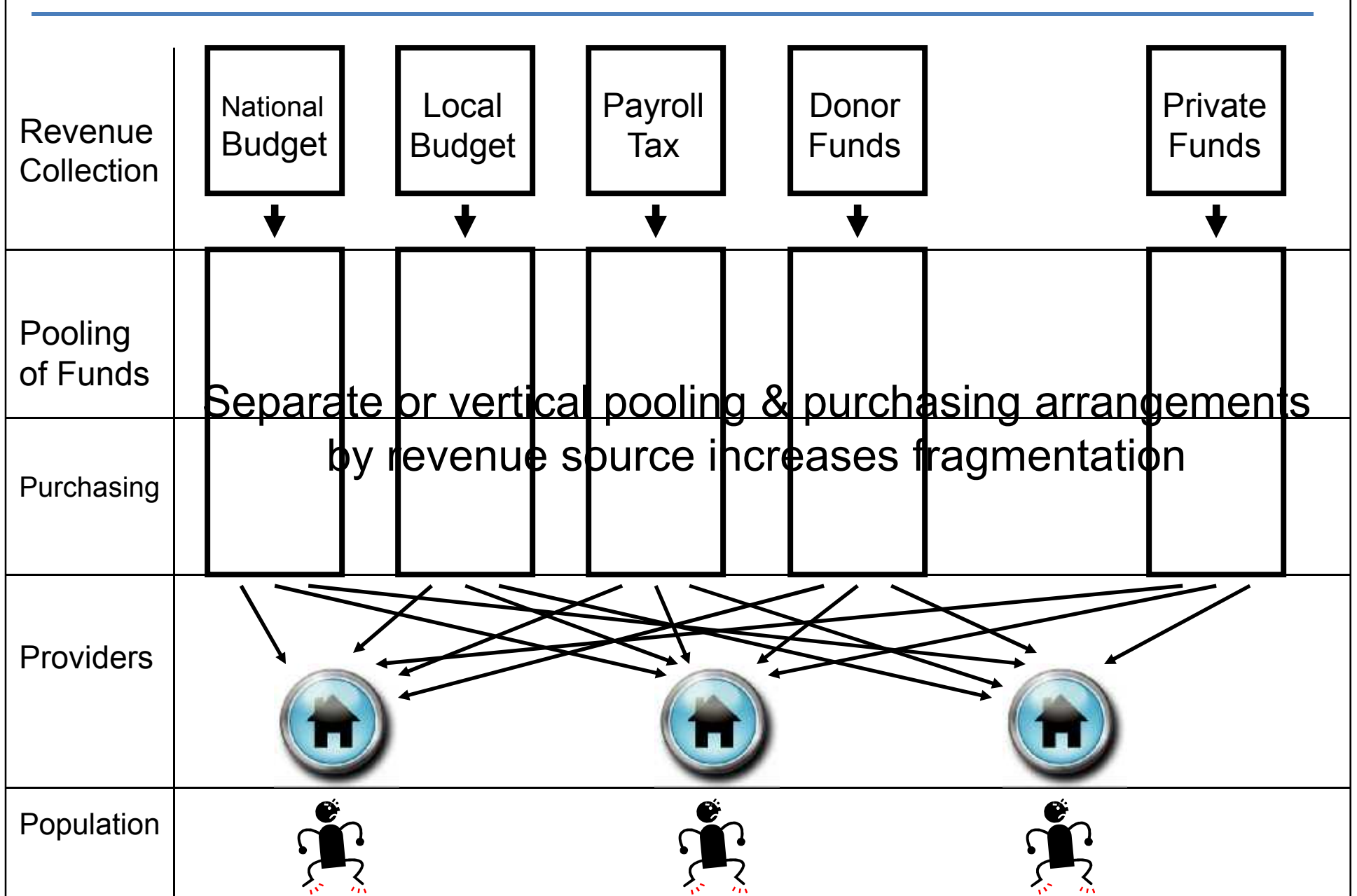
WHO/EURO/Joe Kutzin; Health Financing Policy:

A Guide for Decision-Makers; 2008

Efficiency Gains

- Consensus that efficiency gains are needed to move towards UHC
- But.....less consensus on exactly how to achieve efficiency gains
- Focal points for increasing efficiency and innovative health financing:
 - Relationships between three health financing functions
 - Intersection of health purchasing and service delivery

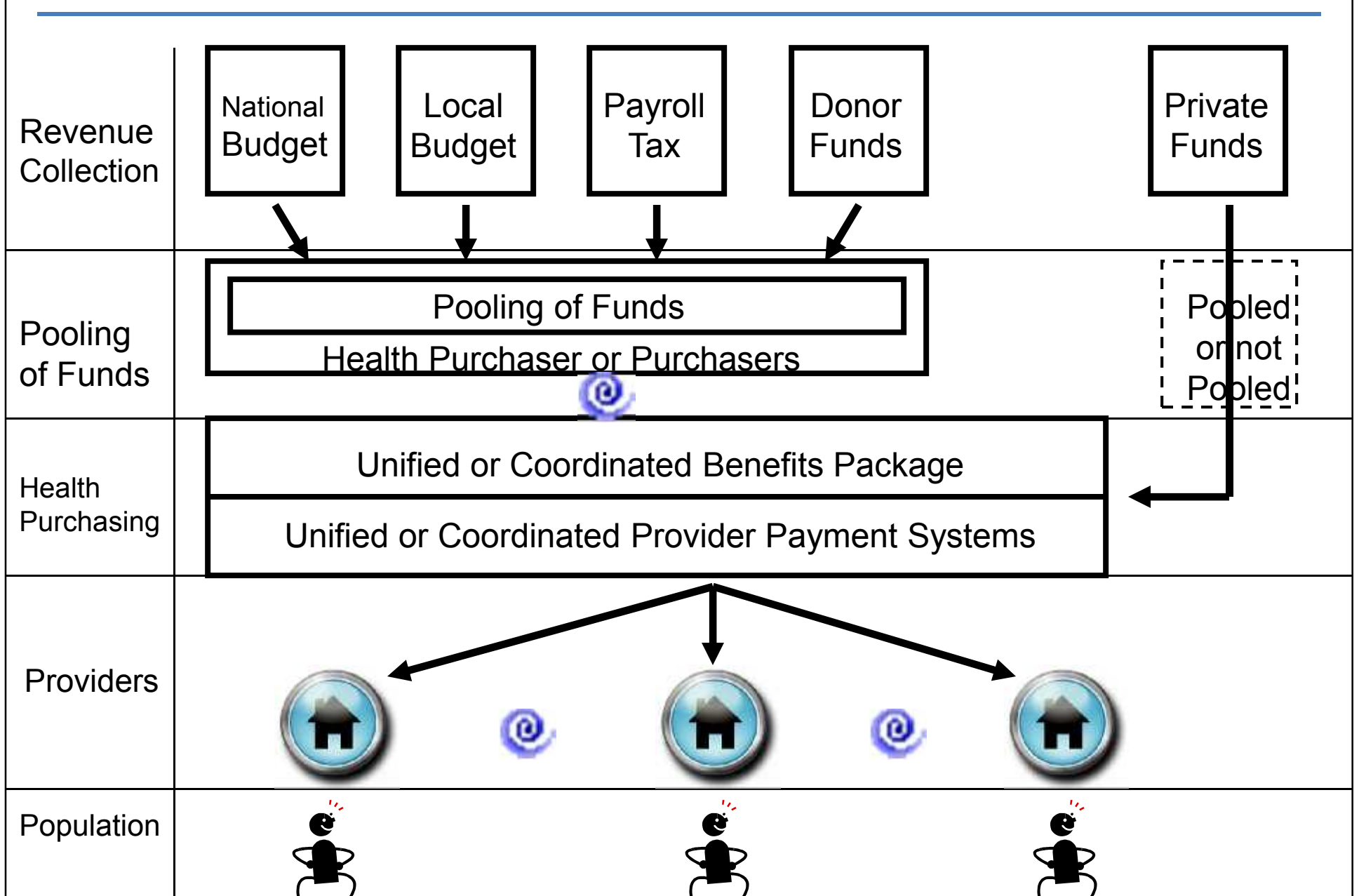
Pooling & Purchasing Functions Separated by Revenue



Summary (Chart 1)

- Common perception that each revenue source is stand-alone or requires it's own separate pooling and purchasing arrangements
 - National budget, local government budget, payroll tax (SHI), other types of taxes, donors, private, etc.
- Can lead to health financing fragmentation and inefficiencies:
 - Less than optimal pooling of funds
 - Less than optimal BBP and provider payment system specification
 - At provider level, conflicting financial incentives in payment systems (mess of arrows in payment to providers)
 - Not achieving service delivery improvements

Pooling & Purchasing Functions Not Separated by Revenue



Purchasing with Health Budget Funds

- Input-based line item budgets funding public facilities can be problematic if low budget level doesn't fund all services provided in health facility
 - Not clear to provider what services funded and what not funded
- Health budget purchasing better targeting or matching priority services & poor populations
 - Output-based provider payment systems
 - Key is unit of service—not building but services for people
 - Enables realization of BBP
 - RBF not separate but linked with all payment systems
 - Financial incentives for desired service delivery improvements
 - Better targeting budget funds to priority services opens space or clear role for private funds

Old Relationship Budget Formation and Provider Payment

Budget Formation	Provider Payment Systems	Accounting and Financial Management
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

New Relationship Budget Formation and Provider Payment

Budget
Formation

Provider Payment
Systems

Accounting and Financial
Management

Summary (Chart 2).....Relates to MHI

- More rather than less pooling of funds
- Clear health purchaser institutional structure, roles and relationships
- One national BBP
- Unified provider payment systems for BBP across revenue sources
- Reduces conflicting financial incentives at provider level (clear arrows to providers)
- Stimulates desired health system restructuring and service delivery improvements
- Private OOP (user fees, copayments, etc.) directly linked to benefits package
- Easier for people to access covered & appropriate services

MHI Pre-Conditions

- April 2013 MHI feasibility study identified pre-conditions for success
 - If MHI pre-conditions are met then MHI is feasible in Tajikistan
- MHI implementation delayed until 2017
- Gives time to prepare and MOH proactively starting process now

MHI Pre-Conditions: A. Institutional Structure, Roles and Relationships

- A.1 Health Purchaser Institutional Structure
 - Establishment of MHIF as unified payer with independent legal status
- A.2 Health Purchaser Organizational Development
 - Sufficient to enable successful operation of MHI
 - Regional MHIF branches, infrastructure, organizational chart, staffing, clear functions and responsibilities, policies and procedures

MHI Pre-Conditions: B. Revenue Collection

- B.1 Decision on who collects payroll tax
 - New MHIF? Or existing payroll or social tax collection entity?
 - Decision not made but recommendation is for existing tax collection entity
- B.2 Health Budget Transfers
 - Critical pre-condition is establishing clear policies and procedures for how MOF would transfer health budget funding for non-working populations to MHIF

MHI Pre-Conditions: C. Pooling of Funds

- Pooling at least at oblast level is pre-condition
- Important to increase both equity and efficiency:
 - Equity and financial risk protection increased as per capita allocation of health resources equalized across geographic areas
 - Efficiency: enables introduction of new health purchasing mechanisms/output-based provider payment systems to drive health system restructuring and efficiency gains

MHI Pre-Conditions: D. Health Purchasing

- D.1 What to purchase—benefits package
 - MHI unified payer system provide Tajik citizens with free basic benefits and supplemental benefits with population copayments
 - Advantage that already implementing BBP and can build on this foundation

MHI Pre-Conditions: D. Health Purchasing

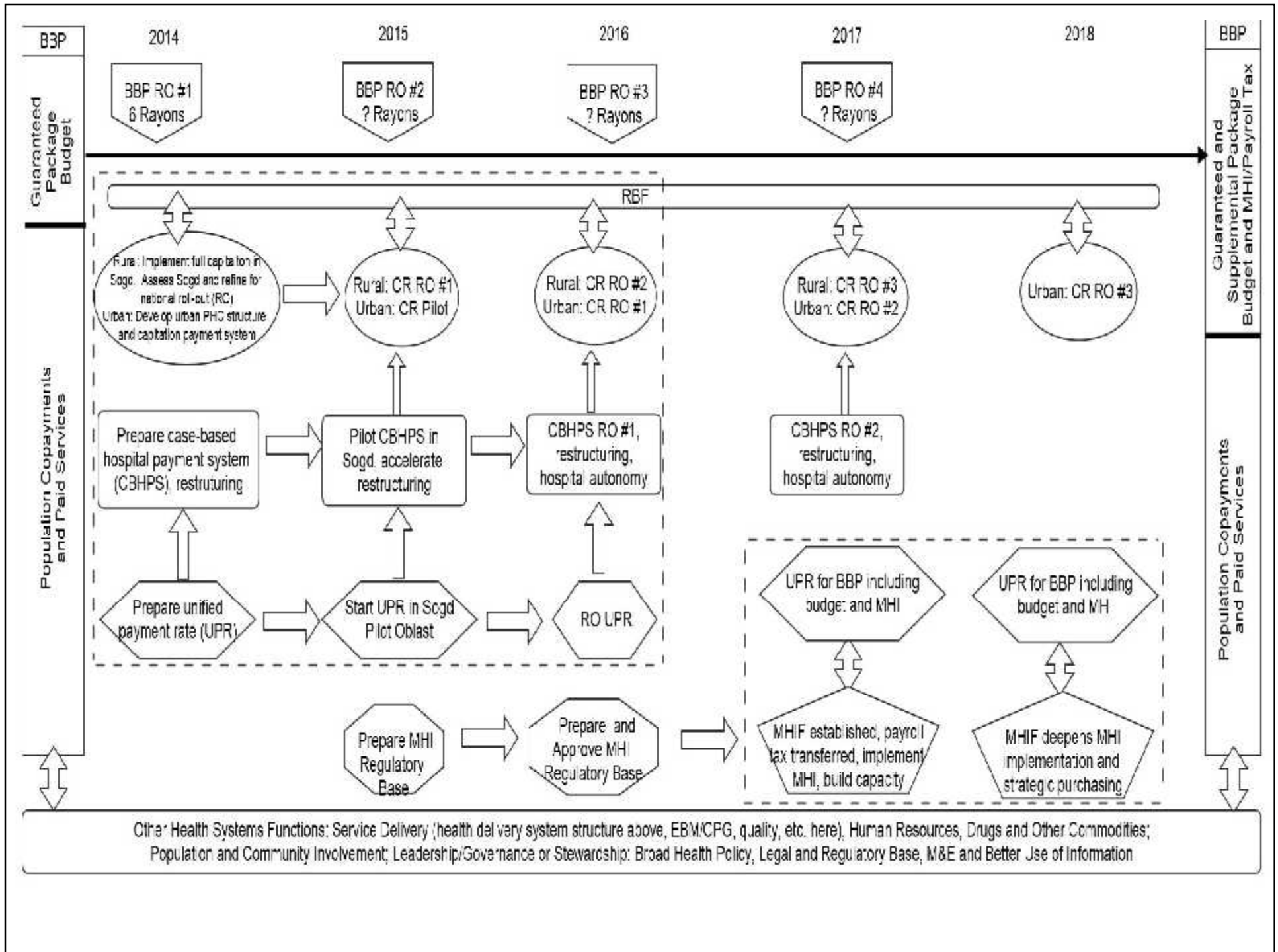
- D.2 How to purchase—provider payment systems
 - MHIF can implement output-based provider payment systems to catalyze restructuring and service delivery/quality improvement
 - To be decided but based on implementation and plans to date:
 - PHC per capita payment system
 - Case-based hospital payment system

HEALTH FINANCING ROADMAP CHART

SEE SEPARATE HANDOUT

Process to Date

- Roadmap chart developed during stakeholder consultations week of March 24 2014
 - MOHSP, MOF, MOET, DPs
- Represents broad umbrella framework
- Detailed implementation or action plan should be developed
 - Flagship Group Work initiated process of developing detailed action plan
- MOHSP and MOF dialogue initiated but should intensify at technical level



Summary of Health Financing Roadmap

- 5 year plan
- Key is BBP which is entitlement or product deliver to population
 - One BBP funded by general revenue health budget, MHI payroll tax and population co-payments
- Links to other health financing functions
- Legal and regulatory framework including revenue
- Establish health purchaser with or without MHI
- Pooling of funds (unified payment rate)
- Health purchasing including PHC capitation payment system and case-based hospital payment system