

# Universal Health Coverage: Health Financing and Medicines

## WPRO Perspectives



World Health  
Organization

# Dispelling Myths about Universal Health Coverage (UHC)

- UHC is free services for everyone. *FALSE*
- UHC means free coverage for all possible health interventions, regardless of the cost. *FALSE*
- UHC is everyone covered by health insurance. *FALSE*
- UHC is only about health financing. *FALSE*



# Universal Health Coverage (UHC)

- **Access to good quality needed services**
  - Prevention, promotion, treatment, rehabilitation and palliative care
- **Financial protection**
  - No one faces financial hardship or impoverishment by paying for needed services
- **Equity**
  - Everyone, universality

*Medicines as a Key  
Component of  
UHC*



# Functions of Health Financing

## Governance and institutional arrangement

- To collect sufficient revenue in an efficient and equitable way.
- To have funds pooled and channelled through appropriately and avoid fragmentations.
- To make the best use of those resources to maximise the health benefits they can obtain

**Collection**

**Pooling**

**Purchasing**

**Equity, efficiency and sustainability**



# Potential Contribution from Health Financing Policy

## Medicines and products related inefficiency

1. use of substandard and counterfeit medicines
2. underuse of generics & higher prices for medicines
3. inappropriate and ineffective use
4. overuse/supply of equipment, investigations & procedures

- Quality (?)
- Accessibility (only to financial barrels)
- Appropriate use
  - Providers' knowledge (?)
  - Regulation (?)
  - Financial incentives (strong)
- Price setting (?)



# Interaction between Medicines and Financing Purchasing Function

## Consumer side

- What to buy?
  - A list of medicines covered by prepaid funds.
- For whom?
  - Specific population groups or whole population (Ethical implication)
- How much cost is covered by prepaid funds?
  - Affordability and moral hazard

## Provider side

- How to pay for providers?
  - Incentives for appropriate use of medicines
  - Input-based payment, FFS, capitation, case-based, DRGs...
- How to set prices for reimbursement of services, medicines and high-tech equipment?



# Country Support Strategies

- Engage in high level policy dialogue with multi-sectoral approach
- Provide technical support to countries on development of policies, strategies and national plans for UHC
- Encourage evidence generation and usage for policy making
- Facilitate experience sharing and joint learning to accelerate the process towards UHC



# Priority areas of work for medicine policies

- Review and align national essential medicines policies to broader health system strategies/ national plans being develop to progress toward UHC.
- Strengthen policies and actual processes for the selection of effective, quality assured medicines and health technologies in publicly financed programs and insurance coverage.
- Support decision-making processes for financing/ priority setting/ resources allocation by payers, including the use of health technology assessment,
  - (consider fairness, more ethical decision making process and patient-centred approaches to achieve more equitable access to effective therapy)





# Priority areas of work for medicine policies

- Strengthen regulatory authorities to ensure quality of medicines, medical products and health technologies
  - Improve collaboration, convergence and harmonization practices
- Promote the effective implementation of policy interventions that ensure the rational and efficient use of medicine and health technologies
- Support capacity development needs in related areas
- Technical support for implementation / operationalisation / institutionalisation

