

Institutionalising Solidarity for Health Financing Health Systems - a Global Challenge

Thomas Gebauer
Executive Director
medico international

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Health for all

The two areas of the struggle

- 1 - Living conditions that enable people to activate their own health potentials (***social determinants of health***)
- 2 - Equal access to effective health care (***universal coverage***)

The facts:

- Every year millions of people die of sicknesses, which would be easy to treat.
- At least 30 countries are unable to provide adequate health care for their populations without support from abroad.
- Every year 100,000 families are pushed into poverty because they have to pay for healthcare "out of pocket".
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"User fees are punishing the poor" - Margaret Chan, 2010

Poverty and sickness - a vicious cycle?



Keys to Universal Coverage

- Challenging the neoliberal paradigm of self-responsibility and entrepreneurship
- Replacing „out of pocket“-payments (user fees, cost sharing, additional payments, etc.) by **mandatory prepayment schemes** (taxes, social health insurance)
- Creating pooled funds
- (Re)-Introducing the **principle of solidarity**



Pooled Funds

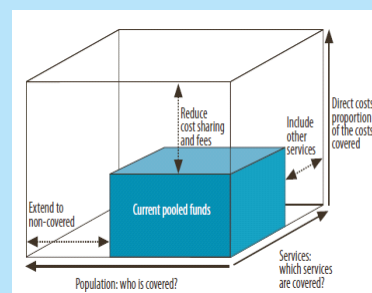
Prerequisite for effective health care systems

The 3 dimensions of the WHO-model:

- increase in the number of covered
- expansion of services
- reduction of out-of-pocket payments, including co-payments and user fees.

Goal:

all citizens of a country have social health protection without compromises in the service package, and without any extra-payments



Principle of Solidarity

- The level of individual contributions are subject to particular financial capacities
- The claiming of services is only determined by needs
- Burden sharing; resp. social transfer
 - *those who are wealthier take also care of those who are poor*
 - *the younger of elderly people*
 - *etc.*
- Mandatory contributions



Health Financing

Moving to a new distributive paradigm

National

- tax-funded (UK, etc.)
Abuja and beyond by widening the fiscal space through new taxes, such as:
 - a special levy on large and profitable companies (Gabon on mobile phone companies, Pakistan on pharmaceutical companies)
 - levy on currency transactions
 - financial transaction tax (increasing support, even Germany in favour)
 - tax on tobacco, on unhealthy food, etc.
- social health insurances ("Bismarck, Rwanda)
- micro-insurances
- Health Saving Accounts
- Vouchers

International

- International Fund for Health; Global Fund for Health



Globalising The Principle of Solidarity

The idea:

Extending the Principle of Solidarity that is already (resp. still) part of health governance within many states to the international level

As long as a particular country isn't in the position to respond to the health needs of its population an internationally agreed **equalisation payment scheme** is balancing the difference between its fiscal need and fiscal capacity
(Financial support as kind of social transfer not as a charity)

Examples:

National: Australia, Belgium, Canada, Germany

Regional: European Social Fund; 75 Bio. € for 2010 - 2013

International: Universal Postal Union,
funded 1874



International Fund for Health

- Internationally agreed by a legally binding contract
(own convention, part of FCGH, etc. ...)
- Funded through mandatory contributions
- Regulating a fair burden sharing
(e.g. by percentage of BIP)
- Regulating access
(recipient countries agree to fundamental principles such as equal access for all, PHC, solidarity principle, universal coverage)
- Accessible mainly for governments;
However, ESF also accessible for NGOs,
professional organisations, etc.
- Guaranteeing predictable funding, better national planning



Utopian?

Basics for Social Change

- 1 - The **desire for change**; actively expressed by an engaged public (social movement, community organisations, grass root power); creating sufficient “**countervailing power**”
- 2 - The creation of a “**diplomatic space**”, that allows to get new norms accepted (to explore whether a FCGH can play a role)
- 3 - The establishing of **accountable institutions** ensuring that agreed norms are set into force and realized
- 4 - An **independent international public** watching both the compliance with norms and the work of the institutions

Activism is a social determinant of health!
Johannesburg Conference Statement

