Technical Discussions
Geneva - May 1987

Economic Support for National Health for All Strategies

Executive Summary and Key Issues

World Health Organization
Economic Support for National Health for All Strategies

Executive Summary and Key Issues

Fortieth World Health Assembly
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Executive Summary

Ten years ago, the World Health Assembly decided that the main social target of governments and of WHO should be the attainment by all the people of the world by the year 2000 of a level of health that would permit them to lead socially and economically productive lives. People must be healthy to contribute to and share in social and economic development and conversely, development goals cannot be achieved without a healthy population. The historic International Conference on Primary Health Care in Alma-Ata, USSR (1978) charted a new course for the health of the citizens of the world. The Conference called for a new approach to health and health care to shrink the gap between the "haves" and "have-nots" and to achieve a more equitable distribution of health resources. The Conference further affirmed that the primary health care approach was essential to an acceptable level of health throughout the world and acknowledged that this could be attained through fuller and better use of the world's resources.

Primary health care is essential health care made accessible at a cost the country and community can afford, with methods that are practical, scientifically sound and socially acceptable. Everyone in the community should have access to it and everyone should be involved in it. Governments together with the World Health Organization in a spirit of social justice have endorsed primary health care as the key to attaining the goal of Health for All by the Year 2000.

The Global Strategy for Health for All, adopted by the World Health Assembly (1981) stressed the close and complex links that exist between health and socio-economic development. Health not only results from genuine socio-economic development, as distinct from mere economic growth, it is also an essential investment in such development. The achievement of health goals is determined to a large extent by policies that lie outside the health sector and in particular the socio-economic development policies. The Strategy therefore emphasized the mutual reinforcement of related policies. These principles were reaffirmed during the Technical Discussions on "Intersectoral Action for Health" (1986) which further clarified the essential elements of equity-oriented development strategies and the respective roles of the crucial development sectors such as agriculture, education and environment in promoting and contributing to health goals. The Technical Discussions also highlighted the health-related policy components in the crucial development sectors.

Political determination for health for all

The overall efforts of governments to develop their health systems in response to their national health strategies has been encouraging, as was revealed by the first report on the evaluation of the Global Strategy for Health for All (1986). A high level of political will is evident. There is a growing awareness of the need for change in the health systems. In some countries impressive efforts have been made to expand the health services infrastructure. Some innovative approaches to reach underserved population groups and to strengthen community-based health services are also noted. The overall benefits however have sometimes been less than expected because of factors such as political instability, natural disasters, and high population growth. In addition, the intervening decade has been marked by economic instability that has greatly impeded social progress in many parts of the world.

Implications of the economic climate for health for all

The global economic situation has changed drastically for the worse since 1977 when the goal of Health for All was adopted. The past seven years have been the most turbulent
times for the world economy in over half a century. The recession has had important implications for adjustment policies which governments have had to adopt in order to maintain a reasonable balance between economic growth and social development. This has not been an easy task for a majority of the developing countries, especially the poorest countries of the world. The health budgets of many countries have been severely reduced at a time when additional resources are required to build and sustain national health systems based on primary health care to meet the priority health needs of all people, especially the vulnerable and the underserved.

The acceptance of the goal of Health for All was accompanied by the fundamental concept of equity in health. Making quality health care available at an affordable level, however, remains a distant prospect in many countries. Aspects such as the impact of available health care as well as concerns with efficiency and cost-benefits are being balanced by countries against a more equitable distribution of health-related resources in order to bring health care to the vulnerable groups of their societies. The danger inherent in this balancing act is that concern with equity can give way to concern for "cost-containment" which, in practice, can be translated to mean reductions in the social expenditures for those who need them most. The manner in which the health goal is incorporated into the overall strategy as a goal of development also affects the allocation of resources and, in turn, the issue of equity.

But external economic factors cannot be entirely blamed for the under-achievement in the health sector. Many governments as a whole have not seriously taken up the strategic actions required to generate and mobilize all possible resources for health. Very few countries have attempted to make an estimate of the magnitude of resources required for their national strategies to achieve the goal of health for all. Altogether, very few new initiatives have been undertaken to mobilize resources internally which can have national impact. Few countries have been able to reallocate their existing health budgets preferentially to primary health care. Inefficient use of existing health resources persists; effective actions to reduce waste or to improve cost-effectiveness have been too few to have a substantial positive impact on the resource situation. The health sector remains a "weak partner" in influencing socio-economic development policies or in mobilizing effective support from other related sectors for health activities.

Economic support for health for all

How to finance health plans and how to make the best use of resources have both become critical issues in progress towards the attainment of Health for All. While financial cutbacks present major problems in the short run, in the long run the search for additional and new resources, particularly domestic resources, and making the most efficient use of all available resources offer the best options for financing health for all. Improved financial planning and management and bold administrative and organizational measures would also be required. The strengthening of national capability, especially that of the ministries of health or equivalent bodies, in developing and implementing policies based on sound economic analysis and strong financial management will be a prerequisite to effective national action.

The purpose of this background document is to focus attention on the options for strengthening and expanding economic support for national strategies for health for all. The document suggests that five broad needs ought to be addressed. These needs are: (i) to project the financial requirements imposed by national health policies and to assess the capacity of currently available revenue
measures to meet those needs; (ii) to evaluate the quality of resource mobilization efforts in terms of their equity, adequacy, reliability, impact on the supply and demand for services, and ease of administration; (iii) to increase the productivity of the resources available to governments by focusing attention on efficiency and cost-effectiveness of activities undertaken by the health sector; (iv) to reappraise the roles and responsibilities of potential partners in health including the government, community, nongovernmental organizations and the private sector, and (v) to strengthen national capability in formulating and implementing sound economic policies and approaches in support of national strategies for health for all.

Planning and managing the finances

The elaboration of a well-defined plan of action, including a financial master plan, is an essential part of the strategy for attaining health for all. The financial implications of declared health policies need to be assessed carefully. Financial master planning can provide a framework for assessing the feasibility of implementing the plan of action against the resource availability. It can identify the resource gap and suggest options to close this gap including either increasing resource availability or modifying the implementation objectives.

Such plans would estimate the capital and recurrent costs of implementing the countrywide programmes included in the proposed plan of action and would identify sources of funds to meet these requirements. The process seeks to identify the boundaries within which a health plan could be implemented. Among the essential steps are: estimating the costs of meeting proclaimed health goals and distributing these costs over a period of time between the initiation of the plan and the year 2000; comparing recurrent costs with the revenues likely to become available from existing sources of finance; exploring all possible sources of finance; and reconciling planned expenditure with the revenue both from existing and further sources of finance. If resource gaps exist, either the plan of action should be modified or mechanisms to mobilize new resources should be suggested.

While a financial master plan will help to establish the extent to which a policy can be implemented, programme budgeting is required to enhance the efficiency and effectiveness of implementation. The budgeting system should stress the links between programme objectives and the use of resources and the relationships between capital expenditures and recurrent costs.

Sound financial planning and management are thus essential to the implementation of national health-for-all strategies. Decisions on mechanisms to finance health plans are inevitably political. The task of planners is essentially to develop options for political decision-making. Ministers of Health need to encourage their planning staff to engage in creative thinking, even if some of the options presented prove to be politically unacceptable.

Mobilizing resources

The desired increases in coverage, and the maintenance and improvement of content and quality of health services, will require additional resources in many countries. Available government revenues in most cases will not be sufficient to cover the requirements. New and alternative options will have to be considered. Strategies for financing health for all will no doubt reflect the various characteristics of national economies.

In choosing a strategy, however, certain criteria should be applied. These include equity, adequacy, reliability, impact on
Many options for financing health services are now being widely considered. First, governments may pay for health care from public revenues. This requires that additional resources be allocated for health activities. Second, employers and employees may be required to contribute to a health insurance scheme, or employers can provide health services for their employees. Third, institutions, publicly or privately owned, may be created to attract voluntary insurance contributions and to dispense these revenues to providers of health services. Fourth, schemes of community financing may be developed. Fifth, consumers may be required to pay for part of the cost of the health services they use. Many variations of these options are being devised. Each of these options has distinctive economic, financial, political and administrative attributes which need to be carefully examined.

Making better use of resources

There is general concern in all countries that the available resources are not being used most effectively or efficiently. A large share of health resources is wasted because of poor managerial practices and use of inappropriate technologies or human resources. Making better use of resources implies improved accountability, increased efficiency in the allocation and utilization of resources and effective means of cost-containment.

Accountability can be improved by strengthening formal accounting and management information systems and by providing adequate and supportive supervision. Resource wastage due to misappropriation, underemployment or deterioration must be given serious attention by health managers. In many cases communities can also be more actively involved in the management of resources at the local level. They will need to be supported in this task by the central levels.

Efficiency in the use of resources can be enhanced by several means. If access to health services were more equitable, cost-efficiency would generally be greater. The cost to the providers as well as to the individuals must be considered. Many options are available for achieving greater efficiency in the use of human resources. The main objective should be to make rational use of health personnel consistent with the functions of each level of the health system. Appropriate training and supervision would need to be provided to ensure quality and performance. Individuals and families can be informed and educated to take a greater share of responsibility for their health. Careful choice of technologies appropriate to each level of the health care system would also serve to increase efficiency. Cost-effective strategies can be applied to specific health problems and, finally, the strengthening of management support services would be crucial to sustain efficient delivery of health services.

Cost-containment policies have begun to emerge, particularly in many developed countries. Many new approaches are being applied to influence both the supply and the demand of health services. These have included a revision of reimbursable fee scales, an imposition of user charges and a regulation of the content of care through review committees. Public education and information on these aspects is also receiving considerable attention. An informed public can be a valuable asset.

Responsibilities and institutional relationships

Health care is a shared responsibility which rests upon the individual, the community and the government. Within the government
responsibility, health goals have to be incorporated as part of the sectoral goals of many different sectors including health, environment, education, agriculture and housing. Given the magnitude of the task of attaining health for all, and particularly of securing adequate economic support for this, concerted and coordinated action at all levels is indispensable. Collective commitment of all concerned is required in order to ensure the equitable distribution of resources for health care.

A lack of information precludes a thorough analysis of the respective share of the responsibility and contribution of the different entities involved in health matters. But it is clear that, in many developed and developing countries, the public sector controls only a portion of the overall resources available for health care. While no blueprint can be applicable for organizing the institutional relationships of the different entities or sub-systems involved in health matters, it is clear that greater coherence needs to be achieved among these sub-systems and that all sub-systems should reflect primary health care as their major goal.

Collaboration between various institutions and agencies is essential and should be based on a clear allocation of responsibilities in order to ensure the most efficient use of resources. Countries need to examine what is the feasible organizational framework in their own national situation which would enhance such collaboration.

**Strengthening national capability**

Mobilizing economic support for health for all has many implications for national health policy-makers and health administrators. The policy-makers in health need to be strong advocates for promoting social priorities in economic adjustment policies. They must mobilize commitment and support from other sectors, especially those closely related to health. The health administrators must increase their capability in defining equitable schemes of financing and of allocation of resources. They must be able to provide policy-makers with different options for mobilizing additional resources. And finally, they must manage their scarce resources most optimally and efficiently.

These implications also suggest the need for substantive improvements in information for health planning and management, for the development of capacity for research, processing and analysing economic data, and for the acceptance by senior managers and policy makers of the importance of these new inputs into the process of decision-making.

Technical capability in the health sector in these areas will require considerable strengthening in most developing countries.

**Conclusions**

The goal of Health for All by the Year 2000 has been called ambitious. Those who regard it as such disregard the fundamental principles embodied in the primary health care approach, which is the key to achieving the goal.

Primary health care emphasizes health as an integral part of development and, thus, a responsibility of not just what is traditionally defined as the health sector, but of people, other related sectors and the community in general. Primary health care calls for the use of affordable, relevant and socially acceptable technologies, and requires that the strengthening or building up of the health infrastructure should begin in the home and at the community level, the other levels of the health system being supportive to these.

Respect for these principles requires a major reorientation of policies and perspectives in
the way health is perceived, protected, promoted and delivered.

These principles also apply to resource allocation and distribution policies. A concern for the care and protection of the poor, and the disadvantaged groups, the according of high priorities to prevention and promotive actions, and use of the inexpensive yet effective technologies to provide at least the eight essential elements of primary health care, should be reflected in such policies if choices and sacrifices have to be made. Resource allocation policies have to consider not just what goes to health care, but also to other important determinants of health such as education, environment and food, again with due considerations for principles of equity.

The issue is not where the money is going to come from to pay for health care, but rather what broad policy framework is required to expand the economic support for health for all. This support must come from individuals, families, communities, the private sector, nongovernmental sectors and, of course, government sources. The issue is not just how much more resources will be required and how to mobilize them, but also how can those resources that are available can be used most efficiently and productively.

Discussions on economic support for health for all should not be clouded by a narrow vision of financing primary health care or medical care by the public or private sector. They should encompass the policy and institutional frameworks which will provide a coherent strategy for the full, active and mutually reinforcing participation of all potential partners. No one should be allowed to escape this responsibility. This is not just a political or social dream, it is an economic challenge.

Achieving health for all will require sacrifices. The mechanisms and methods used to finance and support services will continue to be imperfect. The task of finding long-term solutions is difficult but must be faced if the health of the future generations is not to be jeopardized.
Economic issues influencing health development are varied and complex. They are closely interlinked to political, social and economic structures and environment of countries. No attempt has been made to cover the entire spectrum of issues. The following issues have been selected to focus discussion on what appears to be critical to the attainment of economic support for national strategies for health for all for a majority of countries. They are based on the analysis offered in the relevant sections of the background document.
Ten years ago, when the Member States of the World Health Organization unanimously adopted the goal of Health for All by the Year 2000, they endorsed the principle of equity in health, that is, shrinking the gap in the health status of the people and countries and ensuring equitable distribution of health resources. This called for a concerted political will and response.

The past seven years have been the most turbulent for the world economy in over half a century, seriously affecting domestic priorities and programmes in both the developed and developing countries. The adverse economic situation which still prevails, challenges policy-makers seeking to achieve a balance between economic and social goals.

To protect the poor and vulnerable during the process of adjustment, policies and strategies of adjustment-with-equity are even more strongly required. The causes of disparities in health status can only be removed through intersectoral actions involving the health-related sectors as well as resource allocation policies which give preference to the poor and vulnerable groups of populations.

Policy-makers in health need to be strong advocates for promoting social priorities in economic adjustment policies. They must mobilize commitment and support from other sectors and they must enhance their capability in defining equitable schemes of financing and of allocation of resources.

It is hoped that this discussion group will be able to share experiences in formulating and maintaining policies aimed at achieving equity in health. It will be useful to discuss the process of arriving at such policy measures including any difficulties encountered and how these were overcome.

I. In the review of national experience, the following issues may be addressed:

a) What has been the impact of the economic recession on public health policies in general, (i) in terms of priorities; (ii) in terms of availability and allocation of resources?

b) Are there examples where evidence of progress towards equity in health (in terms of coverage, target groups and provision of essential health services) can be given?

c) How has economic support been given to make such progress: - by shifting resource allocation? - by changing the financing system? - by targeting resources at specific groups or health problems? - by other means?

II. Where the public sector controls only a portion of the overall resources available for health, what policies and strategies can be proposed for a coordinated and coherent approach to the provision of health care to the population, which respects the principles of equity and primary health care?

III. What specific actions would be required to improve the capacity of ministries of health in the analysis and evaluation of economic aspects of their national health policy objectives and in the formulation of policy options?
Financial planning for health for all is an integral part of the managerial process for national health development. Policy formulation, programming and implementation should occur interactively, supported by technical information, programme budgeting and evaluative feedback. But ministries of health are often poorly equipped to plan, allocate, budget and control their own resources. To a large extent these difficulties derive from government budgeting procedures which are more concerned with internal audit than with policy objectives, such as equity and efficiency. Certain other sectors share these problems, while some such as water supply - which may be health related - have better management information systems in which financial and economic data are important.

Where expenditure data are exclusively linked to budget line-items, it is difficult for health agencies to describe what they are doing in a clear way, consistent with stated policy objectives. Unit costs, even of major facilities, are often lacking, inhibiting analysis of the recurrent cost consequences of investment decisions. In turn, forward planning, the appraisal of sustainable capital projects, the identification of wastage or efficiency, and the monitoring of progress to greater equity, are all frustrated. A centralized tradition of expenditure responsibility compounds these information weaknesses. National health development plans, which may outline a strategy for health for all, sometimes omit cost considerations, or build on unrealistic resource assumptions.

To sustain a credible dialogue with ministries of finance and planning and even more importantly to improve the value obtained from limited domestic resources for health, ministries of health should incorporate considerations of existing resource use, and of likely resource availability in their planning.

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It is hoped that this discussion group will be able to share experiences in financial planning for national health-for-all strategies. It will be useful to discuss the process of developing such plans, the measures taken to close the resource gap, the difficulties encountered and how these were overcome.

The following issues may be specifically addressed:

I. Have countries been able to estimate the financial requirements for their national plans of action to achieve health for all? How have these been estimated? What period do these generally correspond to (5 years? up to the year 2000?).

II. If a gap between the requirements and resources likely to be available is detected, what options have been considered and what measures have been applied for closing the resource gap? What have been the positive or negative consequences of these measures? Have these led to further readjustments of policies?

III. How have countries planned for the recurrent cost implications of their national plans of action to achieve health for all?

IV. What measures have been utilized by countries to improve their financial management? What specific actions would be required to strengthen the national capacity in this area?
In a period of declining health budgets, meeting the cost of health services is for many countries becoming increasingly difficult. This is true as it applies to extending primary health care coverage to all segments of a population, but it is also true for sustaining the existing infrastructure of the health services. This situation has led many countries to explore ways of mobilizing additional resources to assure a financing base for the capital and recurrent public health budget and to permit more effective use of the services and resources in the family, community and private sector.

In the mobilization of domestic resources many financing mechanisms have been tried such as: government financing directly from public revenues, or through compulsory health insurance schemes (social security); private health insurance programmes, including those related to employment, cooperatives and benevolent societies; prepaid medical coverage, health maintenance organizations; direct user charges for services; community participation in cash and in kind, self-help.

Mobilizing resources in new ways will have its effects - some positive and some negative - on the range of services which can be provided, and on their availability, quality and cost. Moving into this area will therefore call for careful examination of financing policies and strategies, as well as an assessment of the impact of the financing mechanisms themselves on health status and on utilization patterns, especially among the poor.

It is hoped that this discussion group will be able to review the positive and negative lessons learned from the experience of countries in mobilizing new resources by applying different financing mechanisms. It will be useful to study the measures countries have taken to correct or avert the ill-effects of certain financing schemes. The applicable experience of nongovernmental organizations may also shed light on financing and revenue generation.

The following issues may be specifically addressed:

I. What has been the positive impact, and what have been the weaknesses or defects of new financing mechanisms with regard to:
   a) equity in availability and accessibility of care, social costs?
   b) impact on providers and the quality of care?
   c) efficiency and effectiveness of service, reliability?
   d) adequacy of financing available?

II. Which financing methods have been preferred, by type of service, e.g. disease prevention and treatment, water supply, sanitation, maternal and child health care, family planning, referral and secondary medical care?

III. Which organizational, administrative and institutional arrangements have been required for changes in financing mechanisms? What problems have been encountered, and what has been required to correct them? Where are the hidden costs in each financing method? Do the financing mechanisms actually increase resources available?

IV. What has been the impact of external financing on the national capacity for mobilizing domestic resources? When external resources have been used for capital investment, what have been the recurrent cost and debt service implications, the consequences in terms of sustainability, the demands for mobilizing new domestic resources, maintaining programmes after the phasing out of external support?
In addition to issues concerning the economic implications of various health policies and strategic options, and the problems of resource mobilization, allocation, planning and budgeting, the management of existing resources and services can be improved with benefit in terms of social relevance, equity, efficiency and effectiveness. In particular, improved management of existing resources will lead to higher efficiency (greater coverage with critical services) and high quality, both of which will result in greater health improvement for a given level of public and private investment.

This discussion on the management of health resources can be focused on the three issues of: efficiency, cost-effectiveness, and resources accountability and cost-containment.

Among the points that might be discussed under these issues are:

I. All health service administrators have at one time or another expressed concern that more services and health benefit could be derived from existing resources if only they could be organized and managed better.

a) How have those areas of the service with least efficiency been identified?

b) What steps can be taken to raise efficiency? Is there a conflict between efforts to improve efficiency and the desire to increase equity in the accessibility of services? How have problems of coordination, over-specialization and integration of services been tackled?

II. Ensuring that those services and technologies which are given high priority during planning and resource allocation actually receive priority attention in the delivery of services is a continuing management responsibility.

a) What methods have been used for choosing the most cost-effective and appropriate technologies and strategies for use within health services?

b) How have programme managers been able to ensure that their service providers continue to emphasize priority services?

c) How have the most cost-effective mixes and uses of health manpower been arrived at and implemented?

d) How has the quality of government health services been monitored, and what means have been employed for improving quality?

III. Contemporary health administrations in most countries are forced to deal with increasing responsibility in the face of escalating inflation and more stringent government budgetary practices. A waste of existing resources is an over-riding problem which all responsible administrators are seeking to reduce.

a) Do we have examples in which governments have successfully identified causes of waste in resource use and implemented corrective actions?

b) Are there particular cost-containment strategies which can be recommended?

c) What has been the effect of decentralizing managerial and financial autonomy to peripheral levels of the health services? Does the authority to utilize the fees collected improve efficiency and cost-control at these levels? What examples are there of community control over health resources?
Technical Discussions — May 1987

Economic support for National Health for All Strategies

ANNOUNCEMENT
Organization of WHO's Technical Discussions

The World Health Assembly (WHA) is the supreme governing body of the World Health Organization (WHO). It meets in May each year in Geneva and brings together all Member States to discuss and take decisions on the policies, priorities and programmes of WHO’s work. Representatives of the United Nations, other international agencies and non-governmental organizations in official relations with the Organization also attend the Assembly.

Technical Discussions take place each year during the World Health Assembly. The Executive Board of WHO selects a topic of priority concern to world health. The Discussions will occupy three mornings during the first week of the Assembly.
The world economic situation has deteriorated over the last decade: the health budgets of many countries have been severely reduced at a time when additional resources are required to build and sustain national health systems based on primary health care to meet the priority needs of all people, especially the underserved. How therefore can universal coverage through primary health care be achieved and paid for? Unless answers to this question are found, the extension of primary health care to all people is likely to remain a dream. While cutbacks present major problems in the short run, it is nevertheless true that over the longer-term the search for resources for primary health care can provide countries with fresh opportunities to look again at how they use their resources.

To respond to the need felt by Member States to develop and improve their economic capability in the health sector, the Executive Board, at its meeting in May 1985, decided that the subject of the Technical Discussions in 1987 would be "Economic support for national health for all strategies". The aim of the Discussions will be to clarify issues and identify options for action on ways of mobilizing and using resources optimally when developing or reshaping health systems, to ensure a balance between the cost of effective and practical health plans and the resources likely to be available. More specifically, the Discussions will:

- consider how countries can examine the long-term economic implications of various options for shaping and adjusting their health policies and strategies;
- explore ways of mobilizing the required resources at community, national and international level;
- examine the use of existing resources, and clarify how health strategies can be realistically planned, costed and budgeted;
- examine how to improve the management of health resources with emphasis on social relevance, equity, efficiency and effectiveness.

The 1987 Technical Discussions are part of a long-term process aimed at improving expertise in health costing and financing that has been taking place at national, regional and global levels for several years. These Discussions which logically follow the 1986 Technical Discussions on the "Role of intersectoral cooperation in national strategies for Health for All" will build on the experiences that have been accumulated. It is expected that from the 1987 Technical Discussions will emerge guidance on what action can be undertaken by Member States to address the economic implications of Health for All and what support is required from WHO and other external partners.
The Technical Discussions will take place during the Fortieth World Health Assembly:

- in three morning sessions during the week of 4 May 1987,
- at the Palais des Nations, Geneva.

The following will be invited to participate:

- Ministers of Health and members of their delegations;
- Ministers of Finance, Ministers of Planning and Development, Ministers of Interior and other experts in economic and development planning;
- Representatives of the United Nations, other international agencies, bilateral and multilateral, global and regional development banks, non-governmental organizations, insurance companies and the private sector.

The Discussions will be structured around a mix of plenary meetings and working groups which will deal with the following main issues: policy; mobilization of resources for health; financial planning, costing and budgeting of health strategies; and management of financial resources for health.

The WHO Executive Board has appointed Dr Aldo Neri (Advisor to the President, and previously Minister of Health, Argentina) to be the General Chairman for the Technical Discussions.

BACKGROUND

Economic support and political determination for Health for All

All countries have agreed that a main social target of governments and the World Health Organization should be the attainment by all citizens of the world by the year 2000 of a level of health that will permit them to lead a socially and economically productive life. People must be healthy to contribute to and share in social and economic development, and conversely, development goals cannot be achieved without a healthy population.

Primary health care is essential health care made accessible at a cost the country and community can afford, with methods that are practical, scientifically sound and socially acceptable. Everyone in the community should have access to it, and everyone should be involved in it. Governments, together with the World Health Organization, in a spirit of social justice, have endorsed primary health care as the key to attaining the goal of Health for All by the Year 2000. From the starting point of a general political commitment, strategies to meet the essential health needs of populations and to extend health coverage to the total population have steadily been developed. Unfortunately, the severe constraints of the national and global economic situation have often hampered and, indeed, have frequently delayed the implementation of these health strategies.
How to finance health plans and make the best use of resources have both become critical issues in progress towards the attainment of Health for All. To build and sustain health systems based on primary health care, consistent political decisions based on an understanding of the social and economic implications of health development on all peoples need to be taken on the adoption, financing and management of health strategies based on defined priorities and the infrastructure to give effect to them. A greater understanding and discussions of economic issues is essential to make the implementation of these health strategies feasible.

Critical issues in economic support

Many countries have made substantial efforts to promote socioeconomic development, especially in the areas of food production, water supply, and education. The benefits have sometimes been less than expected because of other factors such as political instability, financial crises, fluctuating exchange rates, natural disasters, and high population growth. Nevertheless, the first evaluation of the Global Strategy for Health for All in 1986 has shown that governments have increasingly invested in health services, especially through expanding health facilities and increasing health manpower. However, new capital investments involve an increasing burden of recurrent expenditures in health budgets. At a time when additional resources are required to strengthen health system infrastructure to extend primary health care to reach all segments of the population, the total capital and recurrent costs appear difficult to fund. At the same time, a wastage of scarce resources continues through a duplication of health services and their low cost-effectiveness.

The following are among the most critical issues. At the policy level these include:

— clarifying how present and future trends in economic development can affect decision-making on health and health-related expenditures;

— determining the impact of austerity measures made necessary by the economic situation on the resources allocated to and within the health sector, in terms of equity and effectiveness;

— exploring the policy implications of various options for health financing and management, such as the relative size and responsibility of the public and private sectors, social security schemes, and the contribution of nongovernmental organizations;

— mobilizing political commitment through economic analysis for improving the health status of people as a contributory factor to socioeconomic growth.

Issues related to the mobilization of resources (internal and external) for health include:

— identifying different mechanisms that can be used to mobilize resources and make health care available, such as insurance schemes, community financing and cost-sharing;
— determining the balance between the public and the private sector (including non-governmental organizations), of partnership and responsibility in financing Health for All priority activities;

— considering how financing institutions might revise the appraisal criteria they often apply in decision-making in order to support the broad social objectives of Health for All;

— considering how international cooperation can best contribute to health financing, including capital and recurrent costs, with a view to generating true national self-reliance.

Issues of financial planning, costing and budgeting of health strategies which include:

— obtaining and maintaining a full picture of the existing sources of financing in the health sector, and their deployment;

— costing alternative patterns of health care delivery systems, for example, institution-based and community-based systems, in order to determine which pattern, or which mix of complementary patterns, in the long-term will be the most socially and economically advantageous to all people;

— ensuring the economic feasibility and sustainability of long-term health plans to achieve Health for All;

— determining the total recurrent costs for all new capital investment schemes based on experience;

— articulating the criteria that can be used in establishing various financing options, keeping an overall view of equity and effectiveness.

Issues of management of financial resources for health which include various options for:

— improving the efficiency of existing services at all levels, especially hospitals and their supporting facilities, thus making additional resources available for primary health care from existing health resources;

— ensuring the preferential allocation of resources to the most vulnerable groups through an appropriate balance between preventive and curative approaches, primary health care and hospitals, and rural and urban services;

— examining alternatives to improve the cost-effectiveness of health care, including the use of appropriate technology and manpower mixes;

— developing mechanisms for cost-control and cost-containment, and considering ways of reducing waste in the use of all health resources.
Organization of the Technical Discussions

Participants will receive a background document prior to the Discussions which will set out the main issues. The topics listed above will be foremost among these. They will be addressed by participants in discussion groups to allow an exchange of views and experiences. It is expected that the recommendations emanating from the Technical Discussions will help to improve the capability of Member States to manage better their financial resources for health.

Countries, regions and agencies are encouraged to share their experiences and identify critical issues on which further action is needed in economic support for national Health for All strategies. Participants at the Technical Discussions should be aware of relevant issues through preparatory activities, such as national and regional workshops and seminars. The World Health Organization is prepared to provide technical and organizational support. Further information can be obtained from the focal points for “Economic Support for National Health for All Strategies” in the WHO regional offices and at headquarters (Geneva), in the unit of Health for All Strategy Coordination.