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**TRANSITIONING TO INTEGRATED FINANCING OF PRIORITY  
PUBLIC HEALTH SERVICES**

Strengthening essential public health functions is relevant for all health systems as they underpin public health services in all countries. Such strengthening requires adequate domestic financing and/or integrated financing, as well as better use of available resources, including the efficient delivery of public health services that are responsive to population needs and expectations. For certain countries, this challenge is more pressing as a result of reductions in external funding for disease control programmes, but it also has applications to countries undergoing service delivery and budgeting reforms.

Insufficient coordination and harmonization between priority public health services and the general health system, weak financing institutions, insufficient domestic financing for health, and weak governance of the transition process, in addition to lack of using a whole-of-system approach, are the major issues that countries face. The *Regional Framework for Action on Transitioning to Integrated Financing of Priority Public Health Services in the Western Pacific*, which was developed following country, regional and technical expert consultations, recommends a whole-of-system approach to secure essential public health functions and ensure the sustainability and resilience of the health system.

The Regional Committee for the Western Pacific is requested to consider for endorsement the *draft Regional Framework for Action on Transitioning to Integrated Financing of Priority Public Health Services in the Western Pacific*.

## **1. CURRENT SITUATION**

All countries in the Western Pacific Region are undergoing changes in their epidemiological and demographic profiles. Successes in addressing communicable diseases over the past several decades, plus the combined effects of urbanization, ageing and changing lifestyles, mean that noncommunicable diseases (NCDs) are now responsible for nearly 80% of preventable deaths in the Region. The Region also faces regular health security threats with an average of 200 events detected and managed each year. Increased investment and systems strengthening are required to meet these changing public health challenges.

Rapid economic development in many countries over recent years has provided a favourable context for increasing public spending on health. However, on the whole, government spending on health remains low, with high out-of-pocket health payments in many countries in the Region. Total health expenditures as a percentage of gross domestic product in countries in the Region range from less than 3% to over 16%.

Expenditure on essential public health functions as a share of total health expenditures varies among countries in the Region, but it tends to be low in many countries. Typically, clinical treatment absorbs most of the available resources, while disease prevention and public health activities – for example, maternal and child health, family planning, immunizations, prevention of communicable diseases and NCDs, screening and surveillance – are under-resourced.

External funding has played a key role in helping contain the spread of communicable diseases in the Region. Significant support has been received from global health initiatives and through support from bilateral partners. Since 2003, the Global Fund to Fight AIDS, Tuberculosis and Malaria has disbursed US\$ 2.5 billion in treating and preventing AIDS, tuberculosis and malaria and to building health systems in the Western Pacific Region. Gavi, the Vaccine Alliance, has disbursed US\$ 373.8 million in the Region since 2001.

Many countries are beginning to face the transition away from funding from the Global Fund and Gavi, as well as other long-term donors, as they begin to withdraw their support. The Global Fund and Gavi have predictable timelines for reductions, which are linked to achievements in both the reduction in disease burden and economic development. In addition, many countries are undergoing service delivery and budgeting reforms.

National disease control programmes consist of a set of core programme elements that are closely linked with essential public health functions. Although the specific composition of core

programme elements tends to vary across health system settings, there are a number of elements that are universal. These include monitoring the health situation, including surveillance; setting national standards, policies and plans; and providing individual and population-based services on prevention, diagnosis, treatment and care. Many disease-specific systems are designed to be stand-alone and are not consistent or integrated as part of the whole health system.

## **2. ISSUES**

### **2.1 Lack of a whole-of-system approach to securing essential public health functions**

Sustainable financing to secure a set of essential public health functions is a common challenge for all countries. Priority public health services that support the essential public health functions may be fragmented and/or disconnected from other programmes and the general health system. This may lead to a fragmented and inefficient approach, without taking into consideration how parts of the system affect each other. Ensuring essential public health functions is increasingly important in the context of changes to demographics and population needs, reduced external funding for health, and other challenges. A whole-of-system approach is critical to moving towards sustainable and resilient health systems as part of their road maps and serves as an entry point to further advance universal health coverage and the Sustainable Development Goals.

### **2.2 Insufficient coordination and harmonization between priority public health services and the general health system**

Some of the core programme elements in disease control programmes have been developed without sufficient coordination and harmonization with the general health system. As such, some priority public health services may be fragmented and undermine greater health system efficiency and sustainability. There may be parallel surveillance systems, reporting and monitoring mechanisms, and programme management. The gaps or duplication across priority public health services can result in greater inefficiencies at the health system level. Without a strong health system architecture, the division of responsibilities between public health and clinical services can lead to disruptions in the continuum of care, among other issues.

### **2.3 Weak financing institutions and inefficient use of available resources**

Making the best use of resources is critical because no country has sufficient resources to address all the health needs of all people. Improving efficiency is about doing more with available

funds and considering efficiencies gained at the health system level, not merely at the programme level. Weak financing institutions can result in inefficiencies with resource allocation and use. Specific challenges include inappropriate de-prioritization of core programme elements, lack of coordination of various funding sources and funding flows, and determining what role health insurance can play in mixed health financing systems.

#### **2.4 Insufficient domestic financing for health**

While external funding has contributed towards greater resources for health and improvement of health outcomes, it has been declining due to steady economic growth in most low- and middle-income countries in the Region. Inadequate domestic funding for health can pose difficulties for countries to adapt to the increasing and changing population health needs. As countries may not be able to give more priority to health in their budgets, there may be funding gaps that can lead to inequitable access to health services, and can compromise the quality of health services and overall gains made in communicable diseases.

#### **2.5 Weak governance of the transition process**

The transition process in countries is specific to each situation and can be complex, with many stakeholders involved and issues to address within the context of health and public sector reforms. Without government leadership and direction, there may not be a clear vision for health sector development that can guide the health system in its transition to a more efficient, sustainable and resilient system. Decision-making processes may not be transparent or participatory. Issues may be addressed separately, without taking into consideration a whole-of-system approach. Weak governance of the transition process, including inadequate oversight and monitoring mechanisms, can ultimately lead to the disruption of priority public health services.

### **3. ACTIONS PROPOSED**

The Regional Committee for the Western Pacific is requested to consider for endorsement the draft *Regional Framework for Action on Transitioning to Integrated Financing of Priority Public Health Services in the Western Pacific*.