



WORLD HEALTH ORGANIZATION

FIFTY-THIRD WORLD HEALTH ASSEMBLY
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Round tables: addressing the major challenges to health systems

BACKGROUND

1. Health systems have contributed enormously to better health for most of the global population during the twentieth century. They are having an increasing impact on the daily lives of people worldwide. At the same time, they face new challenges, such as epidemiological and demographic transitions, financial constraints, and the growth of the private sector.
2. In some ways, health systems may have become victims of their own success. The history of progress in health shows that no sooner is one problem solved than another emerges to take its place. The target of better health for all keeps moving. The demands and pressures on health systems, like people's expectations of health, are greater than ever before. Nevertheless, as the new century begins, health systems have the power and the potential to achieve further remarkable improvements in human well-being, especially for the poor.
3. People's health and well-being depend essentially on the performance of the health systems that serve them. Yet there is wide variation in performance, even among countries with similar levels of income and health expenditure. Decision-makers need to understand the underlying reasons so that system performance, and hence the health of populations, can be improved.
4. Such improvement, however, is not merely a matter of providing more health services. The health system can be defined as comprising *all* the organizations, institutions and resources devoted to health actions. A health action is defined as *any* effort, whether in personal health care services, in public health services, or through intersectoral action, whose primary intent is to improve people's health.
5. WHO has devised a new framework for analysing and understanding national health systems. It recognizes that systems have three key goals: achieving good health, enhancing responsiveness to the expectations of the population, and assuring fairness of financial contribution.
6. The framework focuses on the four main functions of health systems that influence performance: stewardship, financing, service provision, and resource generation.
7. This framework is intended to help ministers of health and others when they have to make difficult decisions. The round tables offer ministers a forum in which to review with their peers the major challenges faced by health systems, and an opportunity for sharing experiences on approaches to improving the performance of health systems.

FRAMEWORK AND CHALLENGES

8. The concept of performance hinges on attainment of the goals of health systems.
 - **Achieving good health** means both raising its level and improving its distribution among the population. Because poor health status affects certain segments or groups of society disproportionately, reducing inequalities in health is as important as raising the average level.
 - **Enhancing responsiveness** comprises two major components: respect for persons (including dignity, confidentiality, and the autonomy of individuals and families to decide about their own health); orientation towards users (including prompt attention, access to social support networks during care, quality of basic amenities, and choice of provider).
 - **Assuring fairness of financial contribution** means that every household pays a fair share of the total health bill of a country (which may mean that very poor households pay nothing at all). This implies that everyone is protected from financial risk deriving from the cost of health care.
9. By focusing on the goals of health systems, a set of clear messages and strategies can be articulated within countries. This focus also provides the base for comparison of performance between countries.
10. Why does the performance of health systems vary? Countries with relatively similar levels of resources show great variation in attainment of health goals. In other words, some countries spending the same amount as others achieve higher levels of health, responsiveness and fairness of financial contribution. The explanation lies in the four key functions of any health system: stewardship, financing, service provision and resource generation. Analysis of these four functions and the ways in which they combine helps not only to understand the determinants of system performance but also to tackle major policy challenges arising for each function as health systems continue their process of reform.
11. **Stewardship** is much more than regulation. It means setting fair rules of the game and providing strategic direction to the health system as a whole, including intersectoral advocacy to influence other policy areas that affect health. This function lies at the heart of debate about the future role of the State. The main challenge here is to strengthen the capacities of ministries of health. Many reform initiatives seek to alter the role of the State so that it ceases to be a mere provider of services and develops the capacity to steer the health system into better performance.
12. Appropriate **financing** should make health systems sustainable while reducing the spectre of impoverishment from health expenditure. Most developing countries have not yet fully set up financial schemes based on solidarity, whereby the healthy help to pay for the care of the sick, and the rich contribute more than the poor. There is growing evidence that the burden of private, out-of-pocket expenditure falls disproportionately on the poor and is indeed a cause of further impoverishment. Therefore, a major challenge is to extend prepayment, via a central role for public financing or publicly mandated financing, while spreading financial risk for health care by pooling funds as widely as possible.
13. **Service provision** should set out to improve quality, of both personal and public health services. The latter will become increasingly prominent in evolving health systems, as the State reassesses its role in the provision of personal care services. Ministries are therefore faced with the

challenge of strengthening managerial capability in order to assure the delivery of more and better public health actions.

14. In the case of personal health care, many countries are experiencing a growing pluralism in the provision of services. This means assessing the extent to which competition is desirable so that efficiency gains do not increase inequality. An additional challenge stems from the need to coordinate care through efficient networks of providers. As private service provision grows, so does the importance of the core public responsibility of stewardship which involves creation of the incentives necessary to improve performance.

15. **Resource generation** raises the central policy question of how to find the best match between supply of inputs and health system requirements. In terms of human resources, poor distribution of health professionals and workers should not aggravate existing inequalities in health; in terms of financial resources investments in facilities and technology need to be weighed against a country's health priorities.

16. The goals and functions described above are influenced by policies and factors outside of the health sector. These include trade liberalization, public sector reforms and labour investment. The policies of development institutions and donor agencies all affect health systems and their performance. It is increasingly important to ensure that the health system is an effective partner in decisions that will have an impact on its ability to meet its goals.

DISCUSSION POINTS

- What is the relative importance of the goals of improving health, enhancing responsiveness and assuring fairness of financial contribution? Within the first of these goals, what is the optimal balance between raising the average level of health in the population and reducing inequalities in its distribution?
- What are the main technical, managerial and political barriers that ministries of health must overcome in order to fulfil their stewardship role? How can the effectiveness of crucial regulatory activities like facility accreditation, provider licensure and technology assessment be improved?
- What are the obstacles to extend prepayment? What experience exists in protecting families from catastrophic expenditures? What measures can be taken to prevent the exclusion of poor people from social and private insurance pools?
- What are the main approaches to defining priorities for allocation of resources to alternative health interventions?
- How can ministries of health provide a better balance between personal and public health services?
- What are the principal obstacles to, and opportunities for, continuously improving quality of health service provision?
- Is it desirable and feasible to promote competition among health care providers?

- What incentives can be introduced to reward providers for better performance?
- What policies can be adopted to promote a better balance between the supply of, and demand for, health workers, including their geographical distribution?
- What experience exists in applying the tools of performance assessment to the improvement of health systems?

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