

HEALTH FINANCING PROGRESS MATRIX

Supporting the systematic assessment of health financing reforms over time in support of UHC



World Health
Organization

Strengthening health systems through the application of the Health Financing Progress Matrix

Why develop a health financing progress matrix?

How can a country gauge whether its health financing policy will have a positive impact, in terms of strengthening its health system and making progress towards UHC? How can we better demonstrate and shine light on efforts to strengthen health systems? How can qualitative information complement quantitative SDG monitoring indicators, in order to better inform public policy? These are some of the questions prompting the development of a health financing progress matrix, with the aim of getting closer to "real-time" monitoring of health financing policy making and implementation at the country level.

A qualitative approach

The progress matrix allows a structured qualitative assessment of current policy and implementation in health financing; it is not a substitute for quantitative measures such as financial protection, benefit incidence, or the mix of revenue sources; indeed, the matrix is best used in conjunction with such quantitative evidence. Deliberately parsimonious, the matrix aims to capture the key elements of progress, rather than cover all aspects of health financing in detail. Rather than duplicating, the matrix uses and builds on existing analyses.

Built on existing frameworks & guiding principles for health financing

Built around the different functions of health financing policy, a separate matrix has been developed for revenue raising, pooling, purchasing and benefit design, all guided by the objectives of UHC and health system goals (see framework diagram overleaf). An additional matrix has been developed to assess the policy development process, public financial management, and governance issues in health financing in a country.

The matrix is based on a series of questions, each embodying a guiding principle. These principles (see table

overleaf), are also built around WHO's functional approach to health financing, and represent a set of evidence-informed hypotheses about the key attributes of health financing arrangements associated with progress towards UHC.

Providing a general framework adaptable to any type of health system, the matrix questions aim to capture the fact that, for example, two countries have different policies on a particular issue, but both embody the same principle and both support progress towards UHC. Not all issues and questions will be equally relevant across countries, and judgment must be used accordingly.

Applying the progress matrix

WHO recommends applying the matrix in two stages: the first is a descriptive overview of the different health coverage schemes in a country, outlining the key features of each. In the second stage, the questions of the matrix are completed. For both stages, it is recommended that a health financing specialist prefills the matrix, compiling and referencing relevant information and evidence e.g. policy documents, quantitative indicators. Thereafter, a facilitated discussion should be held with key stakeholders involved in the development and implementation of health financing policy, to review, revise and validate the matrix.

The aim is that countries use the matrix to self-assess their current health financing arrangements, including recent changes, with a view to capturing progress over time, rather than making direct comparisons with other countries. The matrix can also be used to support the evaluation of ongoing reforms or policies, as well as the development of new or emerging policies and strategies. The results will not be used by WHO without the consent of the Member State concerned. A user-friendly excel application has been prepared which generates an instant report, with heat-maps to highlight areas of weakness or strength, as well as the expected effect on health system goals and UHC objectives. Further information can be found at:

who.int/health_financing/tools/progress-matrix

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Guiding principles for health financing reforms in support of UHC

Introduction

Health financing reforms cannot simply be imported from one country to another given the unique context of each country, given its starting point in terms of current health financing arrangements; the underlying causes of performance problems also differ in each country and it is these causes which any new policy or reform must address. However, evidence and lessons from international experience does allow a number of guiding principles for reform, which positively impact on UHC, to be specified. These do not constitute a “how-to” guide, but rather a set of “signposts” that can be used to check whether reform strategies (and perhaps more importantly, reform implementation) create an appropriate incentive environment and as a result shift performance in the health system towards the objectives and goals shown in the diagram below. These principles, or signposts, are presented below for each of the health financing sub-functions and policy areas:

1) Revenue raising

- Move towards a predominant reliance on public/compulsory funding sources (i.e. some form of taxation)
- Increase predictability in the level of public (and external) funding over a period of years
- Improve stability (i.e. regular budget execution) in the flow of public (and external) funds

2) Pooling revenues

- Enhance the redistributive capacity of available prepaid funds
- Enable explicit complementarity of different funding sources
- Reduce fragmentation, duplication and overlap
- Simplify financial flows

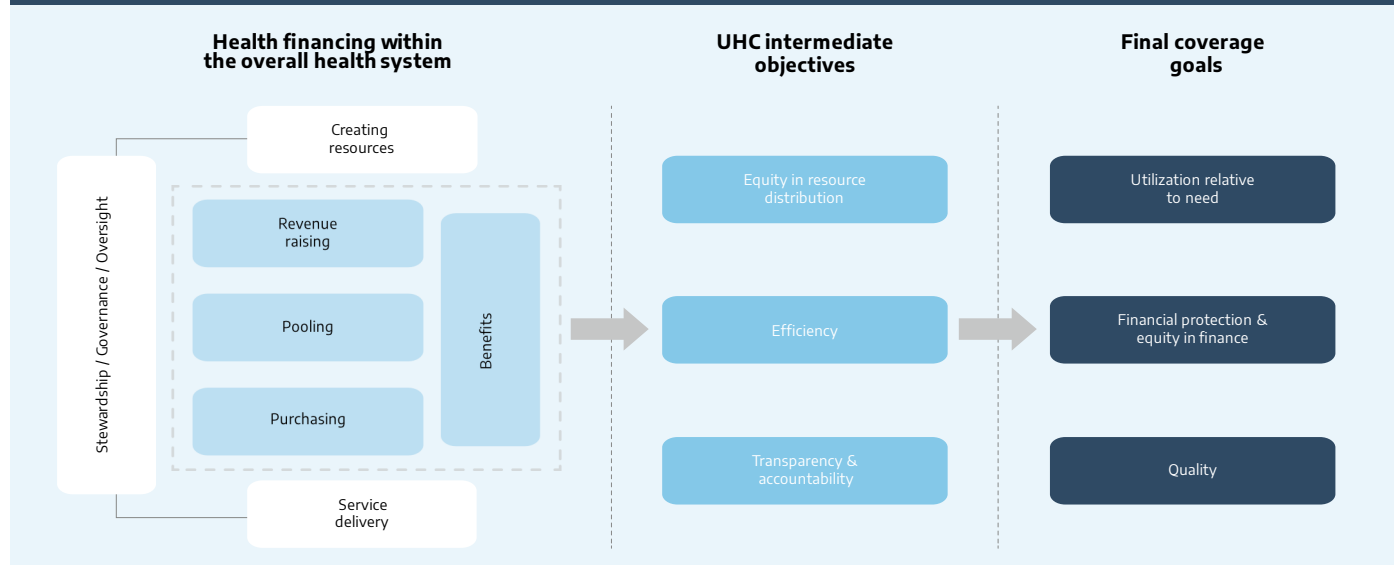
3) Purchasing services

- Increase the extent to which the allocation of resources to providers is linked to population health needs, information on provider performance, or a combination of both
- Move away from the extremes of either rigid, input-based line item budgets or completely unmanaged fee-for-service reimbursement
- Manage expenditure growth, for example by avoiding open-ended commitments in provider payment arrangements
- Move towards a unified data platform on patient activity, even if there are multiple health financing / health coverage schemes

4) Benefit design and rationing mechanisms

- Clarify the population's legal entitlements and obligations (who is entitled to what services, and what, if anything, they are they meant to pay at the point of use)
- Improve the population's awareness of both their legal entitlements and their obligations as beneficiaries
- Align promised benefits, or entitlements, with provider payment mechanisms

UHC goals and intermediate objectives influenced by health financing policy



Reference: Developing a national health financing strategy: a reference guide. Joseph Kutzin, Sophie Witter, Matthew Jowett, Dorjsuren Bayarsaikhan. Health Financing Guidance Series No 3. World Health Organization 2017. ISBN 978-92-4-151210-7