

India's Health Initiatives: financing issues and options

Discussion points

Viroj Tangcharoensathien

IHPP, Ministry of Public Health, Thailand

6 January 2007

Current context

- The Preston curve honey-moon period has gone, difficult task ahead to improve health of the population in India.
Current challenges
- Consistent favourable economic growths in India, hence, large room of fiscal space
- Current government commitment to spend more on social sector including health, 3% GDP targets by 2008-09, a favourable political environment
- Given the level of health resources available in India, better health gain can be achieved

Seven conclusions by Deolalikar et al

- In view of health systems and fiscal capacity, selective and targeting approaches proposed, explicit address equity and efficiencies
 - Focus on small sets of highly cost effective interventions, it's financial feasible
 - Targeting selected districts in selected states
 - Strengthening national program e.g. EPI, HIV/AIDS
- Sources of finance
 - Public finance -- major source for NRHM
 - Incentive/ performance based budget allocation to states
- Supply side reforms
 - Information systems for monitoring public sector performance
 - Supply side improvement and capacity building
- Policy strategies: mend the boat (non EAG) while sailing (EAG)
 - Needs also a comprehensive thought on reform directions and recommendations for non EAG states [catastrophic and impoverished]
 - » This is the late Preston curves
 - Otherwise, will widen inequity across states
 - Current targeting approach requires national consensus on target dates towards universalism, selective versus comprehensive packages?

But, huge challenges remain

- Weak delivery systems and capacity– challenge to scaling up sets of interventions
 - Human resource, low morale, high absenteeism, lack of management capacity, accountabilities and poor governance.
 - Contracting services to non-state sector is key policy option in view of poor functioning public provisions
- Call for more investment by state government
 - Need to understand the federal government role in tax equalization across rich poor states
 - Better understanding on the fiscal space at state level.
- On demand side, not only financial barriers:
 - geographical, socio-cultural barriers also crucial barriers
- Is empowering local community in the governance of PHC one of the answers?

Financing sources

- General tax
 - Most equitable source of finance, but need better understanding on
 - Fiscal capacity at federal and state levels, ratio of tax to GDP
 - Political dimension in resource allocations
- User charges
 - High potential of catastrophic and impoverishment, or welfare loss when the poor decided not to use services.
 - Most inequitable source,
- Community based insurance
 - Systematic reviews show little capacity to scaling up, limited management capacity, poor performance in protecting the poor
- Donor resources
 - Often has different agenda and strings tied
- Social health insurance
 - Need parallel reforms to achieve better efficiency, better value of money and cost containment
 - Better regulated health insurance to prevent widening inequity gap and cost escalations

What to purchase?

- Not only focus on clinical interventions at facility levels in targeted districts/states.
 - In views of epidemic of chronic NCD, key public health interventions needed especially,
 - Legislation, law enforcement on tobacco/alcohol/salt/ trans fatty diets
 - Taxation and fiscal policy
 - Healthy public policies
 - Social mobilization and life style modifications

Normative functions

- Evidence for better policies development and monitoring health outcome
 - Burden of diseases
 - Cause of deaths, morbidity statistics,
 - Jha et al contributions on verbal autopsy, verification of COD
 - Sample Registration Systems versus national VR
 - Resource tracking tools NHA
 - Foster routine household level information, e.g.
 - Utilization
 - Benefit incidence
 - Health status distribution
 - Evidence on effective coverage of interventions for key burden of disease

Human resource for health

- Good practices and lessons from Thailand
 - Increase production capacity
 - Better human resource and skill mix, nurses play critical in HSD in Thailand
 - MOPH provincial and district hospitals – major hub to ensure skill mix is appropriate to the community needs
 - Ensure better distribution
 - Public budget plays critical role in financing HR production
 - 36 years experiences since 1971 on mandatory rural services by all new graduates (medical, nursing, dentists, pharmacists)
 - Ensure better retention:
 - Local recruit, local placement
 - Financial, non financial incentives