Universal Health Coverage Going Global

A Conference Report of the CSIS Global Health Policy Center

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Cover photo: Jesse Swanson, CSIS.
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Universal Health Coverage Going Global

Nellie Bristol¹

Universal health coverage is attracting attention and resources in countries across the globe, as well as from international organizations like the World Bank Group and the World Health Organization (WHO), the private sector, and civil society. Defined as access to health services for all while protecting individuals from care-related financial hardship, universal health coverage is considered key to economic and social stability, particularly in emerging economies. The Global Health Policy Center at the Center for Strategic and International Studies, with support from the Pharmaceutical Research and Manufacturers of America, convened a conference January 14, 2014, to explore advances in universal health coverage with a Washington, D.C., audience.

Reflecting the dynamism of the conversation globally, participants came from as far away as New Delhi and Geneva and represented international organizations, the private sector, universities, civil society, and think tanks, and included top global health leaders from the U.S. government. Before an engaged audience of more than 300, the participants concluded that momentum toward universal health coverage is building as GDP grows in many countries and citizens demand better, more affordable health services. Successfully expanding coverage will involve a variety of public and private entities including those not strictly associated with health, such as water and sanitation and education. Countries are prioritizing government financing of services, but raising sufficient revenues is difficult. Further, they said, expanding coverage will involve not just financing but strong and appropriate health care infrastructure, personnel, medicines, and supplies. Universal health coverage is expected to continue to attract strong interest as governments seek to create sustainable health systems and foster economic growth.

The World Bank Takes on Universal Health Coverage

World Bank Group President Jim Yong Kim² kicked off the daylong event talking about the importance of universal health coverage to economic and social stability, as well as poverty reduction. He said support for expanded coverage is needed from a variety of sectors, ranging from civil society to the pharmaceutical industry.

Kim connected achievement of universal health coverage and equity in health to the Bank’s goal of ending extreme poverty by 2030. To support the effort, the Bank emphasizes the following priorities:

- Focusing on expanding access to vital services for poor woman and children;

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¹ Nellie Bristol is a senior fellow with the CSIS Global Health Policy Center.
² Videos of all conference sessions are available at www.SmartGlobalHealth.org/UHCVideos.
• Developing affordable health services for the poorest 40 percent of the population in every developing country;

• Helping countries prioritize health in all sectors, especially in education, road building, water and sanitation, and information technology.

The Bank also is analyzing and disseminating lessons from countries as they expand health coverage. In 27 case studies from low- and middle-income countries, the Bank gleaned five fundamental lessons:

1. Strong political leadership and long-term commitment are required to achieve and sustain universal health coverage;

2. Short-term wins are critical to secure public support for reforms;

3. Economic growth by itself is insufficient to ensure equitable coverage—countries must enact policies that redistribute resources and reduce disparities in access to affordable quality care;

4. Improving quality and availability of health services depends not only on highly skilled professionals, but also community and midlevel workers;

5. Countries need to invest in a resilient primary health care system to improve access and manage health care costs.

To help countries make accountable, measurable progress toward universal health coverage, WHO and the World Bank last December released a joint monitoring framework. The scheme includes two goals, one for financial protection and one for service delivery. For financial protection, the proposed target is by 2020 to reduce by half, to 50 million, the number of people who are impoverished as a result of out-of-pocket health expenses, and further reducing that number to zero by 2030. For service delivery, the proposed target is by 2030 doubling to 80 percent the proportion of the poor that will have access to essential services such as treatment for high blood pressure, diabetes, mental health disorders, and injuries.

To help reach these targets, Kim said, the goal of universal health coverage should be included in the post-2015 global development agenda now being facilitated by the United Nations.3

In addition to countries themselves and international organizations, movement toward universal health coverage will require participation from the private sector, Kim said: “There is no way that aid is going to solve the problem of poverty in the world. So we’ve got to find great strategies to bring public and private monies together to create the jobs that will lift people out of poverty.” He cited the research-based pharmaceutical industry as an important private-sector contributor. While

3 The United Nations is coordinating a global consultation to advance a set of development targets to succeed the Millennium Development Goals (MDGs). The eight MDGs were derived from a declaration adopted in September 2000 by 189 UN member states. The goals are credited with helping to channel increased aid flows and attention to prioritized development issues. For more information, see Nellie Bristol, Do UN Global Development Goals Matter to the United States? (Washington, DC: CSIS, May 2013), http://csis.org/publication/do-un-global-development-goals-matter-united-states.
patent holders always will take a “tough line,” he said pharmaceutical companies have been involved with collaborations and partnerships that have dramatically improved health outcomes. “The industry is a critically important part of the solutions we want to find. And I think the important thing is just to engage intensively, engage early and try to move, as we have, in a direction where drugs are available for the poorest,” he said.

In addition, Kim said, civil society will be critical to the promotion of universal health coverage to counteract those who say the goal is too complex and costly for developing countries.

Key Messages

- Universal health coverage is important to economic and social stability and to poverty reduction;
- The World Bank is committed to universal health coverage and will contribute to its progress through funding, analysis, and measurement tools;
- The effort will take contributions from many sectors, including the private sector and civil society.

History, Trends, and Players

The first panel provided an overview of global action toward universal health coverage. Ariel Pablos-Méndez, assistant administrator for global health at the U.S. Agency for International Development, noted that countries have adopted a variety of models that emphasize health system sustainability. “Universal health coverage in the international agenda has never been about global donors paying for health insurance,” he said. “It has been about reorganizing...growth in a more rational, equitable, sustainable manner.”

The earliest attempts at health coverage expansion occurred in the 1880s in Germany, Pablos-Méndez noted. It took more than 50 years for all Germans to acquire social protection. Following World War II, some countries, including the United Kingdom and Japan, expanded health coverage. Others followed suit, particularly in Europe, but also New Zealand. Mexico began a social protection system in the 1940s, whereas South Korea and Taiwan’s systems evolved in the 1970s and 1980s.

Dramatic developments have occurred since the turn of the millennium as Turkey, Thailand, Ghana, and Mexico all expanded coverage systems. Other countries also are devoting substantial resources to the issue, including China and India.

Several factors contribute to a country’s decision to pursue universal health coverage, Pablos-Méndez said. Political dynamics are important, but also the level of economic growth. Almost all countries that expand coverage do so when health expenditures reach 4 to 5 percent of the country’s GDP, he noted.
Gina Lagomarsino, principal, chief operating officer, and managing director at the Results for Development Institute, next discussed her research that detailed trends exhibited by countries as they pursue universal health coverage.4

Coverage expansion was prompted in many countries because “people in these countries basically got fed up with paying high out-of-pocket costs at the point of care,” Lagomarsino said. “They’re tired of sometimes not being able to have access to care because things were too costly, or feeling like they’re getting pushed into poverty because of these costs.”

In addition, she said the poor and emerging middle classes discovered that wealthier populations had access to different types of care that were perceived as higher quality. As a result, she said, “there...was really a major domestic political push to try to move toward universal health coverage.”

While she noted all country approaches are unique, it is possible to draw some generalizations based on an analysis of nine low- and lower-middle-income countries:

- **Countries prioritized government financing of services and raising new revenues.** Most combined multiple sources of revenue and some even created new sources, such as the value-added tax instituted by Ghana to support national health insurance.

- **Countries moved toward creating broad national programs that cover everyone.** Many integrated programs aimed at specific population segments, such as poor or rural populations, or civil employees, to create more comprehensive systems.

- **Countries created new or strengthened independent health purchasing agencies,** allowing purchasing from both public- and private-sector providers.

Almost all of the programs have at least to some extent reduced out-of-pocket expenditures as a percentage of total health expenditures, she added.

While showing some similarities in the way they approach coverage expansion, countries in the study also grappled with many of the same challenges:

- **Trying to raise revenues.** Although economies are growing, many countries still have large informal worker populations (those outside the official economy) from which it is difficult to collect revenues. “They don’t get paychecks, so you can’t withhold taxes and premiums,” Lagomarsino noted.

- **Ensuring quality of health services.** Countries are struggling to install institutional mechanisms for monitoring and improving quality and ensuring primary care is available to all.

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• **Controlling costs of care.** “Every time you give a population access to new benefits, their demand is going up; providers are going to see this as new potential forms of income,” Lagomarsino said.

• **Addressing domestic stakeholder politics.** Groups of providers are resistant to new payment reforms intended to curb costs while employers and unions object to premium increases.

Despite the difficulties, Lagomarsino said she is optimistic and encouraged by the number of low-income countries committed to working on coverage expansions and wrestling with the difficulties and tradeoffs involved in enacting universal health coverage.

Jonathan Quick said his organization, Management Sciences for Health (MSH), for which he is president and chief executive officer, vigorously supports universal health coverage. The organization sees the movement as a matter of human rights. Quick compared the struggle for universal health coverage to that of expanded availability of antiretroviral drugs for HIV/AIDS, with some arguing it is out of reach for lower-income countries. Civil society, he said, was able to overcome the barriers to program expansion then and will help now with universal health coverage.

One obstacle to that support, Quick noted, was concern from advocacy groups that universal health coverage would lessen attention to their specific issue. Women’s health and reproductive rights groups, for example, are wary of universal health coverage because they fear losing resources for family planning services. In response, MSH with the Harvard School of Public Health wrote an article for the journal *PLOS Medicine* that identified critical factors that need to be considered in the design and implementation of women’s health in universal health coverage.

Another question is whether the poor will actually benefit from coverage expansions, Quick said. “History [shows] that...the better off tend to capture the health services in their communities,” he said. But, he said, data indicates that when countries target the poor for expanded coverage, they do receive services.

Tim Evans, director for health, nutrition and population at the World Bank Group, said international organizations add value to the universal health coverage dialogue in the areas of policy, convening, and advocacy. The Bank and WHO, for example, are pushing to get universal health coverage on the United Nation’s post-2015 development agenda and have devised targets related to the issue.

International organizations also can play a role in strategic investment of financial resources. These organizations should develop new financing mechanisms to ensure sufficient funding for coverage expansions, particularly in countries with large informal sectors. In addition, international organizations need to explicitly support national financing of the health sector. He suggested that organizations develop a checklist to show how their investments contribute to national financing strategies that support universal health coverage.

International organizations also must think about how to scale up services equitably and ensure that sectors other than health, such as those responsible for road safety,
are engaged to reduce injuries and thus strain on the health system. The organizations also are critical for setting norms and standards. “If you have some good standards, best practices that have been proven to work, measures that can be used across contexts, then you take away the need for countries to try and come up with their own, and I think there’s great value in that,” Evans said.

Lastly, Evans said, international organizations can contribute to building infrastructure and information systems. “And if we don’t invest in, for example, vital statistics or clearly giving people national identifiers and registering them and giving them identity, then we have no business talking about [universal health coverage] because we don’t know the denominators,” he said.

Key Messages

- The move toward universal health coverage started more than a century ago and is picking up speed;
- While each country’s approach is unique, there are common trends and challenges in implementing coverage expansions;
- The struggle to achieve universal health coverage in low-resource settings is similar to that for expanded access to antiretroviral drugs for those with HIV/AIDS and civil society should be similarly engaged in removing barriers;
- International organizations will play an important role in advocacy, policy development, and financing.

Building a Coverage System: What Does It Take?

The day’s second panel outlined the steps necessary to construct a universal health coverage system. The World Health Organization’s David Evans, director of the department of health financing in the cluster on health systems and services, discussed financing and benefits options. He emphasized that expanding coverage takes more than financing. “If the health workers are not there, if they’re in the wrong places, if they’re badly motivated, you won’t get there,” he said. Adequate levels and distribution of medicines and health services also are critical, he said.

Also, he noted, universal health coverage takes more than simply generating additional revenues. It involves a series of interrelated decisions concerning which, how much, and when system participants should pay, what services will be available, and who benefits from those services. “Each one of those decisions is part of this thing that we call health financing, and each one of them is complex,” Evans said.

While WHO has focused on defining essential benefits packages, Evan said, countries have pushed back on that work, indicating they do not want outsiders helping to decide what should be covered for their populations. What countries really need, he said, is advice on developing appropriate service-delivery mechanisms at various levels of the health system to respond to their population’s needs.
Setting benefits packages is a major challenge currently for India, said K. Srinath Reddy, president of the Public Health Foundation of India. In pursuing universal health coverage, he said, system designers have to grapple with a range of services, including health promotion and disease prevention, as well as therapeutic, diagnostic, palliative, and rehabilitative services. The Millennium Development Goals, he noted, while focusing attention on important issues such as maternal and child health, left others and resulted in fragmented programs with siloed, vertical programs. “So really, when we’re looking at universal health coverage as the unifying platform we are looking at a...perspective which provides a range of needed health services to everybody across the course of their life,” Reddy said.

While primary care should be given priority, he added, some secondary and tertiary care also is essential. He too emphasized the need to develop an adequate multilayered health workforce with sufficient numbers of nurses and community health workers as well as doctors, and ensure it operates where it is needed most.

While India likely has the resources to address coverage expansion, it could use technical assistance from the international community. “Particularly when you are at the very beginning of designing a universal health coverage program there are likely to be mistakes made which, if not corrected in design at an early stage, can cost us very dear as we move along,” Reddy said.

Margaret Kruk, assistant professor of health policy and management at Columbia University, discussed the importance of ensuring quality in the provision of universal health coverage. Quality, she said, includes competent doctors and having medicines available, but also ensuring treatment is attentive and responsive to patients. It also means that services are meeting the needs of the population. “Because of the globalized world we live in, people are increasingly sophisticated health care consumers and very explicit about what they want,” she said. “We ignore this at our peril.”

Quality of services will be critical to universal health coverage, Kruk argued, because people will not use facilities if they are not perceived as providing quality care. In addition, out-of-pocket spending will not fall if patients seek more expensive higher-level care to avoid bad quality services. Kruk recommended making quality an explicit goal of universal health coverage.

Yanzhong Huang, senior fellow at the Council on Foreign Relations, noted great strides in availability of health coverage in China. In 2003, for example, almost 80 percent of the rural population lacked health insurance. In addition, he said, 80 percent of health resources were concentrated in urban areas. Between 2009 and 2013, China invested $371 billion in the health care sector, which strengthened community care and improved equity of health services provision.

Despite the progress, challenges remain. Survey respondents said it is more difficult to see a doctor than it was four years ago and 87 percent said cost of care is higher. Further, China’s universal health coverage covers only basic services. Dental care, mental health services, and outpatient treatment for noncommunicable diseases remain uncovered, he said.
Despite the challenges, Huang said he is optimistic about the Chinese health reforms because economic growth remains strong and there is staunch political leadership on the issue.

Key Messages

- Universal health coverage requires more than simply financing; solid health system infrastructure and human resources also are required;

- An important goal of universal health coverage is to create broader health systems and disease prevention programs that focus on all conditions instead of just a targeted few;

- Quality of care is critical to achievement of universal health coverage and should be an explicit goal for all health systems;

- Coverage expansions must slowly increase benefits to ensure health needs are being met.

The U.S. Government View

In a keynote speech, Nils Daulaire, then–assistant secretary of global affairs at the U.S. Department of Health and Human Services, said that while they may differ on a variety of other issues, health leaders around the world all agree that universal health coverage is an important goal. Beyond just paying for health services, Daulaire said, “It is a systemic construct unique to each society that is aimed at better and more equitable health outcomes across all strata of society.”

Universal health coverage is especially important as the face of global poverty changes, Daulaire said. While two decades ago, 90 percent of the poor lived in low-income countries, three-quarters now live in middle-income countries. “Governments are coping with the reality that while average incomes are rising, many of their citizens remain impoverished,” he said. “Access to affordable care is critical if governments are to address this internal economic and frankly social disparity.”

While ultimately implementing coverage expansions falls to individual governments, the international community can offer support, he said. “It is in fact our shared burden and shared responsibility to work toward these goals,” even in the United States, he said.

Daulaire also said the global move toward universal health coverage comes at the same time as a shift in how the United States is likely to provide foreign aid—with an increased focus on provision of technical assistance to countries. “What we see is very often what countries are asking us for is know-how, operational expertise in terms of a wide range of health programs, and policies and procedures, so that they can have the opportunity to build it themselves in the context that’s most appropriate to them.”

Key Messages

- Universal health coverage is a rare topic on which world health leaders agree;
Universal health coverage can help address the new face of global poverty—poor people are now concentrated in middle-income countries;

U.S. foreign assistance is increasingly emphasizing provision of technical assistance.

The Private Sector and Expanded Health Coverage

The third panel talked about the role of the private sector in universal health coverage. Jorge Coarasa, senior economist with the World Bank Group, said the private sector should and will play a role. Nonetheless, he said, government and publicly mandated financing will be the main way to raise resources for universal health coverage. Private financing, especially private voluntary health insurance, “will play a very secondary role, an ancillary role at best,” he said. This is because while private health insurance works for individuals and families as a tool to manage financial risk at the household level, it is very limited when equity and welfare of the poor are considered because they often are not in a position to contribute to premiums.

He noted that there were seven countries in 2005 where private health insurance represented more than 20 percent of total health expenditures: Brazil, Chile, Namibia, South Africa, the United States, Uruguay, and Zimbabwe. The challenge in countries with large private health insurance markets, Coarasa said, is to forge a cooperative relationship among the insurance industry, the government, and civil society.

Moving to other private-sector players, Ashoke Bhattacharjya, executive director of global health systems and innovation policy for Johnson & Johnson, said the private sector does not merely provide products and related services but is involved in strengthening health care infrastructure including primary health care centers and hospitals. It also trains medical professionals and develops products for environments with constrained resources. He said there were many examples of public-private partnerships particularly in the area of infectious diseases, but also to treat diabetes through establishment of diabetes education centers.

James Fitzgerald, director of health systems and services at the Pan American Health Organization, said the private sector has a fundamental role in service provision but said system designers need to avoid the “perverse incentives” inherent in a private, often for-profit health service delivery. Fee-for-service reimbursement systems, for example, can encourage excessive and potentially unneeded care since providers are paid based on the number of services they provide. He cited several examples where private providers administer a large proportion of health services but noted that they operate within a highly structured regulatory environment.

Key Messages

• Private insurance will not provide the majority of health coverage;

• The private sector will play a variety of roles in supporting coverage expansion;
Private-sector involvement needs to be properly regulated to ensure appropriate levels of services are provided and to control costs.

**Optimizing Health Care Resources**

During the last panel, participants discussed the issue of optimizing health resources, an achievement considered essential to the success of universal health coverage. Ken Thorpe, chairman of the Partnership to Fight Chronic Disease and a professor at Emory University, talked about the growing burden of noncommunicable diseases (NCDs), which now account for 60 percent of deaths globally, a figure that is expected to rise to more than 70 percent by 2020. In addition to causing a large proportion of deaths, NCDs, including heart disease, cancer, and diabetes, are primary drivers of health care expenditures. In the United States, Thorpe noted, increases in chronic disease since the mid-1980s accounted for 80 percent of the growth in spending in the Medicare program, which provides coverage for Americans over 65 and the disabled. Especially since these diseases are so costly, health system design should take into account chronic disease prevention and management, Thorpe said.

Murray Aitken, executive director of the IMS Institute for Healthcare Informatics, noted that this year $1 trillion will be spent on pharmaceuticals globally. “So when we talk about optimizing resources, it strikes us that optimizing that trillion-dollar spend would be a good place to start,” he said. His group estimated that in 2012, about $500 billion of pharmaceutical spending was for medicines that were not being used efficiently. Some of the problem is patients using medicines improperly or using multiple medicines at the same time without knowing the full consequences of possible drug interactions. Patient education, especially on the issue of antibiotic overuse and antibiotic resistance, is one key to making the best use of medicines, Aitken said. Other issues driving up pharmaceutical spending include medication errors, and suboptimal use of low-cost, safe generic pharmaceuticals.

The last panelist, Jesse Bump, assistant professor at Georgetown University, commented that what universal health coverage actually means is rationing of health care services. “And that's because when you're talking about the demand for health services, it's unlimited. There is no limit to how many health services people want and resources are finite.” There are several ways services can be rationed. One is by time—making people wait for services. Another is distance or geography—how easy it is to get to a facility. Services also are rationed by income. In the U.S. Medicaid program, those below a certain income threshold can receive coverage for services, whereas it is denied to those with incomes above that level. Age also is used, Bump said. In the United States certain children can qualify for services, as can the elderly. Benefits packages also determine the level of service by providing coverage for some diagnoses but not others, he added.

**Key Messages**

- Preventing and controlling noncommunicable diseases will be essential for controlling health care costs;

- Patient education and other strategies are needed to ensure medications are used appropriately;
• Universal health coverage involves some degree of health services rationing.

Universal Health Coverage Going Global

Momentum toward universal health coverage will grow as world economies continue to prosper and citizens demand quality, affordable health care. Improving health care access and creating financial protection for those seeking care will require involvement from a range of actors including governments at all levels, international organizations, civil society, and the private sector. While achieving universal health coverage will remain an aspirational goal for the foreseeable future, the focus on health coverage expansion will provide much needed attention and resources to struggling health systems while lessening financial pressure on those seeking care. As national, regional, and international experts all generate advances that will help expand coverage and strengthen health systems, events like the CSIS conference can serve to educate the public and create opportunities to share experiences.
Additional Resources


Appendix. Conference Agenda

Universal Health Coverage in Emerging Economies: Improving Health while Preserving Wealth

Center for Strategic & International Studies
1616 Rhode Island Avenue, N.W.
Washington, D.C. 20036

January 14, 2014

8:30 Arrival/Breakfast
8:45 Welcoming Remarks and Introduction of UHC Video
   J. Stephen Morrison, Center for Strategic and International Studies
8:50 UHC Video
8:55 Introduction of Dr. Jim Yong Kim
   J. Stephen Morrison, Center for Strategic and International Studies
9:00 Opening Keynote
   Jim Yong Kim, World Bank Group
9:30 Roundtable: Overview of UHC
   Ariel Pablos-Méndez, U.S. Agency for International Development
   Jonathan Quick, Management Sciences for Health
   Gina Lagomarsino, Results for Development Institute
   Tim Evans, World Bank Group
   Moderator: Nellie Bristol, Center for Strategic and International Studies
11:00 Panel 1: Building a Coverage System
   David Evans, World Health Organization
   K. Srinath Reddy, Public Health Foundation of India
   Yanzhong Huang, Council on Foreign Relations
   Margaret Kruk, Columbia University
   Moderator: Robert Hecht, Results for Development Institute
12:30 Lunch
1:00 Lunch Keynote
   Nils Daulaire, U.S. Department of Health and Human Services
1:30  **Panel 2: Role of the Private Sector**  
*Jorge Coarasa, World Bank Group*  
*Ashoke Bhattacharjiya, Johnson & Johnson*  
*James Fitzgerald, Pan American Health Organization*  
*Moderator: Gisela Abbam, General Electric*

3:00  **Panel 3: Optimizing Resources**  
*Murray Aitken, IMS Institute for Healthcare Informatics*  
*Ken Thorpe, Partnership to Fight Chronic Disease*  
*Jesse Bump, Georgetown University*  
*Moderator: J. Stephen Morrison, Center for Strategic and International Studies*
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