



Making the Case for Investing in Health

Sustainable financing for Universal Health Coverage

Recommendations

- A minimum government spend of 5–6% GDP on health, preferably financed via a mandatory, tax-based or social insurance system, is recommended.
- Considering the variations in GDP among Commonwealth countries, aiming for a minimum of US\$86 per capita per year government spend to provide a basic package for health systems is recommended.
- To ensure sustainability of funding for Universal Health Coverage (UHC) a focus on budgets for cost-effective primary health care approaches to prevention, health protection and promotion of wellbeing is advised.

These recommendations build on the following evidence and recommendations:

- **The World Health Report 2010** acknowledged that a minimum of 5–6 per cent GDP spend on health is required for progress towards universal health coverage in most countries.
- **The Centre on Global Health Security at Chatham House** recommends that countries achieve a target of 5 per cent GDP spend on health.
- **The Pan-American Health Organisation** states: 'Public expenditure on health equivalent to 6 per cent is a useful benchmark in most cases and is a necessary – though not sufficient – condition to reduce inequities and increase financial protection within the framework of universal access to health and universal health coverage.'
- Heads of State at the 2001 **African Union Summit** pledged to work towards devoting at least 15 per cent of annual budgets to improving the health sector.
- Health professionals across the Commonwealth in the **Colombo Declaration** urged its governments 'to aim for a minimum

investment of 6 per cent of GDP for health, prioritising investment in the most cost-effective approaches including public health and primary health care, sustainable, and best practice health systems'.

The recommended minimum per capita expenditure on health care

US\$86 is the minimum per capita annual government health expenditure required to achieve near universal coverage for key interventions, including:

- drugs to treat HIV, tuberculosis (TB), malaria and neglected tropical diseases;
- health promotion activities and treatments for some chronic non-communicable diseases including cancers;
- in maternal and child health; and
- strengthening the health system by expanding facilities, equipment and staffing.

The case for investing in health

Maintaining a healthy and productive population with good social protection systems builds resilience, fuels economies and helps prevent civil unrest and extremism.

Macroeconomic studies have shown there are positive correlations between reducing mortality and economic growth. Data from 100 countries over a 20-year period showed that a 1-year increase in life expectancy raises worker productivity and correlates with a 1.43 per cent increase in economic growth rate. Analysis of data between 1970 and 2000 also attributes about 12 per cent of economic growth in low- and middle-income countries to a reduction in the rates of adult mortality.

Pandemics preparedness: The World Bank estimates that US\$3.4 billion annually is required to build a global pandemic preparedness system. The expected benefit is at least US\$37 billion per year with economic rates of return being 50–123 per cent per annum, depending on disease risk. In 2016 alone, the Zika Virus outbreak is projected to lead to a loss of US\$3.5 billion and fiscal losses of up to US\$420 million in the Latin American and Caribbean region; some affected countries are expected to lose over 1 per cent of their GDP. Disease outbreaks are often unpredictable and tend to cripple economies by reducing productivity within countries and by causing wider restrictions on travel and trade. By 2015, the Ebola Virus Disease outbreak resulted in the loss of an estimated 12 per cent of the combined GDP in the worst affected countries.

Maternal, child health and vaccination: The Lancet Commission on Investing in Health estimates that every US\$1 invested towards preventing deaths from infectious diseases, maternal and child mortality from now to 2035 would produce up to a 20-fold return. Every dollar spent on childhood vaccination from 2011 to 2020 would produce a yield of US\$16–44 on investment.

HIV, TB and malaria: When taking an inclusive income approach to evaluating health interventions, money spent on HIV vaccine development is expected to produce 100–6700 per cent returns, and investment in malaria control is estimated to produce up to a 500 per cent return. In 2015 there were 438,000 malaria deaths recorded, and in 2014 there were roughly 1.5 million TB deaths – 1.1 million HIV-negative and 0.4

million HIV-positive. These are significant losses of lives and income for the families of those affected, as the average TB patient loses 3–4 months of work and 20–30 per cent of yearly household earnings due to the disease.

Non-communicable diseases: Between 2011 and 2025, the economic losses to low- and middle-income countries from four largely preventable non-communicable diseases are estimated to surpass US\$7 trillion, equivalent to an average of US\$500 billion per year and roughly 4 per cent of these countries' GDPs.

Policy considerations

These are the policy considerations to take into account:

- **Public financing** is more efficient, protects against medical impoverishment and controls costs better than private financing. It should be coupled with strategies to increase efficiency such as health technology assessment, using medicines more appropriately and accountability.
- **Donor governments** should not only meet their aid commitments but also spend greater proportions on health, particularly in supporting research and development and tackling pandemics and antimicrobial resistance.
- **Public financing and health aid** should be targeted to local needs by delivering 'best-buy' interventions to tackle infections, maternal and child health conditions, non-communicable diseases and injuries.

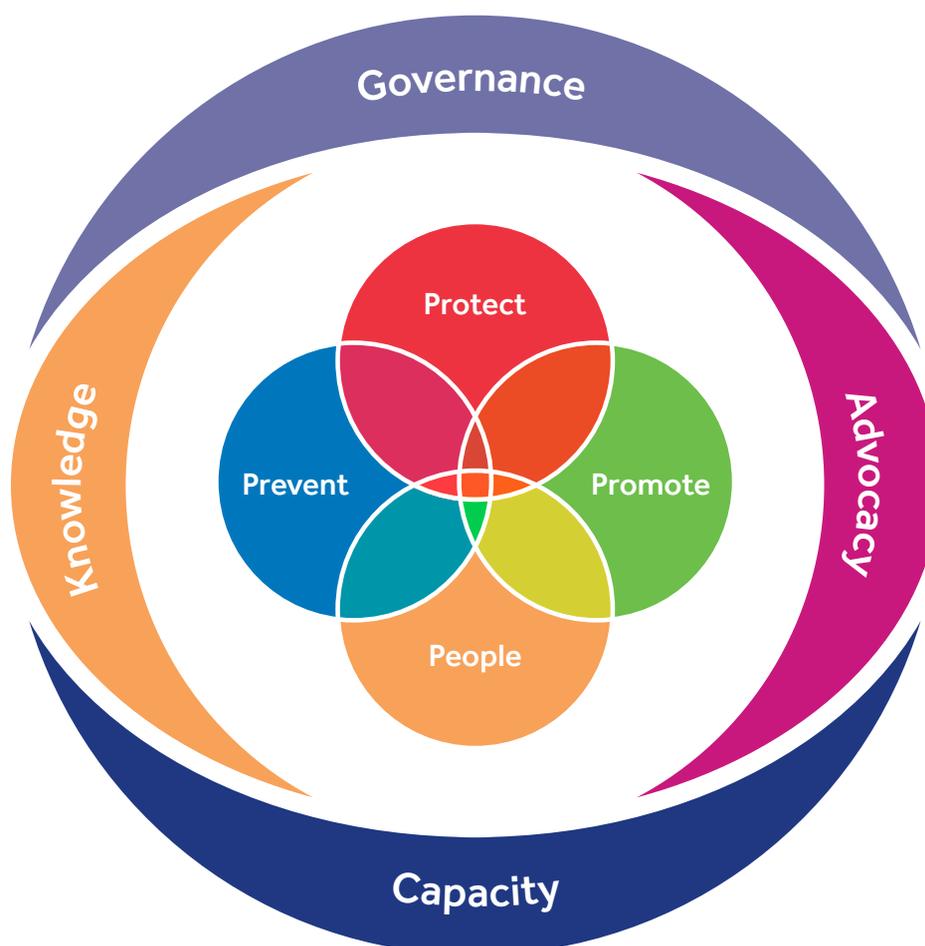
Sustainable health systems

The Commonwealth Health Hub has set out a systems framework for healthy policy, with the aim of advancing global health security and sustainable wellbeing for all (see diagram below).

Taking a holistic public-health-focused approach to health system strengthening can help to deliver universal health coverage sustainably.

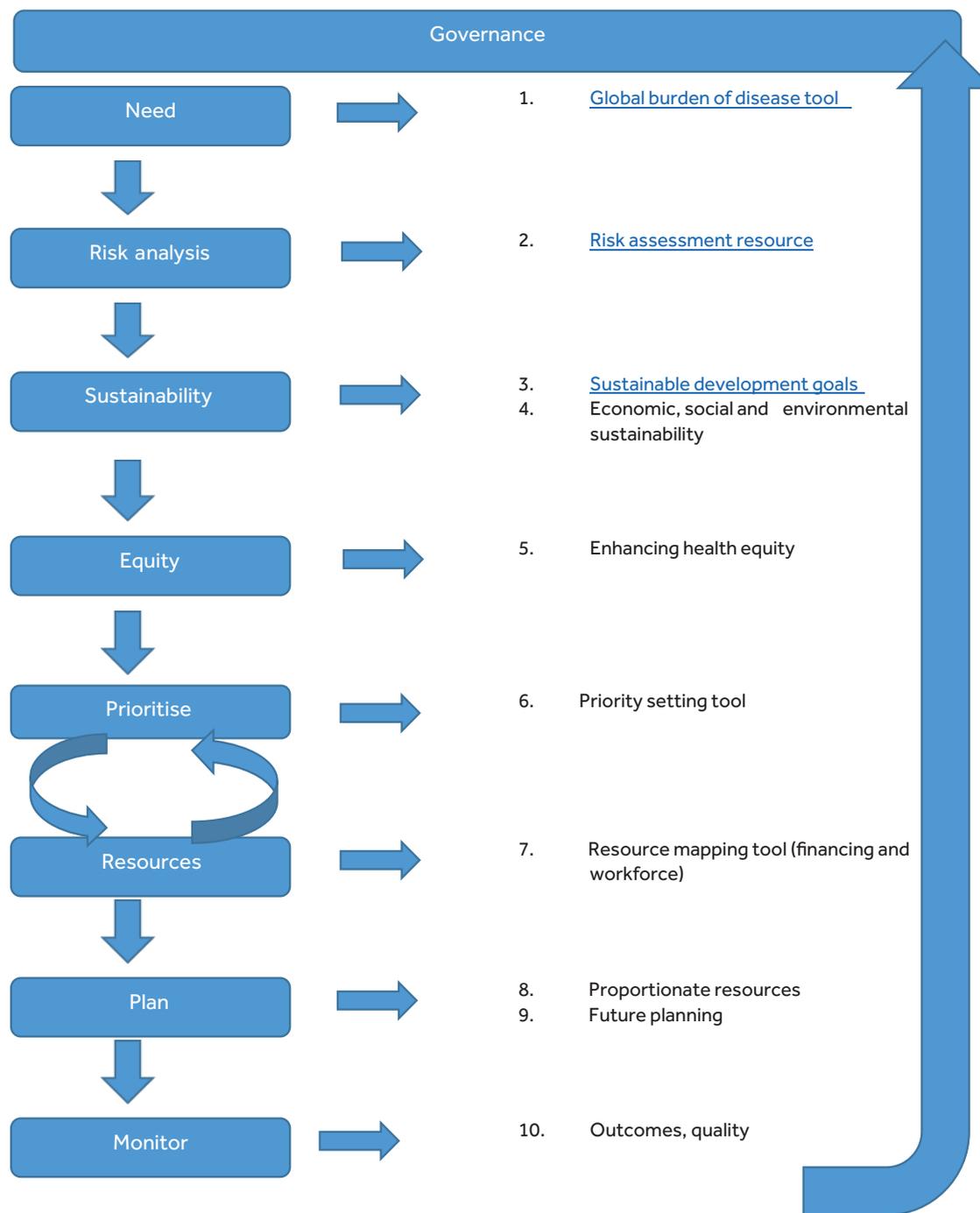
This systems framework for healthy policy identifies the main relationships between each heading and relevant sub-headings as follows:

- **Governance:** public health legislation; policy; strategy; financing; organisation; quality assurance; transparency, accountability and audit.



- **Knowledge:** surveillance, monitoring and evaluation; research and evidence; risk and innovation; dissemination and uptake.
- **Protection:** international health regulation and co-ordination; communicable disease control; emergency preparedness; environmental health; climate change and sustainability.
- **Promotion:** inequalities; environmental determinants; social and economic determinants; resilience; behaviour and health literacy; life-course; healthy settings
- **Prevention:** primary prevention: vaccination; secondary prevention: screening; healthcare management and planning.
- **People:** primary health care; secondary health care; tertiary health care and rehabilitation.
- **Advocacy:** leadership and ethics; community engagement and empowerment; communications; sustainable development.
- **Capacity:** workforce development for public health, health workers and wider workforce; workforce planning: numbers, resources, infrastructure; standards, curriculum, accreditation; capabilities, teaching and training.

A logic framework for a planning toolkit to strengthen health systems when implementing universal health coverage



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This policy brief is a summary of the fully referenced toolkit 'Sustainable Resources for Implementing Universal Health Coverage: A Planning Toolkit for Health Systems Strengthening' available at the Commonwealth health hub: www.thecommonwealth-healthhub.net

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