The actuarial role in promoting universal health coverage
Roseanne Harris July 2023

What is Universal Health Coverage?

World Health Organization

Universal health coverage means that all people have **access to the health services they need**, when and where they need them, **without financial hardship**. It includes the full range of essential health services, from health promotion to prevention, treatment, rehabilitation, and palliative care

UHC **does not mean free access** to every possible health service for every person. Every country has a different path to achieving UHC and deciding what to cover based on the needs of their people and the resources at hand.

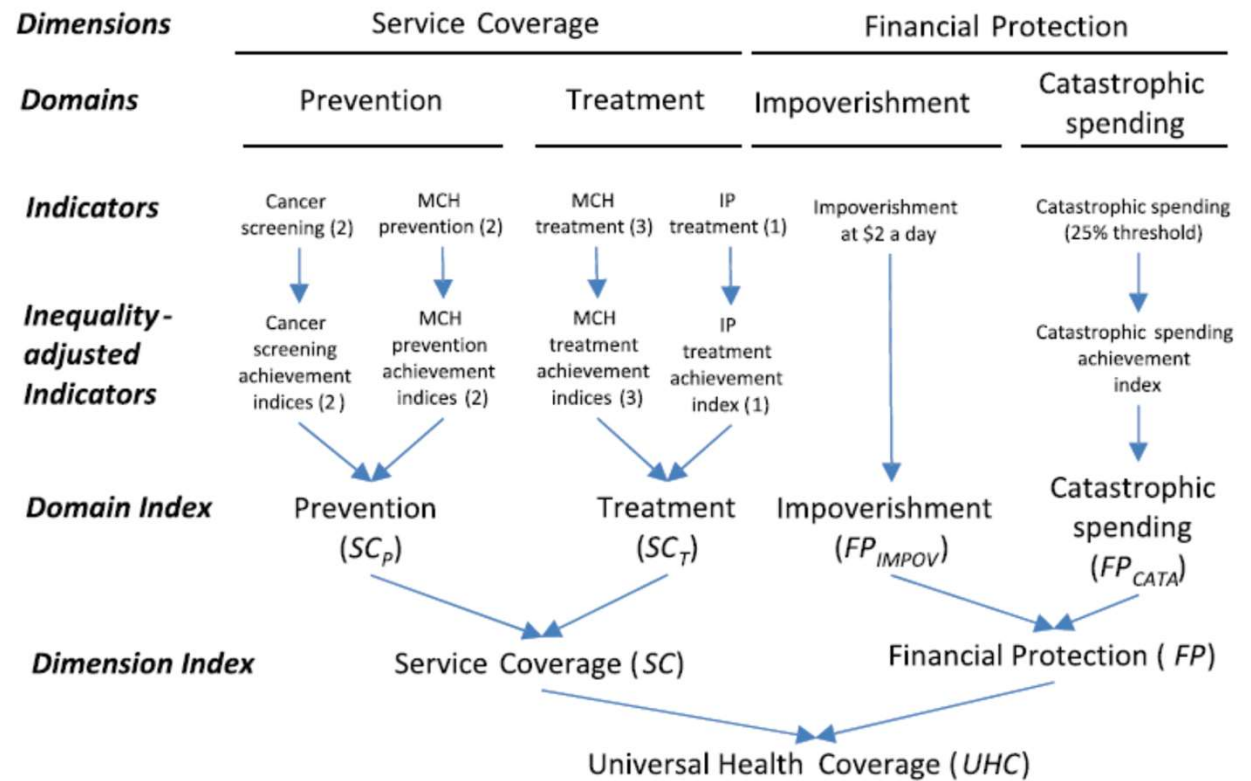Half of the world's population do not have access to the health care they need

100 million people are driven into poverty each year through out of pocket health spending

Over 930 million people spend at least 10% of their household income on health care

75% of national health policies strategies and plans are about moving to UHC

The UHC Index

UHC measurement:

- Access rather than (theoretical) provision
- Outcomes (link to SDGs)

Figure 1: The principles underlying the UHC Index

Towards UHC in Africa

BUILDING BLOCKS

Affordable and sustainable

Accessible

Quality outcomes

Index value by quintile

≥77
70-76
62-69
46-61
≤45

Not applicable
Data not available

0   850 1,700   3,400 Kilometers
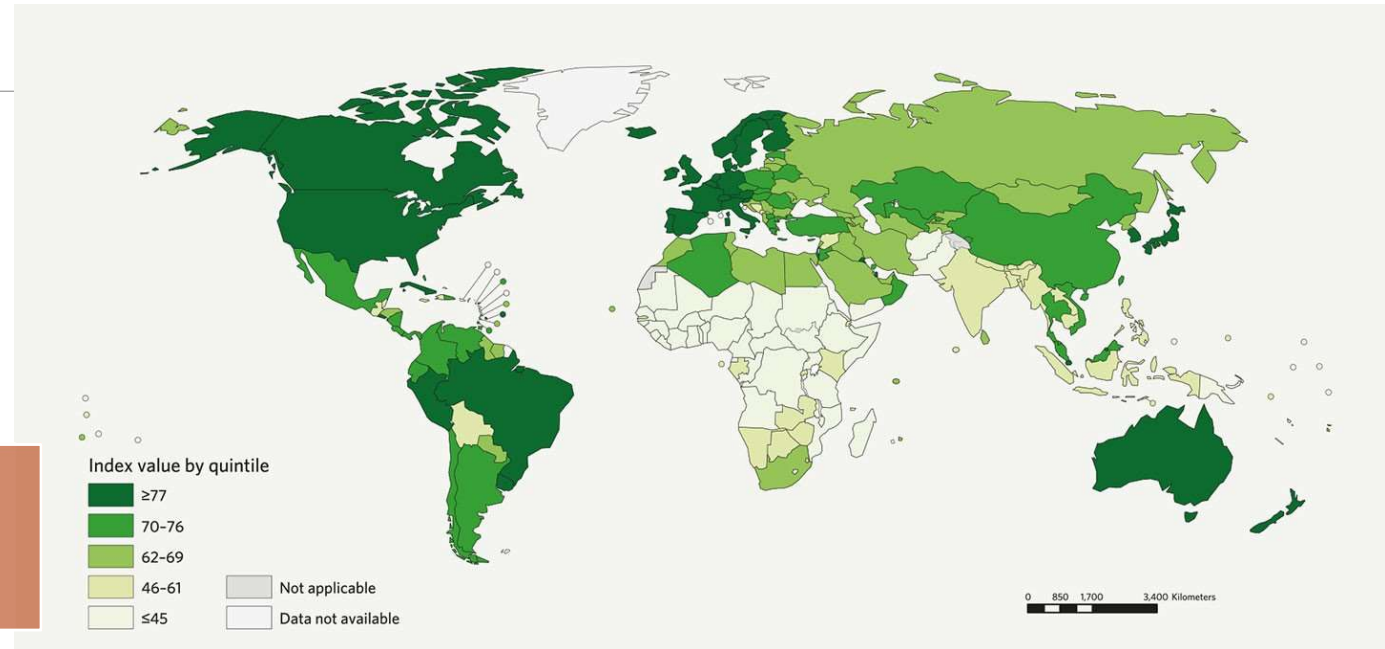
4 radical shifts required to achieve Universal Health Coverage worldwide

© World Economic Forum
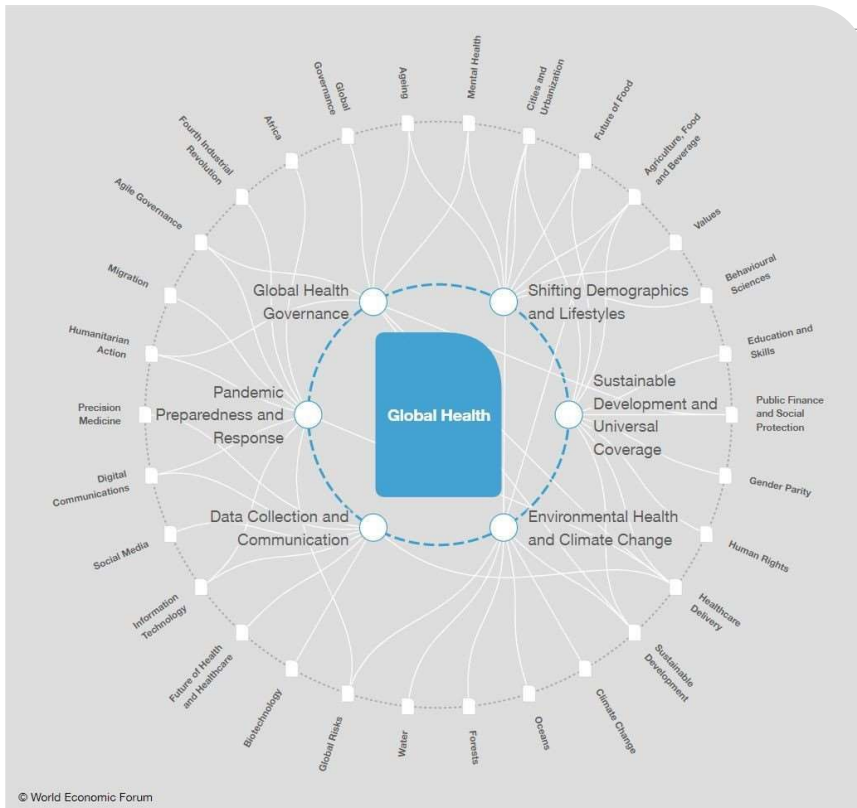
1 Primary care – investment in health promotion and disease prevention

2 Health workforce transformation – transform and invest in workforce training and delivery models based on a sustainable skills mix

3 Price transparency for medicine – ensure universal essential drug availability

4 Emphasis on equity – requires new and data-driven approaches to reaching vulnerable groups

Health expenditure in sub-Saharan Africa

Current health expenditure (CHE) as % of GDP	4.92
Per capita (US$ PPP)	188.17
% OOP of current health expenditure	30.35%
Gov expenditure as % of CHE	41.52%
Gov health expenditure as a % of total Gov exp	2.11% to 15.29%

SA = 1 156.66

Zimbabwe = 118.13

https://data.worldbank.org/

In 2001, African Union countries set a target of allocating at least 15% of their budget each year to the health sector, known as **the Abuja Declaration.**
As recently as February 2023, African leaders recommitted to implementing the Abuja Declaration Target.
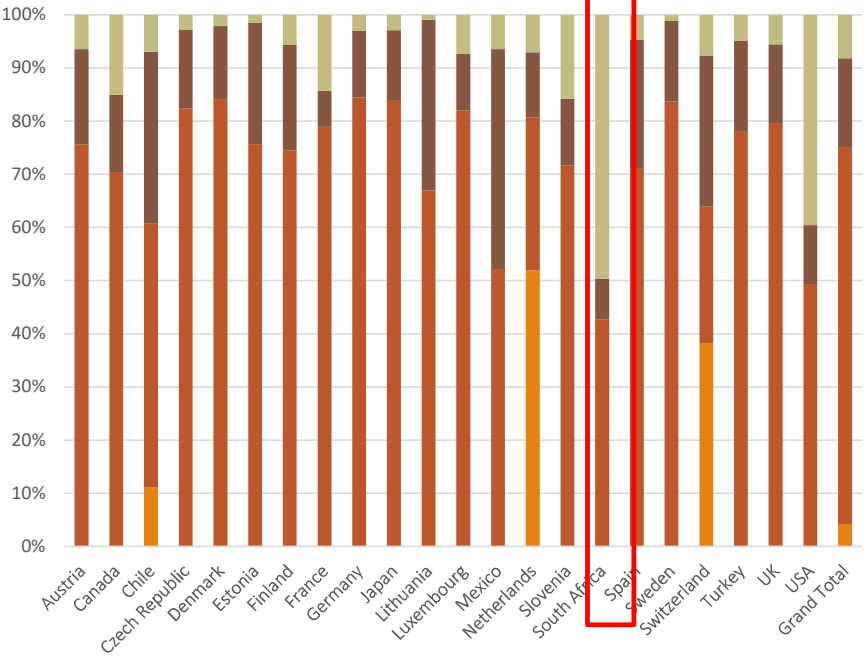In 2020, only South Africa met the target.

Finding the balance

WHO Health Expenditure database 2015
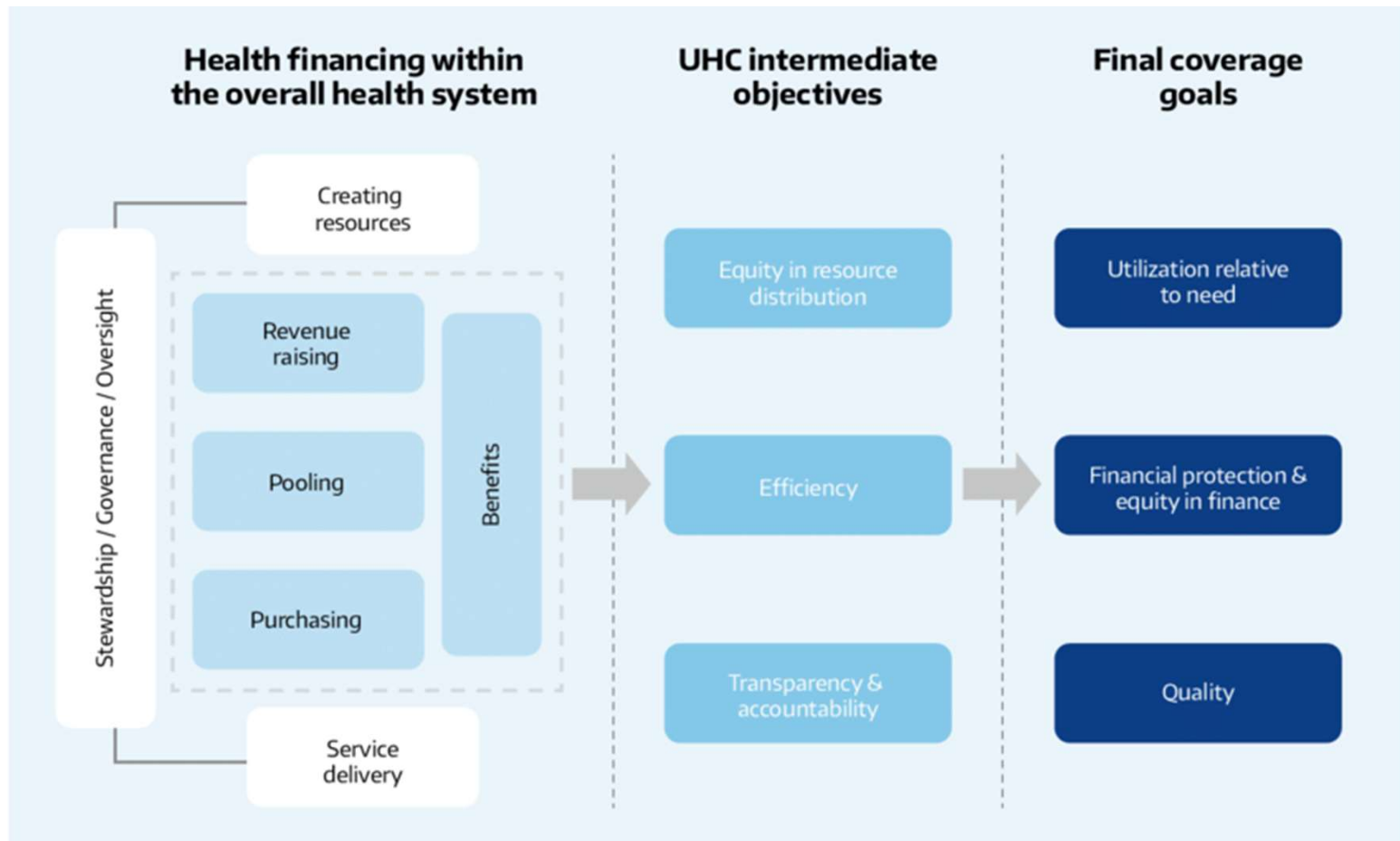

Healthcare financing (PPP per capita)
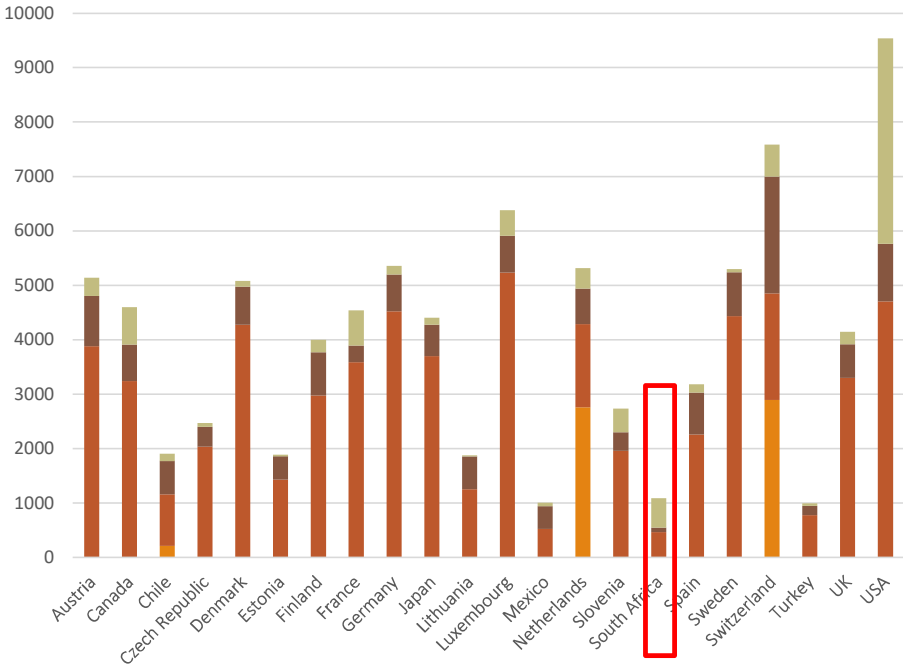
Healthcare financing (% allocation)

- Compulsory private insurance schemes
- Government schemes
- Household out-of-pocket payment
- Non-resident schemes
- Voluntary health schemes

UHC Goals and Intermediate Objectives

Health financing dilemmas

- ➢ Opportunity costs for other programs
- ➢ Balancing tax burden across the population – unintended consequences
- ➢ Impact on economic activity / substitutive effects
- ➢ Burden of debt financing

Tax allocations

Employer funding

Financing for equity

User fees

Debt

Dedicated taxes

Implications different for VAT, payroll taxes, dedicated taxes
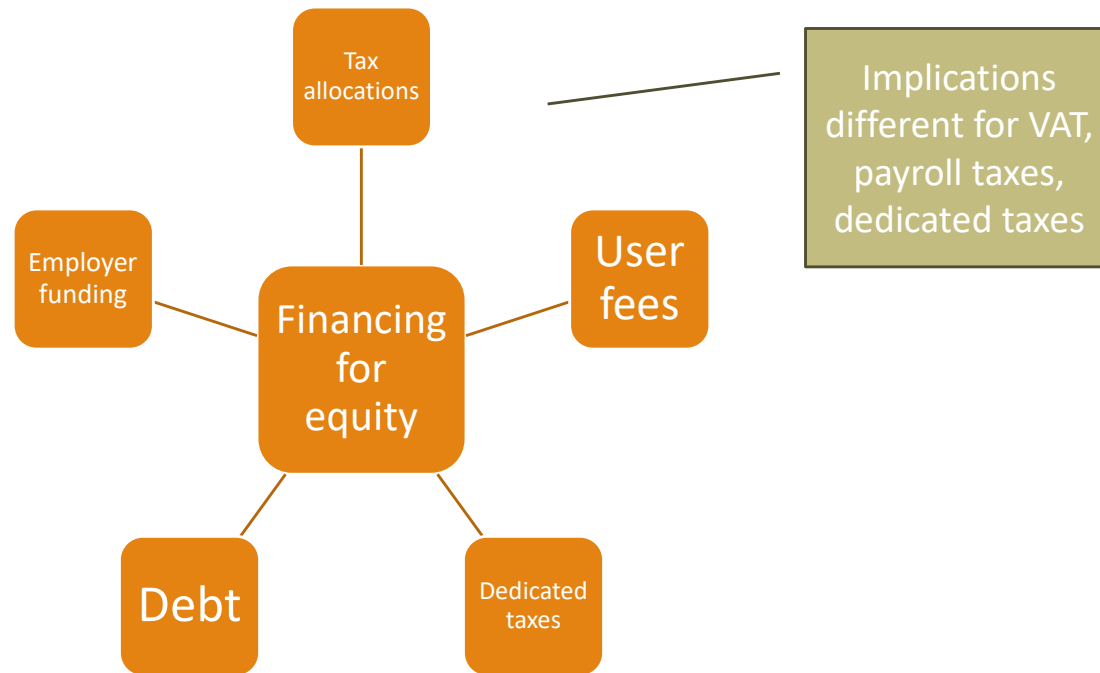
South Africa

International Health Funding Report

- International Actuarial Association Health Section (IAAHS);
- the Society of Actuaries (SOA) International Section; and
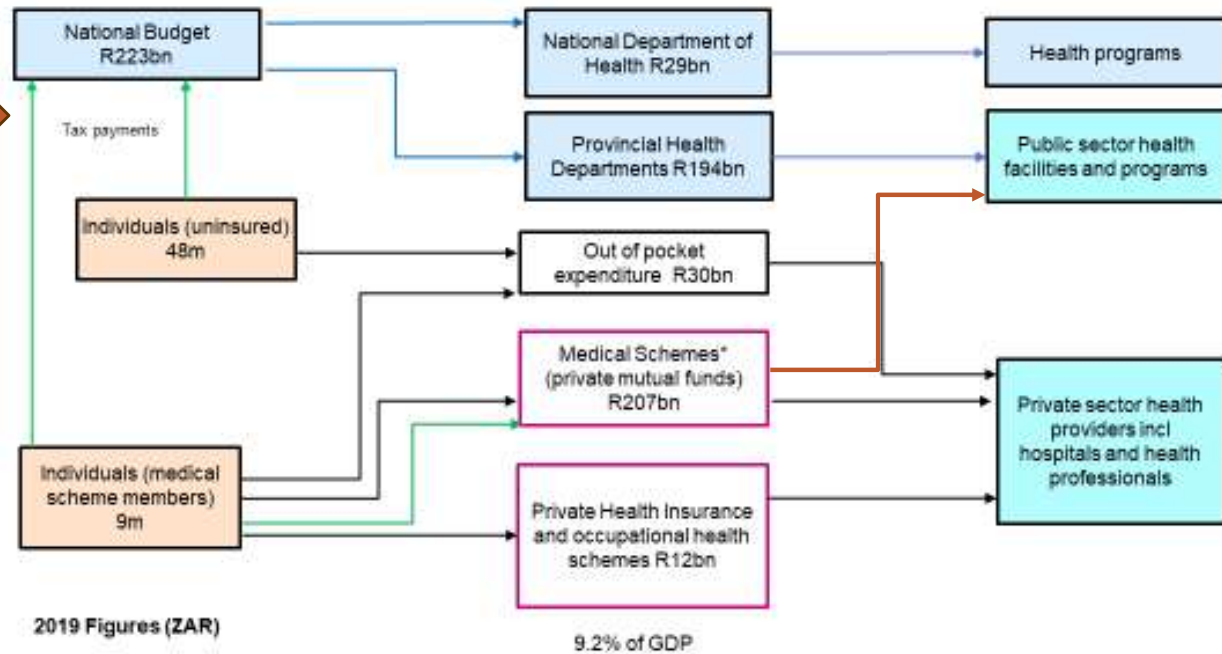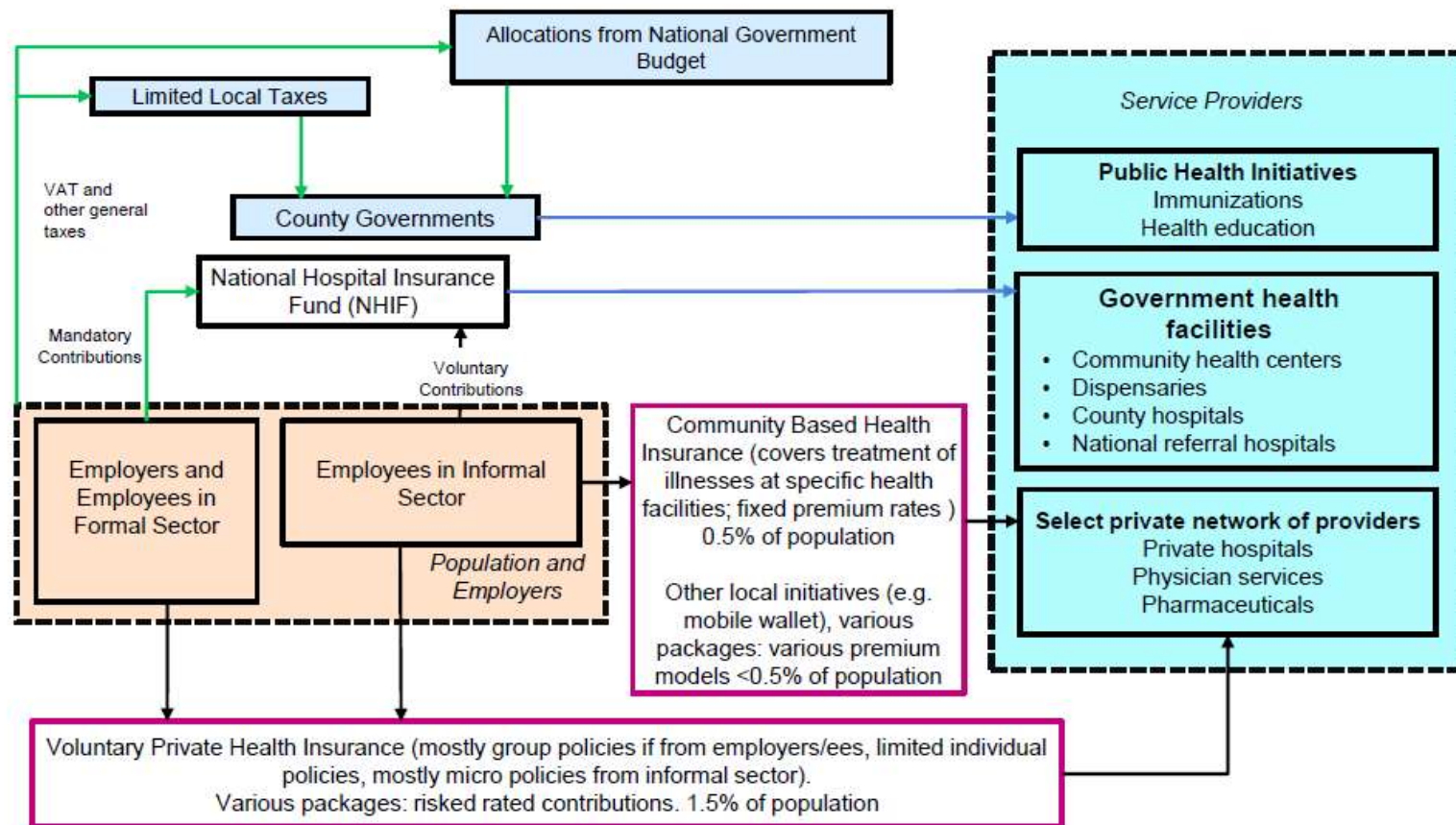- the American Academy of Actuaries (AAA) Health Practice International Committee (HPIC)

National Budget R223bn

National Department of Health R29bn

Health programs

Tax payments

Provincial Health Departments R194bn

Public sector health facilities and programs

Individuals (uninsured) 48m

Out of pocket expenditure R30bn

Medical Schemes* (private mutual funds) R207bn

Private sector health providers incl hospitals and health professionals

Individuals (medical scheme members) 9m

Private Health Insurance and occupational health schemes R12bn
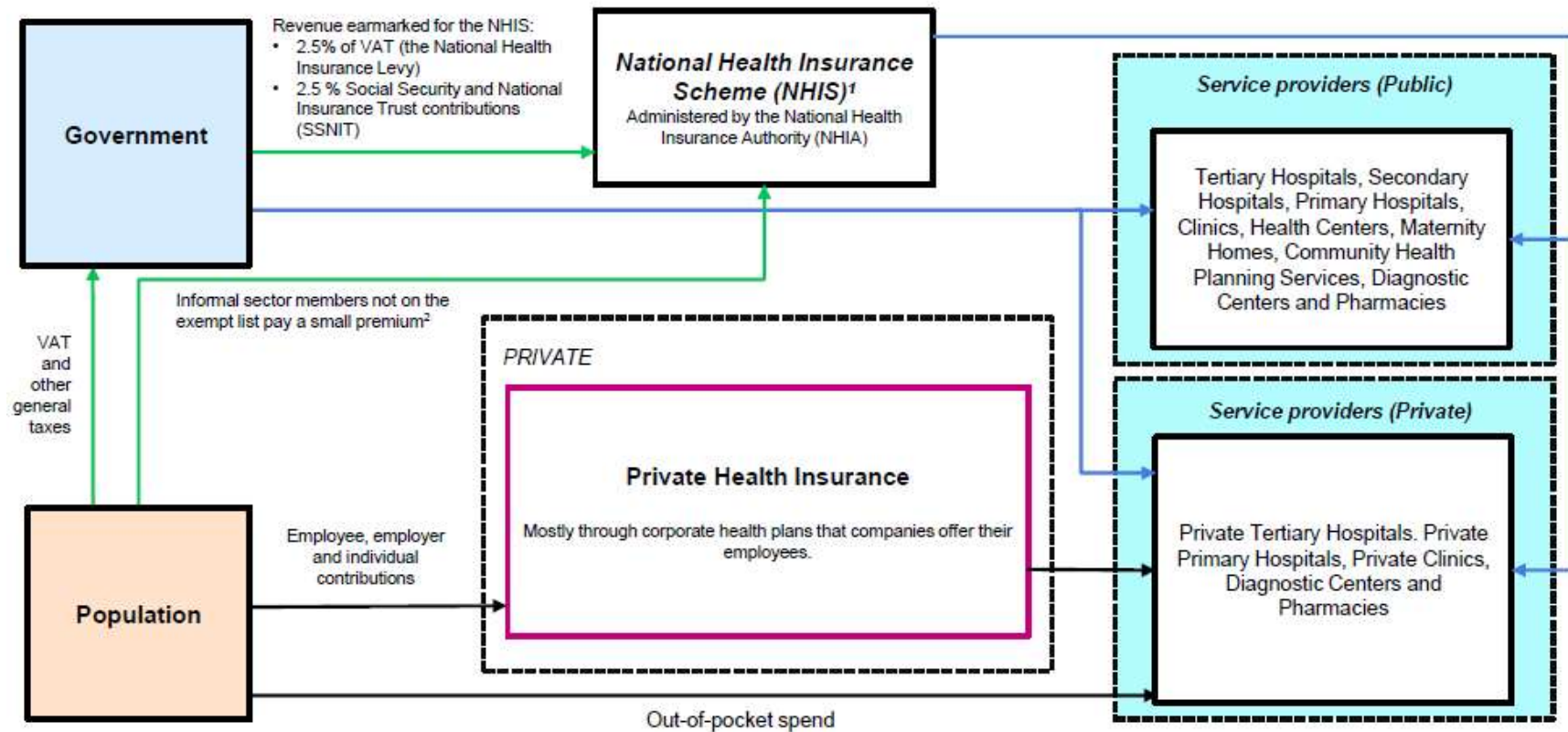
2019 Figures (ZAR)

9.2% of GDP

*Medical schemes are regulated mutual funds that are required to cover prescribed minimum benefits but can also offer supplemental cover

36

Kenya

Ghana

Government

Revenue earmarked for the NHIS:
- 2.5% of VAT (the National Health Insurance Levy)
- 2.5 % Social Security and National Insurance Trust contributions (SSNIT)

National Health Insurance Scheme (NHIS)[1]
Administered by the National Health Insurance Authority (NHIA)

Service providers (Public)

Tertiary Hospitals, Secondary Hospitals, Primary Hospitals, Clinics, Health Centers, Maternity Homes, Community Health Planning Services, Diagnostic Centers and Pharmacies

Informal sector members not on the exempt list pay a small premium[2]

VAT and other general taxes

PRIVATE

Private Health Insurance

Mostly through corporate health plans that companies offer their employees.

Service providers (Private)

Private Tertiary Hospitals. Private Primary Hospitals, Private Clinics, Diagnostic Centers and Pharmacies

Population

Employee, employer and individual contributions

Out-of-pocket spend

Do we have UHC in SA?
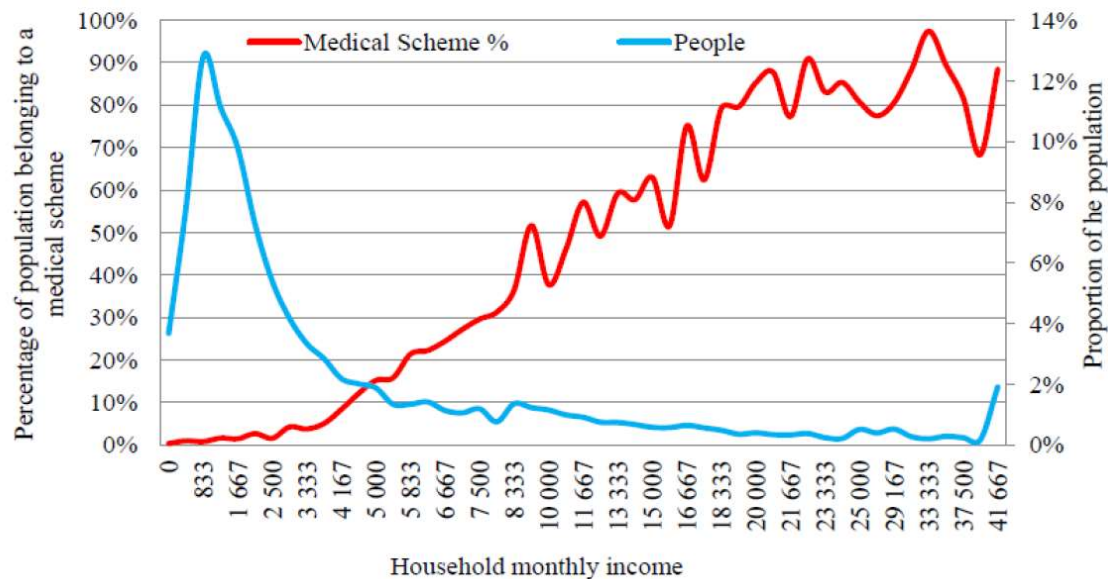

| State funded public health | Regulated medical schemes | Out of pocket payments |

Challenges and opportunities

Figure 3: Income distribution and medical scheme membership

Challenges
- Affordability
- Out of pocket funding
- Human resources for health
- Infrastructure
- Fragmentation and maldistribution

Opportunities
- Organised employment platforms
- Resourced private sector
- Risk management expertise
- Digital health developments

The actuarial skillset

Understanding risk

Balancing stakeholder interests

Public interest professional promise

Quantification skills

Combining economic and demographic modelling
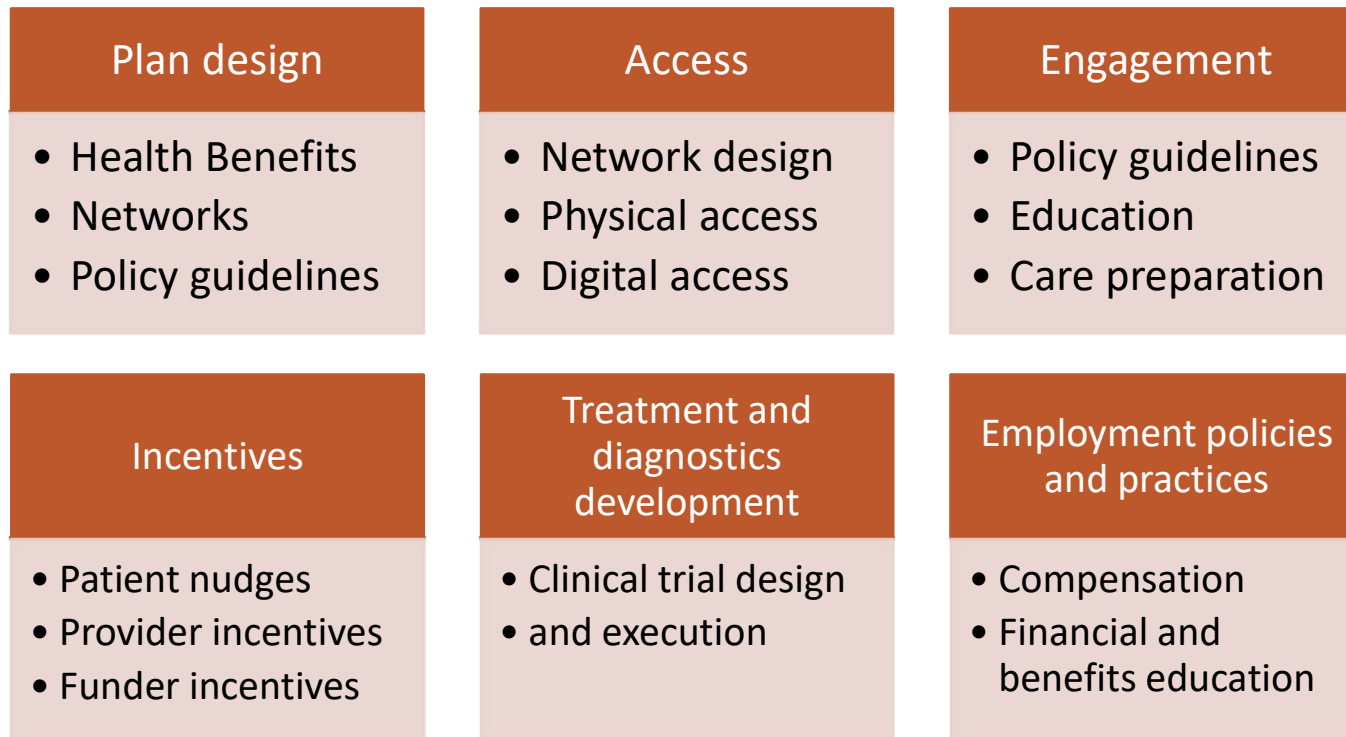
Spheres of influence and concern

Spheres of Concern

- Income
- Education
- Environment
- Societal Bias
- Health Policy

Spheres of Influence

- Insurance and plan design
- Access
- Engagement and delivery
- Incentives
- Treatment and diagnostics development
- Employment policies and practices

Plan design
- Health Benefits
- Networks
- Policy guidelines

Access
- Network design
- Physical access
- Digital access

Engagement
- Policy guidelines
- Education
- Care preparation

Incentives
- Patient nudges
- Provider incentives
- Funder incentives

Treatment and diagnostics development
- Clinical trial design
- and execution

Employment policies and practices
- Compensation
- Financial and benefits education

Addressing inequity through spheres of influence

https://terrygroup.com/a-new-way-to-think-about-health-equity-understanding-spheres-of-influence-and-concern/

What have we learnt from Covid ?

Collective approach to Covid management

- Importance of disease burden
- Funding model
- Enhancing state capacity
- Regulatory changes
- Interconnectedness of sectors

Vaccine roll-out

- Public-private collaboration for vaccine procurement
- Unitary approach to vaccine access
- EVDS as single data collection tool
- Private sites to bolster access

And as a profession

- Identify trusted data sources
- Need for reliance on other experts
- Agility and open mindedness as the information changes
- Sensitivity to the impact of risk
- Diversity of thought and respectful engagement yields the best outcomes

Common benefit

Funding behind the scenes

Free at point of service

Delivered at public and private facilities

Acceleration of shift to new models of healthcare delivery following COVID-19

Pre-COVID	COVID-19	TODAY

Hospitals

Pathology

Consultations

No single model for delivering UHC – and private provision CAN support UHC

Health Coverage Around the World
Who is covered, and how?

Universal coverage with single-payer system
Everyone is covered by a national health-care plan that is fully funded by the government, the "single payer."

Universal coverage with multi-payer system
Everyone is covered under a national health system that has competing insurers, with private options available for those who can afford them.

UHC

Multi-payer system with no universal coverage
Not everyone has coverage. Those who do have insurance are covered either through specialized government programs or private insurers.

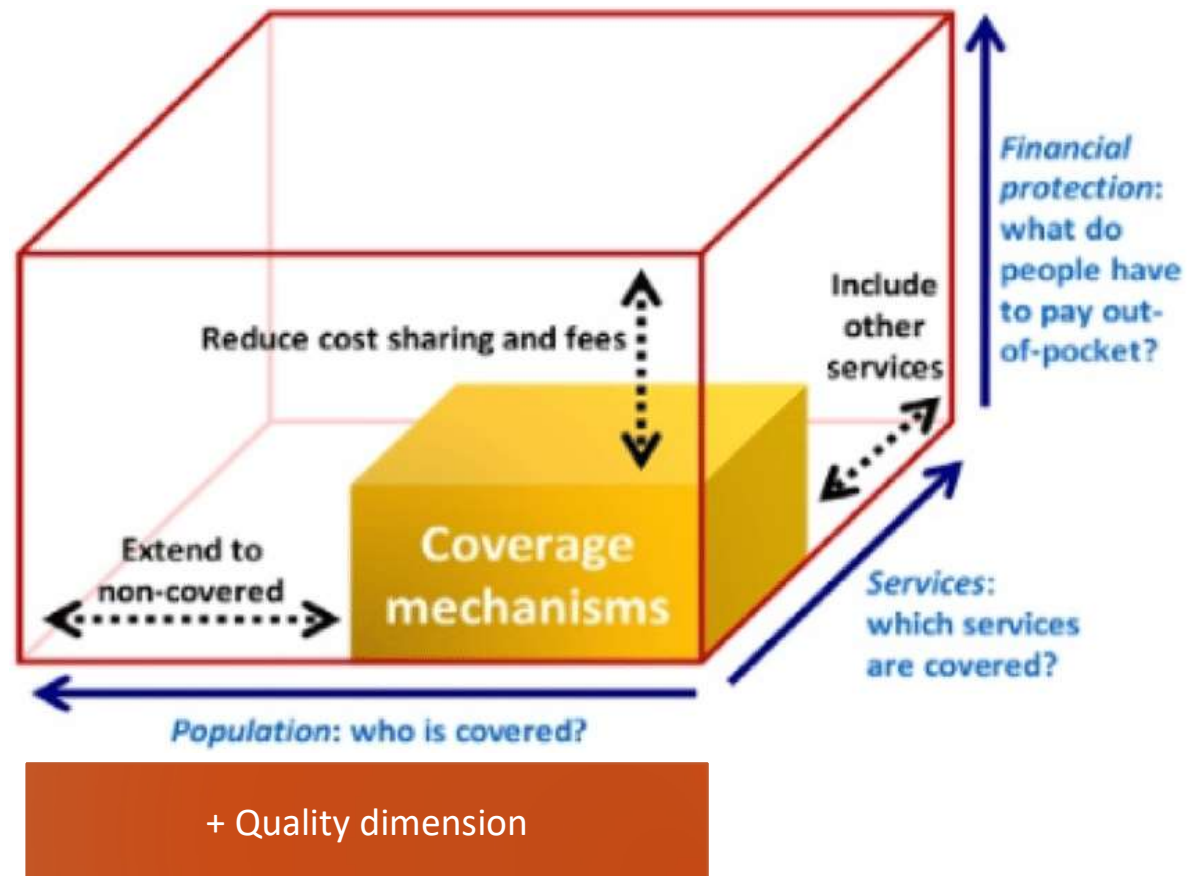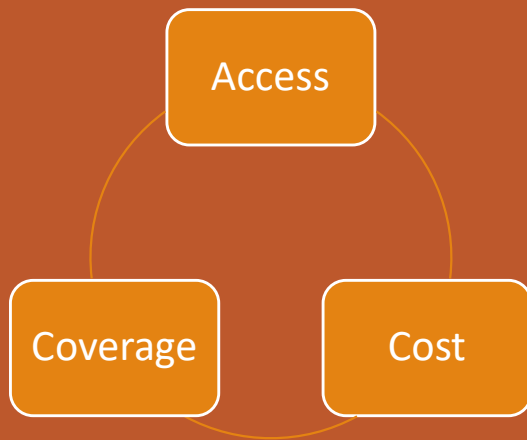**No national health-care infrastructure (fully out of pocket)**
No government options exist to offer people coverage. Individual care providers and aid organizations offer specific health services, but access is limited.

World101

THE SECRET TO GETTING AHEAD IS GETTING STARTED.
— Mark Twain —

Tough choices for UHC:

Access

Coverage

Cost

Reduce cost sharing and fees

Include other services

Financial protection: what do people have to pay out-of-pocket?

Extend to non-covered

Coverage mechanisms

Services: which services are covered?

Population: who is covered?

+ Quality dimension

Nnaji et al. (2021). Implementation research approaches to promoting universal health coverage in Africa: a scoping review. BMC Health Services Research. 21. 10.1186/s12913-021-06449-6.

Private primary care cover to support UHC

The introduction of primary care cover will allow South Africa to accelerate its progress towards universal health coverage (UHC)

Enabling lower income lives to purchase private cover alleviates pressure on State funds

Public resources can be directed on interventions targeting the poor.

Enhanced primary care access improves health status and productivity.

Supports the drive towards UHC

Building a resilient health system

➢ Needs to be able to mitigate, adapt to and recover from shocks and stresses (USAID)

➢ Works across public and private sectors and involves communities

➢ Appropriately trained and equipped workforce

➢ Responsive to population health needs – tracks threats

➢ Ensures quality health services, efficient use of resources

➢ Realistic financing model – harnessing public and private funding

➢ Integrates with global co-ordination and support

Underpinned by sound and responsive governance framework