



ADB – JAPAN FUNDS WEEK

27 JUNE – 1 JULY 2022

TOWARDS A PROSPEROUS AND
RESILIENT ASIA AND THE PACIFIC



From
the People of Japan

Universal Health Coverage

Session 3: ADB–Japan Scholarship Program Symposium Knowledge for Development

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TOWARDS A PROSPEROUS AND RESILIENT ASIA AND THE PACIFIC



JFPR
Japan Fund for Prosperous and
Resilient Asia and the Pacific



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Presentation Outline

- What is UHC and why does it matter?
- How has Asia Pacific region performed on UHC?
- What are the lessons learned?
- What can and should ADB do to support UHC?

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What is UHC?

Defining UHC: UHC is about “... ensuring that all people can use the *promotive, preventive, curative, rehabilitative, and palliative health services they need*, of sufficient quality to be *effective*, while also ensuring the use of these services does not expose the user to *financial hardship*.”

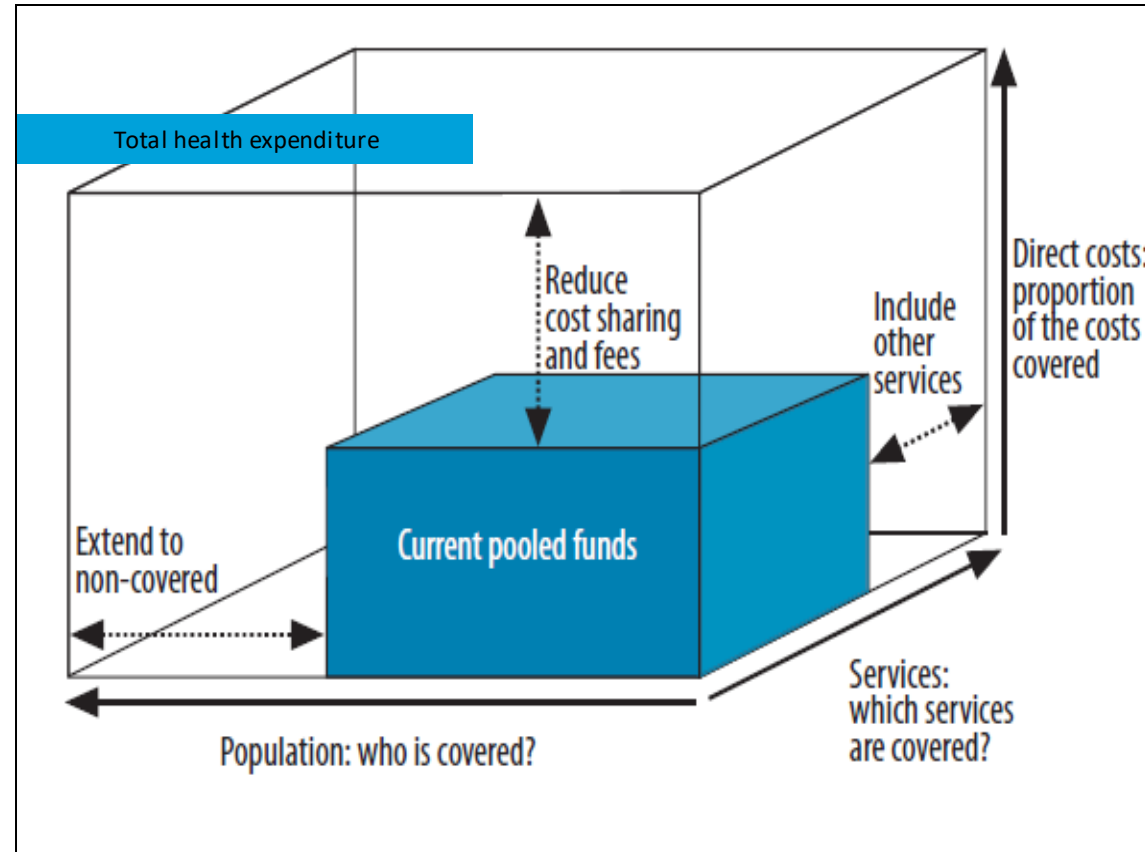
Conceptualizing UHC

Three Dimensions:

Population coverage
("breadth");

Service coverage
("scope");

Financial coverage
("depth").

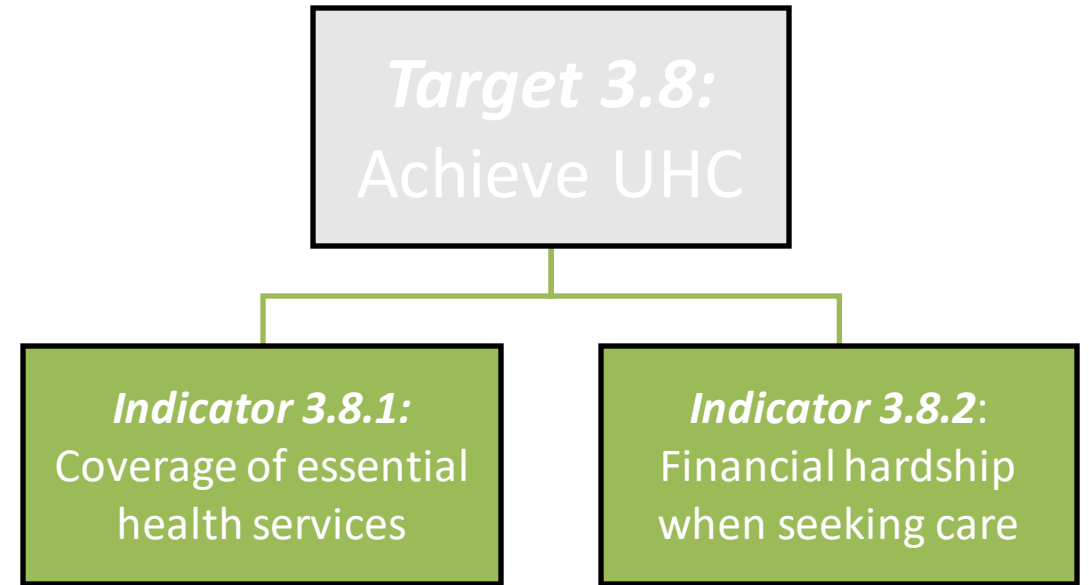


Why does UHC matter?

- Good health is a key element of quality of life
- Healthy population is prerequisite for a nation to be wealthy
- Healthcare expenditures pose greater pressure on the poor and the vulnerable
- Without UHC, fighting poverty is like “filling a leaky bucket”

UHC is an SDG

SDG 3: 'ensure *healthy lives* and promote well-being for all ages'

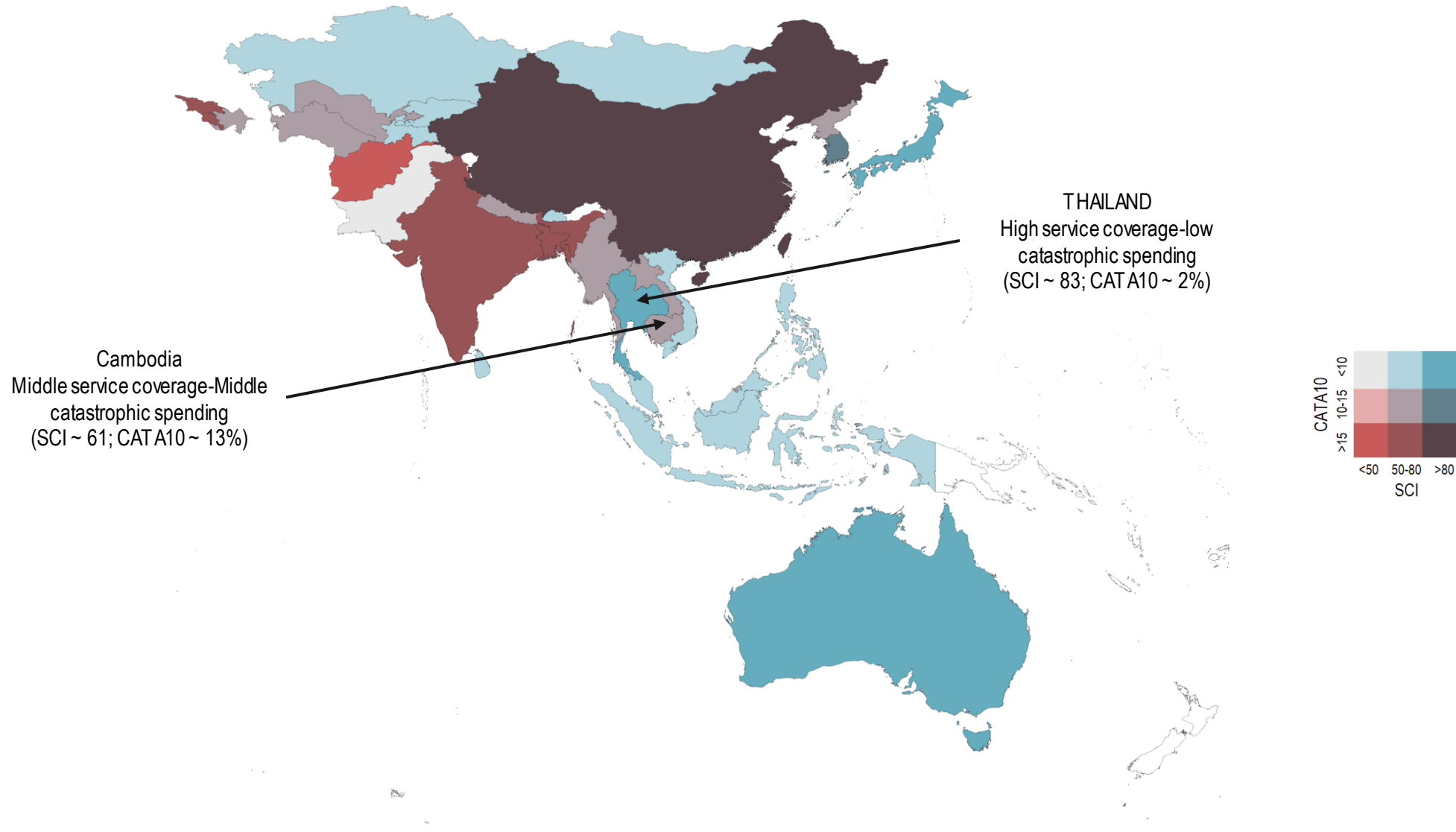


Presentation Outline

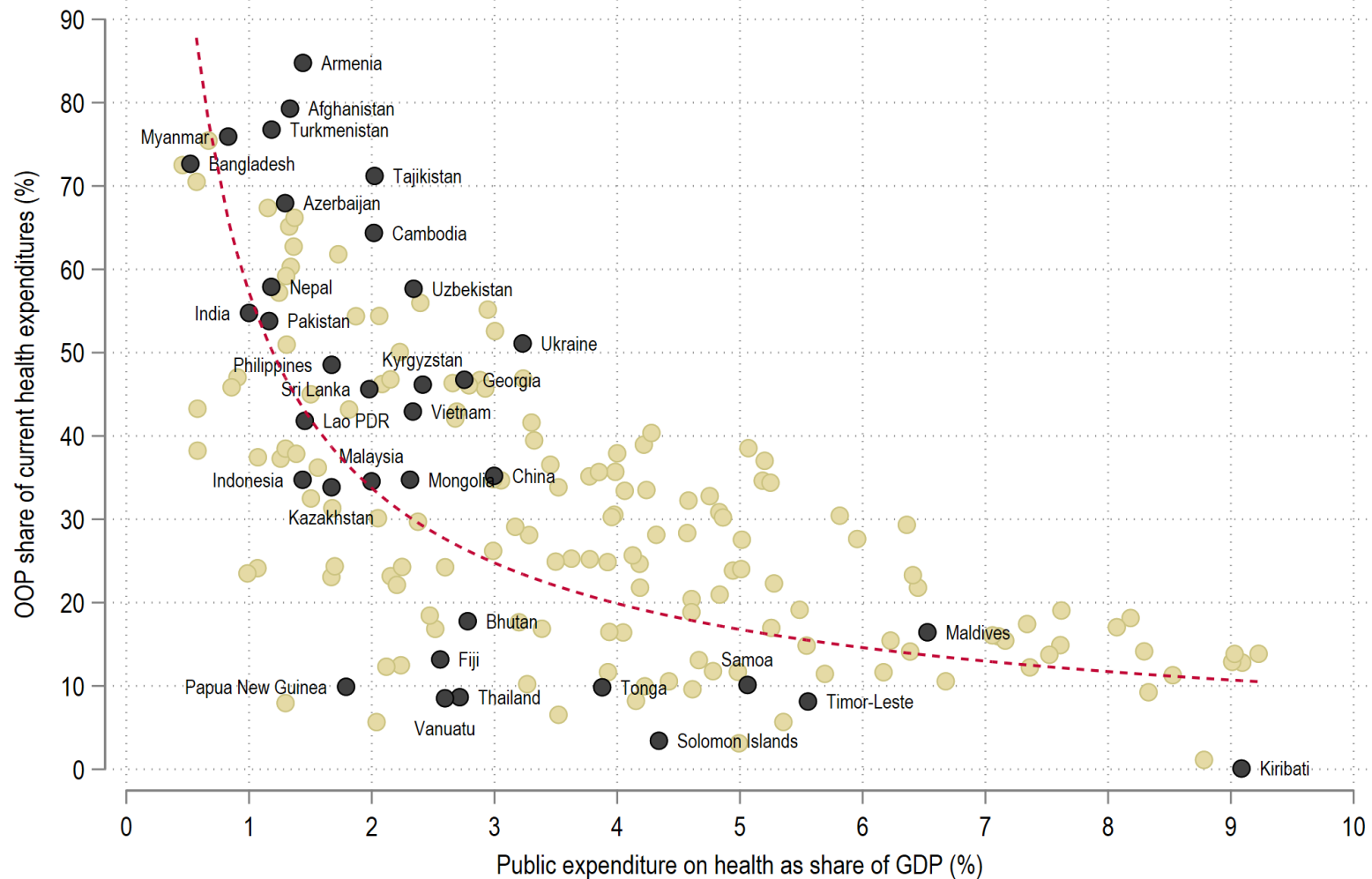
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UHC Attainment in Asia-Pacific

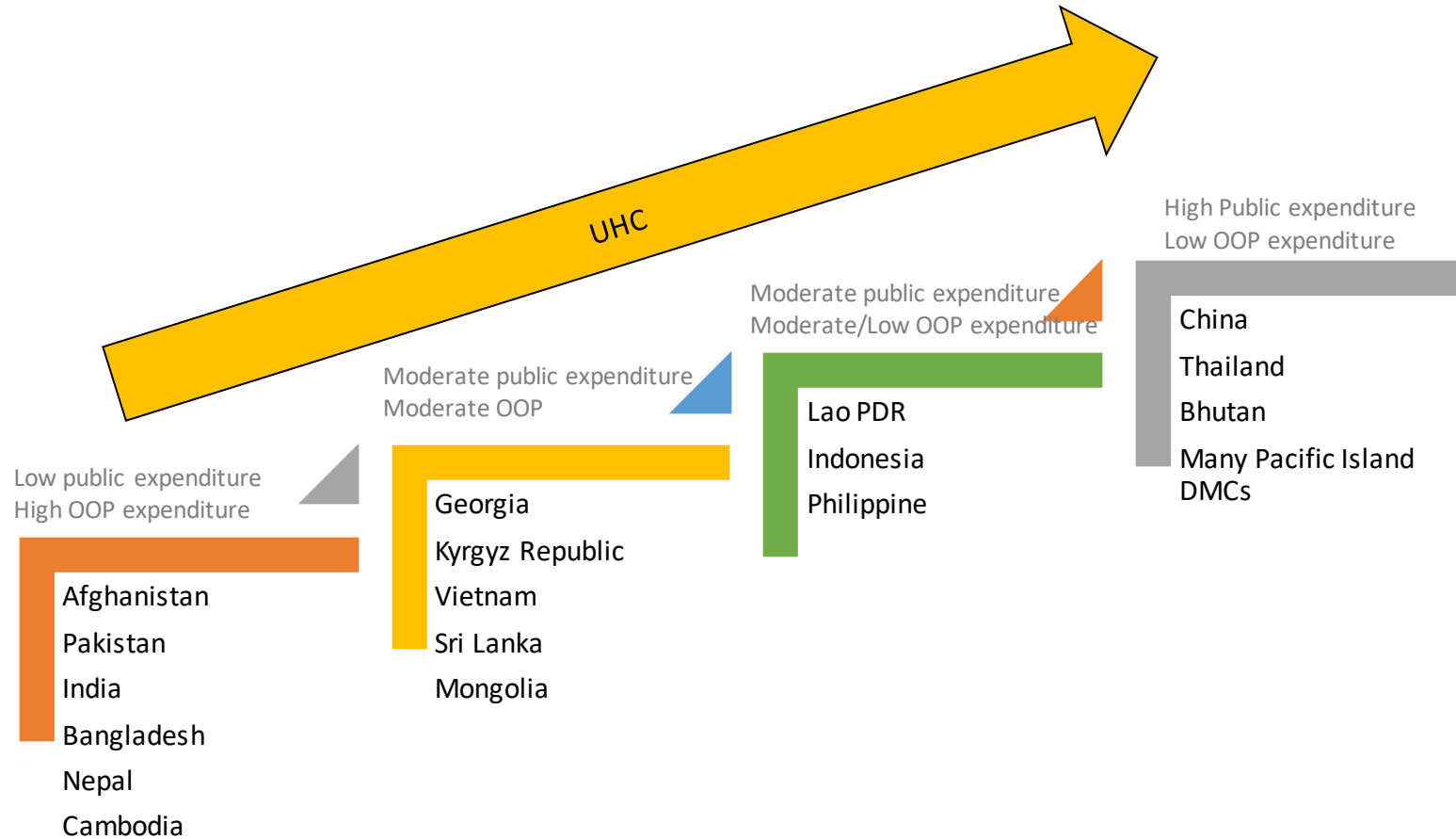
Service Coverage Index and Catastrophic Health Spending at 10%



Greater public expenditure reduces out-of-pocket expenditure...



Financial protection remains a critical gap in UHC in most countries....



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1. Public financing plays a key role in UHC...

- Without adequate public financing, UHC cannot be achieved.
- Compulsory prepayment along with full subsidization for the poor is needed.
- Voluntary health insurance plays a relatively marginal/complementary/supplementary role for UHC.
- Social Health Insurance \neq UHC: many countries don't use insurance modality (e.g., Brazil, Malaysia, UK, etc.).

2. Covering the near-poor and vulnerable (not just poor) is important...

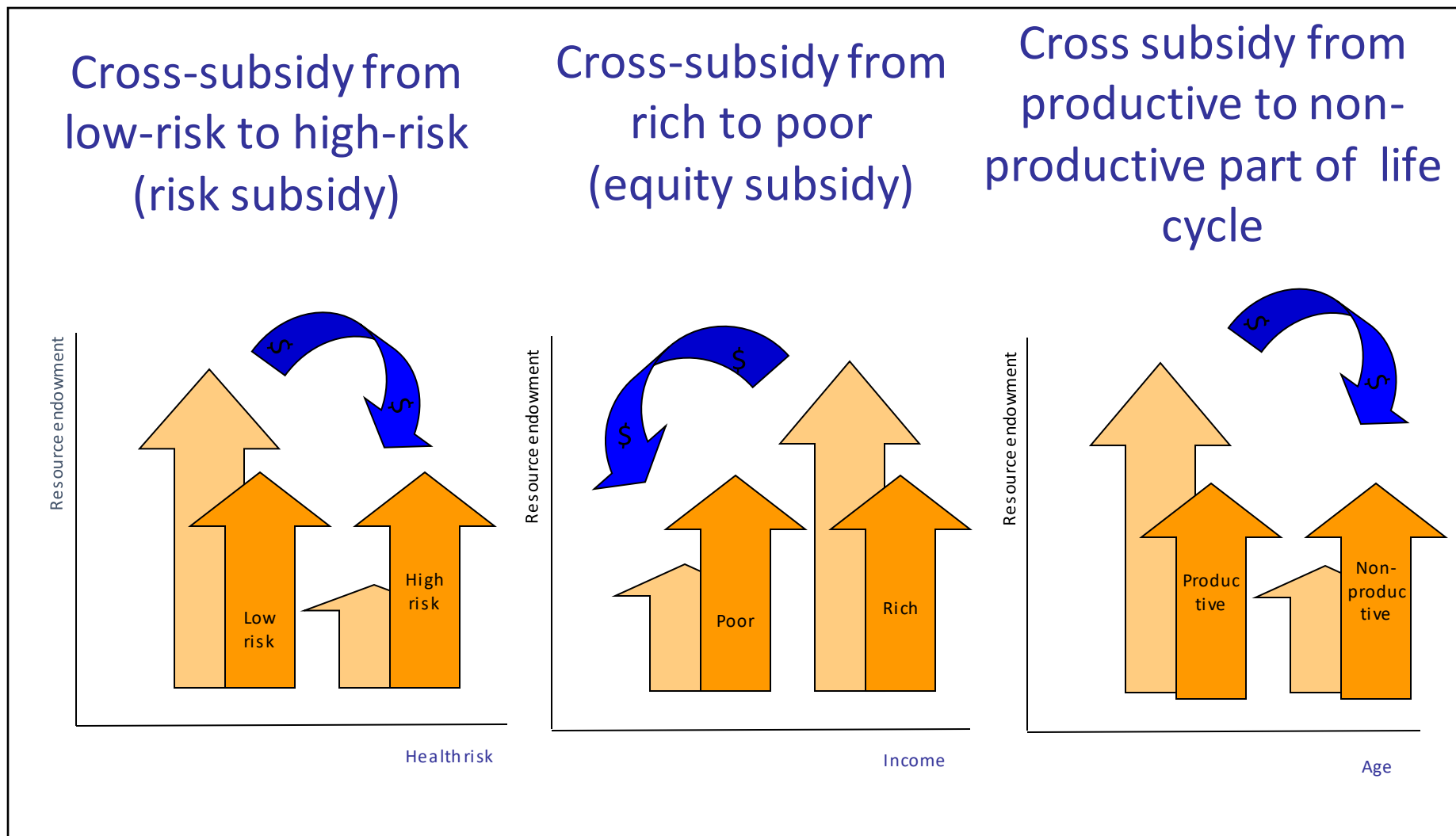
- Lot of 'heaping' just above the poverty line across many countries. Even small health-related (or even other) financial shocks → impoverishment.
- Financial protection necessary also for near-poor: the difference in average household consumption even between the 40th percentile and 80th percentile is significantly less than typical cost of hospitalization.

3. Strong Primary Health Care is critical for achieving UHC..

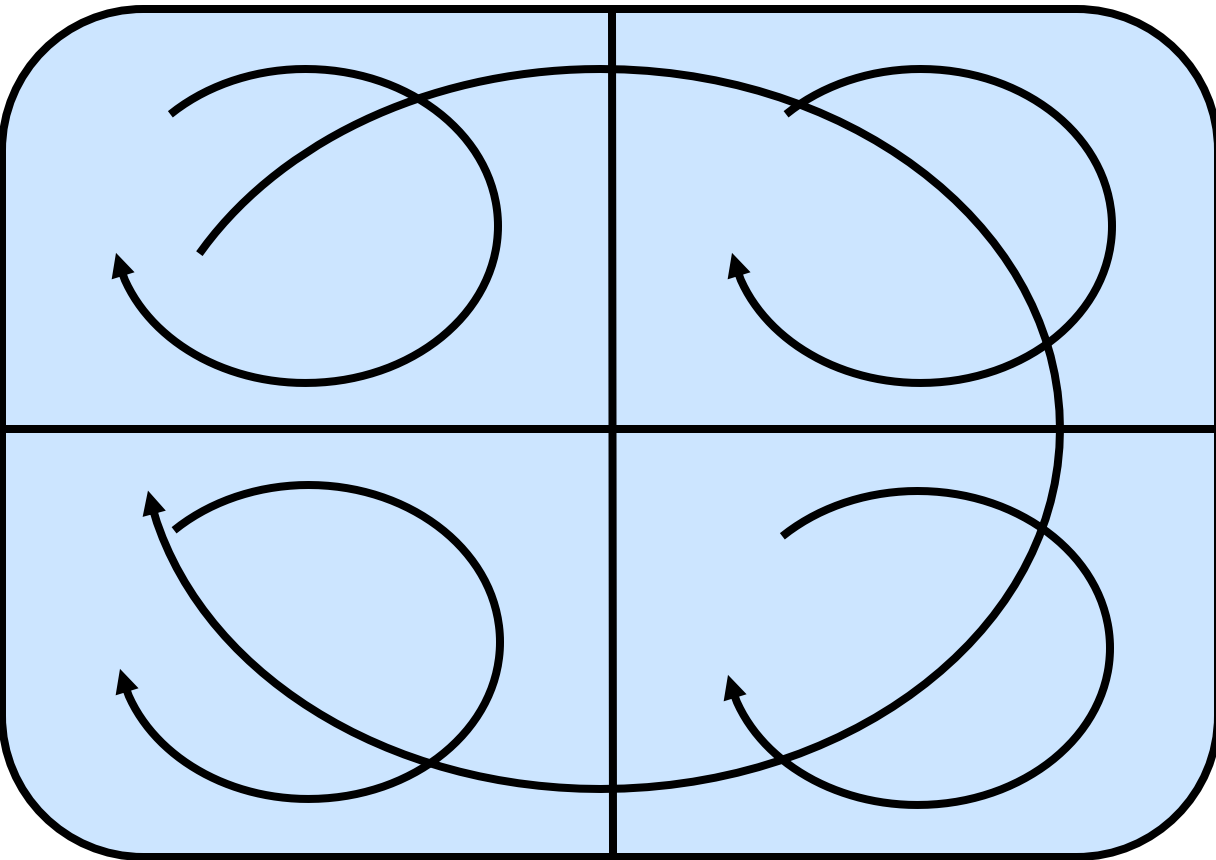


- UHC can only be sustainably achieved by building stronger, equitable and resilient PHC-oriented systems.
- Substantial investment in primary health care is required.

4. Risk pooling & Redistribution Necessary for UHC



5. Fragmentation reduces redistributive capacity



Source: Joe Kutzin

Aim of pooling is to improve financial protection and equity in resource distribution

Pooling structure determines redistributive capacity

For UHC objectives, a good pooling arrangement is compulsory, large, and covers diverse health risks

Fragmentation is the enemy and can be addressed through reforms in the pooling of funds...

6. Some Common Problems with Prepayment/Pooling need to addressed...

Adverse Selection

- Low-risk individuals may opt-out of risk pool.

Cream Skimming

- Risk pooling agencies (such as insurance companies) may want to seek out healthier members to keep costs and expenditures low.

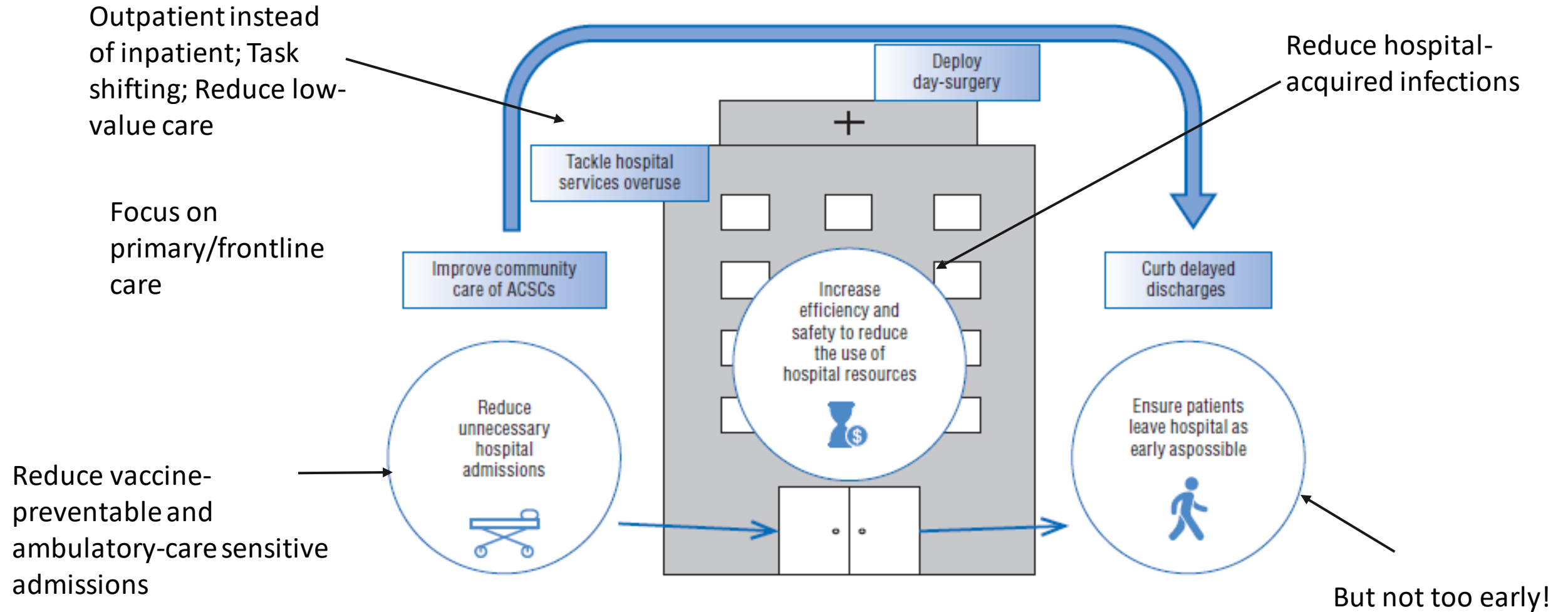
Moral Hazard

- Excessive consumption of medical services by individuals under prepayment systems.

Principal-Agent Problem

- Information asymmetry between supplier (doctor) and demander (patient), hence potential for 'overutilization' of diagnostic tests and other care.

7. Improving health system efficiency is needed to ensure good services...



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DMCs need and willing to take support for achieving UHC...

- Policy regime needs reform in many DMCs
- Capacity for implementing reforms needs to be strengthened in most DMCs
- Large financing gaps for achieving UHC exist in almost all DMCs

ADB instruments are highly suited for supporting the march towards UHC...

- Achievement of UHC needs a whole-of-society approach involving both public as well as private sector: ADB can work with both
- ADB's Results-Based and Policy-Based Lending modalities can ensure support for policy reforms as well as achievement of results
- ADB's Technical Assistance program can help with sector analysis and capacity building
- ADB is uniquely placed to provide regional assistance that can help in cross learning and sharing of resources

Thank you!

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