

Voice of America

## Developing Countries Strive to Provide Universal Health Care

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A new study shows progress being made by nine developing countries in Asia and Africa in creating universal health care systems. They are Ghana, Rwanda, Nigeria, Mali, Rwanda, India, Indonesia, the Philippines and Vietnam.

The study is part of a series of articles on health reforms published in the scientific journal The Lancet.

Statistics help tell the story. They show how far these countries have come in extending health care to ever-widening sections of society, including the poor.

According to the study (called "Moving Towards Universal Health Coverage: Health Reforms in Nine Developing Countries in Africa and Asia") more than three-quarters of the populations of Rwanda and the Philippines are now enrolled in health insurance programs. About half are covered in Ghana, Vietnam and Indonesia.

Countries in the early stages of reform, like Mali, Kenya, India and Nigeria, cover less than 20%.

The nine countries have each reached a national consensus on the need to extend health care, but their approaches vary.

### Improving Revenues

Gina Lagomarsino, a managing director at the Washington-based group Results for Development, said finding a stable source of funding is essential.

Some comes from donors, which often provide funding for specific programs to fight malaria, tuberculosis and HIV/AIDS. The report says donor contributions make up about half of all health care funding in Rwanda and about a third in Kenya, but much less in other countries.

The majority of the funding in most countries comes from state revenues.

In Kenya, taxes are deducted from the paychecks of civil servants and others in the formal, or

taxable, sector. Nigeria funds its health coverage for pregnant women and children in part with general revenues made available from debt relief. Some countries, including Rwanda and the Philippines, ask households to pay monthly or annual insurance premiums.

Lagomarsino said in Ghana, which has one of Africa's most successful insurance programs, has a tax devoted solely to health care.

"In 2000," she explained, Ghana instituted a new value-added or sales tax which was earmarked for the National Health Insurance Scheme, and this has provided a pretty steady stream of revenues to [the effort]. It has allowed Ghana to develop a program that's got very comprehensive benefits and offers coverage to the whole population."

"Not that everyone is enrolled yet and the program is far from perfect, but they have been able to significantly increase government revenues and at the same time lower the amount people are paying out of pocket."

### Risk pools

Some countries use incremental measures to reach the goal of universal health care. One way is to create risk pools, or programs devoted to various groups.

The programs of some countries, such as Kenya and Nigeria, began by targeting specific groups, like civil servants and taxable wage earners . The two countries are now working to include women, children and the poor.

Lagomarsino said the goal in many countries is to eventually replace fragmented coverage with one large pool covering everyone.

"It allows for cross-subsidies across populations so wealthier people are paying into the same pool as poorer people," she said. "It's easier to graduate the payments so that the contributions from the wealthy are used to help subsidize the poor. Similarly, the contributions from the healthier can subsidize those of the sicker. So bigger pools means it's more efficient; everyone pays an average cost."

### Private sector support

Many of the nine countries studied in Africa and Asia are also integrating the private sector into their plans to extend health care. Advocates say private service providers can improve choice and access to care.

"We have found that in the countries that we've examined in this study pretty much all of them have set up an independent purchasing agency that allows them to purchase care from providers rather than just handing a budget over to a ministry of health facility," said Lagomarsino.

"And in many of the countries, they have set up a mechanism for purchasing from private sector providers. It varies by country but for example they are doing this in Ghana [and] in Kenya. They also purchase from public providers."

Lagomarsino also said that systems combining public and private health care can prevent the development of a two-tiered system – one catering to the wealthy and the other to the poor. She said with the mixed system, subsidies can be used to extend coverage to the poor. But she notes that involving private providers can create some challenges for assuring quality and preventing fraud.

### Controlling fraud

Lagomarsino said the systems that work best have strong leadership, including skilled civil servants and agencies to ensure that the system functions efficiently.

In the future, technology may help improve delivery and prevent fraud. Mobile phone networks, like Kenya's successful M-pesa, could be used to pay insurance premiums.

Technology may also help prevent fraud.

"There's been a lot of interest," she said, "in a system that's been widely used across India that provides health coverage to the poor, and those people who are enrolled get a SMART card that has biometric data, such as their fingerprints, on it so when they go to receive services, it can be verified that they came and got the service. And then all of the claims are submitted electronically and paid electronically."

Lagomarsino said policymakers will benefit from studying these and other cases to design programs that best fit their own countries. She said it's not just economics, but also culture and politics, that will determine how to provide health care to everyone at an affordable cost.

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