Universal Health Coverage

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Outline of Presentation

• The Challenge of Universal Health Coverage
• The Cube and the Ideal Cube
• Economic principles on public and private payments
• What do we mean by sustainability and what should we mean?
• Managing towards the Ideal Cube.
The Challenge of Universal Health Coverage

- The aim is access to all the population to all services that are good value
- Universal health coverage is not unlimited coverage
- Many vested interests oppose UHC.
The Cube and the Ideal Cube

The 3 dimensions of coverage are usefully described in the UHC Cube

- Who is covered for access to care?
- To what extent are they covered
- For what services are they covered?
Three dimensions to consider when moving towards universal coverage
The Cube and the Ideal Cube 2

• Who should be covered is simple – everyone – there is no advantage in leaving some of the population without coverage

• What proportion of cost should be covered is simple – ideally 100%

• What services should be covered is conceptually simple – everything that is cost-effective in national setting.
Services that are not cost-effective at this cost threshold

100% of costs are covered for these services

100% of population covered for these services

Services that are cost-effective at this cost threshold
Economic principles and health spending

- Economic concerns about higher health spending relate to macroeconomic effects on prosperity and growth
- Some health spending *can* be associated with lower productivity gains (but technology has in fact brought some huge gains)
- *Private and public payments for health care have exactly the same macroeconomic effects.*
What do we mean by sustainability and what should we mean? 1

• Preference for health services is rising and will rise more
• The same is true for holidays and take-away coffee – the difference is we do not have national holidays policies and national coffee policies
• As we become more prosperous we should not be concerned that we will change our priorities
• Sustainability in a growing priority should depend of being efficient, being effective and being equitable.
What do we mean by sustainability and what should we mean? 2

- We must not confuse economic and fiscal sustainability
- Proper economic evaluation considers opportunity cost – something cannot be good value and unsustainable
- It make no sense for a service to be good value and unaffordable.
Managing the Ideal Cube 1

We need

- Continuous, transparent and comprehensive HTA
- Incentives for efficient delivery of services
- Good understanding of wider economic effects of spending
- To accept that useful health spending may increase faster than non-health spending (*but both will increase*)
- We should not indulge poorly specified concepts of sustainability and affordability.
Managing the Ideal Cube 2

• UHC is a dynamic and changing agenda - we will always have arguments about the scope of UHC
• We should **NEVER** believe that user fees are useful to discourage low value service use
• We should **NEVER** believe that useful services are affordable only if we use more private funding – this is bad economics
• We should expect that unwillingness to pay more tax will be disguised as affordability or sustainability arguments.
Services that are not cost-effective at this cost threshold

100% of costs are covered for these services

100% of population covered for these services

Services that are cost-effective at this cost threshold

Love the Ideal Cube
Thank you for your attention