HEALTHY CARIBBEAN COALITION

HCC Caribbean NCD Forum

Financing NCD prevention and control in CARICOM

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ORGANISATION OF PRESENTATION

- Review of Costs of NCDs in the Caribbean
- Current Funding Arrangements
- Context and Financing Strategy
- The Financing/Efficiency Link
- Universal Health Coverage/Universal Health Access
- National Health Insurance to the rescue: how does it work?
- Concluding Comments

REVIEW OF THE ECONOMIC BURDEN OF NCDs (1)

1. In a study on diabetes in the Bahamas, Barbados, Guyana, Jamaica and Trinidad and Tobago, Barcelo et al. (2003) found that:

a) Direct (treatment) and indirect (foregone earnings) costs for these countries amounted to US$1 Billion or 3% GDP
b) Per capita direct cost was US$687 or more than twice total health spending per capita (US$302) at the time.

2. Similarly in a regional study on the economic burden of diabetes and hypertension, Abdulkadri et.al (2009) found that:

Direct and indirect costs stood at US$1.4 billion, or 5.2% GDP

REVIEW OF THE ECONOMIC BURDEN OF NCDs (2)

3. In a World Bank study on the EC countries (2011) and on Jamaica (2012) it was found that

- In EC States, average per cap. health expend. on diabetics (US$536) was 1.3 times total per cap. health expend. (US$435)
- In Jamaica, households with NCD patients spent US$742 per capita on health bills vs average population spending of US$200
- In St Lucia, 36% of out of pocket health spending by households was incurred for NCDs treatment

4. In an Economist Intelligence Unit (2009) study of 8 countries it was seen that for 5 leading cancers (lung, breast, colorectal, prostate and cervical) total direct and indirect costs of ranged from US$1.4 million in Guyana to US$17.6 million in Trinidad and Tobago or 12% of the country's GDP that year!

MAIN FUNDING ARRANGEMENTS (1)

A. Public Measures:

- Budget allocations to Ministries of Health for programs incl. NCDs
- Prescription drug plans in Barbados (1980); Jamaica (2003); Trinidad and Tobago (2003); the Bahamas (2010)

B. Private Measures:

- Direct Out-of-pocket spending
- Private insurance payments—general and 'critical illness' insurance

C. Community Measures: NGOs, national and regional

D. Regional-Subregional Agencies :CARPHA, CARICOM

CONTEXT OF FUNDING REQUIREMENTS

Three dimensions to present context :-

1. Resource-constrained Caribbean economies—
   - *fiscal space constraints (low or negative growth; high debt);*
   - *general double-digit unemployment and poverty levels*
   - *Reduced access to concessionary funds: some countries classified by the World Bank as 'high-income'*
   - *Competition for resources, inter-ministerial and intra-health*

2. Adoption of goals of Universal Health Access and Coverage

3. Introduction of National Strategic Action Plans for NCDs

FINANCING STRATEGY

There are four key aspects of any proposed strategy for financing the NCD response –

1. Modification of current measures and priorities, mainly strengthening the primary level of care
2. Adoption of new funding measures for the health system
3. Improved efficiency of current fiscal spending, including reallocation of public resources (fiscal priority for health)
4. Measures aimed at improved revenue collection

Financing and Efficiency go together

- Although we can lobby for greater fiscal efficiency and for improved revenue collection in the different countries, our main focus will remain with the first two aspects of the financing strategy – the strengthening of primary care and new financing arrangements for the health sector
- There is international evidence which shows that bolstering the capacity of the nation's primary care system actually reduces the long term growth in health care costs.

Financing and Efficiency

- We also have USAID-supported work on the Eastern Caribbean showing that the health systems in the different countries will be much stronger if more emphasis is placed on primary care because a strong primary care system seems to go hand in hand with making the health system more efficient.
- **WHO estimate of waste in health spending:**

20 – 40 %

Pulling the elements together

- When we pull together the NCD financing context, the aspects of the financing strategy and the link between financing and efficiency we come to one conclusion:
- **FINANCING NCD PREVENTION AND CONTROL IS INEXORABLY LINKED TO HOW THE HEALTH SYSTEM IS FINANCED**
- The connecting force is the WHO call for Universal Health Coverage (UHC) and PAHO's Universal Health Access (UHA).
- In a situation where NCDs have become the main health challenge in all our countries we have to take UHC and UHA very seriously
- For UHC and UHA point us to having ACCESS to health care available for everyone, regardless of income and ensuring that no one is FINANCIALLY DISTRESSED because of health

Universal Health Coverage/Universal Health Access

- Since ACCESS and FINANCIAL DISTRESS are precisely the risks that are exacerbated by **chronic conditions**, the time for moving to a different way of financing our health system is opportune.
- This is the message that WHO and PAHO have sending out when countries are encouraged to opt for a **SOCIAL INSURANCE** approach to health financing.
- The evidence shows that countries that minimize out of pocket expenditure(OOP) and emphasize social health insurance are the ones where the health system seems to be working better

Regional Response to WHO/PAHO call

- There are many high OOP countries in the region, but to date, a number of countries in the region have already responded to the WHO/PAHO call and the plea today is for all countries of the region to adopt a health financing system which supports a package of health services which emphasizes the prevention and control of NCDs
- In other words we do NOT want a financing system that gives pride of place our hospitals. Hospitals do not help with the NCD problem.
- In the face of the NCD epidemic what the region needs to put in a place is a social insurance system that will ensure that everyone will have access to the care that will keep them out of hospital!
- What we have in mind is a financing system that focusses on the public health and the primary care services that will keep people healthy even into old age
- National Health Insurance is a cradle to grave financing system which does precisely this

The Regional Picture

- There are **eleven** Caribbean countries which have already adopted a social health insurance system in the form of **National Health Insurance.** One of these –Belize – is a CARICOM member state and four are Associate members.
- There are also **nine** other countries, all CARICOM member states, which are, at present, either in the process of setting up a National Health Insurance or have initiated serious discussions on this matter

Current and Proposed NHI Plans in Caribbean

Universal Coverage; Broad Package

CURRENT NHI	PROPOSED NHI
Aruba	Grenada
Anguilla	St. Kitts/Nevis
Belize	Antigua/Barbuda
Bonaire	Bahamas
BVI	St Lucia
Curacao	St Vincent
Surinam	Dominica
Turks & Caicos	Trinidad & Tobago
Bermuda	Jamaica
Cayman Is	
St Maarten	

Features of NHI

- NHI is the engine that drives the pursuit of **Universal Health Coverage**
- Provides equity in access to package of services, in public & private sectors, for every citizen or resident
- Facilitates equity in cost sharing – the need for out of pocket spending will be significantly reduced.
- Improves quality and efficiency – Primary Care based; better integrated patient-centred chronic care; end to unreasonable waiting times for proper diagnostics and treatment
- Facilitates better performance accountability

How does the NHI work for the NCDs?

- Identify package of health services which will be made accessible to all eligible participants, one that addresses the NCD epidemic
- Estimate the cost of the package which is incorporated in an actuarial model to ensure financial viability of the system.
- NHI will be a social insurance system that includes government revenues and employer/employee contributions, pooling the resources required for payment to the public and private providers of care.
- NHI is supported by a modern **Health Information System** which keeps track of every patient transaction and the resources used in providing care

LOOKING AHEAD

Recognizing that NCDs have deep roots in social determinants (lifestyles-behaviour) the imperative now is to find a financing system that will

a) Ensure that everyone has access to good health care, and
b) Support more prevention and maintenance approaches which empower and incentivise individuals, families and communities to take the right actions
c) Facilitate efficiency in the health system

Since, as an instrument of UHC and UHA, this is what the National Health Insurance is designed to do, it stands out as the preferred health financing system if our intention is to prevent and to control NCDs

DISCUSSION