

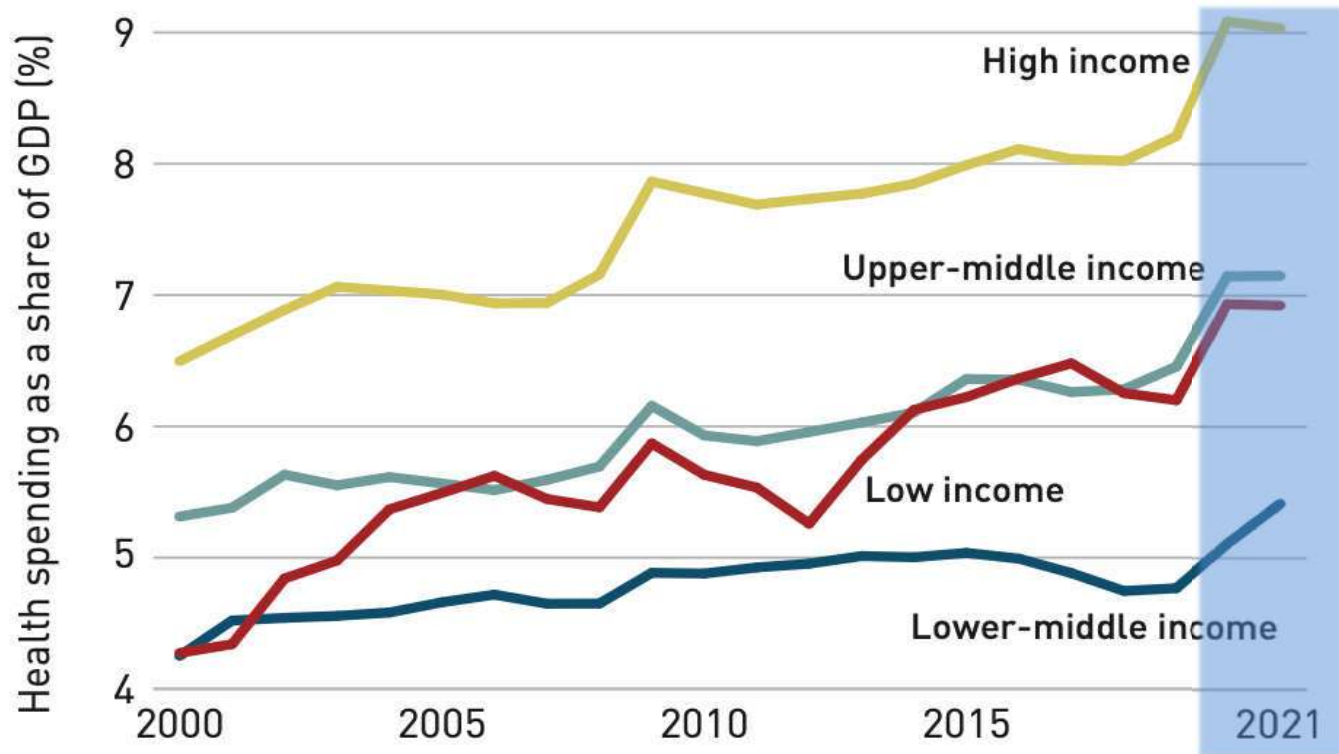
PHC Financing:

Overview of tracking spending on PHC, Challenges and Impact on Quality and Health Outcomes

Baktygul Akkazieva



Health spending as a share of GDP remained higher in 2021 than before the COVID-19 pandemic



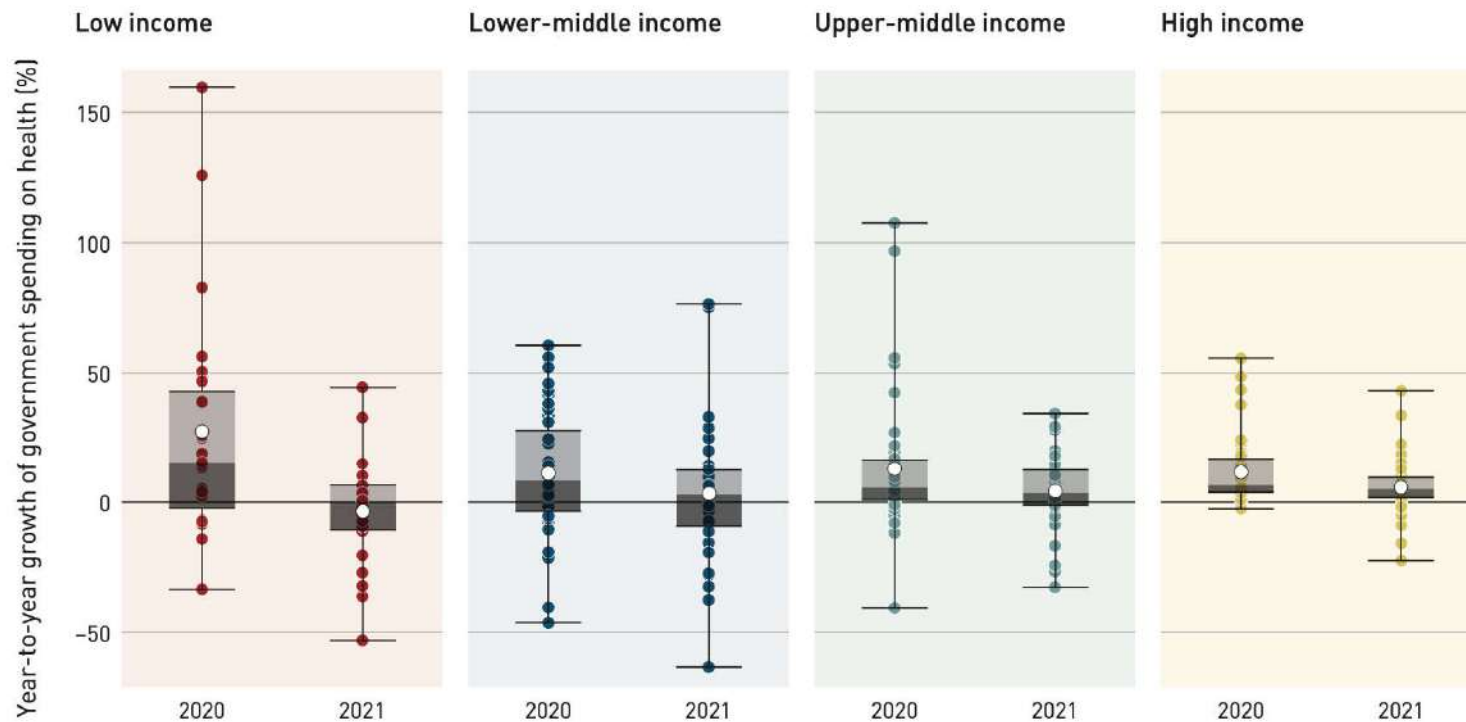
Data source: WHO Global Health Expenditure Database, 2023.

Health spending as % of GDP, 2021

Income group	Average
Low income	6.9%
Lower-middle income	5.4%
Upper-middle income	7.2%
High income	9.0%

Note: Group averages exclude countries with fewer than 600 000 people in 2021. Population data used in the report are from United Nations, *World Population Prospects*, 2022 revision.

Per capita government spending on health increased from 2020 to 2021, except low-income countries



Government spending on health, per capita 2021

2020 to 2021:

- further increased, except low income countries
- The growth was slower than in 2020

2019 to 2020: increased

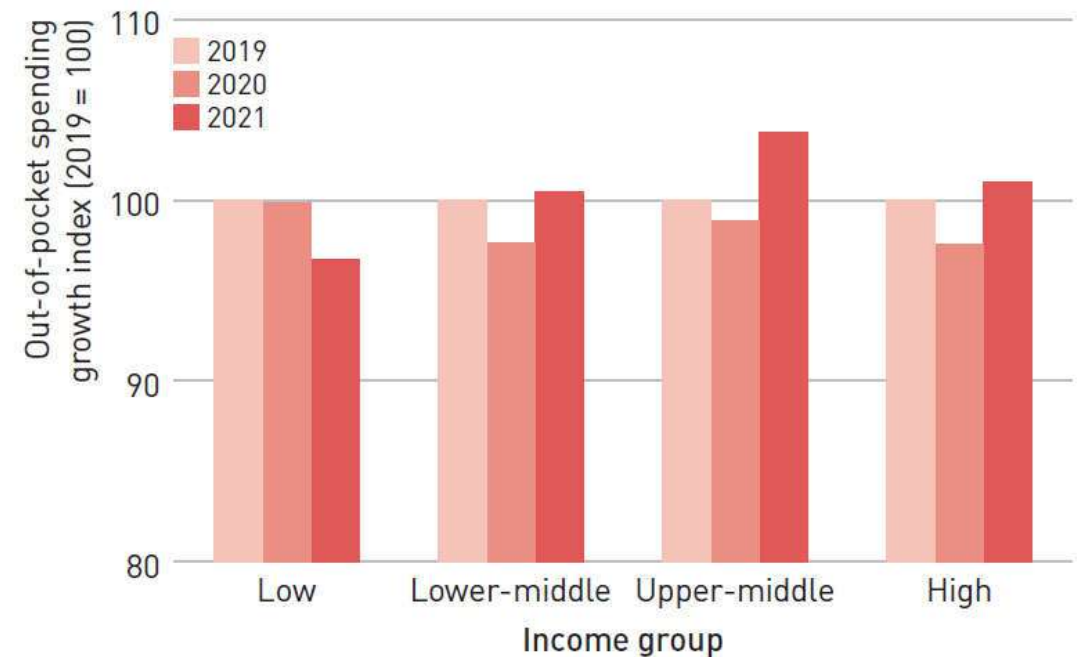
Note: Each coloured dot represents one country, and the white circle is the mean. The vertical lines from the bars extend to the maximum and minimum values. The boxplots show the interquartile range (25th–75th percentile) of values; where the darkness of the bar changes is the median. Growth rates are based on per capita values in constant 2021 national currency units. Country-specific GDP deflators were used to convert current values to constant values.

Data source: WHO Global Health Expenditure Database, 2023.

In 2021, out-of-pocket spending on health per capita generally returned to its pre-pandemic level

From 2020 to 2021:

- High and upper middle income countries: OOPs surpassed pre-pandemic level
- Lower-middle income countries: returned to pre-pandemic level
- Low income countries: OOPs decreased



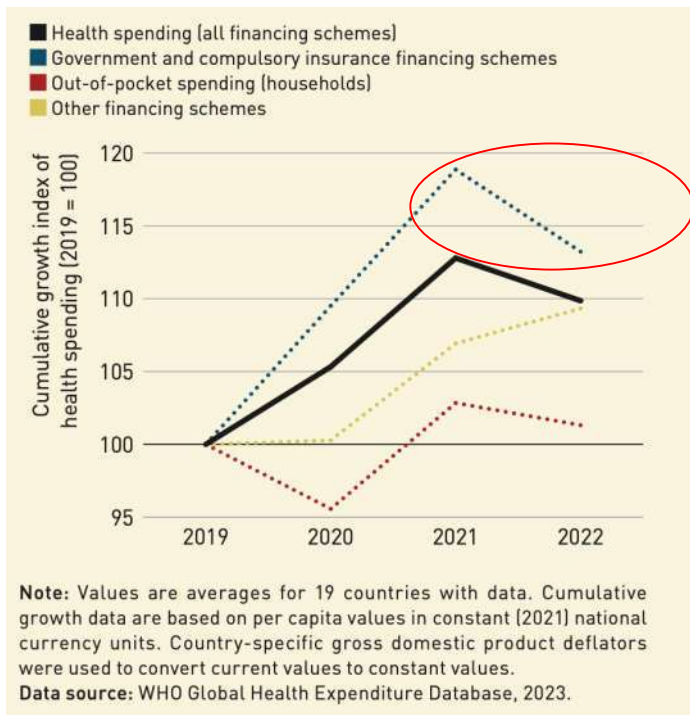
Note: Growth index is based on per capita values in constant (2021) national currency units. Country-specific GDP deflators were used to convert current values to constant values.

Data source: WHO Global Health Expenditure Database, 2023.

From 2019 to 2020, OOPs decreased in all income groups

Uncertainty in the future brings opportunities to change or a lot of things to worry about

2022 data from 19 countries (mostly HIC)



Broader context

Inflation, currency exchange rates; war and conflict; debt servicing; climate change; and other...

Health

Health security (pandemic preparedness)

Increasing and changing health needs

Evolving concept of health and health care in practice

What the future health system looks like and how to finance it?

- Structural change in service delivery
- Mechanisms for securing recurrent spending and capital investment for equitable access and financial protection
- Impact of external aid for health (the amount, priorities and modalities)
- Efficiency gains from digital technology

Data are essential for seizing those opportunities to change

Health Financing in Uncertain Times: Data-Driven Decisions for Better Outcomes

Data-driven decisions help navigate uncertainty aligning health system resources with evolving needs

Tracking PHC spending empowers **governments to optimize resource allocation**, and provides a foundation for preventing and managing chronic conditions effectively

Efficient tracking is crucial to **adapt to demographic shifts**, economic challenges, and the growing burden of NCDs



PHC a core of Health for all

Reaffirms the vision set out in DA78

Renews the commitment of MS with PHC

Linking PHC to sustainable health systems and **universal health coverage**

Attraction and retention of health professionals

Financial hardship and waste due to inefficiencies

People-centred and gender-sensitive

Information systems and digital technologies

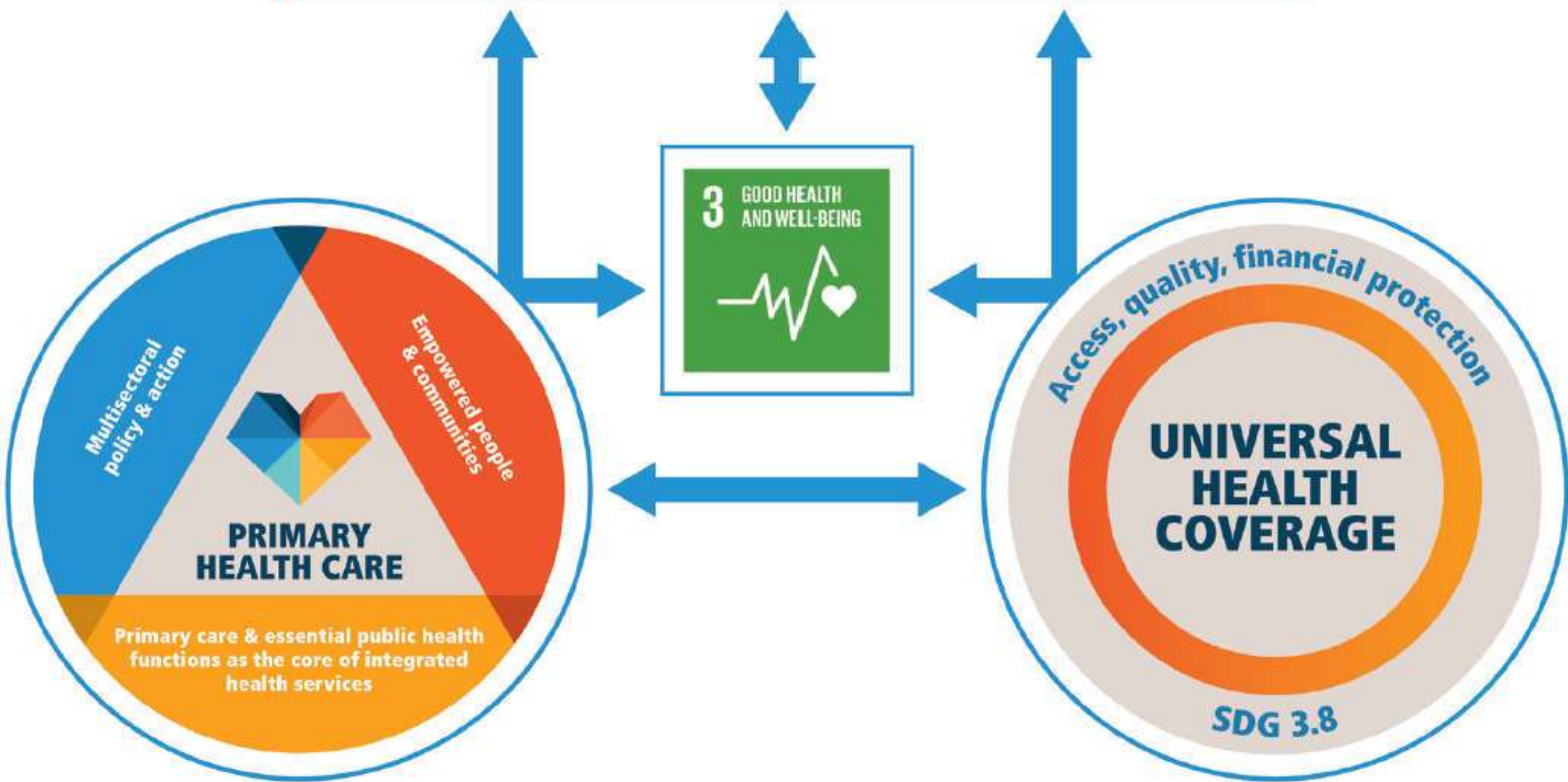
AMR, climate change and NCD

Declaration of Astana

ASTANA, KAZAKHSTAN
25-26 OCTOBER 2018



**GLOBAL
CONFERENCE
ON PRIMARY
HEALTH CARE**

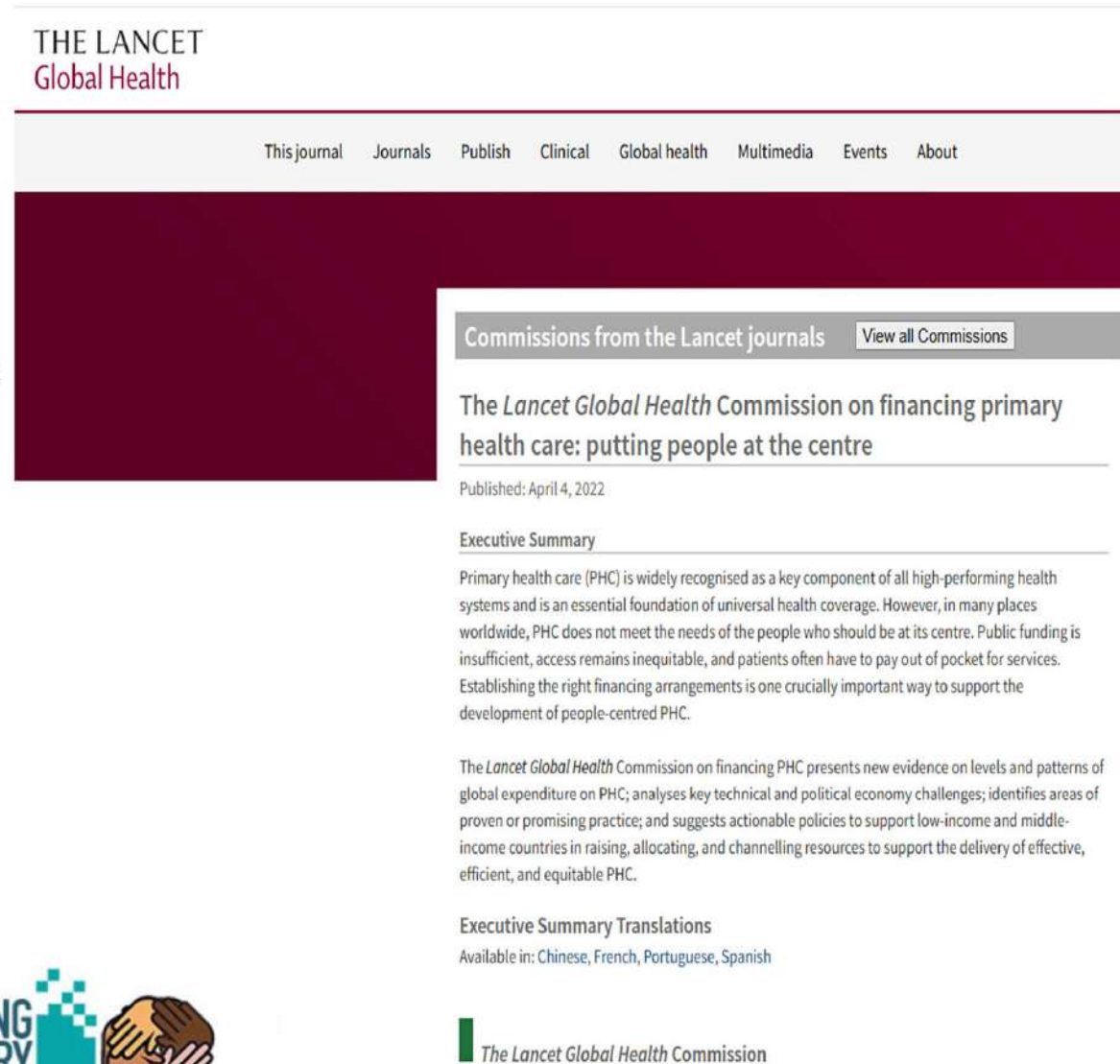


Global Momentum for PHC financing

Lancet Commission: “Invest in PHC, reduce dependency on hospitals”

PHC is people-centered care – building healthier communities and countries

Shift resources toward PHC to achieve lasting health improvements



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The Lancet Global Health Commission on financing primary health care: putting people at the centre


Published: April 4, 2022

Executive Summary

Primary health care (PHC) is widely recognised as a key component of all high-performing health systems and is an essential foundation of universal health coverage. However, in many places worldwide, PHC does not meet the needs of the people who should be at its centre. Public funding is insufficient, access remains inequitable, and patients often have to pay out of pocket for services. Establishing the right financing arrangements is one crucially important way to support the development of people-centred PHC.

The *Lancet Global Health Commission on financing PHC* presents new evidence on levels and patterns of global expenditure on PHC; analyses key technical and political economy challenges; identifies areas of proven or promising practice; and suggests actionable policies to support low-income and middle-income countries in raising, allocating, and channelling resources to support the delivery of effective, efficient, and equitable PHC.

Executive Summary Translations
Available in: Chinese, French, Portuguese, Spanish

 The Lancet Global Health Commission



**Countries must invest
at least 1% more of
GDP on primary health
care to eliminate
glaring coverage gaps**

<https://www.who.int/news/item/22-09-2019-countries-must-invest-at-least-1-more-of-gdp-on-primary-health-care-to-eliminate-glaring-coverage-gaps>

**What do we mean by
Primary Health Care?**

Definition of PHC (2018)

PHC is a whole-of-society approach to health that aims at ensuring the highest possible level of health and well-being and their equitable distribution by focusing on people's needs and as early as possible along the continuum from health promotion and disease prevention to treatment, rehabilitation and palliative care, and as close as feasible to people's everyday environment

Is this definition clear and could be used to track PHC spending?

What is wrong with that?

Defining PHC: Why it's not so simple?

- Can be described in many ways and varies by country
- Diverse organizational structures and practices across countries
- Rather 'approach' than "level of care"
 - "Approach" refers to the strategy or methodology employed in delivering health care services
 - e.g. implementing community-based health education programmes related to diabetes
 - "Level of care" pertains to the intensity or comprehensiveness of healthcare services provided
 - e.g. range of diabetes-related health promotional services provided at village or rayon FMC or FAPs



A System of Health
Accounts
2011 EDITION

**We need a common language –
standard terms - understood by
everyone to describe PHC**

System of Health
Accounts 2011

SHA is an instrument for tracking health spending

- SHA organizes all health spending in a country into a standardized set of categories based on their health financing characteristics
- This enables the country to track its spending patterns over time
- Globally, this information is stored in WHO's [Global Health Expenditure Database](#), enabling international comparisons
- These data provide a foundation for evidence-informed decisions, but...only if you produce the information and report it!

**HEALTH
FUNCTIONS
(HC)**

Curative care
Rehabilitative care
Long-term care
Ancillary Services
Medical Goods
Preventive Care
Administration

**SOURCE OF
FUNDS
(FS)**

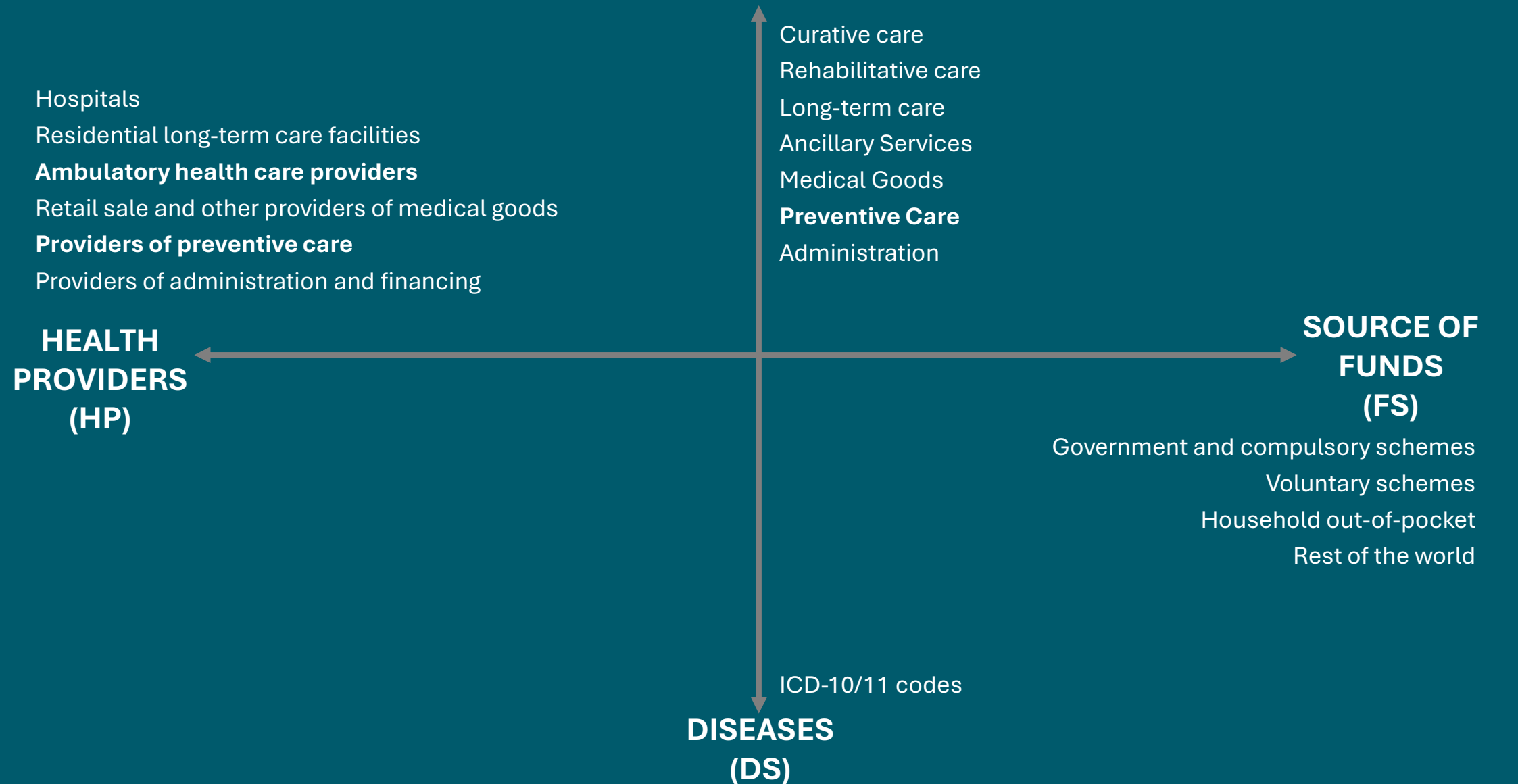
Government and compulsory schemes
Voluntary schemes
Household out-of-pocket
Rest of the world

**DISEASES
(DS)**

ICD-10/11 codes

Hospitals
Residential long-term care facilities
Ambulatory health care providers
Retail sale and other providers of medical goods
Providers of preventive care
Providers of administration and financing

**HEALTH
PROVIDERS
(HP)**



WHO global measure

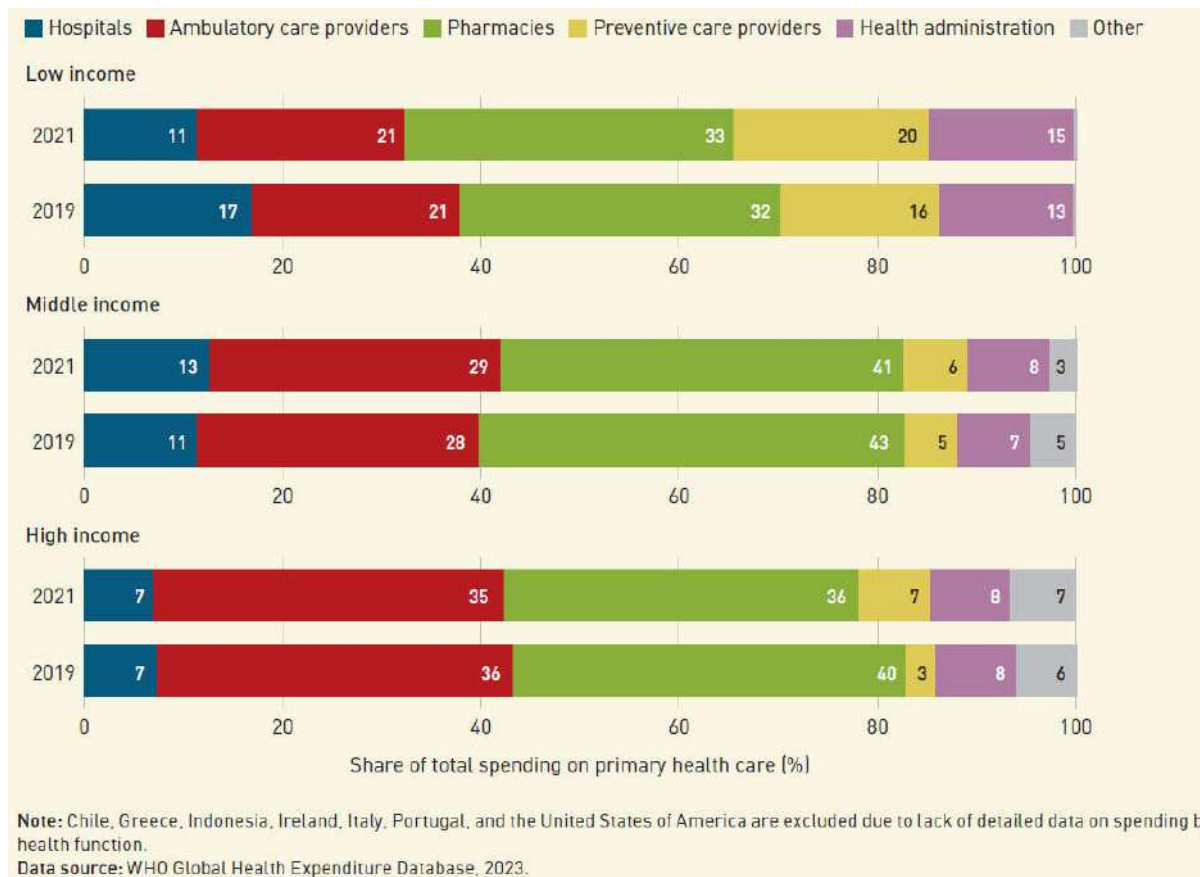
- *It incorporates first-contact personal and population-based services to estimate and compare PHC expenditure internationally, incl.:*
 - general outpatient curative care (such as visits to a general practitioner or nurse) (HC.1.3.1);
 - dental outpatient curative care (such as visits for regular control and other oral treatment) (HC.1.3.2);
 - curative outpatient care not elsewhere classified (excluding specialized outpatient care) (HC.1.3.n.e.c.);
 - home-based curative care (such as home visits by a general practitioner or nurse) (HC.1.4);
 - outpatient (HC.3.3) and home-based (HC.3.4) long-term health care;
 - preventive care (such as immunization, health check-ups, health education, disease detection, monitoring and emergency response programmes) (HC.6);
 - part of medical goods provided outside health-care services (80% of HC.5);
 - part of health system administration and governance expenditure (80% of HC.7).

OECD proposed global measures

- *Three “aggregates” as proxies:*
 - “expenditure on basic services”: summing up expenditure of the functions general outpatient curative care (HC.1.3.1), outpatient dental care (HC.1.3.2), home-based curative care (HC.1.4) and the preventive services HC.6.1 to HC.6.4 for all health-care providers (all HP codes);
 - “expenditure on basic services and pharmaceuticals”: using the functional definition of “aggregate 1” and adding expenditure for prescribed pharmaceuticals (HC.5.1.1) and over-the-counter medicines (HC.5.1.2) for all health-care providers (all HP codes); and
 - “expenditure on basic services provided by providers of ambulatory care”: using the functional definition of “aggregate 1” but limiting spending to providers of ambulatory health care (HP.3).

Why Definitions Matter in PHC Spending?

Delivery of PHC services is context-dependent and requires country-specific analysis



- OECD & WHO offer global standards, but local realities differ
 - may lead to overestimation or underestimation of PHC spending and conveying misleading messages
- Tailoring definitions empowers countries to meet their unique needs and drive more effective, relevant policies



Case studies: Georgia, Kyrgyzstan, North Macedonia and Spain

Methods for country analysis

- Development of country-specific PHC definitions
 - De-jure, de-facto, optimal (based on experts' opinion)
- Creation of a PHC spending dynamic tool based on SHA classifications
 - OECD database, full HA studies/HAPT
 - SHA classifications –level of services/functions (HC) and level of providers (HP)
- Estimation of PHC expenditure on consumption at the country level

Case studies unveil **significant** deviations in PHC spending metrics compared to global benchmarks

Noticeable differences observed between country-specific "de-jure," "de-facto," and "optimal" PHC definitions and measures

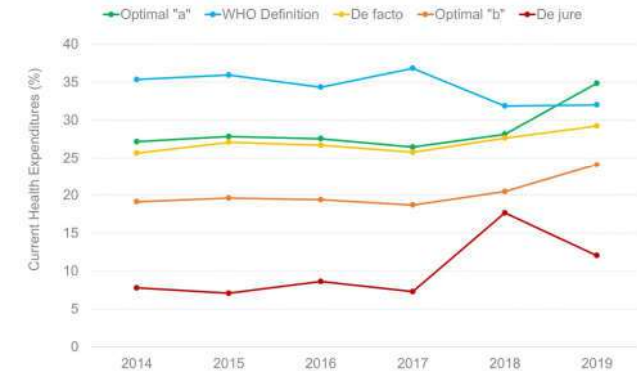
Countries are recommended to define PHC spending boundaries, conduct detailed analyses, and establish clear goals for better health financing outcomes

Further research needed to prioritize methodological consistency and ensure data quality

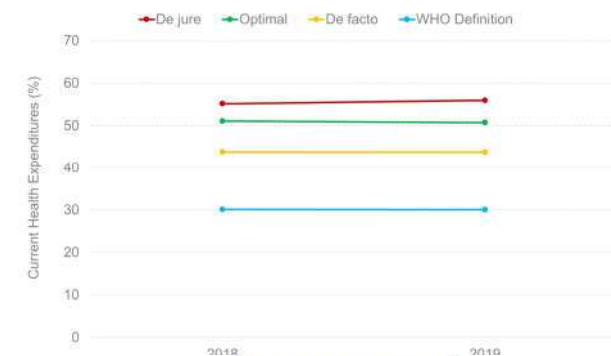
Future directions include addressing data gaps, fostering international collaboration, and maintaining methodological consistency in PHC spending analysis

Key findings

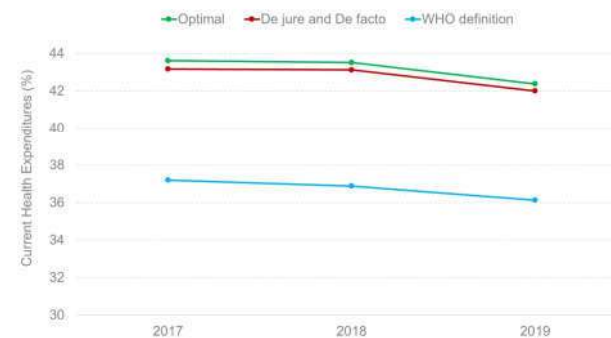
Kyrgyzstan



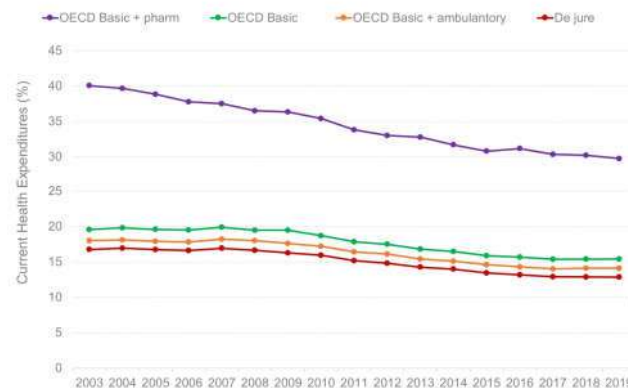
Georgia



North Macedonia

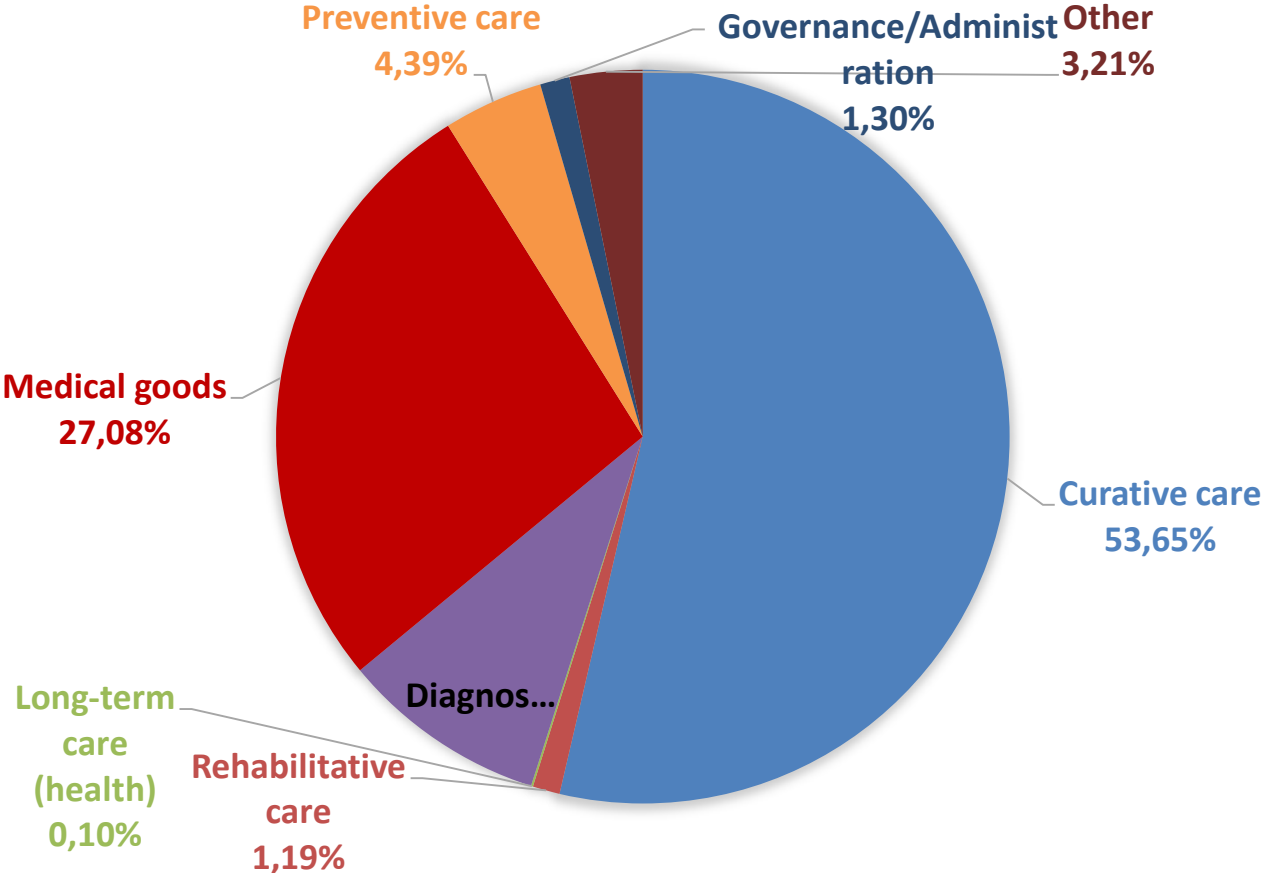


Spain

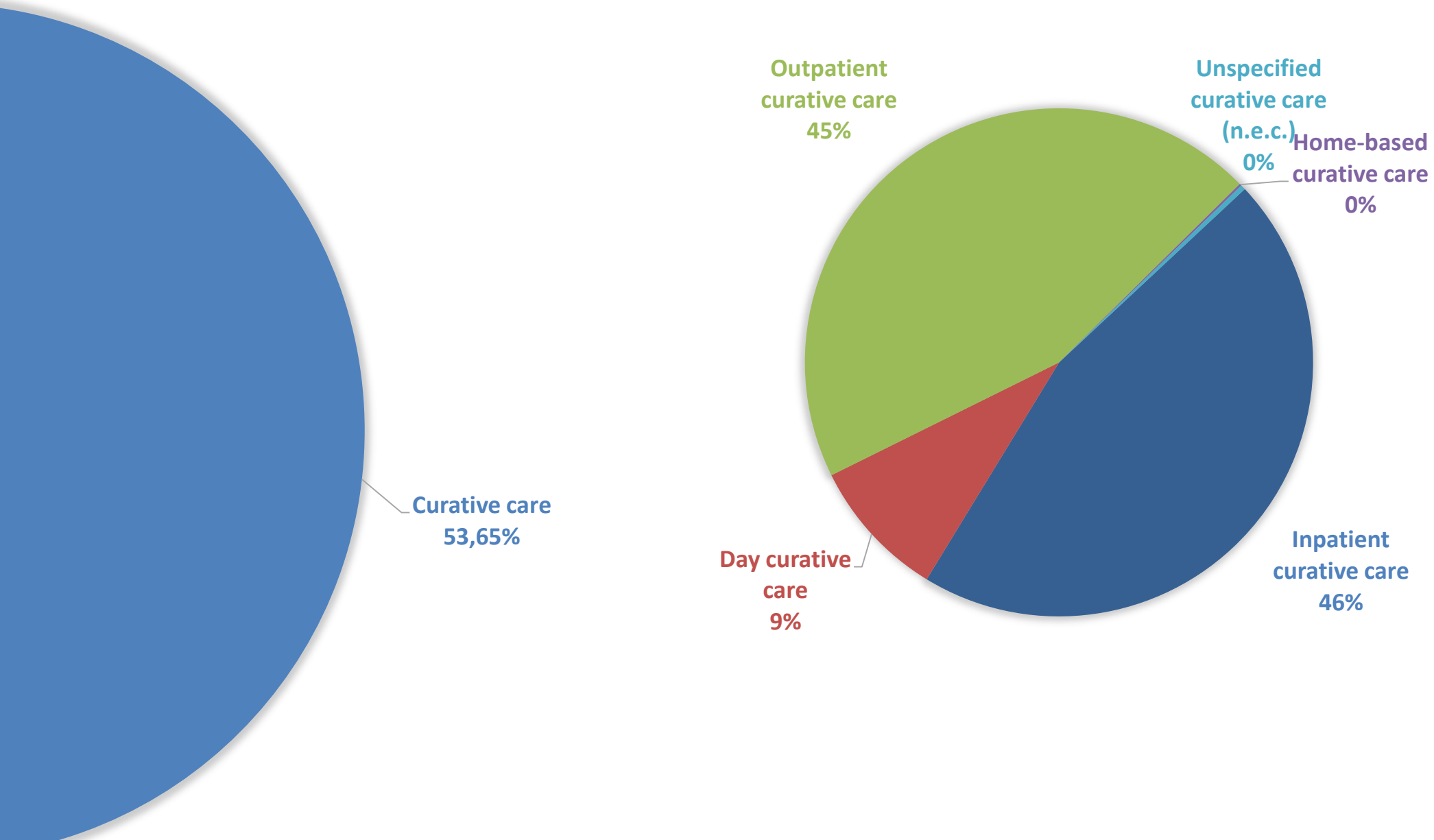


Unpacking PHC Spending in North Macedonia: A Focus on Diabetes

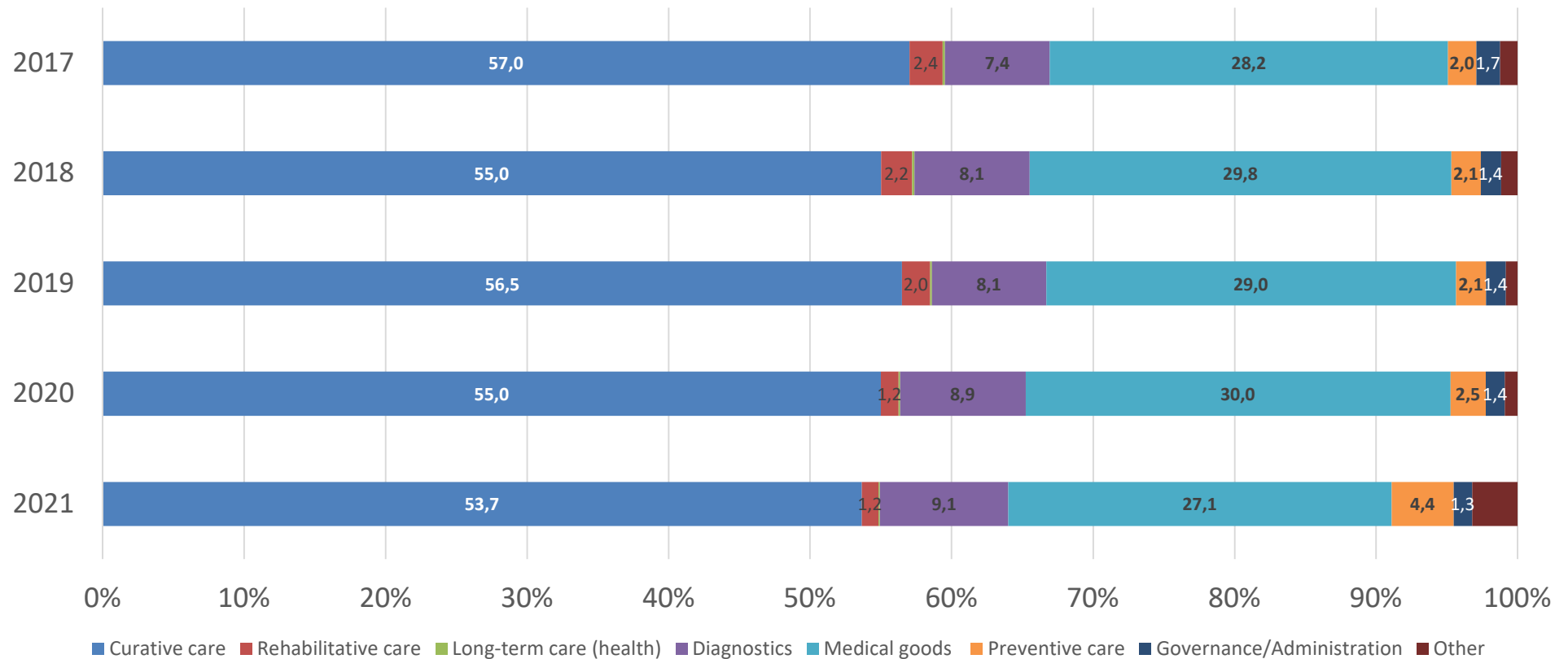
Health spending by type of care, 2021



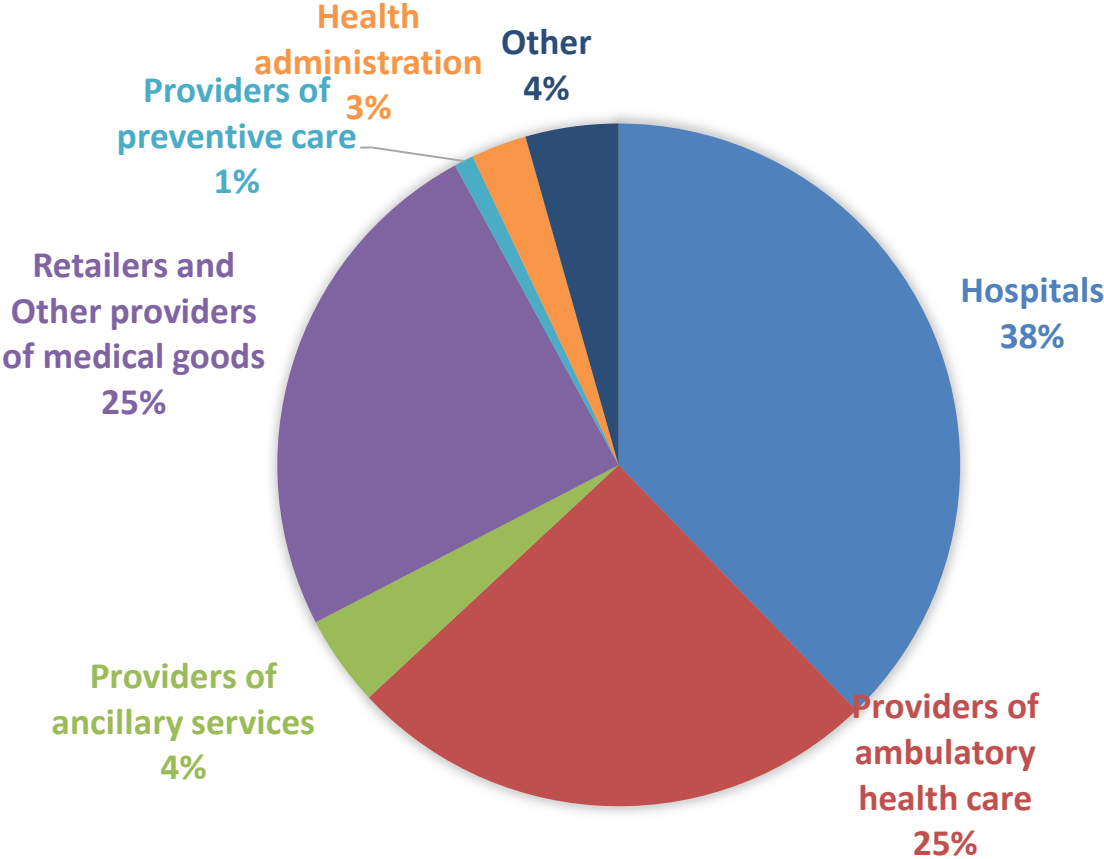
Health spending by type of care, 2021



Health spending by type of care

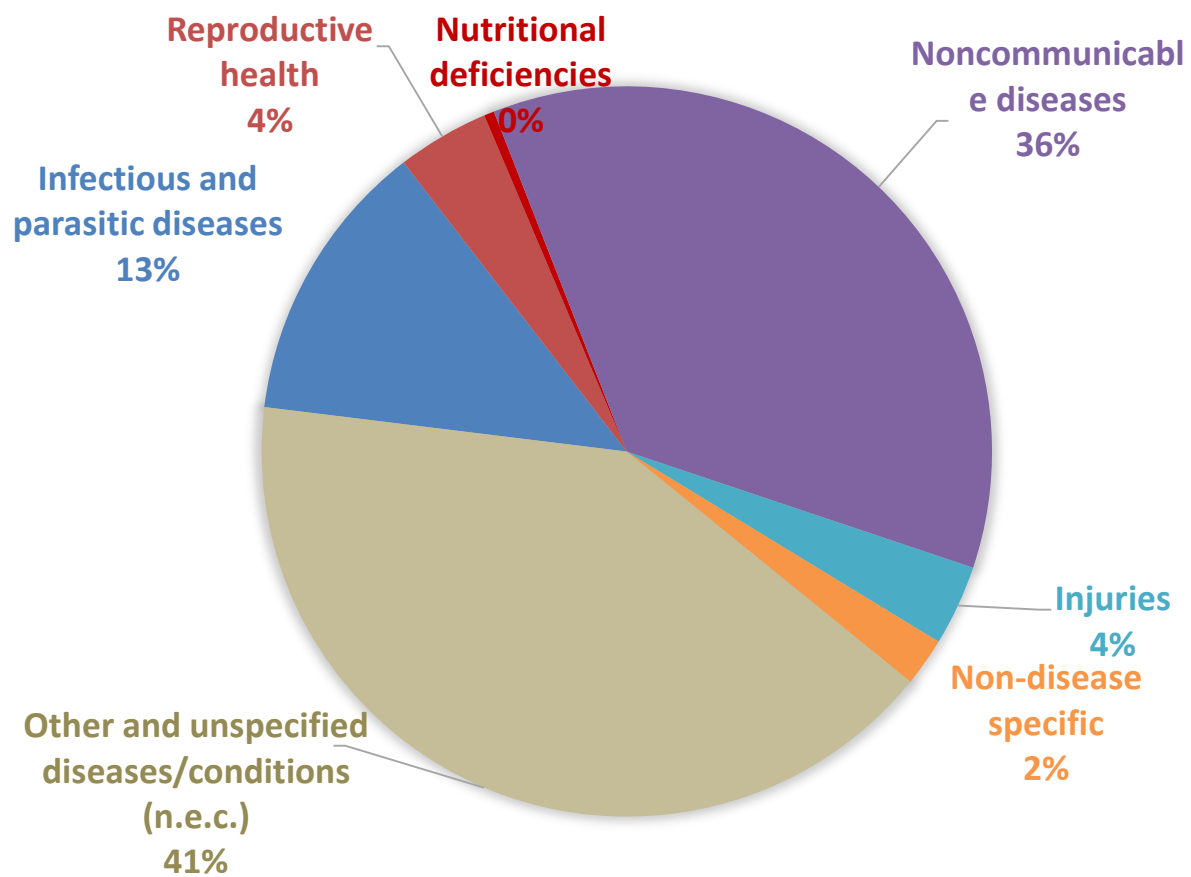


Health spending by providers, 2021

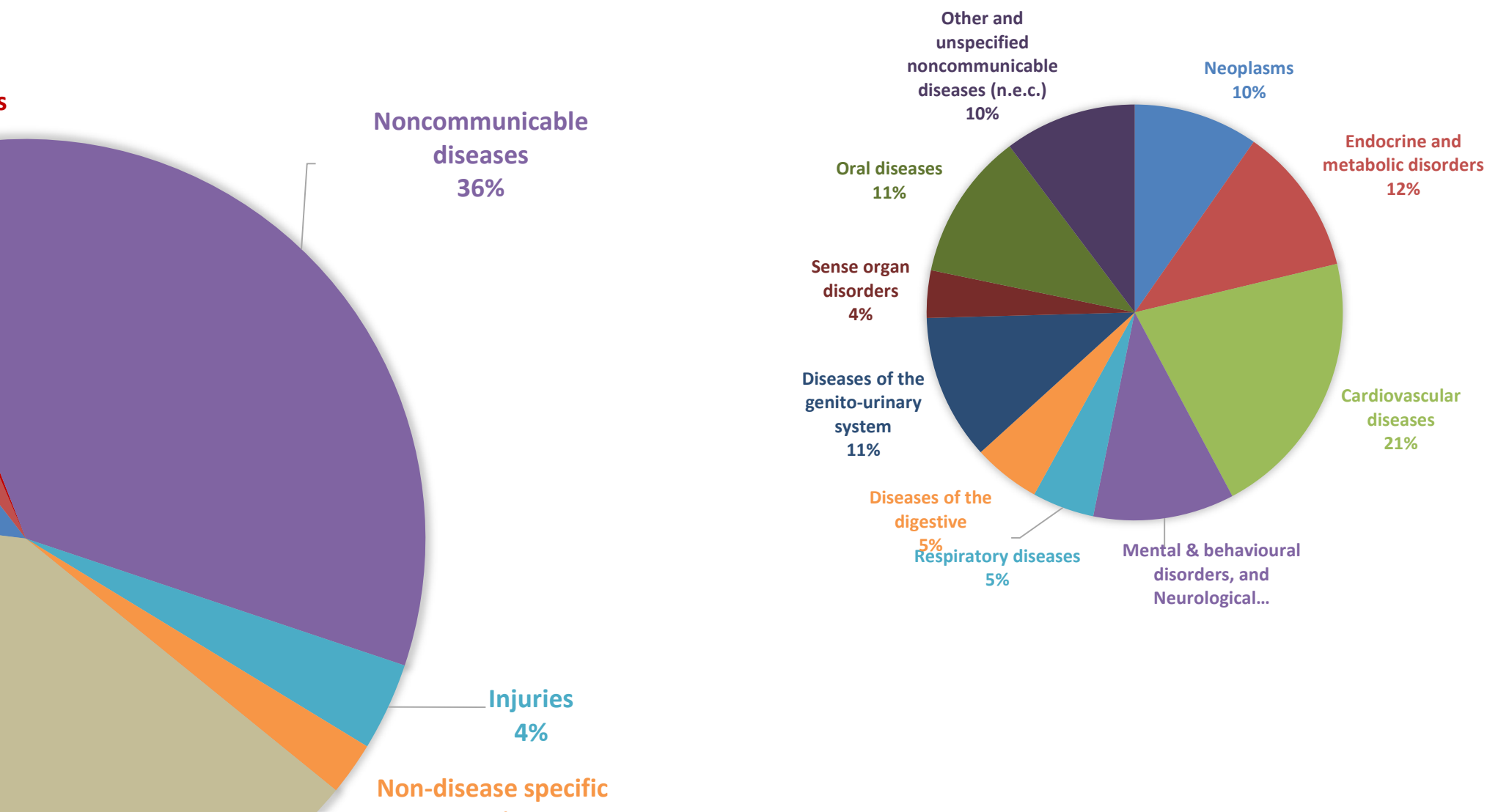


Source: GHED

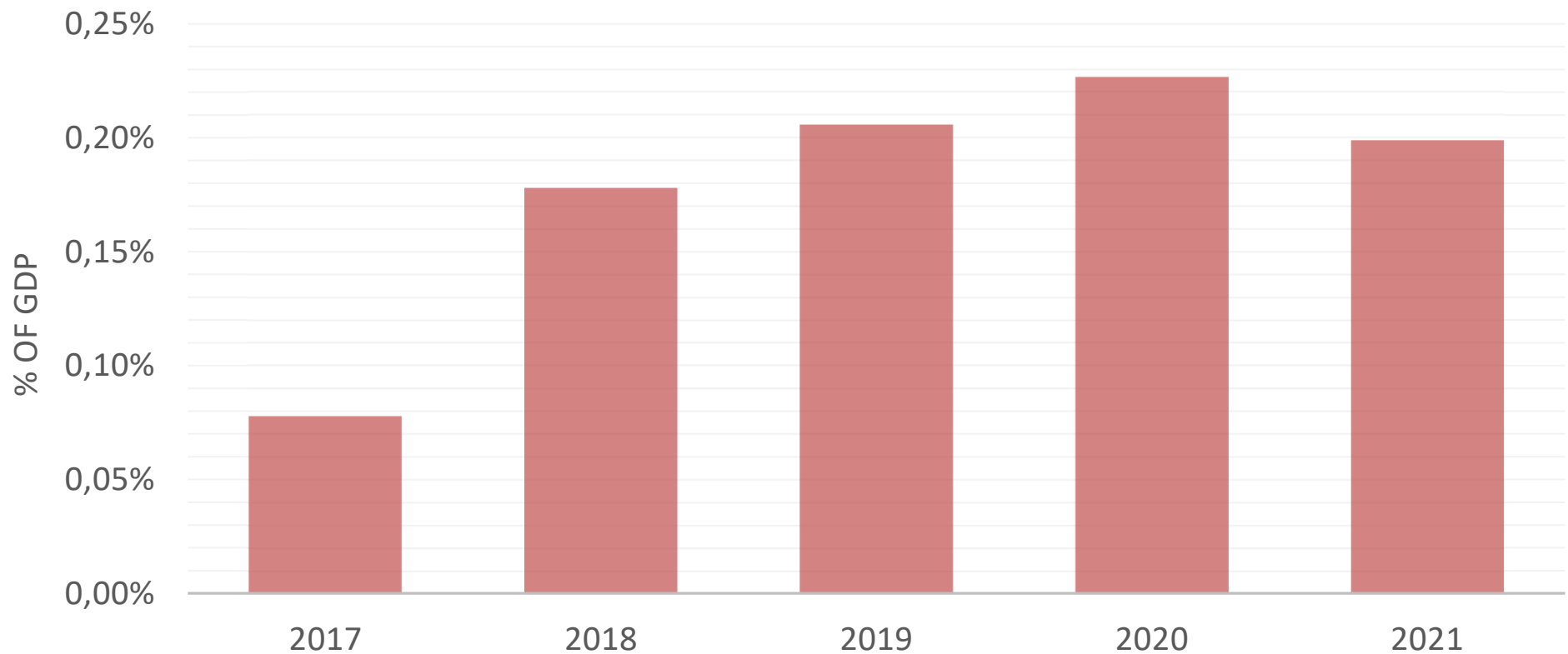
Health spending by diseases, 2021



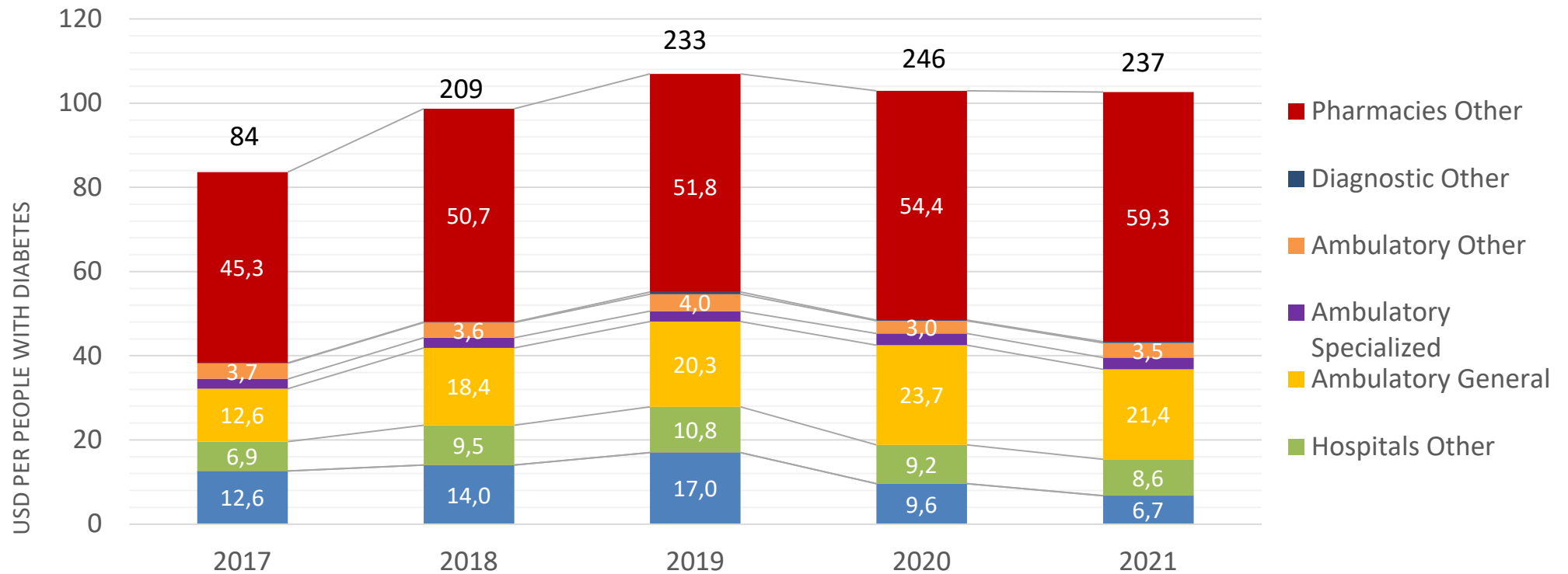
Health spending by diseases, 2021



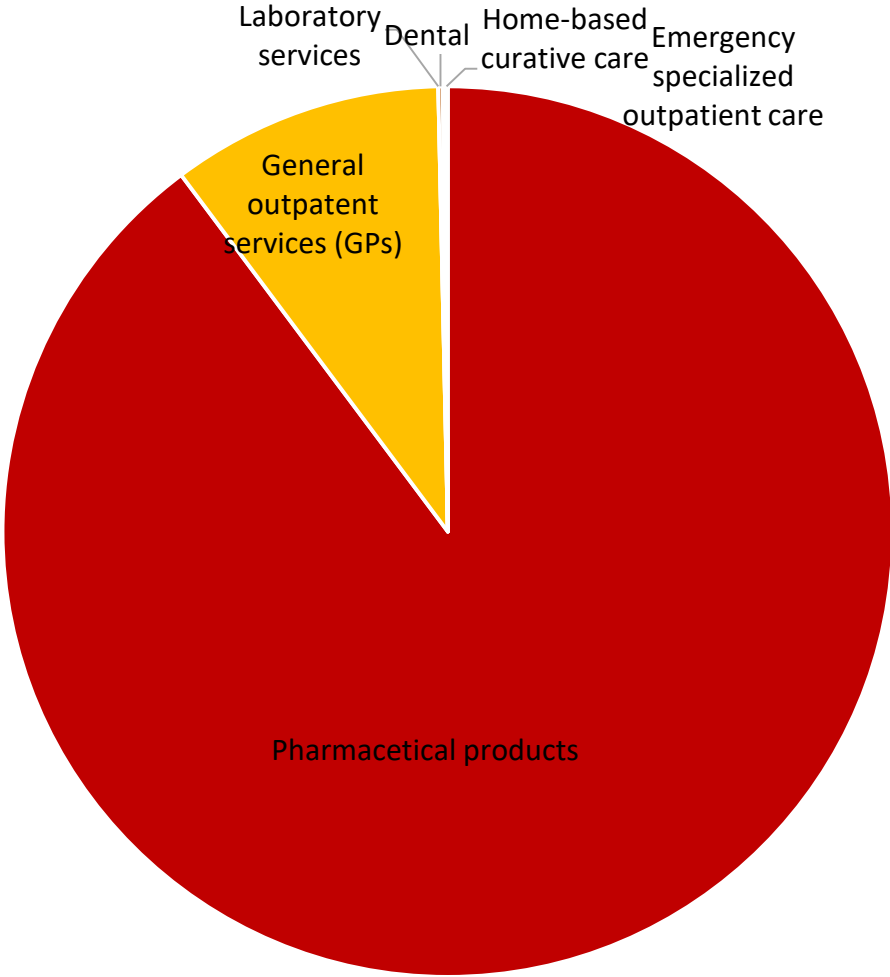
Diabetes Expenditure Doubles in the Last 5 Years: from less than 0.1% of GDP to almost 0.2%



Pharmaceutical products are drivers of current health spending on diabetes



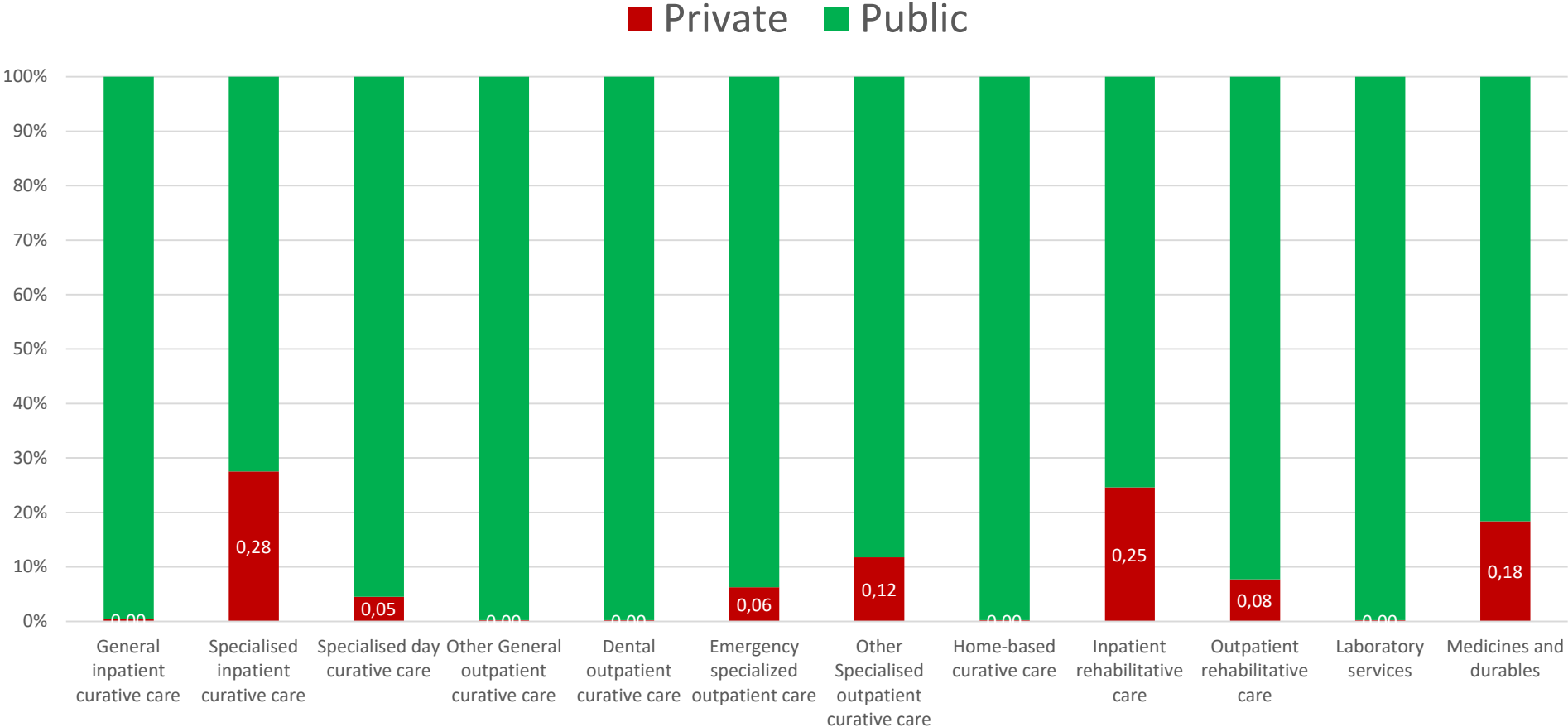
PHC (country tailored) spending on diabetes, 2020



Pharmaceutical products	81.7%
General outpatient services (GPs)	9.0%
Laboratory services	0.0%
Dental	0.1%
Emergency specialized outpatient care	0.1%
Home-based curative care	0.1%

- Pharmaceutical products
- General outpatient services (GPs)
- Laboratory services
- Dental
- Emergency specialized outpatient care
- Home-based curative care

Who pays for diabetes services?



Source: HA study, 2021

Food for Thought: Key Reflections and Insights

What can data from health accounts tell us?

- Current situation
- Trends
- Need for changes to policy and practice, e.g. medicines, mental health, etc.

What role can primary care play?

- How can health accounts data help with monitoring and evaluation
- Linkages between diabetes statistical data and health accounts

Data is needed to improve quality and ensure UHC

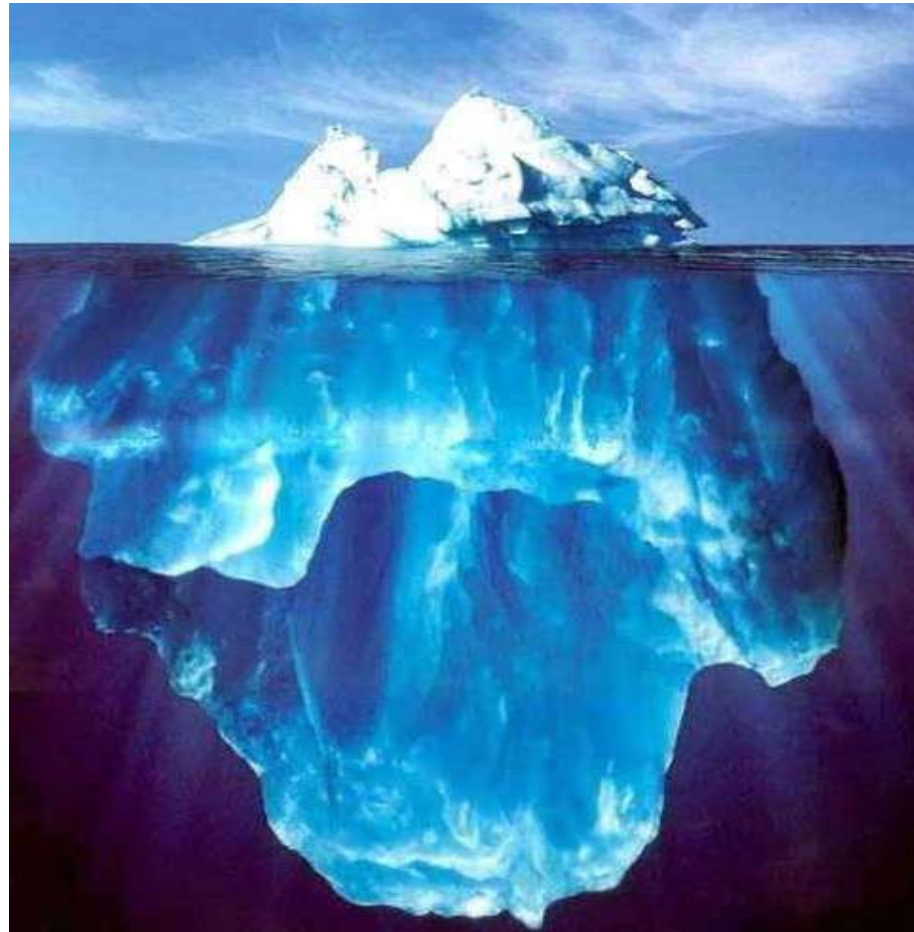
Diabetes Expenditure: Uncovering the Hidden Impact on Health Systems

Diabetes

	Type 1	Type 2
MINSA	302	22,296
CIPS	714	14,283
RAPIA	631	38,501

Diabetes

	Type 1	Type 2
IDF	1,300	224,074
CAMDI		186,708



5% of total cost

x 5-10 ?

Beran et al. 2007

Key takeaways

SHA 2011 is essential for understanding PHC spending

Countries should leverage SHA 2011 and other tools to enhance data-driven decision-making in PHC financing

Invest in good quality data to track PHC spending and overall spending

Under-resourced primary health care creates a vicious cycle of poor quality, access barriers, financial hardship → lowers trust

Well-targeted PHC investment is the pathway to UHC and better health outcomes.



THANK YOU!

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PHC spending: pattern in PHC funding in the WHO Europe and Central Asia during the last years

- **2018-2021**

- PHC spending hovered around 10–15% of total health expenditure across many countries in the WHO Europe and Central Asia

- **COVID-19 Impact (2020-2021)**

- A significant increase in PHC investment occurred as countries strengthened primary care to handle the pandemic

- **2021-2023**

- While spending varied, many countries maintained higher levels of PHC spending post-pandemic to support long-term care and chronic disease management

How important is prevention in primary care practices?

HEALTH CARE (HC)

Do we spend enough in preventive services?

What is the private contribution to medicines spending?

HEALTH CARE PROVIDERS (HP)

How much do we spend on primary care providers?

How much is publicly spent on preventing diabetes in primary care facilities?

FUNCTION OF SCHEME (FS)

How much is public health expenditure compared with other countries?

What is the model of care of diabetes management?

DISEASES (DS)

What is the economic burden of diabetes in the country?

Are public funds enough to cover diabetes costs?