CHARTER FOR EQUITABLE AND SUSTAINABLE UNIVERSAL HEALTH COVERAGE

Introduction

Since 2016, an important initiative of the Yale Center for the Study of Globalization has been the development of a set of guiding principles for equitable and financially sustainable universal health coverage (UHC). This *Charter for Equitable and Sustainable Universal Health Coverage* (*UHC Charter*) will distill and prioritize key principles to guide policy development and benchmark progress toward equitable, sustainable UHC. Adhering to the rationale and mindful of the current status of the global commitment to UHC, we acknowledge the accumulated experience of many countries across the globe implementing policies and programs in support of UHC, and the vast amount of analysis and policy guidance available from global agencies, national and regional think tanks, and academic institutions. We aim to synthesize the available knowledge and resources into a set of lessons and guiding principles in a concise and accessible format, or *UHC Charter*, that takes a holistic view of UHC in the context of a country's broader macroeconomic and fiscal environment. The *UHC Charter* is intended to serve as a resource for governments as they develop UHC strategies and policies, and as an instrument for organizations and agencies to discuss and benchmark progress.

The Rationale

There is unprecedented global consensus that universal health coverage—all people have access to necessary health care regardless of their ability to pay and without facing financial hardship—is essential to ensuring social protection, achieving equitable development, and protecting the right to health. The commitment to UHC is grounded in the view that no person should develop, suffer, or die from a preventable or treatable condition because of lack resources, and treatment should not lead to financial hardship.[1] More than 100 countries worldwide have taken steps toward UHC, and in September 2015 world leaders adopted the *2030 Agenda for Sustainable Development*, which includes a target to achieve universal health coverage for all by 2030.[2]

The notion that a healthy population is essential for human and economic development and the aspiration to UHC are not new. Most high-income countries had universal health coverage in place by the decades following World War II. The early UHC movement was not limited to high-income

[1] Jha A, Godlee F, Abbasi K (2016). Delivering on the promise of universal health coverage: a new initiative to focus on healthcare delivery systems. *BMJ* 353:i2216.

[2] U.N. General Assembly (2015). Transforming our world: the 2030 Agenda for Sustainable Development. U.N. Resolution A/RES/70/1.

countries, with Costa Rica introducing legislation in 1973 guaranteeing health care as a universal right, and many other countries such as Chile, Mexico, and Thailand taking steps toward UHC by the 1990s. The first global action for UHC came out of the 1978 International Conference on Primary Health Care convened by the World Health Organization (WHO). At that conference countries signed the Alma-Ata Declaration focusing on 143 government responsibility for "an acceptable level of health for all people of the world" and "prioritization of primary care." [3]

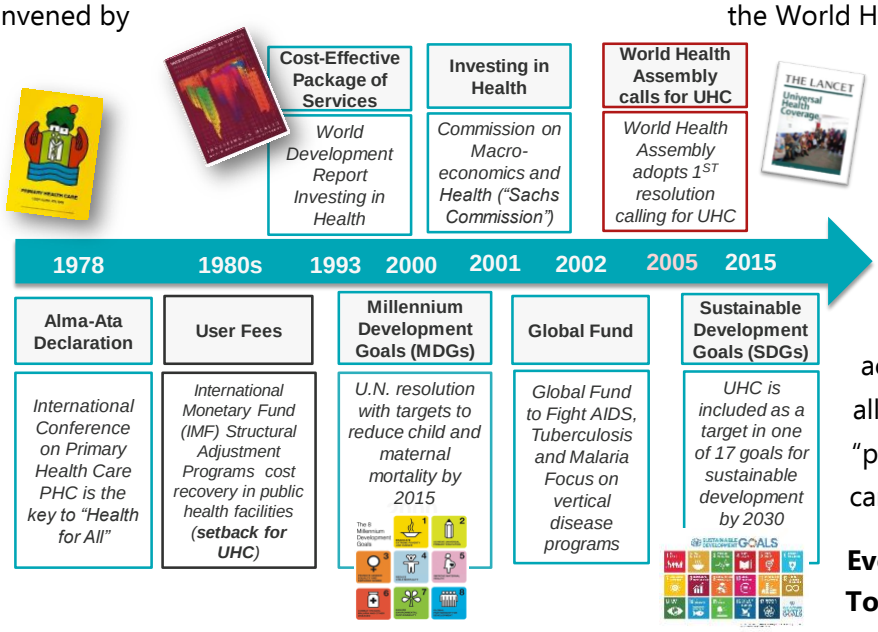

Figure 1. Global Efforts Toward UHC

[3] World Health Organization (1978). Declaration of Alma-Ata: International Conference on Primary Health Care, Alma-Ata, USSR, 6-12 September 1978.

In the decades following the Alma-Ata declaration, arguments advocating for political and financial commitment by governments to UHC broadened from individual needs to the role of health coverage in achieving broader economic and social development goals. The WHO's World Health Report 2010 marked a very favorable inflection point in the discussion towards UHC. Today there is overwhelming evidence that improving health and access to health care brings economic benefits through improved productivity and poverty reduction.[4]

But the arguments are not just about better health and stronger economies. Household health security—the extent to which households feel confident they can care for their families both medically and financially in the event of a health shock -- is part of the social safety net that must be built so people are less skeptical and fearful of the economic transition that almost every country is now going through. Thus, UHC is also an essential element of stable, cohesive, and resilient societies.

The Opportunity and the Challenge

Since Alma-Ata, global efforts toward UHC have taken many forms (Figure 1). In many cases, these efforts have contributed significantly to the progress that has been made reducing morbidity and mortality in all parts of the world. The landscape of global health financing is undergoing major changes, however, with development assistance on the decline. At the same time, economic growth in many low-and middle-income countries means that they are increasingly able to match their political commitments to UHC with domestic health investments.[5] This is a critical moment in which global partners recognize that domestic financing, policies, and institutions are at the forefront of all UHC efforts. At the same time, national governments have the opportunity, and responsibility, to seize this moment to follow through on commitments to UHC with sufficient resources and good policies.

The challenges to domestic resource mobilization, policymaking, and institution building for UHC are many. Since evidence and experience have shown that public resources are the most efficient and equitable way to fund health coverage,[6,7] the goal of universal coverage requires significant fiscal commitment from the government. Countries are thus faced with the ongoing challenge of reconciling the competing interests between fiscal restraint and expanded access to health services. Since UHC is fundamentally about social equity, pooling and redistributive mechanisms are needed to ensure financial protection and subsidization of coverage for the poor. These mechanisms can be challenging in fragmented or highly decentralized systems. Furthermore, since fiscal resources are limited, expenditures should be managed carefully to get the most value for money—that is, cover

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[4] Summers L, et al. (2015). Economists' declaration on universal health coverage. *The Lancet* 386: 2112-13.

[5] Jamison, D, et al. (2013). Global health 2035: a world converging within a generation. *The Lancet* 382: 1898–955.

[6] Fuchs, V (1996). What every philosopher should know about health economics. *Proceedings of the American Philosophical Society* 140: 186-9.

[7] Kutzin, J (2012). Anything goes on the path to universal health coverage? No. *Bulletin of the World Health Organization* 90:867-86.

the most people with access to the highest quality services with the most financial protection possible within the available resource envelope. But effective purchasing strategies aimed at achieving efficiency gains typically require up-front investments in capacity, and they often face challenges from health care providers and industry.[8]

There is now a wealth of experience through several decades across a wide range of countries that point to some promising practices as well as pitfalls on the path to UHC. Some countries such as Thailand, and Sri Lanka have put sound policies in place bolstered by a sustainable financial base and strong institutions. These countries have made progress toward UHC and continue to deepen their achievements, although new challenges continuously arise.

Other countries have seen progress stall in spite of stated political commitment, growing economic resources, and well-intentioned policies. Some of these countries have not been able to ensure a sound financial basis for UHC efforts, and progress has eroded or ended. Other countries have not dedicated sufficient attention to important aspects of health coverage, such as investing in the service delivery system and infrastructure to deliver essential interventions. Furthermore, the approach to expanding population coverage and the structure of institutions responsible for implementing UHC has sometimes created duplication, inefficiency, and inequity.

Finally, too often policies related to UHC are limited to the realm of the health sector. Health policy makers are still largely removed from the broader public finance and macroeconomic debates and decision-making. Key fiscal decisions are often made in the absence of a clear understanding of the potential impact on health objectives. On the other hand, the consequences for the country's macroeconomic and fiscal position of increasing or reallocating government spending may be ignored by health policymakers.[9,10] Also, the way health financing systems are organized and health coverage is provided can affect broader economic and social goals. The result can be fiscal imbalances and economic distortions that conspire against productivity and employment in better paid sectors of the economy, leading to increased labor market informality. For example, while the movement to UHC has had a positive effect on employment and wages in some countries, such as Canada,[11] there is also some evidence that publicly funded coverage may have slowed the pace of formal labor market participation in Mexico[12] and Thailand[13]. When the fiscal, labor market, and

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[8] Maeda et al. (2014). *Universal health coverage for inclusive and sustainable development: a synthesis of 11 country case studies*. Washington, D.C.: The World Bank.

[9] Cashin, C (2016). *Health financing policy: the macroeconomic, fiscal and public finance context*. Washington, D.C.: The World Bank.

[10] Goldsborough, D. (2007). Does the IMF Constrain Health Spending in Poor Countries: Evidence and Agenda for Action. Washington, DC: Center for Global Development.

[11] Gruber, J and Hanratty, M (1995). The labor-market effects of introducing national health insurance: evidence from Canada Journal of Business and Economic Statistics 13(2): 163-173.

[12] Aterido, R, Hallward-Driemeier, M, Pagés, C (2011). *Does expanding health insurance beyond formal-sector workers encourage informality?* Washington: The World Bank. Policy Research Working Paper 5785.

[13] Wagstaff, A, Manachotphong, W. (2012). *Universal health care and informal labor markets: the case of Thailand*. Washington, DC: The World Bank. Policy Research Working Paper 6116.

health issues are considered together a more complex picture emerges with far more complicated policy challenges that cannot be solved by health policymakers alone.

UHC Charter

The wealth of country experience, both positive and negative, has generated much guidance from global agencies, think tanks, and academic institutions on good policies in support of UHC.[14,15] More recent work explores the implementation realities of UHC policies.[16,17] There is a tremendous opportunity to take stock of global experience and practical knowledge gained over the past several decades working toward UHC, but with a broader macroeconomic, fiscal, and human development view.

The Yale Center for the Study of Globalization (YCSG) has undertaken this project to develop a "*UHC Charter*" that synthesizes lessons and guiding principles in a concise and accessible format for governments to consider as they develop strategies and policies to put their countries on a path toward equitable, sustainable UHC.

The target audience for the *UHC Charter* is governments making the commitment to UHC seeking high-level guidance for pursuing sound policies that place health in the country's broader development context. The purpose of the *UHC Charter* will be to serve as a reference point for governments to guide policy discussions and as an instrument to evaluate whether their UHC strategies and policies are moving in the right direction. The *UHC Charter* may also be used by organizations or institutions to benchmark efforts toward the objective of UHC, as a resource for advocacy, a framework for training and capacity building, or as a guide for further research.

The *UHC Charter* will recognize that there is no blueprint for equitable, sustainable UHC that will be valid for every country. Rather, the *UHC Charter* will distill relevant experience, analyses, and pertinent lessons related to a set of basic criteria, principles or precepts that address some of the key aspects of UHC policies. Each policy area will include a set of decisions that need to be made, the principles that can guide country decision-making, trade-offs to consider, and evidence/best or promising practices if available. The policy areas are not limited to health financing and service delivery, but also touch on the macroeconomic, fiscal, and labor market considerations that are central to overall sustainability and a country's broader development goals. The *UHC Charter* will not have any political or industry orientation or sponsorship.

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[14] WHO (2010). Health systems financing: the path to universal coverage. Geneva: World Health Organization.

[15] Lagomarsino, G et al. (2012). Moving towards universal health coverage: health insurance reforms in nine developing countries in Africa and Asia. *The Lancet* 380(9845): 933-43.

[16] Maeda et al. (2014).

[17] Giedion, U, Alfonso, E, and Díaz, Y (2013). The Impact of universal coverage schemes in the developing world: a review of the existing evidence. UNICO Study Series #25. Washington, D.C.: The World Bank.

The Team

The Yale Center for the Study of Globalization has led the process of drafting the *UHC Charter*, while engaging and consulting with leading global and national experts on UHC and related macroeconomic, fiscal, and labor policy. A Steering Committee was convened to provide oversight and governance for the process of drafting the *UHC Charter*, intellectual input and quality control, and advice on dissemination channels and approaches. A team of individuals with deep knowledge and practical experience in UHC policy are responsible for synthesizing the input and developing the draft of the *UHC Charter*.

The Yale Center for the Study of Globalization supports the creation and dissemination of ideas focused on practical policies to enable the world's poorest and weakest citizens to share in the benefits brought by globalization. The Center serves the university by contributing to the debate about globalization on the campus and promoting the flow of ideas between Yale and the policy world. Since one of the Center's topical areas of focus is global development, we are of the idea that some of the most pressing moral and humanitarian challenges of our time include poverty, the increasing polarization between the haves and have-nots, and vast differences in living standards within and across countries. These challenges are best met in conditions of rising and sustained prosperity and expanding economic opportunities. We propose to seize this moment when the global health landscape is undergoing major changes to create an important resource – the *UHC Charter*.