



April 12 - 13, 2007 | Best Western Resort Country Club | Gurgaon, India

# Vouchers for Health Demand Side Financing for Health Services



# Why Demand Side Financing? (DSF)

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- **Top 1 To increase access**
- **Top 2 To improve quality**
- **Top 3 To stimulate competition**
- **Top 4 To change the way health sector financing works**
- **Top 5 To set the tone for the introduction of health insurance schemes**

# Top 1

## Increasing Access to health Services

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- **Governments grossly neglected the private sector and so did donors**
- **80% of all curative services are rendered by the private sector**
- **Governments did not develop mechanisms to collaborate**

# Top 1

## Increasing access to health services

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- There is a good number of private providers out there willing to collaborate
- Public institutions are either overloaded or underutilized
- We need economic ways of rendering services: Indian Airlines has 366 persons per plane Jet Airways 186

## **Top 2 Improve quality of Services**

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- **Everybody used to talk about the bad quality of private services**
- **Ministries of Health have not developed mechanisms to assess and monitor these services let alone penalize bad quality**
- **There is a need for contractual arrangements between the one who pays and the one who delivers**

## **Top3**

### **To introduce the concept of competition**

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- **Competition lowers the costs**
- **Competition improves quality**
- **What is self-understanding for the private sector seems to be a mystery for the public sector**
- **Let the private and the public sector compete for the sake of the patients in service delivery**

## **Top 4**

# **We need to change the way health sector financing works**

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- **To introduce such a scheme one has to start with a limited number of well defined interventions**
- **Once mechanisms like accreditation, quality monitoring, reimbursement, distribution of entitlement cards are in place the system can easily be extended (ARVs, Child Care, etc)**
- **DSF will pay for services rendered indiscriminately if it is provided by public or private service providers**

## Top 5

# DSF sets the tone for the introduction of Health Insurance Schemes

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- **There are three groups who need health insurance:**
- **those who can afford a purely private health insurance system,**
- **those who come under a social health insurance scheme,**
- **and the poor who will not be able to contribute anything**



# **We want to cater for the Poorest of the Poor**

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- **In each society there is a group of people that need government subsidies**
- **This can only be achieved through tax financing (and donor funds in a couple of countries)**
- **In the medium term following the idea of solidarity health insurance schemes have to provide some of this funding**

## The future scenario

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- **Develop and expand disbursement mechanisms such as demand side financing**
- **Develop social health insurance schemes**
- **Combine these two systems but make sure that for the poor there is also financing through taxes available (Equity Funds)**

# Do we need a shift of paradigm in health services financing?

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- **With the ongoing financing mechanisms there is no way to reach the MDGs**
- **We have to look at the health sector as the whole not only at the public part**
- **Financing resources are scarce. We have to utilize the existing funds in the most economical way**



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# Thank you

