



Disappearing
Dichotomies:
A View from Public
Financing

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Disappearing Dichotomies and the Road to UHC



- Health systems strengthening vs. vertical service delivery improvement
- Government-funded health systems vs. health insurance
- Public vs. private financing

Public Financing Comparative Advantages



- Clearly defines the role or space for private financing
- Greater contribution to financial risk protection for poor and vulnerable populations

Stewardship and Governance



- Public sector is primarily responsible for stewardship and governance including regulation of both public and private health sectors
 - Government and Ministries of Health may tend to function at extremes
 - Good regulatory framework and oversight function are necessary for both public and private sectors

Public Sector Bridges to Private Sector (1)



- General revenue, payroll tax or other public revenue can use unified pooling and purchasing arrangements.
- In Kyrgyzstan:
 - General revenue (health budget) and payroll tax (mandatory or social health insurance) revenue pooled in one health purchaser
 - Health purchaser uses unified health purchasing mechanisms and systems for both sources of funding.
- Reduces fragmentation and helps clarify role of private sector

Public Sector Bridges to Private Sector (2)



- Key is improving health purchasing mechanisms to better target health budget funds to priority services and poor populations
 - Shift from line-item budget for health facilities to output-based provider payment systems matching payment to priority services and populations
 - Efficiency gains to extend coverage
- Improves coordination, increases clarity on public benefits and creates space for private financing

Public Sector Bridges to Private Sector (3)



- Legal and regulatory framework to help ensure that public money can go to private providers and vice versa
 - Tax policy is key to public funding flowing to private providers
 - Risk of losing tax subsidies to health



Implementation



- Implementation nuts and bolts are key to improving the relationship between public and private financing
- Relationship between public and private financing will evolve over time
 - Clear vision of where want to go
 - Step-by-step implementation on the road to universal health coverage