



FINANCING THE PATHWAY TOWARDS UNIVERSAL HEALTH COVERAGE (UHC): IMPROVING HEALTH SECTOR PRIORITY SETTING

Key messages

- Providing populations with an explicit set of guaranteed health services is a critical step towards achieving UHC.
- Both the demand for and availability of new health technologies (diagnostics, vaccines and medicines) are growing, together with the need to develop infrastructure for pandemic preparedness, aging populations, and ensuring resilience to climate change.
- There is substantial variation in the achievement of UHC service coverage across countries with similar levels of resourcing, in part due to lack of clarity around which health services and technologies to prioritize.
- Many countries are institutionalizing legitimate, accountable and evidence-informed priority setting to define the package of health services they will guarantee to their populations on the pathway to UHC, but there is still a way to go.
- In low- and middle- income countries (LMICs), external funders should support and align their funding instruments (including global health initiatives) to these domestic health processes, enabling countries to institutionalize fair and unbiased approaches for making the difficult choices around health service priorities.

Problem statement

Spending on health has increased significantly over the past two decades¹, with a rapid increase across low- and middle-income countries², as economies have grown. However, recent advances in the development of new health

1. Global expenditure on health: public spending on the rise? Geneva: World Health Organization; 2021. Licence: CC BY-NC-SA 3.0 IGO.

2. Public spending on health: a closer look at global trends. Geneva: World Health Organization; 2018. Licence: CC BY-NC-SA 3.0 IGO

RELEVANT ACTION AREAS



ABOUT THIS SERIES

The Financing Policy Brief Series has been prepared by the Inter-agency Task Force on Financing for Development to inform the substantive preparations for the Fourth International Conference on Financing for Development (FfD4), to be held in Sevilla, Spain, from 30 June to 3 July 2025.

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technologies and medicines, along with ageing populations and the increasing burden of noncommunicable diseases means that health needs are outstripping available resources. The deficit in funding of UHC is further exacerbated by growing needs to prepare for future pandemics and mitigating the health-related consequences of climate change.

Fiscal space for a minimum UHC package of services remains severely limited for many LMICs due to the increasing costs of borrowing and a significant portion of their tax revenues going towards debt servicing. The World Health Organization (WHO) estimates from 2019 indicated that an additional \$32 investment per capita would be needed on average to strengthen primary health care and expand coverage of 140 critical UHC interventions in all LMICs between 2020 and 2030: however, of the 67 countries analyzed, 25 would face a financing gap in a “business-as-usual” funding scenario³.

While spending on health as a share of GDP increased, on average globally between 2000 and 2019, in recent years this trend has reversed on average for low- and middle-income countries⁴. Progress made in UHC service coverage since 2000 has also stagnated⁵. There is thus an urgent and growing need for many LMICs to prioritize funding, under severe resources constraints, and define a guaranteed package of services that efficiently and equitably accelerates the pathway to UHC. Governments are increasingly exploring new policy instruments (known as Health Benefit Packages and Health Technology Assessment (HTA)) that employ evidence and stakeholder and population engagement to both inform and legitimize the challenging decisions on which health services and technologies to provide.

Institutionalizing these policy instruments in a way that is fair, transparent and maximizes value for money for their populations can however be challenging in countries with limited resources. Results of the 2020/2021 survey on HTA and Health Benefit Packages indicate that lack of awareness and advocacy of the importance of evidence-informed priority setting processes and the lack of institutionalization and human resource capacity to support such processes are the three main barriers to their use in health care policy decision-making⁶.

External financing for health played a pivotal role in health outcome improvements and UHC progression. However, given the current economic climate, there is now a focus on ensuring long term financial sustainability of UHC and improving domestic funding. External funding thus needs to be aligned with nascent domestic priority-setting processes to ensure longer-term domestic financing. There are risks, that if new technologies are funded by global health initiatives, with no domestic HTA examining value for money, long term health sector efficiency may be reduced. A recent analysis conducted in Ethiopia suggested that the current fragmented priority-setting approach led to inefficient prioritization: a failure to arrive at a joint package funding the most cost-effective interventions may have potentially reduced the healthy life years of the population by 15%⁷. Similar examples can be found in several other countries with donor priorities for services diverting domestic funding from more relatively cost-effective services, such as antenatal care and reproductive health⁸.

3. Stenberg K, Hanssen O, Bertram M, Brindley C, Meshreky A, Barkley S, Tan-Torres Edejer T. Guide posts for investment in primary health care and projected resource needs in 67 low-income and middle-income countries: a modelling study. *Lancet Glob Health*. 2019 Nov;7(11):e1500-e1510. doi: 10.1016/S2214-109X(19)30416-4. Epub 2019 Sep 26. PMID: 31564629; PMCID: PMC7024989.

4. Global expenditure on health: public spending on the rise? Geneva: World Health Organization; 2021. Licence: CC BY-NC-SA 3.0 IGO.

5. Tracking universal health coverage: 2023 global monitoring report. Geneva: World Health Organization and International Bank for Reconstruction and Development / The World Bank; 2023. Licence: CC BY-NC-SA 3.0 IGO.

6. Health Technology Assessment and Health Benefit Package Survey 2020/2021. Geneva: World Health Organization; 2024 (<https://www.who.int/teams/health-financing-and-economics/economic-analysis/health-technology-assessment-and-benefit-package-design/survey-homepage>, accessed 9 October 2024)

7. Memirie ST, Demeshko A, Habtemichael M, Mesele T, Haileselassie A, et al. A new compact for financing health services in Ethiopia. Center for Global Development; 2024 (<https://www.cgdev.org/publication/new-compact-financing-health-services-ethiopia-case-study>, accessed 9 October 2024)

8. Schmets G, Rajan D, Kadandale S, editors. Strategizing national health in the 21st century: a handbook. Geneva: World Health Organization; 2016.



Policy solutions

1. Member states should continue with their efforts to institutionalize policy instruments such as Health Benefit Packages or HTA that prioritize health sector funding on services that achieve value for money and other population objectives.

Institutionalized evidence-informed priority-setting processes are recognized as the foundation for funding, investment, and pricing decisions in the health sector. In the World Health Assembly Resolution WHA 67.23, member states recognize the crucial role of HTA in informing priority-setting and are urged to systematically utilize “independent health intervention and technology assessment in support of universal health coverage to inform policy decisions, including priority-setting, selection, procurement supply system management and use of health interventions and/or technologies, as well as the formulation of sustainable financing benefit packages”⁹. HTA is “a multidisciplinary process that uses explicit methods to determine the value of a health technology at different points in its lifecycle.”¹⁰ National ‘Health Benefit Packages’ are critical to the achievement of UHC. They are defined as “policy decisions regarding entitlements, in terms of both services and population groups, which are either funded from public revenues, or publicly mandated”¹¹. Institutionalization of HTA and Health Benefit Packages can be supported by ensuring qualified human resources to improve the use of evidence-informed priority-setting for health care policy and resource allocation decisions. Moreover, external funders can help countries address practical barriers, such as the availability of a regular budget, the availability of data, and the knowledge of methods required to undertake

the process¹². An example of success is Thailand, where HTA was introduced following increasing costs and budget constraints faced due to the implementation of the universal health coverage scheme. Driven by “political will and leadership, capacity building on HTA-related disciplines, adequate resources, technical expertise, and data” Thailand has successfully institutionalized HTA and integrated it into coverage decisions across the health sector¹³.

2. Member states and external health sector funders need to align behind country-led evidence-informed priority-setting processes as a basis to ensure sustainable financing of UHC.

It is essential that domestic priority-setting processes are central gateways to both the introduction and coverage expansion of UHC technologies, vaccines and medicines in LMICs. Different approaches to do this have been proposed, including the “marginal aid” approach, which proposes that “domestic financing would support the highest priority services, and external financing should be used to support the next-most-cost-effective or next highest priority services”¹⁴, based on a jointly defined health benefit package. Alternatively, pooling resources from different sources to fund a health benefit package under the leadership of the recipient country, can further country ownership of external resources and reduce fragmentation, which has been shown to contribute towards sectoral efficiency improvement¹⁵. Other approaches include one recently adopted in Kenya, where the county led the process of developing a harmonized health benefit package in consultation with external partners and where those external partners are contributing to the delivery of services included in the

9. Resolution WHA67.23. WHO. In: Sixty-seventh World Health Assembly, Geneva, 19–24 May 2014. Resolutions and decisions, annexes. Geneva: World Health Organization; 2014 (https://apps.who.int/gb/ebwha/pdf_files/WHA67-REC1/A67_2014_REC1-en.pdf#page=73, accessed 9 October 2024)

10. HTA Glossary [website]. Health Technology Assessment (<https://htaglossary.net/health-technology-assessment>, accessed 9 October 2024)

11. Benefit design: the perspective from health financing policy. Geneva: World Health Organization; 2022 (Health Financing Policy Brief, No. 8). Licence: CC BY-NC-SA 3.0 IGO.

12. Health Technology Assessment and Health Benefit Package Survey 2020/2021. Geneva: World Health Organization; 2024 (<https://www.who.int/teams/health-financing-and-economics/economic-analysis/health-technology-assessment-and-benefit-package-design/survey-homepage>, accessed 9 October 2024)

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14. Drake T, Regan L, Baker P. Reimagining Global Health Financing: How Refocusing Health Aid at the Margin Could Strengthen Health Systems and Futureproof Aid Financial Flows. Center for Global Development; 2023 (<https://www.cgdev.org/publication/reimagining-global-health-financing-how-refocusing-health-aid-margin-could-strengthen>, accessed 9 October 2024)

15. Isabekova G, Pleines H. Integrating development aid into social policy: Lessons on cooperation and its challenges learned from the example of health care in Kyrgyzstan. *Soc Policy Adm*. 2021; 55: 1082–1097. <https://doi.org/10.1111/spol.12669>



harmonized package¹⁶. Care should be taken, however, to ensure that services still reach key or marginalized populations, as part of the alignment process.

Specific recommendations for FFD4

1. Countries should continue to invest in and be supported to establish the necessary systems and processes to conduct legitimate evidence-informed priority-setting. Health benefit packages and health technology assessment are two recommended approaches for decisions on which services and technologies should be publicly funded.
2. In line with the Lusaka agenda (17), development funding for health services and interventions should be guided by domestic priority setting. External funding should align with both the content and processes of locally determined health benefit packages.

16. Chi Y, Regan L. The Journey to Universal Health Coverage: How Kenya Managed the Inclusion of Disease Programmes in its Health Benefits Package; 2021 (<https://www.cgdev.org/publication/journey-universal-health-coverage>, accessed 9 October 2024)