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### WHO Urges All Countries to Strengthen Health Financing so More People can Use Services

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Governments worldwide are struggling to pay for healthcare. As populations get older, as more people suffer chronic diseases, and as new and more expensive treatments appear, health costs soar.

Even in countries where health services have traditionally been accessible and affordable, financing mechanisms are increasingly stretched. In countries that depend heavily on people paying directly for services at the point of delivery, health bills push 100 million people into poverty each year.

This year's World health report gives governments practical guidance on ways to finance healthcare. Taking evidence from all over the world, it shows how all countries, rich and poor, can adjust their health financing mechanisms so more people get the healthcare they need. It encourages the international community to support low and middle-income countries' efforts to increase health coverage.

WHO highlights the following three key areas where change can happen:

#### **Raise More Funds for Health**

In many cases, there is scope for governments to allocate more money for health. In 2000, African heads of state committed to spend 15 percent of government funds on health. So far three countries (Liberia, Rwanda and the United Republic of Tanzania) have achieved this. If the governments of the world's 49 poorest countries each allocated 15 percent of state spending to health, they could raise an additional 15 billion US dollars per year - almost doubling the funds available.

#### **Raise Money More Fairly**

This means removing the key financial barriers to obtaining care. Countries like Japan that manage to ensure health services are available to the entire population have done so by reducing dependence on direct, out of pocket payments and increasing prepayment - generally through insurance or taxes or a mix of the two. The funds raised are then pooled, so that it is not just those who are unlucky enough to get sick that bear the financial burden.

#### **Spend Money More Effectively**

Smarter spending could increase global health coverage by anything between 20- 40 percent. The report identifies ten areas where greater efficiencies are possible. One of these is the purchasing of medicines. France has adopted a strategy of using generic drugs wherever possible - this saved the equivalent of almost 2 billion US dollars in 2008. Hospitals are another. Hospital care often absorbs from half to two thirds of total government spending on health: almost 300 billion US dollars is lost annually to hospital-related inefficiency. More efficient spending on hospitals could boost productivity by 15 percent.



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