

The world spends more money for health – on the road to UHC, let's strive for better health for the money!

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The case is clear: health is an investment, not a cost. Ample evidence exists of the returns on investment it yields. From skill-intensive jobs stemming from investment in health services to poverty reduction, the correlation between health sector development and economic growth is well demonstrated.¹

Beyond this, investment in health increases productivity, reduces treatment costs and protects countries from the dire economic and social impacts of outbreaks and other health emergencies. Yet in 2015, only about half of the world's population had access to essential health services, and a staggering 100 million people were still falling into extreme poverty because of paying for health services out of their own pockets.²

Despite these bleak figures, WHO is convinced that universal health coverage (UHC) is not a luxury that only rich country can afford.

Domestic public financing is key for all countries on their journey towards UHC and the health-related targets in the Sustainable Development Goals (SDGs). WHO's estimates show that 85% of the cost of meeting the SDG health targets in low-income and middle-income countries can be met with domestic resources.³ These investments could prevent 98 million premature deaths by 2030.⁴

This does not preclude external financing to be required to scale up investments, most critically in human resources for health and infrastructure, which are the main cost drivers of achieving the health-related targets across the SDGs.

In short, UHC is a political, not an economic, choice.

Today WHO is launching a new report, 'Public spending on Health: a closer look at global trends' which confirms that we are witnessing a profound transformation in the way the world pays for health services.⁵

Since 2000, health spending has outpaced the global economy, climbing to US\$7.5 trillion in 2016, or about 10% of global gross domestic product. Importantly, an increasing proportion of health spending is coming from domestic resources, while the proportion coming from households is declining.

The recent African Union Summit decision to increase domestic resources for health illustrates these promising dynamics: this is the way forward for health for all.⁶

Conversely, external funding (aid) now represents less than 1% of global health expenditure and is a small and declining proportion of health spending in middle-income countries.

Globally, public spending on health has increased as country income grew, especially in middle-income countries where average per capita public spending on health has doubled since 2000 as these countries transition to domestic funding.⁷ However, low-income countries are lagging behind.

The burden of evidence that higher public spending on health tends to improve financial protection for individuals is irrefutable. However, there is less solid evidence of the impact of public funding on health service coverage, and this funding does not always improve equity in access to health services. Equity is the next frontier for policy-makers and decision-makers committed to progressing towards UHC.

In short, more money for health is good; more health for the money is even better.

In that sense, the smartest investment is in people-centred primary healthcare (PHC), with an emphasis on promoting health, preventing disease and keeping people out of high-priced hospital stays.

However, new data from 46 low and middle income countries suggest that most PHC expenditure is funded by households while PHC is insufficiently prioritised by



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governments.^{5 8} All countries can therefore make progress towards UHC with the resources they have, by gradually expanding access to services and taking steps to reduce out-of-pocket spending.

This can be achieved either through reallocation of country budgets (primarily in high-income countries) or additional investments (primarily in low-income countries) or a combination (in low-income and middle-income countries).

This is the only way to make UHC a reality, and to open wide the door to universal, equitable access to health services for everyone, everywhere.

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