

Innovative financing options in health care



‘Financing health care in Africa: challenges and opportunities’
CABRI, Dar Es Salaam

Policy question

- What are innovative financing options in health care - focus on the private sector
 - Mainstreaming
 - New revenue streams
 - [Pooling public and private revenue streams]
- Rationale
 - Small tax base
 - Inefficient tax administration
- How much?
 - Temporary short cut to increase tax-to-GDP ratio
 - Significant but only complementary for UHC financing

Examples

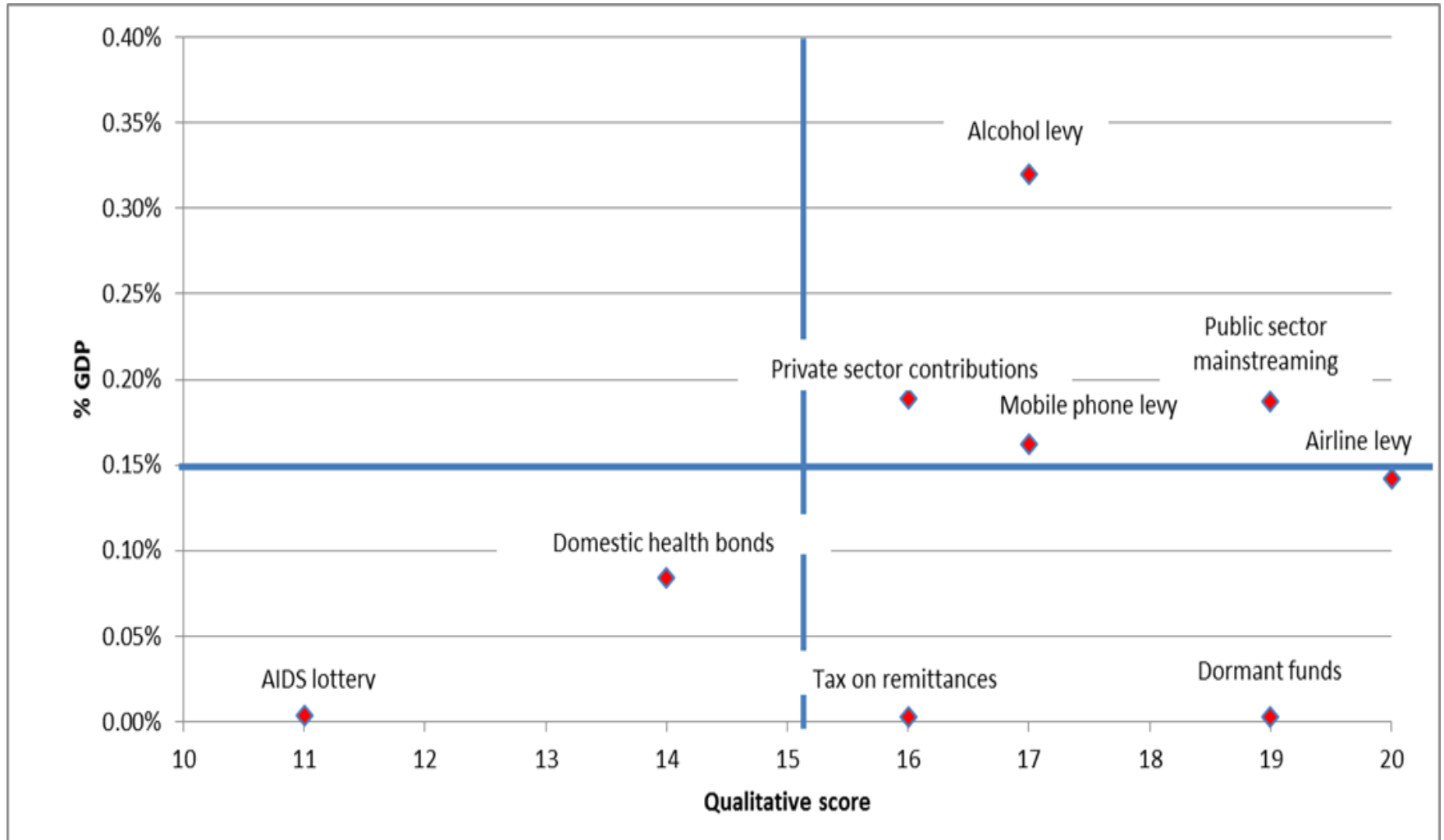
Mechanism	Example	Type of Mechanism
Airline Ticket Voluntary Solidarity Contribution	Voluntary additional charge added to purchase price of passenger airline tickets, which is donated to support health projects.	Revenue stream
Mobile Phone Solidarity Contribution	One-time or recurring donations made by private individuals or companies through mobile phone bills.	Revenue stream
Consumer Product-Based Donations	Most prominent example is Product (RED), which partners with companies to direct a portion of proceeds from branded products to be directed to the Global Fund.	Revenue stream
Exchange Traded Funds (ETFs)	Private investment instruments traded on market exchanges linked to a cause, with part of collected fees transferred to Global Fund-linked index funds developed with Deutsche Bank debuted in 2010.	Revenue stream
Providing medical treatment for employees	Volkswagen Brazil has provided treatment and support services for HIV-infected employees since 1996.	Private sector mainstreaming
Community-wide investment in health	In 2013, the Newmont's support to health at the Akyem mine review found strong and consistent community engagement, wide stakeholder consultation in the design of services and strong partnerships including with government at the district level.	Private sector mainstreaming
Donations for the creation of health facilities	In 2011, ExxonMobil Foundation announced a donation of \$500 000 to establish a malaria diagnostic laboratory for the HopeXchange Medical Center at its health facility in Kumasi.	Private sector mainstreaming

How to choose between different options?

Overview of National Financing Mechanisms

Mechanism	Sustainability	Stability	Progressivity	Administrative Efficiency	Side Effects	Total
Airline levy	4	4	5	4	4	21
Dormant funds	4	4	5	3	4	20
Tax on tourism	4	4	5	3	3	19
Public Sector Mainstreaming	4	4	3	3	4	18
Income levy	4	4	4	5	1	18
Health insurance	5	5	3	2	2	17
Alcohol levy	4	4	2	4	3	17
Tax on remittances	4	3	2	4	3	16
Private sector contributions	3	3	3	3	4	16
Mobile phone levy	4	4	2	4	1	15
Domestic AIDS bonds	1	5	3	1	4	14
AIDS lottery	2	2	1	2	4	11

How to choose between different options?



Thank you