



## Executive Summary

The Health Care Financing Strategy 2012-2032 provides a framework for developing and advancing health financing in Bangladesh. The strategy is aligned with the vision of the Health, Population and Nutrition Sector

Development Program (HPNSDP) 2011-2016, the universal coverage as defined by WHO, and the National Health Policy 2011 that recognizes the importance of bringing more funds to the health sector and pooling the resources more adequately.

Rising incomes and aging population, with its growing burden of chronic diseases, will progressively add to the demand for complex and expensive health care. At the same time, the impressive performance of preventive and primary care has to be maintained and be available for the population. The high out of pocket spending and the catastrophic impact of the health care, especially on the poor and vulnerable, must be decreased and financial protection for health must be increased. The strategy needs to meet the financing challenges confronting the health sector now and in the future.

The challenges posed by health financing in Bangladesh are many and can be summarized under three broad categories. These are:

- (i) inadequate health financing;
- (ii) inequity in health financing and utilization; and
- (iii) inefficient use of existing resources.

The strategy recognizes the importance of other building blocks of the health system; however, discussions on those and their impact on this strategy have been beyond the scope of this document.

This strategy document has been developed through a participatory process, led by the Health Financing Resource Task Group with the Senior Secretary of the Ministry of Health & Family Welfare (MOHFW) in the chair. Thematic papers on the financing challenges were drafted by technical working groups with representatives from the academia, research organizations, NGOs and public sector; integrating the thematic papers, a preliminary draft was shared with representatives of stakeholders in regional consultation workshops. A national consultation with the principal stakeholders on the redrafted document was held to arrive at the final draft.

The Strategy is designed to address these challenges and presents a compelling case for an increase in public resources dedicated to health while outlining an actionable mechanism to capture private spending and channel it efficiently in prepayment and pooling arrangements. It puts emphasis on extending financial protection to all segments of the population.

The goal of the national health financing strategy is to strengthen financial protection and extend health services and population coverage especially to the poor and vulnerable segments of the population, with the long-term aim to achieve universal coverage. The role of health financing is to:

- (i) provide all people with access to needed health services (including prevention, promotion, treatment and rehabilitation) of sufficient quality to be effective; and
- (ii) ensure that the use of these services does not expose the user to financial hardship.

The 20-year health financing strategy devises ways to combine funds from tax based budgets with proposed social health protection schemes (including for the poor and the formal sector), existing community-based and other prepayment schemes and donor funding to ensure financial protection against health expenditures for all segments of the population, starting with the poorest.



Recognizing the need for increased engagement and strengthened stewardship role of MOHFW, this strategy document aims at maximizing the complementary role of private sector, both for profit and non-profit, through public private partnership, and continuing the engagement of Development Partners' in financing the health sector. The proposed strategy has designed its interventions and actions targeted to increasing people's engagement and participation.

To begin with, this strategy proposes to cover the poor and the formal sector, including government, private and NGO employees, and progressively extending the coverage to the remaining segment of the population by 2032.

To cope with the challenges and increase financial protection for the entire population and decrease out-of-pocket payments at point of service, the following three strategic objectives are proposed:

- Generate more resources for effective health services
- Improve equity and increase health care access especially for the poor and vulnerable
- Enhance efficiency in resource allocation and utilization

### **Strategic interventions and supportive actions:**

#### *1. Design & implement Social Health Protection Scheme*

- Determine institutional arrangements for Social Health Protection Scheme
- Design and implement Health Equity Fund/National Health Security Office
- Implement SSK for BPL
- Design social health protection scheme for above BPL (formal and informal)

#### *2. Strengthen financing and provision of public health care services*

- Implement needs and performance based allocation
- Scale up/reinforce Result Based Financing (MHVS)
- Retain user fees at point of collection

#### *3. Strengthen national capacity*

- Support information exchange platform/knowledge hub/resources pool
- Develop the capacity to design and manage the social health protection scheme
- Strengthen Financial Management and Accountability
- Improve monitoring and evaluation
- Introduce mechanisms to support the production of additional key staff (nurses, paramedics and medical technicians)

The entire population of Bangladesh will have access to the public health services; and in addition, they will benefit from the increased financial protection for health. The strategy will be implemented in three phases, - short, medium and long. The short term one will be up to the end of HPNSDP; in that phase SSK pilot rolls out, and NHSO and other key elements of the social health protection scheme will be designed. The medium term will be up to 2021 when the activities launched during the preceding phase (SSK, NHSO and social health protection programs) will be appropriately scaled up. In the long term, the next 11 years, Bangladesh will move ahead to achieving universal health coverage building upon the achievements of the short and medium terms of sequenced implementation of the strategic interventions proposed here

The HCFS is comprehensive in its inclusion of a logical framework and a set of indicators. This analytical framework will make it easy for all stakeholders to assess the on-going and proposed interventions in the light of the defined objectives of this strategy.

This Strategy points the way to the long-term objective of universal coverage. What is important is to begin and take active steps to protect ALL Bangladeshis from the financial risk of seeking or obtaining care.