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# Equité & protection financière pour une couverture santé universelle efficace

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# Outline

## 1. Background

- The objectives of health systems

## 2. Economic evaluation for health systems

- Purchase health equity & financial risk protection efficiently

## 3. Implications and applications

- Design essential health benefit packages
- Evaluate intersectoral policies – case study of health taxes

## 4. Conclusions

- Use to set health policy priorities

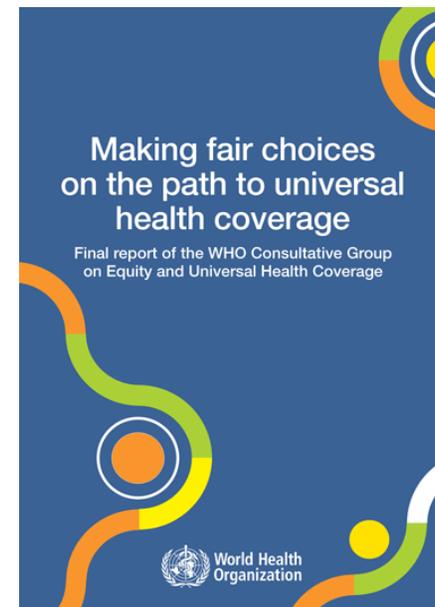
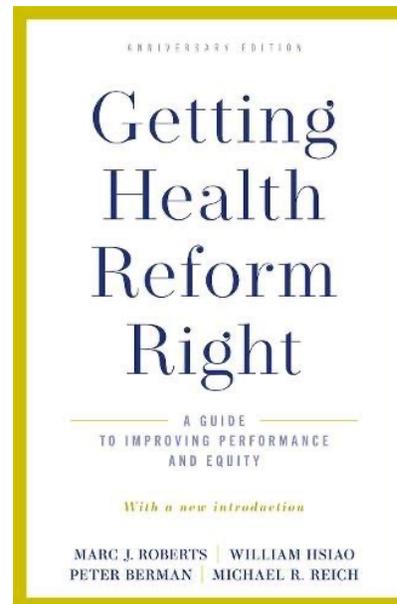
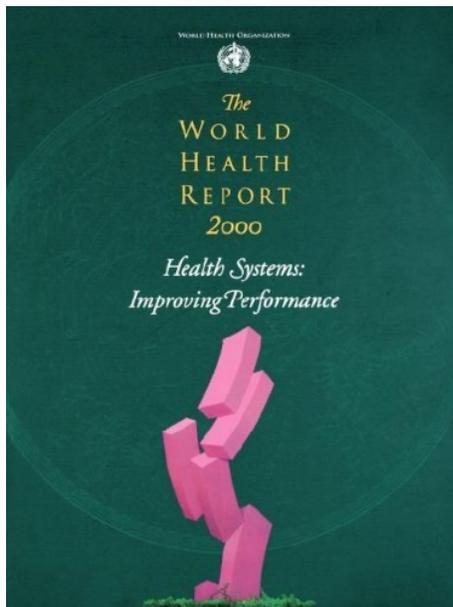


# 1. Background

- The objectives of health systems

# Health system performance

- Major scholarly efforts have attempted to define goals for evaluating the performance of health systems



Murray & Frenk. Bulletin of the World Health Organization (2000)

Roberts, Hsiao, Berman, Reich. "Getting health reform right" (2008)

World Health Organization. "Making fair choices to universal health coverage" (2014)

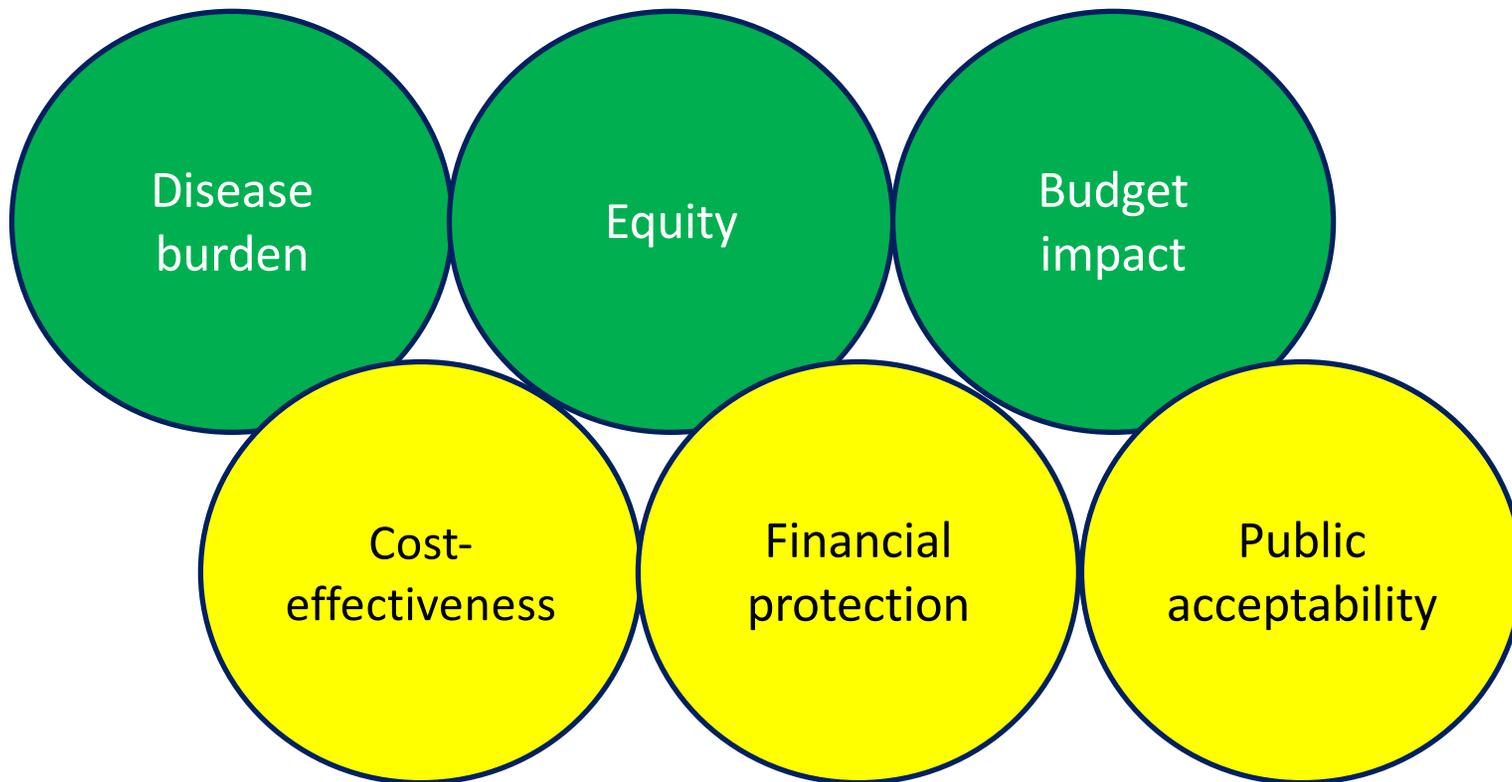
# Broad consensus on the objectives of health systems

- Improving health and its distribution in the population
- Protecting from the financial risks of illness:  
Financial risk protection, the prevention of high out-of-pocket healthcare payments
- Prioritizing the “worse off” and the poorest
- Ensuring public satisfaction with the system



# Illustration: design of essential health benefits package

- Sample of prioritization criteria



# Resource allocation question: how to achieve health system objectives *efficiently?*

## Analytical focus

- Depart from: traditional economic evaluations  
Cost-effectiveness of technical interventions for single diseases that evaluates aggregate costs and aggregate health effects
- To reach: health system performance focus  
Economic evaluations extended to health system outcomes and objectives: budget impact, health equity, financial risk protection



## 2. Economic evaluation for health systems

- Purchase health equity & financial risk protection efficiently

# Health policy questions

1. How to reduce health inequalities?



2. How to reduce disease-induced financial risks?

**Efficiently**



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# **Proposal**: economic evaluation that points to equity outcomes

**Extend economic evaluation of policy to include, per given budget:**

**1. Health equity impact**

Disaggregated health outcomes across population subgroups (e.g., income groups)

**2. Financial risk protection impact**

Disease-induced financial burden averted by policy

Verguet, Laxminarayan, et al. Health Economics 2015

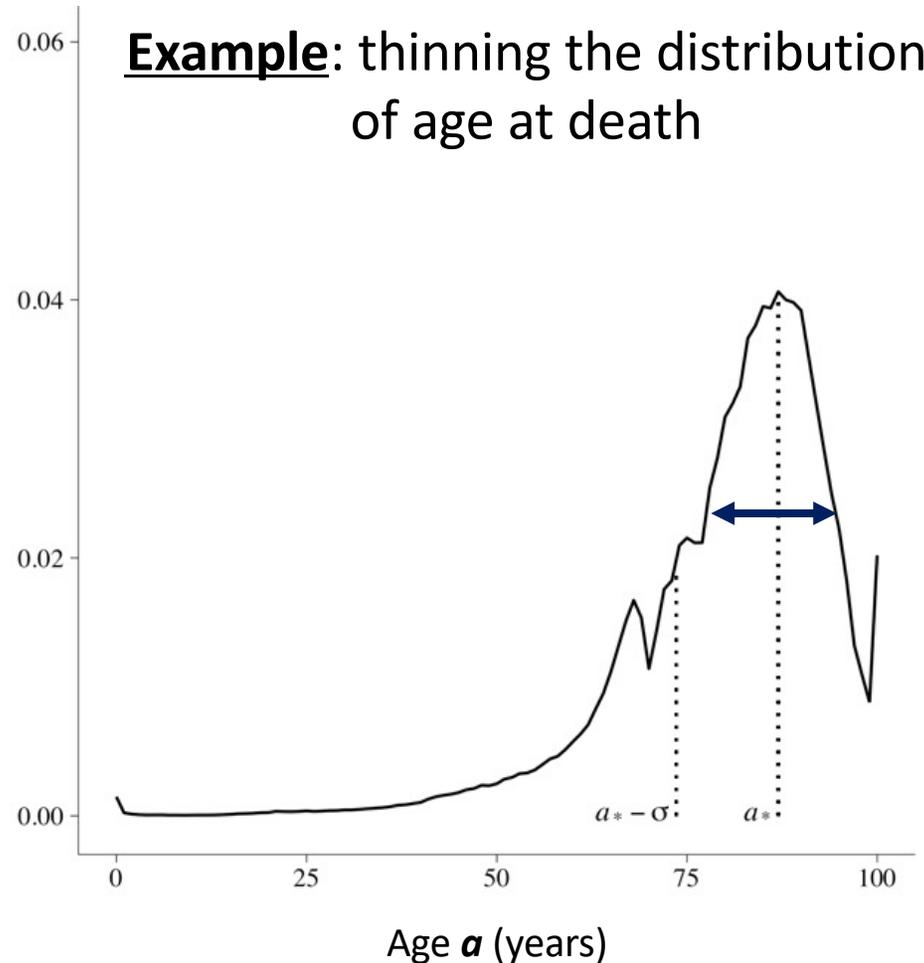
Verguet, Kim, et al. Pharmacoeconomics 2016



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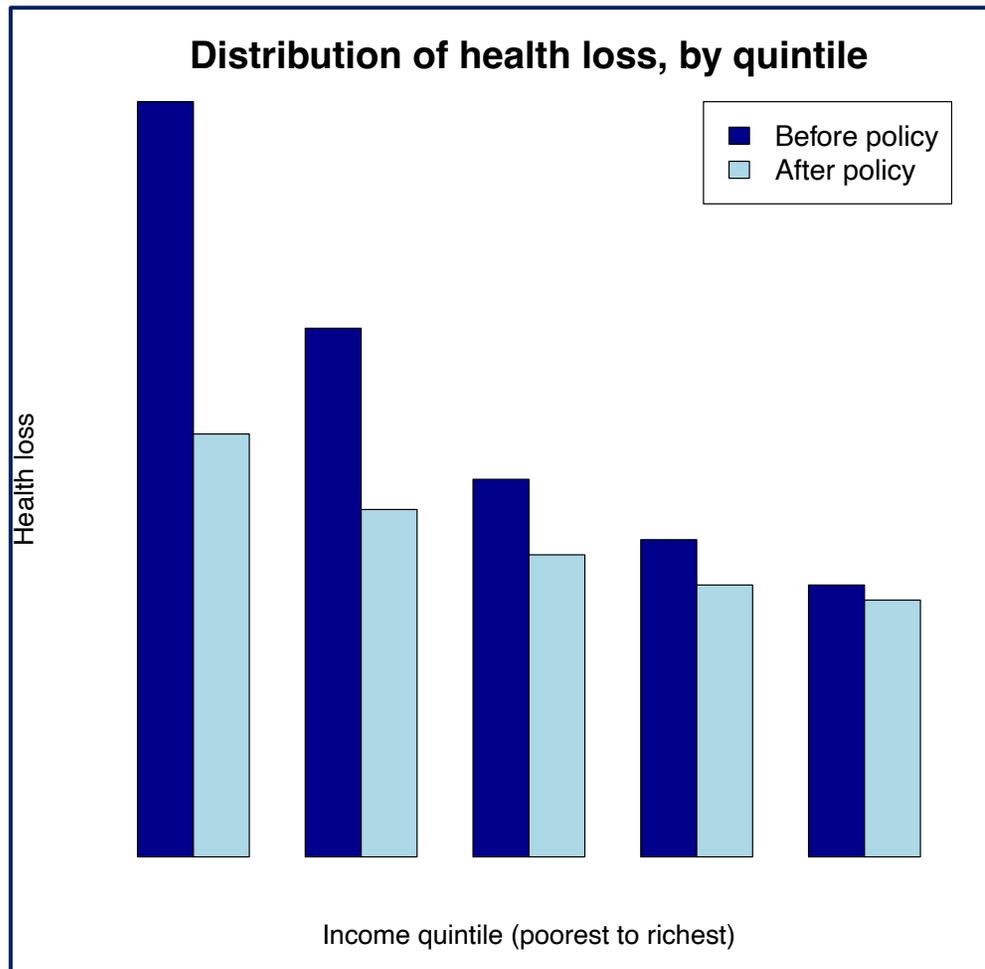
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# Health system objective 1: equalize the distribution of health outcomes



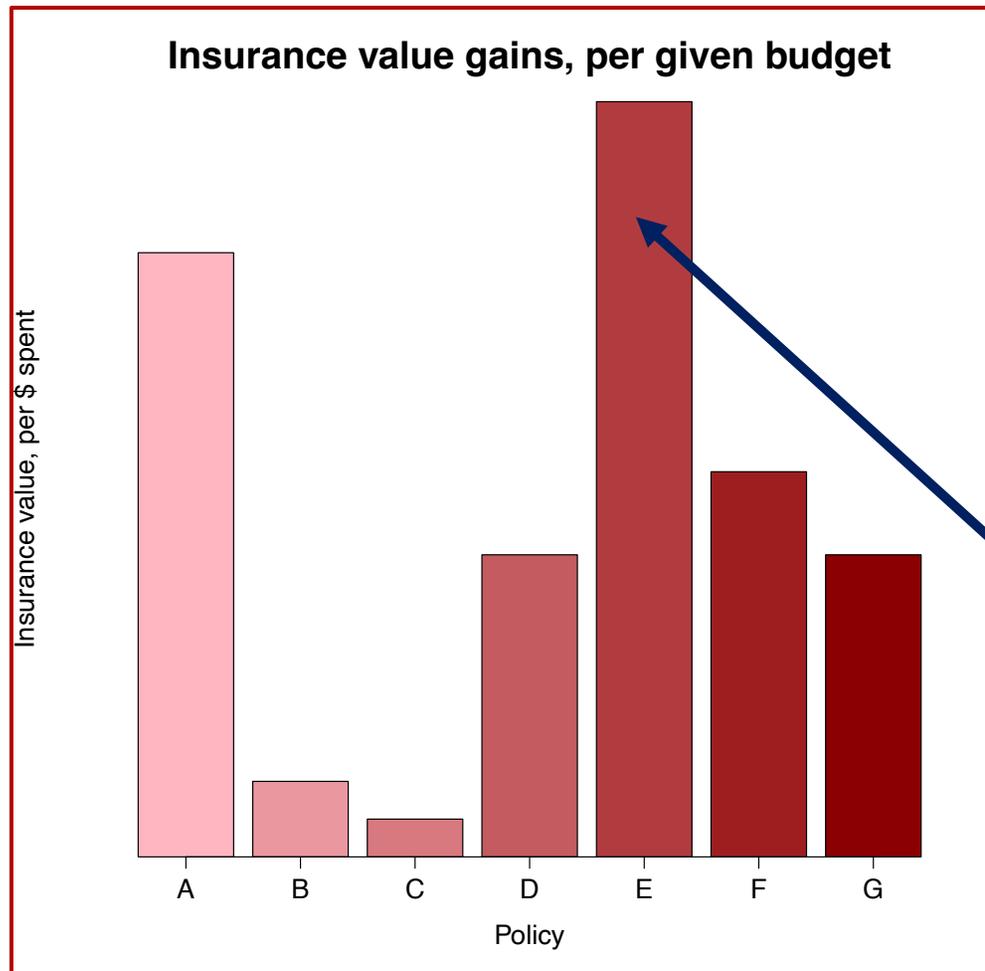
# Assess health equity impact of policy

Per given budget, estimate health impact by income group



**Flattening the gradient  
efficiently**

# Health system objective 2: buy financial risk protection *efficiently*



Per given budget, estimate insurance value procured by policies

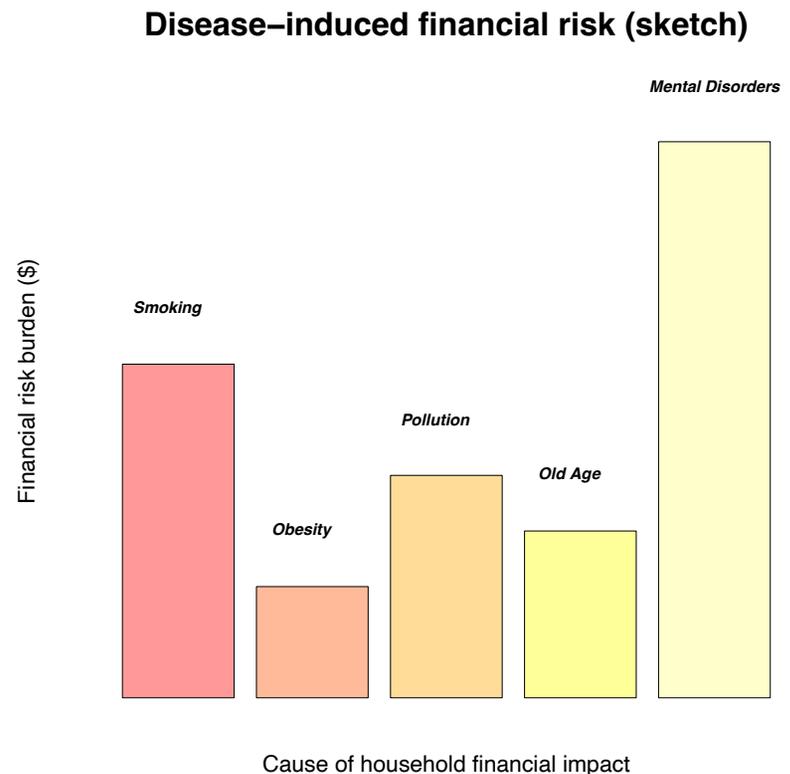
Policy E = most efficient for financial protection gains

# Analytical considerations

## What induces financial risks?

- **Out-of-pocket medical costs** (drug costs, copayments)
- **Non-medical costs** (transport costs)
- **Indirect costs**  
(wage/productivity losses for patients/families)

## What is the financial impact to households by priority area?



**Implement**: evaluation pointing to distributions in health & financial outcomes

**Evaluate**: policy with given budget

IMPACT ON

Health gains

Household  
financial  
well-being

Financial  
protection  
gains

Poorest

Poor

Middle

Rich

Richest



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## 3. Implications and applications

- Design essential health benefit packages
- Evaluate intersectoral policies – case study of health taxes



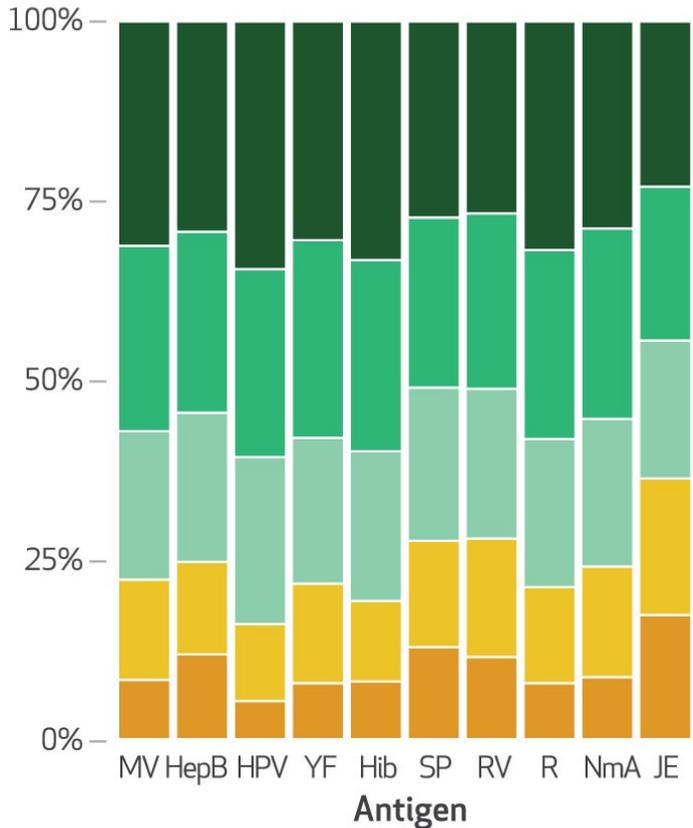
# Start: dashboard of distributions in health & financial outcomes, per given budget

Outcome	I	II	III	IV	V
<b>Health gains</b>					
No distributional weighting ( $\beta = 0$ )					
$e = 1.2$	5.497	7.335	6.492	4.278	1.262
$e = 1.0$	13.515	15.951	13.084	8.052	2.175
$e = 1.5$	1.436	2.290	2.271	1.658	0.660
$e = 2.0$	0.156	0.330	0.395	0.342	0.145
With distributional weighting					
$\beta = 1.3$ and $e = 1.2$	12.887	7.223	3.882	1.641	0.278
$\beta = 0.5$ and $e = 1.2$	8.291	8.087	5.916	3.286	0.780
$\beta = 0.7$ and $e = 1.2$	9.497	8.119	5.500	2.854	0.622
$\beta = 1.0$ and $e = 1.2$	11.276	7.847	4.737	2.218	0.426
$\beta = 1.5$ and $e = 1.2$	13.802	6.653	3.308	1.306	0.204
<b>Financial risk protection gains</b>					
$r = 1.1$	0.033	0.011	0.007	0.004	0.001
$r = 1.5$	0.049	0.015	0.009	0.005	0.002
$r = 2.0$	0.073	0.021	0.012	0.007	0.003
$r = 3.0$	0.138	0.033	0.019	0.011	0.004
<b>Public sector costs</b>	0.281	0.218	0.170	0.124	0.066

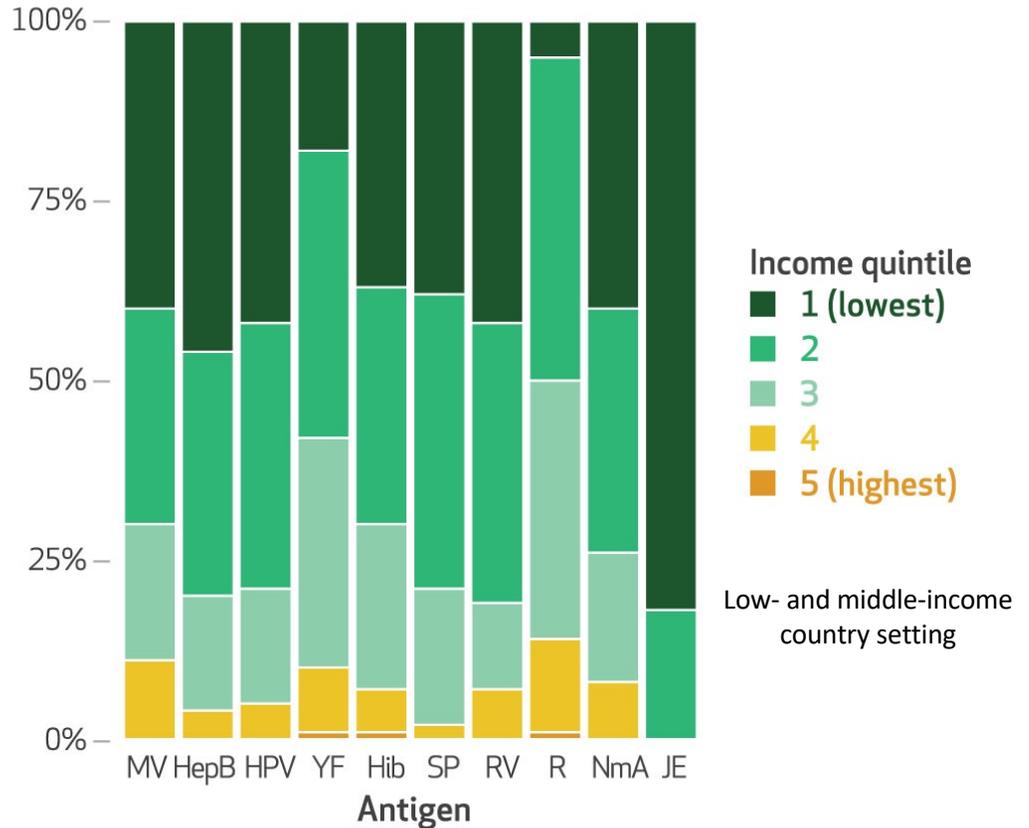
**Resource allocation:** which investments show the greatest returns for Quintile I?

# Example: prioritize a package of vaccines

Distribution of health gains, by vaccine



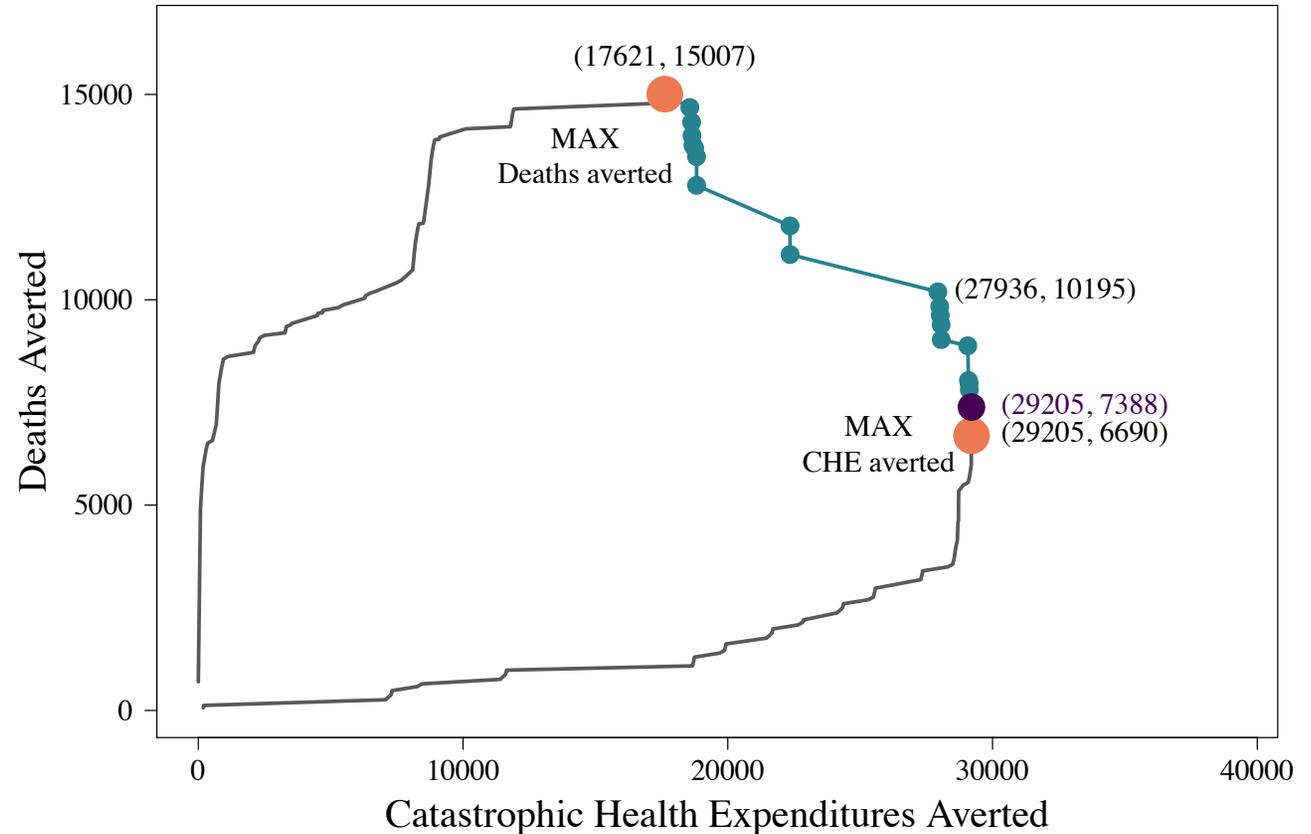
Distribution of financial protection gains, by vaccine



MV = measles; HepB = hepatitis B; HPV = human papillomavirus; YF = yellow fever; Hib = *Haemophilus Influenzae* type b; SP = *Streptococcus Pneumoniae*; RV = rotavirus; NmA = Meningitis A; JE = Japanese encephalitis

# Design an essential benefits package

Select essential services based on jointly maximizing health & financial protection gains, under fixed budget



- Catastrophic health expenditures (CHE) = out-of-pocket health expenditures greater than 10% of income – measure of (lack of) financial protection
- Ethiopian setting

# **Evaluate health taxes: on tobacco, alcohol, sugar, salt, or junk food products**

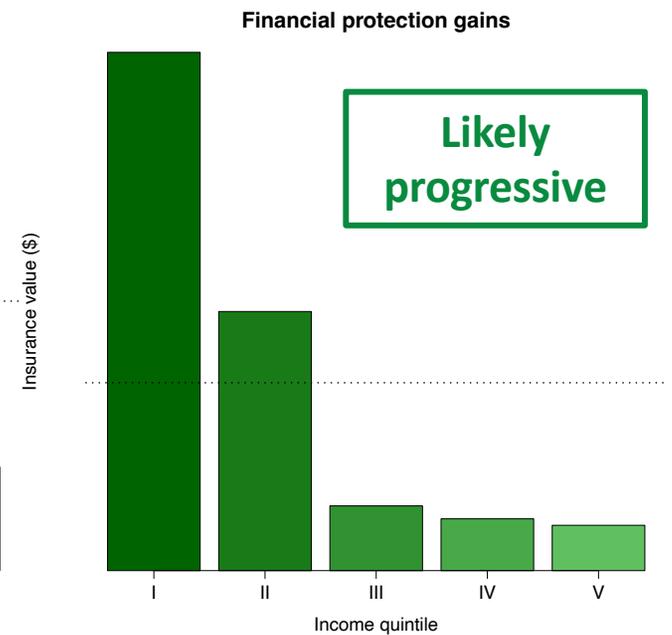
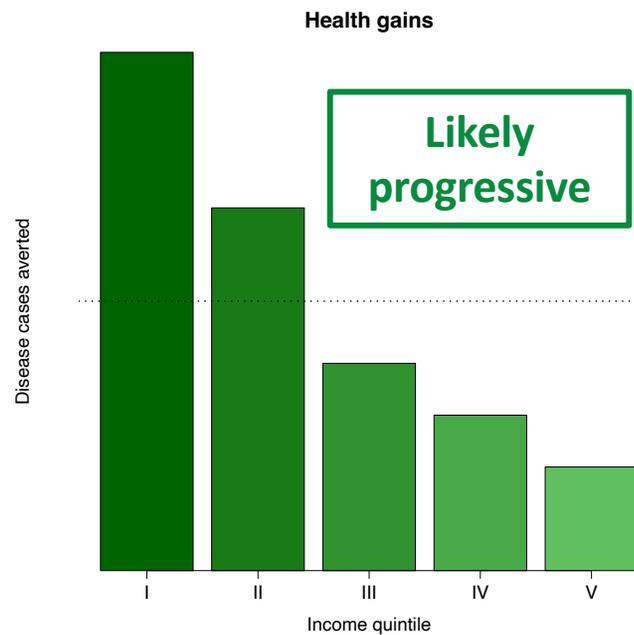
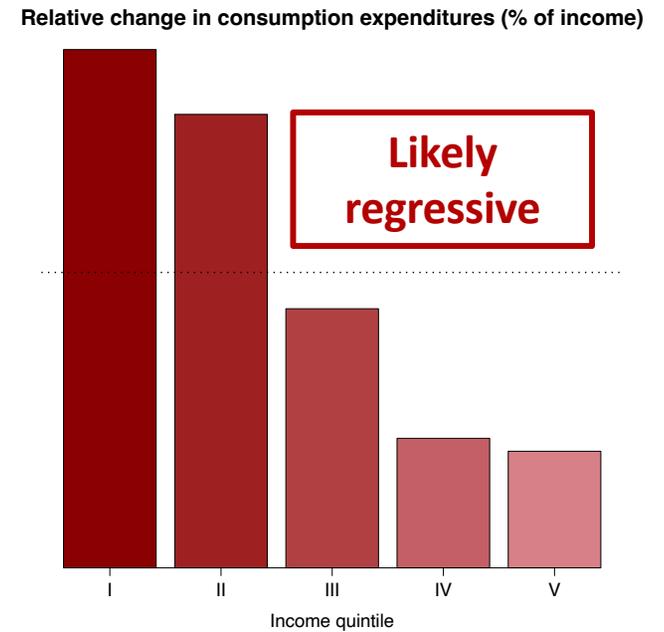
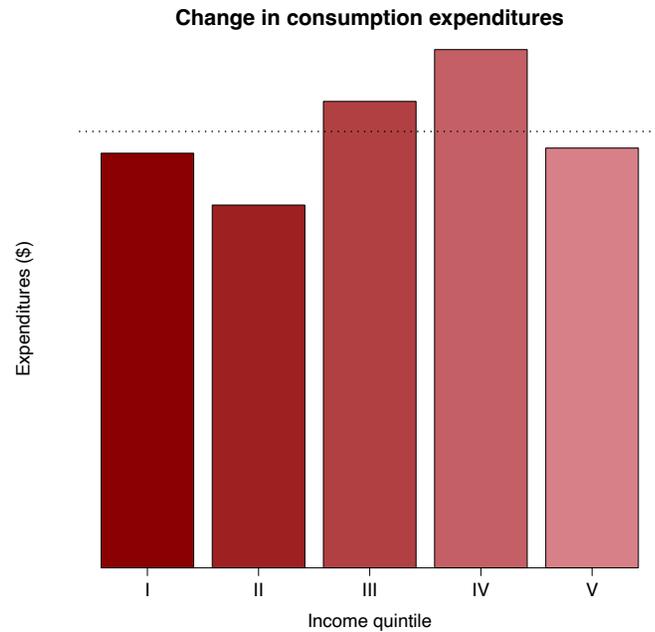
- **Major political issue: health taxes are often regarded as regressive**

The poorer incur proportionately greater expenses on products compared with the richer

- **But:**

Most assessments take narrow focus on consumption and ignore totality of outcomes including health and financial protection gains for individuals

# Distributions after tax (sketch)

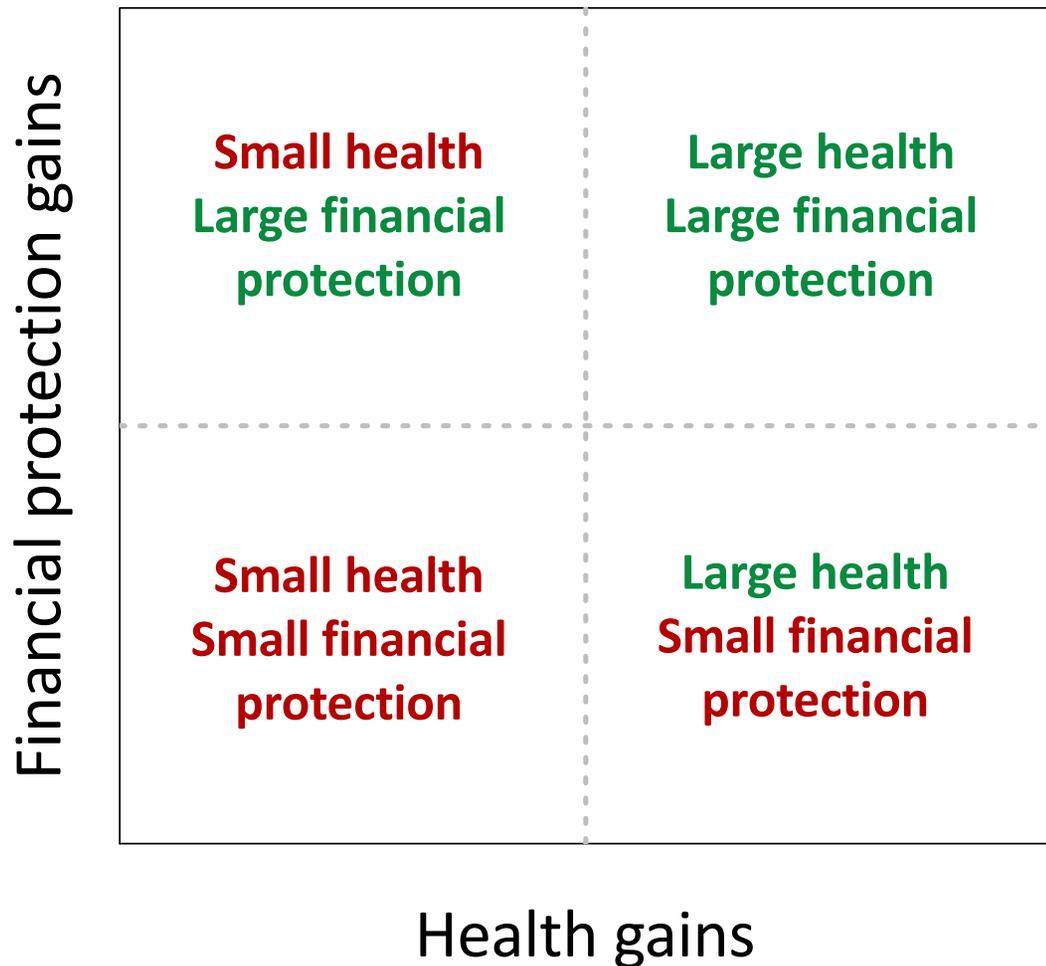


## 4. Conclusions

- Use to set health policy priorities

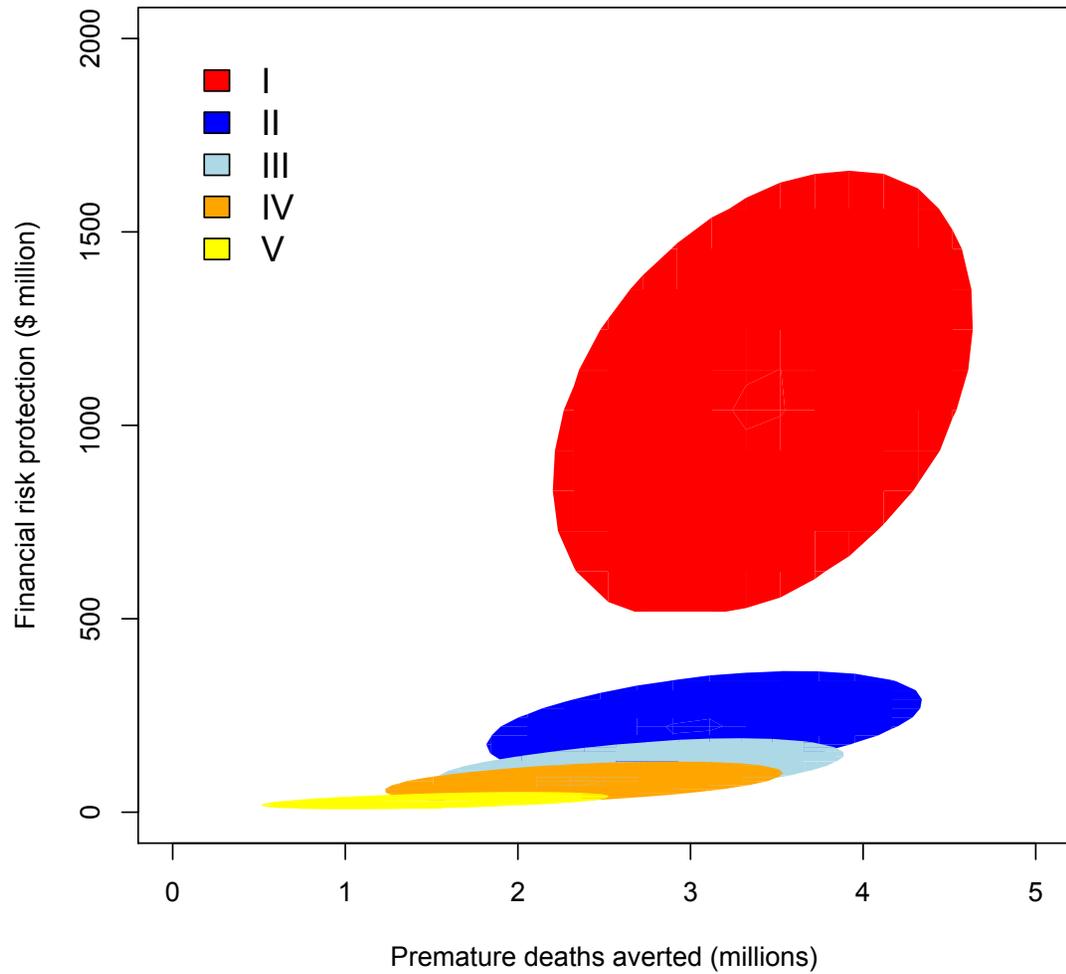
- **Maximize returns on health & financial protection**

## Efficiency plane, per \$ invested



- **Point to progressive redistributive pathways**

50% tobacco price increase, China



I = Poorest income quintile

- **Redress inequalities via health sector**

Documenting equity gains procured by health investments enables cross-sectoral comparison



- Shows how **investing in health can improve redistribution & efficiently reduce overall inequalities**
- **Relates to social protection agenda & social contract:**  
this is attractive to finance ministries and government heads

# Remerciements

Commissaire  
à la santé  
et au bien-être

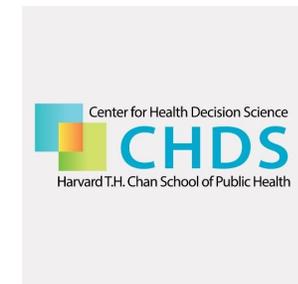
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