



UHC POLICY BRIEF # 3, April 2019 *"Every Life of Mother and Child Counts"*

Leave no one behind; Economic benefits of investing in Universal Health Coverage

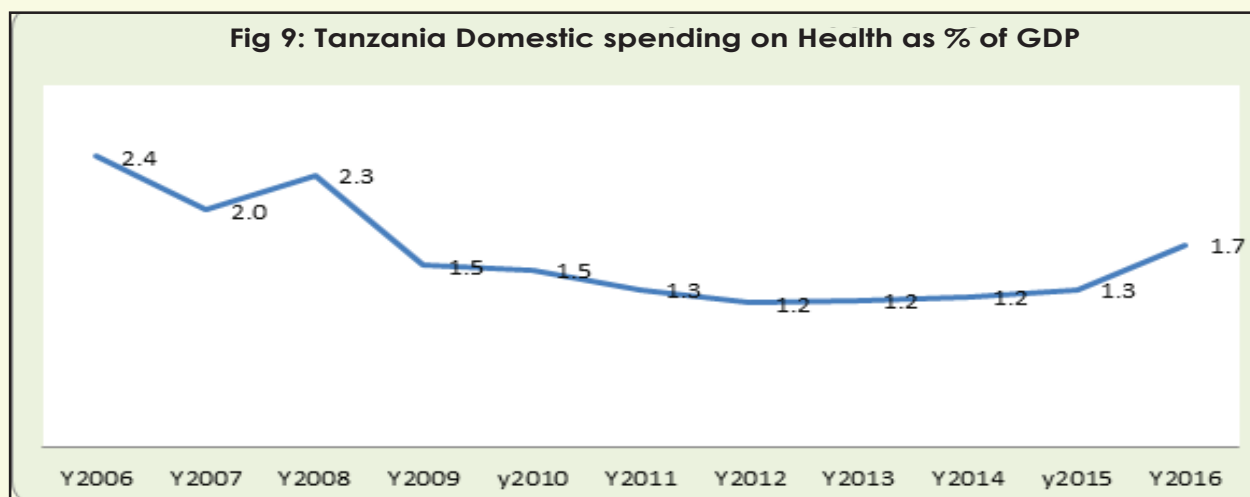
Introduction:

Healthy population leads to productive population. When there is not universal health coverage, poor people who cannot afford to pay for either insurance or upfront when they get sick end up waiting until they get worse or forfeiting important household expenditure for health (catastrophic expenditure). UHC means that all individuals and communities receive the health services they need without suffering financial hardship. It includes the full spectrum of essential, quality health services, from health promotion to prevention, treatment, rehabilitation, and palliative care. UHC reduces the risk that people will be pushed into poverty because unexpected illness requires them to use their life savings, sell assets, or borrows – destroying their futures and often those of their children. We can certainly learn from China, where by 2011 about 95% of population had health insurance.

Globally, approximately 100 million are still pushed into extreme poverty (living on USD 1.90 or less per day because of catastrophic expenditure). Universal Health Coverage concern therefore is equity, and thus it is important to consider who is who is not protected against the financial hardship imposed by Out Of Pocket payments, which directly supports President's agenda of industrialized economy.

Percentage of GDP allocated to Health:

In the last ten years, the percentage of GDP allocated to health was highest in 2006 (2.4%) and declined steadily, lowest in 2013 and 2014 (1.2%) before it started to raise to 1.7% in year 2016. Global reconsiderations to achieve UHC is 4-5% of GDP allocated to health. This means that Tanzania is allocating less than half of what is commended.



Source: <http://apps.who.int/nha/database/Select/Indicators/en>

Economic benefit of investing in UHC:

An estimated 150 million people suffer financially crippling health payments because of this annually, while 100 million people are pushed below the poverty line simply because they need to use health services but must pay out-of-pocket for them. A central concern of UHC is equity, and thus it is important to consider who is who is not protected against the financial hardship imposed by Out Of Pocket payments. This directly supports the President's agenda of an industrialized economy. For example, China achieved universal health insurance coverage in 2011, by deliberately increasing public health spending as a means to reduce levels of unproductive households saving; this represents the largest expansion of insurance coverage in history. By 2011, government subsidies accounted for 75 and 85 percent of the premiums of rural and urban medical scheme. The heavy subsidies are critical for coverage expansion.

By investing in Universal Health Coverage, you reduce the possibility of families to be pushed into poverty and families will be healthy and Government spending on health will decrease in long run. If productivity strategies are put in place, families will be produce and their average expenditure will be above USD 1.9 hence reduction in poverty. When the household expenditure increase, Government tax collection will equally increase.

Conclusion and Recommendations:

Achieving universal health coverage therefore is instrumental to Tanzanian President agenda to industrialize the economy, Investing in UHC should therefore not be seen as expenditure but investment.

Using the recommended Gross Domestic Product (GDP) allocation to health sector of 4-5% percent and lowest projected GDP growth of 2.6 percent, we have estimated that Tanzania would need to allocate TZS 4.58 trillion equal to USD 2.08 billion in the financial year 2019/2020 in order to progress towards UHC.

ⁱ Source: [http://www.who.int/news-room/fact-sheets/detail/universal-health-coverage-\(uhc\)](http://www.who.int/news-room/fact-sheets/detail/universal-health-coverage-(uhc))

ⁱⁱ Evans D, Elovainio R, Humphreys G. Op. Cit., 5 p.

ⁱⁱⁱ Source: <https://www.sciencedirect.com/science/article/pii/S0168851015001864> (Universal health insurance coverage for 1.3 billion people: What accounts for China's success?)



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"Every Life of Mother and Child Counts"

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