

Innovative financing mechanisms for sustainable healthcare in Ghana

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**Planetary &
Public Health**



1. Health financing is political
2. Health financing in Ghana is good... but can be improved
3. Innovations can help make improvements ... but improvements do not necessarily require innovations
4. Financing principles are important – any reform (innovative or not) should be guided by principles
5. Ghana can make improvement by aligning health financing with principles – supported by politics... (or despite politics?)

- Some say: 99% political and 1% technical
- Reforms affect distribution of power and resources
- Politics are played out in technical details

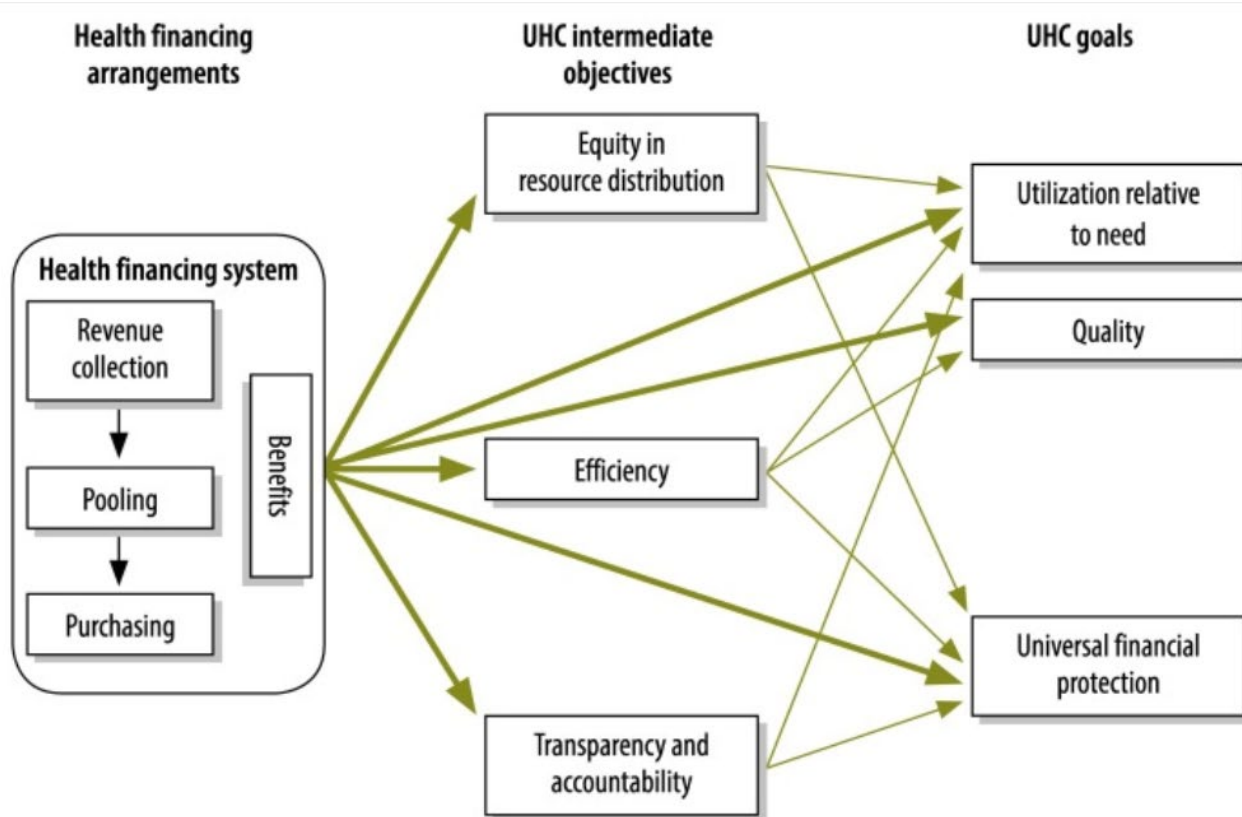
Mahama launches 'Mahama Cares', appeals to corporate Ghana for support



by Akosua Otchere — April 29, 2025 Reading Time: 2 mins read



Health financing is essential for making progress towards UHC



- ➔ Direct effects of financing on the objectives and goal
- ➔ Indirect effects of financing on the goals

Policy & practice

Health financing for universal coverage and health system performance: concepts and implications for policy

Joseph Kutzin^a

Abstract Unless the concept is clearly understood, "universal coverage" (or universal health coverage, UHC) can be used to justify practically any health financing reform or scheme. This paper unpacks the definition of health financing for universal coverage as used in the World Health Organization's *World health report 2010* to show how UHC embodies specific health system goals and intermediate objectives and, broadly, how health financing reforms can influence these.

All countries seek to improve equity in the use of health services, service quality and financial protection for their populations. Hence, the pursuit of UHC is relevant to every country. Health financing policy is an integral part of efforts to move towards UHC, but for health financing policy to be aligned with the pursuit of UHC, health system reforms need to be aimed explicitly at improving coverage and the intermediate objectives linked to it, namely, efficiency, equity in health resource distribution and transparency and accountability.

The unit of analysis for goals and objectives must be the population and health system as a whole. What matters is not how a particular financing scheme affects its individual members, but rather, how it influences progress towards UHC at the population level. Concern only with specific schemes is incompatible with a universal coverage approach and may even undermine UHC, particularly in terms of equity. Conversely, if a scheme is fully oriented towards system-level goals and objectives, it can further progress towards UHC. Policy and policy analysis need to shift from the scheme to the system level.

Abstracts in العربية, 中文, Français, Русский and Español at the end of each article.

Introduction

Since the publication of *The world health report 2010*,¹ universal coverage (also often referred to as universal health coverage or UHC) has received increased attention. Like having a "sustainable health financing system", it is something that sounds very good. But what does it mean, exactly, and why is it something worth pursuing?

The world health report 2010 contains the following definition of health financing for universal coverage:

"Financing systems need to be specifically designed to: provide all people with access to needed health services (including prevention, promotion, treatment and rehabilitation) of sufficient quality to be effective; [and to] ensure that the use of these services does not expose the user to financial hardship."¹

Some of the debates around recent reform experiences, particularly those related to the interpretation of what is meant by "insurance",^{2,3} suggest that there remains a lack of common

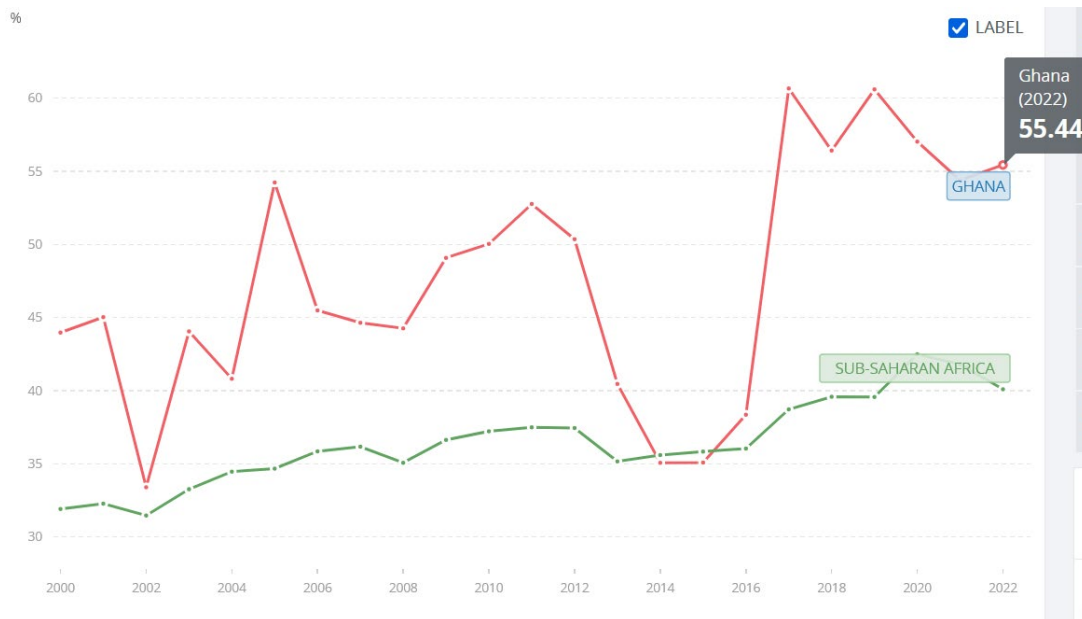
work for health system performance of the World Health Organization (WHO). The third section justifies UHC, as defined above, as an aim of health policy by linking it explicitly to the goals of the health systems framework. This is followed by a discussion of the three dimensions of coverage. Next is a further specification of both UHC goals and intermediate objectives, followed by an illustration of the types of health financing reforms that can influence progress towards UHC. The sixth section contains a discussion of the unit of analysis for UHC and of the practical importance of understanding the distinction between schemes and systems. The final section of the paper summarizes the core messages arising from this conceptual approach.

Health financing and system performance

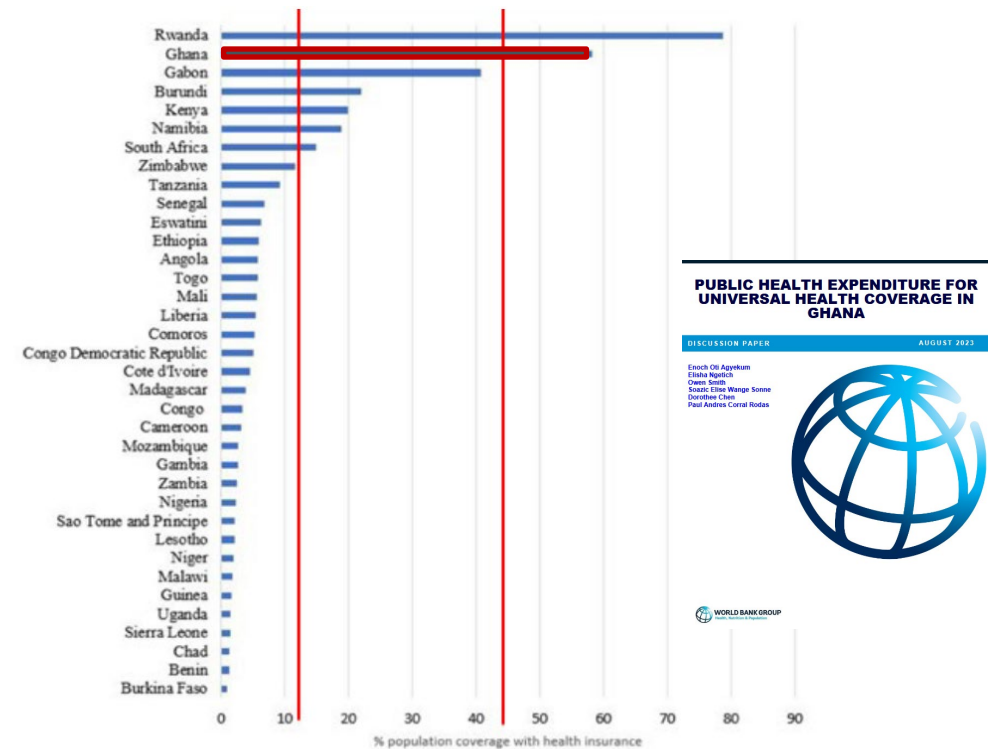
The starting point for the approach used goes back to *The world health report 2000*, on health system performance.^{4,7} The framework used for that report identified three generic goals and four generic functions of all health systems (WHO reconfigured these four functions into six "building blocks"⁸

Health financing in Ghana is good

Domestic general government health expenditure (% of current health expenditure)



Health insurance schemes (all forms) coverage in Africa

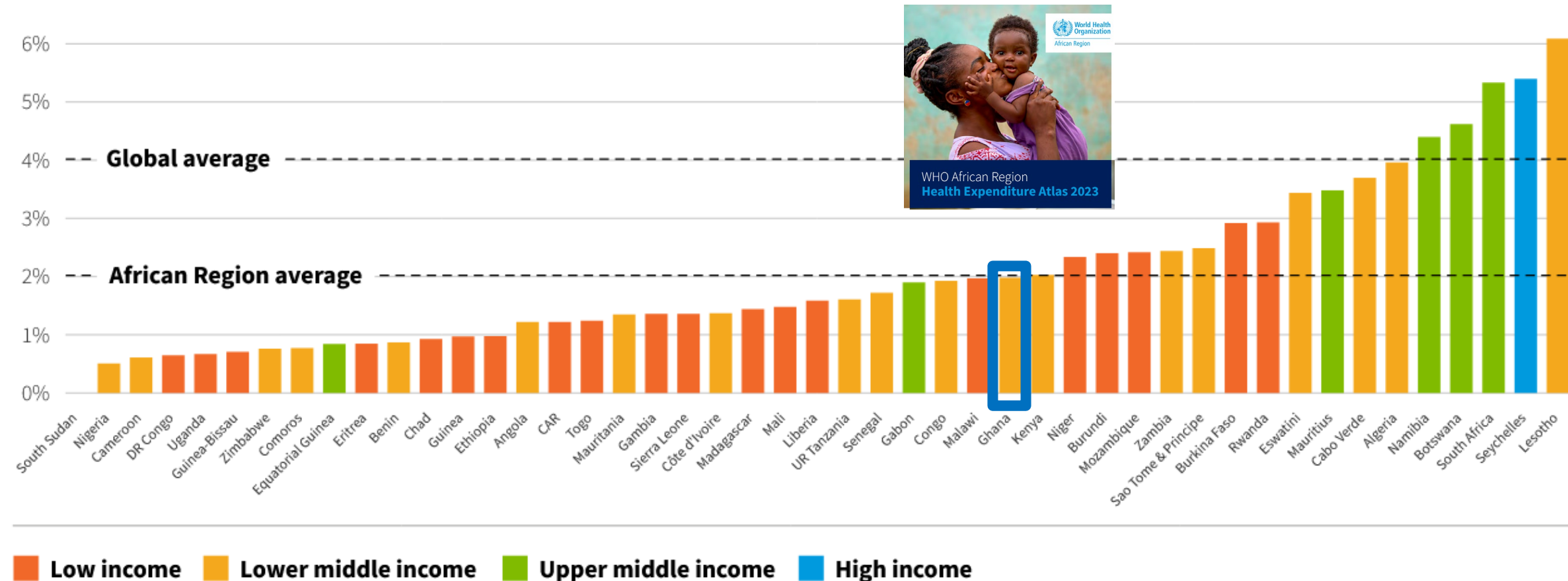


Source: World Bank Country PERs.

Health financing in Ghana is good ... but can be improved

Public spending on health remains below average in Africa

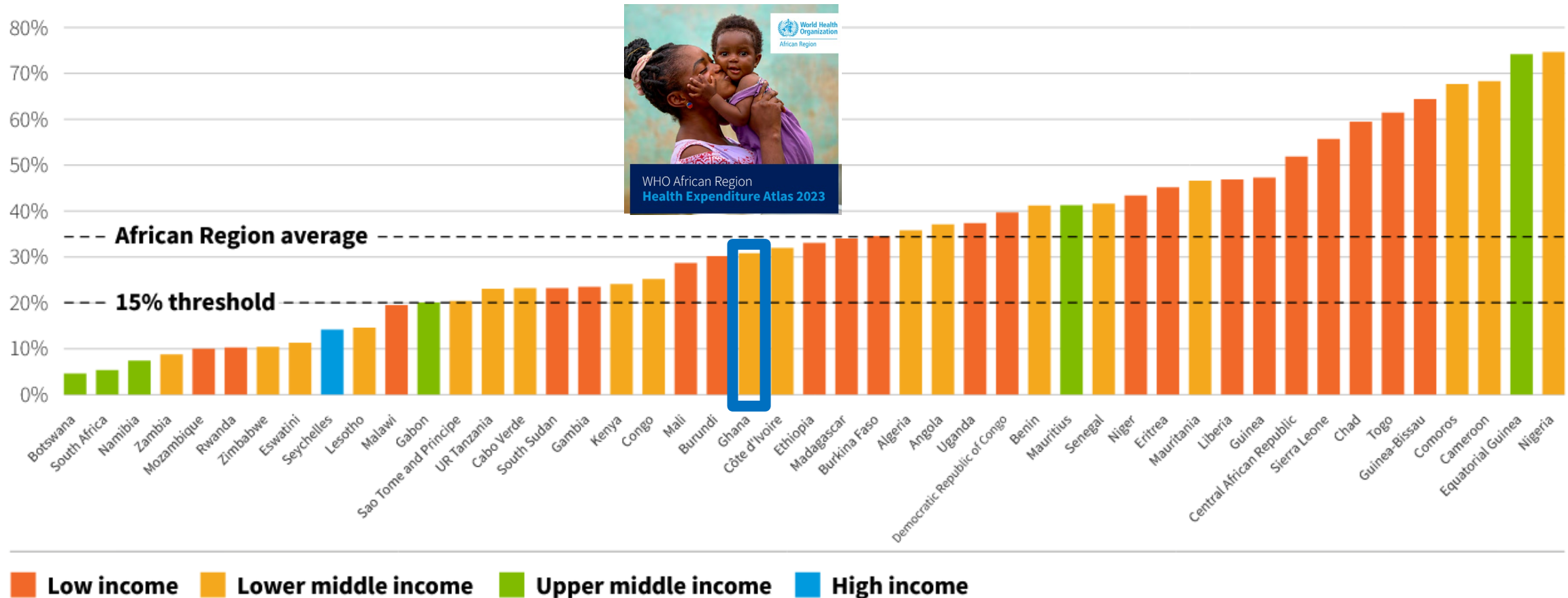
Fig. 6: Share of domestic general government health expenditure as a percentage of gross domestic product, by country, 2020, WHO African Region.



Health financing in Ghana is good ... but can be improved

Out-of-pocket spending remains about average

Fig. 11: Out-of-pocket expenditures as a share of current health expenditure, by country, 2020, WHO African Region.



Health financing in Ghana is good ... but can be improved

Spending on administrative costs is high

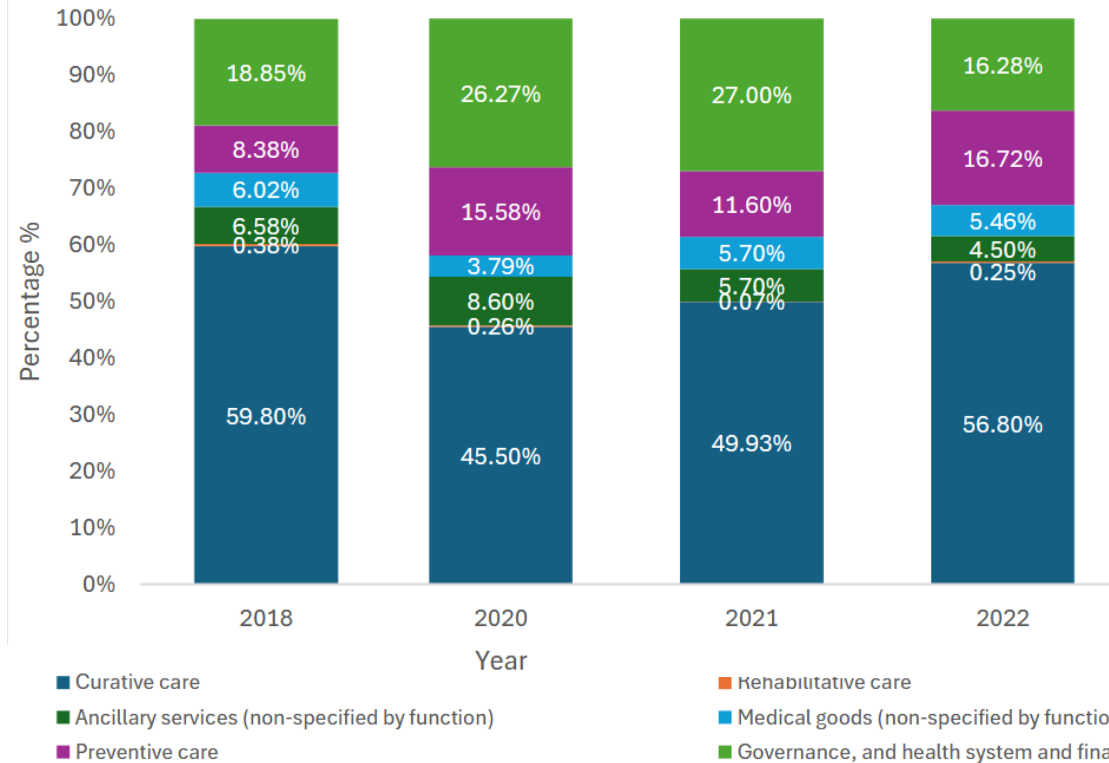
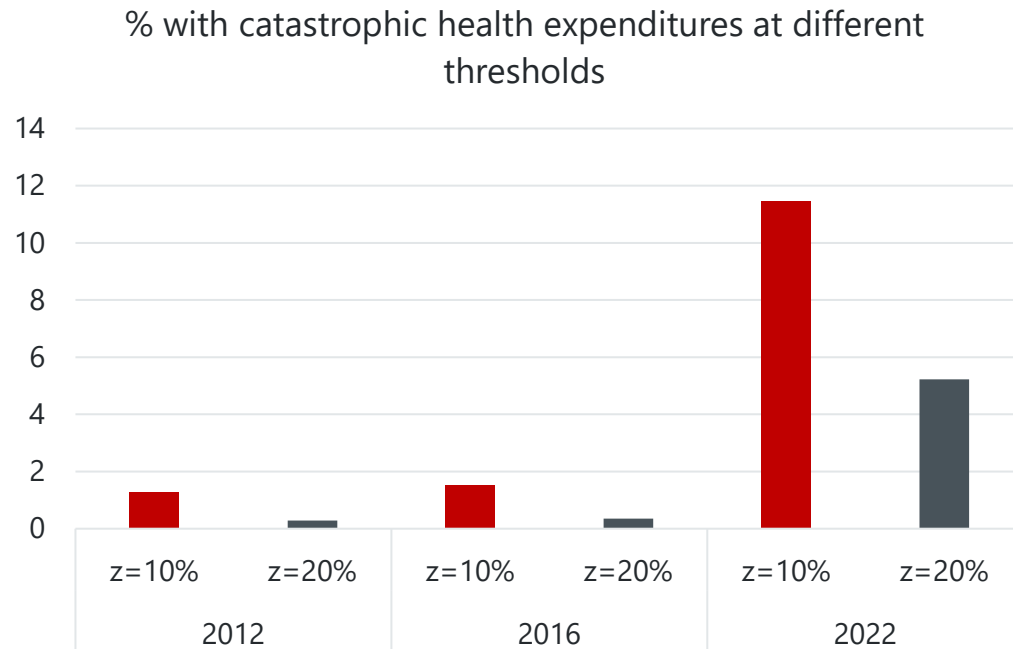


Table 4: NHIS Expenditure Breakdown

Expenditure items	Percentage of funds
Claims reimbursements for 2020	54.93
NHIA operational cost	12.42
Support to MoH for public health and preventive care	10.29
Nationwide ICT network	5.15
Office buildings	3.98
Biometric ID cards and authentication system	3.68
Support to district offices	2.40
claims data capturing	1.77
Support for district health projects	1.45
Claims processing centers e-claims	1.41
Others including contingencies	2.53%
Total	100.00%

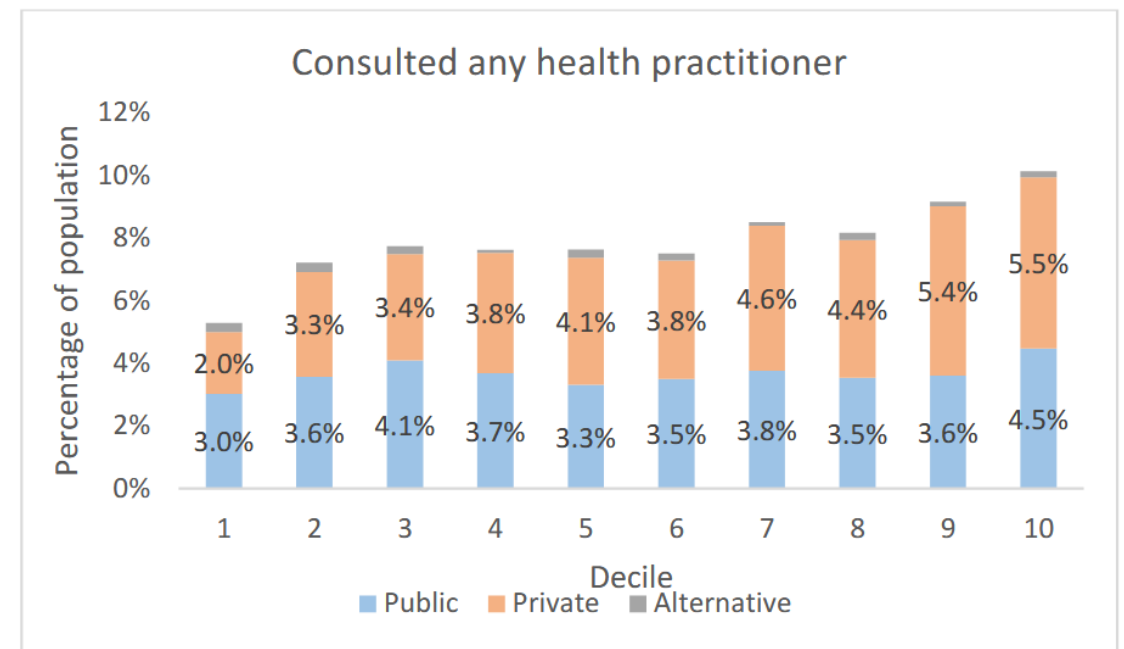
... leading to suboptimal outcomes

Catastrophic health expenditure have increased



Based on Akazili et al. 2025

Inequities in access remain



Source: GLSS-7, 2017.

Innovations can help make improvements

- What are innovative health financing mechanisms?
- WHO AFRO definition:
 - **Additionality:** new mechanisms must complement existing financing **without crowding out**
 - **Effectiveness:** new mechanisms ensure right/better use of additional funds
 - **Efficiency:** new mechanisms contribute to value for money.

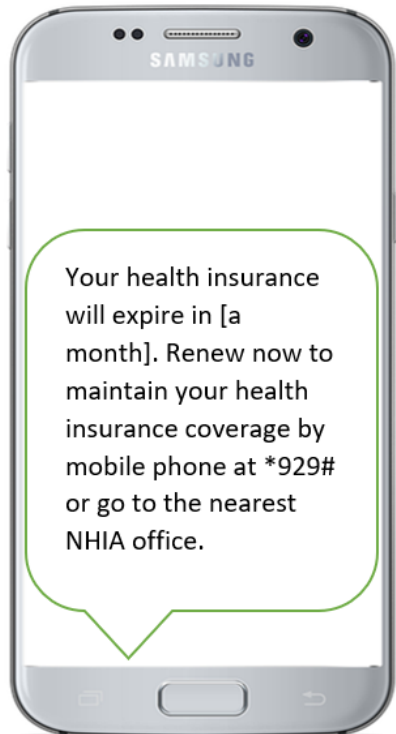


Innovations in raising revenues – many options available

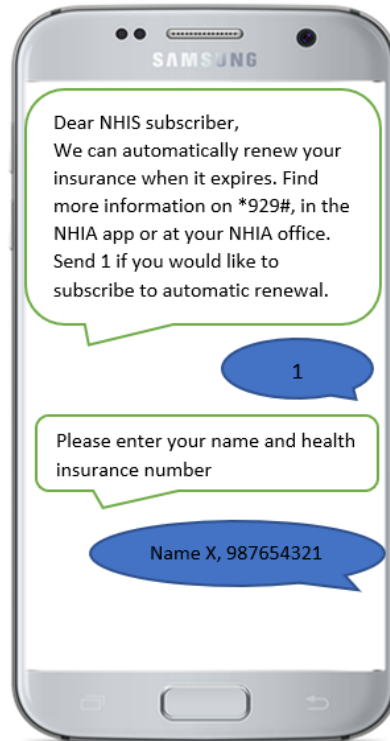
Country	Tobacco tax	Alcohol tax	Airline levy	Sugar tax	Oil, gas, minerals	HIV/AIDS trust fund	Social impact bond	Financial transactions tax	Mobile phone tax	Equity fund
Congo	X	X			X					
Côte d'Ivoire	X	X	X							
Democratic Republic of the Congo	X	X	X							
Equatorial Guinea	X	X								
Eritria	X	X								
Eswatini	X	X								
Ethiopia	X	X								
Gabon	X	X	X					X	X	
Gambia	X	X								
Ghana	X	X								
Guinea	X	X	X		X					
Kenya	X	X		X						
Sierra Leone	X	X								
South Africa	X	X	X	X			X			
Togo	X	X	X							
Uganda	X	X		X		X				
United Republic of Tanzania	X	X		X						
Zambia	X	X		X						
Zimbabwe	X	X				X				



Digital innovations for raising revenues



Reminders



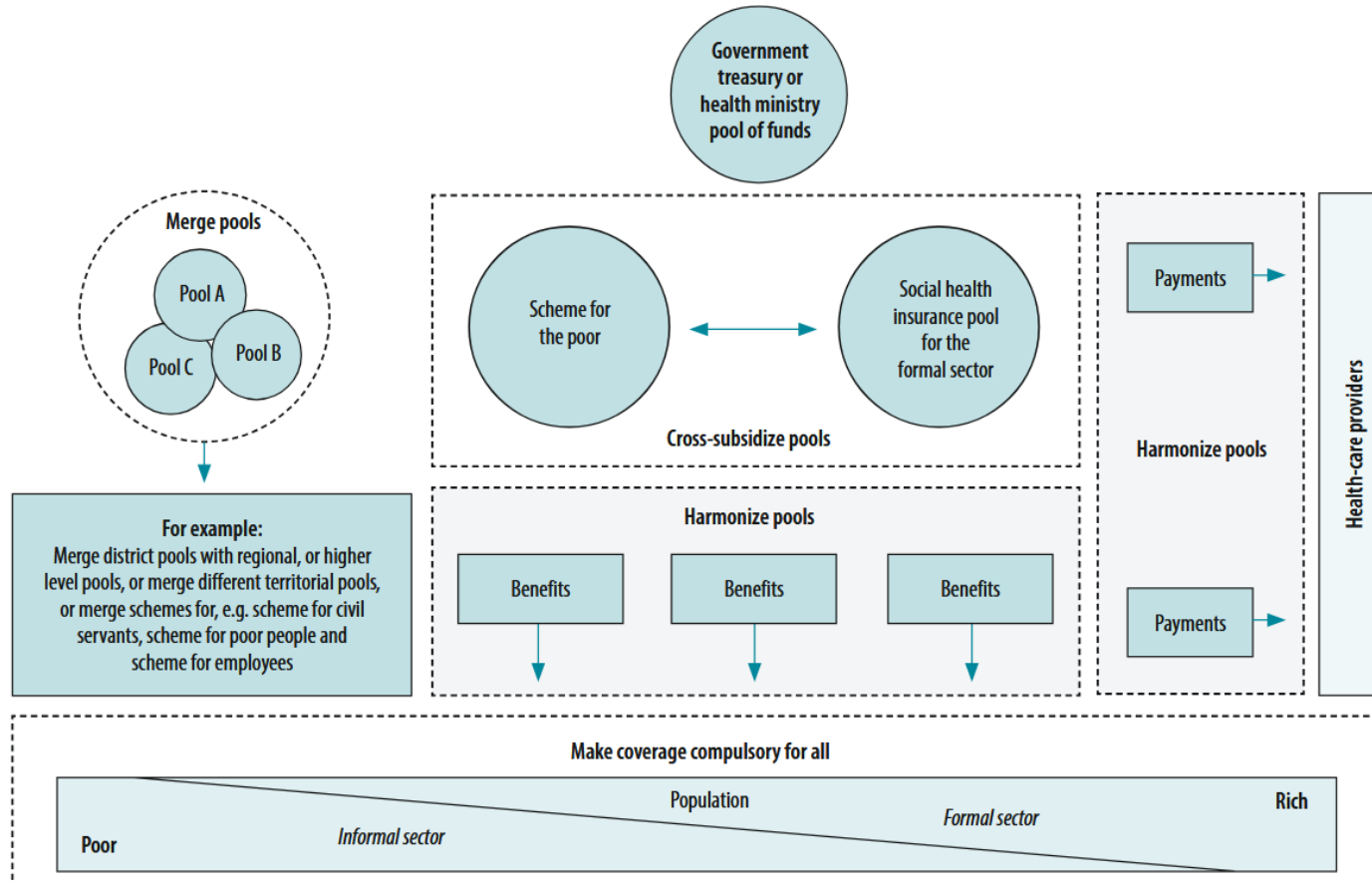
Automatic renewal



Pooling reforms (Innovations?)

Pooling financial resources for universal health coverage: options for reform

Inke Mathauer,^a Lluís Vinyals Torres,^b Joseph Kutzin,^a Melitta Jakob^c & Kara Hanson^d



Notes: Circles refer to a pool; dotted lines refer to a specific pooling reform.

→ Merge Voluntary Health Insurance (VHI) with NHIS?

→ Cross-subsidize NHIS from VHI?

→ Enforce NHIS membership for VHI members?

→ Pool resources from MoH and NHIS?

Purchasing reforms (innovations?)

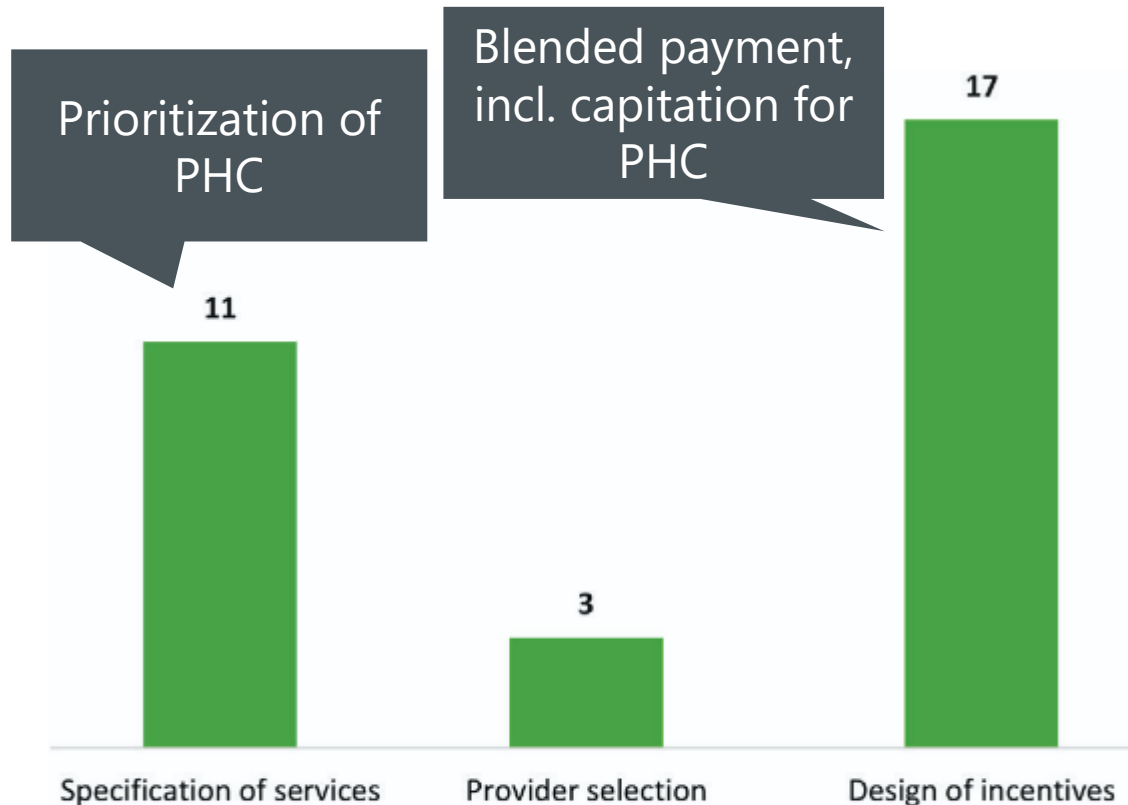


Figure 3. Number of countries with current or planned reforms in purchasing. Three countries had in reforms in more than one core area.

Electronic supplementary material:
The online version of this article contains supplementary material.

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Countdown to 2030: overview of current and planned health financing reforms for universal health coverage in the WHO African Region

Doris Osei Afriyie¹,
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Background Countries in the World Health Organization (WHO) African region are lagging behind in the global push toward universal health coverage (UHC), a core component of the 2030 Agenda for Sustainable Development. As the target year steadily approaches, it is crucial to assess countries' current and planned health financing reforms to understand their path towards UHC. We

Health financing reforms should be guided by principles

- Revenue raising:
 - Moving towards predominant reliance on public funding sources, raised progressively
- Pooling:
 - Reducing fragmentation to enable solidarity
 - Mitigate consequences of fragmentation through cross-subsidization
- Purchasing:
 - Moving towards more strategic purchasing of health services,
 - Make use of incentives and link payment to population health needs and performance
 - Aligning coverage policies with policy objectives



Overview

In practice

Key messages

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2. Health financing in Ghana is good... but can be improved
3. Innovations can help make improvements ... but improvements do not necessarily require innovations
4. Financing principles are important – any reform (innovative or not) should be guided by principles
5. Ghana can make improvement by aligning reforms with health financing principles – supported by politics... (or despite politics?)

Thank you!



In health financing – as in most things in life – reforms are rarely as good as you hope but also not as bad as one may fear

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